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Memorandum

To: Local Public Health Administrators

From: Andre Ourso, JD, Administrator, Center for Health Protection 

Date: March 12, 2019

Subject: Foodborne Illness Prevention Program 2019-21 Remittance Factor Calculation

The Oregon Health Authority (OHA) appreciates the meetings that took place March 6 and 7 with leadership of the Conference of Local Health Officials (CLHO) Environmental Health Committee and the Caucus of Environmental Health Supervisors (CLEHS). As requested, OHA is providing summary information about the remittance factor OHA has adopted for year one of the 2019-2021 biennium.

According to Oregon Administrative Rule (OAR) 333-012-0057, the Local Public Health Authority must collect fees from food service establishments and remit to the Authority the monies necessary to maintain the Foodborne Illness Prevention Program (FIPP). The Authority must consult with representatives of local health officials in determining the amount to be remitted by each Local Public Health Authority (LPHA) to support the state FIPP.

The remittance amount must be determined by first projecting statewide food service license revenue for the biennium using state marker fees. Then, the biennial budget of the FIPP is divided by the revenue projection to yield a percentage factor. Each Local Public Health Authority's revenue projection for food service facilities, using state marker fees, is then multiplied by that factor to yield the remittance amount.

The total annual cost to implement the FIPP is **\$1,025,276**.
The total annual statewide revenue projection is **\$5,891,104**.
\$1,025,276 divided by \$5,891,104 = 17.4%

Reasons for increased costs:

- Staff salaries increased in 2018 (additional step added to classification).
- Increased salary results in increased direct and indirect charges.
- Indirect costs were budgeted at close to 17% for the current biennium but were actually around 27%. The proposed remittance factor reflects a more realistic estimate.
- The remittance factor for the current biennium (2017-19) is 10.88%. As shared with the Caucus of Local Environmental Health Supervisors (CLEHS) at the time of the 2017-19 factor adoption, OHA rectified earlier program deficits with a transfer of general funds

that resulted in the program having a positive cash balance at the start of the biennium. This positive balance allowed adoption of an artificially low remittance factor. Program costs depleted that cash balance, and OHA is projecting a \$142,935 shortfall at the end of the current biennium. OHA included this shortfall in calculating the total program cost of \$1,025,276 (Annual cost from July 1, 2019-June 30, 2020).

- OHA added a three-month operating reserve to the total program cost. At \$70,652 a month, this total is \$211,957. The budget assumes half of this amount (\$105,979) is collected in each half of the 2019-2021 biennium.

Future Considerations

- OHA will need to revise the remittance factor if SB 28 passes into law during the 2019 legislative session. SB 28 proposes an increase to statewide food service licensing fees. This would impact the statewide revenue projection upon which the remittance factor is based.
- OHA will also need to further revise the remittance factor to reflect the additional cost OHA will assume for HealthSpace, the statewide licensing and inspection software. These costs will be added to the FIPP budget for the second half of the 2019-2021 biennium. The annual cost is estimated to be \$86,000. Lane County currently has the contract with HealthSpace and has agreed to pay the licensing fees in 2019. OHA will cover this cost starting in 2020.
- OHA is committed to providing a preliminary remittance factor to LPHAs in September of 2019. The preliminary remittance factor information will allow LPHAs to incorporate these costs into their respective budgets. Consistent with OAR, OHA would recalculate and adopt a final remittance factor by April 2020 which would take effect in July 2020.

Summary of Annual Charges (Projected annual cost from July 1, 2019-June 30, 2020)

Charge	Amount
Salary	\$373,222
Fringe	\$199,189
Supplies	\$40,000
Direct Charges	\$55,172
Indirect Charges	\$180,247
Three Month Operating Cost*	\$105,979
2017-19 Projected Shortfall*	\$71,467
TOTAL	\$1,025,276

