

# CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

Sitting/Acting as (if applicable)

## Policy Session Worksheet

**Presentation Date:** December 11, 2018 **Approx. Start Time:** 11:00 am **Approx. Length:** 1 hr

**Presentation Title:** Public Health Budget (Fund 252)

**Department:** Health, Housing, and Human Services (H3S)

**Presenters:** Rich Swift and Dawn Emerick

**Other Invitees:** Sherry Olson

### WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

The purpose of this Study Session is to discuss the (H3S) Public Health Division's (PHD) projected budget challenges.

### EXECUTIVE SUMMARY:

The Clackamas County Board of County Commissioners has shown great support for the work of H3S' Public Health Division. The support of the BCC raised the visibility of the adoption of the Blueprint for a Healthy Clackamas County and quality of life strategy. The Board's support also leant increased credibility for the decision to begin officially convening the county's first Board of Health. In addition, Public Health worked with County Administration to define and develop the Equity Pilot Zones initiative and PHD staff conducted a "desktop" Health Impact Assessment (HIA) on the Veteran's Village project.

An HIA uses research, literature, community engagement and data analysis to identify and mitigate potential health and or safety harm(s) to individuals or to a larger population's health prior to the development of any project, program or policy. Public Health's Veteran Village's HIA guided the development of the first and only permitted tiny home village in the country.

The Public Health Division continues to plan, implement and evaluate all of the required minimal core activities (Communicable Disease Investigation and Control; Tuberculosis Cases Management; Immunizations; Environmental Health Services (Administering and enforcing state and local public health laws); Tobacco Prevention; Emergency Preparedness; Maternal and Child Health Services; Women Infants and Children Services; Vital Statistics, Collecting and reporting health statistics) mandated in Oregon law (ORS 431.413).

As part of our regular quality assurance activities, Public Health's Management and Finance staff conducted a budget forecast exercise for FY20 and subsequent years. The budget forecast is projecting a significant budget shortfall beginning in FY20 and escalating in subsequent years. The deficit will impact the County's capacity to carry out its public health responsibilities as required by Oregon law. The deficit, if unaddressed, will largely eliminate the Division's' capacity to conduct "above the line" activities such as the Equity Zones Initiative, HIAs and maintain adherence to the National Public Health Accreditation standards (Attachment 1).

### **Changes in Public Health Revenue**

The public health and health care landscapes are changing. Factors contributing to these emerging Public Health budget gaps include (Attachment 2):

- The Affordable Care Act's Public Health Prevention Fund shifted funding to FQHCs
- The State's Local Public Health Authority core service funding is decreasing
- Coordinated Care Organizations (CCOs) expected funding and shared revenue has not yet occurred

- Clackamas County's population is steadily increasing
- Decreases in WIC caseloads
  - a. Strong economy
  - b. Enforcement of Federal policies

**Changes in Public Health Expenses**

Despite several efforts to control costs such as:

- Closure of two WIC offices;
- Sharing positions with other county Departments;
- Outsourcing some core services to CBOs;
- Freezing vacant positions and cutting travel and training budgets

Increasing costs associated with providing mandated services and the increase in demand due to population growth has outpaced annual General Fund increases (Attachment 3).

**Solutions and Responses**

Over the last two years, the Public Health Division has worked hard to identify solutions and responses to increase revenue. Examples include:

- Restructured Division to create economies of scale
- Created a grant writer position during restructuring
- Created alternative payment models with local CCO
- Established Academic Health Department relationship with Oregon State University to create a student intern pipeline
- Eliminated restaurant inspection duplication between Public Health and WES
- Developed Fee-for-Service opportunities and established Inter Agency Agreements (IAA) with other Divisions and Department for billing

**FINANCIAL IMPLICATIONS (current year and ongoing):**

Is this item in your current budget?  YES  NO

What is the cost? Policy Level Proposal for FY20 = \$ 501,754

What is the funding source? Potentially a combination of Fee Increases, Marijuana Tax Revenue, H3S Director's Office Funds and County General Fund

**STRATEGIC PLAN ALIGNMENT:**

- How does this item align with your Department's Strategic Business Plan goals?

