



## WHATCOM COUNTY COUNCIL

### SPECIAL COUNCIL MEETING AS THE HEALTH BOARD

10:30 a.m. Tuesday, July 29, 2014  
Council Chambers, 311 Grand Avenue

## A G E N D A

<u>Meeting Topics</u>	<u>Pages</u>	<u>Time</u>
1. Public Session	no ppr	10:30-10:40
2. Director's Report	no ppr	10:40-10:50
3. PHAB Update	no ppr	10:50-11:05
4. Budget/Program Priorities	2 - 5	11:05-11:45
• <b>Community Health</b>		
○ Healthy Communities / East County Support		
○ Community Health Assessment (CHA) / Community Health Improvement Plan (CHIP) Support		
• <b>Environmental Health</b>		
○ Onsite Sewage Operations & Maintenance		
○ Food Fees		
○ Solid Waste Fund		
• <b>Communicable Disease and Epidemiology</b>		
○ Program Changes in Tuberculosis & Immunization		
• <b>Human Services</b>		
○ Housing Revenues		
○ Mental Health Court		
○ Behavioral Health Integration		
○ Triage Program Improvements		
5. Council Discussion & Recommendations Re: Health Priorities	no ppr	11:45-Noon

**HEALTH BOARD**  
**Discussion Form**  
July 29, 2014

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**AGENDA ITEM #4:**            *Health Department Budget*

**PRESENTER:**                *Division Managers*

**BOARD ACTION:**    *Action Item*                      *Discussion*                      *FYI - Only*

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***SIGNIFICANT POINTS OR EXECUTIVE SUMMARY***

The attached document provides an overview of the Health Department 2014 budget. While the budget for the current year is \$19.8 million, 85% of that is restricted to dedicated purposes. The remaining 15% is commonly referred to as flexible funding that can be used to fund other public health priorities not specifically funded by a dedicated source.

The budget for 2015-16 will:

- Reprioritize existing funding to the extent possible to address strategic plan priorities.
- Include Environmental Health program changes to further water quality improvement efforts.
- Include the transfer of the County Solid Waste Fund from Public Works to the Health Department.
- Include fee increases in Environmental Health to address the Council policy of setting fees to “recover the total costs of service including administrative overhead.”
- Restructure Food Program fees so that permit fees and inspection frequency more equitably reflect health risk posed by menu complexity.

***BOARD ROLE / ACTION REQUESTED***

1. Provide feedback on and support of Health Department priorities
2. Provide Health Board perspective on other health priorities

***ATTACHMENT(S)***

- Whatcom County Health Department Budget Overview & Plan for 2015-16



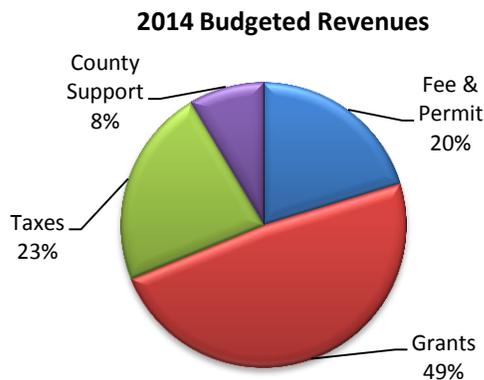
## Whatcom County Health Department (WCHD) Budget Overview & Plan for 2015-16

The department 2014 budget is \$19.8 million. The majority funds community contractors providing direct services to county residents. Any growth in the Health Department budget over the last several years has resulted from taking on more Human Service programs such as 0.1% Behavioral Health, Veterans, and Homeless Housing. Funding for traditional public health programs has been declining. In 2008 the Health Department had 91 positions, in 2014 there are 70. This is an indication of the degree of change that has occurred since the beginning of the 'great recession.'

### Revenues: Where do the funds come from?

Most Health Department revenue is restricted to specific activities or programs. Of the total budget only 15% of the funding is considered to be flexible. These flexible funds are used to fund programs not funded by grants (most communicable disease programs), to match grant funds that are insufficient to cover the total cost of a program, and to pay for special projects or other services (such as costs related to developing the community health assessment, community health improvement plan, and the strategic plan).

- **Grants** make up half of the budget. These revenues are generally restricted to specific program areas (silo funding). Of the total, 46% is for Human Service programs, 54% for Public Health programs.

