## STAFF REPORT

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| **Agenda Item:** | 11 | **Name:** | Wendy K. Soo HooScarlett Aldebot-GreenKatherine Cortes |
| **Proposed No**.: | 2016-0282 | **Date:** | September 14, 2016 |

**SUBJECT**

Proposed Ordinance 2016-0282 would appropriate $4,832,000 and 18.00 FTE to the Department of Community and Human Services (DCHS) Best Starts for Kids appropriation unit and $789,000 and 15.50 FTE to the Public Health fund, backed by Best Starts for Kids Levy (BSK) proceeds.

**SUMMARY**

Proposed Ordinance 2016-0282 was transmitted to the King County Council on June 1, 2016 along with the Best Starts for Kids Implementation Plan (Proposed Ordinance 2016-0281). The transmitted appropriations ordinance was intended to align with the Executive’s proposed Implementation Plan.

Following the Regional Policy Committee’s deliberations and approval of an amended plan on July 13, 2016, the Council’s Health, Housing and Human Services Committee began deliberations on the Plan. The Health, Housing and Human Services Committee amended the Plan on September 7, 2016 and the item is now pending approval at the full County Council.

Based on the changes to the Plan, if approved by the full Council, the Council may wish to amend the appropriations ordinance to reflect the adopted policy decisions. This staff report will focus on the Executive’s transmittal and will not include potential changes that could result based on the amended BSK General Implementation Plan (PO 2016-0281) that passed out of the Health, Housing and Human Services Committee on September 7, 2016, and which is anticipated for consideration at the September 19, 2016 meeting of the full Council.

**BACKGROUND**

On November 3, 2015, King County voters approved a six-year property tax levy to fund Best Starts for Kids (BSK), a prevention-oriented regional plan. Ordinance 18088, the legislation that placed the BSK levy on the ballot, required that the Executive transmit to the Council an implementation plan (BSK Implementation Plan) that “identifies the strategies to be funded and outcomes to be achieved with the use of levy proceeds” by June 1, 2016.[[1]](#footnote-2)

Specifically, Ordinance 18088 required that the implementation plan identify funding strategies and outcomes for levy proceed expenditures as allocated in the levy ordinance (excluding set-asides from the first year’s proceeds for the Youth and Family Homelessness Prevention Initiative and election costs):

* 50 percent of levy proceeds for the Invest Early Allocation (0-5 year olds);
* 35 percent for the Sustain the Gain Allocation (5-24 year olds);
* 10 percent for the Communities Matter Allocation (Communities of Opportunity); and
* 5 percent for the Outcomes-Focused and Data-Driven Allocation.[[2]](#footnote-3)

**ANALYSIS**

Proposed Ordinance 2016-0282 would appropriate $4,832,000 and 18.00 FTE to the Department of Community and Human Services (DCHS) Best Starts for Kids appropriation unit and $789,000 and 15.50 FTE to the Public Health fund, backed by Best Starts for Kids Levy (BSK) proceeds.

This analysis will focus on the Executive’s transmittal and will not include potential changes that could result based on the amended BSK General Implementation Plan (PO 2016-0281) that passed out of the Health, Housing and Human Services Committee on September 7, 2016, and which is anticipated for consideration at the September 19, 2016 meeting of the full Council.

**Best Starts for Kids $4,832,000**

***2015/2016 Adopted Budget: N/A***

***Supplemental Appropriations: $8,619,000***

***Cumulative Total Appropriation to Date: $8,619,000***

**Public Health $789,000**

***2015/2016 Adopted Budget: $331,880,000***

***Supplemental Appropriations: $6,285,000***

***Cumulative Total Appropriation to Date: $338,165,000***

According to the transmitted fiscal note, the proposed DCHS BSK appropriation of approximately $4.8 million includes two interfund transfers:

* $115,000 to transfer to the General Fund as payment for the BSK levy’s portion of the November 2015 election costs
* $789,000 to transfer to the Public Health Fund to support BSK programs within Public Health – Seattle & King County (PHSKC)

Proposed Ordinance 2016-0282 would also provide the corresponding appropriation authority ($789,000) to PHSKC to support BSK programs.

Tables 1.A. and 1.B. below show breakouts of the proposed 18.00 FTE in the DCHS BSK appropriation unit and the 15.50 FTE in PHSKC, totaling $1.0 million in county staff costs planned over the remainder of the 2015-16 biennium. Note that the shaded rows represent direct services, while the unshaded rows represent administrative staff.

