



Officials: Keith Grellner, Administrator
Susan Turner, MD, Health Officer
John Kiess, Environmental Health Director
Suzanne Plemmons, Community Health Director

Purpose



Mission and Vision

The **Kitsap Public Health District** prevents disease and protects and promotes the health of all persons in Kitsap County. We strive to make Kitsap County a healthy and safe place to live, learn, work, and play.

Guiding Principles

- Prevention:** We believe prevention is the most effective way to protect our community from disease and injury.
- Partnerships:** We work with others when collaboration will produce better and faster results.
- Effectiveness:** We make data-driven decisions and use science-based practices to produce the best possible outcomes.
- Equity:** We believe all Kitsap residents should have an equal opportunity to live healthy and safe lives.
- Quality:** We continuously improve the quality of our services and systems to better serve the community to which we are accountable.

The programs and services of the Kitsap Public Health District directly and comprehensively address the Board of County Commissioner's mission to "protect and promote the safety, health and welfare of our citizens".





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Continued

The **purpose** of the Kitsap Public Health District is further described in State law.

Section 70.05.060 of the Revised Code of Washington (R C W) requires our **Kitsap Public Health Board** to supervise all matters pertaining to the preservation of the life and health of the people in the county, specifically requiring our Board to do the following:

1. Enforce through the Health Officer or the Administrator the public health statutes of the state and rules promulgated by the State Board of Health and Secretary of Health.
2. Supervise the maintenance of all health and sanitary measures for the protection of the public health.
3. Enact local rules and regulations necessary to preserve, promote and improve the public health and provide for the enforcement thereof.
4. Provide for the control and prevention of any dangerous, contagious or infectious disease.
5. Provide for the prevention, control and abatement of nuisances detrimental to public health.
6. Make reports to the State Board of Health through the local Health Officer or Administrative Officer as the State Board may require.
7. Establish fee schedules for issuing or renewing licenses or permits or for other services authorized by the law and the rules of the State Board of Health.

RCW 70.05.070 requires the District's **Health Officer** to do the following:

1. Enforce public health statutes of the state, rules of the State Board of Health and the Secretary of Health, and all local health rules, regulations and ordinances.
2. Take action to maintain health and sanitation.
3. Control and prevent the spread of any dangerous, contagious or infectious diseases.
4. Prevent, control or abate nuisances detrimental to public health.
5. Inform the public as to the causes, nature, and prevention of disease and disability and the preservation, promotion and improvement of health.
6. Take measures necessary to promote the public health, and to participate in the establishment of health educational or training activities for staff and the community.
7. Inspect, as necessary, expansion or modification of existing public water systems, and the construction of new public water systems.
8. Collect fees established by the State Board of Health and the Kitsap Public Health Board for licenses or permits or other authorized fees.
9. Attend all conferences called by the Secretary of Health.

RCW 70.05.045 authorizes the **Administrator** to act as executive secretary / administrative officer for the Board, and perform other administrative duties required by the Board, except for duties assigned to the Health Officer under law.

RCW 70.12.025 requires the **County Legislative Authority** to annually budget and appropriate a sum for public health work.



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Strategy



Our Programs

The Health District prevents disease and protects and promotes the health of all persons in Kitsap County through the following divisions and programs:

Community Health Division:

1. Clinical Services Program:

- Communicable Disease
- Family Planning*
- Health Insurance Navigator
- HIV/AIDS
- Infectious Disease Prevention
- Tuberculosis

2. Healthy Communities Program:

- Child Care Consultation
- Children with Special Health Care Needs
- Chronic Disease Prevention
- Health Promotion
- Maternity Support Services - First Steps
- New Parent Support
- Nurse Family Partnership
- Kitsap Community Health Priorities (KCHP)

Environmental Health Division:

1. Drinking Water Program
2. Food Safety and Living Environment Program
3. Onsite Sewage Program
4. Pollution Identification and Correction Program
5. Solid and Hazardous Waste Program

Administrative Services Division:

1. Administrative Services (Administration, Human Resources, Finance, Public Information, and Information Services)
2. Assessment and Epidemiology Program
3. Public Health Emergency Preparedness and Response Program

Additional services are also provided through the offices of the District's Administrator and Health Officer.

*Note: The District will cease providing direct Family Planning Services by April 2017.



