King County

Metropolitan King County Council

Budget and Fiscal Management Committee

Housing and Homelessness; Behavioral Health; Fill the Gap

Tuesday, October 4, 2022 – 9:30 a.m.

Councilmembers: Girmay Zahilay, Chair; Claudia Balducci, Reagan Dunn, Jeanne Kohl-Welles, Joe McDermott, Sarah Perry, Pete von Reichbauer

April Sanders, Panel Lead
Gabbi Sawrey, Panel Clerk

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Briefing No. 2022-B0125

Briefing on Proposed 2023 2024 Biennial Budget   Housing and Homelessness; Behavioral Health; Fill the Gap

CONSENT

FINANCE AND BUSINESS OPERATIONS

ANALYST: ANDREW KIM

	Expenditures	Revenues	FTEs	TLTs
2021-2022 Revised Budget	$72,269,200	$66,405,458	167.5	3.0
2023-2024 Base Budget Adjust.	($4,737,708)	($9,026,056)	0.5	(2.0)
2023-2024 Decision Packages	$6,435,518	$14,059,062	6.0	4.0
2023-2024 Proposed Budget	**$73,968,000**	**$71,439,000**	**174.0**	**5.0**
% Change from prior biennium	2.4%			
Dec. Pkg. as % of prior biennium	8.9%			

Major Revenue Sources: FBOD Internal Service Rate (82%), Federal grants, Charges for Services

Base Budget Assumptions: (1) Remove one-time expenditures including those related to pandemic response; (2) annualize supplemental changes; (3) update personnel rates including 4.5% GWI increase for 2023 and 2024; and (4) 2.5% inflation rate.

DESCRIPTION

The Finance and Business Operations Division (FBOD) of the Department of Executive Services provides accounting, procurement, treasury, payroll, and small business services for the county. The division is comprised of five sections:

- **Business Development and Contract Compliance:** Manages the Contracting Opportunities Program for small businesses, the pro-equity contracting initiative, and the apprenticeship and priority hiring programs;
- **Financial Management Services:** Supports central accounting, annual financial reporting, accounts receivable, financial systems support, and federal grants compliance;
- **Procurement and Payables:** Manages purchasing, accounts payable services, p-card administration, travel management support, and employee expense reimbursements;
- **Treasury Operations:** Bills, collects, and distributes property taxes and fees; manages investments and debt services including the county's investment pool; and handles deposits and other banking functions; and
- **Director's Office:** Provides leadership direction, financial management services, human resources administration, division-wide support for Lean and Equity and Social Justice activities, and oversight of electronic payments.

FBOD is an internal service agency and is supported by an internal service rate that is charged to all county departments and agencies that utilize its services.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The 2023-2024 Proposed Biennial Budget would appropriate about $74 million to FBOD. This is a 2.4% net increase from the 2021-2022 Revised Biennial Budget. The net increase includes a reduction of approximately $5 million in one-time expenditures funded by COVID-19 pandemic federal funds during the 2021-2022 biennium and the following key proposals for the 2023-2024 biennium:

- **Grants Compliance Office:** $1.7 million including 1.0 FTE and 4.0 TLTs to establish a countywide Grants Compliance Office to ensure compliance with federal grant requirements including reporting activities, performing grant usage monitoring, mitigating the risk of future audit findings, and reducing the reliance on outside consultants. Since 2020, the county utilized consultant services of Witt O'Brien and Robert Half support activities related to the usage of unprecedented amount of COVID-19 pandemic federal funds. Over $6.5 million were appropriated to support these consultant services. The $1.7 million would be fully revenue-backed by remaining American Rescue Plan Act's Coronavirus Local Fiscal Recovery (CLFR) funds, however FBOD plans to make the Grants Compliance Office a long-term investment and therefore would need to be funded by the FBOD internal service rate in future biennia.
- **Procurement Strategic Sourcing:** $603,000 and 1.0 FTE to add support for procurement strategic sourcing, which uses procurement data to allow the county to leverage its consolidated purchasing power to find cost savings. Over the past 18 months, FBOD has conducted several pilot projects that used strategic sourcing to avoid costs, reduce future price volatility, and realize savings. The pilot projects included telecommunications and mobile phones, office supplies throughout the county, and chemicals used in wastewater treatment plants.
- **Dedicated FBOD Support Staff:** $1.1 million and 3.0 FTEs to support a Project Control Officer to ensure compliance for capital project management for the King County International Airport (KCIA) and Facilities Management Division (FMD), and two procurement leads for the Wastewater Treatment Division (WTD) and KCIA. These staff costs would be paid by the FBOD internal service rate charged to the respective county agencies.

Due to the proposed increase in the FBOD budget, the 2023-2024 Proposed Biennial Budget would include a FBOD internal service rate increase on average of 26.5% charged to county agencies. Moreover, despite the increase, the FBOD financial plan still shows expenditures outpacing revenues resulting in a negative ending fund balance in future biennia. FBOD may need to either reduce expenditures or make another internal service rate increase to reverse this trend.

KEY ISSUES

No key issues have been identified by staff.

OFFICE OF RISK MANAGEMENT SERVICES

ANALYST: ANDREW KIM

	Expenditures	Revenues	FTEs	TLTs
2021-2022 Revised Budget	$131,709,552	$83,511,262	26.5	1.0
2023-2024 Base Budget Adjust.	($34,991,192)	$64,915,382	0.0	(1.0)
2023-2024 Decision Packages	$19,638,858	$421,104	1.0	1.0
2023-2024 Proposed Budget	**$116,358,000**	**$148,848,000**	**27.5**	**1.0**
% Change from prior biennium	(11.7%)			
Dec. Pkg. as % of prior biennium	15.0%			

Major Revenue Sources: ORMS Internal Service Rate

Base Budget Assumptions: (1) Updated actuarial forecast for claims and loss; (2) annualize supplemental changes; (3) update personnel rates including 4.5% GWI increase for 2023 and 2024; and (4) 2.5% inflation rate.

DESCRIPTION

The Office of Risk Management Services (ORMS) manages the county's self-insurance program and all supplemental insurance coverages, investigates and resolves claims filed against the county, advises county agencies on liability related to contracts, and recovers compensation for damages caused by others to county assets. Through the enterprise risk management program/loss control program, ORMS collaborates with county departments to identify areas of potential loss and recommend strategies to reduce exposure to liability.

ORMS is an internal service agency and is supported by an internal service rate that is charged to all county departments and agencies to cover insurance premiums and claim costs.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The 2023-2024 Proposed Biennial Budget would appropriate about $116 million to ORMS. This is a 11.7% net decrease from the 2021-2022 Revised Biennial Budget. The 2021-2022 biennium included an unprecedented number of claims which are not estimated to continue at the same level in the 2023-2024 biennium, and thus a net decrease. However, the 2023-2024 Proposed Budget would still include a $19 million increase in new expenditures. Of the total $19 million, $17 million would cover estimated increases to insurance premiums and claim costs.

The county has been experiencing a rise in claims across the nation and in the county due to social inflation[1] and nuclear verdicts[2]. In 2021, the county resolved 33 claims with payments at or above $100,000 compared to the past 5 years, where the county averaged 19 claims per year over $100,000. Moreover, claims costs rose 84% during 2021 compared to 2020.

The county holds its own self-insurance program covering various liabilities, professional malpractice, police professionals, and public officials' errors and omissions. However, the county also purchases reinsurance and excess liability insurance and maintains various other insurance policies to cover cyber liability, property insurance, excess workers' compensation insurance, fiduciary liability insurance, and marine insurance. Due to the increasing challenge to the global insurance market due to large liability claims, catastrophic property losses, and increased frequency of cyber ransomware attacks, the county's insurance costs have been impacted by higher deductibles, decreased limits, and higher premiums due to exposures and loss experience in areas of national concern such as law enforcement and transportation.

Based on actuarial amounts, executive staff state that it would take over two biennia to mitigate the increased risk management costs and maintain the ORMS fund balance at a minimum of 75% of the actuarially determined reserve amounts as required by the county's financial management reserve policies. In July 2022, the council appropriated $35 million in the 2021 2nd Omnibus to reduce the gap to reach the required reserve level and mitigate the rise of the county's risk management costs. The appropriation was funded with a 53% increase to the risk management internal service rates to all county departments/agencies.[3]

In July, the executive alerted council that it planned to propose an additional 40.5% increase to the risk management internal service rate for the 2023-2024 proposed biennial budget. However, the proposed increase would be closer to 77.7%. This increased rate would support the $19 million of increased proposed appropriation and get the ORMS fund balance closer to the required reserve levels. However, the financial plan still shows a $24 million shortfall to maintain the required reserve level.

KEY ISSUES

No key issues have been identified by staff.

[1] According to Risk Management Fund Update Briefing, 'Social Inflation' is driven by divisions in society, a distrust of corporations and governments. This has resulted in more liberal treatment of claims by courts, judges, and juries. Jurors have become less sensitive to high dollar figures and feel empowered to act on their frustrations.

[2] According to Risk Management Fund Update Briefing, 'Nuclear verdicts' defined as an exceptionally high jury award that surpasses what should be a reasonable amount. For example, a King County jury awarded $150 million to 5 victims of a construction crane collapse in the City of Seattle.

[3] The county's risk management internal service rate for the 2021-2022 biennium is comprised of the following: (a) Claims – 41%, (b) Insurance Premiums – 41%, and (c) ORMS Administration – 18%. Claim rates are calculated based on 5-year claim history (uncapped) plus reserves on open claims (capped at $250,000). Insurance premiums and ORMS administration rates are calculated based on agency's property values, number of FTEs, number of claims, and claim allocation methods.

FACILITIES MANAGEMENT DIVISION PARKING FACILITIES

ANALYST: ANDREW KIM

	Expenditures	Revenues	FTEs	TLTs
2021-2022 Revised Budget	$10,014,708	$9,955,793	0.0	0.0
2023-2024 Base Budget Adjust.	$0	$1	0.0	0.0
2023-2024 Decision Packages	($3,511,038)	$188,678	0.0	0.0
2023-2024 Proposed Budget	**$6,504,000**	**$10,145,000**	**0.0**	**0.0**
% Change from prior biennium	(35.1%)			
Dec. Pkg. as % of prior biennium	(35.1%)			

Major Revenue Sources: Parking fees (from both county employees and the public)

Base Budget Assumptions: None

DESCRIPTION

The Facilities Management Division (FMD) Parking Facilities fund is a sub-fund of the General Fund and accounts for revenues and expenditures related to county-owned parking facilities. County-owned parking facilities include the following six facilities:

- Norm Maleng Regional Justice Center parking structure in Kent;
- Goat Hill parking garage (6th and Jefferson) in Seattle;
- Adult Detention Center parking facilities (5th and James) in Seattle;
- Chinook Building (5th and Jefferson) in Seattle;
- King Street Center (2nd and Jackson) in Seattle; and
- Patricia H. Clark Children and Family Justice Center (12th and Alder) in Seattle[1].

King County Code Chapter 3.32 regulates the county-owned parking facilities including administrative regulations, fees, parking rates, and disposition of parking fee revenues. As per K.C.C. Section 3.32.090 any excess revenue after payment of expenses is distributed to the general fund.

SUMMARY OF PROPOSED BUDGET AND CHANGES

[1] Proposed Ordinance 2022-0310 would add the Patricia H. Clark Children and Family Justice Center to the list of county parking facilities in King County Code. The proposed ordinance is planned for action along with the proposed budget.

The 2023-2024 Proposed Biennial Budget would appropriate $6.5 million to the FMD Parking Facilities appropriation unit. This is a 35.1% net reduction from the 2021-2022 revised biennial budget which is primarily due to the removal of the contribution of excess revenue to the General Fund as an expenditure to the General Fund.

Given that the FMD Parking Facilities fund is a sub-fund of the General Fund, the Finance and Business Operation Division recommended that the county no longer show the contribution of excess revenue to the General Fund as an expenditure (or transfer) to the General Fund. Since these transactions would have the effect of overstating revenues and expenditures by equal amounts to the General Fund, it would not be compliant with Generally Accepted Accounting Principles (GAAP). Instead, the contribution of excess revenue to the General Fund is now an accounting adjustment to reverse the parking revenues received from General Fund county agencies back to the General Fund. The financial plan estimates $4.3 million of parking revenue from General Fund county agencies for the 2021-2022 biennium, so the same amount would be reversed back to the General Fund fund balance. Moreover, this would mean that council appropriation authority would no longer be needed to transfer excess parking fee revenues to the General Fund.

Of note, the 2021-2022 Adopted Biennial Budget estimated parking fee revenues of $13.7 million. However, the latest financial plan estimates a $4.6 million decrease in revenue by the end of this biennium. This is due to decreased usage of parking facilities due to remote work because of the COVID-19 pandemic. This included a 95% decrease in county employee payroll deductions for monthly parking fees and a 50% decrease in revenue from the public's use of the parking facilities. The 2023-2024 proposed budget estimates parking fee revenues of $10.2 million, however this is still less than pre-pandemic levels.

The 2023-2024 proposed budget would also include the following:

- $300,000 to replace the existing PARCS (Parking Access Revenue Control System) at the Goat Hill garage due to existing equipment failure. The current parking system has reached its 10th year of service. The average life expectancy of a normal garage parking system is 7 to 13 years; and
- $416,000 to increase operating expenditures due to return of full valet operation at King Street Center, general increase in labor costs, and additional operating expenses from adding the Patricia H. Clark Children and Family Justice Center parking facility to the county's inventory.

KEY ISSUES

No key issues have been identified by staff.

GENERAL FUND TRANSFER TO DEBT SERVICE

ANALYST: ANDREW KIM

	Expenditures	Revenues	FTEs	TLTs
2021-2022 Revised Budget	$66,546,000	$0	0.0	0.0
2023-2024 Base Budget Adjust.	$2,139,718	$0	0.0	0.0
2023-2024 Decision Packages	($2,747,718)	$0	0.0	0.0
2023-2024 Proposed Budget	**$65,938,000**	**$0**	**0.0**	**0.0**
% Change from prior biennium	(1.0%)			
Dec. Pkg. as % of prior biennium	(4.3%)			

Major Revenue Sources: General Fund

Base Budget Assumptions: Adjustment to debt service payment schedule of existing debt

DESCRIPTION

The General Fund Transfer to Debt Service appropriation unit accounts for General Fund contributions to debt service payments (principal and interest) of limited tax general obligation bonds issued for current and proposed capital projects. The King County Comprehensive Financial Management Policies[1] sets the General Fund debt limit at 6% of General Fund revenues.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The 2023-2024 Proposed Biennial Budget would appropriate $65.9 million of General Fund to support debt service payments for 18 current capital projects and 9 new or expanding capital projects, some of which would include:

- $45.0 million to support the Department of Assessment's Property & Tax Administration System (PTAS)[2];
- $44.5 million to replace HVAC and electrical systems at the Maleng Regional Justice Center (MRJC)[3];

[1] Motion 16041.
[2] Additional analyses are detailed in the Department of Assessments budget staff report.
[3] Additional analyses are detailed in the Major Maintenance Reserve Fund capital budge staff report.

- $18.5 million for various climate equity capital pool projects that were approved by council during the 2021 2nd Omnibus[4];
- $10.0 million of capital projects informed by the participatory budget process for Unincorporated King County[5]; and
- $10.0 million to support the community facilities bond which would support capital projects for community-based organizations outside the county[6].

The projected debt as a percentage of General Fund revenues would be about 2.7% in 2023 and 3.7% in 2024, which would be below the 6% threshold.

Along with the 2023-2024 Proposed Biennial Budget, the executive transmitted Proposed Ordinance 2022-0386 authorizing the issuance of $625 million of limited tax general obligation bonds to support the above projects and other capital projects included in the proposed budget.

KEY ISSUES

No key issues have been identified by staff for this appropriation unit. However, key issues related to specific capital projects may have been identified by staff in other budget staff reports.

[4] The Climate Equity Capital Pool projects are intended to center community voices, create green jobs for BIPOC communities, have environmental benefits, align with the Sustainable and Resilient Frontline Communities (SRFC) section of the Strategic Climate Action Plan (SCAP). The SRFC section of the SCAP was co-developed by executive staff and members of the Climate Equity Community Task Force (CECTF). Through a six-month process, the CECTF crafted the goals of the capital pool, developed criteria for project proposals, and ultimately selected the following projects: (1) Green Building and Zero Energy; (2) White Center Community HUB; (3) Solar Lighting for Parks in underinvested areas; (4) Equitable Wastewater Futures; (5) Energize Home Appliance Upgrade pilot; (6) Farmland Infrastructure for BIPOC farmers on DNRP owned lands.
[5] Additional analyses are detailed in the Department of Local Services budget staff report.
[6] Additional analyses are detailed in the External Support budget staff report.

GENERAL FUND TRANSER TO DEPARTMENT OF EXECUTIVE SERVICES CAPITAL IMPROVEMENT PROGRAM

ANALYST: ANDREW KIM

	Expenditures	Revenues	FTEs	TLTs
2021-2022 Revised Budget	$7,748,000	$0	0.0	0.0
2023-2024 Base Budget Adjust.	($7,748,000)	$0	0.0	0.0
2023-2024 Decision Packages	$3,705,333	$0	0.0	0.0
2023-2024 Proposed Budget	**$3,706,000**	**$0**	**0.0**	**0.0**
% Change from prior biennium	(47.8%)			
Dec. Pkg. as % of prior biennium	47.8%			

Major Revenue Sources: General Fund

Base Budget Assumptions: Zero out prior biennium budget

DESCRIPTION

The General Fund Transfer to Department of Executive Services (DES) Capital Improvement Program appropriation unit accounts for General Fund contribution to the Building Repair and Replacement and Major Maintenance Reserve Fund (MMRF) capital projects in the Facilities Management Division.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The 2023-2024 Proposed Biennial Budget would appropriate $3.7 million of General Fund to support the following FMD capital projects[1]:

- $1.4 million for tenant improvement to create a self-contained mill area to be used to create sets for film production at the Harbor Island warehouse;
- $1.0 million for installation of jump protection panels at the King County Correctional Facility;
- $700,000 for improvements to the Department of Judicial Administration’s customer service area;
- $300,000 for conceptual design and siting work for a potential replacement of the county’s animal shelter;

[1] Additional staff analyses are detailed in the Building Repair and Replacement capital budget staff report.

- $200,000 for design and preparation for remodeling the King County Courthouse Chief Criminal Courtroom; and
- $100,000 for Administration Building demolition planning.

KEY ISSUES

No key issues have been identified by staff for this appropriation unit. However, key issues related to specific capital projects may have been identified by staff in other budget staff reports.

LONG TERM LEASES

ANALYST: ANDREW KIM

	2023-2024 Proposed	2025-2026 Projected	2027-2028 Projected
Revenues	$62,807,354	$87,901,056	$92,296,108
Expenditures	$62,807,354	$87,348,858	$91,716,301

Major Revenue Sources: FMD LTL Internal Service Rate (96%), FMD Lease Admin Fee

DESCRIPTION

The Long Term Leases (LTL) capital fund is managed by the Facilities Management Division (FMD) to support leased county space. The costs for leased county space are supported by the Long Term Lease internal service rate which is charged to county agencies for their share of using leased county space, and the Lease Administration Fee which is charged to agencies for services provided by FMD's Real Estate Services for leasing activities.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The 2023-2024 Proposed Biennial Budget would appropriate $62.8 million to support all leases managed by FMD. This is an 8.4% increase from the 2021-2022 Revised Biennial Budget due to net increases in lease payments and newly established leases. Some notable newly established leases include the following:

- Wastewater Treatment Division's leased space for West Section Offsite staff at the Fisherman's Terminal in Seattle to replace leased space at the James and ArcWeld building at Interbay[1];
- Prosecuting Attorney's Office Civil Division leased space in Columbia Center (5th and Jefferson) in Seattle which replaces the old lease space in 2nd and Seneca[2];
- Sheriff Office's new impound warehouse which replaces the old impound warehouse in 4435 Colorado Ave. S in Seattle; and
- Department of Public Defense's (DPD) Involuntary Treatment Act (ITA) Court space at the Walter Scott Brown building in Seattle.

Of the total proposed appropriation, $2.1 million would be disbursed to FMD's Real Estate Services section (a General Fund agency) for their services rendered. This would be supported by $2.6 million of Lease Administration Fee revenues. The remaining balance

[1] Ordinance 19372.
[2] Ordinance 19463.

of $500,000 would be used to pay leasing costs for the vacant leased space in the Graybar Building.

