

# Cost Allocation

And the PHD Indirect Cost Allocation Rate

# What are allocated costs

- Allocated costs are those costs that benefit more than one state program (*not attributable to a single funding source*).
- These costs are collected within “cost allocation pools”.
- Those pools are then liquidated monthly based on the methodology assigned to each pool.
- The two main methodologies are based on:
  - Total personal services costs (staff)
  - and
  - total services and supplies costs.

**But what are the allocated costs and where do they come from?**

# The Hierarchy

- Department of Administrative Services (DAS)
- Oregon Department of Human Services/Oregon Health Authority
- Oregon Health Authority (OHA)
- Public Health Division (PHD)
- Centers within PHD
- Sections within Centers
- Programs within Sections
- Grants within programs

# Department of Administrative Services (DAS)

- Costs are based on the State Assessment and Enterprise-Wide costs
  - State Government Services Charges
  - Risk Assessment
  - Facilities
  - Debt Service
  - Office of Administrative Hearings
  - Many, many other areas

Allocated costs are distributed among all state agencies

There are about 130 state agencies

# Oregon Department of Human Services/Oregon Health Authority

- The Oregon Department of Human Services and the Oregon Health Authority consider themselves sister agencies and share the cost for many services
  - Office of Financial Services
  - Office of Contracts and Procurement
  - Office of Information Services
  - Internal Audits and Consulting
  - Office of Enterprise Data Analytics
  - Many more

Allocated Costs are distributed to ODHS and OHA

# Oregon Health Authority (OHA)

- OHA Central Services support the OHA mission by providing leadership in several dedicated key business areas
  - Director's Office
  - Chief Operations Office
  - Office of Human Resources
  - Office of the Chief Financial Officer
  - External Relations
  - Office of Equity and Inclusion

Allocated costs are distributed to the OHA programs

There are 6 of them

# Public Health Division (PHD)

- The Office of the State Public Health Director provides public health policy and direction to the public health programs within the Division and ensures that the disparate programs within and outside the Division create an effective and coherent public health system for the state.
  - OSPHD Administration
  - Program Operations
  - Fiscal and Business Operations

Allocated costs are distributed among its 4 centers

# Centers within PHD

- Office of the State Public Health Director
- Center for Health Protection

Promotes access to high-quality, safe health care by collaborating with a variety of public and private partners on policy development and program implementation
- Center for Prevention and Health Promotion

Administers programs directed at improving the overall health of Oregon's women, children and families through preventative health programs and services. Reduces and eliminates disparities and provides technical assistance, consultation and resources to community partners
- Center for Public Health Practice

Collects and analyzes data on health behaviors, diseases, and injuries, disseminates findings, and designs and promotes evidence-based programs and policies to improve health

Allocated costs are distributed among each Centers Sections  
There are 18 Sections



# Sections within Centers

- Office of the State Public Health Director
  - 0 Sections
- Center for Health Protection
  - 7 Sections
- Center for Prevention and Health Promotion
  - 5 Sections
- Center for Public Health Practice
  - 6 Sections

Allocated costs are distributed among each Section excluding OSPHD

# Programs within Centers

- Office of the State Public Health Director
  - 4 program areas
- Center for Health Protection
  - 26 program areas
- Center for Prevention and Health Promotion
  - 33 program areas
- Center for Public Health Practice
  - 24 program areas

Allocated costs are distributed among each grant

# Grants within Programs

- Office of the State Public Health Director
  - 17 grants
- Center for Health Protection
  - 76 grants
- Center for Prevention and Health Promotion
  - 71 grants
- Center for Public Health Practice
  - 49 grants

# Allocated Costs – Direct vs Indirect

Direct allocated costs include any allocated costs identified as being in direct support of specific programs in the following categories:

- Rent
- Risk Assessment
- Enterprise Technology Services
- State Government Service Charges
- Telecommunications

Specific coding structure that indicates whether a cost is direct vs indirect

So how does PHD figure an  
Indirect Cost Rate percentage?

# Percentage Limit

There is no actual limit to indirect cost allocation.

- The percentage limit is PHD's and is federally required, but is not OHA
  - Any indirect cost allocation that is over the percentage in a federal grant is moved to another, non-federal grant – General Fund

The use of GF to cover overages creates a real need for the percentage to be accurate

# Cost Allocation Splits

- DAS State Assessment & Enterprise-wide – split 130 times  
(according to each LAB)
- ODHS/OHA Shared Services – split two times
- OHA Central Services – split 6 times
- PHD Administration – Split 4 times
- Centers within PHD – Split 18 times
- Sections within Centers – Split 87 times
- Programs within Sections – Split over 200 times
- Grants within programs

# Indirect Cost Rate Analysis

				2020	2021	2022	2023		
Sum of Sum c	CAT 2			21.90%	15.53%	17.12%	15.12%	16.20%	15.20%
GRANT_NG	FISCAL_YEAR	I	Grand Total	AVERAGE	AVERAGE	AVERAGE	AVERAGE	AVERAGE	AVERAGE
480326 Total		15.49	1,287.76	1.22%					
480332	2020		110.80	0.00%					
	2022		3,935.01	0.00%					
480332 Total			4,045.81	0.00%					
480350	2020		71,833.67	0.00%					
	2021		8,139.99	0.00%					
	2022		15,415.00	0.00%					
	2023		7,769.66	0.00%					
480350 Total			103,158.32	0.00%					
480352	2020	728,789.59	4,227,994.44	20.83%	20.83%	20.83%			
	2021	520,896.00	3,450,621.10	17.78%	17.78%		17.78%		
	2022	584,192.66	3,908,576.04	17.57%	17.57%			17.57%	
	2023	571,185.93	3,686,766.45	18.33%	18.33%				18.33%
480352 Total		2,405,064.18	15,273,958.03	18.69%	18.69%				
480354	2020	143,988.01	858,139.05	20.16%	20.16%	20.16%			
	2021	48,240.49	505,262.75	10.56%	10.56%		10.56%		
	2022	97,557.37	1,124,104.02	9.50%	9.50%			9.50%	



# Indirect Cost Rate Analysis Cont.

Below	17.79%	79	79	81			
Above	17.79%	57	59	60	107,452	148,778	158,825
# of grants included		142	136	138			
		2020	2021	2022	2021	2022	2023
	21.90%	15.53%	17.12%	15.12%	16.20%	15.20%	
AVERAGE	AVERAGE	AVERAGE	AVERAGE	AVERAGE	AVERAGE	GF Exp if > 0.1779	

And the annual indirect cost allocation rate is born