

Executive Summary
Final Updated Report
Implementing E2SSB-5763
In Washington State Counties

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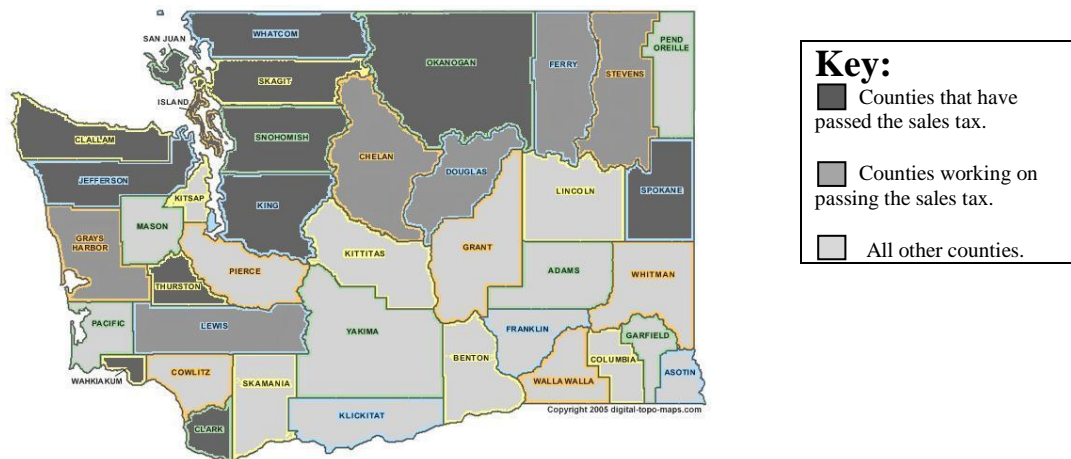
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This report is an update to a 2008 report on the Implementation of E2SSB-5763 in Washington State.¹ Details were gathered from interviews conducted with key stakeholders in each county. It focuses on the implementation success of counties passing a 1/10 of one-percent sales tax to fund new mental health and chemical dependency services; therapeutic courts; and housing. Bills before the 2009 Legislature may result in allowing counties to supplant existing services with the tax revenues.

As of December 2008, thirteen counties passed the sales tax option and six additional counties were planning to implement the tax. Counties with the new tax include: Clallam, Clark, Island, Jefferson and King, Okanogan, San Juan, Skagit, Snohomish, Spokane, Thurston, Wahkiakum and Whatcom.

Implementation was slower in Eastern Washington, possibly owing to more conservative values and more challenging economic environments. However, four of the six counties now considering the tax are in eastern part of the State. The Counties working to pass the tax now include Chelan, Douglas, Ferry, Stevens, Grays Harbor, and Lewis. The following map shows the geographic distribution across the State.

Geographic Distribution of County Status



Successful counties used seven common strategies to gain support to pass the sales tax.

1. A task force was organized by stakeholders and included a range of social service, law enforcement, court and education providers along with local citizens. They worked together to document local problems and solutions. It was important to show professional support across disciplines and to show general public support.
2. The best data available was used to communicate problems and estimated service delivery costs across systems, including: behavioral health, social services, local hospitals, law enforcement, court systems and schools.

¹ Strode, A.D. (2008), Final Report: Implementing E2SSB-5763 in Washington State Counties, Washington Institute for Mental Health Research and Training, WSU Spokane, March. <http://mhtransformation.wa.gov/pdf/mhtg/SSB-5763Report.pdf>

3. Public support was gained by conducting meetings and using reports, fact sheets and the media to communicate information.
4. Public hearings were held to educate and gain support of the general public and the County officials.
5. An oversight committee was established to monitor expenditures and evaluate success of the programs funded by tax dollars.
6. Distribution of tax revenues across interest groups helped to gain their support.
7. It will be important to keep the community and the County officials apprised of program effectiveness and use of funds to ensure continued tax support.

Projected revenues

Table I shows the projected and actual tax revenues by county. The Department of Revenue reported actual 2008 tax revenues of \$45,925,422 for those counties that passed the tax prior to the beginning of the year. This was about \$22 million less than projected although three counties had higher than projected revenues. Most of the discrepancy between projected and actual revenues occurred in King County (approximately \$21 million). This is attributed in part to collecting the taxes for less than a full year. Anticipated revenues for the newly passed counties amounted to approximately \$18 million.

Table I
Projected Annual Revenue

Successful Counties	Projected 2008 Revenues	Actual 2008 Revenues ²
Tax Passed Prior to 2008		
Clallam	\$1,000,000	\$1,040,021
Clark	\$6,400,000	\$5,327,486
Island	\$877,000	\$696,008
Jefferson	\$240,265	\$406,175
King	\$48,000,000	\$27,575,662
Okanogan	\$560,000	\$544,071
Skagit	\$2,500,000	\$2,415,805
Spokane	\$7,500,000	\$7,920,194
Total	\$67,077,265	\$45,925,422
Tax Passed in 2008	Estimated 2009 Revenues	
San Juan	\$357,000	
Snohomish	\$10,000,000	
Thurston	\$4,000,000	
Whatcom	\$3,600,000	
Wahkiakum	\$21,000	

² Washington State Department of Revenue, staff report provided to author, 2-4-09.

Total	\$17,621,000	

Respondents indicate that the predominant challenge is compiling data illustrating the cost benefit of these targeted tax revenues to county commissioners and the public. Champions need to show how the tax would allow the service delivery system to more adequately serve those in need.

A new challenge for all counties was to adapt to the decreased revenues due to the local economy. Likewise, developing an evaluation plan and determining what data to collect and how to collect it has been challenging. This was the case, especially in larger counties with an extended service delivery system and multiple data sources.

There is less enthusiasm for pursuing this tax option in Eastern Washington. Mental health service systems are smaller, the need is not as clearly evident to Commissioners, and there are other pressing needs for county tax revenues. Respondents report that allowing counties to supplant existing services with these tax revenues would help facilitate passing of the sales tax.