**these charges have been prorated to account for only half of the biennium.*

Statewide Licensed Facility Count (2018 Data) - Food Service Programs																	
Annual																	
County	Food 0-15	Food 16-50	Food 51-150	Food 150+	Food Limited Srvc.	Mobile 1	Mobile 2	Mobile 3	Mobile 4	Comm	Whse	Bed & Breakfasts	TOTAL	TOTAL FEES	ANNUAL Remittance for 2017- 2019 biennium	Annual Remittance at 17.4%	
Baker	13	17	24	4	1	0	0	5	4	0	1	4	73	\$27,396.75	\$2,705.37	\$4,767.03	
	\$4,777.50	\$7,050.75	\$11,340.00	\$2,100.00	\$210.00	\$0.00	\$0.00	\$657.50	\$526.00	\$0.00	\$105.00	\$630.00					
Benton	53	82	105	22	3	0	0	13	16	7	2	1	304	\$121,298.00	\$12,336.48	\$21,105.85	
	\$19,477.50	\$34,009.50	\$49,612.50	\$11,550.00	\$630.00	\$0.00	\$0.00	\$1,709.50	\$2,104.00	\$1,837.50	\$210.00	\$157.50					
Clackamas	154	360	312	70	4	1	2	41	82	17	19	4	1,066	\$414,571.50	\$43,065.65	\$72,135.44	
	\$56,595.00	\$149,310.00	\$147,420.00	\$36,750.00	\$840.00	\$131.50	\$263.00	\$5,391.50	\$10,783.00	\$4,462.50	\$1,995.00	\$630.00					
Clatsop	74	104	85	9	7	0	1	9	19	5	0	7	320	\$122,915.00	\$12,610.25	\$21,387.21	
	\$27,195.00	\$43,134.00	\$40,162.50	\$4,725.00	\$1,470.00	\$0.00	\$131.50	\$1,183.50	\$2,498.50	\$1,312.50	\$0.00	\$1,102.50					
Columbia	18	41	38	5	0	0	0	3	13	0	0	3	121	\$46,776.25	\$4,778.25	\$8,139.07	
	\$6,615.00	\$17,004.75	\$17,955.00	\$2,625.00	\$0.00	\$0.00	\$0.00	\$394.50	\$1,709.50	\$0.00	\$0.00	\$472.50					
Coos	40	72	80	0	4	0	0	11	17	0	5	4	233	\$88,039.00	\$9,183.81	\$15,318.79	
	\$14,700.00	\$29,862.00	\$37,800.00	\$0.00	\$840.00	\$0.00	\$0.00	\$1,446.50	\$2,235.50	\$0.00	\$525.00	\$630.00					
Crook	15	18	13	3	1	0	0	7	6	0	3	0	66	\$22,930.00	\$2,382.07	\$3,989.82	
	\$5,512.50	\$7,465.50	\$6,142.50	\$1,575.00	\$210.00	\$0.00	\$0.00	\$920.50	\$789.00	\$0.00	\$315.00	\$0.00					
Curry	21	51	33	1	0	0	0	2	7	1	0	2	118	\$46,748.25	\$4,897.61	\$8,134.20	
	\$7,717.50	\$21,152.25	\$15,592.50	\$525.00	\$0.00	\$0.00	\$0.00	\$263.00	\$920.50	\$262.50	\$0.00	\$315.00					
Deschutes	117	268	208	56	10	7	2	103	97	69	14	4	955	\$331,626.50	\$31,244.75	\$57,703.01	
	\$42,997.50	\$111,153.00	\$98,280.00	\$29,400.00	\$2,100.00	\$920.50	\$263.00	\$13,544.50	\$12,755.50	\$18,112.50	\$1,470.00	\$630.00					
Douglas	75	106	90	15	5	0	0	18	34	8	7	0	358	\$132,649.00	\$14,443.31	\$23,080.93	
	\$27,562.50	\$43,963.50	\$42,525.00	\$7,875.00	\$1,050.00	\$0.00	\$0.00	\$2,367.00	\$4,471.00	\$2,100.00	\$735.00	\$0.00					
