December 18, 2017

To: CLHO Board

Fr: : Morgan D. Cowling, CLHO Executive Director

Re: Funding Formula Principle regarding Base

*Background*

In every funding formula there is a tension. A tension exists between a formula that uses a base (and therefor each local public health authority regardless of population receives the same amount of money) and per capita distribution (only based on population distribution). The tension exists because a base tends to favor smaller jurisdictions and a per capita tends to favor jurisdictions with larger populations.

The balance between ensuring that larger population centers have the resources to address the challenges associated with disease burden and complexity of multiple stakeholders AND a public health system that is able to operate in all parts of the state is and continues to be an important balance.

In Oregon, we have one multi-jurisdictional district and the CLHO Board made a recommendation (10 years ago), to change all funding formulas with a base, to award any multi-county jurisdictions one base per county. This recommendation affected all funding formulas with a base and was made by the CLHO Board, not a recommendation by each committee. The thinking at the time was that multi-jurisdictional districts shouldn’t have a dis-incentive for working together in one district (versus a multi-county agreement for shared services).

*Current Situation*

Funding streams that include a base large enough to support a portion of a Full-time Equivalent (FTE) are experiencing decreases. Both the Tobacco Prevention and Education Program and the Emergency Preparedness and Response program have experienced either multiple-year flat funding (which is actually a decrease) or reduced funding. The Emergency Preparedness Committee was beginning a process to review the funding formula when the CLHO Board thought a broader conversation about a change in past-policy direction was needed prior to committee action.

Policy Options for the CLHO Board to Recommend:

1. Continue a CLHO Board policy that supports multi-jurisdictional districts being awarded a base for each county; or
2. Continue a CLHO Board policy that supports multi-jurisdictional districts being awarded a base for each county AND recommend that every funding formula with a base include a tiered base; or
3. Allow each CLHO Committee to review funding formula(s) and make recommendations to the CLHO Board for the “best” funding distribution based on state and federal requirements; or
4. Allow each CLHO Committee to review funding formula(s) and make recommendations to the CLHO Board for the “best” funding distribution based on state and federal requirements AND recommend that no change in formula would only negatively affect one jurisdiction; or
5. Continue to hold off on making a CLHO Board Policy recommendation for a larger conversation on funding principles.