KEY ISSUES

No key issues have been identified by staff.

MEMBERSHIPS AND DUES

ANALYST: BRANDI PARIBELLO

	Expenditures	Revenues	FTEs	TLTs
2021-2022 Revised Budget	$2,020,900	$00,000,000	000.0	000.0
2023-2024 Base Budget Adjust.	$100,000	$00,000,000	000.0	000.0
2023-2024 Decision Packages	($829,500)	$00,000,000	000.0	(000.0)
2023-2024 Proposed Budget	**$1,291,400**	**$00,000,000**	**000.0**	**000.0**
% Change from prior biennium	(36.1%)			
Dec. Pkg. as % of prior biennium	(41.0%)			

Major Revenue Sources: General Fund.

Base Budget Assumptions: (1) remove 2021-2022 one-time changes including those related to pandemic response.

DESCRIPTION

This appropriation funds membership dues and contributions to organizations that the Executive and County Council identify as benefitting the County and its policy goals. Organizations include Puget Sound Regional Council, Washington Association of Counties, Washington Association of County Officials, and National Association of Counties.

SUMMARY OF PROPOSED BUDGET AND CHANGES

Changes include:

- Reducing annual contributions to Washington State Association of Counties (WSAC) by $119,000 and transferring that same amount to support federal legislative lobbying efforts; and
- Reallocating $500,000 to the newly created Office of Economic Opportunity.

KEY ISSUES

Staff have not identified any issues for this budget.

DEVELOPMENTAL DISABILITIES

ANALYST: BRANDI PARIBELLO

	Expenditures	Revenues	FTEs	TLTs
2021-2022 Revised Budget	$153,225,364	$147,538,706	33.8	000.0
2023-2024 Base Budget Adjust.	($2,547,781)	($400,722)	000.0	000.0
2023-2024 Decision Packages	$18,216,234	$20,916,362	3.0	000.0
2023-2024 Proposed Budget	**$168,893,817**	**$168,054,346**	**36.8**	**000.0**
% Change from prior biennium	10.2%			
Dec. Pkg. as % of prior biennium	11.9%			

Major Revenue Sources: State and federal funds, local cities, outside grant funds, philanthropies.

Base Budget Assumptions: (1) remove 2021-2022 one-time changes including those related to pandemic response; (2) 4.0% GWI for 2023, 4.0% GWI for 2024.

DESCRIPTION

The Developmental Disabilities Division (DDD) is a division of the Department of Community and Human Services that provides services for King County residents with developmental disabilities and their families. Services include early intervention for infants and toddlers with developmental delays, employment services for youth and adults, informational outreach, resource coordination for families of children with developmental disabilities, school to work training, independent living and community integration, and more.

The provision of direct DDD services is mostly carried out through contracts with community non-profits, with DDD staff performing strategic planning, coordination, contract management, compliance, and billing functions.

SUMMARY OF PROPOSED BUDGET AND CHANGES

Changes of note:

- Adds an Early Childhood Transition Lead position to coordinate the transition of children and their families from Early Support for Infants and Toddlers (ESIT) services to community and school based early childhood programming and supports. Total ongoing cost for this position, which includes salary and benefits, is $309,000.

KEY ISSUES

Staff have not identified any issues for this budget.

Department of Judicial Administration MIDD

Analyst: Sam Porter

	Expenditures	Revenues	FTEs	TLTs
2021-2022 Revised Budget	$3,456,805	$0	12.7	0.0
2023-2024 Base Budget Adjust.	$577,451	$0	0.0	0.0
2023-2024 Decision Packages	$258,447	$0	0.0	0.0
2023-2024 Proposed Budget	**$4,293,000**	**$0**	**12.7**	**0.0**
% Change from prior biennium	24.1%			
Dec. Pkg. as % of prior biennium	7.4%			

Major Revenue Sources: Mental Illness and Drug Dependency sales tax

Base Budget Assumptions: Remove 2021-2022 one-time changes including those related to pandemic response, annualize supplemental changes, update personnel rates.

Description

The Department of Judicial Administration (DJA) Mental Illness and Drug Dependency (MIDD) appropriation unit is where costs associated with Adult Drug Court are budgeted. Adult Drug Court is a therapeutic court for offenders with substance abuse issues, combining treatment and judicial supervision.

Summary of Proposed Budget and Changes

The proposed 2023-2024 budget would increase the DJA MIDD allocation by approximately $836,000. Almost 70 percent of this increase is attributed to base budget adjustments. The one substantive decision package in the proposed budget is a one-time allocation of $247,000 to create a pilot restitution fund for Drug Court. The fund would cover mandatory restitution costs for Drug Court participants to allow them to graduate from the program. According to Executive staff, participants are often unable to graduate from Drug Court due to mandatory restitution they are unable to pay.

Key Issues

Staff have not identified any key issues for this appropriation.

SUPERIOR COURT MIDD

ANALYST: SAM PORTER

	Expenditures	Revenues	FTEs	TLTs
2021-2022 Revised Budget	$5,414,265	$0	18.3	0.0
2023-2024 Base Budget Adjust.	$90,971	$0	0.0	0.0
2023-2024 Decision Packages	$29,526	$0	0.0	0.0
2023-2024 Proposed Budget	**$5,535,000**	**$0**	**18.3**	**0.0**
% Change from prior biennium	2.2%			
Dec. Pkg. as % of prior biennium	0.54%			

Major Revenue Sources: Mental Illness and Drug Dependency sales tax

Base Budget Assumptions: Remove 2021-2022 one-time changes including those related to pandemic response, annualize supplemental changes, update personnel rates.

DESCRIPTION

Family Treatment Court and Juvenile Drug Court costs are budgeted in the Superior Court MIDD appropriation unit. The Family Treatment Court is a therapeutic court alternative to Dependency Court for parents who need access to drug and alcohol treatment, judicial monitoring of sobriety and other individualized services. Juvenile Drug Court is a therapeutic court for youth charged with an offense who have alcohol or drug problems. Juveniles in the program attend treatment and are monitored by the Juvenile Drug Court judge.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The Proposed Budget would increase the budget authority for Superior Court MIDD by $120,000 due to base budget adjustments and central rates. There are no substantive decision packages in the DPD MIDD appropriation.

KEY ISSUES

Staff have not identified any key issues for this appropriation.

PUBLIC HEALTH ADMINISTRATION

ANALYST: SAM PORTER

	Expenditures	Revenues	FTEs	TLTs
2021-2022 Revised Budget	$32,432,993	$31,864,996	75.0	0.0
2023-2024 Base Budget Adjust.	$1,993,031	$271,118	0.0	0.0
2023-2024 Decision Packages	$775,556	$3,065,462	7.2	1.0
2023-2024 Proposed Budget	**$35,202,000**	**$35,202,000**	**82.2**	**1.0**
% Change from prior biennium	8.53%			
Dec. Pkg. as % of prior biennium	2.39%			

Major Revenue Sources: Revenues are recovered from divisions in Public Health, Seattle-King County and are based on charges for services.

Base Budget Assumptions: Remove 2021-2022 one-time changes including those related to pandemic response, annualize supplemental changes, update personnel rates.

DESCRIPTION

The Public Health Administration Fund supports the administration of Public Health – Seattle & King County (PHSKC).

SUMMARY OF PROPOSED BUDGET AND CHANGES

The proposed budget for the Public Health Admin Fund consists of $776,000 of net expenditures and 7.2 new FTEs. The primary decision packages include the following:

- $346,000 and 1 FTE to support the newly expanded King County Board of Health that will have 16 regular and 8 alternate members, half of whom will be nonelected. This FTE would meet the operational need posed by the expansion.
- $1.63 million and 4.2 FTEs to add positions supporting workload increase due to the major fund designation and to mitigate compliance risk. This decision package adds capacity in contracting, finance, administration, and program management.
- $385,000 and 1 FTE to add an Advance Practice Nurse Specialist to the Occupational Health Program to meet regulatory requirements for the occupational health program.
- $354,000 and 1 FTE to transfer an employee labor relations position from the Public Health fund to the Public Health Admin fund to align with reporting structure.

KEY ISSUES

Staff have not identified any issues with the proposed budget.

DISTRICT COURT MIDD

ANALYST: SAM PORTER

	Expenditures	Revenues	FTEs	TLTs
2021-2022 Revised Budget	$3,881,402	$0	15.0	0.0
2023-2024 Base Budget Adjust.	$640,290	$0	0.0	0.0
2023-2024 Decision Packages	$212,146	$0	0.0	0.0
2023-2024 Proposed Budget	**$4,734,000**	**$0**	**15.0**	**0.0**
% Change from prior biennium	21.9%			
Dec. Pkg. as % of prior biennium	5.4%			

Major Revenue Sources: Mental Illness and Drug Dependency sales tax

Base Budget Assumptions: Remove 2021-2022 one-time changes including those related to pandemic response, annualize supplemental changes, update personnel rates.

DESCRIPTION

The District Court MIDD appropriation unit is where District Court's therapeutic court costs are budgeted. District Court operates the Regional Mental Health Court, Regional Veterans Court, and Community Court.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The proposed budget would increase the District Court MIDD allocation by $853,000 which is primarily due to base budget adjustments. The programmatic changes represented in the proposed budget include $12,400 to increase funding for urinalysis testing in the therapeutic courts and increasing "flex funds" for community court participant assistance. "Flex funds" could be used for groceries, housing startup costs after incarceration, assistance with medications or eyeglasses, or gift cards for other necessities. Administrative changes to the proposed budget include $188,000 to align non-represented staff pay with comparable positions throughout the County.

KEY ISSUES

Staff have not identified any key issues for this appropriation.

HARBORVIEW MEI 2000 BOND PROJECTS

ANALYST: SAM PORTER

	2023-2024 Proposed	2025-2026 Projected	2027-2028 Projected
Revenues	$27,592,644	$0	$0
Expenditures	$27,592,644	$0	$0

Major Revenue Sources: HMC/MEI 2000 Bond fund balance, LTGO bonds.

DESCRIPTION

Harborview Medical Center (HMC) is a 413-bed hospital and trauma center serving as the only Level 1 trauma center for Washington, Alaska, Montana, and Idaho. The hospital is owned by King County, governed by a 13-member County-appointed Board of Trustees, and operated by the University of Washington. In 2000, Council passed Ordinance 13947 which placed a $193 million bond on the November ballot that was adopted by voters. Proceeds spent on demolition of seismically unsound buildings, construction of replacement buildings, seismic renovations and retrofitting and street improvements.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The proposed budget would allocate $27.6 million to the HMC/MEI 2000 Projects budget and make technical changes closing out four bond projects. Of this allocation, $25 million would be LTGO bonds to construct four outpatient operating rooms in the Ninth and Jefferson Building and the remainder would be backed by fund balance from the 2000 bond. Of the remaining 2000 bond revenue, $1.8 million of the allocation for this budget would pay the election costs of the 2020 HMC levy, $350,000 would be allocated to the single patient room expansion project funded through the 2021 and 2022 HMC Capital Improvement Project budgets, and $1.2 million would support additional planning work to inform the 2020 bond projects. According to Executive staff this amount would be used to produce a more detailed and updated analysis of HMC operational costs and lines of business to maximize revenue and capacity to inform the pre-design phase of the bond funded construction projects.

KEY ISSUES

Analysis ongoing for this appropriation unit.

OFFICE OF ECONOMIC AND FINANCIAL ANALYSIS

ANALYST: WENDY K. SOO HOO

	Expenditures	Revenues	FTEs	TLTs
2021-2022 Revised Budget	$1,104,877	$0	2.5	0.0
2023-2024 Base Budget Adjust.	$62,013	$0	0.0	0.0
2023-2024 Decision Packages	($9,778)	$0	0.0	0.0
2023-2024 Proposed Budget	$1,158,000	**$0**	**2.5**	**0.0**
% Change from prior biennium	4.8%			
Dec. Pkg. as % of prior biennium	(0.9%)			

Major Revenue Sources: General Fund overhead.

Base Budget Assumptions: GWI of 4% in 2023 and 4% in 2024

DESCRIPTION

The Office of Economic and Financial Analysis (OEFA) is an independent office that provides accountability to the public through the production of independent, objective, and transparent economic and revenue forecasts for the County. OEFA's work and official forecasts form the basis for the County's budgeting process. In addition to OEFA's official forecasts, OEFA conducts additional research projects and outreach efforts. OEFA is directed by the County's Chief Economist, who reports to the Forecast Council, which is comprised of the Executive, two Councilmembers and one appointed individual with knowledge of the budgeting process.

SUMMARY OF PROPOSED BUDGET AND CHANGES

OEFA's budget is proposed to increase by 4.8 percent over the 2021-2022 biennium. This is driven by the general wage increases of 4 percent in 2023 and 4 percent for 2024. The budget maintains the office's current staff of 2.5 FTE.

KEY ISSUES

Council staff has not identified any issues.

LIMITED TAX GENERAL OBLIGATION BOND REDEMPTION

ANALYST: WENDY K. SOO HOO

	Expenditures	Revenues	FTEs	TLTs
2021-2022 Revised Budget	$288,645,775	$0	0.0	0.0
2023-2024 Base Budget Adjust.	$42,465,239	$0	0.0	0.0
2023-2024 Decision Packages	$95,100,733	$0	0.0	0.0
2023-2024 Proposed Budget	**$426,212,000**	**$0**	**0.0**	**0.0**
% Change from prior biennium	47.7%			
Dec. Pkg. as % of prior biennium	33.0%			

Major Revenue Sources: Various funds

Base Budget Assumptions: Technical adjustments (early budget assumptions were based on 2022 budget amounts without accounting for adjustments in the 3rd Omnibus)

DESCRIPTION

The Limited Tax General Obligation Bonds Redemption appropriation unit is where debt service for Limited Tax General Obligation Bonds is budgeted. Limited tax general obligation bonds (also known as councilmanic bonds) are commonly issued by the County. These bonds include a promise of the full faith and credit of the issuing agency – in the case of councilmanic bonds, to the taxing authority of the County without a vote of the people.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The Limited Tax General Obligation Redemption appropriation unit is proposed at $426 million (a 48 percent increase over the prior biennium) based on updates to existing principal and interest schedules, as well as a new, proposed bond issuance of approximately $610 million for the new projects shown in the table below. The Executive transmitted Proposed Ordinance 2022-0386, which would authorize the issuance of the new bonds, along with the proposed biennial budget ordinance. Proposed Ordinance 2022-0386 is anticipated to be taken up by the Council during its budget review process.

New Proposed Bond Issuance

Project (Agency)	Proceeds *(in millions)*	Term *(years)*
Climate Equity Projects (various agencies)	$18.5	10
Land Conservation Initiative (DNRP)	$50.0	30

Project (Agency)	Proceeds *(in millions)*	Term *(years)*
Case Management System (DPD)	$2.0	7
White Center Hub (DCHS)	$1.0	10
Electric Vehicle Charging Stations (FMD)	$17.0	10
Forge Site Acquisition (Airport)	$60.0	30
Harborview (FMD)	$25.0	10
Health Through Housing (DCHS)	$85.0	20
Landfill and Transfer Station Projects (SWD)	$233.5	20
Maleng Regional Justice Center (FMD)	$47.0	20
Participatory Budgeting (DLS)	$10.0	10
Skyway Community Center (DNRP)	$2.4	10
Transit Oriented Development Housing (DCHS)	$45.0	20
Call Center Equipment (E-911)	$0.9	5
Community Facilities Bond (Exec/Ext. Support)	$10.0	10
Civil Case Management System (PAO)	$3.5	7

KEY ISSUES

Council staff has not identified any issues with this appropriation unit. Council staff analysis of any policy issues associated these proposed projects will be incorporated into the staff reports for the relevant capital improvement programs and the Council will be deliberating on the proposed bond ordinance later during the budget review process.

UNLIMITED TAX GENERAL OBLIGATION FUND

ANALYST: WENDY K. SOO HOO

	Expenditures	Revenues	FTEs	TLTs
2021-2022 Revised Budget	$29,824,785	$27,937,800	0.0	0.0
2023-2024 Base Budget Adjust.	($1,070,885)	$316,800	0.0	0.0
2023-2024 Decision Packages	($5,194,587)	($5,197,500)	0.0	0.0
2023-2024 Proposed Budget	**$23,560,000**	**$23,057,100**	**0.0**	**0.0**
% Change from prior biennium	(21.0%)			
Dec. Pkg. as % of prior biennium	(17.4%)			

Major Revenue Sources: Voter approved bonds

Base Budget Assumptions: Technical adjustments (early budget assumptions were based on 2022 budget amounts without accounting for adjustments in the 3rd Omnibus)

DESCRIPTION

The Unlimited Tax General Obligation Redemption appropriation unit is where debt service for unlimited tax general obligation bonds is budgeted. Bonds issued with voter approval are referred to as unlimited tax general obligation bonds or simply general obligation bonds.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The budget for the Unlimited Tax General Obligation Redemption appropriation unit is proposed at $23.6 million for the 2023-2024 biennium, which is approximately 21 percent less than in the prior biennium. This reflects updates to debt service schedules for the biennium, including debt service for new bonds issued in 2021 and planned to be issued in 2023-2024 based on the voter-approved levy for the Harborview Medical Center campus.

KEY ISSUES

Council staff has not identified any issues.

VETERANS SERVICES

ANALYST: WENDY K. SOO HOO

	Expenditures	Revenues	FTEs	TLTs
2021-2022 Revised Budget	$6,536,708	$6,659,061	10.0	0.0
2023-2024 Base Budget Adjust.	$15,825	$69,115	0.0	0.0
2023-2024 Decision Packages	($26,953)	$295,807	1.0	0.0
2023-2024 Proposed Budget	**$6,526,000**	**$7,023,983**	**11.0**	**0.0**
% Change from prior biennium	(0.2%)			
Dec. Pkg. as % of prior biennium	(0.4%)			

Major Revenue Sources: Property tax revenues (RCW 73.08.010)

Base Budget Assumptions: Personnel cost updates and removal of one-time budget changes

DESCRIPTION

The Veterans Program provides services to low-income, homeless, disabled, and at-risk veterans and their families, as required by RCW 73.08.010. Veterans, current service members, National Guard members, Reserve members, and dependents of these military personnel may be eligible for Veterans Program services, provided that the individuals meet the applicable residency requirements, length of service standards, and income guidelines.

Veterans Program services are provided directly by Department of Community and Human Services (DCHS) at two main offices and eight satellite offices in King County. Services provided include emergency financial assistance, housing assistance, employment guidance and assistance, case management, life stability, veterans' benefits counseling, and mental health referrals.

RCW 73.08.010 states that the veteran's assistance program shall be funded, at least in part, by property tax revenues authorized under and required by RCW 73.08.080. The levy rate for the King County levy in 2022 was 47 cents. King County established the Veterans Services Fund in K.C.C. 4A.200.748. Other services provided by the Veterans Program are also funded by a dedicated portion of the Veterans, Seniors and Human Services Levy (VSHSL) and accounted for in the VSHSL appropriation unit.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The Veterans Services appropriation unit is proposed to decrease slightly (0.2 percent) to $6.5 million in 2023-2024 due to technical adjustments. The proposed budget would include a 1.0 FTE data system functional analyst at a cost of $277,000. According to

Executive staff, this position would support data analysis and reporting activities. This position aligns with DCHS's efforts to consolidate and coordinate information across various programs.

KEY ISSUES

Council staff has not identified any issues.

STATE AUDITOR'S OFFICE

ANALYST: WENDY K. SOO HOO

	Expenditures	Revenues	FTEs	TLTs
2021-2022 Revised Budget	$2,328,989	$0	0.0	0.0
2023-2024 Base Budget Adjust.	$0	$0	0.0	0.0
2023-2024 Decision Packages	$7,936	$0	0.0	0.0
2023-2024 Proposed Budget	**$2,336,700**	**$0**	**0.0**	**0.0**
% Change from prior biennium	0.3%			
Dec. Pkg. as % of prior biennium	0.3%			

Major Revenue Sources: General Fund

Base Budget Assumptions: N/A

DESCRIPTION

The State Auditor’s Office (SAO) is required by RCW Chapter 43.09 to audit all local governments in the state, and local governments are required to pay costs associated with such audits.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The SAO budget for the 2023-2024 biennium is proposed to increase by about $8,000 due to internal rate adjustments. As of the time of the Executive's budget transmittal, the SAO had not provided an updated hourly rate for local jurisdiction audits. Executive staff expect to receive the updated hourly rate in late 2022.

