

Local health department financial practices and outcomes during times of economic challenge

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2011 PHSSR Keeneland Conference
Lexington, Kentucky




Faculty Disclosure

- We have no relevant financial relationships or conflicts of interest to disclose.



Acknowledgments

- Support for this research was provided by a grant from the Robert Wood Johnson Foundation's *Public Health Practice-Based Research Networks* program
- Supported in part by grant 1UL1RR025011 from the Clinical and Translational Science Award program of the National Center for Research Resources, NIH
 - Project Assistant: Senay Goitom



Presentation Objectives

- Participants will be able to:
 - Describe the methods and results from the Wisconsin LHD Financial Survey
 - Identify changes in LHD services resulting from revenue changes during recession
 - Describe factors associated with revenue changes during recession



Background

- Fiscal resources for LHDs have been declining (Brooks, et al, 2009)
- Local tax levy accounts for 50% of LHD revenues (Brockman, 2007)
- In recessions, state governments reduce funding to local governments (Reschovsky, 2004)
- Wisconsin is 47th among states in per capita investment in public health (Levi, Julliano & Richardson, 2007)
- Local tax levy for Wisconsin LHD ranges from 9.1% to 89.4% (WDHS, 2007)
- LHD financing is not well studied




Wisconsin LHD Financing Study-Aims

- Describe fiscal planning directives and responses by LHDs during economic recession
- Describe fiscal planning and decision-making processes by LHDs
- Explore influence of LHD and county characteristics on budget declines



Wisconsin LHD Financing Study-Methods

- IRB exemption-UW-Madison
- Online LHD Financing Survey (Qualtrics)
 - Administered August-October, 2010
 - LHDs invited (n=92)
 - Response rate 72% (n=67)
- Secondary data sources:
 - Annual LPHD Survey (WDPH)
 - WI Government Accountability Board (Election Data)
 - WI DOR (Equalized Property Value)
 - UW Population Health Institute (CHR Z-Score)



Survey respondent characteristics

Highest degree:


- 49% (n=32) Baccalaureate or lower degree
- 51% (n=33) Masters or higher degree

Years in current position:

- Mean=11.37 years
 - SD=8.68
 - Range=0 to 37 years


Gender:

- 83% female
- 17% male



LHD characteristics


<p>LHD Type</p> <ul style="list-style-type: none"> • Independent dept: 77% (n=51) • Human services div: 23% (n=15) <p>LHD Certification Level</p> <ul style="list-style-type: none"> • Level 1: 12% (n=8) • Level 2: 56% (n=37) • Level 3: 32% (n=21) <p>Employees in unions</p> <ul style="list-style-type: none"> • None: 14% (n=9) • One employee group: 27% (n=18) • Two or more employee groups: 59% (n=39) 	<p>LHD Staff Size (2008)</p> <ul style="list-style-type: none"> • FTE <ul style="list-style-type: none"> • Mean= 19.57 • Range= 1-284 <p>Population served</p> <ul style="list-style-type: none"> • <25,000 = 27 (41%) • 25,000-100,000 = 30 (45%) • ≥100,000 = 9 (14%)
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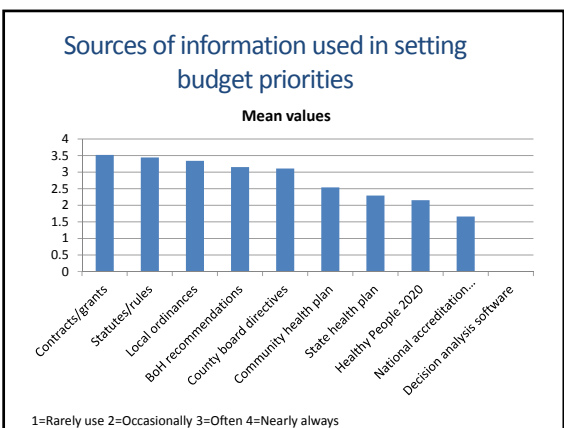


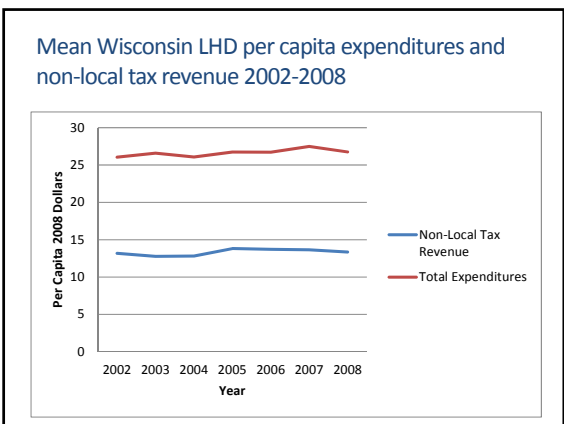
Typical LHD budget process

"Please describe the process you typically follow in preparing your LHD budget."