**Table 1.A**

**DCHS BSK: Proposed Full-Time Equivalents (FTE) and FTE Costs as Assumed**

**in Transmitted Proposed Ordinance 2016-0282**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **DCHS BSK Positions** | **Strategy** | **Program** | **FTE** | **Months** | **2016 Approp Request** |
| Children and Youth Psychiatrist | Prenatal to 5 | Infant Mental Health |  1.00  | 2 |  56,996  |
| Infant Mental Health Specialist | Prenatal to 5 | Infant Mental Health |  1.00  | 2 |  23,914  |
| Early intervention specialists (Developmental Disability) | Prenatal to 5 | Dev Scr/Early |  2.00  | 2 |  56,419  |
| Skill-building, first teachers | Prenatal to 5 | Dev Scr/Early |  2.00  | 2 |  47,828  |
| School based Project Manager, SBIRT | Five to 24 | Screening |  1.00  | 2 |  23,914  |
| School based Coordinator, SBIRT  | Five to 24 | Screening |  1.00  | 2 |  28,209  |
| Program Coordinator, EDIPPP  | Five to 24 | Screening |  1.00  | 2 |  28,209  |
| Prevention Project Manager, EDIPPP  | Five to 24 | Screening |  1.00  | 2 |  23,914  |
| Pipeline Program Manager | Five to 24 | S/P (school) |  1.00  | 2 |  14,556  |
| Employment & Education Professional | Five to 24 | S/P (school) |  1.00  | 2 |  14,556  |
| Employment Navigator for COO | COO  | COO  |  1.00  | 2 |  28,209  |
| Admin support for BSK & COO | COO/All | COO/All |  1.00  | 2 |  16,642  |
| KCIT / BSK Integration | Data/Eval | Data/Eval |  1.00  | 1 |  12,908  |
| Communications  | All | All |  1.00  | 2 |  24,595  |
| Program Manager to Support CYAB | All | All |  1.00  | 2 |  28,209  |
| Contract Monitor | All | All |  1.00  | 2 |  23,914  |
|  |  |  **Requested DCHS BSK FTE**  |  18.00  |  |  452,994  |

**Table 1.B.**

**Public Health: Proposed Full-Time Equivalents (FTE) and FTE Costs as Assumed in Transmitted Proposed Ordinance 2016-0282**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Public Health Positions** | **Strategy** | **Program** | **FTE** | **Months** | **2016 Approp Request** |
| Prenatal-5 Help Me Grow Strategic Advisor | Prenatal to 5 | Split among Prenatal-5 strategies |  1.00  | 3 |  48,189  |
| Prenatal-5 Help Me Grow Outreach Manager | Prenatal to 5 | Split among Prenatal-5 strategies |  2.00  |   |  -  |
| School-based Health Center Program Manager | Five to 24 | School Based Health Centers |  1.00  | 3 |  42,552  |
| Home Visiting Program Manager | Prenatal to 5 | Home Based Services |  1.00  | 3 |  47,258  |
| Child Care Health Program Manager | Prenatal to 5 | Child Care |  1.00  | 4 |  48,396  |
| Parent & Caregiver Supports Program Manager | Prenatal to 5 | Community-based parent supports  |  1.00  | 3 |  42,552  |
| Environmental Toxins Public Health Planner | Prenatal to 5 | Env toxins trainers & provider outreach |  1.00  | 3 |  41,359  |
| Environmental Toxins Monitoring Trainer and Provider Outreach | Prenatal to 5 | Env toxins trainers & provider outreach |  1.00  | 3 |  41,359  |
| BSK Policy & Program Manager | All | All |  1.50  | 4 |  75,688  |
| COO Lead | COO  | COO |  1.00  | 4 |  43,662  |
| COO Subject Matter Experts working with COO communities | COO  | COO |  2.00  | 4 |  43,067  |
| Communications | All | All |  1.00  | 4 |  39,973  |
| Admin support for BSK & COO | All | All |  1.00  | 4 |  33,781  |
|  |  |  **Requested Public Health BSK FTE**  |  15.50  |  |  547,836  |

In addition to the total County staffing cost of approximately $1.0 million across DCHS and PHSKC included in Proposed Ordinance 2016-0282, the appropriation authority as transmitted would also provide for contracting for some programs included in the transmitted Implementation Plan including Communities of Opportunity (COO), an allowance for metropolitan parks and fire districts suppression, and evaluation and data collection. This is summarized in Table 2 below.