KEY ISSUES

Council staff has not identified any issues.

INTERNAL SUPPORT

ANALYST: WENDY K. SOO HOO

	Expenditures	Revenues	FTEs	TLTs
2021-2022 Revised Budget	$42,184,084	$5,600,000	0.0	0.0
2023-2024 Base Budget Adjust.	($5,141,208)	($5,600,000)	0.0	0.0
2023-2024 Decision Packages	$2,903,730	$1,600,000	0.0	0.0
2023-2024 Proposed Budget	**$39,947,000**	**$1,600,000**	**0.0**	**0.0**
% Change from prior biennium	(5.3%)			
Dec. Pkg. as % of prior biennium	6.9%			

Major Revenue Sources: General Fund

Base Budget Assumptions: (1) Removal of one-time 2021 Blake supplemental (Ordinance 19319); (2) technical adjustment related to the Employee Transportation Program

DESCRIPTION

The Internal Support appropriation unit includes charges that are paid centrally on behalf of General Fund agencies. For example, the costs associated with providing a Metro Transit bus pass for employees in General Fund departments are budgeted in Internal Support.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The Internal Support budget for 2023-2024 is proposed to decrease by approximately 5.3 percent largely due to removal of a one-time expenditure of $5.6 million related to the Blake decision.[1]

The Internal Support budget also includes $1.45 million in appropriation authority to remit dedicated sales tax revenue to the Pacific Science Center based on a loan agreement authorized via Ordinance 19218 in 2020. The County provided a loan of $11.6 million to Pacific Science Center to be paid back as sales tax revenue dedicated to the center (by an agreement with the state) is received. The overall tax revenue dedicated to the center has exceeded the amount owed to the County to cover the annual loan payment; the $1.45 million being transferred to the Pacific Science Center is the amount of dedicated tax revenues in excess of the loan payment.

KEY ISSUES

Council staff has not identified any issues.

[1] Ordinance 19319

GENERAL FUND TRANSFER TO DEPARTMENT OF EXECUTIVE SERVICES

ANALYST: WENDY K. SOO HOO

	Expenditures	Revenues	FTEs	TLTs
2021-2022 Revised Budget	$9,463,615	$0	0.0	0.0
2023-2024 Base Budget Adjust.	($1,945,399)	$0	0.0	0.0
2023-2024 Decision Packages	$1,160,000	$0	0.0	0.0
2023-2024 Proposed Budget	**$8,679,000**	**$0**	**0.0**	**0.0**
% Change from prior biennium	(8.3%)			
Dec. Pkg. as % of prior biennium	12.3%			

Major Revenue Sources: General Fund

Base Budget Assumptions: (1) Removal of one-time costs for Harbor Island rent and Sheriff's Office payroll cycle transition; (2) Biennialization of additional Courthouse security.

DESCRIPTION

The General Fund provides funding for various services and programs in other funds, including the Department of Executive Services (DES). This appropriation unit supports the transfer of General Fund proceeds to DES.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The General Fund Transfer to DES is proposed to decrease by about 8 percent from $9.5 million to $8.7 million in 2023-2024. This is largely driven by removal of one-time costs adopted in supplemental appropriations ordinances during the 2021-2022 biennium related to Harbor Island rent costs and Sheriff's Office payroll cycle transition costs.[1]

The transfer for 2023-2024 includes:

- $1.0 million for inflationary increases to maintain emergency shelter services in 2023-2024 at status quo levels;
- $5.4 million for King County's contribution to the regional animal services model;
- $900,000 for Harbor Island maintenance and operations, which is a new, ongoing cost; and
- $1.4 million for the security provided by the Sheriff's Office outside the Courthouse (six security officers and one sergeant).

[1] Ordinance 19443 and Ordinance 19307

KEY ISSUES

Council staff has not identified any issues.

EMERGENCY MEDICAL SERVICES

ANALYST: WENDY K. SOO HOO

	Expenditures	Revenues	FTEs	TLTs
2021-2022 Revised Budget	$211,076,742	$205,017,780	137.3	0.0
2023-2024 Base Budget Adjust.	$7,390,733	($1,825,788)	0.3	0.0
2023-2024 Decision Packages	$41,167,377	$34,621,018	7.0	0.0
2023-2024 Proposed Budget	**$259,635,000**	**$237,813,010**	**144.6**	**0.0**
% Change from prior biennium	23.0%			
Dec. Pkg. as % of prior biennium	19.5%			

Major Revenue Sources: Emergency Medical Services levy

Base Budget Assumptions: Updated personnel costs and removal of one-time, grant-backed supplementals

DESCRIPTION

EMS, a division of Public Health – Seattle & King County (PHSKC), operates a coordinated regional partnership providing a continuum of care for people in need of emergency medical care services (Medic One) and oversees a tiered regional model for emergency medical care and training throughout the county. EMS is primarily funded by a countywide, voter-approved six-year EMS levy which will expire at the end of 2025. The EMS levy funds supporting this budget are restricted by state law and can only be spent on EMS-related activities.

The tiered system model is built on partnerships rooted in regional, collaborative, and cross jurisdictional coordination. This system operates in a coordinated partnership with five dispatch centers, five paramedic providers, and 28 fire departments. This partnership also requires collaboration with local hospital emergency departments, private ambulance companies, and other organizations.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The EMS budget is proposed to increase by 23 percent from $211 million in 2021-2022 to $260 million in 2023-2024. The proposed changes are largely driven by technical adjustments to allocations to EMS regional partners ($21.5 million), strategic initiatives ($4.1 million), and King County Medic One ($5.2 million), as provided for in the Medic One/EMS 2020-2025 Strategic Plan.

In addition, several smaller requests include:

- $1.6 million for increased regional emergency medical technician (EMT) and paramedic training. A significant portion of the EMT and paramedic workforce is eligible for retirement. This decision package focuses on training for new EMTs and paramedics.

- $2.1 million[1] and 6 FTE for increased King County Medic One staffing. This decision package addresses King County Medic One's operational needs from having a less experienced workforce.
    - One position is added to augment recruitment, training, mentoring and quality improvement activities;
    - Two additional paramedic FTEs are proposed to better support 24-hour service provided by 9 paramedic units in south King County; and
    - The remaining positions would support additional paramedic intern FTEs.

- $1.1 million to replace a 22-year old training and recertification learning platform that supports training of EMS system partners, including EMTs and paramedics employed by fire agencies and cities. This amount represents about half of the overall $2.2 million budgeted for this project[2] in the capital improvement program.

- $378,000 for an Equity, Inclusion and Belonging Manager to support the regional EMS system, including working with external partners and Public Health and King County staff. According to Executive staff, this position would provide a leadership role to work to enhance EMS's approach to equity and social justice. This position would partner with the Fire Chiefs Diversity, Equity and Inclusion Subcommittee and work on internal recruitment strategies for the future EMS workforce. The position would also support planning for the next levy period.

KEY ISSUES

Council staff has not identified any issues.

[1] Approximately $600,000 of this amount is associated with retirement payouts.
[2] Project 1143729

HEALTH THROUGH HOUSING

ANALYST: APRIL SANDERS

	Expenditures	Revenues	FTEs	TLTs
2021-2022 Revised Budget	$75,534,651	$122,536,796	9.0	0.0
2023-2024 Base Budget Adjust.	$29,597,241	$25,687,340	0.0	0.0
2023-2024 Decision Packages	$45,605,228	($8,487,164)	4.0	0.0
2023-2024 Proposed Budget	**$150,738,000**	**$139,737,000**	**13.0**	**0.0**
% Change from prior biennium	99.6%			
Dec. Pkg. as % of prior biennium	60.4%			

Major Revenue Sources: Health through Housing sales tax

Base Budget Assumptions: (1) Remove one-time charges, including those related to pandemic response; (2) annualize supplemental changes; (3) update personnel rates; (4) increase in OEFA forecast compared to 2021-2022.

DESCRIPTION

The Health through Housing (HtH) fund was created during the 2021-2022 Biennial Budget process and houses revenue for the 0.1% Health through Housing Sales tax. The Health through Housing Sales tax was established through Ordinance 19179, which required proceeds to be spent on the uses outlined in state statute, prioritizing those within the specified population groups in RCW 82.14.520(2)(b) and whose income does not exceed 30% of the King County area median income (AMI). Additionally, proceeds were required to be allocated with the objective of reducing racial and ethnic disproportionality among those experiencing chronic homelessness. The paramount goal of the tax is defined in K.C.C. 24.30.030 as "the creation and ongoing operation of 1,600 units of affordable housing with housing-related services for eligible households in King County that are experiencing chronic homelessness or that are at risk of experiencing chronic homelessness."

SUMMARY OF PROPOSED BUDGET AND CHANGES

The 2023-2024 proposed Health through Housing fund is $150.7 million (a 99.6 percent increase from the last biennium) with 13 FTEs (4 more than the last biennium, including one transfer from another fund and 3 additional FTEs).

Notable proposed changes include:

- Transfer of a special project manager from the Housing and Community Development fund to the HtH fund to reflect where the employee has been assigned;

- 3 additional FTEs, including an operations manager, a capacity lead and a referral specialist;
- $48.4 million adjustment to reflect updated forecasts and to match the HtH Implementation Plan adopted in Ordinance 19366[1]; and
- $5 million reduction in the HtH transfer to the Behavioral Health fund (see Issue 1) below.

Other technical adjustments include central rate adjustments and revenue adjustments.

KEY ISSUES

ISSUE 1 – BEHAVIORAL HEALTH FUND CONTRIBUTION

The proposed budget includes a $5 million reduction in the HtH transfer to the Behavioral Health fund. Ordinance 19236[2] requires at least 9 percent and no more than 13 percent of the total HtH proceeds to be allocated for the "provision, delivery and administration of behavioral health treatment programs and services […]"[3]. Due to favorable Behavioral Health fund forecasts, the Executive proposes to reduce the transfer from 13 percent to 9 percent.

The adopted Health through Housing Implementation Plan states in Sub-Strategy 3 that "the expenditure plan dedicates 13 percent of revenues toward behavioral health services from 2022-2028."[4]

The HtH Implementation Plan outlines a process for communicating and making substantive changes[5] in which the Executive will transmit a notification letter to Council. Unless the Council passes a motion rejecting the contemplated change within 30 days, the Executive may proceed with the change set forth in the notification letter.

A substantive change, as defined by the HtH Implementation Plan, is a "change or series of changes within the same calendar year that change an HtH Strategy's annual allocation by more than the greater of five percent or $150,000[…], unless such a change is due to additional revenue, allocated according to the priorities described later in this section, that does not reduce another strategy's allocation." The Behavioral Health fund is receiving CLFR dollars that may constitute additional revenue, allowing for this change without a notification letter by the Executive.

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[1] https://mkcclegisearch.kingcounty.gov/LegislationDetail.aspx?ID=5121460&GUID=7DC46271-C6B3-4D90-B6DE-DEF37CD0A7D5&Options=Advanced&Search=
[2] https://mkcclegisearch.kingcounty.gov/LegislationDetail.aspx?ID=4652907&GUID=5E5E8D61-6B3B-46EC-937C-6FD39E8CB6F0&Options=Advanced&Search=&FullText=1
[3] Ordinance 19236, Section A.9.d.
[4] https://mkcclegisearch.kingcounty.gov/LegislationDetail.aspx?ID=5121460&GUID=7DC46271-C6B3-4D90-B6DE-DEF37CD0A7D5&Options=Advanced&Search=

HOUSING AND HOMELESS PROGRAM

ANALYST: APRIL SANDERS

	Expenditures	Revenues	FTEs	TLTs
2021-2022 Revised Budget	$24,256,934	$0	0.0	0.0
2023-2024 Base Budget Adjust.	$6,326,360	$0	0.0	0.0
2023-2024 Decision Packages	$12,604,420	$0	0.0	0.0
2023-2024 Proposed Budget	**$43,188,000**	**$0**	**0.0**	**0.0**
% Change from prior biennium	78.0%			
Dec. Pkg. as % of prior biennium	52.0%			

Major Revenue Sources: Lodging tax dollars

Base Budget Assumptions: (1) Remove one-time changes due to pandemic response; and (2) annualize supplemental changes.

DESCRIPTION

The Housing and Homeless Program appropriation unit is used for lodging tax expenditures related to Transit-Oriented Development (TOD) affordable housing and Homeless Youth programs. To simplify the administration of lodging tax dollars, four appropriation units were created to track ongoing spending, but only one (the Arts and Culture fund) is used to record revenue, as well as administrative functions.

Ordinance 18788 guides the spending of lodging tax revenues, which allocates 34.9% towards TOD affordable housing and 2.6% for homeless youth programs.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The 2023-2024 proposed Housing and Homeless Program appropriation unit is $43.2 million (a 78 percent increase from the last biennium) with 0 FTEs.

The proposed budget reflects a single technical adjustment of a $10 million increase in funding for Affordable Housing and Homeless Youth based on the latest OEFA Forecast. This funding comes from lodging tax revenue as allocated by Ordinance 18788[1].

Changes also include central rate adjustments and a base budget adjustment.

[1] https://mkcclegisearch.kingcounty.gov/LegislationDetail.aspx?ID=3585391&GUID=4C4DA409-D946-4189-AF23-59682F4FEF44&Options=Advanced&Search=

KEY ISSUES

No issues have been identified by staff.

HOUSING AND COMMUNITY DEVELOPMENT

ANALYST: APRIL SANDERS

	Expenditures	Revenues	FTEs	TLTs
2021-2022 Revised Budget	$885,764,063	$927,533,174	62.2	0.0
2023-2024 Base Budget Adjust.	($225,744,392)	($331,918,406)	0.0	0.0
2023-2024 Decision Packages	($96,202,399)	($14,569,688)	12.5	0.0
2023-2024 Proposed Budget	**$563,818,000**	**$581,046,000**	**74.7**	**0.0**
% Change from prior biennium	(36.5%)			
Dec. Pkg. as % of prior biennium	(10.9%)			

Major Revenue Sources: Recording fees, state, federal, interfund transfers, TOD bond, HtH bond, Hotel/Motel sales tax, short-term hotel tax, SHB 1406, CLFR-ARPA grants, state COVID-19 grants.

Base Budget Assumptions: (1) Remove one-time charges, including EPRAP dollars and other moneys related to pandemic response; (2) annualize supplemental changes; and (3) update personnel rates.

DESCRIPTION

The Housing and Community Development (HCD) fund provides a mechanism for King County to administer several federal, state, and local funding sources that support homelessness prevention, housing repair, low-income and special needs housing development, and community development.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The 2023-2024 proposed Housing and Community Development fund is $563.8 million (a 0.36 percent decrease from the last biennium) with 74.7 FTEs (12.5 more than the last biennium, including several FTE transfers).

A summary of the requests for new and transferring FTEs can be found below:

Table 1.
Proposed FTE Changes

Number of FTEs	Purpose	Costs	Other
5.0	Administer the rental assistance program funded by House Bill 1277	$1,413,807	Revenue-backed
4.5	Capital Program Staffing	$1,214,507	Revenue-backed
2.0	Finance Staffing	$515,727	Revenue-backed
1.0	BSK Capital Grants Lead	$352,884	Revenue-backed
1.0	True Blood Program Position[1]	$276,523	Technical adjustment
(1)	Director of Operations and Emergency Response	($501,092)	Transfer to DCHS Admin fund
1.0	Finance Manager	$398,702	Transfer from the BSK fund
(1.0)	Special Project Manager	($376,296)	Transfer to HtH fund

Notable decision packages in this appropriation unit include:

- $45 million bond for Transit-Oriented Development (TOD) in 2023, backed by lodging tax revenue (See Issue 1);
- $70.5 million in ongoing document recording fees from the State Department of Commerce for rental assistance and supportive housing operations, maintenance and services (See Issue 2);
- $1.45 million in one-time General fund revenue to support planning, policy and operational functions that support enterprise-wide work related to housing; and
- $38.5 million reappropriation of Coronavirus Local Fiscal Recovery (CLFR) funding (summarized in Table 2 below).

Table 2.
Proposed CLFR Reappropriations

Downtown Campus 24/7 Onsite Crisis Response	$1,201,435
Temporary Leased Sobering Center Operations	$1,913,792
Enhanced Shelter	$20,400,000
Outreach	$2,000,000
Provider Co-Mentorship and Consultation	$340,000
Encampment Health and Hygiene	$485,516
Benefit Access	$210,000
Family Shelter	$325,000
Tiny House Villages	$2,556,220
RV Support	$3,059,646
Shelter Deintensification	$5,992,949

[1] Note that this position was added in the 2021-2022 second omnibus but not reflected in the proforma base budget.

The proposed budget includes a net zero budget for the King County Regional Homelessness Authority, which will reflect 2021-2022 appropriation levels with base budget adjustments (See Issue 3).

Several technical adjustments are included in the proposed budget, including removing $313 million in one-time Health through Housing bond proceeds, reappropriating $9 million in Climate Equity Award dollars, most of which has been awarded to various projects, and updating revenue and expenditure authority for remaining TOD bond proceeds, House Bill 1406 funding, and short-term lodging taxes. Other technical adjustments include central rate adjustments and vacancy rate adjustments. The central rate adjustment includes a large increase from the base due to inclusion of SoDo lease payments and the city of Seattle's annual $5 million contribution.

KEY ISSUES

ISSUE 1 – 2023 TOD BONDS AND ER 1

The proposed budget would issue $45 million in TOD bonds in 2023 backed by lodging tax revenue and the expenditures would be guided by the proposed Expenditure Restriction ER1.

ER 1 would require that $45 million of general obligation bond proceeds be expended solely for the "preservation, acquisition or development of affordable workforce housing […] within one-half mile of a transit station". The funding would then be allocated as follows:

1) Up to $20 million to complete funding for sites located on surplus Sound Transit or Metro Transit Department property that can start construction before 2025. Sites include, but are not limited to:
    a. City of Burien/Metro joint redevelopment project up to $7 million; and
    b. Northgate Project (BRIDGE Housing/Community Roots Housing) up to $7.6 million.
2) Up to $7.5 million for Access to Our Community to provide housing in south King County that serves immigrant and refugees previously at risk of displacement.
3) Up to $15 million at transit areas with previous county appropriations, such as:
    a. North King County park and rides;
    b. Kent/Des Moines light rail; and
    c. Eastside light rail or I-405 bus rapid transit.
4) Remaining moneys would be expended through a competitive process based on the speed and amount of housing that will be developed, encouraging partnership with community-based organizations that create access to affordable housing in areas facing displacement pressures.

If any identified project or location is found to be infeasible, unduly delayed, achievable with less moneys, or if another project can create affordable housing faster, dollars could be reallocated with advanced Council notice. The Executive would transmit a notification letter to council and could move forward unless Council passes a motion rejecting the contemplated change within 30 days of transmittal.

ISSUE 2 – DOCUMENT RECORDING FEES

The proposed budget would allocate $20.5 million from new document recording fees from the State Department of Commerce for rental assistance. These dollars would be administered through the Housing, Homelessness and Community Development Division (HHCDD) and the Adult Services Division (ASD). Executive staff state that In HHCDD homelessness prevention and housing stability projects, implemented by non-profit providers, will be expanded to include more partners providing case management and to serve additional households. ASD will build on the Eviction Prevention and Rent Assistance Program (EPRAP) and look to continue existing partner relationships into the future.

An additional $30 million would be appropriated for operations, maintenance, and services for existing and new supportive housing sites. This proposal is dependent on state document recording fees that are expected to be contracted but will not be finalized until early to mid-2023. DCHS continues to work with the Department of Commerce to finalize an estimate in the meantime.

ISSUE 3 – KCRHA FUNDING

The proposed budget includes a net zero budget for the King County Regional Homelessness Authority, which will reflect 2021-2022 appropriation levels with base budget adjustments. The base budget for the KCRHA is $89 million over the 2023-2024 biennium. This includes $28 million in state Housing and Essential Needs (HEN)[2] program dollars that DCHS would transfer to the KCRHA.

Council staff have requested additional information on what is included in the base budget. Analysis is ongoing.

[2] Housing and Essential Needs (HEN) Referral Program | DSHS (wa.gov)

JOBS AND HOUSING PROGRAM

ANALYST: APRIL SANDERS

	Expenditures	Revenues	FTEs	TLTs
2021-2022 Revised Budget	$33,000,000	$33,000,000	0.0	0.0
2023-2024 Base Budget Adjust.	($33,000,000)	($33,000,000)	0.0	0.0
2023-2024 Decision Packages	$18,837,842	$18,837,842	0.0	0.0
2023-2024 Proposed Budget	**$18,838,000**	**$18,838,000**	**0.0**	**0.0**
% Change from prior biennium	(42.9%)			
Dec. Pkg. as % of prior biennium	57.1%			

Major Revenue Sources: Federal (COVID), transportation and mobility supports by Metro.

