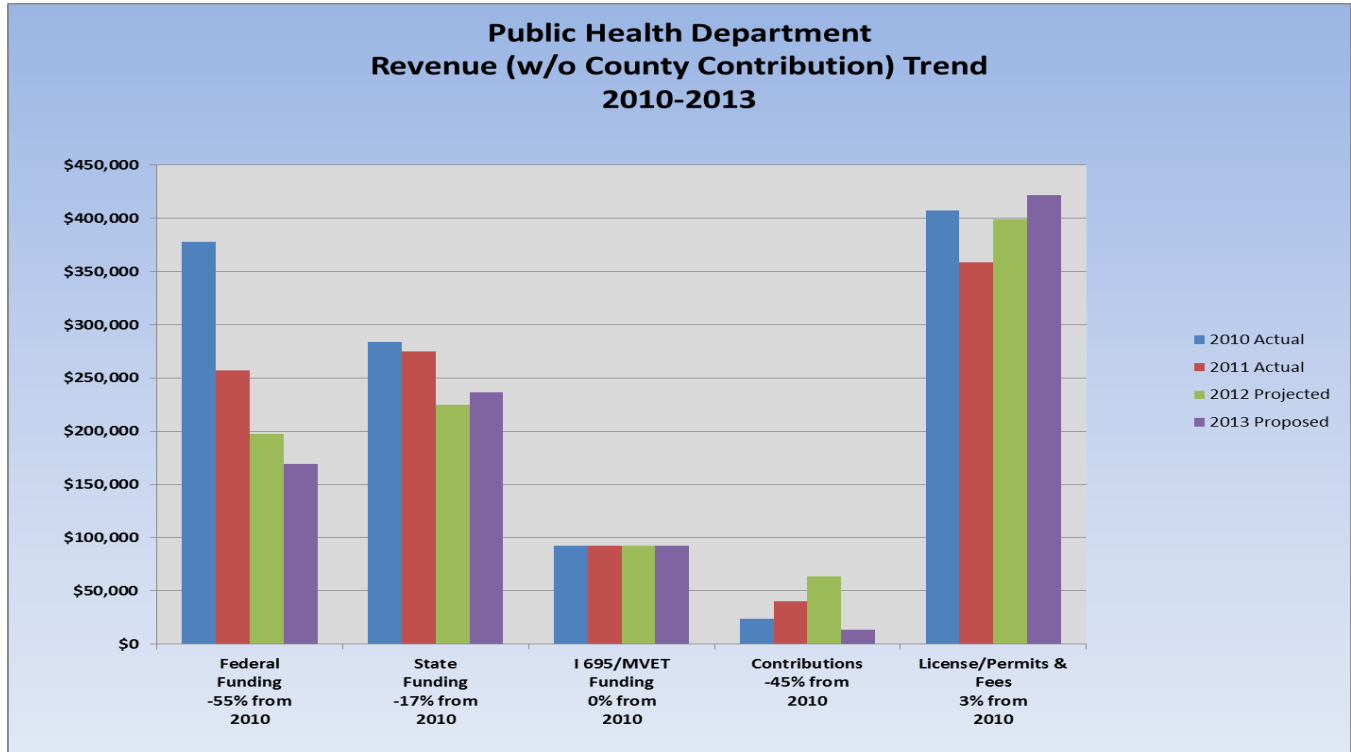


Kittitas County Public Health Department

2013 Budget Narrative

Revenues

Revenue reductions are the biggest challenge facing the Department in 2013. The following chart shows the changes in our major revenue sources 2010-2013.



