



Best Starts for Kids Report to King County Council

Prevention and early intervention are the most effective and least expensive ways to address our most serious problems such as obesity, mental illness, substance abuse, and incarceration. Science tells us that lifelong problems can be prevented by investing heavily in children before age five, and then making strategic investments at critical points in a young person's development before age 24. Yet, much of the County's funding is responding to negative outcomes—severe mental illness, homelessness, chronic illness, and youth who have already dropped out of school or who have been involved in the juvenile justice system. Specifically, 75 percent of the County's General Fund pays for the law and justice system.

For our region to continue to prosper in the future, we need everyone to have a fair opportunity to succeed, regardless of race, ethnicity or where they live in the County. Unfortunately, in King County there are significant inequities. Where you live, how much you make and the color of your skin are all major predictors of your life experience and your chances of living well and thriving. We must do better to ensure that King County is a place where everyone has an opportunity to succeed. It is not just an issue of fairness—we are more competitive in the global economy when everyone is able to contribute.

In 2014, as part of the implementation of the King County Strategic Plan (<http://www.kingcounty.gov/exec/PSB/StrategicPlan/CountyStratPlan.aspx>), Equity and Social Justice ordinance (<http://mkcclegisearch.kingcounty.gov/View.ashx?M=F&ID=1060175&GUID=9E24A75D-5885-4088-98D3-AE6BA187B20F>), the Health and Human Services Transformation Plan (<http://www.kingcounty.gov/elected/executive/health-human-services-transformation.aspx>), and development of the Youth Action Plan (<http://www.kingcounty.gov/council/issues/YouthActionPlan.aspx>), King County staff began examining how the County could improve outcomes and allow individuals and communities to achieve their full potential by balancing its investment portfolio with more preventive approaches. The resulting Best Starts for Kids levy proposal is guided by, and represents, a further implementation of the County's adopted policy direction.

To improve outcomes for all children and youth in King County and prevent crises before they begin, Executive Constantine is proposing Best Starts for Kids, a six-year \$65.4 million average per year property tax levy. Best Starts for Kids will be outcomes focused and fund the following three strategic areas:

1. Prevention and early intervention programs for children before age five;
2. Prevention and early intervention programs for children and youth age five through twenty-four; and

3. Prevention strategies at the community level.

These three strategic areas are outlined in greater detail below. After the Levy passes, there will be a comprehensive community planning process to develop a detailed Implementation Plan that identifies what programs, interventions and approaches will be funded and what the specific and quantifiable outcomes will be. The Implementation Plan will also address limiting county costs for administering the levy. The Best Starts for Kids implementation phase will utilize outreach approaches and engagement strategies to reach diverse communities that have recently been successful in other initiatives, such as outreach for health coverage enrollment under the Affordable Care Act (<http://www.kingcounty.gov/coverage>) and community engagement for Communities of Opportunity and the Youth Action Plan. This planning will also draw on learnings from other successful community engagement and implementation processes—for example, the Mental Illness and Drug Dependency (MIDD) sales tax (<http://www.kingcounty.gov/healthservices/MHSA/MIDDPlan.aspx>), which broadly included community partners, local government and all branches of King County government. The Implementation Plan for the community-level strategies will occur through Communities of Opportunity, a successful effort that is currently underway in King County through a partnership with The Seattle Foundation. Consistent with King County’s commitment to equity and social justice, Best Starts for Kids has been and will continue to be developed with an equity and social justice lens and will be focused on reducing and eliminating inequities in King County. The Implementation Plan ultimately will be approved by the Metropolitan King County Council.

Best Starts for Kids Is Outcomes-Based

Best Starts for Kids was developed based on outcomes that King County wants to achieve for our region:

1. Babies are born healthy and establish a strong foundation for lifelong health and well-being.
2. King County is a place where everyone has equitable opportunities to progress through childhood safely and healthy, building academic and life skills to be thriving members of their community.
3. Communities offer safe, welcoming, and healthy environments that help improve outcomes for all of King County’s children and families, regardless of where they live.