Base Budget Assumptions: (1) Remove one-time charges, including those related to pandemic response; (2) annualize supplemental changes; (3) update personnel rates.

DESCRIPTION

The Jobs and Housing Program was established by the Council in the COVID 7 budget passed in 2021 and included an appropriation of CLFR dollars for a new initiative to support a jobs and rehousing program for individuals experiencing homelessness. The Jobs and Housing Program began operations in 2021 to provide temporary jobs, career preparation, housing, and support services to people experiencing homelessness. Program participants receive these services for up to one year so that they can secure permanent housing and exit the homelessness system. Subsidized jobs may be with King County or other community partners that were selected in two procurement rounds in late 2021 and early 2022.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The 2023-2024 proposed Jobs and Housing Program appropriation unit is $18.8 million (a 43 percent decrease from the last biennium) with 0 FTEs.

The proposed budget includes a single technical adjustment that would reappropriate $18.8 million in Coronavirus Local Fiscal Recovery (CLFR) funding for the Jobs and Housing program. The bulk of these dollars are currently under contract with community-based providers. To date, 149 individuals experiencing homelessness were enrolled in the program.

KEY ISSUES

No issues have been identified by staff.

COMMUNITY SERVICE OPERATING

ANALYST: APRIL SANDERS

	Expenditures	Revenues	FTEs	TLTs
2021-2022 Revised Budget	$33,836,296	$33,939,409	15.6	0.0
2023-2024 Base Budget Adjust.	($17,025,524)	($18,599,001)	0.0	0.0
2023-2024 Decision Packages	$2,953,525	$3,174,736	(1.0)	0.0
2023-2024 Proposed Budget	**$19,765,000**	**$18,516,000**	**14.6**	**0.0**
% Change from prior biennium	(41.6%)			
Dec. Pkg. as % of prior biennium	8.7%			

Major Revenue Sources: Federal (COVID), GF, interfund transfers.

Base Budget Assumptions: (1) Remove one-time changes, including those related to pandemic response; (2) annualize supplemental changes; (3) update personnel rates.

DESCRIPTION

The Community Service Operating (CSO) appropriation unit is operated by the Department of Community and Human Services (DCHS) and is used to gather and distribute revenue to other divisions, funds, or appropriation units in support of a wide variety of human service activities and contracts. Prior to the 2015-2016 budget, this fund was known as the Children and Family Service Fund. The CSO Fund includes the Community Services Division Admin fund (CSD Admin). The Community Services Division Admin Fund (or CSD Admin) has functions include: (1) administration; (2) community services contracts; (3) General Fund-funded or other special revenue funded projects and emergent needs; and (4) Adult Services Economic Development Programming.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The 2023-2024 proposed Community Service Operating appropriation unit is $19.8 million (a 41.6 percent decrease from the last biennium) with 14.6 FTEs (1 fewer than the last biennium).

Notable proposed decision packages include:

- $2 million appropriation for the record relief and expungement program backed by state marijuana excise tax revenue. Information on this can be found in Issue 1 below;

- $2.3 million reappropriation in CLFR funds to stabilize and support senior centers[1]; and
- 1 additional FTE for Program Management Capacity to accommodate increased workload associated with Council-directed programmatic work within DCHS.

Several technical adjustments include an additional $420,000 for human services contracts inflationary increases, central rate adjustments and a transfer of $1.5 million of Grant Application and Capacity Building (GACB) dollars, particularly monies from Racism Is a Public Health Crisis, from the General Fund into the division managing the program, which would transfer 2 FTEs out of this fund.

KEY ISSUES

ISSUE 1 – RECORD RELIEF AND EXPUNGEMENT PROGRAM

The proposed budget for this fund would appropriate $2 million for the record relief and expungement program backed by state marijuana excise tax revenue. This appropriation would continue the program, which provides legal financial obligation relief and support activities to increase life opportunities.

The Executive states that these activities would be coordinated with other state-funded efforts to address the 2021 Blake Decision, which made criminalizing possession of controlled substances unconstitutional. DCHS began to play a role in this service after the 2021-2022 biennial budget. Previously, this work was housed solely in the Department of Public Defense and the Prosecuting Attorney's Office.

Expenditure recommendations in the 2023-2024 budget are based on recommendations from the County's Marijuana Interbranch Team (IBT).

The 2021-2022 biennial budget allocated $2.8 million for this program. Executive staff indicate that the IBT intended this program to be ramped down as resources shifted to more long-term investments, like youth prevention and sustained community-directed investments.

[1] $2.9 million was allocated for senior centers through Ordinance 19289. Executive staff indicate that these programs were delayed due to procurement and capacity limitations. $1.8 million has been awarded to 19 senior centers and the remaining dollars would be reprocured in the 4th quarter of 2022.

DCHS ADMIN

ANALYST: APRIL SANDERS

	Expenditures	Revenues	FTEs	TLTs
2021-2022 Revised Budget	$64,671,422	$64,262,932	29.0	0.0
2023-2024 Base Budget Adjust.	($49,704,825)	($49,981,134)	0.0	0.0
2023-2024 Decision Packages	$14,595,683	$15,280,478	7.0	0.0
2023-2024 Proposed Budget	**$29,563,000**	**$29,563,000**	**36.0**	**0.0**
% Change from prior biennium	(54.3%)			
Dec. Pkg. as % of prior biennium	22.6%			

Major Revenue Sources: Federal, state, local, GF, interfund transfers.

Base Budget Assumptions: (1) Remove one-time changes including those related to pandemic response; (2) annualize supplemental changes; (3) update personnel rates.

DESCRIPTION

Community and Human Services Administration (DCHS Admin) provides oversight for all the programs and services within the Department of Community and Human Services (DCHS). It also includes costs and revenues associated with the DCHS Director's Office, which provides general oversight for all programs and services contracted or provided by the department and oversees critical business functions that connect the department and its lines of business. These include finance and budget preparation and oversight, payroll, human resources, communications, emergency/disaster response, legislative coordination, performance measurement design and oversight, and data and evaluation. This function is set up like an internal service fund, with funds to support the Director's Office activities coming from a cost allocation formula applied to all of the funds in DCHS.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The 2023-2024 proposed DCHS Admin budget is $29.6 million (a 54.3 percent decrease from the last biennium) with 36 FTEs (7 more than the last biennium).

Notable proposed decision packages include:

- Reappropriate CLFR/ARPA dollars for four programs that were initially appropriated in the 2021-2022 biennial budget. Particularly for gender-based violence survivor support, domestic violence support, civil legal aid, and support staff costs.
- 5 new revenue-backed FTEs within DCHS, including for a Government Relations Administrator, a Digital Communications Specialist, a Language Access Program

Manager, and to expand the Director's office fiscal capacity and equity and social justice capacity.

Additionally, the proposed budget includes technical adjustments, including central rate charges, a software licensing cost adjustment for the contract management system replacement capital project, vacancy rate adjustments, and the transfer of 2 FTEs from other funds to better reflect the employee workload.

KEY ISSUES

Staff have not identified any issues with this budget.

EMPLOYMENT EDUCATION RESOURCE

ANALYST: APRIL SANDERS

	Expenditures	Revenues	FTEs	TLTs
2021-2022 Revised Budget	$40,031,415	$39,575,036	36.6	0.0
2023-2024 Base Budget Adjust.	($2,276,608)	($1,291,606)	0.0	0.0
2023-2024 Decision Packages	$2,266,993	$1,158,081	5.0	0.0
2023-2024 Proposed Budget	**$40,022,000**	**$39,442,000**	**41.6**	**2.0**
% Change from prior biennium	0.0%			
Dec. Pkg. as % of prior biennium	5.7%			

Major Revenue Sources: Federal, state, GF, intragovernmental, interfund transfers BSK, other.

Base Budget Assumptions: (1) Remove one-time changes, including those related to pandemic response and one-time BSK program revenues and expenditures; (2) annualize supplemental changes; (2) update personnel rates.

DESCRIPTION

The Employment and Education Resources (EER) program of the Department of Community and Human Services (DCHS) provides education, job placement, training and other services to youth and adults through a combination of contracted services and services provided directly by King County employees. Populations served by EER programs include youth who have dropped out of high school, youth in danger of dropping out of high school, gang-involved youth, low-income adult job seekers, homeless families, young parents with children, individuals with limited English proficiency, adults with prior criminal justice involvement, and displaced workers.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The 2023-2024 proposed Employment Education Resource appropriation unit is $40.02 million, which is consistent with the last biennium, with 41.6 FTEs (5 more than the last biennium).

Notable proposed decision packages include:

- Two revenue-backed direct service changes. First, $500,000 in ongoing revenue to support the Learning Center North, which would convert 5 TLTs to FTEs.[1]

[1] Executive staff state that, due to COVID-19, the new program was delayed a year and a half and the delay of the program inadvertently led to the perception that this was a one-time cost. If approved, this $500,000 would be added to the base budget in future biennia.

Second, $130,000 for the New Family Services Program, which serves new moms by helping them reach educational and employment goals.

- $590,000 in an ongoing appropriation for the improvement and expansion of the existing YouthSource space in Tukwila, which is a school for youth and young adults to provide education and employment opportunities.
- $662,000 and 2 TLTs to end the use of the CFJC for youth incarceration.

One technical adjustment of note is the proposed removal of the remaining Adult Services Division EER program budget authority. Other technical adjustments include revenue and expenditure adjustments, vacancy rate adjustments, central rate adjustments, and transfer of the School-to-Work program to the Developmental Disabilities fund.

KEY ISSUES

No issues have been identified by Council staff.

GENERAL FUND TRANSFER TO DCHS

ANALYST: MIRANDA LESKINEN

	Expenditures	Revenues	FTEs	TLTs
2021-2022 Revised Budget	$72,660,618	$0	0.0	0.0
2023-2024 Base Budget	($41,547,018)	$0	0.0	0.0
2023-2024 Decision Packages	$541,321	$0	0.0	0.0
2023-2024 Proposed Budget	**$31,655,000**	**$0**	**0.0**	**0.0**
% Change from prior biennium	(56.4%)			
Dec. Pkg. as % of prior biennium	0.7%			

Major Revenue Sources: General Fund

Base Budget Assumptions: (1) Removal of one-time changes from 2021-2022 revised budget, (2) Annualize supplemental ongoing changes; (3) Updated personnel rates.

DESCRIPTION

Transfers to DCHS support several programs in Housing, Community Services, Employment and Education Resources and Developmental Disabilities and Early Childhood supports.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The 2023-2024 proposed GF transfer to DCHS is approximately $31.6 million, which is a 56.4 percent decrease from the 2021-2022 biennium, and would be distributed into the following funds as follows:

- Transfer to Housing and Community Development Fund: $3.2 million
- Transfer to Employment and Education Resources Fund: $14.9 million
- Transfer to Community Services Operating Fund: $11.8 million
- Transfer to Developmental Disabilities Fund: $1.6 million

Notable proposed decision packages in the GF transfer to DCHS include:

- $2 million (corresponding decision package in the CSO Fund) added (funded through transfer from marijuana excise tax revenues) for legal financial obligation relief and records expungement.
- $1.5 million (corresponding decision package in the HCD Fund) added in one-time General Fund support (partially recovered through GF overhead charges) to support planning, policy and operational functions that support enterprise-wide work related to housing.
- Elimination of the transfer to DCHS's Behavioral Health Fund and moving currently funded programs and services to other flexible behavioral health resources.

- $0.66 million (corresponding decision packages in the EER and DAJD Funds) added to support 2 TLT positions and one-time non-labor expenditures to end the use of the CFJC for youth incarceration.

KEY ISSUES

Staff have not identified any issues with this budget.

BEST STARTS FOR KIDS

ANALYST: MIRANDA LESKINEN

	Expenditures	Revenues	FTEs	TLTs
2021-2022 Revised Budget	$237,402,247	$211,358,644	52.8	0.0
2023-2024 Base Budget	$25,956,624	$55,001,062	0.0	0.0
2023-2024 Decision Packages	$19,677,989	$21,899,243	0.2	0.0
2023-2024 Proposed Budget	**$283,037,000**	**$288,259,000**	**53.0**	**0.0**
% Change from prior biennium	19.2%			
Dec. Pkg. as % of prior biennium	8.3%			

Major Revenue Sources: BSK Levy

Base Budget Assumptions: (1) Removal of one-time changes from 2021-2022 revised budget, (2) Annualize supplemental ongoing changes; (3) Updated personnel rates.

DESCRIPTION

In August 2021, King County voters approved a 2022-2027 renewal Best Starts for Kids (BSK) Levy, which is a six-year property tax levied at a rate of $0.19 per $1,000 of assessed valuation in 2022, with an increase of up to three percent for each of the five subsequent years of the levy—2023 through 2027. The levy is anticipated to generate a total of approximately $908.3 million in revenues over the six-year levy period, based on the August 2022 revenue forecast.

Per Ordinance 19267, 22.5 percent of the first-year levy proceeds (after accounting for attributable election costs) are to be allocated toward the Youth and Family Homelessness Prevention Initiative (YFHPI), a new affordable child care program, a new child care workforce demonstration project, and continuing technical assistance and capacity building programs. In the subsequent levy years (2023-2027), rather than specifying an annual percent allocation, it is broadly directed that the amount to be distributed to these "First Allocation" programs be allocated so that the six-year levy investment for these purposes totals at least $240 million including $1M annually to go toward a grant program to support capacity building and developing infrastructure in areas lacking services/services infrastructure.

All remaining levy proceeds are to be disbursed as follows to plan, provide, and administer the following:

- 50 percent for Investing Early strategies (ages 0-5)
- 37 percent for Sustain the Gain strategies (age 5 or older)
- 8 percent for Communities of Opportunity
- 5 percent for performance measurement, evaluation and data collection; Children and Youth Advisory Board (CYAB) stipends; and pro-rationing mitigation (if

authorized by ordinance) for applicable local metropolitan parks, fire and public hospital districts.

The renewal levy will also invest up to $50 million (subject to levy revenue projections) to establish a new capital grants program for facility/building repairs and expansion and to support the construction of new buildings/facilities that will serve children and youth. Program funding will be subject first to reduction (meaning reduced before reductions to other program funding) if total levy revenue projections fall below $872M.

In November 2021, Council approved Ordinance 19354, which adopted the BSK implementation plan to govern the expenditure of levy proceeds from 2022 through 2027.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The 2023-2024 proposed BSK Fund budget is $283 million, which is a 19 percent increase from the 2021-2022 biennium. Notable items proposed in the BSK budget for 2023-2024 include:

- $16.7 million for technical adjustments across BSK to align with its implementation plan (funding the difference between the proforma budget and adopted renewal BSK implementation plan).
- $500,000 for ongoing funding of the Learning Center North/Career Education Options program merger at Shoreline Community College to create a pipeline for opportunity youth (e.g., out-of-school youth and young adults without a high school diploma) to get “to and through” post-secondary education (e.g., return to school for education and/or technical training).
- $180,000 for stipends for community members participating in program or strategy design. As indicated by the Executive, this proposal aligns with the BSK Stakeholder Compensation Workgroup recommendation for equity in community participation incentives across BSK initiatives.
- $916,600 to add BSK co-lead positions (and FTE authority). This amount includes the expenditure associated with a co-lead position in both DCHS and Public Health, and there is a corresponding decision package in the Public Health budget.

KEY ISSUES

Staff have not identified any issues with this budget.

PUGET SOUND TAXPAYER ACCOUNTABILITY ACCOUNT

ANALYST: MIRANDA LESKINEN

	Expenditures	Revenues	FTEs	TLTs
2021-2022 Revised Budget	$31,294,620	$28,450,000	7.0	0.0
2023-2024 Base Budget	$2,089,122	$4,790,000	0.0	0.0
2023-2024 Decision Packages	($17,728,211)	($13,670,000)	0.0	0.0
2023-2024 Proposed Budget	**$15,656,000**	**$19,570,000**	**7.0**	**0.0**
% Change from prior biennium	(50%)			
Dec. Pkg. as % of prior biennium	(57%)			

Major Revenue Sources: State revenue from the state Puget Sound Taxpayers Accountability Act Fund.

Base Budget Assumptions: Allocations proposed to align with Motion 15492 and funded solely by state revenue.

DESCRIPTION

The Puget Sound Taxpayers Accountability Account (PSTAA) is funding solely supported by state moneys associated with a sales tax offset assessed on Sound Transit 3 projects. PSTAA funds are to be distributed to King, Pierce, and Snohomish counties proportionately based on the population of each county that lives within Sound Transit's jurisdictional boundaries. An April 2020 forecast by Sound Transit estimated that the County will receive $318 million in funding between 2019 and 2035 to be invested in early learning facilities, the King County Promise (post-secondary educational support), and community-based support for K-12 learnings. The Council adopted Motion 15492 in August of 2019 that allocates funding over the life of the fund and approved an implementation plan (Motion 15673) in September of 2020 that further governs how the funds will be used. As noted in the implementation plan, PSTAA revenues are subject to change due to COVID-19 impacts on Sound Transit construction.

SUMMARY OF PROPOSED BUDGET AND CHANGES

Motion 15492 requires that up to 7 percent of proceeds over the life of the account be used for evaluation and administrative costs. Of that, up to 10 percent of each year's evaluation and administration moneys will be used to provide for technical assistance and capacity building for small organizations, partnerships and groups to provide services to include providing or funding legal, accounting, human resources and leadership development services and support.

The remaining proceeds would then be distributed over the 15-year life of the fund among the three priority areas identified in Motion 15492 as follows:

- 52% for Early Learning, including up to 7.5% for home care provider dedication.
- 38% for King County Promise, distributed as follows:
  - 45% to K-12
  - 45% to Postsecondary
  - 10% to Community Based Organizations
- 10% for K-12 Community Based Organizations (identified as Love and Liberation in the implementation plan)

The 2023-2024 proposed PSTAA budget is $15.6 million, which is a 50 percent decrease from the 2021-2022 biennium. The proposed budget includes a technical adjustment to align revenues and expenditures for the 2023-2024 biennium based on the most recent Sound Transit revenue projections from September 2021. As noted in the transmitted fund financial plan, outyear expenditures are budgeted at 75 percent of revenues to bank reserves, and the fund would maintain its rate stabilization reserve up to 25 percent of budgeted revenues (in addition to maintaining its rainy-day reserve[1]), to address the revenue volatility issue. As indicated by Executive staff, the PSTAA program team will continue to work closely with DCHS finance and PSB analysts to review updated forecast reports from Sound Transit.

Table 1 below, provided by Executive staff, includes a summary of proposed PSTAA program expenditure reductions for 2023-2024.

Table 1. Summary of Proposed PSTAA Expenditure Reductions for 2023-2024

PSTAA Cost Center	**2023-24 Projected Budget**	**FY2023 Reduction**	**FY2024 Reduction**	**2023-24 Adjusted Budget**	**% Reduction** the percentage reduction from 2023-24 Projected Budget	**New Allocation** the resulting percentage of the 2023 Adjusted Budget	**Ordinance Allocation** Ordinance allocation are to be met over the life of the Implementation Plan's term
Administration	$2,875,000	$0	$0	$3,353,030	0%	21% of the total adjusted budget	7%
Early Learning Facilities	$14,438,000	$4,233,250	$4,456,250	$5,748,500	60%	47% of the budget remaining after Administration	52%
King County Promise	$10,550,000	$3,057,000	$3,330,000	$4,193,000	60%	34% of the budget remaining after Administration	38%
Love & Liberation	$2,777,000	$0	$416,000	$2,361,000	15%	19% of the budget remaining after Administration	10%
Total	**$30,640,000**	**$7,290,250**	**$8,172,250**	**$15,655,530**			

Executive staff further indicates that there has been progress with each of PSTAA's three programmatic investments and all are being implemented. The decrease in projected revenue has impacted DCHS' ability to implement in exact accordance with the timeline laid out in the PSTAA Implementation Plan. However, DCHS is working closely with partners to revise timelines and will update Council accordingly.

[1] The Rainy Day Reserve equals approximately 60 days of expenditures.

KEY ISSUES

ISSUE 1 – REVENUE MONITORING

Given the current revenue volatility for this fund, Council may desire to track the progress of PSTAA revenue projections and investments throughout the biennium.

