

HUMAN SERVICES, HEALTH SERVICES & CONTRACTING

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INTRODUCTION

This topic paper provides an overview of the Human Services Department (HSD) and its historical revenues and expenditures, describes the City's participation and investment in health services, and discusses the department's contracting process and investment strategy.

HUMAN SERVICES DEPARTMENT OVERVIEW

HSD funds and operates programs and services to meet the basic needs of the community's most vulnerable people, including: children, domestic violence victims, families and individuals with low incomes, persons with disabilities and seniors. The department is functionally divided into three service divisions: (1) Aging and Disability Services, (2) Community Support and Assistance and (3) Youth and Family Empowerment. Leadership and administration for the department is provided through a separate division.

Examples of the programs and issues that the department's three service divisions address are:

- Aging and Disability Services – Area Agency on Aging for Seattle and King County¹, healthy aging, senior centers
- Community Support and Assistance – food and meal programs, homeless services, utility discounts for low-income households
- Youth and Family Empowerment – academic achievement, job readiness training, mental health counseling, youth violence prevention

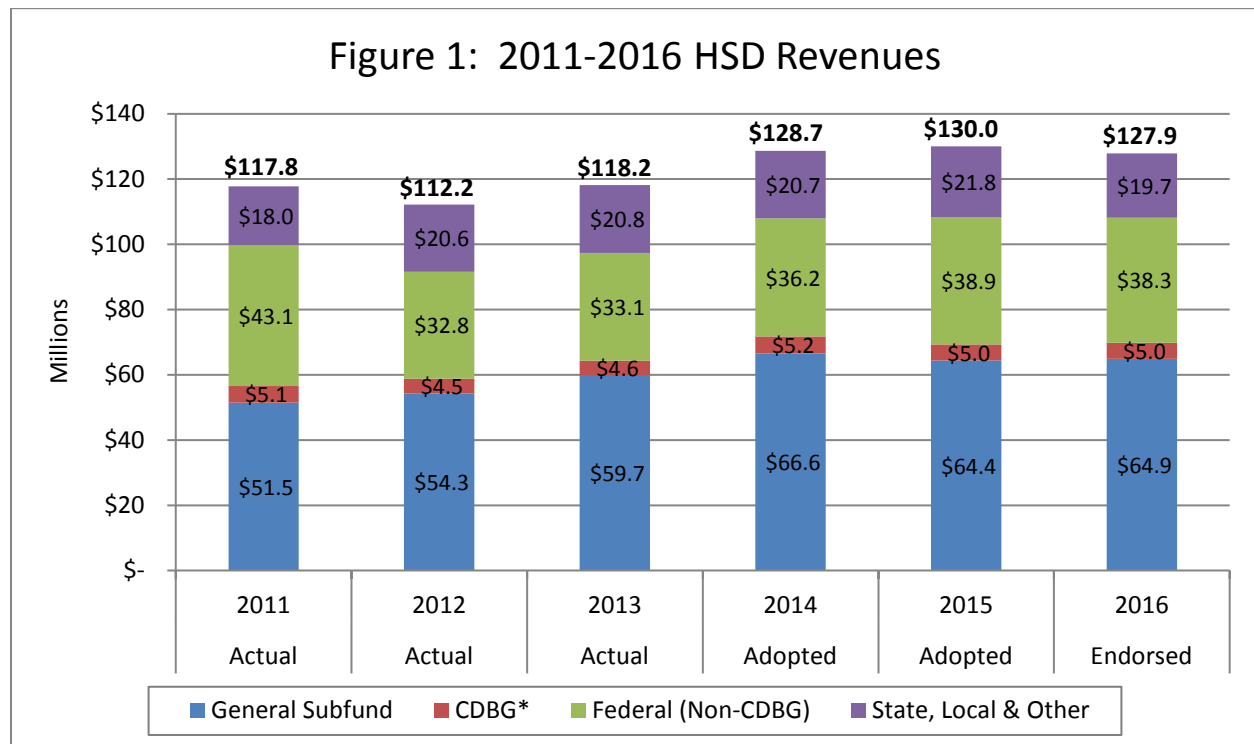
Revenues & Expenditures

The total 2015 Adopted Budget for HSD is \$130 million, which is only a moderate increase over the 2014 Adopted Budget. Relative to previous years for which actual expenditure data is available, however, the increase is larger. For instance, budgeted expenditures for 2015 are approximately 16 percent higher than 2012 expenditures.

