

November 8, 2019

Board of Health
Snohomish Health District
3020 Rucker Ave., Suite 306
Everett, WA 98201

Subject: Consideration to Continue the Childcare Health Outreach Program

Honorable Board of Health Members,

As part of the District's efforts to strengthen its financial stability, several programs have been identified for transition to other service providers in the area or to be discontinued. One of those programs is the Childcare Outreach program, which was projected to cost \$291,133 (\$403,510 w/overhead allocation) in the 2020 budget year. Currently the program is scheduled to transition away from the District as of March 31, 2020, with a projected cost of \$58,348 (\$84,698 w/overhead allocation). This takes into account the current level of staffing: 1.0 FTE public health nurse, 0.7 FTE behavioral health specialist, 0.5 FTE dietician, and a 0.5 FTE environmental health specialist. The program has changed in scope of work and staff over several years, and we currently receive no funding for the program. This group represents one of the few remaining programs of its type in public health.

In October the Board approved a new fee schedule that included a fee for online training provided by the program. The learning management system used to deliver the training was implemented in February 2019 and has since gained in popularity among users. Over 624 registered users have completed a total of 1,372 courses as of October 8, 2019 (\$27,440 in potential revenue generation based on approved fee schedule).

Based on available data we can estimate that there are as many as 6,800 childcare providers in Snohomish County and nearly 40,000 across the state. Each provider is required to get 10 continuing education credits each year. Our program is often contacted by providers from outside Snohomish County to provide training. There are currently no existing models to estimate the revenue potential of this program. Most courses provided through the program are \$20 (\$10 per credit). Assuming the number of providers in the county, there's a potential revenue market of \$680,000 and a statewide potential of approximately \$4,000,000 based on the estimated number of providers.

There are other opportunities for providers to earn the required credits through libraries or through online services located in other states. There's also the challenge of charging for what the District has provided as a free service to date. Other available online services generally have a higher per credit cost, while libraries are free but generally require the user to travel to that location. Our goal would be to leverage these two elements to generate revenue both in Snohomish County and throughout the state.

I'm requesting that the Board consider continuing the program for a period of one year at a cost of approximately \$247,000 to examine the sustainability of the program in a fee-for-service model. The net impact of this request to the 2020 budget proposal would be a deficit of \$94,000. The program would continue in its current staffing level without filling the currently vacant 0.5 FTE BHS. Additionally, a currently funded but vacant 1.0 FTE PHN from the Communicable Disease program could be repurposed to fill this role. This would lower the cost of the program and maintaining staff's ability to

provide online training and develop new content. Additionally, this innovation could become a catalyst for further utilization of the learning management system for the delivery of fee-for-service public health content. The financial feasibility of the program would be monitored monthly with quarterly reports to the executive and administration committees. Negative impacts to workload in the communicable disease program would be monitored by Prevention Services division leadership. Continuation of the program into 2021 will be based on financial sustainability.

Shawn Frederick
Interim Administrator