Clackamas County Public Health Division (Local Public Health Authority) is mandated by Oregon Statute to provide minimum activities required in law (ORS 431.413): Communicable Disease Investigation and Control; Tuberculosis Cases Management; Immunizations; Environmental Health Services (Administering and enforcing state and local public health laws); Tobacco Prevention; Emergency Preparedness; Maternal and Child Health Services; Women Infants and Children Services; Vital Statistics, Collecting and reporting health statistics.

- How does this item align with the County's Performance Clackamas goals?

The FY20 budget shortfall could result in a reduction of our workforce, which will affect our ability to meet all performance measures.

**LEGAL/POLICY REQUIREMENTS:**

**PUBLIC/GOVERNMENTAL PARTICIPATION:**

**OPTIONS:**

1. Direct PHD and H3S staff to begin working with other County Staff on what a package of Fee Increases, Marijuana Tax Revenue, H3S Director's Office Funds and County General Fund might look like. This funding package could be prepared and submitted to BCC for review at a later date but before the County Budget Process begins. The BCC could then, if it agrees in concept, direct H3S to prepare and submit a Policy Level Proposal to the FY20 Budget Committee to cover the projected FY20 Public Health deficit. In addition, this work could also address ways to close and or eliminate any projected deficits beyond FY20.
2. Direct staff to pursue a different set of funding sources preparing the same for review and submission as part of the FY20 budget process. This work would also address deficits beyond FY20.
3. Direct staff to take other actions.

**RECOMMENDATION:**

H3S and its Public Health Division recommend that the BCC pursue Option One.

**ATTACHMENTS:**

- Attachment 1: Foundational Public Health Services Model
- Attachment 2: Public Health 5 Year Budget Forecast Graph
- Attachment 3: County General Fund Comparison