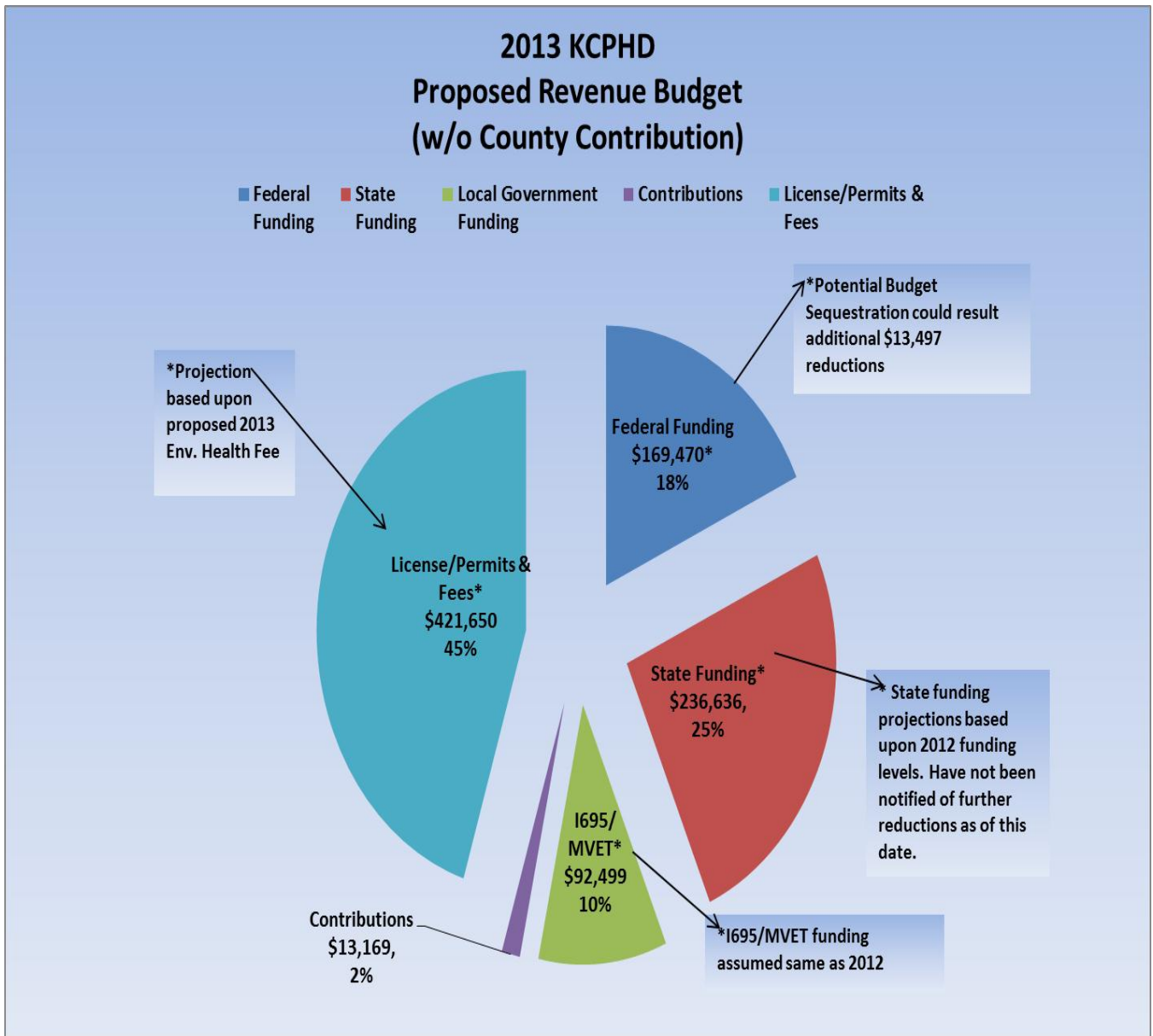
- **Federal Funding reductions:**
 - End of ARRA Funding
 - Significant reduction Medicaid Admatch funding
 - Breast, Cervical Health funding uncertain
 - Budget Sequestration 1/1/13 could result additional \$13,897 reduction

- **State Funding reductions:**
 - Reductions in Blue Ribbon Flexible Funding (\$91,289 in 2010 to \$60,000 in 2013)
 - Discontinuation of some State funds (HIV, Hepatitis, Tobacco)

- **Contribution Funding reductions:**
 - WA Dental Foundation ABCD - Three year grant ends 6/30/13
 - NACCHO – Community Health Assessment Funding ends 12/31/12