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Strategy



Continued

Overview of Services

Everyone knows about health care—the doctors, nurses and hospitals that take care of patients. But few really understand "public health," because our work takes place behind the scenes. Our patient is the *entire community OR targeted/vulnerable sub-populations*. We focus on preventing illness and injury so people in our community can live up to their full potential. As we will explain in our presentation, there are **five key things** we do for the community:

1. **We Prevent the Spread of Disease**
2. **We Create Safer Living Environments**
3. **We Identify and Measure Health Problems**
4. **We Create Policies that Support Healthier Living**
5. **We Improve Healthcare Access and Support Healthcare Reform**

Prevention Saves Money

From a community-wide perspective, investments in Public Health result in cost savings for the community as a whole. Public health is based on a prevention model. From drinking water safety and restaurant inspections, to chronic and communicable disease prevention, public health works to prevent injury, illness, and premature death with benefits often observed in the future. Benefits include reduced future health care and other societal costs. Below are three examples:

EXAMPLE 1: Nurse Home Visiting Programs: The Health District offers evidence-based and best practice nurse home visitation programs to at-risk, low-income mothers and children, including the Nurse Family Partnership (NFP), Maternity Support Services (MSS), and service to Children with Special Health Care Needs (CSHCN). NFP and MSS provide services from trained registered nurses who are invited into the homes of low-income women to promote prenatal health, healthy birth outcomes, and healthy child growth and development. NFP has been studied extensively as a national program, and has demonstrated that as mothers and their families are empowered to improve their health and well-being, they make independent and informed decisions that result in 1) educational, academic, and employment advancements, 2) reductions in domestic violence, juvenile delinquency, crime, child abuse, neglect and preventable injuries, substance abuse, and 3) childbearing decisions that sometimes involve delaying subsequent pregnancies by as many as 28 months, or foregoing subsequent pregnancies. These decisions result in reduced costs for health care and to society as a whole in the future. According to a 2016 report from the Washington State Institute for Public Policy, taxpayers receive \$1.89 of benefits for every \$1.00 invested in home visiting programs like NFP, MSS, and CSHCN.



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Continued

Prevention Saves Money (Continued)

EXAMPLE 2: Chronic Disease Prevention Program: Our Healthy Communities Program helps reduce the financial burden of chronic diseases (heart disease, cancer, hypertension, obesity, etc.) by working with community health care providers, elected officials, schools, and workplaces to 1) increase community members’ levels of physical activity, 2) improve healthy eating habits, 3) support tobacco-free environments and substance use prevention, and 4) enact community-level policies that support all three. It also includes working with community planners to improve the built environment to reduce levels of chronic disease in the community.

EXAMPLE 3: Pollution Identification and Correction Program: Our Pollution Identification and Correction Program works to *prevent* and eliminate water pollution which *saves* the County and the public money by: 1) Keeping approved shellfish beds from being closed due to pollution, thereby saving the County from having to create and fund Shellfish Protection Districts under RCW 90.72.045, and saving property owners from the loss of revenue and enjoyment of their shellfish resources and tidelands; 2) Assisting the County meet the requirements of their Western Washington Phase II Municipal Stormwater Permit required through RCW 90.48 (State of Washington Water Pollution Control Law) and the Federal Water Pollution Control Act, thereby saving the County from the expense of conducting Total Maximum Daily Load (TMDL) studies and implementing costly clean-up plans such as those existing TMDL’s for Dyes Inlet, Sinclair Inlet, and Liberty Bay.



Results



National Accreditation

In 2015, the Health District achieved national accreditation from the Public Health Accreditation Board (PHAB). PHAB measures a public health agency's ability to meet a set of detailed performance standards in order to be accredited. The purpose of the five-year accreditation is to improve and protect the health of the public by advancing the quality and performance of the nation's health departments. Accreditation reflects the efforts of the District to achieve the highest level of quality and performance in its work and services. Currently, only four local health jurisdictions in Washington State have demonstrated performance at this high level (Spokane in 2013, Tacoma-Pierce in 2016, Whatcom in 2016, and Kitsap in 2015). Nationally, only 115 of 2,700 local public health jurisdictions and 19 state health departments (including Washington's) have achieved accreditation.

Quality Improvement and Performance Management

To achieve results with limited resources, the District has been implementing service delivery and operational efficiencies for the better part of a decade. The Health District is dedicated to building a culture of quality improvement throughout the organization. We identify performance problems, implement quality improvements, and measure results. In 2015, the District's Quality Council expanded its efforts by recruiting a second generation of Quality Council members and is currently focusing on LEAN Six Sigma Training for the Council and other interested staff. Approximately 30% of District staff will complete LEAN Six Sigma training by the end of 2016. In addition, the District has expanded the role of the Finance Manager, a member of the Quality Council, to continue and improve the performance management and measurement of the District's activities. The 2016 Quality Council and Performance Management work plans include implementing performance management software, providing guidance and training to Quality Improvement project teams, and enhancing communications about quality improvement and performance management throughout the organization.