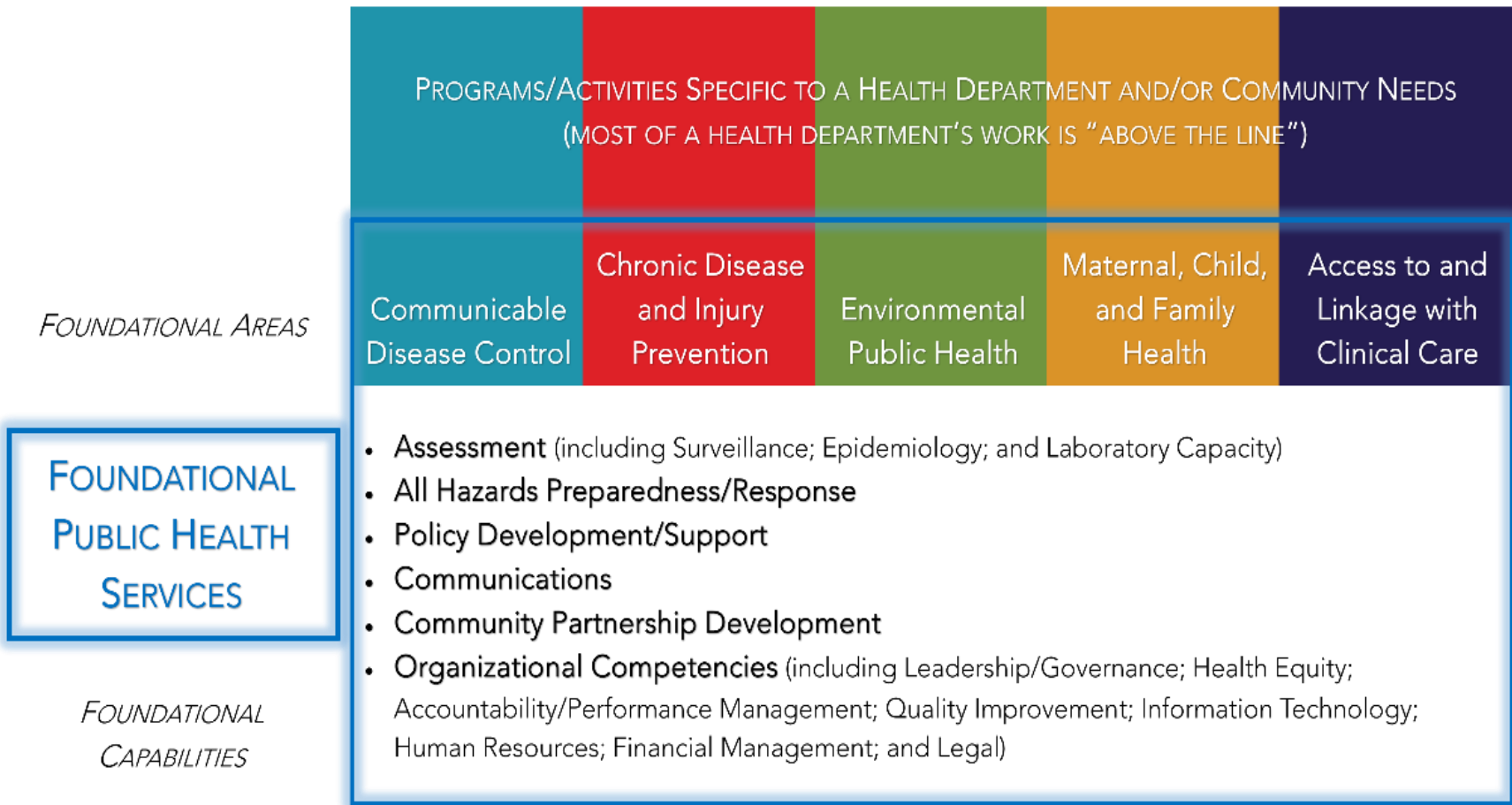
**SUBMITTED BY:**

Division Director/Head Approval \_\_\_\_\_  
Department Director/Head Approval \_\_\_\_\_  
County Administrator Approval \_\_\_\_\_