VETERANS, SENIORS, AND HUMAN SERVICES LEVY

ANALYST: WENDY K. SOO HOO

	Expenditures	Revenues	FTEs	TLTs
2021-2022 Revised Budget	$132,498,124	$127,550,820	37.5	0.0
2023-2024 Base Budget Adjust.	($4,898,713)	$1,804,616	0.2	0.0
2023-2024 Decision Packages	($60,648,444)	($61,097,914)	2.0	0.0
2023-2024 Proposed Budget	**$66,951,000**	**$68,257,522**	**39.7**	**0.0**
% Change from prior biennium	(49.5%)			
Dec. Pkg. as % of prior biennium	(45.8%)			

Major Revenue Sources: Levy lid lift

Base Budget Assumptions: (1) Removal of 2024 levy expenditures as the current levy will expire at the end of 2023; (2) Personnel cost updates

DESCRIPTION

The King County Veterans, Seniors and Human Services Levy (VSHSL) connects servicemembers and veterans, residents aged 55 or older, and communities to programs and services that help them live healthy, productive and meaningful lives. It also helps individuals and families transition to affordable housing, get job training, find employment, receive behavioral health treatment, and more.

In July 2017, the Council approved Ordinance 18555, which placed before the voters on November 7, 2017, a proposition to provide regional health and human services to residents of King County by replacing the Veterans and Human Services Levy (VHSL) that expired at the end of 2017 with a new six-year levy, the Veterans, Seniors and Human Services Levy (VSHSL). Voters approved the ballot measure in the November 7, 2017 election. In December 2017 and July 2018, the Council adopted the VSHSL Transition Plan and VSHSL Implementation Plan, respectively.[1] The VSHSL Implementation Plan guides VSHSL investments from 2019 through 2023. The VSHSL will expire at the end of 2023.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The VSHSL 2023-2024 budget is proposed at $67.0 million, or approximately half of the budget for 2021-2022. This is due to removal of expenditures for 2024 from the budget as the levy is set to expire next year.

[1] Ordinance 18638 and Ordinance 18768

The budget includes a proposed new Adult Services Division Finance Manager at 1.0 FTE and $194,034. Currently, the Adult Services Division is supported by a finance manager that also supports the Children, Youth, and Young Adults Division. According to Executive staff, the renewal of the Best Starts for Kids levy and new initiatives in that levy, as well as the potential renewal of the VSHSL next year necessitate a dedicated finance manager in the Adult Services Division.

The proposed budget for VSHSL also includes a Veterans Program Operations Specialist at 1.0 FTE and $136,261. According to Executive staff, this position will help support contract and data management efforts; the body of work that would be completed by this position was previously absorbed by another position.

KEY ISSUES

Council staff has not identified any key issues.

HUD SECTION 108 LOAN REPAYMENT

ANALYST: WENDY K. SOO HOO

	Expenditures	Revenues	FTEs	TLTs
2021-2022 Revised Budget	$1,110,215	$589,466	N/A	N/A
2023-2024 Base Budget Adjust.	$7,935	$0	N/A	N/A
2023-2024 Decision Packages	$0	$0	0.0	0.0
2023-2024 Proposed Budget	**$1,119,000**	**$590,000**	**0.0**	**0.0**
% Change from prior biennium	0.8%			
Dec. Pkg. as % of prior biennium	0.0%			

Major Revenue Sources: Roads, Surface Water Management, Facilities Management Division, Community Development Block Grant funds, and General Fund

Base Budget Assumptions: Additional increment calculated based on 2022 loan repayment amount.

DESCRIPTION

In July 2005, the Council authorized[1] the Executive to accept a $6.85 million loan from the Federal Housing and Urban Development (HUD) Department's Section 108 Loan Guarantee Program, a program that gives local governments the ability to borrow against their federal Community Development Block Grant allocation to fund physical and economic revitalization projects.[2] The loan was sought to allow the County to contribute to the development of the Greenbridge project in White Center, through which the King County Housing Authority was replacing the federally-subsidized Park Lake Homes complex with a new, mixed-income community that was planned to house 3,000 people and incorporate a range of services and amenities.

The County planned to use the loan to fund infrastructure improvements at Greenbridge, as well as construction of a new White Center Food Bank. The $6.85 million loan was to be funded from a combination of County agencies and funds,[3] based on the types of infrastructure improvements the loan would cover.

[1] Ordinance 15222
[2] https://www.hudexchange.info/programs/section-108/
[3] Roads Fund ($2.1 million), Surface Water Management ($563,000), Parks/REET ($765,000), Housing Opportunity Fund/General Fund ($765,000), and Community Development Block Grant ($2.0 million).

The loan was finalized in 2006. Debt service payments will be completed in 2024, so this appropriation unit will be closed out after this budget cycle.[4]

<u>SUMMARY OF PROPOSED BUDGET AND CHANGES</u>

The proposed 2023-2024 budget for HUD Section 108 Repayment of $1.1 million is slightly increased as compared to the budget for 2021-2022 as the proposed amount represents two times the debt service payment for 2022, which was slightly higher than 2021. Note, however, that PSB indicated that the debt service payment for this biennium will be approximately $540,000, making approximately half of this appropriation unnecessary; this is a technical error that can be addressed in the corrections supplemental in 2023.

<u>KEY ISSUES</u>

Council staff has not identified any key issues.

[4] Roads and Surface Water Management made their last payments during the 2015-2016 biennium, and the Real Estate Excise Tax made its last payment in 2014; the proceeds from their last payments have been held by the Finance and Business Operations Division to make the periodic debt service payments.

EXTERNAL SUPPORT

ANALYST: WENDY K. SOO HOO

	Expenditures	Revenues	FTEs	TLTs
2021-2022 Revised Budget	N/A	N/A	N/A	N/A
2023-2024 Base Budget Adjust.	N/A	N/A	N/A	N/A
2023-2024 Decision Packages	$13,150,500	$11,900,000	0.0	0.0
2023-2024 Proposed Budget	**$13,151,000**	**$11,900,000**	**0.0**	**0.0**
% Change from prior biennium	100.0%			
Dec. Pkg. as % of prior biennium	N/A			

Major Revenue Sources: primarily General Fund, including General Fund-backed bond financing (also federal funding and other county funds)

Base Budget Assumptions: N/A – new appropriation unit for the 2023-2024 biennium.

DESCRIPTION

External Support is a new appropriation unit for the 2023-2024 biennium. The purpose of this appropriation unit is to provide one-time fiscal support to external partners for programs or projects that do not clearly align with the mission of any departments.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The proposed External Budget includes $10 million for community facility capital investments and $1 million to publicize King County's programs and services. These requests are discussed further in the Key Issues section.

In addition, the proposed budget includes $210,500 for memberships and dues for outside organizations – this amount is being transferred from the Memberships and Dues appropriation unit where it was previously budgeted, so there is a corresponding reduction in Memberships and Dues.[1]

The proposed budget for External Support also includes $1.9 million, which is fully backed by federal Energy Efficiency and Conservation Block Grant Program funds, for a loan loss reserve

[11] According to Executive staff, the $210,500 includes funding for HistoryLink ($140,000), EchoX (formerly NW Heritage Resources - $45,000), Judges for Justice ($25,000), and Association of Washington Cities ($500). In addition to the $210,500, which maintains previous levels of funding for these organization, the proposed External Support budget includes a one-time allocation of $40,000 for HistoryLink, bringing the total allocation for HistoryLink to $180,000.

program for "green improvements." The County plans to partner with a financial institution that will relax credit requirements, extend loan repayment periods, and lower interest rates for loans in recognition that the County's loan loss reserve reduces the risk to the institution. The Executive indicates that under the program homeowners, and potentially businesses, would find contractors to make improvements and apply for financing through the partner institution. The $1.9 million would only be spent down if a loan were to go into default, so the program has the potential to continue indefinitely and support more than $1.9 million total in loans. Climate Office staff would likely take a leading role in setting up the agreement with the financial institution.

KEY ISSUES

ISSUE 1 – $10 MILLION FOR COMMUNITY FACILITY CAPITAL INVESTMENTS

The proposed External Support budget includes $10 million (debt-financed[2] and supported by the General Fund) for community facility capital investments for the following organizations:

- Rainier Valley Early Learning: $5 million
- AiPACE (Aging in PACE Washington): $1.5 million
- PAWS: $1 million
- Home Energy Retrofit Program: $1 million
- King County Search and Rescue: $1 million
- Mount Baker Neighborhood Community Activation: $500,000

Council staff has requested additional information about each of these projects. Analysis is ongoing.

ISSUE 2 – $1.0 MILLION TO PUBLICIZE KING COUNTY PROGRAMS

The proposed budget includes $1 million for outreach and publicity efforts to promote awareness about county programs with emphasis on programs that do not already have dedicated outreach and publicity capacity. Executive staff indicate that funding would go towards paid media and electronic communications to make King County residents more aware of services available from the county and how to access services. Executive staff also stated that the effort will emphasize "communications with individuals who are not well reached through existing county efforts." The $1 million effort would be supported by the General Fund overhead model, with approximately one-third supported by the General Fund and two-thirds by other county funds.

[2] The proposed bond ordinance (PO 2022-0386) was transmitted along with the proposed 2023-2024 budget.

MEDICAL EXAMINER'S OFFICE

ANALYST: WENDY K. SOO HOO

	Expenditures	Revenues	FTEs	TLTs
2021-2022 Revised Budget	$16,382,518	$4,764,308	38.0	4.0
2023-2024 Base Budget Adjust.	$680,091	($739,016)	0.0	(4.0)
2023-2024 Decision Packages	$1,580,955	$1,061,594	3.0	0.0
2023-2024 Proposed Budget	**$18,644,000**	**$5,087,000**	**41.0**	**0.0**
% Change from prior biennium	13.8%			
Dec. Pkg. as % of prior biennium	9.7%			

Major Revenue Sources: primarily General Fund and fee revenue

Base Budget Assumptions: Updated personnel costs and removal of one-time grant-backed budget supplementals

DESCRIPTION

The Medical Examiner's Office (MEO) investigates sudden, unexpected, and unnatural deaths in King County. The MEO also works to provide accurate identification of decedents and to notify the next of kin. The MEO is housed organizationally within the Prevention Division of Public Health.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The MEO budget is proposed at $18.6 million for 2023-2024, which is about 13.8 percent above the 2021-2022 budget.

The MEO budget proposes 3.0 additional FTE to address the ongoing gap between workload and capacity in the MEO. For 2017 through 2021, the number of general cases investigated by the MEO was three times more than projected for that period and the number of autopsies was 33 times more than projected.

The new positions would cost $1.3 million, anticipated to be backed by $800,000 in revenue. The positions by type are shown in the table below.

Proposed New FTE and Associated Costs and Revenue

Positions (Current FTE & Cost)	Proposed Additional Positions	Cost for Additional Positions	Revenue from Additional Positions
Pathologists (7.0 FTE, $4.2M)	1.0	$630,000	$800,000
Autopsy Techs. (6.0 FTE, $1.4M)	1.0	$240,000	

Positions (Current FTE & Cost)	Proposed Additional Positions	Cost for Additional Positions	Revenue from Additional Positions
Death Investigators (16.0 FTE, $4.2M)	1.0	$270,000	$0

The $800,000 in revenues are estimated based on a 30 percent salary reimbursement ($154,000) for the additional 1.0 FTE pathologist paid by the state and revenues from conducting contract autopsies for other jurisdictions ($646,000), which would be enabled by the addition of the pathologist as well as the 1.0 FTE autopsy technician. Note that Executive staff indicate that since 2019, the MEO has not been able to meet the National Association of Medical Examiners standard of 250 autopsies per year per pathologist; adding the pathologist will enable the MEO to meet this standard prior to reaccreditation in 2025. If the MEO is not accredited, the 30 percent salary reimbursement by the state would be reduced to 5 percent.

As noted earlier, investigations have increased significantly since 2017. The additional death investigator would allow death investigators to work in pairs, reducing risk of injury and allowing them to spend more time assisting community members affected by sudden deaths. According to Executive staff, the deaths that the MEO investigates disproportionately affect the BIPOC community and the additional capacity would allow better service.

KEY ISSUES

Council staff has not identified any key issues.

PUBLIC HEALTH

ANALYST: SAM PORTER

	Expenditures	Revenues	FTEs	TLTs
2021-2022 Revised Budget	$826,353,037	$811,629,892	877.4	14.6
2023-2024 Base Budget Adjust.	($342,388,219)	($352,582,364)	1.2	(14.1)
2023-2024 Decision Packages	$97,159,484	$149,015,204	42.0	2.3
2023-2024 Proposed Budget	**$581,125,000**	**$608,063,000**	**920.6**	**4.8**
% Change from prior biennium	(29.6%)			
Dec. Pkg. as % of prior biennium	11.7%			

Major Revenue Sources: General Fund, Medicaid Patient Generated Revenues, Local, State, and Federal Grants and Contracts, Coronavirus Relief Fund, VSHSL, BSK, MIDD, Harborview Agreement Funds, Medicaid Administrative Claiming, State Foundational Public Health Revenue.

Base Budget Assumptions: Remove 2021-2022 one-time changes including those related to pandemic response, annualize supplemental changes, update personnel rates. Adjustment of 1.2 FTE corrects an error from the last biennium.

DESCRIPTION

Public Health — Seattle & King County (PHSKC) works to protect the public from threats to their health, promotes better health, and helps to assure that people in King County have accessible, quality health care. PHSKC aims to improve the health and well-being of all people in King County as measured by increasing the number of healthy years that people live and eliminating health disparities. Since January 2020 PHSKC has been at the forefront of the COVID-19 pandemic response in King County.[1]

PHSKC is organized into eight areas: (1) Assessment, Policy Development, and Evaluation unit, Communications, Preparedness, Health Policy and Planning, and local government relations including the King County Board of Health; (2) Prevention which includes the Medical Examiner's Office and Vital Statistics; (3) Chronic Disease and Injury Prevention; (4) Community Health Services; (5) Environmental Health; (6) Emergency Medical Services; (7) Jail Health Services; and (8) Administrative Services which includes Public Health leadership, Finance and other services that support Public Health. The Medical Examiner's Office, Environmental Health, Emergency Medical Services, Jail

[1] PHSKC activities related to COVID-19 include providing public information through data dashboards; offering technical assistance to healthcare and service providers and others; operating free testing locations; conducting contact tracing; and operating the Isolation/Quarantine, Assessment and Recovery, and Shelter De-intensification facilities across the County.

Health Services, and Administrative Services have separate funds and thus separate appropriations. The remaining areas are covered under the Public Health fund.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The $97 million in decision packages for the biennium represents a nearly 30 percent decrease in expenditures from 2021-2022. This decrease is primarily due to the reduced availability of federal funding and decreasing demand for services related to the COVID-19 pandemic. The proposed budget allocates $7.8 million and 22.7 FTEs supported by new, ongoing state Foundational Public Health Services (FPHS) funding to support programs in communicable disease, maternal child health, assessments, and infrastructure. FPHS revenue is allocated based on agreements with the state and local health jurisdictions, including PHSKC, and thus is restricted to designated uses. The Executive's Proposed budget allocates $7.8 million of $11.2 million in new FPHS revenue from the State and 22.7 new FTEs that would be allocated as follows:

- $60,000 to support assessment capacity with flexible funds to meet local needs;
- $2.938 million to support communicable disease capacity and conduct case investigation;
- $288,000 to support the Tuberculosis Regional Hub;
- $150,000 to Prevention to expand capacity and provide services related to latent tuberculosis infections;
- $958,000 for Prevention to develop regional hubs that provide training, consultation, support, and engagement to target Healthcare Acquired Infections;
- $255,000 to support local capacity related to zoonotic and emerging diseases;
- $241,000 in Community Health Service to conduct regular Child Death Reviews;
- $720,000 to reinforce infrastructure and workforce investments to meet FPHS needs in life course[2] subject matter areas; and
- $220,000 in marijuana excise tax to support marijuana harm reduction and youth prevention programs through community-directed investments in BIPOC communities affected by past marijuana policies.

As always, the proposed budget for Public Health allocates revenue-backed grant funding. The 2023-2024 biennium's grants would support programs related to sexual health, epidemiology and lab capacity, tuberculosis, and addressing COVID-19 and social determinants of health. The proposed budget also allocates funding to support the dental program through three decision packages that would be backed by patient generated revenue, expansion of ORCA LIFT, and staffing adds to support local childcare programs and Best Starts for Kids (BSK). These key decision packages are described in more detail below.

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[2] Life course programs include Chronic Disease, Injury & Violence Prevention, Maternal Child and Health, and Access/Linkage to Care for Medical, Oral and Behavioral Health.

- $489,000 and 1 FTE, fully revenue backed by Sound Transit to expand the ORCA LIFT program by contracting with WithinReach, Global to Local, the NAACP and Lutheran Services to increase enrollment in BIPOC communities, add new enrollment locations and add a program manager.
- $893,000 and 3 FTEs, fully revenue backed by Seattle's Department of Education and Early Learning to better meet the health and safety needs of local childcare programs and address issues of equity and social justice.
- $450,000 and 1 FTE to add a BSK co-lead and reclass a strategy manager in the Prenatal-to-Five program. This amount is included in the $917,000 add in the corresponding decision package in the BSK budget.
- $145,000 to add an operatory (treatment chair) at the Renton Dental clinic, $779,000 and 4 FTEs dental assistants revenue backed by PRG to expand capacity at the Downtown, North, Columbia City, Renton, and Eastgate dental clinics, and .4 FTE to increase the staffing allocation from 1.6 FTE to 2.0 FTE for program management support for the new adult dental program created in 2021.
- $1.18 million and 1 FTE epidemiologist to support a Centers for Disease Control and Prevention (CDC) grant to identify the best approaches to decrease the prevalence of untreated, latent tuberculosis infection among non-U.S.-born people living in the United States.
- $710,000 and 2.3 TLTs to support a WSDOH grant to respond to Healthcare Associated Infections (HAI).[3] The TLTs would be two public health nurses and an epidemiologist.
- $933,000 and 4 FTE Disease & Research Intervention Specialists to support a CDC grant to strengthen STD prevention and control strategies for chlamydia, gonorrhea, and syphilis.
- $679,000 and 2 FTE program managers to expand behavioral surveillance among people at high risk for contracting the human immunodeficiency virus (HIV). This is fully revenue backed through 2026 from the National HIV Behavioral Surveillance program.
- $9.2 million to extend the CDC COVID-19 and Health Equity (CHE) grant and continue equity operations. This would maintain PHSKC's collaboration with community organizations to address COVID-19 and the social determinants of health through community programs and policy and system changes.

Under Administrative Services changes, there are three IT capital projects including an STD partner notification texting platform ($407,000 of 2022 state Revenue fund balance), a healthcare enrollment tracking system for the Access and Outreach program ($751,000 of 2022 Medicaid Administrative Claiming revenue), and a secure centralized data

[3] According to the CDC, HAI's, "include central line-associated bloodstream infections, catheter-associated urinary tract infections, and ventilator-associated pneumonia. Infections may also occur at surgery sites, known as surgical site infections."

storage system for school-based health centers ($499,000 of BSK and a grant from the Washington Association of Community Health).

The MIDD and Public Health decision packages intersect in the proposed budget to support programs addressing the opioid overdose epidemic in the Public Health Fund. The following six allocations in the Public Health Fund are proposed to be funded by MIDD revenue:

- $1,225,000 and 4 FTEs: This proposal would convert four TLT's to FTEs that were previously backed by grants to support overdose prevention and drug user health. These TLT conversions include two program managers, one advanced practice nurse practitioner, and one social services specialist. This appropriation would also fund the regional health administrator position (FTE allocated last biennium) and a 20 percent part-time STT project manager.
- $200,000: Contract with community-based agencies to enhance and expand harm reduction and support the provision of naloxone, pipes and smoking equipment and drug testing supplies.
- $800,000: To establish a 24/7 teleprescribing access line through which people can receive a buprenorphine (opioid treatment medication) prescription.
- $500,000: Continue ongoing communications campaigns to increase awareness of overdose risks and anti-stigma campaign messaging.
- $200,000: Contract with a community-based organization to lead and facilitate a council of individuals with lived and living experience with drug use, also known as a Council of Expert Advisors on Drug Use (CEADU).
- $115,000: Engage with six community-based agencies that work with underserved communities experiencing disproportionate overdose outcomes to co-design "train the trainer" overdose prevention training with PHSKC staff.