**Table 2.**

**Proposed Costs for Contracting, Communities of Opportunity and**

**Metropolitan Parks District Suppression as Assumed in**

**Transmitted Proposed Ordinance 2016-0282**

|  |  |  |
| --- | --- | --- |
| **Strategy** |  |  |
| **Prenatal to 5 Contracts** | **DCHS** | **PHSKC** |
|  | Early Intervention Supports |  270,000  |  |
|  | Developmental Screening  |  145,000  |  |
|  | Infant Mental Health System |  30,000  |  |
|  | Innovation Fund Programs |  300,000  |  |
|  | Caregiver Referral System |  400,000  |  |
| **Total Prenatal to Five** |  **1,145,000**  |  **-**  |
|  |  |  |  |
| **Five to Twenty Four Contracts** |  |  |
|  | Trauma Informed Practices |  |  241,000  |
|  | Out of School Time |  375,000  |  |
|  | Healthy Relationships and DV Prevention for Youth |  60,000  |  |
|  | Positive Identity Development |  5,000  |  |
|  | Mentoring |  90,000  |  |
|  | Family Engagement and Support |  60,000  |  |
|  | Screening and Intervention for Mental and Substance Abuse |  95,000  |  |
|  | Youth Leadership |  80,000  |  |
|  | Restorative Justice Practices |  140,000  |  |
|  | School to Prison Pipeline (JJESC recommendations) |  140,000  |  |
|  | School to Prison Pipeline (school supports, employment support, case management, outreach) |  255,000  |  |
|  | Help Young Adults Transition into Adulthood |  65,000  |  |
| **Total Five to Twenty Four** |  **1,365,000**  |  **241,000**  |
|  |  |  |  |
| **Communities of Opportunity** |  220,000  |  |
| **Evaluation and Data Collection** |  165,000  |  |
| **Metropolitan Park Districts** |  431,000  |  |
| **Metropolitan Fire Districts** |  149,000  |  |
| **Total COO, Eval, Parks** |  **906,000**  |  **241,000**  |

Table 3 below summarizes the appropriation authority requests for DCHS BSK and Public Health by category of spending.

**Table 3**

**Overview of DCHS BSK and Public Health Appropriations as Assumed in Transmitted Proposed Ordinance 2016-0282**

|  |  |  |
| --- | --- | --- |
|  | **DCHS BSK** | **Public Health** |
| **County Staff Costs** | $453,000 | $548,000 |
| **0-5 and 5-24 Contracting** | $2,510,000 | $241,000 |
| **Communities of Opportunity** | $220,000 |  |
| **Parks and Fire Districts Prorationing Allowance** | $580,000 |  |
| **Evaluation and Data Collection** | $165,000 |  |
| **Transfer to Public Health** | $789,000 |  |
| **Transfer for Election Costs** | $115,000 |  |
|  | *$4,832,000* | *$789,000* |

**Issues for Council Consideration**

* **Procurement process:** Executive staff have provided limited information on the process and type of contracts that would be let per Table 2 above. They indicate that all contracts would be let by Request for Proposals (RFP) with the exception of Early Intervention Supports, for which funding would be allocated to existing providers through contract amendments. Staff have requested additional detail such as review panel composition, number and timing of awards and distribution of funding across them.
* **Timing for RFP and hiring processes**: As shown in Tables 1.A and 1.B, the requested appropriation assumes two months of expenditure for DCHS positions and three or four for PHSKC positions. In addition, Executive staff have indicated that the contract expenditures are expected to be let by RFP. Executive staff have been queried as to how these expectations should be updated given the current schedule (with anticipated action on the BSK Implementation Plan by the full Council no sooner than September 19), and have preliminarily indicated agreement that the number of months assumed for PHSKC position costs should be reduced.
* **Concurrence of 2016 estimated with current levy forecast:** The BSK Implementation Plan as amended in Health, Housing and Human Services committee updated life-of-levy numbers based on the August OEFA forecast for collections, but held 2016 amounts constant. Analysis is ongoing as to whether these assumptions are correct and consistent with County policy and practice regarding financial assumptions (e.g., undercollections, confidence level).

**Contracts**

* **Innovation Fund:** The Implementation Plan was amended in committee to require that "The Innovation Fund will be held in reserve, as levy proceeds are collected. Supplementation appropriations ordinances will be transmitted for Innovation Fund expenditure with clear, written specifications and an investment process for each contemplated investment strategy. Because the aim is to retain investment flexibility and responsiveness to community needs, it is understood that investment strategies will evolve. Evolution of these strategies will be reported in the BSK Annual Reporting process."  As transmitted the supplemental does not include any clear, written specification or an investment process for each contemplated investment strategy.  PO 2016-0282 requests $300,000 in appropriation for 2016 Innovation Fund expenditures.
* **Communities of Opportunity:** Executive staff have indicated in prior briefings and have confirmed since transmittal of PO 2016-0282 that no COO funds would be expended or encumbered for contracts in 2016. The breakout of the appropriation for anticipated 2016 contracts includes $220,000 for COO, which Executive staff have indicated could be removed from this request.

