

Environmental Health Charges to Solid Waste

Report No. 92-3 -- Report Summary

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INTRODUCTION AND BACKGROUND

The Seattle-King County Department of Public Health provides basic health services to the residents of King County. Public Health's Environmental Health Services Division is charged with performing and managing environmental health projects. One of 19 environmental health projects during 1990 was the Solid Waste Project. The purpose of the Solid Waste Project is to protect the public from the environmental hazards of solid waste by regulating the handling, storage, collection, transportation, treatment, processing and final disposal of solid waste throughout King County. To achieve its purpose, the Environmental Health Services Division inspects and monitors transfer stations, landfills, compost sites, and vehicle sites; develops regulations on solid waste disposal; reviews plans for permit processing; investigates unlawful dumping; conducts waste screening and waste exchange; and provides guidance for proper disposal of infectious waste.

OBJECTIVE AND SCOPE

The purpose of the study was to determine the basis of charges made by Public Health's Environmental Health Services Division to the Solid Waste Division, City of Seattle, suburban cities, and other owners of landfills to cover Environmental Health Division's regulatory activities. The cost accounting methodology of the Department of Public Health for the environmental health programs it operates and manages, with emphasis on the Solid Waste Project, was also reviewed.

The study was limited to the review of Environmental Health Services Division's revenues and expenditures attributed to the Solid Waste Project. Accounting and distribution of costs to various Department of Public Health projects were also analyzed.

MAJOR FINDINGS AND RECOMMENDATIONS

Finding 1. Environmental Health and Solid Waste budgets did not match.

There was disagreement between the Department of Public Health and the Solid Waste Division over the amount charged to Solid Waste by Public Health in 1990, resulting in the under funding of Environmental Health's solid waste regulatory function. In 1990, the amount budgeted by Public Health as revenue from the Solid Waste Division for tonnage fees and interfund transfers, and the Solid Waste Division's adopted budget for tonnage fee payments and interfund transfers to Public Health did not match. Consequently, Solid Waste Division paid Public Health less than the amount billed in 1990.

The study recommended that the Department of Public Health, the Solid Waste Division, and the Budget Office should ensure that the revenue/expense accounts between Public Health and Solid Waste Division be reconciled.

Finding 2. Solid Waste project costs exceeded revenues.

Project costs incurred in 1990 by the Department of Public Health for its solid waste activities exceeded revenues by \$86,341 mainly due to underpayment of interfund transfers by the Solid Waste Division. This deficit was erased by a \$17,533 contribution from the Current Expense Fund and \$68,808 from the Public Health Pooling Fund and/or other Public Health projects excess receipts. In 1991, the increase in tonnage fees was increased to fully cover the cost of Environmental Health's supported solid waste activities.

Finding 3. 1990 non-service costs were not distributed to direct service cost centers.

Department of Public Health project cost accounting did not distribute indirect costs of about \$200,000 to various related direct service cost centers in 1990. In 1991, the project cost accounting methodology was revised. Indirect costs were appropriately distributed to and accounted for as line items under direct service cost centers.

Finding 4. No written cost accounting policies and procedures.

The Department of Public Health does not have written policies and cost accounting procedures to provide detailed guidance and understanding of the cost accounting methodology for various public health projects. Written policies and procedure would provide information concerning the tracking and accounting of project costs, the determination of direct and indirect costs, the allocation and distribution of non-service center costs, and revenue recognition and allocation; and also would maintain continuity and consistency of accounting practices.

Finding 5. 1991 budget provisos not complied with.

As of September 30, 1991, the Department of Public Health had not yet fully complied with 1991 adopted budget provisos requiring the Department of Public Health to submit a report to the Council by July 1991. The report required an analysis of programs in which revenues exceed or do not fully fund program costs; an analysis on how current expense funds are provided to pay for the costs and services to unincorporated residents; a plan to achieve full recovery from fees, grants, and contracts; an analysis of the need for creating fund balance reserves for environmental health fee supported programs; and a proposed motion to identify financial policy issues related to implementing the overhead allocation plan.

The study recommended that the Department of Public Health comply with the provisos.

Finding 6. Costs of environmental health services to City of Seattle borne by County.

The City of Seattle per the 1984 Interlocal Agreement does not reimburse the County for its share of the costs incurred by the Department of Public Health in providing environmental health services, including some solid waste services, to the residents of the City. Some solid waste services not reimbursed by the City of Seattle are: illegal dumping investigations and follow-ups, waste exchange, and medical waste consultations. The City of Seattle also has a contract with the Department of Public Health for screening of special waste generated in the City of Seattle.

The study recommended that the County consider reviewing and negotiating changes in its funding policies with the City of Seattle to ensure full recovery of costs in providing basic public health services to the residents of the City of Seattle.

Finding 7. Monthly tonnage/volume reports not regularly reviewed by EHS.

The Environmental Health Services Division did not regularly review tonnage/volume reports of private owners of landfills, resulting in receiving inaccurate and incomplete reports and payments.

The study recommended that the Environmental Health Services Division should provide instructions to landfill owners on how to complete the monthly tonnage/volume reports. These monthly tonnage/volume reports should be reviewed regularly by the Environmental Health Services Division.