It may be several decades for many of the outcomes to be realized. However, during the six-year life of the Levy, King County will show progress in reaching these outcomes by setting indicators and establishing goals. Indicators will be at both the individual and community levels. While many of the indicators and their associated goals will be based on strategies with proven results, King County recognizes that not all practices are appropriate or have been tested on all cultural and ethnic groups. Best Starts for Kids will also fund promising practices and pay for evaluation of these practices so that promising practices can become proven practices. King County’s progress towards the goals associated

with these indicators will signal that we are on the path to achieving our overall outcomes. Examples of indicators and goals include:

Individual Indicators:*

- Increase the percent of pregnant women who receive early and adequate prenatal care to **78%**
- Increase technical assistance to child care providers by **25%**
- Reduce psychiatric hospitalizations for children and youth by **15%**
- Decrease the percent of youth using alcohol or drugs to **15%**
- Increase the percent of youth who feel they have an adult in their community that they can talk to about something important to **76%**
- Decrease the percent of school-age youth in South King County who are at an unhealthy weight to **23%**

**Goals are based on adherence to a proven model.*

Community Indicators (some are long-term indicators)

- Decrease in inequities in outcomes for children and youth in King County
- Decrease in disparities in health and well-being outcomes currently seen between different areas within King County
- Decrease in funds spent on crisis services, such as incarceration and involuntary commitment
- Decrease in domestic violence
- Increase in family and youth who are prevented from entering homelessness
- Decrease in suspensions and expulsions, from child care through high school
- Improve the quality of life index (health, housing and economic opportunity) in Communities of Opportunity

All of the outcomes and indicators will be refined as part of the Levy implementation phase. We will ensure alignment with other significant initiatives focused on children and youth in the community, such as the Youth Action Plan, Road Map Project (<http://www.roadmapproject.org/>) and the Seattle Pre-School Program (<http://www.seattle.gov/education/childcare-and-preschool/seattle-preschool-program>), so that the same outcomes are being measured and evaluated.

Based on experience with proven programs, we know that by investing in the types of strategies detailed in the pages below, we can achieve a positive return, as measured through their impacts in a multitude of areas—chronic disease, substance abuse, criminal behavior, child abuse and neglect, economic productivity, etc. For example:

- By investing in strategies that support parents and caregivers, we can expect a return of **\$2.77** per dollar invested.
- By investing in strategies that support high-quality childcare, we can expect a return of **\$143.98** per dollar invested.
- By investing in strategies that build resiliency of youth and reduce risky behaviors, we can expect a return of **\$34.76** per dollar invested.
- By investing in strategies that meet the health and behavior needs of youth, we can expect a return of **\$7.09** per dollar invested.
- By investing in strategies that help youth stay connected to their families and communities, we can expect a return of **\$5.04** per dollar invested.
- By investing in strategies that help young adults who have had challenges to successfully transition into adulthood, we can expect a return of **\$3.25** per dollar invested.

Funding Details

Amount: \$58.3 million per year in 2016
 \$392.3 million over six years (levy limit factor of 3% plus new construction), or an average of \$65.4 million per year
 \$0.14 per \$1,000 of assessed value in 2016, costing the average King County homeowner about \$56 per year, or approximately \$4.50 per month

Distribution: 50% (\$32.7 million annual average) for interventions focused on children age 0-5
 35% (\$22.7 million annual average) for interventions focused on children/youth age 5-24
 9% (\$6.0 million annual average) for community-level interventions
 6% (\$4.0 million annual average) for data, evaluation and infrastructure

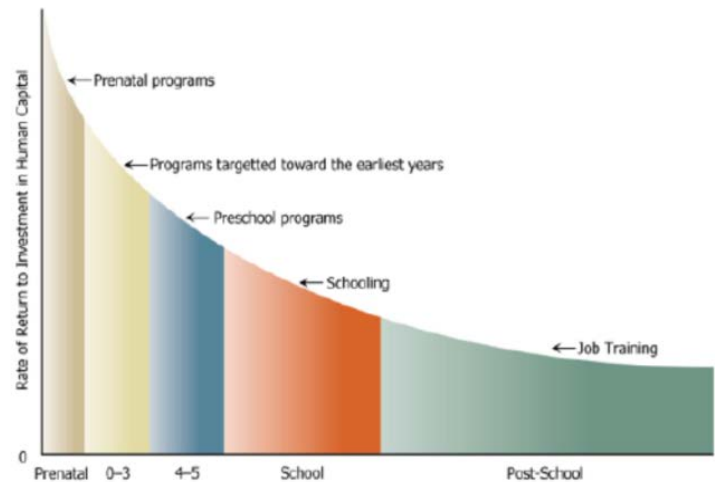
The vast majority of Best Starts for Kids funding will be utilized by community-based partners and not the County itself.

A. Heavy investment in Children Before Aged 5 Yields the Best Results for Children and Yields the Greatest Return on Investment

Noble Laureate in economics, Dr. James Heckman, has shown that investment in children, particularly before age five, has the greatest economic return on investment for society.