The proposed budget includes $12 million to extend contract funding for the Regional Peacekeepers Collective (RPKC) to address the regional gun violence crisis. This allocation is supported by $2 million 2021-2022 program savings, $3 million from the City of Seattle, and $7 million of federal COVID Local Fiscal Recovery (CLFR) funding. This allocation will support the continuation of contracts initiated in 2021 with community-based organizations and supports needs and gaps identified by community partners. Examples include a school safety specialist, curriculum instructor, contracts manager, and training coordinator. It also includes expanding to two more community organizations in South King County. RPKC Partners include Alive & Free, Choose180, Community Passageways, Freedom Project, Progress Pushers, Renegades for Life Youth Outreach, and UW Harborview Medical Center. The RPKC addresses violence using a public health approach using common language, practices, protocols, and co-created accountability measures to provide a comprehensive model of care and support for the highest risk youth and their families.

KEY ISSUES

ISSUE 1 – COVID FUNDING

The nearly 30 percent decrease in the Public Health Fund is largely due to removing one-time COVID related revenue. The department is implementing adjustments due to reduced availability of federal funding and decreasing demand for testing and vaccination. The proposed budget does not include anticipatory funding for future COVID surges. While the proposed budget reappropriates $37.8 million in CLFR revenue to support a scaled down COVID response and support other eligible programs, this revenue expires at the end of 2024. It is unclear what revenue, if any, will be available to support programs backed by CLFR in the 2023-2024 biennial budget.

ENVIRONMENTAL HEALTH SERVICES

ANALYST: SAM PORTER

	Expenditures	Revenues	FTEs	TLTs
2021-2022 Revised Budget	$73,320,749	$68,015,856	171.3	3.0
2023-2024 Base Budget Adjust.	$1,300,672	($3,007,860)	0.5	(3.0)
2023-2024 Decision Packages	$3,513,600	$9,632,306	3.0	1.0
2023-2024 Proposed Budget	**$78,136,000**	**$74,641,000**	**174.8**	**2.0**
% Change from prior biennium	6.5%			
Dec. Pkg. as % of prior biennium	4.7%			

Major Revenue Sources: General Fund, State and Federal Funding, City of Seattle, Medicaid, License and Permit Fees, VSHSL, BSK, and MIDD.

Base Budget Assumptions: Remove 2021-2022 one-time changes including those related to pandemic response, annualize supplemental changes, update personnel rates.

DESCRIPTION

Environmental Health Services (EHS) is one of eight areas within Public Health – Seattle & King County (PHSKC). The EHS Division provides fee and grant-based regional services focused on prevention of disease through sanitation, safe food and water, proper disposal of wastes and toxics, and promotion of safe and healthy environmental conditions. EHS is organized into three sections which include (1) Community Environmental Health (community toxics, solid waste management, rodent and zoonotic disease control, local hazardous waste management, wastewater systems, and plumbing and gas piping); (2) Food and Facilities Protection (Monitoring the safety of restaurants, swimming pools and other public facilities); and (3) Planning and the Built Environment, Code Enforcement, and Emergency Preparedness (Supporting environmental protection and public health through policy development, planning, enforcement, and emergency response).

SUMMARY OF PROPOSED BUDGET AND CHANGES

The EHS budget is proposed to increase by approximately $4.8 million in the 2023-2024 biennium. The proposed budget includes restoring pre-COVID capacity in several projects and increases in revenue-backed funding for Hazardous Waste and fisher health along the Duwamish. These decision packages include:

- $1 million of funding from the Environmental Protection Agency to renew a cooperative agreement with the Fisher Institutional Control through the end of the biennium to continue PHSKC's "Fun to Catch Toxic to Eat" program as part of the Fisher Institutional Control program to benefit fishers and fish consumption population on the Duwamish River.

- $210,000 of revenue-backed spending authority to match the Management Coordination Committee approved budget for Hazardous Waste. The MCC is a subcommittee of the inter-agency agency comprised of King County Solid Waste, King County Water & Land Resources, Public Health-Seattle & King County and Seattle Public Utilities.
- $1 million appropriation to match the increase in tonnage rate paid from Solid Waste to PHSKC to support expenses related to illegal dumping complaints, education, and data management for EHS.
- $911,000 and 3 FTEs to increase capacity for plumbing inspectors to improve review timelines and meet demand for inspections.
- $318,000 and 1 FTE to add capacity for on-site sewage system permitting to meet construction demand.
- $577,000 and 2 FTEs to restore food inspector positions removed with the 2021-2022 budget due to expected decreases in permitted facilities.
- $871,000 of reappropriation of CLFR funding to sustain scaled down COVID response through the end of the biennium.

Several administrative changes are also made in the proposed budget; of note there is a proposal to move 5 FTEs from Hazardous Waste to Water and Land Resources Division (WLRD) in the Department of Natural Resources and Parks along with approximately $2 million of appropriation authority intended to streamline program management and consolidate program planning, policy, finance, and communications staff in one County division.

KEY ISSUES

Staff have not identified any key issues for this appropriation.

General Fund Transfer to Public Health

Analyst: Sam Porter

	Expenditures	Revenues	FTEs	TLTs
2021-2022 Revised Budget	$66,077,206	$0	0.0	0.0
2023-2024 Base Budget Adjust.	($7,488,303)	$0	0.0	0.0
2023-2024 Decision Packages	$3,806,824	$0	0.0	0.0
2023-2024 Proposed Budget	**$62,436,000**	**$0**	**0.0**	**0.0**
% Change from prior biennium	(5.5%)			
Dec. Pkg. as % of prior biennium	5.7%			

Major Revenue Sources: General Fund.

Base Budget Assumptions: Remove 2021-2022 one-time changes (primarily pandemic response), annualize supplemental changes, and update personnel rates.

Description

General Fund revenues comprise approximately 17 percent of the total budget and pays for general functions of county government that are not supported by dedicated revenues. This appropriation unit transfers money from the General Fund to the Public Health Fund for programs and services that are not backed by other revenue sources.

Summary of Proposed Budget and Changes

The proposed budget transfers $3.8 million from the General Fund to the Public Health Fund, which is a 5.5 percent decrease from 2021-2022. Almost $3 million of the proposed appropriation reflects a technical adjustment of inflationary increases between 2021-2022 and 2023-2024. A proposed expenditure of $600,000 would be applied to salary increases Harborview Medical Center implemented in 2022; this is reflected as a technical adjustment in the Public Health Fund. The $220,000 transfer to the Public Health Fund related to youth marijuana prevention are marijuana excise tax dollars passed through the General Fund.

Key Issues

Staff have not identified any key issues for this appropriation.

MIDD

ANALYST: SAM PORTER

	Expenditures	Revenues	FTEs	TLTs
2021-2022 Revised Budget	$155,849,090	$140,172,329	18.0	0.0
2023-2024 Base Budget Adjust.	$7,748,743	$4,778,421	0.0	0.0
2023-2024 Decision Packages	$20,399,652	$40,035,021	5.0	0.0
2023-2024 Proposed Budget	**$183,998,000**	**$184,986,000**	**0.0**	**0.0**
% Change from prior biennium	18.0%			
Dec. Pkg. as % of prior biennium	13.0%			

Major Revenue Sources: Mental Illness and Drug Dependency sales tax

Base Budget Assumptions: MIDD initiatives are proposed to receive economic adjustments of 3.58% in 2023, and 2.94% in 2024.

DESCRIPTION

The Mental Illness and Drug Dependency (MIDD) fund is comprised of sales tax revenue dedicated by state law to supporting new or expanded behavioral health (substance use disorder and mental health) treatment programs and services, and for the operation of therapeutic court programs and services. The King County Council renewed the MIDD sales tax in 2016.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The MIDD appropriation unit in the proposed budget includes $7.7 million of base budget adjustments and $20.4 million of decision packages. The decision packages include $1 million of one-time funding for expansion of the Familiar Faces Vital program and a youth support services program to provide outreach and engagement in both school-based and school-linked settings. $1.1 million and 3 FTEs would support financial and contract management and the MIDD Advisory Committee (MIDD AC) for the next round of MIDD initiatives. The proposed budget for MIDD includes a decrease of $4.5 million of ongoing transfer from the MIDD Fund to the Behavioral Health Fund and $2 million in reserves set aside for future use of the west wing of the King County Jail in Seattle.

- $7.3 million to apply inflationary economic adjustments for MIDD initiatives.
- $2.7 million to Recovery and Reentry Strategies:
    - Supported employment and jail reentry system of care
- $3.4 million and 1 FTE to Prevention and Intervention Strategies:

  - Juvenile justice youth behavioral health assessments; school-based screening, brief intervention, and referral to treatment (SBIRT); mental health first aid; sexual assault behavioral health services, domestic violence and behavioral health services and system coordination; and community-based outpatient care. This proposal includes one position to support the SBIRT expansion.
- $8.1 million and 1 FTE to Crisis Diversion Strategies:
  - Adult crisis diversion center, respite beds and mobile behavioral health crisis team; multipronged opioid strategies; and co-responder models (expanding RADAR, the north sound navigator program to other unincorporated areas of King County). This proposal includes one position to be a subject matter expert for MIDD juvenile justice initiatives.
- ($2.3 million) to System Improvement Strategies
  - This allocation aligns funding with programming needs in system improvement strategies and continues the expansion of rural behavioral health grants and a one-time reduction in quality coordinated outpatient care.

The MIDD AC reviewed the Agency Proposed budget at their July meeting and the Executive Proposed in August and September.

KEY ISSUES

Analysis is ongoing for this appropriation unit.

DEPARTMENT OF PUBLIC DEFENSE MIDD

ANALYST: SAM PORTER

	Expenditures	Revenues	FTEs	TLTs
2021-2022 Revised Budget	$4,932,138	$0	14.3	0.0
2023-2024 Base Budget Adjust.	$612,346	$0	0.0	0.0
2023-2024 Decision Packages	($16,736)	$0	0.0	0.0
2023-2024 Proposed Budget	**$5,528,000**	**$0**	**14.3**	**0.0**
% Change from prior biennium	12%			
Dec. Pkg. as % of prior biennium	(0.3%)			

Major Revenue Sources: Mental Illness and Drug Dependency sales tax

Base Budget Assumptions: Remove 2021-2022 one-time changes including those related to pandemic response, annualize supplemental changes, update personnel rates.

DESCRIPTION

The Department of Public Defense (DPD) MIDD appropriation unit is where DPD costs associated with therapeutic courts are budgeted. DPD participates in Adult Drug Court, Family Treatment Court, Juvenile Drug Court, Regional Mental Health/Regional Veterans Court, and Community Court.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The Proposed Budget would increase the budget authority for DPD MIDD by $596,000 due to base budget adjustments. There are no substantive decision packages in the DPD MIDD appropriation.

KEY ISSUES

Staff have not identified any key issues for this appropriation.

PROSECUTING ATTORNEY'S OFFICE MIDD

ANALYST: SAM PORTER

	Expenditures	Revenues	FTEs	TLTs
2021-2022 Revised Budget	$2,521,518	$0	9.6	0.0
2023-2024 Base Budget Adjust.	($5,716)	$0	0.0	0.0
2023-2024 Decision Packages	$208,760	$0	1.0	0.0
2023-2024 Proposed Budget	**$2,725,000**	**$0**	**10.6**	**0.0**
% Change from prior biennium	8.0%			
Dec. Pkg. as % of prior biennium	8.2%			

Major Revenue Sources: Mental Illness and Drug Dependency sales tax

Base Budget Assumptions: Remove 2021-2022 one-time changes including those related to pandemic response, annualize supplemental changes, update personnel rates. Personnel budgets reflect projected 2023-2024 salary and benefit rates, current position classifications, and step/merit increases.

DESCRIPTION

The Prosecuting Attorney's Office (PAO) MIDD appropriation unit is where the PAO's therapeutic court-related costs are budgeted. The PAO participates in the Regional Mental Health Court/Regional Veterans Court, Adult Drug Court, Juvenile Drug Court, and Community Court.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The proposed 2023-2024 budget would increase funding to the PAO MIDD appropriation unit by approximately $203,000 and 1 FTE. This increase is due to one decision package to add an attorney to support the Drug Diversion Court case work.

KEY ISSUES

Analysis is ongoing for this appropriation unit.

BEHAVIORAL HEALTH

ANALYST: SAM PORTER

	Expenditures	Revenues	FTEs	TLTs
2021-2022 Revised Budget	$714,031,283	$720,547,035	155.1	0.0
2023-2024 Base Budget Adjust.	($63,239,077)	($62,226,975)	(0.0)	0.0
2023-2024 Decision Packages	$99,418,987	$97,700,729	21.0	0.0
2023-2024 Proposed Budget	**$750,211,194**	**$756,020,789**	**176.1**	**0.0**
% Change from prior biennium	0.50%			
Dec. Pkg. as % of prior biennium	1.05%			

Major Revenue Sources: Medicaid, state non-Medicaid money for crisis behavioral health system (involuntary psychiatric treatment system), interfund transfers from the MIDD and Health Through Housing taxes.

Base Budget Assumptions: Remove 2021-2022 one-time changes including those related to pandemic response, annualize supplemental changes, update personnel rates. Personnel budgets reflect projected 2023-2024 salary and benefit rates, current position classifications, and step/merit increases.

DESCRIPTION

The Behavioral Health Fund supports the Behavioral Health and Recovery Division (BHRD), in the Department of Community and Human Services (DCHS). BHRD provides oversight and management of the publicly funded mental health and substance use disorder (behavioral health) service system for eligible county residents. Since 2016, the behavioral health system in Washington has gone through a state-mandated transformation culminating in what is known as fully integrated managed care (FIMC) for the Medicaid healthcare system. The goal of FIMC is whole person coordinated care for both physical and behavioral health[1]. As such, BHRD now contracts with five Managed Care Organizations (MCOs) that operate in the county to administer the King County Integrated Care Network (KCICN).

The KCICN is the Medicaid-funded network of integrated physical and behavioral health providers. BHRD continues to serve as the Behavioral Health Administrative Services Organization (BHASO) to administer the state-funded crisis behavioral health system, including the Involuntary Treatment Act Court and other non-Medicaid-funded behavioral

[1] The term "behavioral health" encompasses both mental illness and substance use disorders.

health services. BHRD also manages programs funded through the Mental Illness & Drug Dependency (MIDD) 1/10th of 1 cent sales tax.[2]

SUMMARY OF PROPOSED BUDGET AND CHANGES

The Executive's proposed Behavioral Health Fund budget would result in net expenditures of $36.2 million after base budget adjustments. The first primary change in the Behavioral Health Fund budget is $36.4 million funded by an increase in both the Medicaid and non-Medicaid service rates as provided by the state legislature. This amount would be passed through as a provider rate increase.

Almost $24.8 million of CLFR dollars would be reappropriated to the following programs:

- $1.88 million to expand culturally appropriate behavioral health services for communities disproportionately impacted by the pandemic,
- $2.38 million to offer and enhance mobile behavioral health response for Health through Housing facilities,
- $3.56 million to support mobile behavioral health response for permanent supportive housing facilities,
- $3.77 million to expand rural behavioral health services,
- $3.8 million to support a permanent location of the King County Sobering Center,
- $2.85 million to support youth suicide prevention services,
- $4.87 million to stabilize the community behavioral health system focusing on workforce issues,
- $954.000 to expand community-based, peer support services, and
- $671,000 to develop intergenerational programs addressing youth and senior social isolation.

Both Metro and Sound Transit have revenue backed behavioral health crisis response pilot programs. Metro is funding $1.3 million to provide behavioral health crisis response to people experiencing crises while using Metro services and facilities at the Aurora Village Transit Center and Burien Transit Center. The joint DCHS/Metro team will provide de-escalation, outreach, and connection to services. Similarly, Sound Transit is providing $892,000 to support a pilot program to provide peer support and treatment referral for individuals in behavioral health crisis while using the light rail stations at Westlake, University Street, Pioneer Square, and the ID/Chinatown.

Ten million dollars of state funding and $1.5 million of local dollars in the proposed budget would be used to stand up a behavioral health crisis stabilization service in north King County to provide immediate care for people experiencing a mental health or substance use crisis. Relatedly, the state has provided almost $4 million of funding to support three

[2] The various MIDD funds have separate decision packages and are discussed elsewhere in this staff report.

behavioral health response teams in King County. These teams would collaborate with regional partners and follow up with individuals after an acute crisis episode for up to three months with the intention to establish longer-term treatment and support services.

The proposed budget would add eight new positions in Crisis and Commitment Services (CCS) funded with $2.34 million of state non-Medicaid dollars. CCS is comprised of Designated Crisis Responders (DCR) and supervisors who conduct involuntary psychotic admissions under the State's Involuntary Treatment Act. This allocation would fund seven DCRs and one DCR supervisor.

KEY ISSUES

Analysis is ongoing for this appropriation unit.

HARBORVIEW 2020 BOND CAPITAL PROGRAM

ANALYST: SAM PORTER

	2023-2024 Proposed	2025-2026 Projected	2027-2028 Projected
Revenues	$54,200,000	$0	$0
Expenditures	$54,200,000	$0	$0

Major Revenue Sources: HMC 2020 Bond revenue

DESCRIPTION

Harborview Medical Center (HMC) is a 413-bed hospital and trauma center that serves as the only Level 1 trauma center serving Washington, Alaska, Montana, and Idaho. The hospital is owned by King County, governed by a 13-member County-appointed Board of Trustees, and operated by the University of Washington. In 2020, voters approved a 20-year, $1.74 billion capital improvement bond for health and safety improvements of Harborview Medical Center.[1] The primary components of the bond are increasing bed capacity with a new bed tower, consolidating all behavioral health services and the Behavioral Health Institute in a new behavioral health building, renovate existing hospital space including the ITA Court, gamma knife, tuberculosis and STD clinics; make seismic upgrades to Harborview Hall, the center tower, and the Pioneer Square clinic; and demolish the East Clinic building and various site improvements to the campus.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The proposed budget would allocate $52.4 million of 2020 bond revenue to eight projects in the planning phase. The projects and associated expenditure are as follows:

- $10.3 million for the construction of a patient bed tower of single patient rooms and improved emergency room facilities,
- $1.6 million for the consolidation of behavioral health services in one building,
- $1.6 million for the renovation of Harborview Hall to create respite bed capacity,
- $100,000 for seismic structural stability of the Pioneer Square Clinic,
- $1.6 million for the Center Tower seismic retrofit,
- $11.7 million to purchase the Washington Department of Transportation owned land between HMC and I-5 to site a new access road for the bond project,
- $7.3 million for renovations to the Ninth and Jefferson Building, and the East and West Hospitals,
- $20 million for an emergent needs project budget.

[1] The bond was placed on the ballot through Council Ordinance 19117.

KEY ISSUES

ISSUE 1 – $20 MILLION EMERGENT NEEDS PROJECT BUDGET

Emergent need project budgets are standard contingencies for capital projects to administratively supplement existing project budget when existing project budget is not sufficient to respond to a project cost not anticipated in the development of the biennial budget. The current threshold for emergent needs budgets in KCC 4A.100.080 is the less of five percent of the total proposed capital fund amount or $20 million. For the 2023-2024 proposed budget, this amount would be $2.7 million. However, Proposed Ordinance 2022-0375 was transmitted with the budget and would temporarily raise thresholds for emergent need to twenty percent of the budget or $50 million, whichever is less. If Proposed Ordinance 2022-0375 is adopted in its current form, then the emergent needs project budget for the HMC 2020 bond project would be $6.84 million. If it is not adopted, then the emergent needs project budget needs to be $1.71 million. Therefore, an amendment will be needed to decrease the emergent needs project budget for this allocation.

OFFICE OF EQUITY AND SOCIAL JUSTICE

ANALYST: ANDREW KIM

	Expenditures	Revenues	FTEs	TLTs
2021-2022 Revised Budget	$18,617,172	$9,565,000	13.0	3.0
2023-2024 Base Budget Adjust.	($10,057,933)	($9,565,000)	0.0	(3.0)
2023-2024 Decision Packages	$6,301,329	$5,623,977	1.0	2.0
2023-2024 Proposed Budget	**$14,861,000**	**$5,624,000**	**14.0**	**2.0**
% Change from prior biennium	(20.2%)			
Dec. Pkg. as % of prior biennium	33.8%			

Major Revenue Sources: General Fund, American Rescue Plan Act Coronavirus Local Fiscal Recovery Fund (ARPA CLFRF)

Base Budget Assumptions: (1) Remove one-time expenditures including those related to pandemic response; (2) annualize supplemental changes; (3) update personnel rates including 4.5% GWI increase for 2023 and 2024; and (4) 2.5% inflation rate.