Customer Service


Quality service and continuous quality improvement are guiding principles at the Health District. The District consistently receives high marks for its excellent customer service. The most recent customer service survey was conducted in early August of 2016 at our front service counters in Bremerton, and contained responses from 495 different customers. District counter services for Clinical Services and Environmental Health were rated as excellent in 97% of the surveys, and good in 3%. No survey results rated District service as average, fair, or poor.

Community Health Outcomes

The ultimate measure of our work, and the work of our community partners, is how well we are protecting or improving the health of the community. Although we meet legal mandates, we are not always adequately funded and staffed to improve public health in many critical areas.



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<p>Results</p>  <p>Continued</p>	<p>As detailed in the District’s forthcoming update of "Kitsap County Core Public Health Indicators Report" (to be released in September 2016), we continue to observe <u>negative trends</u> in a number of indicators directly related to our public health mission including: 1) decreasing percentage of women receiving prenatal care during the first trimester, 2) increasing percentage of youth reporting considering suicide, 3) lower rates of immunization among kindergarteners, 4) increasing rate of teens and adults with chlamydia (a sexually transmitted infection), 5) increasing rate of persons living with HIV or AIDS, 5) increasing rate of drug-associated non-fatal hospitalizations, 6) increasing rate of pregnant women with gestational diabetes, 7) increases in youth electronic cigarette and marijuana use, and 8) increasing rates of drug-related and opioid-related non-fatal hospitalizations and deaths.</p> <p>We also see <u>unchanged trends</u> in critical public health areas that continue to be of concern, including: 1) rates of diabetes-related hospitalizations, 2) adults smoking, 3) youth and adults at a healthy weight, 4) adult physical activity, and 5) youth nutrition.</p> <p>Despite these challenges, we celebrate <u>positive trends</u> in several areas, including: 1) reduced smoking rates for both pregnant women and youth, 2) reduced alcohol use among youth, 3) reduced heart disease-related hospitalizations, 4) reduced motor vehicle related hospitalizations, 5) increased numbers of adults walking or biking to work, and 6) improvements in air and shoreline water quality.</p> <p>We know that many public health indicators are <u>exacerbated by continuing negative economic trends</u>, as evidenced by <u>negative trends</u> for indicators such as: 1) the number of residents and youth living in poverty, 2) the number of public school students enrolled in free or reduced lunch programs, and 3) the number of public school students experiencing homelessness.</p> <p>Selected District quality (outcome) indicators and workload indicators are listed below.</p>
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1.A. QUALITY INDICATORS: Community Health Division

CLINICAL SERVICES PROGRAM							
#	Quality Indicator	2017 Projected	2016 Projected	2015	2014	2013	2012
1	Percent of kindergarten children with complete immunizations.	90%	89%	89%	86%	86%	88%
2	Chlamydia rate per 100,000 persons aged 15-44.	950	950	950	944	915	1,070
3	Percent of notifiable condition cases (non-STD/TB) investigated within the time frame specified by WA State law.	100%	100%	100%	100%	100%	100%
4	Percent of civilian residents (age 18-64) with health care coverage.	94%	93%	92% (projection)	91%	84%	83%



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1.A. QUALITY INDICATORS: Community Health Division (Continued)

HEALTHY COMMUNITIES PROGRAM							
#	Quality Indicator	2017 Projected	2016 Projected	2015	2014	2013	2012
1	Percent of civilian Medicaid-paid births with infant born at normal birth weight (greater than 5 ½ pounds).	93%	93%	93%	94%	94%	95%
2	Percent of civilian women reporting smoking during pregnancy.	12%	12%	10%	8%	12%	14%
3	Percent of civilian women starting prenatal care in the first trimester of pregnancy.	79%	79%	78%	76%	77%	78%
4	Percent of adults at a healthy weight (Body Mass Index (BMI) = 18.5-24.9).	37%	37%	37%	37%	37%	36%
5	Percent of youth (grade 8) at a healthy weight (BMI below 85 th percentile).	No Data	76%	No data	76%	No data	74%
6	Percent of adults who report currently smoking (in the past 30 days).	15%	15%	17%	14%	18%	20%
7	Percent of youth (grade 10) who report smoking in the past 30 days.	No Data	11%	No data	11%	No data	11%

1.B. QUALITY INDICATORS: Environmental Health Division

DRINKING WATER PROGRAM							
#	Quality Indicator	2017 Projected	2016 Projected	2015	2014	2013	2012
1	Percent of public water system samples meeting the bacteria standard.	93%	93%	93%	90%	93%	95%