(<http://heckmanequation.org/content/resource/investing-our-children-great-returns>) He has shown that the basic skills necessary to be ready to learn in school and be successful as an adult—such as self-esteem, motivation, coordination, prioritization, management of incoming information, attention and distraction control are developed by age five before children go to school. According to Dr. Heckman, to ensure that all children are able to achieve their full potential, there must be investment in early childhood development and engagement with the family. (James Heckman, “Going Forward Wisely,”

White House Summit on Early Education,
December 10,



Source: Heckman (2008)

2014. <http://heckmanequation.org/content/white-house-summit-early-education>

Research has also shown that children who have access to quality early development are more likely to achieve later success as adults. Inequities can begin before birth and persist throughout childhood, leaving some children at a disadvantage in life before they have even begun the journey.

- Lack of access to adequate prenatal care in King County can be as much as 1.7 times higher depending on the mom's race—for example, 72% of white mothers receive early and adequate prenatal care compared to 41% of Native Hawaiian/Pacific Islander moms.
- American Indian, Native Hawaiian and Hispanic students in King County lag the farthest behind in demonstrating kindergarten readiness; the most significant disparity being in math.
- Infant childcare at licensed childcare centers in King County in 2012 cost Black/African American families more than 40% of their annual median income compared to White families and who spent just over 20% of their median income on infant childcare.

Best Starts for Kids will work to eliminate these inequities. Based on the research, including research developed by the University of Washington Institute for Learning and Brain Sciences (<http://ilabs.washington.edu>), and promising practices, Best Starts for Kids will invest in the following strategies:

➤ **Support Parents and Caregivers by:**

- ✓ Providing families and caregivers key information and support services during pregnancy and after the child arrives
- ✓ Providing support resources for parents and caregivers of babies and toddlers when babies and toddlers face challenges
- ✓ Providing home-based visits for new moms and babies

➤ **Cultivate Caregiver Knowledge through:**

- ✓ Outreach, resource and referral coordination
- ✓ Providing information in a variety of languages, formats and mediums, including information on what the latest neuroscience is telling us about child development

➤ **Support High Quality Childcare (in-home & out of home, licensed & unlicensed) by:**

- ✓ Assisting providers in creating positive, healthy and safe childcare environments
- ✓ Providing training and tools for all childcare providers
- ✓ Expanding consultation and technical assistance resources for childcare providers, such as mental health and developmental consultations

➤ **Screen Children to Prevent Likely Problems, Intervene Early and Effectively Link to Treatment by:**

- ✓ Expanding developmental screening to all young children
- ✓ Identification and early intervention for children who have experienced traumatic stress, including domestic violence or sexual assault
- ✓ Preventing family homelessness via a flexible fund to help families with young children

Investing in Public Health Services

As part of the supporting parents and caregivers strategy listed above, Best Starts for Kids will stabilize and expand the Nurse Family Partnership Program, Maternal Support Services and Family Planning in King County, through a modest investment. Additional discussion of the impact Best Starts for Kids will have on the Public Health Fund can be found in the “Levy Financial Information Summary” section of this report.

The three examples below illustrate the types of programs that would implement the strategies focused on children age 0-5:

- **Access to prenatal care** prevents low-birth weight babies by screening at-risk mothers and supplementing prenatal care with services to improve birth outcomes. Every year in King County, 1,600 infants (6.4% of births) are born at low birth weight (under 5.5 pounds, or small enough to fit entirely in the palm of your two hands). Babies born too small have higher hospitalization costs and are more likely to have learning deficits well into school and adulthood, including lower educational achievement.
 - Programs, such as Maternal Support Services, that provide support services to pregnant women have shown to reduce low birth weight in Washington State from 18% to 13.7% for medically high-risk women and from 22.5% to 11.5% for teens.
(See: <http://ajph.aphapublications.org/doi/pdf/10.2105/AJPH.88.11.1623>)
 - The average cost of hospitalization for a low birth weight infant is \$27,500. Without support services for pregnant women, low birth weights that could have been prevented will result in an estimated \$5.3 million in additional hospitalization costs in Washington each year.

(See: <http://www.kingcounty.gov/healthservices/health/personal/~media/health/publichealth/documents/locations/MSSFacts.ashx>)

- **Nurses visiting new moms and families** to make sure babies are healthy. One home visiting program, Nurse Family Partnership (NFP), has shown such outcomes as:

- 59% reduction in child arrests at age 15
- 61% fewer arrests of the mother
- 48% reduction in child abuse and neglect
- 50% reduction in language delays of children at age 21 months
- 67% reduction in behavioral/intellectual problems at age six
- 32% fewer unintended subsequent pregnancies
- 82% increase in months mothers are employed

(See: <http://www.nursefamilypartnership.org/about/fact-sheets>)

- **Expand the training and tools available to all child care providers** so all providers are able to address the developmental needs of children. Screenings help identify when a child's development is not progressing at the expected rate, which alerts parents, caretakers and healthcare providers to the need for further assessment. Early intervention for developmental delays in the first five years has been linked with higher performance in reading and math, less grade retention and less need for special education services well into adolescence. In Washington, an estimated 13 percent to 17 percent of children have a developmental delay. Of the nearly one in six children experiencing a delay, only 30 percent are currently identified and connected to available early intervention supports before kindergarten, when it is most effective. Best Starts for Kids can ensure that screening tools are culturally appropriate, available and accessible to all children and their families and caregivers in King County.

