

2025-2026 Health Department Supplemental Department Questions

Please answer the following questions in a word document and return to Council. The answers to these questions will be provided to council as supplemental information. While not part of the physical budget presentation to Council, departments should be prepared to answer questions Council may have on these supplemental questions. If you feel that you have provided an answer in a previous question, please don't repeat your answer, simply refer to the earlier question/answer.

Strategic Goals

1. Provide your 2025-2026 strategic goals; How are they reflected in your budget request?

The department is currently going through a comprehensive strategic planning process and hopes to have it completed by the end of the year and begin initial implementation the first quarter of 2025. The plan is intended to be a three- to five-year planning process. Although the mission of public health has not changed, the intent of the document will be to set strategic priorities based on a number of inputs including where we need to address current or emerging health needs and/or threats and to assure our business and infrastructure needs are in place so we are efficient and effective in meeting our mission.

The funding identified in this budget aligns with some of the population health needs in Snohomish County. We are grateful for the additional funds that benefited our work as part of the County budgeting process. These funds, which include sources such as Chemical Dependency & Mental Health (CD/MH) sales tax, opioid settlement, and the American Rescue Plan Act (ARPA), have allowed us to implement key services and impact our reach.

In addition, we will continue to build on the successes of our recently opened sexually-transmitted infection (STI) clinic. We have been able to identify and treat new infections through contact investigations and increase our ability to interrupt transmission more rapidly in the community. From 2005 until the opening of the clinic at the beginning of 2024, some STI rates in the county have more than quadrupled with some leading to premature deaths of unborn or premature babies. We are making progress and will continue to seek new funding through the state legislative process and through allocation of Foundational Public Health Services (FPHS) funding.

We continue to work closely with other County departments and other community stakeholders to reduce early deaths and impacts of the opioid epidemic. We are currently developing a plan to implement an emergency department and jail/community-based peer navigator program through a community-based partner contract. Two full-time peers will be able to address this in their specific settings once the program is underway.

National, state and local landscape:

1. What critical issues are you facing in your department/industry, and how are you addressing them?

There are several public health concerns that the department continues to monitor and address. Childhood vaccinations have declined as a result of the public debate of vaccines through the time of COVID and we are beginning to see an increase of vaccine-preventable disease throughout the country and globally. Addressing primary prevention through vaccine adherence is a key role in controlling the spread of infectious disease. The department has had limited resources to implement vaccine delivery services. Through FPHS funding and with the support of ARPA funding, we will develop an approach to better reach communities with the lowest levels of vaccine adherence.

Another area of concern is of monitoring and preparing for public health threats that could impact our local communities. We continue to assure our public health workforce is ready to respond if we should see another health threat here locally. H5N1 bird flu is widespread in wild birds and causing outbreaks in poultry and U.S. dairy cows. This year there have been several human cases among dairy and poultry workers. These cases have not been human-to-human transmission which makes the risk to the public fairly low, but we continue to monitor the situation carefully. As these types of public health threats continue to emerge, we are evaluating and preparing at the local level to assure we are ready to respond as needed.

One of the critical issues that has been a challenge for the department has been a lack of staffing in our environmental health division's food plan review team. Historically, the team has had one supervisor and two staff to manage the workload of a large county. This past year, the two food plan review staff left their roles which resulted in longer wait times for approved permits. The department reassigned work and developed a process to quickly catch up. We are now below the 12-week target for turnarounds, which is the lowest we have been in quite some time. To sustain this effort we will need to add additional capacity to the team. The FTE authority comes through the County Council and the funding through the Board of Health. We hope to add one additional staff member to this team and currently have the fund balance to cover this for two years, after such time would then need to sustain this work through ongoing fees.

For context, at the state level in 2020, the Foundational Public Health Services Steering Committee identified recurring themes from 30 years of various findings, plaguing the public health industry in Washington State where the governmental public health system in Washington State:

- Is underfunded and inequitably funded;
- Lacks dedicated core funding to deliver core public health services;

- Is funded by a confusing array of sources; and
- Lacks standardized policy on city and county funding. Per capita public health spending varies widely from one jurisdiction to another.