Grant	9	16	8	0	1	0	0	1	4	1	0	0	40	\$14,853.50	\$1,537.81	\$2,584.51	
	\$3,307.50	\$6,636.00	\$3,780.00	\$0.00	\$210.00	\$0.00	\$0.00	\$131.50	\$526.00	\$262.50	\$0.00	\$0.00					
Harney	5	14	11	0	1	0	0	1	3	0	0	1	36	\$13,735.00	\$1,560.71	\$2,389.89	
	\$1,837.50	\$5,806.50	\$5,197.50	\$0.00	\$210.00	\$0.00	\$0.00	\$131.50	\$394.50	\$0.00	\$0.00	\$157.50					
Hood River	26	48	36	12	0	0	0	4	19	1	6	10	162	\$58,265.00	\$5,952.89	\$10,138.11	
	\$9,555.00	\$19,908.00	\$17,010.00	\$6,300.00	\$0.00	\$0.00	\$0.00	\$526.00	\$2,498.50	\$262.50	\$630.00	\$1,575.00					
Jackson	139	219	238	47	34	0	2	21	89	12	5	19	825	\$307,578.25	\$31,638.44	\$53,518.62	
	\$51,082.50	\$90,830.25	\$112,455.00	\$24,675.00	\$7,140.00	\$0.00	\$263.00	\$2,761.50	\$11,703.50	\$3,150.00	\$525.00	\$2,992.50					
Jefferson	13	20	12	0	1	0	0	4	10	1	0	0	61	\$21,056.00	\$2,166.26	\$3,663.74	
	\$4,777.50	\$8,295.00	\$5,670.00	\$0.00	\$210.00	\$0.00	\$0.00	\$526.00	\$1,315.00	\$262.50	\$0.00	\$0.00					
Josephine	57	79	70	14	4	1	0	13	13	3	1	2	257	\$99,735.75	\$10,523.22	\$17,354.02	
	\$20,947.50	\$32,765.25	\$33,075.00	\$7,350.00	\$840.00	\$131.50	\$0.00	\$1,709.50	\$1,709.50	\$787.50	\$105.00	\$315.00					
Klamath	29	69	67	24	2	1	0	8	34	7	11	0	252	\$92,599.75	\$9,293.21	\$16,112.36	
	\$10,657.50	\$28,617.75	\$31,657.50	\$12,600.00	\$420.00	\$131.50	\$0.00	\$1,052.00	\$4,471.00	\$1,837.50	\$1,155.00	\$0.00					
Lake	1	24	8	0	0	0	0	2	7	0	0	0	42	\$15,285.00	\$1,525.32	\$2,659.59	
	\$367.50	\$9,954.00	\$3,780.00	\$0.00	\$0.00	\$0.00	\$0.00	\$263.00	\$920.50	\$0.00	\$0.00	\$0.00					
Lane	206	378	368	57	6	0	0	50	198	21	40	10	1,334	\$481,445.00	\$49,530.88	\$83,771.43	
	\$75,705.00	\$156,775.50	\$173,880.00	\$29,925.00	\$1,260.00	\$0.00	\$0.00	\$6,575.00	\$26,037.00	\$5,512.50	\$4,200.00	\$1,575.00					
Lincoln	66	104	82	14	7	0	0	2	14	1	3	6	299	\$118,580.50	\$12,475.85	\$20,633.01	
	\$24,255.00	\$43,134.00	\$38,745.00	\$7,350.00	\$1,470.00	\$0.00	\$0.00	\$263.00	\$1,841.00	\$262.50	\$315.00	\$945.00					
Linn	61	95	93	21	3	1	1	20	21	2	6	0	324	\$124,225.75	\$12,464.92	\$21,615.28	
	\$22,417.50	\$39,401.25	\$43,942.50	\$11,025.00	\$630.00	\$131.50	\$131.50	\$2,630.00	\$2,761.50	\$525.00	\$630.00	\$0.00					
Malheur	18	36	42	4	1	0	0	8	11	2	1	0	123	\$46,829.50	\$4,889.23	\$8,148.33	
	\$6,615.00	\$14,931.00	\$19,845.00	\$2,100.00	\$210.00	\$0.00	\$0.00	\$1,052.00	\$1,446.50	\$525.00	\$105.00	\$0.00					
Marion	188	322	278	66	1	14	7	63	156	16	14	0	1,125	\$406,084.50	\$40,652.01	\$70,658.70	