DESCRIPTION

The Office of Equity and Social Justice (OESJ) leads the implementation of the Equity and Social Justice Strategic Plan and serves as the main resources, strategic advisor, and coordinator of key county efforts to advance equity within the organization and community. OESJ leads and supports the application of equity and social justice, racial equity, the inclusion of immigrant and refugee and other historically disenfranchised populations in county policies, practices, and procedures. The office meets these responsibilities through partnering with county departments, agencies, and the community. OESJ was established through the 2015-2016 Adopted Biennial Budget.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The 2023-2024 Proposed Biennial Budget would appropriate about $14.9 million to OESJ. This is a 20 percent net decrease to the total 2021-2022 Revised Biennial Budget. The decrease is due to the removal of one-time expenditures that were supported by ARPA CLFRF federal moneys. For the 2021-2022 biennium, OESJ was responsible for $9.4 million of COVID-19 pandemic response programming that were supported by ARPA CLFRF moneys. Of this total, $5.6 million would be reappropriated in the proposed budget to continue the work related to strategic communications, language access, disability access, digital equity, and Coalition Against Hate and Bias work.

The proposed budget would also include the following key changes:

- **Civil Rights and ADA Programs Transfer:** The Executive is proposing to move the enforcement functions of the county's Civil Rights program, including enforcement of the Americans with Disabilities Act (ADA), from OESJ to the Department of Human Resources (DHR)[1]. According to Executive staff, DHR has an established role in complaint investigations and the enforcement of multiple laws and regulations related to employment law, discrimination, harassment, retaliation, accommodation, and disability. OESJ will continue to focus on civil rights advocacy and disability justice. As a result, about $1.0 million and 3.0 FTEs would be disappropriated from the OESJ budget. A corresponding appropriation is proposed in the DHR budget.

  Executive staff state that this reorganization would not de-prioritize civil rights work for the county, but rather would help ensure additional focus on each of the major elements of the program (advocacy and enforcement) and allows for additional focus on disability justice. DHR is already responsible for conducting investigations related to discrimination, harassment, and inappropriate conduct. OESJ would now be able to prioritize advocacy and strategies that achieve improved civil rights outcomes countywide.

  Council staff analysis is ongoing to understand the current and proposed OESJ organizational structure.

- **Disability Justice:** $378,000 and 1.0 FTE to add a Disability Justice position to support departments to advance disability justice in their departments and throughout their work. The position would also broaden partnerships with the disability community, staff the county's ADA/504 Advisory Committee, develop disability equity training, and ensure disability is incorporated into county strategic plans.

  Of note, the proposed budget also includes a new ADA Coordinator position in DHR which would focus on enforcement functions and serve as a liaison to county departments on all aspects of ADA work and planning identified in the council's adopted Disability Equity Strategic Plan. Executive staff state that this position is different from the Disability Justice position as the ADA Coordinator would focus on enforcement.

- **Community Engagement Positions:** $710,000 and 2.0 FTEs to convert a Community Engagement Manager TLT and a Program Lead TLT to FTEs to provide ongoing support for community co-creation. The work of this team includes developing inclusive and equitable engagement and co-creation approaches, providing policy guidance, and working with county departments and community on a variety of co-creation opportunities including the King County Equity Cabinet, Gathering Collaborative, the disability community, and the Coalition Against Hate and Bias; and

[1] The executive has transmitted Proposed Ordinance 2022-0394 along with the 2023-2024 Proposed Biennial Budget to amend King County Code to effectuate this reorganization.

- **Pro-equity and Anti-Racist Enterprise Systems Strategic Implementation:** $422,000 and 1.0 FTE to support the next phases of building an organizational structure, system, and culture that effectively centers pro-equity and anti-racism and (PE/AR) into all facets of county work. Key activities would include:
  - Providing strategic guidance and ensuring PE/AR practices are integrated into county decision making processes;
  - Aligning the work of OESJ and the work of DHR related to PE/AR including, but not limited to learning and capacity building applicable to all county employees;
  - Full integration of PE/AR into the executive branch's continuous improvement system; and
  - PE/AR data needs, analysis, and reporting.

Of note, the executive has transmitted Proposed Ordinance 2022-0394 along with the proposed budget which would codify the establishment of OESJ and rename it to the Office of Equity, Racial, and Social Justice (OERSJ).

Also of note, the County Auditor's Office is in the process of evaluating OESJ as part of the Auditor's work program and anticipate a final report early next year.

KEY ISSUES

ISSUE 1 – DISCONTINUE FUNDING OF CURRENT OESJ ACTIVITIES

The 2023-2024 Proposed Biennial Budget does not include $2.2 million of 2021-2022 funded OESJ activities that were proposed by OESJ. The table below provides a list of these activities:

No.	Description	Amount
1	Conversion of Community co-creation Program Lead from TLT to FTE.	$340,000
2	Coalition Against Hate and Bias: $500,000 per year to fund a multi-cultural coalition of grass roots organizations representing BIPOC, immigrants, refugees, LGBQTIA, seniors, veterans, youth, farmers, and other communities historically and contemporarily targeted by incidents of hate and bias.	$1,000,000
3	Conversion of Senior Communications Manager from TLT to FTE to coordinate OESJ's pro-equity/anti-racist strategic communication plan	$420,000

No.	Description	Amount
4	On-going funding for a Native American Community and Internal Investments Manager. Executive staff state that this is the only position within OESJ which focuses solely on one community, the Native American community. The impact of not extending this position will be that OESJ will need to partner with other elements of the government and the community to develop a sustainable and effective approach to meeting the unique needs of this community. This position serves as a unique conduit to not only the Native American and Urban Native communities, it also uniquely serves to promote insights to policy, projects and programs from a Native American perspective.	$425,000
		$2.2 million

Executive staff state that given revenue constraints, the Executive prioritized the OESJ investments that (1) will have the most long-lasting and foundational impact as well as leverage existing operations and staff, (2) upstream investments that focused on ongoing community engagement, (3) investing where needs are greatest, and (4) building internal capacity to advance pro-equity/anti-racism.

Moreover, Executive staff state that OESJ performed both internal and external community engagement as input to establishing the budget. Throughout the 2021-2022 biennium, OESJ's engagement with the Equity Cabinet, Gathering Collaborative, Equity, Inclusion and Belonging (EIB) staff and the cross-departmental community engagement and coordination team informed the OESJ's budget requests. Specifically, for the Disability related proposals, OESJ utilized feedback previously provided to the county from both the "Still Left Out" report provided in 2020, feedback provided from the council adopted Disability Equity Plan, and input from the King County Disability Coalition.

OFFICE OF ECONOMIC OPPORTUNITY AND CREATIVE ECONOMY

ANALYST: ANDREW KIM

	Expenditures	Revenues	FTEs	TLTs
2021-2022 Revised Budget	$0	$0	0.0	0.0
2023-2024 Base Budget Adjust.	$0	$0	0.0	0.0
2023-2024 Decision Packages	$ 2,209,351	$0	3.0	0.0
2023-2024 Proposed Budget	**$2,210,000**	**$0**	**3.0**	**0.0**
% Change from prior biennium	100.0%			
Dec. Pkg. as % of prior biennium	100.0%			

Major Revenue Sources: General Fund

Base Budget Assumptions: None

DESCRIPTION

The 2023-2024 Proposed Biennial Budget would establish a new Office of Economic Opportunity and Creative Economy (OEOCE) under the Office of the Executive. The Office of Economic Opportunity and Creative Economy would consolidate the existing Director of Creative Economy and Recovery and the existing Director of the Economic Development & Recovery into a single office. Executive staff state that the proposed mission of the office is to revitalize economic growth throughout our region by fortifying community partnerships and resources.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The 2023-2024 Proposed Biennial Budget would appropriate about $2.2 million and 3.0 FTEs to the OEOCE. Proposed Ordinance 2022-0394, which was transmitted along with the 2023-2024 Proposed Budget, would amend King County Code to establish the OEOCE. The following table provides a breakdown of the $2.2 million proposed appropriation. The proposed appropriation would be fully paid by the General Fund.

No.	Appropriation Description	2021-2022 Biennium Funding Notes	Amount
1	Director of Creative Economy (1.0 FTE) – Responsible for policy and programs related to creative economy, including Harbor Island Studios (sound stage), Regional Film Initiative, and supports the music and nightlife industries in King County.	Current FTE position in PSB. 2023-2024 Proposed Budget would transfer this position from PSB to OEOCE.	$450,000

No.	Appropriation Description	2021-2022 Biennium Funding Notes	Amount
2	Director of Economic Development (1.0 FTE) – Responsible for policy and programs related to economic development including leading an inter-departmental working group, regional workforce development, working with the King County Aerospace Alliance, and regional business development and marketing.	Currently a temporary position in Executive Office funded using existing appropriation authority. 2023-2024 Proposed Budget would transfer funding from Executive Office to OEOCE.	$450,000
3	Project / Program Manager (1.0 FTE) – Provides administrative and program support to the office.	No funding.	$280,000
4	Economic Opportunity Support to external economic development organizations	Currently funded under Membership and Dues appropriation unit. 2023-2024 Proposed Budget would transfer funding from Membership and Dues to OEOCE.	$500,000
5	Supplies, Advertising, Consultant Services	No funding.	$490,000
6	Internal Service Rate Charges	No funding.	$25,000
			$2.2 million

Executive staff state that the work of the OEOCE would go beyond pandemic recovery and establish a formal structure to execute on an overarching economic/workforce development and recovery strategy and convene and help coordinate the disparate economic and workforce development roles and activities across departments. Executive staff also state that the OEOCE would establish a centralized hub, which in addition to developing strategy, will serve as a forum to share information, identify gaps, minimize duplication of efforts, and track county-wide progress.

Executive staff state that some of the creative economy initiatives include:

- Streamlining the film permitting process throughout county departments;
- Opening Harbor Island Studios (sound stages) to increase film production and job creation, and generating new revenue streams;
- Establishing a more formal Creative Economy Advisory Board or Commission;
- Conducting a Regional Music Ecosystem Study (already funded in part by Washington State Department of Commerce);
- Policy development to support the creative economy leveraging existing resources; and

- Conducting job fairs, career days, networking events, and social media information sharing.

Lastly, executive staff state that the OEOCE programs would have a deliberate focus on historically marginalized communities in the county and the jobs, employers, and organizations of focus must serve the communities most impacted by the pandemic.

KEY ISSUES

ISSUE 1 – ESTABLISHING THE OFFICE OF ECONOMIC OPPORTUNITY AND CREATIVE ECONOMY

The Office of Economic Opportunity and Creative Economy would be fully paid by the General Fund. Approximately $800,000 of the $2.2 million of the proposed appropriation were not included in the 2021-2022 Budget and therefore would be new ongoing General Fund spending.

REAL ESTATE SERVICES

ANALYST: ANDREW KIM

	Expenditures	Revenues	FTEs	TLTs
2021-2022 Revised Budget	$9,639,918	$10,352,296	21.0	1.0
2023-2024 Base Budget Adjust.	$688,903	$0	0.0	0.0
2023-2024 Decision Packages	($325,071)	$3,300,377	1.0	1.0
2023-2024 Proposed Budget	**$10,004,000**	**$13,653,000**	**22.0**	**2.0**
% Change from prior biennium	3.8%			
Dec. Pkg. as % of prior biennium	(3.4%)			

Major Revenue Sources: General Fund (40%), Rent from tenants on GF properties, Lease Admin Fee (13%), Fees, and Charges for Services

Base Budget Assumptions: (1) Remove one-time expenditures including those related to pandemic response; (2) annualize supplemental changes; (3) update personnel rates including 4.5% GWI increase for 2023 and 2024; and (4) 2.5% inflation rate.

DESCRIPTION

The Real Estate Services (RES) section of the Facilities Management Division (FMD) of the Department of Executive Services manages acquisition, sales, and leasing of real properties; and processes utility permits, reviews and processes requests for easements, rights-of-way construction permits, and utility franchise agreements. RES is included as a separate appropriation unit (and not within the Facilities Management Internal Service) since it is a General Fund agency.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The 2023-2024 Proposed Biennial Budget would appropriate about $10 million to RES. This is a 3.8% net increase to the total 2021-2022 Revised Biennial Budget. This net increase would be a result of increased labor costs and inflationary adjustments and the following changes:

- **Real Property Agent – Sales and Acquisition:** $300,000 and 1.0 FTE to restore a Real Property Agent (RPA) III position that was eliminated due to target reductions imposed in the 2021-2022 Biennial Budget. The RPA III position would work on sales, easements, and acquisition projects.
- **Real Property Agent – Franchise:** $300,000 and 1.0 TLT to add a Real Property Agent IV to support the backlog of franchise agreement work that needs to be completed over the next two years. Executive staff state that approximately 80 franchises (70 expired and 10 new) are operating without an agreement with the county and more are expiring each year. Franchise rent revenue for the

2021-2022 biennium is estimated at about $5 million and $13 million for the 2023-2024 biennium. Excess franchise rent revenues are entirely contributed to the General Fund.

- **Central Rate Reduction:** Reduction of $928,000 due to central rate adjustments. This would be primarily due to RES no longer being charged a FMD internal service rate and FBOD internal service rate being reduced by half. Executive staff state that given that RES is a section within FMD, charging FMD internal service rates might not be the best model for FMD services. As a result, the executive has not included a FMD internal service rate for this biennium and is planning to explore other options to recoup FMD service charges in a future supplemental or future biennial budget.

Of note, the revenue increase of $3 million in the proposed budget would be the RES portion of lease revenue that would increase due to new lease agreements, such as the recent council approved Ardagh Lease[1] which is estimated to generate more than $40 million to the General Fund over the next ten years.

KEY ISSUES

No key issues have been identified.

[1] Ordinance 19507.

FACILITIES MANAGEMENT INTERNAL SERVICE

ANALYST: ANDREW KIM

	Expenditures	Revenues	FTEs	TLTs
2021-2022 Revised Budget	$148,823,718	$143,903,734	340.6	2.0
2023-2024 Base Budget Adjust.	($1,763,378)	($10,644,400)	(0.2)	0.0
2023-2024 Decision Packages	$2,391,815	($693,336)	6.4	0.0
2023-2024 Proposed Budget	**$149,453,000**	**$132,566,000**	**346.8**	**2.0**
% Change from prior biennium	0.4%			
Dec. Pkg. as % of prior biennium	1.6%			

Major Revenue Sources: FMD Internal Service Rate (81%), Charges for Services

Base Budget Assumptions: (1) Remove one-time expenditures including those related to pandemic response; (2) annualize supplemental changes; (3) update personnel rates including 4.5% GWI increase for 2023 and 2024; and (4) 2.5% inflation rate.

DESCRIPTION

The Facilities Management Division (FMD) of the Department of Executive Services oversees and maintains the county's real property assets. The division is comprised of four sections:

- **Building Services:** Provides custodial services, maintenance, and building operations as well as building security;
- **Major Projects and Capital Planning:** Delivers large-scale projects in alignment with county policy directives and facility needs;
- **Operations and Finance:** Manages administrative duties including business planning, updating rate models, negotiating Service Level Agreements with county agencies. The section also oversees the county's Print Shop; and
- **Real Estate Services:** Manages acquisition, sales, and leasing of real properties; and processes utility permits, reviews and processes requests for easements, rights-of-way construction permits, and utility franchise agreements.

FMD is an internal service agency and is supported by an internal service rate that is charged to all county departments and agencies that utilize its services.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The 2023-2024 Proposed Biennial Budget would appropriate about $149 million to FMD. This is a 0.4% net increase to the total 2021-2022 Revised Biennial Budget. This net increase includes removal of about $11 million of one-time expenditures related to the COVID-19 pandemic, a $9 million increase due to increase labor costs and inflationary adjustments, and the following key changes:

- **Painting and Carpet Replacement:** $1.0 million to replace aged carpet and refresh painting at FMD managed facilities. The executive proposes to establish a 20-year carpet and 10-year paint useful life standards and establish a system to maintain these standards for all FMD managed facilities. Executive staff states that 10% of the inventory would need to be replaced each year to have all facilities meet the standard after 10 years;
- **HVAC Maintenance Response:** $2.0 million to replace and repair failing HVAC parts to increase life cycle of existing units. Executive staff state that maintaining climate standards in FMD facilities during the summer heat waves and colder than normal winters have strained HVAC systems. Executive staff is considering establishing a preventive maintenance response to mitigate this ongoing issue.
- **New FMD Positions:** $1.4 million to support the following new FTEs:

Job Title	Description	Amount
ADA Project Manager	Coordinates and supports facility access work in coordination with Office of Equity and Social Justice. (1.0 FTE)	$324,000
Project Control Officer	Capital contract administration and project compliance work. (0.5 FTE)	$220,000
Emer. Mgmt. Coordinator	Emergency response planning, converting existing TLT to FTE. (1.0 FTE)	$324,000
Fiscal Specialist	Support the increased accounts payable workload resulting from increase FMD facilities inventory. (1.0 FTE)	$217,000
Communication Specialist	Communication of facility related issues including safety updates to employees and members of the public. (1.0 FTE)	$289,000
Security Officers	Convert 2.0 TLTs to FTEs that provide security at Health through Housing facilities. (1.9 FTEs) Revenue-backed.	$28,000
		$1.4 million

The 2023-2024 Proposed Biennial Budget would decrease the FMD internal service rate charged to county agencies by about 5.5 percent. This is partially due to space consolidation activities due to Future of Work policies (remote work). For example, the Department of Natural Resources and Parks' contribution would be reduced by 42 percent due to their commitment to remote work. Executive staff state that the decrease is also a result of passing on underexpenditure savings from the 2021-2022 biennium.

KEY ISSUES

No key issues have been identified by staff.

MAJOR MAINTENANCE RESERVE

ANALYST: ANDREW KIM

	2023-2024 Proposed	2025-2026 Projected	2027-2028 Projected
Revenues	$58,256,702	$14,838,057	$16,321,863
Expenditures	$58,256,702	$14,838,057	$16,321,863

Major Revenue Sources: General Obligation Bond Proceeds, FMD Internal Service Rate

DESCRIPTION

The Major Maintenance Reserve (MMRF) capital fund is managed by the Facilities Management Division (FMD) to provide funding for the periodic replacement or repair of major building systems and components of FMD managed facilities so that each building will realize its full useful life. MMRF capital projects are supported by the FMD internal service rate which is charged to county agencies based on their occupancy of county facilities. Of note, MMRF capital projects would support the maintenance of a building, while Building Repair and Replacement (BRR) capital projects, also managed by FMD, would support new facility investments for the county.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The 2023-2024 Proposed Biennial Budget would appropriate $58.3 million to MMRF. This is a 66.4% increase from the 2021-2022 Revised Biennial Budget. The proposed appropriation would include the following capital projects and changes:

- **HVAC / Electrical System Replacement at MRJC:** $44.5 million to renovate the HVAC system at the detention facilities, parking garage and courthouse of the Maleng Regional Justice Center (MRJC) in Kent. This would also include the replacement of electrical panels as needed to support the new HVAC mechanical equipment. Executive staff state that the project would be completed in phases to ensure the buildings remain operational during the renovation. This continues the work from the 2021-2022 Biennial Budget when council appropriated $5.9 million to support the preliminary and final design efforts for this project.

  The cost of this project would be supported by Limited Tax General Obligation bond proceeds. Of note, along with the 2023-2024 Proposed Biennial Budget, the executive transmitted Proposed Ordinance 2022-0386 which would authorize the issuance of bonds to support this project and other county capital projects.

- **24/7 Facility Group Master Project:** $15.2 million for the 24/7 Facility Group Master Project to support four sub-projects at the KCCF, MRJC, and RCECC. For background, this capital project is a consolidation of MMRF projects ranked in the top 10 percent of deficiencies in the 24/7 Facility Group. The 24/7 Facility

Group include the MRJC, King County Correctional Facility (KCCF), Regional Communication and Emergency Coordination Center (RCECC), Judge Patricia H. Clark Children and Family Justice Center, and the Ravensdale Shooting Range. These facilities were grouped based on their 24/7 operation schedule and their similarities in other operational functions. One of the recommendations from the 2014 County Audit Report on MMRF[1] was to establish a new budget structure to address inefficiencies (higher than necessary costs) related to phased projects and inflexible project spending. The 24/7 Facility Master Project consolidates multiple MMRF projects to provide budgeting flexibility to no longer require council approval for minor budget revisions. This allows project decisions to proceed on a timely basis to reduce administrative cost and design and construction delay. The 24/7 Facility Group Master Project was established in the 2017-2018 Biennial Budget.