The 2015 budget contains \$64.4 million in General Subfund (GSF) revenue, which accounts for approximately 49.5 percent of the total anticipated revenue. Since 2011, the GSF component of HSD's revenue has grown by 25 percent, while non-GSF sources have fluctuated, but have now returned to nearly the same level (shrinking by about one percent overall).

¹ Area Agencies on Aging (AAAs) are local organizations (formally established in the 1973 Older Americans Act) charged with helping vulnerable older adults live with independence and dignity in their homes and communities. They accomplish this by planning, coordinating and advocating for a comprehensive service delivery system for older adults, adults with disabilities and family caregivers. There are 13 AAAs that provide services in Washington State. HSD also partners with King County and United Way of King County to provide services to Seattle and King County residents.

Figure 1 shows HSD revenue amounts for 2011 through 2016.

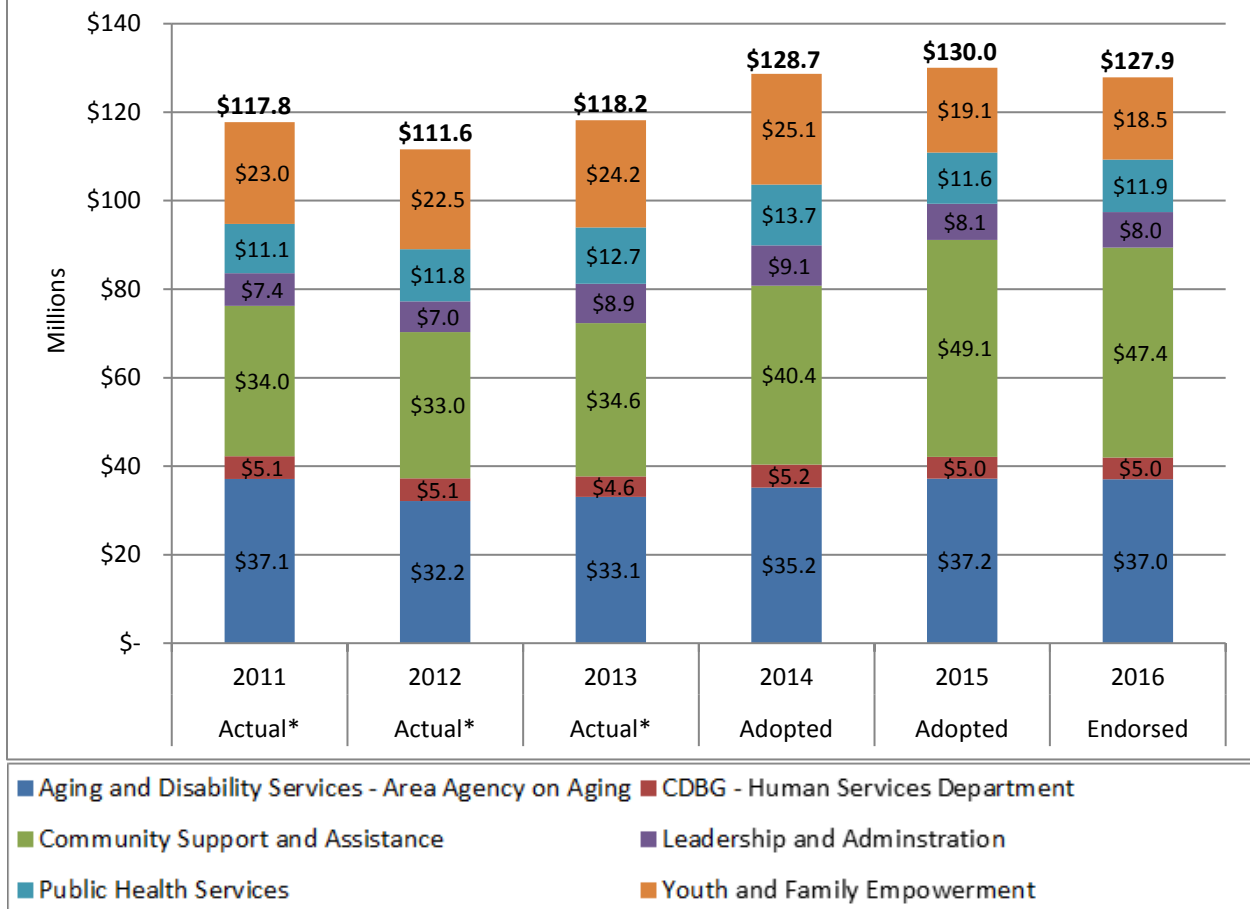


*CDBG – Community Development Block Grant

On the expenditure side, the largest increase in spending during the last five years has occurred in the Community Support and Assistance division. This increase is due mainly to increased homelessness investments during this time.