Current state budget challenges stem from the June state revenue forecast for the 2023-2025 budget by the Economic and Revenue Forecast Council indicating a decrease of \$477M from the February forecast and a decrease of \$189M for the 2025-2027 budget. These budget challenges directly impact the Department of Health (DOH) and what we can expect for funding levels of continuing and new public health programs that arise from their decision packages submissions. DOH has prioritized budget requests to balance fiscal reality with the need to protect and promote the health of Washingtonians. Priorities include investments across key cross-cutting themes central to DOH:

1. Investing in upstream prevention efforts;
2. Supporting public health workforce across the state;
3. Modernizing data and information technology (IT) systems;
4. Promoting environmental health, resilience, and justice; and
5. Centering community voice.

At this stage in the state budget process, we are assuming a status quo budget with minimal growth or capacity for implementing new or expanded public health programs in the next biennium.

Locally, Snohomish County's public health capacity declined over the past 15 years through loss of funding and 40% reduction of staff since the 2007-2008 global financial crisis (GFC) prior to the pandemic. Post COVID-19, the challenge is to maintain service levels while pandemic-era funding levels have ceased and declined. The nature of the health department's revenue sources is comprised of over 80% intergovernmental funding. These funds come to us categorically and limit our ability to fully achieve our strategic priorities based on local health needs.

The health department is in a rare, strong position with its fund balance – a one-time occurrence due to the pandemic that will likely not occur in the future. The health department is currently undergoing a review of its strategic plan and department leadership are developing goals that will leverage fund balance for one-time initiatives. The use of fund balance for increased, recurring overheads will jeopardize and delay these strategic efforts. Without a long-term solution to stabilize and increase local public health funding through a formal policy, the unrestricted fund balance will be set to be exhausted by the end of 2027. As we communicate our "gold standard" review results by the end of year, our ability to achieve accreditation as a local health department will also be limited.

- Are there federal, state, and local issues/mandates that will impact your department, operationally and/or fiscally. Please address what it is, the anticipated impact, and how you plan to mitigate it.

There are no new mandates currently. Other responses in this supplemental address the federal, state, and local issues impacting the health department.

Programs

- With ARPA funding ending, what programs/services will be impacted and how? What is your plan for mitigating the impacts?

Project Details			Next Steps
Project CLFR ID	Project Description	Amount	Post-ARPA Impact, Mitigation, & Notes
CLFR-109B	Food Permit Responsiveness	\$185,000.00	Check-in May 2024 with close monitoring of staffing spend down. Staff continue to work in these roles and the full \$185,000 is expected to be spent by 12/31/2024. In the 2025/2026 budget request, we will continue these project roles utilizing fund 125 (environmental health division fees).
CLFR-109C	Inventory Septic System	\$450,000.00	Funding is expected to be spent by the end of the contract April 30, 2025.
CLFR-109D	Mobile Van Purchase	\$300,000.00	The van and necessary equipment have been purchased. The van will then move under fleet ER & R for routine replacement practices. The health department will budget for supplies through our normal budget process.
CLFR-109E	Equity Review Contract	\$100,000.00	Work is for community assessment. Findings from assessment will feed into existing department activities and staffing.

CLFR-109F	Gold Standard Study	\$175,000.00	Work is for gold standard assessment and strategic planning. Findings from assessment will feed into existing department activities and staffing.
CLFR-109G	School Based Health Care Clinic Project	\$120,000.00	Working with Community Health Center of Snohomish County to expand school-based healthcare clinics.
CLFR-109H	Environmental Health Software Upgrade	\$35,000.00	Reduce budget with remainder dedicated to staffing.
CLFR-120	Savvy Septic	\$400,000.00	Swap to GF 2025-2026. Program continues to ramp up and will be funded via grants through DOH and DOE following ARPA end dates.
TOTAL		\$1,765,000.00	

2. What new programs are you proposing for 2025-2026? What need or efficiency is that new program addressing? How is that program funded for sustainability? What metrics are in place to determine effectiveness?