	\$69,090.00	\$133,549.50	\$131,355.00	\$34,650.00	\$210.00	\$1,841.00	\$920.50	\$8,284.50	\$20,514.00	\$4,200.00	\$1,470.00	\$0.00					
Morrow	8	10	8	0	0	0	0	1	5	0	1	0	33	\$11,761.50	\$1,225.99	\$2,046.50	
	\$2,940.00	\$4,147.50	\$3,780.00	\$0.00	\$0.00	\$0.00	\$0.00	\$131.50	\$657.50	\$0.00	\$105.00	\$0.00					
Multnomah	610	1,568	1,038	204	13	10	21	303	763	56	124	8	4,718	\$1,648,023.50	\$163,716.50	\$286,756.09	
	\$224,175.00	\$650,328.00	\$490,455.00	\$107,100.00	\$2,730.00	\$1,315.00	\$2,761.50	\$39,844.50	\$100,334.50	\$14,700.00	\$13,020.00	\$1,260.00					
North Central	22	45	31	3	0	0	0	2	14	1	3	1	122	\$45,810.25	\$4,740.17	\$7,970.98	
	\$8,085.00	\$18,663.75	\$14,647.50	\$1,575.00	\$0.00	\$0.00	\$0.00	\$263.00	\$1,841.00	\$262.50	\$315.00	\$157.50					
Polk	33	57	43	8	2	0	0	10	11	3	0	2	169	\$64,569.75	\$6,486.50	\$11,235.14	
	\$12,127.50	\$23,640.75	\$20,317.50	\$4,200.00	\$420.00	\$0.00	\$0.00	\$1,315.00	\$1,446.50	\$787.50	\$0.00	\$315.00					
Tillamook	20	47	43	4	2	0	1	14	18	6	14	0	169	\$57,065.25	\$5,990.94	\$9,929.35	
	\$7,350.00	\$19,493.25	\$20,317.50	\$2,100.00	\$420.00	\$0.00	\$131.50	\$1,841.00	\$2,367.00	\$1,575.00	\$1,470.00	\$0.00					
Umatilla	42	66	77	6	7	0	1	9	25	3	4	2	242	\$89,936.00	\$9,033.78	\$15,648.86	
	\$15,435.00	\$27,373.50	\$36,382.50	\$3,150.00	\$1,470.00	\$0.00	\$131.50	\$1,183.50	\$3,287.50	\$787.50	\$420.00	\$315.00					
Union	23	28	24	4	7	2	0	3	2	0	0	2	95	\$36,211.00	\$3,673.01	\$6,300.71	
	\$8,452.50	\$11,613.00	\$11,340.00	\$2,100.00	\$1,470.00	\$263.00	\$0.00	\$394.50	\$263.00	\$0.00	\$0.00	\$315.00					
Wallowa	15	25	8	0	1	0	0	4	4	0	0	3	60	\$21,395.75	\$2,273.05	\$3,722.86	
	\$5,512.50	\$10,368.75	\$3,780.00	\$0.00	\$210.00	\$0.00	\$0.00	\$526.00	\$526.00	\$0.00	\$0.00	\$472.50					
Washington	242	549	478	126	10	0	3	47	110	47	25	1	1,638	\$646,897.75	\$62,358.83	\$112,560.21	
	\$88,935.00	\$227,697.75	\$225,855.00	\$66,150.00	\$2,100.00	\$0.00	\$394.50	\$6,180.50	\$14,465.00	\$12,337.50	\$2,625.00	\$157.50					
Wheeler	4	4	0	0	0	0	0	2	1	0	0	1	12	\$3,681.00	\$374.82	\$640.49	
	\$1,470.00	\$1,659.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$263.00	\$131.50	\$0.00	\$0.00	\$157.50					
Yamhill	54	80	76	16	4	1	0	24	39	4	5	15	318	\$110,528.50	\$11,944.34	\$19,231.96	
	\$19,845.00	\$33,180.00	\$35,910.00	\$8,400.00	\$840.00	\$131.50	\$0.00	\$3,156.00	\$5,128.50	\$1,050.00	\$525.00	\$2,362.50					
TOTALS	2,463	5,012	4,119	815	142	38	41	827	1,861	294	313	112	16,037	\$5,891,104.00			