ONSITE SEWAGE PROGRAM							
#	Quality Indicator	2017 Projected	2016 Projected	2015	2014	2013	2012
1	Percent of alternative septic systems that meet WA State requirement for completed annual inspection.	99%	99%	99%	99%	99%	98%
2	Percent of documented onsite septic system failures with enforcement action initiated within two weeks.	100%	100%	100%	100%	100%	100%



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1.B. QUALITY INDICATORS: Environmental Health Division (Continued)

FOOD AND LIVING ENVIRONMENT PROGRAM							
#	Quality Indicator	2017 Projected	2016 Projected	2015	2014	2013	2012
1	Percent of routine food establishment inspections with no critical "red" violations.	70%	68%	65%	64%	69%	71%
2	Percent of water recreation facility inspections with no critical "red" violations.	85%	83%	85%	91%	90%	88%

SOLID AND HAZARDOUS WASTE PROGRAM							
#	Quality Indicator	2017 Projected	2016 Projected	2015	2014	2013	2012
1	Percent of permitted solid waste handling facilities meeting standard.	100%	97%	97%	97%	97%	97%
2	Percent of active solid waste complaints resolved within the calendar year.	100%	98%	97%	97%	96%	98%

POLLUTION IDENTIFICATION AND CORRECTION PROGRAM							
#	Quality Indicator	2017 Projected	2016 Projected	2015	2014	2013	2012
1	Percent of fresh water streams meeting standards for acceptable levels of fecal coliform bacteria.	42%	42%	37%	32%	31%	50%
2	Percent of shoreline miles classified as "open" for shellfish harvesting.	89%	89%	89%	85%	85%	85%

2.A. WORKLOAD INDICATORS: Community Health Division

CLINICAL SERVICES PROGRAM							
#	Workload Indicator	2017 Projected	2016 Projected	2015	2014	2013	2012
1	Number of childhood vaccines administered.	78,000	78,000	77,830	61,464	79,570	73,932
2	Number of birth and death certificates issued.	18,000	18,000	17,911	13,192	11,752	13,383
3	Number of needles exchanged in the syringe exchange program.	1,156,752	1,102,934	1,049,116	914,265	990,218	620,582
4	Number of notifiable conditions reported and managed.	2,220	2,122	2,024	1,730	1,787	1,734



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2.A. WORKLOAD INDICATORS: Community Health Division (Continued)

HEALTHY COMMUNITIES PROGRAM							
#	Workload Indicator	2017 Projected	2016 Projected	2015	2014	2013	2012
1	Number of community partner agencies engaged in the coordinated healthy eating and active living initiatives.	21	21	20	19	17	7
2	Number of parent and child health nurse visits (Nurse Family Partnership and Maternity Support Services) completed.	1,750	1,542	1,235	1,171	1,008	1,060
3	Number of children with special health care needs and their families who received nursing case management.	30	30	44	55	21 (not fully staffed)	No data, system change
4	Number of community members engaged in the Community Health Improvement Process.	100	90	85	79	79	34

2.B. WORKLOAD INDICATORS: Environmental Health Division

DRINKING WATER PROGRAM							
#	Workload Indicator	2017 Projected	2016 Projected	2015	2014	2013	2012
1	Number of Building Site Applications reviewed for water adequacy.	600	570	569	466	422	297

ONSITE SEWAGE PROGRAM							
#	Workload Indicator	2017 Projected	2016 Projected	2015	2014	2013	2012
1	Number of new and repair onsite sewage system permits issued.	530	520	518	453	474	348
2	Number of onsite sewage system inspections for property sales completed.	2,400	2,100	2,150	1,851	1,710	1,427



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2.B. WORKLOAD INDICATORS: Environmental Health Division (Continued)

FOOD AND LIVING ENVIRONMENT PROGRAM							
#	Workload Indicator	2017 Projected	2016 Projected	2015	2014	2013	2012
1	Number of permitted food establishments, temporary food events, and water recreational facilities.	1,830	1,810	1,791	1,846	1,206	1,204
2	Number of completed inspections for food establishments, temporary food events, and water recreational facilities.	3,600	3,600	3,552	2,801	3,379	3,401
3	Number of completed complaint investigations for food establishments, temporary food events, and water recreation facilities.	190	183	190	97	139	143

SOLID AND HAZARDOUS WASTE PROGRAM							
#	Workload Indicator	2017 Projected	2016 Projected	2015	2014	2013	2012
1	Number of solid waste handling facilities permitted.	34	33	33	33	35	35
2	Number of solid waste complaints investigated.	700	703	600	572	566	537

POLLUTION IDENTIFICATION AND CORRECTION PROGRAM							
#	Workload Indicator	2017 Projected	2016 Projected	2015	2014	2013	2012
1	Number of property inspections completed to identify and correct sources of water pollution. ¹	1,400	1,400	1,594	777	529	750
2	Number of water samples collected and analyzed for pollution identification and correction.	8,000	8,000	6,473	6,425	2,733	3,942

¹ In 2015, deficient reports from septic tank pumpers were added/included for investigation.