For 2025-2026 there are no new programs being proposed.

3. Are there departmental change requests not in the Executive's Recommended Budget that you feel Council should consider including? If so, please provide the change request number and justification for the inclusion of the request.

Change Request #: AUTO - 537 - 15 - 610 - County Per Capita Funding Increase

This change request would provide a policy to be developed to allow for sustainable and predictable funding through the County general fund contribution to uphold the commitment to strengthen public health in Snohomish County. Currently, the total contribution is \$2.3M, and an additional \$3.77M was requested for a total \$6.07M. The current \$2.3M is comprised of \$632K County per capita and \$1.66M tuberculosis and communicable disease funding per the RCWs.

The health department appreciates the Executive Office's response to the health department's change request which includes the following:

2025: One-time general fund contribution of \$450,000

2026: Revert to base \$2.3M and add \$163,596 in 2026 for annual growth for 2025 and 2026 at 3.5% on base and then 3.5% annual growth ongoing

As the population of Snohomish County continues to grow, so does the cost of protecting the health of its residents. From 2009 to 2024, the county's population increased by over 21%. However, contributions made by the County to support public health decreased as a proportion of total operating revenues from 17% down to 6%. Additionally, when looking at per capita, the health department ranks last of the 35 local health jurisdictions (LHJs) at \$2.67 per capita contribution. For comparison, Tacoma-Pierce County Health Department receives \$4.00, Clark County \$3.76, and Spokane Regional Health District is at \$3.74, based on "general fund" only contributions.

At the national level, the National Association of County & City Health Officials (NACCHO) surveys local health departments every three to four years to gather data on the capacity of our local public health system across the nation. The 2022 national profile of local health departments is useful to compare our health department to health departments across the country that serve similar size communities. A few salient measures are described here:

- Local health departments serving populations of 500,000 – 999,999 have an average of 4.3 FTEs per 10,000 people. Using this as a common metric, Snohomish County Health Department would need to be staffed at 370 FTEs.
- Local health departments serving populations of 500,000 – 999,999 report a median annual expenditure per capita of \$49. Snohomish County Health Department's 2024 budget figure is \$41 per capita, placing well below the median of health departments across the country.

We understand our role of accountability in championing our own measures that help the health department's financial sustainability including:

- Strengthening the health department's internal grants governance process to maximize grant-funding opportunities.
- Revising and implementing a fund balance/reserves policy to maintain optimal levels of fund balance. The policy will address potential risks of public health emergencies and revenue fluctuations while avoiding the opportunity cost of unnecessarily deferring expenditure that could be put towards public health services and opportunities.
- Conduct a review of the health department's finances with the aim to seek a structurally balanced budget to minimize the impact of fluctuations in

revenues, look for opportunities for diversifying funding sources, and sustainably manage increasing costs.

- Implement a direct cost allocation methodology to maximize allowable recovery of overhead costs.

Strengthening public health in Snohomish County relies on the contribution of local investment in public health. With the integration of the former Snohomish Health District, Snohomish County now plays a frontline role and responsibility in creating a safer and healthier community in Snohomish County. As a part of the County government structure, we need to ensure that public health has direct, flexible resources to be nimble, proactive, and address health disparities and inequities in our local communities now and into the future.

This support and commitment has grown through the integration of the former Snohomish Health District in becoming the new Snohomish County Health Department, which in the 2024 budget enabled access to almost \$3.8M in additional funding through:

- \$2.5M one-time ARPA
- \$967K ongoing CD/MH
- \$246K ongoing opioid settlement funding
- \$50K interfund revenue – existing programmatic funding contribution appropriated with Surface Water Management that came with the transfer of the body of work for the Savvy Septic program to the health department

We value the partnership with Snohomish County as we work together for a safer and healthier Snohomish County through disease prevention, health promotion, and protection from infectious diseases and environmental threats. The additional funding has provided new opportunities to expand and improve services to community members in Snohomish County in targeted areas of public health work. While we are grateful for the new funding which has afforded new opportunities to serve the community, these types of categorical funding cannot be used towards overhead costs.