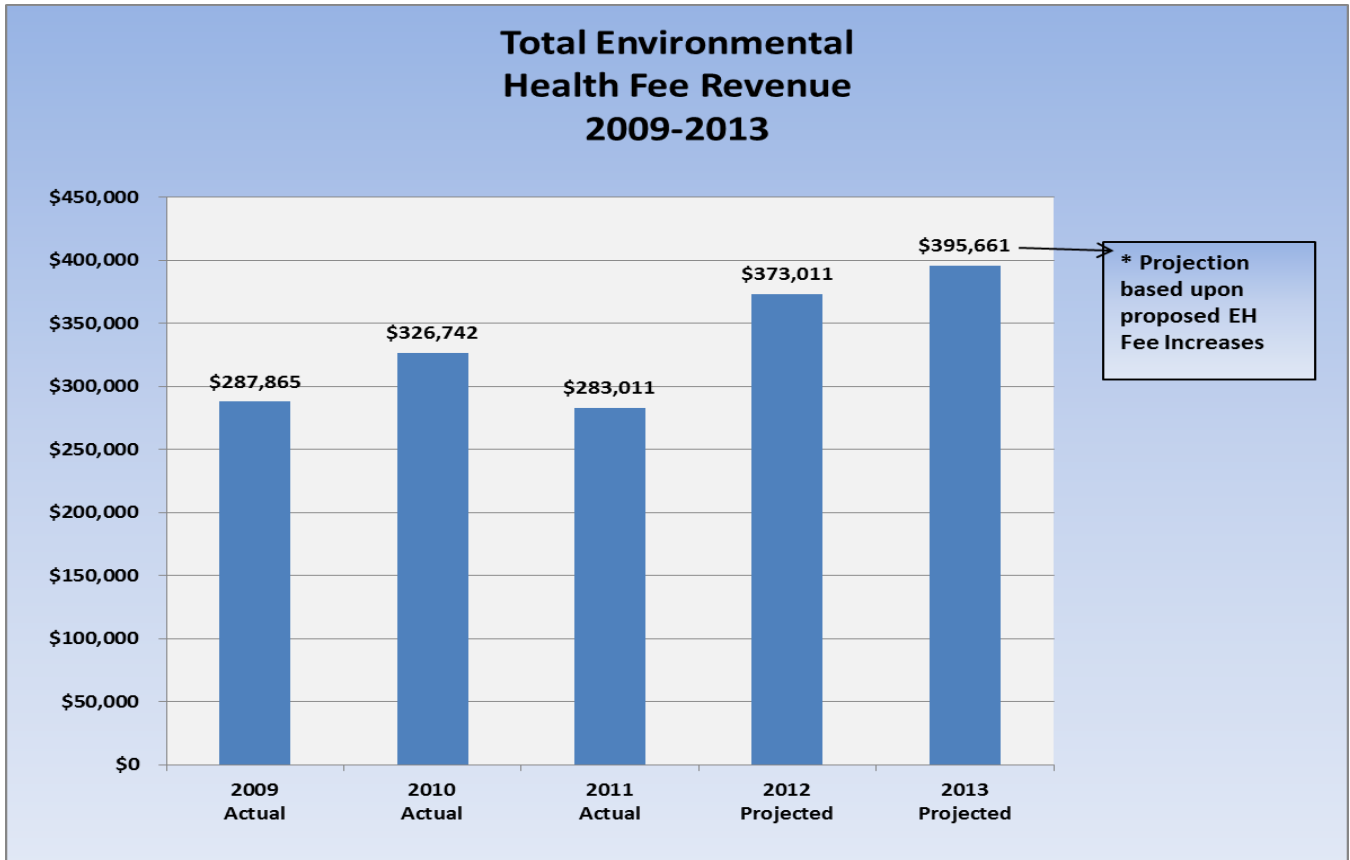
2013 Revenues by Source:

Total proposed revenues of **\$934,374** are displayed by source in the following graph:

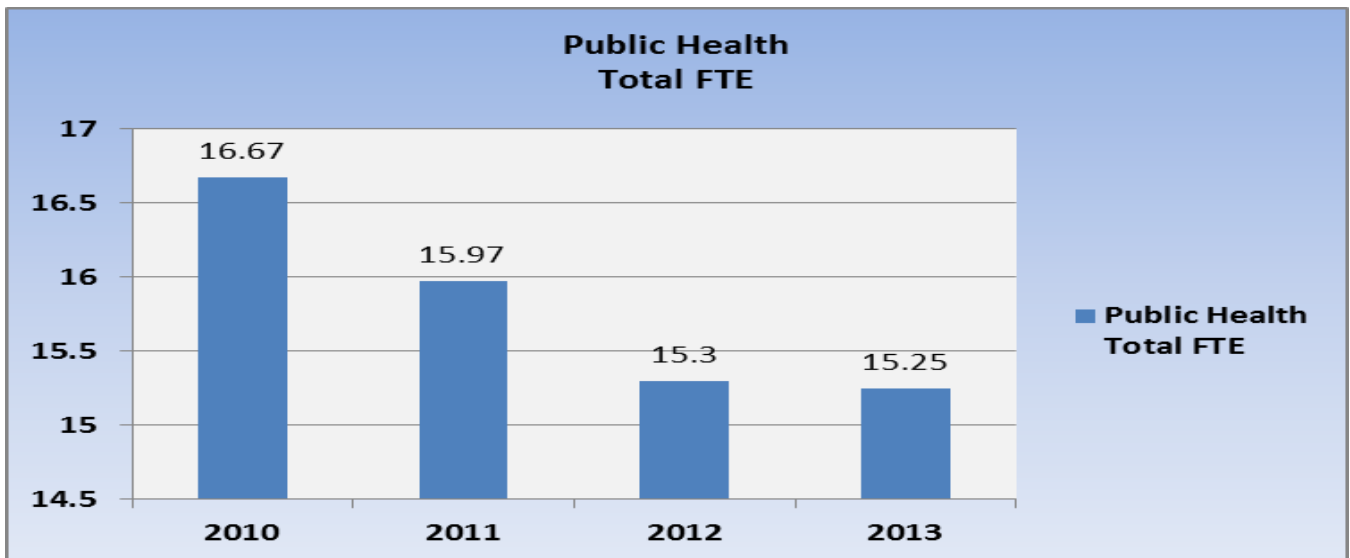
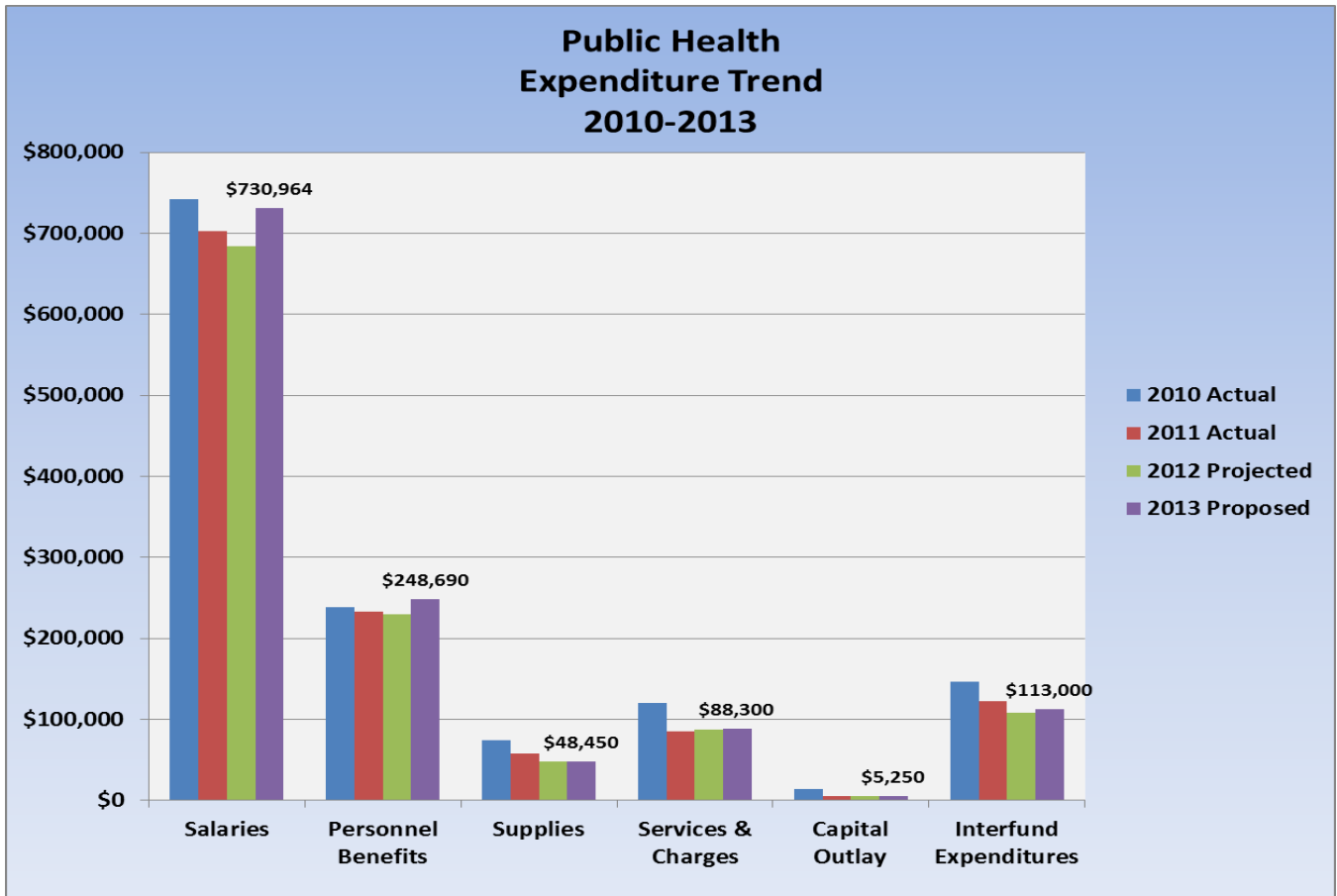