Service Demand Trends

As evidenced by the workload indicators above, the District is observing increasing trends in the following areas:

Community Health Division Indicators - 6 of 8 (75%)

- Number of childhood vaccines administered
- Number of birth and death certificates issued
- Number of needles (syringes) exchanged in the needle exchange program
- Number of notifiable conditions (reportable diseases) reported and managed



Service Demand Trends (Continued)

- Number of parent and child health nurse visits (Nurse Family Partnership and Maternity Support Services) completed
- Number of community members engaged in the Community Health Improvement Process

Environmental Health Division Indicators - 8 of 10 (80%)

- Number of building site applications reviewed for water adequacy
- Number of new and repair onsite sewage system permits issued
- Number of onsite sewage system inspections for property sales completed
- Number of permitted food establishments, temporary food events, and water recreational facilities
- Number of completed inspections for food establishments, temporary food events, and water recreational facilities
- Number of complaint investigations for food establishments, temporary food events, and water recreational facilities
- Number of solid waste complaints investigated
- Number of water samples collected and analyzed for water pollution identification and correction investigations

2017 Budget Summary, Budget Request, and Budget Savings/Balancing Strategies

2017 Budget Summary

In accordance with the budget request directions issued by the Kitsap County Administrative Services Director on July 11, 2016, the Health District has assembled essentially a *zero-growth budget* for 2017. As explained below, the Health District has identified cost savings and program cuts to “toe-the-line” from 2016 to 2017, despite unavoidable --- and for the most part --- uncontrollable increases in personnel costs (salaries, healthcare, and state retirement system employer contributions) and operation and maintenance costs for the Norm Dicks Government Center. Our zero-growth budget also includes holding our staffing steady at about 101 full-time equivalents (FTE) --- the same staffing level for 2016 (see chart below).

RCW 70.05.130, requires that the county shall pay for expenses incurred by a health district to carry out the provisions of RCW 70.05 and the rules of the State Department of Health as a claim against the general fund, and RCW 70.12.025 requires that the county legislative authority to annually budget and appropriate a sum for public health work. For 2017, general public health funding from Kitsap County will constitute approximately ~~12~~13% of the Health District’s total budget if no increase in county funding were provided for 2017.

- **Revenues:** As of August 16, 2016, overall projected revenues for 2017 are roughly equivalent to approved 2016 budget revenues (~~\$11,506,011~~\$11,514,511 vs. \$11,497,425, respectively). 2017 revenues are currently budgeted to be ~~\$8,586~~\$17,086 higher than 2016 (+~~0.07~~ 0.15%). Projected revenues at this time do not include an increase in general public health funding from the County above 2016 levels; however, the Health District is requesting a ~~2.3%~~2.4% increase in public health funding from Kitsap County for 2017. This request is detailed later in this section.