Another item to note is that the growth of HSD’s budget from 2014 to 2015 was limited due to the creation of the Department of Education and Early Learning, and a transfer of programs from HSD to the new department. This is the primary reason for the reduced expenditures in the Youth and Family Empowerment Division, as shown in Figure 2 on the next page.

Figure 2: 2011-2016 HSD Expenditures by BCL



*To account for budget reorganizations that have occurred during the last five years, expenditures from Budget Control Levels (BCLs) that existed in 2011, 2012 and 2013 were consolidated into the BCLs in which the expenditures would occur in 2015.

2. HEALTH SERVICES

City Investments

In the 2015 Adopted Budget, the City invested \$11.5 million in GSF in public health services in seven major categories:

Alcohol and Other Drugs	\$ 1,500,000
Asthma	\$ 137,000
Health Care Access	\$ 360,000
Health Care for the Homeless	\$ 1,600,000
HIV/AIDS	\$ 875,000
Oral Health for Children	\$ 134,000
Primary Care: Medical and Dental for Uninsured Residents	\$ 6,895,000

As described in more detail below, these are services that “enhance” for Seattle residents core services for which the County has primary responsibility.

Administration

The Department of Public Health – Seattle & King County (Public Health) is a joint department of the City and King County. Administered by the City from 1951 to 1981, it is currently administered by the County and all Public Health employees are County employees. The Public Health Director is jointly appointed by the Mayor and King County Executive and confirmed by both the City and County Councils. The 11-member King County Board of Health (BOH) sets county-wide policies and regulations to protect and promote the health of King County residents. The BOH includes three health professionals and eight elected officials, including three City Council members. The Mayor meets annually with the Public Health Director but is not a member of the BOH. The City provides funding for public health services to HSD, which in turn contracts with Public Health, which in turn contracts with providers for these services. Public Health negotiates and manages these contracts.

Previously, the City provided funding directly to Public Health, and the funding did not flow through HSD. Concerns over the use of City funds led the City in 2005 to make this change. In addition, the City Council established a Public Health Manager and Policy Advisor position in HSD to negotiate and manage the City’s contracts with Public Health, provide staff support to the three City Councilmembers who serve on the Board of Health, develop public health policy, and serve as the liaison between the City and Public Health.

Legal Responsibilities

In 1995 the State designated counties as the entities that have responsibility for public health including the funding of public health services (RCW 70.46.085). As a result, in 1996 the City and County amended a 1984 interlocal agreement (Agreement) that apportioned responsibility between Seattle and King County for the provision of public health services to Seattle residents. The 1996 Agreement recognized the City’s and County’s joint interest in strengthening public health for all residents, and clarified the roles of the City, County and BOH.

The 1996 Agreement specifically recognized the County’s responsibility for financing county-wide “core” public health services, and stated that the City’s financial contributions are voluntary and to be used only to “enhance” core services for its residents and neighborhoods. The current Agreement, adopted in 2011, re-iterates this point about use of City funds. The five-year Agreement ends in 2016 but has an automatic annual rollover. It may also be modified with the mutual consent of the parties or terminated with six months’ written notice.

Public Health funding challenges and the City’s future role in public health funding

For the past several years, Public Health has struggled as costs have continued to exceed revenues. The County placed a six-year \$392 million property tax levy, Best Starts for Kids, before the voters in November 2015. If it passes, it will provide significant resources for Public Health. Absent a new funding source Public Health may be forced to further reduce or eliminate services.

In the 2015 Adopted Budget, at Public Health's request, the City set aside \$400,000 for public health services for Seattle residents that Public Health would otherwise have had to cut. These included maternal health services, family planning educators, gun violence prevention, HIV/STD education and outreach, and Affordable Care Act outreach. The Council imposed a budget proviso holding the funding until the Mayor and Council agree on a timeline, structure and framework for the City and County's discussions and decisions on the City's future funding of Public Health services. The Executive will present that plan in summer 2015.