License/Permits & Fees:

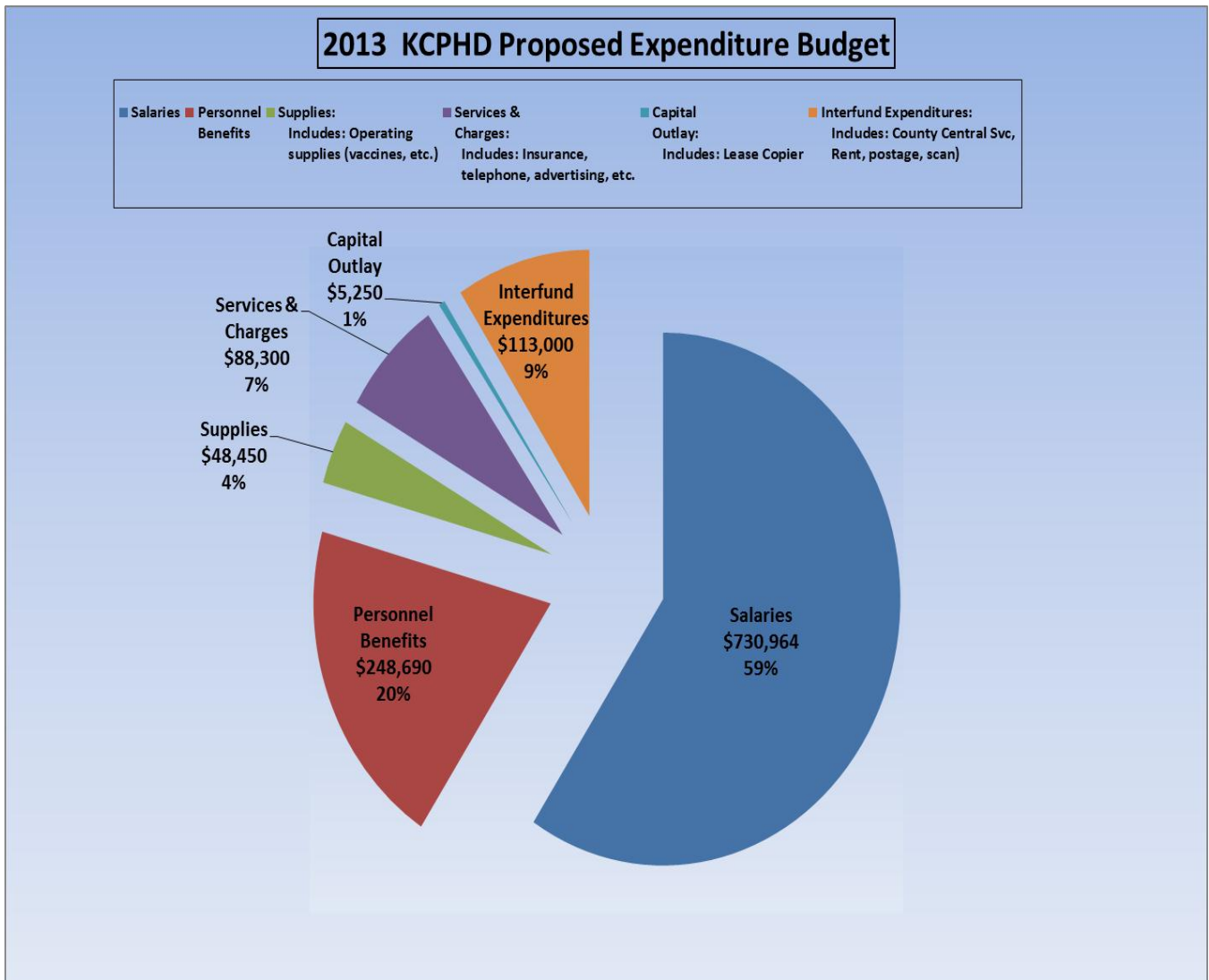
The Department implemented a new fee schedule in calendar year 2012. Many fees were increased with a focus on full cost recovery. This resulted in a projected increase in Environmental Health Fee revenue of approximately \$90,000 from 2011 to 2012. For 2013, Environmental Health fees have been reviewed in detail with increases that will be proposed at the November, 2012 Board of Health meeting. Increases to Environmental Health Fees in 2013 would result in a projected approximate increase of \$22,650 over 2012 based upon the same activity levels as 2012. The Department is not proposing increases to Community Health or Health Promotion Fees in 2013.