(See: http://www.medicalhome.org/4Download/wg_devscreen/framework.pdf)

B. School Aged Children and Youth—Age 5-24: Intervening Early at Key Developmental Milestones

Science shows that “non-cognitive abilities (perseverance, motivation, time preference, risk aversion, self-esteem, self-control, preference for leisure) have direct effects on wages, schooling, teenage pregnancy, smoking, crime, performance on achievement tests and many other aspects of social and economic life.” (Heckman, James J. *Schools, Skills, and Synapses*, IZA DP No. 3515 (May 2008) at 28.) The research and brain science shows that many of these traits are developed very early in life—before age five. However, interventions during adolescence are also valuable, though more expensive, because of the malleability of the regions of the brain into the early twenties that govern emotion and self-regulation. (*Id* at 30.) The prevention and intervention strategies for youth age 5-24 will strategically address transition points in the young person's life where problems frequently arise, as well as strategies focused on brain and developmental changes for adolescents.

As with younger children, Best Starts for Kids will follow an approach called “targeted universalism.” That is, strategies will target all children and youth, but children and youth who need more intensive services will have more intensive services available to them. This approach will be important in addressing inequities such as:

- Higher obesity rates of children and youth who do not have access to healthy food or safe places to play
- Higher asthma rates for children who live in housing that is in poor condition
- Higher numbers of African American and Latino youth who are detained in the juvenile justice system

To achieve better outcomes for school-aged children and youth, Best Starts for Kids will invest in the following strategies:

➤ **Build resiliency of youth and reduce risky behaviors through:**

- ✓ Prevention, screening, early intervention and, where needed, treatment, that addresses depression, other mental illnesses, substance use, tobacco use or trauma (such as violence), so that we can prevent youth from becoming “at-risk”
- ✓ Supports for families if a child does need early intervention or treatment

➤ **Meeting the health and behavior needs of youth by:**

- ✓ Expanding convenient access to preventive health services in schools, such as help managing asthma and screening for sexually transmitted disease
- ✓ Working to ensure all children and youth are enrolled in healthcare, a proven way to have lasting positive health outcomes for children and youth

➤ **Helping youth stay connected to their families and communities through:**

- ✓ Supports for parents and youth focused on early intervention when a problem arises
- ✓ Creating healthy and safe environments for youth focusing on where youth spend much of their time, assisting places such as schools, youth programs and community centers to implement best practices and policies that help assure children have access to nutritious food, high quality physical activity and environments that limit exposure to potentially dangerous products and substances
- ✓ Outreach, resources and referral so that youth, families, caregivers and other caring adults in a young person’s life know what resources are available to help them and are able to connect with these resources

➤ **Helping young adults who have had challenges successfully transitioning into adulthood by:**

- ✓ Creating a flexible fund to help youth homelessness
- ✓ Re-engaging youth who have dropped out of school
- ✓ Connecting youth to a caring adult and positive peer network

➤ **Diversion from the Juvenile Justice System through:**

- ✓ Prevention programs to avoid incarceration and divert youth from the juvenile justice system
- ✓ Upstream strategies to address disproportionality in the juvenile justice system

The two examples below illustrate the types of programs that would implement the strategies above:

- **Screening youth for early onset of mental illness.** According to the American Academy of Child and Adolescent Psychiatry, nearly half of all diagnosable mental illnesses show symptoms by age 14 and 75 percent begin by the age of 24, yet only one in five adolescents between 12-17 years old receives treatment or counseling. When left untreated, these disorders can lead to tragic and costly consequences, such as substance abuse, school dropout, involvement with law enforcement and suicide.
 - A Portland program called Early Detection and Intervention for the Prevention of Psychosis (EDIPPP) showed that after implementation of this program, psychiatric hospitalizations for youth were reduced by 26% with a cost savings to the community of \$2.1 million annually. (See: <http://www.medscape.org/viewarticle/418617>)
- **Working with schools and youth programs to promote healthy eating and active living.** Too many young people in our county are living at an unhealthy weight—30 percent—leading to early onset of heart disease and diabetes. Many lack access to affordable healthy food and opportunities to be physically active.
 - In King County, a 17% decline in youth obesity was documented after Public Health—Seattle & King County partnered with schools and community organizations to implement a two year Communities Putting Prevention to Work obesity prevention initiative ending in 2012.
(See: <http://www.cdc.gov/mmwr/preview/mmwrhtml/mm6307a4.htm>)