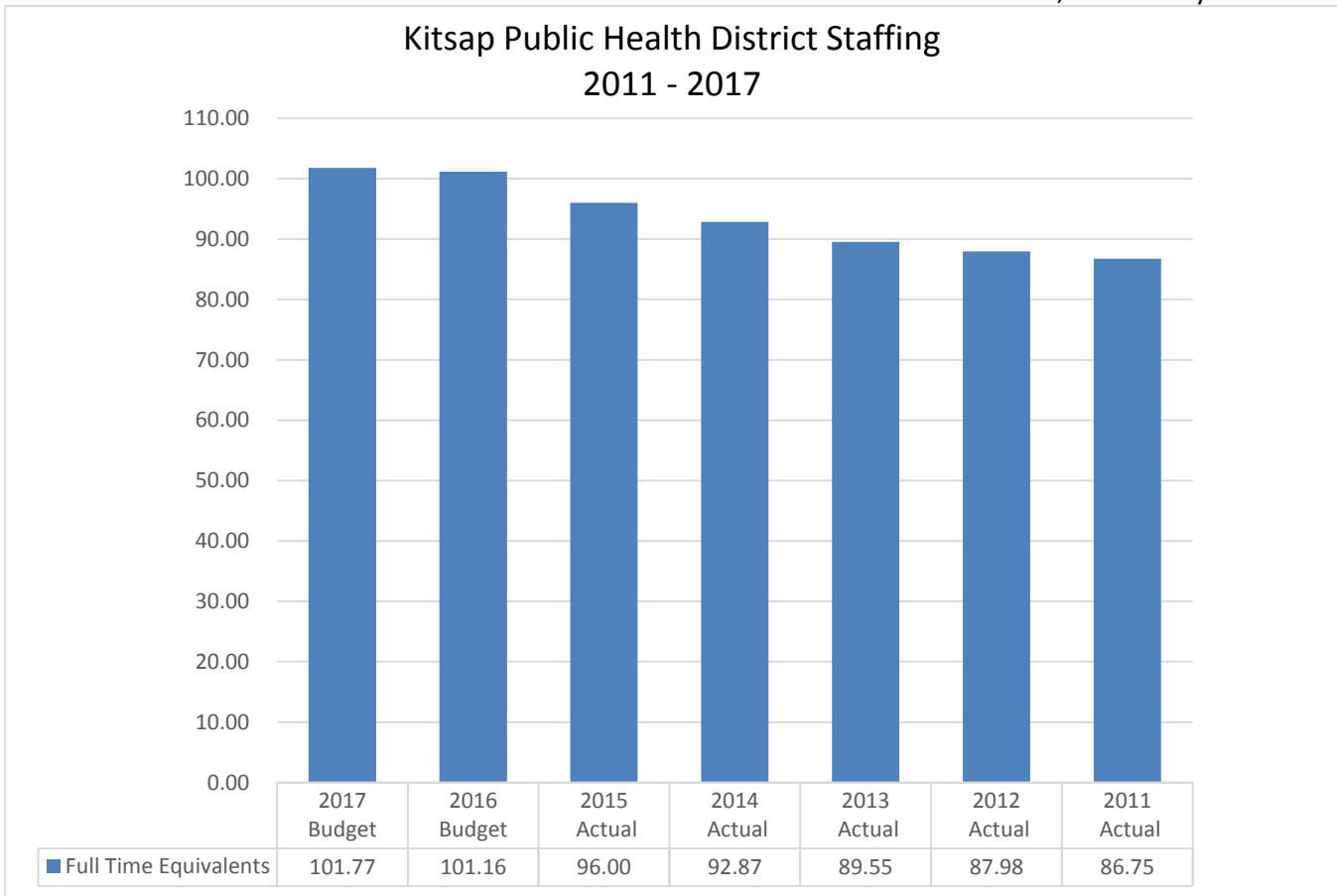
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- **Expenditures:** 2017 expenditures (~~\$11,953,686~~\$11,999,762) are currently budgeted to be ~~\$33,788~~\$12,288 ~~lower (-0.28%)~~higher than budgeted expenditures in 2016 (\$11,987,474). As will be explained below, while 2017 personnel costs are expected to increase by about ~~\$96,000~~\$98,000 (1.04% total expenditures) as compared to 2016, non-personnel costs are budgeted to decrease by about ~~\$131,000~~\$168,282 (-4.84%-6.2%), for an overall cost savings of ~~\$35,000~~about \$70,300.
- **2017 Budget Deficit:** As of ~~August 22~~September 8, 2016, the Health District has a *projected* 2017 budget deficit of ~~\$447,675~~\$485,251. The deficit includes the following increases in personnel and Norm Dicks Government Center expenditures:
 - a. 2017 wage adjustments (2% market increase in wages negotiated with our labor union and approved by our Public Health Board in late 2015);
 - b. An estimated increase in Public Employee Retirement System (PERS) contributions (1.5%);
 - c. An estimated 3% increase in health insurance costs; and
 - d. An estimated 3-6% increase in Government Center Operations & Maintenance costs.

The final 2017 Budget will be balanced when approved by the Kitsap Public Health Board in December 2016.



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2017 Budget Request

The Health District is requesting funding from Kitsap County in the amount of **\$1,440,188** for 2017: a 2.4% increase (\$32,786) in general public health funding over 2016, plus \$41,322 (a decrease of 0.2%) in Norm Dicks Government Center mortgage funding (a decrease of \$791 that resulted from a change in the formula for local government contributions for 20% of the Health District’s NDGC annual mortgage payments, as adopted by the Health Board in July 2016), for a total increase of 2.3% or \$31,995.

Funding Category	2016 Funding from County	2017 Funding Request from County	Difference
General Public Health & Tuberculosis Control	\$1,366,080	\$1,398,866	\$32,786
Norm Dicks Government Center Mortgage	\$42,113	\$41,322	(\$791)
TOTALS	\$1,408,193	\$1,440,188	\$31,995

This 2.4% increase in general public health funding will assist the Health District offset the unavoidable and uncontrollable increases in personnel costs for 2017 (\$96,000).