The health department wishes to foster continued collaboration with other Snohomish County departments and we express our gratitude for the continued support of our work in public health. We are also empathetic to the position the County is currently in financially and we appreciate the support of the Executive's Office while having to balance a difficult budget, with the understanding of most departments being required to undergo a reduction. Our request is for a commitment to work on a formal policy and funding solutions that increase the health department's local contributions as a base to build our programs and to leverage existing and new grants.

Internal Operations

1. Please explain how you intended to meet the Executive's 3% Resource Alignment request.

The health department does not have general fund expenditures and is not subject to the Executive's 3% Resource Alignment request.

2. How are increasing Internal Service Rates impacting your department/programs?

The health department appreciates the valuable suite of services that are provided with the internal services rates, including IT, facilities, fleet, central finance, and risk management support. We also recognize that interfund overhead payments represent the necessary cost of doing business as a new County department and the County's valuable internal services and infrastructure that support public health within the county. However, these costs also divert dollars from funding direct public health services and functions. This increase presents a challenging budget process and changes the long-term outlook and prospects for cutbacks on essential services, programs, and personnel.

In joining as a new County department in 2023, the department aligned its first departmental annual budget submission as part of the integration process and identified the differential in internal service rates. The resulting differential is a projected increase of \$3.15M accumulative in the 2025-2026 biennium. Internal service rate costs as a proportion of total expenditure are projected to more than double, from 6% as the Snohomish Health District in 2022 to 14% in the 2025-2026 biennium as the health department. This increase in costs is a significant contributing factor of the widening structural gap between revenues and expenditures. The department's 2025-2026 biennial budget is balanced with a total of \$9.5M being drawn from the health department's fund balance. By 2027, the unrestricted portion of the fund balance is projected to be fully drawn down, jeopardizing future capacity to strengthen and grow public health services in Snohomish County.

Higher rates represent a shift of resources away from frontline services and weakens the department's ability to serve the public effectively. We are dedicating more time and effort in managing these costs rather than focusing on core public health services and lean operations. Further, higher costs are complicating the department's long-term strategic planning and preventing investments in future projects or innovations that could improve public health service delivery.

One specific impact of increased service rates, combined with other increasing cost pressures and funding fluctuations, is on staffing levels and the resulting effect on recruiting for vacant positions this year which has been paused as a precautionary measure during the 2025-2026 budget adoption process. The recruitment pause is in precaution of potential budget cuts, reductions in services, and staff layoffs. If such measures eventuate, employee morale and job satisfaction will be negatively affected.

The health department is in the process of developing a direct cost allocation methodology to maximize allowable recovery of overhead costs from existing funding sources. A major challenge is that new sources of grants and funds are categorical in nature and have restrictions on allowable expenditure and activities. Existing funding sources have budgetary limits set by the funder and are currently limited to the 10% di minimis recovery rate. It will take several years to rewrite grant budgets and funding agreements. Increased internal service rates have the potential to hamper the department's ability to secure new funding or grants, as potential donors may see these levels of costs as less efficient. For the department's environmental health fee-based programs, increased internal service rates will create pressure to adopt fee increases that are passed onto clients seeking permits and other services.

Overall, rising internal service rates are causing a ripple effect, weakening the ability of the health department to fulfill our public health mission and serve the public effectively, while juxtaposed with the acknowledgement that internal services and County infrastructure are necessary to support public health in Snohomish County.

3. To help inform Council on experiences around hiring and retention, please provide a list of all vacant position titles, position codes, FTE amount (1.0, 0.5, etc.), date vacated, and date first posted. Template spreadsheet attached for convenience and conformity; if already tracking information in another format, that is acceptable as well. Please list each vacancy separately.

List of vacant positions available as part of this supplemental packet.

4. When was the last time your department implemented a fee increase? Do you have any plans to increase fees? Are your current fees established based on a full cost recovery model?

The environmental health division of the health department adjusts fees through Board of Health approval annually and as necessary to keep up with rising costs.

A fee adjustment of roughly 5% was approved in the spring of 2024 and will be effective November 1.