

State of Washington  
Decision Package

**FINAL**

**Agency:** 303 Department of Health  
**Decision Package Code/Title:** A1 Drinking Water Reduction  
**Budget Period:** 2015-17  
**Budget Level:** PL-Performance Level

**Recommendation Summary Text:**

The Department of Health (DOH) is proposing a one-time General Fund State (GFS) reduction in the Office of Drinking Water and requesting a corresponding increase of appropriation authority from the Safe Drinking Water Account. This fund shift is needed in order to maintain basic operations to ensure safe drinking water.

**Fiscal Detail**

<b>Operating Expenditures</b>		<b><u>FY 2016</u></b>	<b><u>FY 2017</u></b>	<b><u>Total</u></b>
001-1	General Fund- State	(500,000)	(500,000)	(1,000,000)
03R-1	Safe Drinking Water Account	500,000	500,000	1,000,000
<b>Total Cost</b>		<b>0</b>	<b>0</b>	<b>0</b>

**Package Description:**

The Governor has directed state agencies to submit a 15 percent GFS reduction for the 2015-17 biennium. The Department of Health is proposing a one-time GFS reduction in the Office of Drinking Water (ODW) and requesting an equal increase of spending authority from the Safe Drinking Water Account (Fund 03R). The funding swap between GFS and Fund 03R is necessary to maintain basic drinking water program operations.

Fund 03R is used to ensure the citizens of the state have a safe water supply through regulation of public water systems. Revenue from the account is generated from annual water system operating permit fees. The current fund balance in the account is sufficient to support a one-time increase in spending; however, an ongoing GFS reduction would have significant impact to the state's ability to administer the Safe Drinking Water Act.

By reducing GFS by \$1 million and requesting a corresponding increase in Fund 03R in the 2015-17 biennial budget, there will be less fund balance available to address any future federal reductions to the program.

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Program Contact: Office of Drinking Water, Joseph Crossland, (360) 236-3166

**Narrative Justification and Impact Statement:**

*What specific performance outcomes does the agency expect?*

None.

**Performance Measure Detail**

**Activity: A003 Drinking Water Protection**

*Is this Decision Package essential to implement a strategy identified in the agency's strategic plan?*

No.

*Does this decision package provide essential support to one or more of the Governor's Results Washington priorities?*

No.

*What are the other important connections or impacts related to this proposal?*

None.

*What alternatives were explored by the agency and why was this alternative chosen?*

DOH used the following process to get to the mandated 15 percent General Fund State Reductions

- We put all general fund-state supported programs into three tiers (programs that are 100 percent foundational public health services were put in tier 1, programs that are partially foundational public health services and/or directly tied to the governor's Results Washington measures and/or part of the agency strategic plan were put in tier 2, and all remaining general fund programs were put in tier 3)
- We scored Tier 2 and 3 programs using the public health criteria matrix and ranked them using the scores and our professional judgment.
- We looked at other fund sources and balances that could be used in place of GFS one time.
- Then we proposed reductions from this ranked list.
- We also shared our draft reductions widely, both internally and externally to the department, and sought feedback.

*What are the consequences of adopting or not adopting this package?*

None.

*What is the relationship, if any, to the state capital budget?*

None.

*What changes would be required to existing statutes, rules, or contracts, in order to implement the change?*

None.

***Expenditure and revenue calculations and assumptions***

**Revenue:**

None.

**Expenditures:**

This request is a one-time fund swap. There will be no net reductions made to the drinking water program. GFS appropriation will be reduced \$1 million in the 2015-17 biennium while 03R appropriation will be increased by \$1 million for the 2015-17 biennium.

***Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?***

All costs are one-time during the 2015-17 biennium. The 03R fund balance is not sufficient to sustain an ongoing reduction. If the reduction became permanent, future programmatic reductions would have to be made to the Department of Health's drinking water program, affecting the state's ability to sufficiently administer the Safe Drinking Water Act.

***For federal grants: Does this request require a maintenance of effort or state match?***

Not applicable.

***For all other funding: Does this request fulfill a federal grant's maintenance of effort or match requirement?***

No.