C. Communities of Opportunity: Investing in Communities and Leveraging Philanthropic Funds for King County Communities

The latest research shows that the place where a child grows up has a tremendous impact on a child's success and in many cases a child's zip code is a better predictor of their future health and well-being than their DNA code. Children are more likely to succeed and live longer, more productive lives if they have the opportunity to live in communities that have strong social networks, are free from violence, provide convenient access to healthy, affordable food, offer access to job opportunities and high quality, affordable housing, support drug and tobacco free living, and offer opportunities for physical activity. (See: <http://www.whatworksforamerica.org/pdf/lavizzo-mourey.pdf>; and [Time to Act: Investing in the Health of Our Children and Our Communities](#)).

Significant portions of the County have been left behind as demographics have shifted. Our region now experiences some of the greatest inequities among large U.S. metropolitan areas. Analysis of key health

and social indicators by census tract in King County has revealed these stark disparities. For example, life expectancy ranges from 74 years in the lowest decile census tracts to 87 years in the highest; smoking ranges from 5 percent to 20 percent; frequent mental distress ranges from 4 percent to 14 percent; and unemployment ranges from 3 percent to 13 percent. (See: King County Health Profile at <http://www.kingcounty.gov/healthservices/health/data.aspx>)

Best Starts for Kids Communities of Opportunity funding will work to address these inequities at the community level, complementing the investments for children and youth described in the earlier sections. It will improve children's futures by investing in place-based community partnerships that will design and carry out evidence-supported strategies to create safe and healthy neighborhoods, and improve outcomes in health, housing, and economic opportunity.

King County, in partnership with The Seattle Foundation, has already funded community-designed "go first" partnerships in three initial places: White Center/North Highline, SeaTac/Tukwila and Seattle's Rainier Valley. (For more information, see: <http://www.kingcounty.gov/exec/HHStransformation/coo.aspx>)

Best Starts for Kids will expand the Communities of Opportunity partnership, by creating opportunities for even more communities and neighborhoods to participate and by leveraging additional philanthropic funding.

How Communities of Opportunity mobilizes specific communities and neighborhoods to support changes to improve conditions for children and families is important because it has been proven that giving communities the power to make changes is the way to make sustainable change. Government parachuting in with programs that it has decided upon is the old model that does not produce optimal results. *What* specific strategies are carried out in a given neighborhood or community will be informed by evidence about what works.

➤ **Communities of Opportunity will increase opportunities for all children and youth to live in a healthy community environment:**

- ✓ Creating opportunities for residents—including youth, families and elders—to engage and participate in efforts to improve the physical and social conditions of their community
- ✓ Supporting and enabling work to happen collaboratively within and across sectors by focusing on a common, results-driven agenda
- ✓ Identifying and increasing the capacity of groups (community organizations, neighborhood groups, etc.) that are focused on improving community conditions
- ✓ Collecting, analyzing and using data for measuring progress, learning and accountability; measuring the effects of the strategies that are carried out

- ✓ Creating mechanisms for all place-based initiatives in King County to share information and learnings with each other, and to access information on best practices, proven strategies and resources

➤ **What kinds of strategies will be carried out to help assure that all children and youth have opportunities to live in safe, health-promoting environments:**

While strategies and solutions will differ from community to community depending on the results they have prioritized, examples of the kinds of evidence-informed strategies that communities might agree to carry out include:

- ✓ Creating more opportunities for physical activity in the community such as street designs that support walking and biking; establishing safe routes to school; and creating better access to recreation facilities and programs
- ✓ Implementing a comprehensive community approach to increasing access to healthy and affordable food, particularly in low income communities—through strategies such as increasing the amount of local fruits and vegetables available through local food banks or nutrition incentive programs through local farmers markets, farm stands, and retailers—activities that can have the added benefit of boosting the local food economy and promoting local jobs
- ✓ Taking steps to address substandard housing that can contribute to a wide range of problems for residents, such as asthma and injuries

Communities of Opportunity will establish a process for additional neighborhoods and communities to apply to join the initiative. Selected applicants could access funding for developing their results-driven agenda and for carrying out strategies. Funding will also support technical assistance, data analysis, measurement functions, and policy and system change initiatives that cut across a given place.