- **MMRF Building Survey:** $158,000 to continue surveying FMD managed buildings to determine the condition of the building components that will be used to update the facility condition assessment database. The facility condition assessment database would help with future MMRF planning. Approximately one-third of the building portfolio will be surveyed for this biennium. For the 2019-2020 Biennial Budget, the council appropriated $150,000 to begin this MMRF building survey effort. Executive staff state that additional funding would be proposed in the next biennium to complete surveying the remaining one-third of the building portfolio.
- **Closed / Completed Projects:** Net disappropriation of $1.5 million for 45 closed or completed MMRF capital projects.

KEY ISSUES

ISSUE 1 – $42 MILLION OF DEFERRED MMRF PROJECTS

The 2014 County Audit Report on MMRF generally stated that a backlog of critical MMRF could have impacts to county operations.

The 2023-2024 Proposed Biennial Budget does not include $42 million of MMRF projects that were proposed by FMD. The table below provides a list of the agency proposed MMRF projects not included in the executive's proposed budget. Executive staff state that these were not included due to insufficient revenue capacity. They also state that the condition of county facilities would remain in a deficit position by deferring these projects. However, executive staff highlighted that the proposed budget does include $58.3 million of MMRF projects, a 66 percent increase to the prior biennium.

[1] URL: https://kingcounty.gov/depts/auditor/auditor-reports/all-landing-pgs/2014/2014-fmd-mmrf.aspx.

No.	Description	Amount
1	**Countywide:** Restore the MMRF Emergent Need Contingency fund.	$300,000
2	**Countywide:** Restore the MMRF Quick Response Contingency Fund.	$300,000
3	**Countywide:** Fully fund the MMRF Building Survey capital project as discussed above.	$430,000
4	**Countywide:** Replace existing analog security cameras in with digital cameras.	$3,474,833
5	**Countywide:** Conduct a countywide HVAC Assessment.	$195,993
6	**Countywide:** Conduct a countywide Elevator Assessment	$300,000
7	**24/7 Facilities:** Two additional sub-projects within the 24/7 Facility Group Master Project.	$400,000
8	**District Court Redmond:** Remove the cracking stucco and windows, repair the wood structure, and install a new exterior wall assembly with appropriate flashings to prevent water leaks in the future.	$4,041,029
9	**District Court Redmond:** Replace all 7 air handling units which are aged, using obsolete refrigerant, and in very poor condition with severe leakage between compartments.	$1,424,677
10	**District Court Burien:** Replace the roof at the District Court Burien which is over its life expectancy and in poor condition.	$820,872
11	**Chinook Building:** Replace the 4th floor HVAC system in the Chinook Building to ensure the rest of Chinook's HVAC system will no longer be required to run 24/7 to support the 4th floor which it has done for many years.	$1,861,680
12	**Chinook Building:** Major overhaul to Chinook Building HVAC chillers to be in accordance with COVID and air quality handling requirements and maintain usability.	$3,504,523
13	**King County Courthouse:** Fire Alarm Replacement.	$6,480,316
14	**King County Courthouse:** Overhaul the existing elevators #1 through #8.	$3,844,703
15	**King County Courthouse:** Upgrade HVAC chillers, which are around 25 years old, to be in accordance with COVID and air quality handling requirements and maintain usability.	$2,935,059
16	**King County Courthouse:** Develop an access plan for safely gaining access to the tracked window washing system.	$529,494
17	**Downtown Public Health Building:** Replace roof, which is over its life expectancy, in poor condition, and leaking.	$983,380
18	**Goat Hill Parking Garage:** Make improvements & modernizations for the two elevators.	$2,065,984
19	**Kent Animal Shelter:** Replaces the existing built-up roofing systems	$1,235,105
20	**MRJC:** Justice system communications upgrade.	$5,345,765
21	**Yesler Building:** Replace roofing system which is aged, covered with patch works, and in a poor condition.	$1,608,768
		$42 million

BUILDING REPAIR AND REPLACEMENT

ANALYST: ANDREW KIM

	2023-2024 Proposed	2025-2026 Projected	2027-2028 Projected
Revenues	$58,624,643	$3,000,000	$3,000,000
Expenditures	$58,624,643	$3,000,000	$3,000,000

Major Revenue Sources: General Fund, General Obligation Bond Proceeds

DESCRIPTION

The Building Repair and Replacement (BRR) capital fund is managed by the Facilities Management Division (FMD) to provide funding for the major building functions and programmatic infrastructure investment projects in existing county-owned buildings or for building replacement. BRR capital projects are supported by the county agency that occupies the facility. Of note, the BRR capital projects would support new facility investments for the county, while the Major Maintenance Reserve (MMRF) capital projects, also managed by FMD, would support the maintenance of existing county-owned facilities.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The 2023-2024 Proposed Biennial Budget would appropriate $58.6 million to BRR. This is a 4.7% increase from the 2021-2022 Revised Biennial Budget. The proposed appropriation would include the following key capital projects and changes that are not identified as key issues by council staff:

- **All Gender Restrooms:** $800,000 to support the first phase of the design and reconfiguration of existing restrooms to increase the number of all gender restrooms in at least one floor of both the King Street Center building and the Chinook Building. Executive staff state that the design would be developed and implemented with employee input. The first phase would also include the development of best practices and cost-effective options that would be used for the future implementation of all gender restrooms for the remaining FMD managed county facilities. This project would be funded by revenues from the FMD internal service rate.
- **King County Correctional Facility (KCCF) Jump Barriers:** $1 million to support the design and installation of jump barrier panels on two floors of KCCF for the safety of inmates. Executive staff state that prior installation of jump barriers on the 6th and 7th floors would be referenced as barrier prototypes. However, executive staff state that there may be alternative materials considered. Executive staff indicate that additional appropriation may be requested through a supplemental during the 2023-2024 biennium in response to

possible increase in construction material and labor costs. Executive staff hope to propose additional appropriation during the 2025-2026 biennial budget to install jump barriers at the MRJC detention facilities. Of note, between August 2021 and July 2022, four people died by suicide at the KCCF or in the hospital following a jail stay.[1] This project would be funded by the General Fund.

- **Regional Animal Services of King County (RASKC) Animal Shelter Alternative Siting Plan:** $275,000 to support conceptual design and siting alternatives analysis for a potential replacement of the RASKC animal shelter. This project would be funded by the General Fund.
- **Closed / Completed Projects:** Net disappropriation of $25.3 million for 22 closed or completed projects including the following notable projects:
  - Superior Court Video Option (disappropriation of $1.1 million) – During the 2019 2nd Omnibus the council appropriated $1.6 million to implement a video court option to improve safety of the arraignment court on the 12th floor of the King County Courthouse. The project was completed under budget.
  - King County Correctional Facility (KCCF) West Wing (disappropriation of $3.9 million) – During the 2019 2nd Omnibus the council appropriated $4.0 million to reconfigure space on the second floor of KCCF West Wing for a new high barrier population program jointly proposed by the City of Seattle and King County. This project included the modification to the West Wing second floor to allow new access points at the north and south end of the building for high barrier individuals. Executive staff state that behavioral health providers toured the facility and significant reconfiguration of the layout would be necessary for a behavioral health program. The program is currently on hold until facility and other issues are resolved.
  - Harborview Ninth and Jefferson Flood Damage (disappropriation of $17.7 million) – In March 2017, a routine test of the Ninth and Jefferson Building's (NJB) fire suppression led to a failure of the system which flooded parts of each floor of the building. Harborview Medical Center staff repaired the flood damage to the various floors – however, it was later determined that the water damage was more extensive and damaged the NJB's electrical system, including those systems that also provide power to the Maleng Building, which houses critical care functions such as nursing beds and operating rooms. Subsequently, the executive declared an emergency and in May 2017 the council approved an emergency supplemental appropriations ordinance of $28.6 million[2] to repair damage to the electrical system. Executive staff state that a "worst case scenario" was used to estimate the cost of the project based on the complexity of the infrastructure replacement and the necessity of zero interruption to the

[1] URL: https://www.seattletimes.com/seattle-news/times-watchdog/amid-spike-in-suicides-king-county-jail-to-restore-visits-services-within-two-years/.
[2] Ordinance 18521.

electrical power provision at the Harborview Medical Center. The project was completed successfully for $10.5 million which has resulted in the disappropriation.

KEY ISSUES

ISSUE 1 – KCIA STAR FORGE PROPERTY ACQUISITION ($62.5 MILLION)

The 2023-2024 Proposed Budget would appropriate $62.5 million to acquire the former Jorgensen Forge aerospace factory located west across East Marginal Way from the King County International Airport (KCIA). The 20.58 acre property is bordered north by the Boeing Plant 2 facility and south by the Boeing-Isaacson facility, and west by the Lower Duwamish Waterway.

Executive staff state that increasing property values and the demand for warehouse and industrial space in the vicinity of KCIA has reduced the availability of land around an already landlocked airport. As land is acquired and redeveloped by the private sector, KCIA sees a reduced opportunity to expand the economic footprint of KCIA. Executive staff state that the combination of industrial zoning, demand for warehouse and fulfillment center space relating to air cargo, and the proximity to KCIA makes the property a desirable acquisition for KCIA.

The cost of this acquisition would be paid by Limited Tax General Obligation bond proceeds and the debt service would be paid using KCIA revenues. Of note, along with the 2023-2024 Proposed Biennial Budget, the executive transmitted Proposed Ordinance 2022-0386 which would authorize the issuance of bonds to support this project and other county capital projects.

Executive staff has informed council staff of this transaction since early 2020 and council had been anticipating transmittal of a supplemental appropriations ordinance to consider this acquisition throughout the 2021-2022 biennium. Executive staff state that this appropriation is being included in the 2023-2024 proposed budget and not as a separate supplemental to allow the county more flexibility in negotiating the closing terms related to timeframe. Executive staff estimate the acquisition to occur sometime in 2023. Council approval of property acquisitions are not required, although as per K.C.C. 4.56.152 requirements may be established from time to time by the council. Given that, approval of this proposed appropriation would in effect support the property acquisition by council.

Background. The Jorgensen Forge corporation was acquired by CE Star Holdings in 2016 through bankruptcy proceedings and continued to do business as Star Forge LLC. Moreover, on November 11, 2016, the Washington State Department of Ecology, U.S. Environmental Protection Agency, and Star Forge LLC entered into a Bona Fide Prospective Purchaser Settlement Agreement (BFPP) which allowed Star Forge to purchase the Jorgensen Forge Property, maintain operations, and conduct cleanup while being protected from the Duwamish Superfund liability, so long as Star Forge complies with the BFPP Settlement. In April 2018, Star Forge closed operations and the property remained vacant.

ISSUE 2 – INTERIM YOUTH ACTIVITY CENTER @ HANFORD BUILDING

The 2023-2024 Proposed Biennial Budget would disappropriate $1.4 million and effectively close the capital project to rehabilitate the county owned Hanford property located at 2720 S. Hanford Street in Seattle, which is adjacent to the Mt. Baker Light Rail Station, to serve as an interim youth activity center until a new facility is completed. In the COVID 7 supplemental appropriations ordinance, the council appropriated $1.5 million to support this capital project using American Rescue Plan Act Coronavirus Local Fiscal Recovery (ARPA CLFRF) moneys.

Executive staff state that the primary cause for this project closing is that the facility targeted for remodel and reconfiguration was in a more serious state of disrepair than anticipated. The cost to upgrade the facility would have been significantly higher than the amount originally budgeted. The project's consultant determined the higher cost of renovation particularly as it pertained to facility electric and plumbing infrastructure. Executive staff also note that the appropriate councilmember has been informed of the dilapidated condition of the building and the high costs necessary to complete a facility rehabilitation.

Background. The Hanford parcel was purchased by the Wastewater Treatment Division (WTD) in 2013 to serve as a temporary staging ground and construction office for the Rainier Valley Wet Weather Storage Facility that is adjacent to this building. The project was completed in 2018 and WTD is retaining the property while monitoring the adjacent wet weather storage facility for compliance with the County's federal combined sewer overflow (CSO) consent decree. A Technical Assistance Panel (TAP) on creating transit-oriented development in the area has identified a lack of open space and recreation opportunities in the parcel. This capital project would have returned the site to beneficial use on a temporary basis until a determination is made on whether WTD will need any additional portion of the site for compliance with the CSO consent decree, and fill some of that identified need until the full TAP recommendations can be implemented. Executive staff notes that a new youth activity center would have been eventually created through the implementation of the TAP recommendations.

The TAP's findings were released in September 2019 with the expectation that the City of Seattle, King County, and other stakeholders would collaborate on the implementation of the recommendations; however, the COVID-19 pandemic has slowed all development including the implementation of the recommendation. The final use of the Hanford property and other properties in the surrounding area will be an ongoing discussion with the community, partner organizations, local governments, and private developers but the TAP suggests that the parcel be used for a mix of affordable housing, parks, and other open space.

ISSUE 3 – HARBOR ISLAND SOUND STAGE CAPITAL INVESTMENT ($1.4 MILLION)

The 2023-2024 Proposed Biennial Budget would appropriate $1.4 million to build a mill space and workshop to support the sound stages established in the Harbor Island warehouse. The project costs would be paid by the General Fund. To date, the total General Fund investment to the sound stages would be estimated to be more than $6 million since they were established in 2021. The below table provides a summary of the total appropriations related to the sound stages.

Appropriations Ordinance	Description	Amount
COVID 7 / COVID 9	FMD Operating: Transfer General Fund moneys to the FMD to pay for Harbor Island rent costs, determined to be ineligible for federal COVID relief funding.[3]	$1.5 million
COVID 7 / COVID 9	FMD Capital: Transfer General Fund moneys to FMD to pay for Harbor Island tenant improvement costs, determined to be ineligible for federal COVID relief funding.[4]	$1.5 million
2021-2022 3rd Omnibus	FMD Capital: Transfer General Fund moneys to FMD to support additional tenant improvements to the sound stage facilities including plumbing improvements, repairing roof leaks, and improving the safety of the outside walkway.	$0.5 million
2023-2024 Proposed Budget	FMD Capital: Transfer General Fund moneys to FMD to build a mill space and workshop to support the sound stage.	$1.4 million
2023-2024 Proposed Budget	FMD Operating: Transfer General Fund moneys to FMD to support operations and maintenance. Council staff analysis is ongoing.	$0.9 million
2023-2024 Proposed Budget	FMD Capital LTL: Transfer General Fund moneys to FMD to support leasing costs. Council staff analysis is ongoing.	$TBD
		$6.0+ million

King County's Solid Waste Division purchased the former Fisher Flour Mill property on Harbor Island 18 years ago to potentially ship solid waste. It was previously used by a nonprofit organization for $1 annual rent, but the nonprofit moved to another location and the property remained unused for eight years. The county conducted tenant improvements to transform the facility into two sound stages for film production, in

[3] Of note, this project was originally appropriated in the COVID 7 supplemental appropriations ordinance using American Rescue Plan Act Coronavirus Local Fiscal Recovery Fund (ARPA CLFRF) moneys. However, the revenue support was changed to the General Fund in the COVID 9 supplemental appropriations ordinance.

[4] Of note, this project was originally appropriated in the COVID 7 supplemental appropriations ordinance using American Rescue Plan Act Coronavirus Local Fiscal Recovery Fund (ARPA CLFRF) moneys. However, the revenue support was changed to the General Fund in the COVID 9 supplemental appropriations ordinance.

hopes to make the region competitive for future film projects. Rent costs are paid to the Solid Waste Division.

Council staff analysis is ongoing.

<u>ISSUE 4 – ELECTRIC VEHICLE CHARGING INFRASTRUCTURE ($16.8 MILLION)</u>

The 2023-2024 Proposed Biennial Budget would appropriate $16.8 million to support the design and implementation to expand electric vehicle (EV) charging infrastructure and equipment for county fleet vehicles (managed by the Fleet Services Division) at 6 county-owned facilities including the Blackriver Building, Chinook Building, Goat Hill Garage, King Street Center, KCCF, and MRJC.

Executive staff state that the installation would include single and dual cord chargers, electrical load management and make ready equipment including utility service upgrades. An early emphasis for this project would involve developing the infrastructure necessary to provide an adequate electric power supply to the county parking facilities by working with area utility companies to coordinate efforts to increase electric power capacity.

The cost of this project would be paid by Limited Tax General Obligation bond proceeds and the debt service would be paid through internal service rate revenues. Of note, along with the 2023-2024 Proposed Biennial Budget, the executive transmitted Proposed Ordinance 2022-0386 which would authorize the issuance of bonds to support this project and other county capital projects.

The proposed capital project is in response to the recommendations provided by the *Electric Vehicle Infrastructure Analysis and Implementation Plan Response* Report[5]. This report was required by Ordinance 19052, which established the "Jump Start" vehicle electrification strategy to accelerate the adoption of EVs by the Metro transit department, by other county agencies and by residents. Ordinance 19052 was adopted by council on February 4, 2020. Executive staff state that the proposed appropriation is based on charging strategy #2 (Dedicated L2 Chargers w/ Load Management[6]). The four charging strategies are shown in the table below:

[5] 2021-RPT0115.

[6] Load management systems use equipment and software to manage distribution of electrical power between chargers, and as such balance charging as fast as possible without exceeding site electrical capacity.

FACILITY NAME	DEDICATED L1 & L2 CHARGERS		DEDICATED L2 CHARGERS W/ LOAD MANAGEMENT		SHARED L2 CHARGERS		SHARED DC FAST CHARGERS	
	INSTALLED CHARGER PROJECT COSTS	ESTIMATED ANNUAL OPERATING COSTS	INSTALLED CHARGER PROJECT COSTS	ESTIMATED ANNUAL OPERATING COSTS	INSTALLED CHARGER PROJECT COSTS	ESTIMATED ANNUAL OPERATING COSTS	INSTALLED CHARGER PROJECT COSTS	ESTIMATED ANNUAL OPERATING COSTS
Black River	$376,600	$21,648	$414,000	$14,292	$179,700	$12,692	$125,900	$27,656
Chinook	$619,700	$40,102	$749,200	$34,234	$349,200	$33,494	$253,000	$84,552
GHG	$3,504,200	$87,572	$4,183,400	$89,114	$2,464,200	$78,655	$2,344,100	$268,077
KCCH	$343,600	$24,943	$382,600	$20,885	$274,000	$24,866	$125,900	$34,078
MRJC	$359,700	$44,226	$381,100	$44,981	$306,900	$45,876	$189,500	$67,607
KSC	$4,261,000	$94,085	$5,252,000	$105,659	$2,874,000	$87,514	$2,599,000	$339,639
Total	**$9,464,800**	**$312,576**	**$11,362,300**	**$309,165**	**$6,448,000**	**$283,098**	**$5,637,400**	**$821,609**

Executive staff state that the 2023-2024 biennium would be focused on installing make-ready infrastructure, which would provide time for further discussions and planning around Future of Work fleet operations, some of which is still unknown. The 2023-2024 Proposed Budget includes funding for the purchase of 113 electric light duty vehicles in addition to the purchase of some hybrid police vehicles. It also includes $1.5 million to cover the higher purchase cost of all-electric and hybrid Police Interceptor Utility (PIU) vehicle replacements for the Sheriff's Office. The $1.5 million would also be funded with bond proceeds with debt service payments paid through internal service charges by county agencies that would utilize the vehicles.

Executive staff state that on-road vehicles in the medium and heavy-duty classes will be replaced in-kind with internal combustion engine or hybrid vehicles since most vehicles in these classes do not currently have EV alternatives that meet the county's needs due to range and payload limitations. This is consistent with the *Electric Vehicle Infrastructure Analysis and Implementation Plan Response* Report which states that there are currently just a handful of battery electric cars and one electric SUV on the market. By 2025, the market can expect many other light-duty electric vehicles on the market including a $25,000 Tesla and Volkswagen, and numerous medium and heavy-duty vehicles and bidirectional charging will have achieved standardization. However, beyond that, the future becomes increasing less certain. Additional analyses on procurement of electric fleet are detailed in the Fleet Division budget staff report.

Executive staff states that they hope to fine tune charging strategies during the biennium at the six sites as the county understands more about the EV market landscape.

Council staff analysis is ongoing.