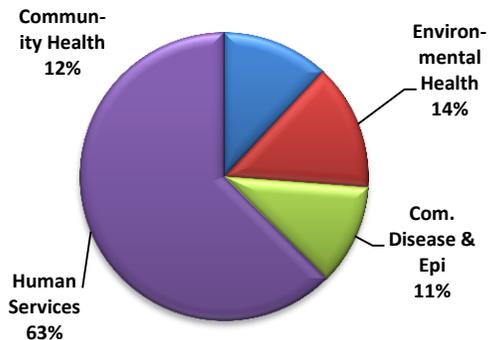


- **Taxes** consist of sales tax (Behavioral Health 0.1% sales tax) and property tax restricted to Human Service programs (Veterans, Developmental Disability, and Mental Health).

- **Fee and Permit** revenue is also restricted to specific purposes. 43% of this revenue source is for Environmental Health activities, and 37% is for Human Service housing programs (Auditor recording fee). The balance is collected in other areas.

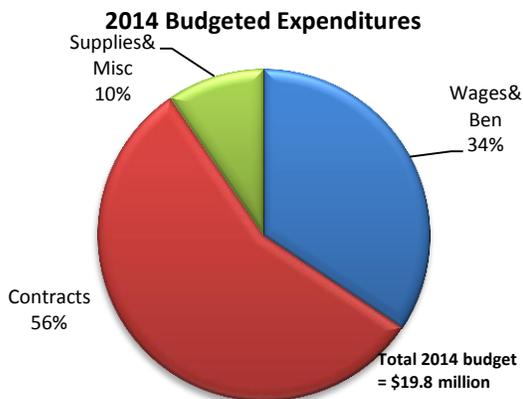
- The **County General Fund** provides 8% of the funding used by the department and mainly funds Communicable Disease and Administration costs.

## Expenditures: How are the funds used?



63% of the total budget in 2013 went toward Human Service programs, mostly in the form of contracted services. The remaining 37% of the budget funded all other Public Health activities.

- **Contracts** make up the largest portion of the budget. These are primarily for Human Service programs.



- **Wages and benefits** for the departments 70.4 FTE is the next largest component of the budget. In 2008 the department had 91 FTE but currently has 70 FTE.
- The remaining 10% of the budget is used to fund everything else. That includes supplies, transportation costs, training, communication, etc.

## Planned Budget Changes for 2015-16

Few new resources are expected for 2015-16 and we know that some revenue sources will be reduced or eliminated. Known revenue reductions are:

- **Community Transformation Grant:** This grant funded program was supposed to last for 5 years but we received notice a few months ago that it will end 9/30/14, after only 3 years. WCHD served as a regional hub for northwest Washington, working to coordinate transformation over several counties. We expect to receive some grant funding to carry on the work of this program, but for now we have not received final word on this. Any continuing funding will be at a lower level and will only fund work within the county, not regional activities.

- **Housing recording fees:** Housing programs are partially funded by document recording fees collected by the County Auditor. These fees have dropped about 37% percent over the previous year due to changes in mortgage interest rates (higher rates means reduced mortgage refinancing activity). This drop in revenue, of approximately \$300,000, is having a serious impact on the homeless housing program.
- **Medicaid Administrative Match:** This grant funds our work enrolling people in Medicaid and helping them to find Medicaid services. There have been major changes in this program resulting in a reduction in funding. We have recognized most of this loss in funding over the last few years, therefore the impact for 2015-16 should be approximately \$50,000. There is some risk this total funding source of \$150,000 could be eliminated; however we believe that risk is small.

The plan for the next budget period is to fill gaps as we are able and to reprioritize existing resources to the extent possible. The following reprioritizations are planned:

- Implement the strategic plan.
  - Community Health Assessment update, Community Health Improvement Plan implementation by using state 'flexible' grant funding.
  - Continue Healthy Communities work by reassigning a public health nurse position from clinical services. This is possible because of reductions in clinical services over the last few years.

In addition, changes are planned for Environmental Health.

- These program changes will be funded by dedicated revenue sources.
  - Expand On-Site Sewage Operations and Maintenance work with addition of an Environmental Health Specialist using the O&M fee initiated in the 2013-14 budgets. This position will work to improve water quality
  - Take on the Solid Waste Fund from Public Works and add an Environmental Health Specialist to do this work. The Solid Waste fund will provide resources for this position.
- Fee changes, particularly in the Food Program. Food program fees will be simplified and structured based on menu risk.