D. Immediate Investment In Homeless Prevention for Homeless Families & Youth

During the planning process, which will take place in the first part of 2016, the first half of the year property tax collections will have come in (approximately \$29 million). Executive Constantine proposes a transparent and strategic way to invest the first half 2016 collections. Specifically, \$16 million will create an initiative to prevent families and youth from becoming homeless (described below), \$3 million will be competitively bid out in early 2016 for additional scientific research to expand King County’s knowledge of what prevention strategies will lead to King County children to reaching their full potential, and \$10 million will be deposited into required reserves.

The family and youth homeless prevention initiative will be modeled on the highly successful Housing First Pilot funded by the Bill and Melinda Gates Foundation and implemented by organizations serving survivors of domestic violence—because domestic violence is the leading cause of family homelessness. In this Pilot, survivors identify what they need to remain stably housed, including solutions, such as paying for a month of childcare while a mother goes back to work and waits to receive her first

paycheck. The results show that client-centered solutions with flexible funds have better results, more dignity for the person seeking help, and are cheaper than the usual menu of assistance options offered. The average cost of this program to prevent homelessness was \$1,250 as compared to \$6,000 for a year in shelter. (See Washington State Coalition Against Domestic Violence Website: <http://wscadv2.org/projects.cfm?aid=1bfef8e9-c29b-57e0-877e65883ece51fe>)

E. Data, Evaluation and Infrastructure

In order to ensure that outcomes are met and residents of King County experience a high return on their investment in Best Starts for Kids, sufficient resources must be dedicated to administering and evaluating the difference Best Starts for Kids is making in our community and creating learning and feedback loops for continuous improvement. Best Starts for Kids' success will be dependent on ensuring King County implements high-quality, culturally responsive strategies; using innovation, data and science to inform investments; engaging neighborhoods, policymakers, schools and other partners in creating change; and aligning work with other efforts for an even greater impact.

Best Starts for Kids will have a specific focus on partnering with and supporting small culturally and ethnically specific agencies to generate and evaluate the data necessary to move promising approaches to evidence based practices. As with all strategies, there needs to be opportunities to take risks on new approaches. Not all approaches will be successful; however, the goal of Best Starts for Kids' evaluation will be to figure out which approaches are most successful and how approaches that are not successful can be changed or if they should be discontinued.

Governance

The Youth Action Plan Task Force has recommended that the County establish an advisory body that can assist the King County Executive and Council as they consider outcomes, policies, and investments for children and families and youth and young adults. This advisory body should be the advisory board for Best Starts for Kids, except for the portion of the Levy focused on Communities of Opportunity. The Communities of Opportunity Interim Governance Group—a diverse group of community leaders, The Seattle Foundation and King County staff—will advise on the Communities of Opportunity portion of the Levy. The King County Department of Community and Human Services will be responsible for financial and reporting accountability.

How this Proposal Was Developed

King County staff undertook a review of prevention-oriented science research from numerous vantage points, focusing on inequities and challenges such as mental illness and substance abuse, chronic disease, child abuse and neglect, homelessness, justice system involvement, unemployment, violence and injuries, and workforce skill gaps. County staff worked with three advisory groups and consulted with several other key groups focused on children and youth in King County. The three advisory groups were the Best Starts for Kids Advisory Group, the Youth Action Plan Task Force and the Health & Human

Services Transformation Advising Partners Group. The names of the group members are listed in Appendix A. In addition, County staff consulted with the King County Alliance for Human Services and the Youth Development Executive Directors.

Levy Financial Information Summary

Levy Revenue Assumptions

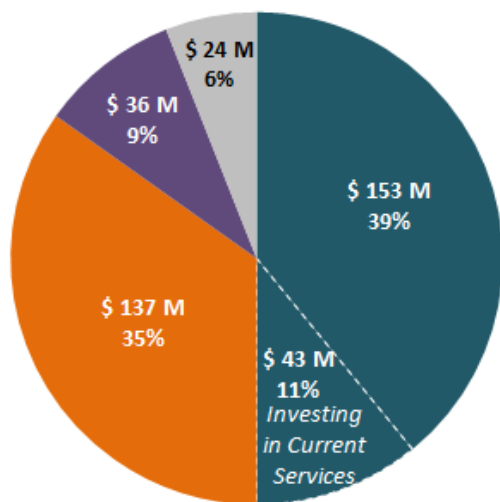
The proposed Best Starts for Kids Levy includes the following assumptions:

- The initial levy is planned for six years, from 2016-2021
- 2016 levy rate will be \$0.14 per \$1,000 Assessed Value (AV)
- 2016 levy revenue will be approximately \$58.3 M
- The levy limit factor will be 3% plus new construction. Estimated total revenue over the life of the levy is \$392.3 M (an average of \$65.4 M per year).
- A levy of \$0.14/\$1,000 of AV would cost the average King County homeowner about \$56 per year or approximately \$4.50 per month.