Expenditures:



Total proposed expenditures of **\$1,234,654** are displayed by source in the following graph:



Required Training:

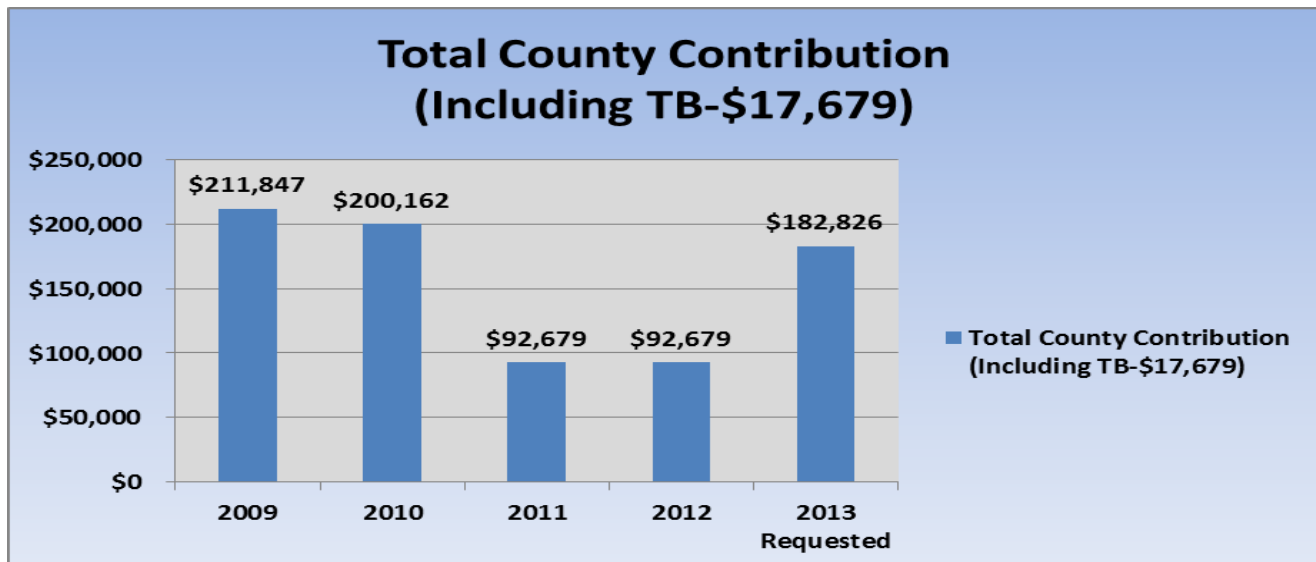
The Department is requesting a modest \$2,500 in training to accommodate staff needs.