**Staffing/Positions**

* **Staffing levels:** The BSK levy ordinance states that "The majority of levy proceeds from the voter-approved best starts for kids levy is intended to go to community partners to provide services in the community." The positions in this appropriation request are all FTEs, which are likely to incur ongoing costs for the life of the levy. Staff analysis is ongoing as to whether the number of positions requested in the proposed ordinance would incur expenditures in line with this policy directive from the levy ordinance and with the percentage allocations across strategy areas directed by the BSK levy ordinance. Analysis is also ongoing as to whether staffing costs requested by this proposed ordinance would exceed the allowable expenditure level in any strategy areas.
* **Additional staffing issues:** Staff analysis is ongoing as to the appropriateness of position types given the uncertainty prior to Implementation Plan passage and the current assumptions for program mix, and the level of staffing capacity proposed for specific programs in this appropriation.

**Technical/Reconciliation Issues:**

* **FTE appropriation with no expenditure anticipated in 2016:** The proposed ordinance includes a request for appropriation for 2.0 FTE PPMIIs for PHSKC Prenatal to 5 strategies, but indicated that these positions would not work or incur salary and related costs in 2016. These FTEs could be removed from the proposed ordinance; Executive staff indicate that they would be included in the 2017-2018 budget request.
* **Prorationing:** Ordinance 18088 said that BSK would provide funding to parks and fire districts up to the amount that they were prorationed “if authorized by the county council by ordinance” for services that are eligible expenditures. According to Executive staff, as documented in the BSK Implementation Plan, the only prorationed district expenditures that meet both criteria (lost revenues due to BSK levy, and has provided a plan for eligible expenditures) are for Si View Metropolitan Park District at $316,421. That should be the full amount of the appropriation to this component. The breakout provided by Executive staff specifies $580,000 to cover expenditures up to the prorationed amount for both Si View and $115,000 for Fall City Metropolitan Park District (which has not provided a plan for eligible expenditures) and also includes possible fire district amounts of $150,000, although the Implementation Plan indicates that no fire districts will be prorationed in 2016. Councilmembers may wish to consider whether they want to appropriate these funds now or wait until these amounts are known/requested. Staff analysis is ongoing as to what technical changes to the ordinance (if any) would be needed to meet the standard of authorizing these expenditures by ordinance.
* **Elections costs:** The Financial Plan for the BSK Fund that was transmitted with the proposed ordinance specifies $117,000 in estimated Elections costs for the current biennium, but the breakout provided by Executive staff specifies $115,000. Staff are working to reconcile this discrepancy, which may be a rounding error.

**NEXT STEPS**

If Proposed Ordinance 2016-0281 (BSK General Implementation Plan) is approved by the full Council, the Council may wish to amend the appropriations ordinance to reflect the adopted policy decisions. To date, substantive additions to the plan that may affect the appropriations ordinance include:

* Front-end capacity-building, outreach and tech support for one or several outside contracted agencies (1% over the life of the levy for each of the prenatal to 5 and 5-24 strategy areas)
* Adolescent vaccination program
* Case management for the PAO-led Project SCOPE

Staff analysis to identify potential changes to the appropriations ordinance (Proposed Ordinance 2016-0282) are ongoing and will not be able to be finalized until final Council action on the Implementation Plan (PO 2016-0281). Action on PO 2016-0281 adopting the Plan is anticipated to occur at the Council’s meeting on September 19, 2016.

**INVITED**

1. Adrienne Quinn, Director, Department of Community and Human Services (DCHS)
2. Patty Hayes, Director, Public Health – Seattle & King County
3. Dwight Dively, Director, Office of Performance, Strategy and Budget
4. Sheila Capestany, Best Starts for Kids Program Manager, DCHS

**ATTACHMENTS**

1. Proposed Ordinance 2016-0282
2. Transmittal Letter
3. Fiscal Note
1. Ordinance 18088. [↑](#footnote-ref-2)
2. Prior staff reports refer to these allocations as the Early Childhood Allocation (0-5 year olds), the School-Aged Allocation (5-24 year olds), the Communities of Opportunity Allocation, and the Data and Evaluation Allocation, respectively. The transmitted plan labels these allocations Invest Early (0-5), Sustain the Gain (5-24), Communities Matter (Communities of Opportunity), and Outcomes-Focused and Data Driven. [↑](#footnote-ref-3)