Levy Use Details

Exhibit 1 illustrates the approximate portfolio for the entire six-year levy. It is organized into the major categories described in the strategy overview.

Exhibit 1: Levy Expenditure Summary by Category (2016-2021 Total)



1. Prenatal and Early Childhood (Age 0 to 5)

- a. New and Expanded Prenatal & Early Childhood Services
- b. Investment in Current Public Health Prenatal & Early Childhood Services

2. School Aged Children and Youth (Age 5 to 24)

3. Communities of Opportunity

4. Data, Evaluation, and Infrastructure

- The largest component over the life of the levy is Prenatal and Early Childhood Strategies (50%).
 - About 11% of the total levy would be dedicated to preserving existing public health services that serve this population, including Maternal Child Support Services (MSS), Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), family planning services, and Nurse Family Partnership (NFP).
 - About 39% of the total levy would go toward new or expanded Prenatal and Early Childhood services
- 35% of levy revenues would be spent on new or expanded programs for school-aged children and youth
- 9% of levy revenue would provide support for expanding Communities of Opportunity.
- 6% of the levy would go toward evaluation, data collection and improving the delivery of services and programs for children, youth and their communities.

Levy Reserve

The proposed levy includes a reserve equal to 60 days (two months) of levy revenue. The purpose of this reserve is to provide a stabilizing cash flow in case the levy is not renewed after 2021. This reserve would be used to pay for necessary costs related to shutting down the levy program, such as transition activities, unemployment costs, and other required expenditures.

The levy reserve is not designed to cover unanticipated increases in costs or decreases in revenue compared to forecasts. In those scenarios, King County would evaluate and adjust expenditures as to constrain spending within available revenues.

Levy Impact on Public Health—Seattle & King County

The Best Starts for Kids levy proposal includes \$43 million (11% of levy) in funding to sustain a limited number of current Public Health—Seattle & King County (PHSKC) services. These services include maternity support (MSS), Nurse Family Partnership (NFP) and family planning for King County residents. The addition of levy dollars to current PHSKC resources is expected to provide sufficient funding to sustain current operations of these programs through 2021 by funding the projected gap between expenditures and resources of this limited program set. The levy proposal does not include sufficient funding to fully bridge the projected financial gap in the Public Health Fund.

This section outlines the current Public Health Fund financial situation and the expected impact of the BSK levy on the Public Health Fund.

Current and Projected Public Health Fund Financial Situation

The Public Health Fund with a biennial budget of \$332 million includes Community Health Services (CHS), Prevention, the Medical Examiner’s Office, and several other services. Community Health Services, which includes MSS/WIC, NFP, and Family Planning, as well as other community-based services comprise approximately 65% of the fund. Based on March 2015 projections, which assumes current operations and resources, the Public Health fund is expected to end the 2015/2016 biennium with a

deficit of \$7 million.¹ This outlook assumes no further degradation in State, Federal or local revenue and that services and expenditures will be in line with the adopted 2015/16 budget. Potential additional revenues from the proposed BSK levy are not included in the 2015/2016 projected gap.

On an ongoing basis, the Public Health fund is projected to run a growing financial gap in 2017/2018 and beyond. This projected imbalance is the result of program revenues growing at a lower rate than expenditures. The projected operating imbalance from 2016 to 2021 is approximately \$68 million. The majority of this imbalance (86%, or \$59 million) is in the Community Health Services Division (CHS) and the operations of public health clinics. The projected funding gap over the six-year period of \$68 million is in addition to the \$7 million deficit that has already been accumulated by the Public Health fund for a total projected gap of \$75 million through 2021.

Financial Implications of the BSK Levy on the Public Health Fund

Based on current projections, the BSK levy would address a portion of, but not the entire, Public Health Fund projected gap. Specifically, the levy would provide approximately \$43 million to support existing programs serving women and children including MSS/WIC, family planning, and NFP at 2014 service levels from 2016 to 2021.

The BSK levy does not provide funding to sustain all services in the Public Health Fund. In order to balance the fund and build to minimum reserve levels, there will need to be new revenue sources or eliminations or reductions to programs. While Public Health is simultaneously working to find operational efficiencies, these are not expected to create substantial enough savings to balance the fund.