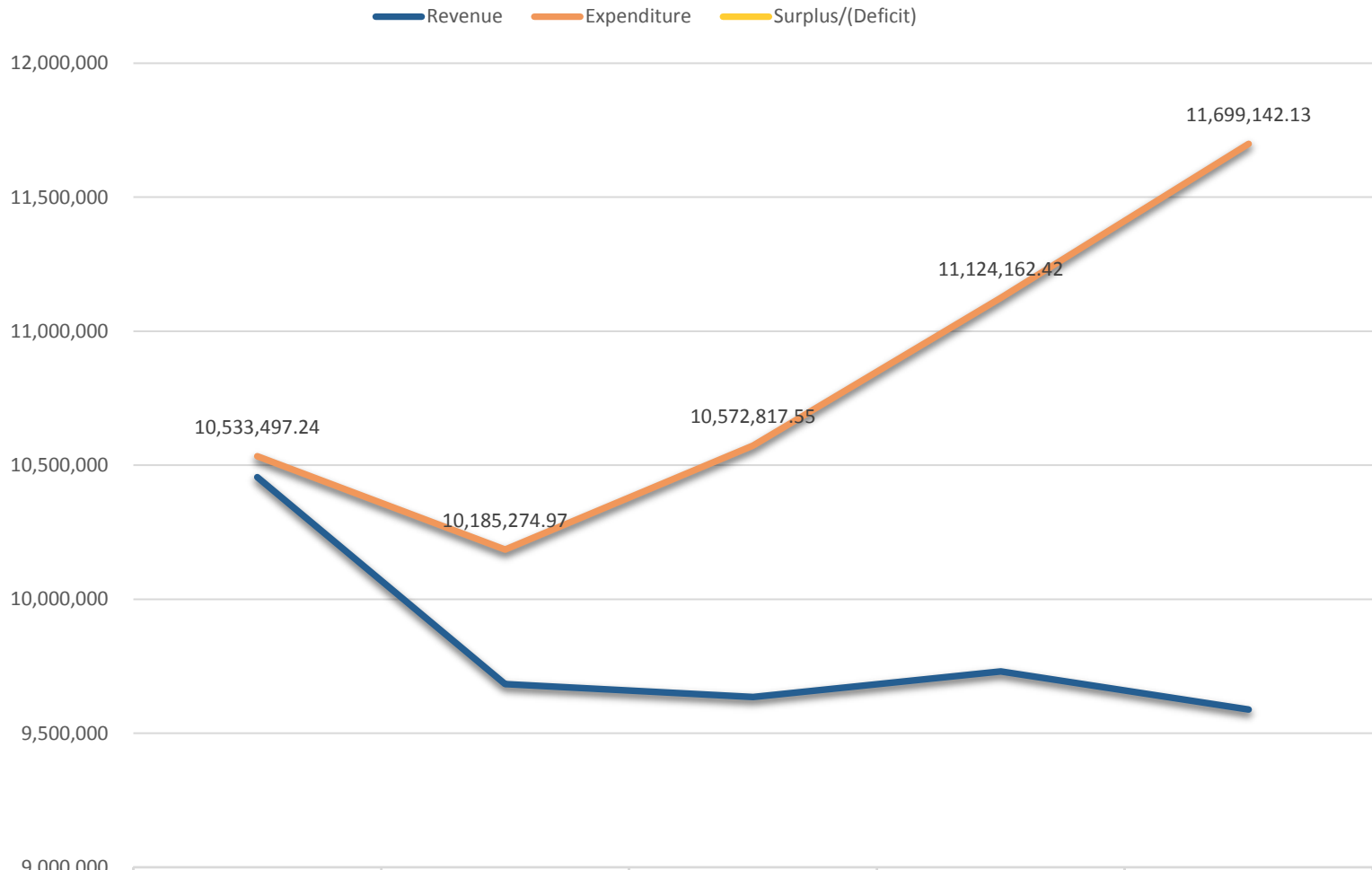
For information on this issue or copies of attachments, please contact Dawn Emerick @ 503-655-8479