- Receive budget directives
- Prepare draft budget based on prior year actuals and year to date projections of cost to continue
- Assess potential for new revenue (increasing fees, grants)
- Adjust budget based on directives and revenue projections
- Approval:
 - Committees
 - Board of Health
 - Public hearing
 - County board (or city council) final approval







Budget directives from governing entity

	Decrease from Previous FY		Increase from Previous FY		No change from Previous FY	
	# of LHDs	Average %	# of LHDs	Average %	# of LHDs	Average %
FY 2009	8	-5.86	9	2.17	31	N/A
FY 2010	13	-8.1	9	3	29	N/A
FY 2011	13	-4.1	9	3.1	26	N/A

From: LHD Financing Survey, 2010

Staffing changes 2008-2010

	# Staff			FTE		
	2008	2009	2010	2008	2009	2010
Mean	22.97	22.09	25.47	19.57	18.66	21.35
Std. Dev.	37.28	34.54	40.34	36.36	33.99	39.23

From: LHD Financing Survey, 2010

Importance of factors in decisions about budget priorities

Statistic	Legal mandates	Non-local levy funding availability	Program effectiveness	Community need	Maximization public health outcomes	Community demand
Mean	3.80	3.52	3.42	3.41	3.26	3.12
Var.	0.16	0.47	0.50	0.40	0.44	0.63
Std Dev	0.40	0.68	0.70	0.63	0.66	0.79
Total N	66	66	65	66	66	66


Scale 1 to 4 with 1=Not Important and 4=very important

Negative service effects 2009-10

	FY 2009		FY 2010	
	n	% (of 66)	n	% (of 66)
Population-based primary prevention	13	19.70	12	18.18
Maternal and child health services	11	16.67	9	13.64
Immunization	8	12.12	7	10.61
Chronic disease screening	7	10.61	8	12.12
Emergency preparedness	7	10.61	7	10.61
Other personal health services	6	9.09	4	6.06
Other environmental health services	4	6.06	5	7.58
Food safety	2	3.03	2	3.03
Epidemiology and surveillance	1	1.52	2	3.03
WIC Program	0	0.00	0	0.00
Communicable disease screening	1	1.52	0	0.00


Factors (not) associated with budget decline in any of three years (2009-2011)

- LHD jurisdiction size
 - Chi square (2) = .7353 (p=.692)
- LHD staff FTE/10,000
 - t-test = -1.12 (p=.138)
- Mean per capita non-local revenue
 - t-test = -.3308 (p=.742)



Factors (not) associated with budget decline in any of three years (2009-2011)

- LHD employee union membership
 - Chi square (3) = 3.17 (p=.367)
- LHD certification level
 - Chi square (6) = 2.76 (p=.251)
- Tenure of LHD director
 - t-test = -.0286 (p=.977)
- Education attainment of LHD director
 - Chi square (1) = .2900 (p=.590)



Factors (not) associated with budget decline in any of three years (2009-2011)

- Region
 - Chi square (4) = 4.215 (p=.378)
- County wealth (equalized property value)
 - t-test = .266 (p=.396)
- County health ranking (2007)
 - t-test = .094 (p=.925)



Factors associated with budget decline in any of three years (2009-2011)

- Independent LHD more likely to report budget decline compared to combined health and human services
 - Fisher's exact (1) = 5.2262 (p=.028)
- LHD in counties with lower % of Republican voting (2008 Presidential)
 - t-test = 1.88 (p=.032)
- Controlled for equalized property values
 - Probit coef = -.430 (p=.053)



Discussion

- Limitations
 - Response rate
 - Sample size
 - # LHD participating
 - # of years of budget reporting
 - Reported budget directives versus actual budgets
- What additional factors are associated with budget declines?



Next steps

- Share results with LHD partners
- Conduct analysis using actual expenditure and revenue data (2008-2009-2010)
- Explore factors associated with higher non-local tax revenue
- Trend analysis using county tax data
- Forecasting of impact of state budget cuts on LHD budgets into the future
- Expand to include additional states?



Questions?

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