The following table summarizes Public Health's projected gap between revenues and expenditures over the 6-year levy period (2016-2021).²

2016-2021 Gap Estimates	Baseline (w/o BSK)	BSK Revenues	Gap with BSK
MCH services ³	\$42.8 M	\$42.8 M	\$ -
All other CHS Programs	\$16.3 M	-	\$16.3 M
<i>Subtotal all CHS</i>	<i>\$59.0 M</i>	<i>\$42.8 M</i>	<i>\$16.3 M</i>
Remainder of Public Health Fund	\$9.3 M	-	\$9.3 M
Total Public Health Fund	\$68.4 M	\$42.8 M	\$25.6 M

¹ The 2015/2016 adopted Public Health fund budget did not include reserves that would be consistent with adopted Council financial policies due to funding constraints. In order to meet recommended reserve levels, the Public Health fund would need approximately \$11M in fund balance at the end of 2016. Additional factors that could impact the projected deficit by the end of 2016 include revenue from Medicaid back payments and expenditures to address a federal audit of the Ryan White HIV/AIDS Program.

² Please note that this table does not include the current \$7 million deficit already accumulated by the public health fund.

³ MCH services includes: MSS, WIC, NFP, Health Educators, Family Planning. This amount includes both current services (\$37.4 M) and restoration of 2014 levels of service for NFP and Health Educators (\$5.4 M) that were cut in the adopted 15/16 budget.

Best Starts for Kids

APPENDIX A

Best Starts for Kids Advisory Group

Jackie and Mike Bezos Bezos Family Foundation	Ed Marcuse University of Washington Department of Pediatrics
David Bley Bill & Melinda Gates Foundation	Mary McWilliams Seattle Metropolitan Chamber of Commerce
Justice Bobbe Bridge Center for Children & Youth Justice	Tony Mestres The Seattle Foundation
Michael Brown The Seattle Foundation	Stephen Norman King County Housing Authority
Ben Danielson Seattle Children's Odessa Brown Children's Clinic	Sarah Roseberry Lytle University of Washington Institute for Learning and Brain Sciences (ILABS)
Susan Enfield Highline School District	Mary Jean Ryan Community Center for Education and Results
Jon Fine United Way of King County	Mimi Siegel Kindering
Howie Frumkin University of Washington School of Public Health	Sam Whiting Thrive Washington
Jon Gould Children's Alliance	
Mike Heinisch Kent Youth & Family Services	
David Johnson Navos Mental Health Solutions	

Youth Action Plan Task Force

Janis Avery Treehouse	Katie Hong Raikes Foundation
Justice Bobbe Bridge Center for Children & Youth Justice	Shomari Jones Bellevue School District
Rochelle Clayton Strunk Encompass	Miguel Maestas El Centro de la Raza
Darryl Cook City of Seattle	Leesa Manion King County Prosecuting Attorney's Office
Calvin Lyons Boys & Girls Clubs of King County	Terry Pottmeyer Friends of Youth
Deanna Dawson Sound Cities Association	Mark Putnam Committee to End Homelessness
Rod Dembowski King County Councilmember	Adrienne Quinn King County Dept. of Community & Human Services
Darryck Dwelle Salvation Army Eastside Corps	Judge Wesley Saint Clair King County Superior Court
Mahnaz Eshetu Refugee Women's Alliance	Terry Smith City of Bellevue
Melinda Giovengo YouthCare	Sorya Svy SafeFutures Youth Center
Beratta Gomillion Center for Human Services	Sheriff John Urquhart King County Sheriff's Office
Kelly Goodsell Puget Sound Education Service District	Sam Whiting Thrive Washington
Mike Heinisch Kent Youth & Family Services	

Health & Human Services Transformation Advising Partners Group

Teresita Batayola International Community Health Services	Sara Levin United Way of King County
Elizabeth Bennett Seattle Children's Hospital	Julie Lindberg Molina Healthcare of Washington
Michael Brown The Seattle Foundation	Gordon McHenry, Jr. Solid Ground
Tom Byers Cedar River Group	Karen Merrikin/Chase Napier Washington State Health Care Authority
Katherine Cortes Metropolitan King County Council	Jeff Natter Pacific Hospital Preservation & Development Authority
Elise Chayet Harborview	Mark Okazaki Neighborhood House
Deanna Dawson Sound Cities Association	Nathan Phillips YMCA of Greater Seattle
Erin Hafer Community Health Plan of Washington	Adrienne Quinn King County Dept. of Community & Human Services
Jeff Harris UW School of Public Health	Bill Rumpf Mercy Housing Northwest
Patty Hayes Public Health-Seattle & King County	Mary Jean Ryan Community Center for Education and Results
Mike Heinisch Kent Youth & Family Services	Maggie Thompson Office of the Mayor, City of Seattle
David Johnson Navos Mental Health Solutions	Michael Woo Got Green
Betsy Jones King County Executive Office	