# Foundational Public Health Services Model

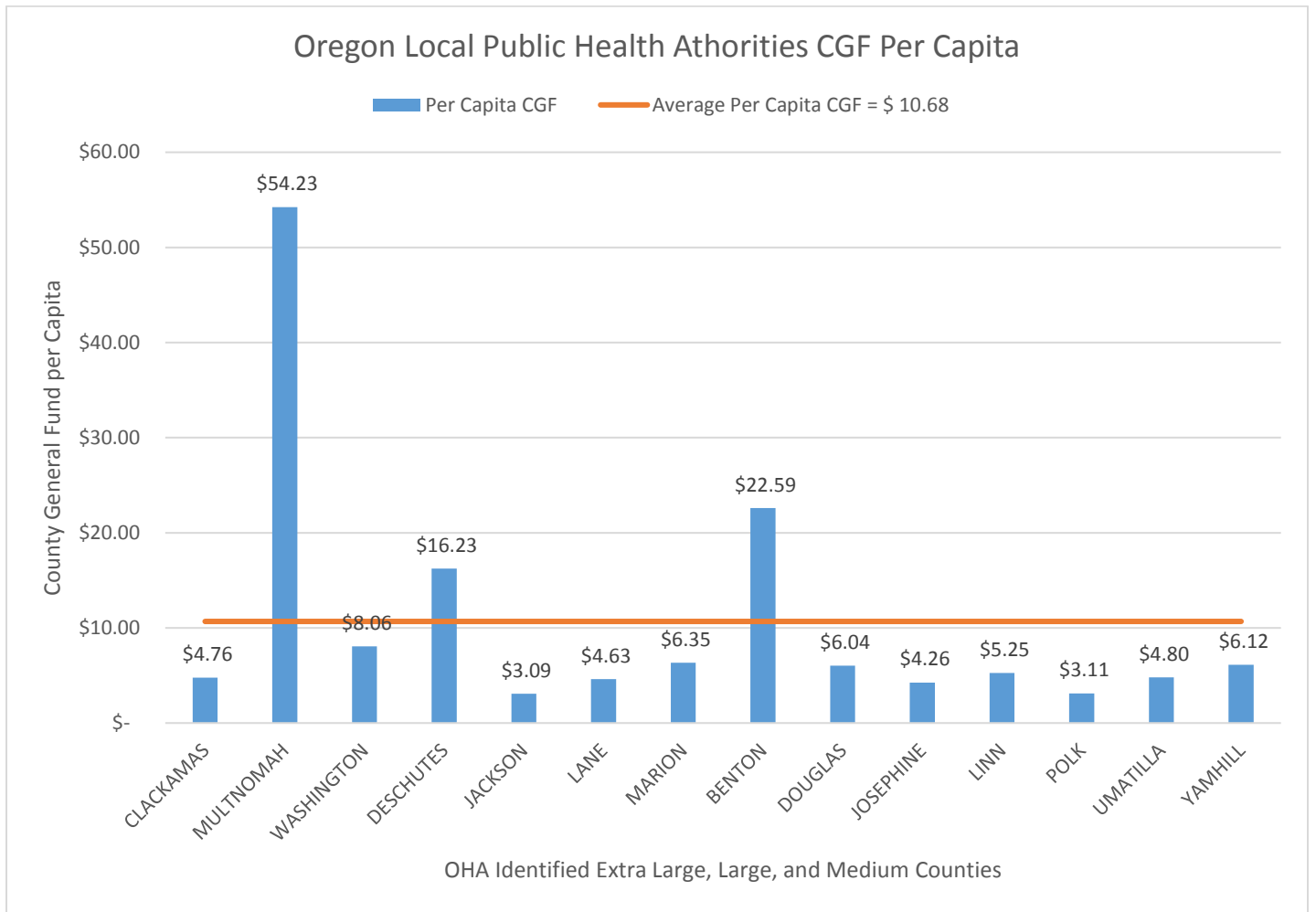
Version 1.0, March 2014



### Public Health 5 year Budget Forecast



	Budget FY19	Budget FY20	Budget FY21	Budget FY22	Budget FY23
Revenue	10,455,498.23	9,683,520.72	9,635,133.25	9,730,393.62	9,588,541.98
Expenditure	10,533,497.24	10,185,274.97	10,572,817.55	11,124,162.42	11,699,142.13
Surplus/(Deficit)	(77,999.01)	(501,754.25)	(937,684.30)	(1,393,768.81)	(2,110,600.15)



County	Population*	OHA Size Label	County General Fund (CGF)	Per Capita CGF
CLACKAMAS	413,000	Extra Large	\$ 1,965,745.00	\$ 4.76
MULTNOMAH	803,000	Extra Large	\$ 43,542,723.00	\$ 54.23
WASHINGTON	595,860	Extra Large	\$ 4,800,731.00	\$ 8.06
DESCHUTES	182,930	Large	\$ 2,968,217.00	\$ 16.23
JACKSON	216,900	Large	\$ 670,465.00	\$ 3.09
LANE	370,600	Large	\$ 1,716,536.00	\$ 4.63
MARION	339,200	Large	\$ 2,152,253.00	\$ 6.35
BENTON	92,575	Medium	\$ 2,090,815.00	\$ 22.59
DOUGLAS	111,180	Medium	\$ 671,902.00	\$ 6.04
JOSEPHINE	85,650	Medium	\$ 364,715.00	\$ 4.26
LINN	124,010	Medium	\$ 651,346.00	\$ 5.25
POLK	81,000	Medium	\$ 251,759.00	\$ 3.11
UMATILLA	80,500	Medium	\$ 386,278.00	\$ 4.80
YAMHILL	106,300	Medium	\$ 650,791.00	\$ 6.12