Budget Savings:

All line item non-payroll expenditures have been reviewed in detail. The department has managed to stay under budget in fiscal year 2012 on non-payroll spending by approximately \$22,000. The majority of this savings was for reduced County Central Services due to payroll expenditures under budget for the year. In addition, the Department is under budget on spending for supplies by approximately \$10,000.

2012-2013 Revenue/Expenditure Summary

	Projected 2012	2013 Budget Forecast	Change
Federal Grant Revenues	\$197,158	\$169,470	(\$27,688)
State Grant Revenues	224,490	236,636	12,146
Contributions/Other Revenues	156,929	106,618	(\$50,311)
Fee Revenues	399,000	421,650	22,650
Total Revenues	\$977,577	\$934,374	(\$43,203)
Salaries	\$684,700	\$730,964	\$46,264
Benefits	229,400	248,690	19,290
Non-Payroll	248,000	255,000	7,000
Total Expenditures	\$1,162,100	\$1,234,654	\$72,554
Deficit	(\$184,523)	(\$300,280)	(\$115,757)
KCHPD Available Fund Balance to cover deficit	\$109,523	\$117,454	
County Contribution	75,000	75,000	
County Contribution – TB	17,679	17,679	
TB Contribution not used – rolled over next year	-17,679		
Remaining Deficit	0	(\$90,147)	
Total County Contribution required maintain Current staffing levels and cover 2013 projected deficit:		<u>\$182,826</u>	



Fund Balance

For the 2013 budget, the amount of available fund balance necessitates a larger County Contribution in order to balance the Department budget and maintain current staffing levels without letting the fund balance drop below the minimum amount that is needed for cash flow purposes. The projected total deficit of expenditures over revenues for 2013 is \$300,280. The amount of fund balance that is available to cover this deficit is \$117,454. This leaves the remainder of \$182,826 (\$165,147 operating contribution plus \$17,679 for Tuberculosis) as the amount needed from the County.

<i>Fund Balance 2011-2013</i>	<i>2011</i>	<i>2012 Projection</i>	<i>2013 Projection</i>
Fund Balance – beginning year	\$676,254	\$584,977	\$475,454
Operating Deficit covered Fund Balance	(\$91,277)	(\$109,523)	(\$117,454)
Fund Balance – end year	\$584,977	\$475,454	\$358,000
Restricted Fund Balance – Investment	(\$158,000)	(\$158,000)	(\$158,000)
Remaining Fund Balance (Cash Flow)*	\$426,977	\$317,454	\$200,000*

*A fund balance of approximately \$200,000 in cash reserve is required as a minimum for cash flow purposes due to delayed receivables. This amount equals approximately two months operating expenses.

Grant Funding:

The following charts shows a listing of the department's grant funding:

Grant	Annualized Funding Amount	County Funds Needed
Federal Funding:		
ConCon – PHEPR LHJ – Public Health Emergency Preparedness Response	\$61,548	None
ConCon – MCHBG – Maternal Child Health Block Grant (Infrastructure, Population, Enabling, Direct)	\$44,317	None
ConCon – Group A Water	\$6,500	None
ConCon – Immunization Grant	\$13,405	None
Quality Improvement	\$8,000	None
MAA – Medicaid Admatch	\$10,000	None
Community Transformation Grant	\$15,500	None
Health Care Authority – ABCD Dental (Federal portion)	\$5,000	None
Yakima Health District – BCHP - Breast & Cervical Health (Direct & Indirect)	\$16,700	None
State Funding:		
Blue Ribbon Funding (SB 5930)	\$92,000	None
Local Capacity Development Funds (LCDF)	\$45,840	None
ConCon – Tobacco prevention	\$3,510	None
ConCon – Group A Water	\$6,500	None
Department Ecology – CPG – Coordinated Prevention Grant	\$73,786	25% Match from Fee Revenue
Department Ecology – Well Delegation - Drinking Water	\$5,000	None
Health Care Authority – ABCD Dental (State portion)	\$5,000	None
Local Government Funds:		
I-695 replacement funds	\$92,499	None
Private:		
ABCD Dental - Washington Dental Foundation	\$13,169	None

In reviewing the above table it should be noted that this information is what is known with certainty at this point in time.