County general fund revenue is used, or “flexed”, by the Health District to help balance the budgets of many Health District programs on an annual basis, especially where a program has insufficient revenue to balance the budget. County



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flexible funding is combined with City and State flexible funding, and collectively used for this purpose. Listed in the table below (next page) are the District's program areas, ranked from highest to lowest based on the percent of flexible funding used (budgeted) for the overall program budget, including the total amount of flexible funding budgeted for us by each program.

2017 Budget Savings/Balancing Strategies

Despite rising personnel costs which are out of the Health District's control, the Health District has developed a zero-growth budget for 2017 through the following cost savings totaling about ~~\$234,218~~**\$331,000**:

1. **2017 Services Delivery Changes in Community Health Division = ~~approximately \$200,000~~**\$103,218**.** Working with our Public Health Board, the Health District will be transitioning out of providing direct Family Planning services and reorganizing supervision of the Community Health Division --- taking advantage of planned staff attrition through retirements --- to save approximately \$200,000 in 2017.
2. **Landline Phone System Conversion = \$63,000.** The Health District is converting to a voice over internet protocol (VOIP) phone system in late 2016. After initial capital costs in 2016 of about \$80,000, annual phone system costs will be reduced in 2017 from \$78,000/year to \$14,000/year. The Health District will recoup its initial capital investment to switch phone systems by the end of 2017.
3. **Reductions in Supplies, Professional Services, Computer Hardware, Legal Services, Rentals and Leases, Repairs & Maintenance, Equipment, and Government Center Debt Interest = \$68,000.** Through good planning, belt-tightening, and expiration of the Olympic Community of Health contract, the Health District should realize an additional savings of about \$68,000 in line item expenditures as compared to 2016.



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State and Local Flexible Funding by Program
Kitsap Public Health District
2017 Preliminary Budget

Program	Total Program Budget	State & Local Flexible Funding	% State and Local Funding Support
Assessment & Epidemiology	366,369	280,909	76.67%
Communicable Disease	596,589	425,953	71.40%
Nurse Family Partnership	426,304	264,591	62.07%
Parent Child Health	1,078,209	548,333	50.86%
Family Planning	187,174	83,218	44.46%
Health Insurance Navigator	182,273	74,380	40.81%
Chronic Disease Prevention	630,612	198,716	31.51%
Infectious Disease Prevention	247,323	66,087	26.72%
Pollution Identification & Control	1,910,537	419,817	21.97%
Food & Living Environment	1,008,810	75,034	7.44%
Public Health Emergency Preparedness & Response	481,598	16,519	3.43%
Administration	817,771	0	0.00%
Drinking Water*	411,213	0	0.00%
HIV/AIDS*	582,655	0	0.00%
OnSite Sewage*	1,953,773	0	0.00%
Solid & Hazardous Waste*	948,635	0	0.00%
Tuberculosis*	123,841	0	0.00%
Total Program Budgets	\$ 11,953,686	\$ 2,453,557	

*supported by program designated funds.

As we work through the 2017 budget process, the Health District will work with the Health Board to evaluate and implement the following budget balancing/deficit reduction strategies:

- 1. Decrease the Need to Use Fund Balance Operating Cash to Balance 2016 Budget, Saving Fund Balance Cash Reserves to Help Balance 2017 Budget.** The Kitsap Public Health Board and Health District have a budget policy that requires the Health District to maintain a minimum operating reserve of designated funds to cover a minimum two months of operating expenses --- roughly \$2 million of operating cash. As shown below, the Health District has successfully maintained more than this minimum operating reserve even through the Great Recession, and though operating cash reserves have been utilized to balance the budget three times since 2010 (2010, 2011, and 2015) in order to maintain basic core public health services (primarily due to cuts in designated federal and state public health funding), the Health District has always maintained more than the minimum operating cash reserve required by the budget policy.



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Due to increases in revenue (new grants and contracts) that have been realized since the 2016 budget was approved, and spending less than what was budgeted, real-time budget projections suggest that the Health District will only need to use about 50% or less of budgeted fund balance cash reserves to balance the 2016 budget (\$270,259 versus \$490,049 as approved in the 2016 budget). The projected 2016 year-end cash and investments balance is projected to be in the range of **\$2,700,000 to \$3,000,000** which exceeds the District's minimum cash reserve goal of \$2 million.

The Health District understands that relying on fund balance reserves to balance our budget is not a sustainable practice. However, in order to maintain mandated public health services and to maintain local public health services that are desired by the Health Board to meet community needs and strategic objectives --- and in the absence of adequate federal, state, and local funding to sustain mandated and strategic public health objectives -- - if the Health District has reserve funds in excess of the minimum operating cash required, the Health District does feel a responsibility to use these funds to balance its budget when needed. The Health District has demonstrated success and resiliency in the discretionary use of fund balance reserves, and the ability to maintain them at a level exceeding the required minimum.