Families & Education and Preschool Services Levies

In addition to the public health investments described above, the City invests approximately \$6.3 million in health services for students through its 2011 Families and Education Levy and will also be increasing spending on health support through its 2014 Preschool Services Levy. These funds are administered directly by the City.

HSD's CONTRACTING and INVESTMENT STRATEGIES

HSD expends the majority of its annual budget through contracts with local human services providers to purchase specific services. In 2015, the department administers 545 contracts with 177 providers, for a total investment of approximately \$89.3 million.

The department typically makes funding available through competitive processes, such as Requests for Proposals (RFPs) or Requests for Investments (RFIs). The department maintains a website with current and future funding opportunities², and issues Notices of Funding Availability (NOFAs)³ to provide information about forthcoming opportunities, including anticipated funding amounts, release dates and contract start dates.

Partly as a response to audit findings of the Washington State Auditor's Office, and partly to become more efficient and effective in contract monitoring, HSD has set a goal of reducing its total number of contracts by 10 percent. Reductions are being pursued through the consolidation of contracts for providers with multiple contracts, as well as increasing the number of contracts with multi-year commitments.

Outcomes Framework

In mid-2013, HSD convened an internal team to develop a strategy for ensuring that the City's investments serve their intended purposes and achieve desired outcomes. The effort resulted in a strategy that HSD refers to as its Outcomes Framework⁴.

² HSD Funding Opportunities: <http://www.seattle.gov/humanservices/funding/>

³ 2015 Notice of Funding Availability:

<http://www.seattle.gov/HumanServices/funding/docs/2015%20Notice%20of%20Funding%20Availability.pdf>

⁴ HSD Outcomes Framework: http://www.seattle.gov/HumanServices/funding/docs/Outcomes_Framework.pdf

The Outcomes Framework is based on the concept of using data to inform investments, which the department simplifies into three steps:

- Defining the desired results for the department's investments.
- Aligning the department's resources to the desired results.
- Monitoring the result progress to ensure return on investment.

Each of the department's service divisions has an identified goal, a set of desired results, and a set of indicators to track progress. For example, the goal of the Youth and Family Empowerment division is "Children and youth are prepared for school and life." The four results that would indicate success in reaching this goal are:

- Children and youth achieve academic success.
- Children and youth are healthy (physical, social, emotional).
- Youth effectively transition to adulthood.
- Families are strong, healthy and stable.

Attachment A as shown on the next page contains the goals, target populations and desired results for all three of HSD's service divisions.

The Outcomes Framework was introduced into the contracting process in fall 2014, with two RFIs: (1) Food and Meals and (2) Senior Centers. Since then, four other funding requests have been issued, resulting in approximately 10 percent of HSD's investments being issued through the new structure. HSD staff estimates that by 2016, approximately 20 percent of the human services investments will be issued through the Outcomes Framework.

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ATTACHMENT A: HSD Goals, Target Populations and Desired Results

Aging & Disability Services Division	
<i>Goal</i>	Our community promotes healthy aging and lifestyle.
<i>Target Populations</i>	Older adults (age 55+) in King County and adults living with a disability.
<i>Desired Results</i>	<ul style="list-style-type: none"> – Vulnerable adults have affordable, quality healthcare. – Vulnerable adults achieve basic needs. – Vulnerable adults improve or maintain health (physical, social, emotional). – Vulnerable adults remain independent.

Community Support & Assistance Division	
<i>Goal</i>	Our community is safe, stable and self-reliant.
<i>Target Populations</i>	Low-income households (individuals and families) with incomes at or below 80% of the median income.
<i>Desired Results</i>	<ul style="list-style-type: none"> – Individuals and families are safe and have healthy relationships. – Individuals and families are financially stable. – Individuals and families have stable housing. – Individuals and families have access to healthy food.

Youth & Family Empowerment Division	
<i>Goal</i>	Children and youth are prepared for school and life.
<i>Target Populations</i>	Children, youth and families of color and those that are low-income who are living in Seattle.
<i>Desired Results</i>	<ul style="list-style-type: none"> – Children and youth achieve academic success. – Children and youth are healthy (physical, social, emotional). – Youth effectively transition to adulthood. – Families are strong, healthy and stable.