2. **Continue to advocate for stable public health funding and seeking new federal, state, and local grant and contract funding opportunities.** The Health District is part of a large state public health movement to put a package of Foundational Public Health Services, and the funding to support them, in front of the state Legislature in 2017 (<http://www.doh.wa.gov/ForPublicHealthandHealthcareProviders/PublicHealthSystemResourcesandServices/PublicHealthImprovementPartnership/FoundationalPublicHealthServices>). In short, the state's public health system has endured funding cuts beyond the sustainable, threatening basic public health services and the public's health. The Foundational Public Health Services plan is a basic set of capabilities and programs that must be present in every community in order to efficiently and effectively protect all people in Washington. They are services that are not provided by the health system or other community-based organizations, and are the unique responsibility of the government.

The state's public health system will be submitting an initial ask of \$25 million to the 2017 Legislature, and although it is unlikely that the Foundational Public Health Services plan will be fully adopted in 2017, state and local public health agencies are prepared to push this agenda for the long term.

Additionally, the Health District will continue to apply for federal and state grant assistance throughout the calendar year to secure additional revenues in 2017 and beyond. As new funding is secured, the use of fund balance operating cash will continue to be reduced.

3. **Make additional cuts in expenditures or increases in revenues as needed to maintain a balanced budget and minimum cash operating reserves.** As discussed above, the Health District will continue to identify and employ cost saving measures on a continual basis. If needed, the Health District would also look at furloughs as a short-term, emergency strategy to reduce expenditures. Furloughs would include periodic office closures, e.g., one day per month, could also be bargained with the District's union and implemented in 2017 as a cost saving measure. The District estimates a one-time cost savings of between **\$160,700** (one day/month for six months) and **\$321,400** (one day/month for 12 months) if implemented. Furloughs could be implemented but are not favored because they are not sustainable (i.e., they do not correct a structural budget problem -expenses exceeding revenues), and they reduce service to the public.



Officials: Keith Grellner, Administrator
Susan Turner, MD, Health Officer
John Kiess, Environmental Health Director
Suzanne Plemmons, Community Health Director

Increases in service fees are also a possibility. The Health District annually evaluates its service fees to identify fees that are not covering the cost of providing the service. The Health Board has the authority to adopt fees. In 2016, the Health District identified that its Food Program fees were not covering costs, and worked with the Health Board to adopt a new fee package, resulting in about \$50,000 of added revenue in 2016.

New Investments for Kitsap County to Consider

In addition to the requested 2.3% increase in general funding, Kitsap County could make additional investments in critical public health programs and services including, but not limited to, the following:

Kitsap Community Health Priority Process – Foundational Support: \$75,000

The Community Health Assessment and Priority process (KCHP) is an important way to educate the community on the health status of our County and provides an opportunity to collectively identify critical priorities and implement data-driven solutions. The District engages over **100** community organizations in the KCHP process which is central to developing collaborative, relevant solutions to health barriers in Kitsap County. KCHP not only oversees the data review and prioritization process, but also serves as a backbone to initiatives developed to address each of the KCHP priorities. As we continue to look to future changes in the health care system as a result of the Affordable Care Act, it is clear that the KCHP process is invaluable to the work of our Accountable Community of Health (Olympic Community of Health) to accomplish true reform. Excluding epidemiological staffing requirements, the implementation of KCHP requires the following:

- 1.0 FTE Community Liaison \$75,000

Without funding, the District will continue to be challenged to develop new, and fully support existing, KCHP initiatives to address each health priority, and will continue to struggle to provide backbone support.

Budget Comparison, 2012 – 2017

Budget Totals	2017 Preliminary Budget	2016 Approved Budget	2015 Actual	2014 Actual	2013 Actual	2012 Actual
Revenues ¹	\$11,506,011 \$11,515,511	\$11,497,425	\$10,311,665	\$10,436,976	\$9,798,305	\$9,744,674
Expenditures ¹	\$11,953,686 \$11,999,762	\$11,987,474	\$10,816,122	\$10,072,810	\$9,581,225	\$9,273,043
Difference ²	(\$447,675) (\$485,251)	(\$490,049)	(\$504,457)	\$364,166	\$217,080	\$471,631
# of FTE	101.77	101.16	96.00	92.87	89.55	87.98

¹ 2017 revenues and expenditures include a reduction of \$236,622 in revenue and \$339,840 in expenses due to the elimination of the District’s Family Planning Program as of March 31, 2017.

² The difference includes the draw from fund balance (deficit) and the draw from individual program designated funds.