



Eastern Idaho **Public Health**

Fiscal Year 2018 Budget

**Approved by EIPH Board
April 27, 2017**

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Fiscal Year 2018 Budget Summary

Eastern Idaho Public Health's (EIPH) proposed budget for Fiscal Year (FY) 2018 is \$8,231,332 which is a 0.88% increase over FY2017.

Revenue Highlights

State Appropriations

For FY2018, the total State Appropriations to the seven public health districts is \$9,341,700, an increase of 0.56% over FY2017. This increase is to help offset the health districts' higher costs for employee benefits and employee compensation increases, while reducing the State Appropriation for the 27th pay period costs incurred in FY2017. With the new State Appropriation distribution formula in place for FY2018 (see page 10 for more details), EIPH will receive an increase of \$6,500 or, 0.55%, which is about the same percentage as the total State increase for FY2018. However, it is likely that another distribution formula will be adopted for FY2019 which may result in EIPH receiving less than the State increase in future years, and possibly funding cuts if the State Appropriation increase is small.

During FY2016, the State of Idaho's Office of Performance Evaluations (OPE) conducted a study concerning the health districts' distribution formula for the State General Fund Appropriations. Findings of this study were released in December of 2015; and a follow-up report was released in February of 2017 ([review the report here](#)) at which time the study was closed. However, discussions over the funding formula continue among the health district directors, trustees, and Boards of Health.



County Appropriations

This budget proposal includes a request for a 3% increase in County Appropriations over FY2017, which is an increase of \$32,642. EIPH appreciates and depends on the continued partnership and financial support it receives from the counties, which are essential for EIPH to continue providing high quality public health services to the residents throughout the district. From the current discussions on the State General Fund Appropriation distribution formula, it appears county contributions will continue to be a primary factor in determining the amount of funding EIPH receives from the State.

Fees

Last budget year (FY2017), we budgeted a 24.58% increase in fees. For the coming budget year (FY2018), we are planning an increase in fees of 7.36%. The majority of this projected fee revenue increase is driven by the subsurface sewage disposal program. In Environmental Health, a small portion of the increased fee revenue comes from a small increase in actual fees. The majority of the increase is a result of a significant increase in activity in the subsurface sewage disposal program, which also comes with an increase in operating expenses to meet the demand of the increased volume of services. Furthermore, the current program activity is at a level that may not be sustainable long-term, depending on the economy.

Over the past few years, fees in our Immunization Program have increased, primarily in the area of adult vaccines. This increased fee revenue was primarily accounted for in our FY2017 budget. The current trends do not indicate large growth in adult vaccine revenue going into the future.

Overall, opportunities for increased fee revenue appear to be slowing down compared to what we have been able to expect and rely upon in past years. Furthermore, while increased fee revenue continues to help EIPH achieve a balanced budget, increasing fees also comes with challenges—either legislative limitations or market pressures. This was one of the issues addressed in the OPE report, to which no resolution has yet been found. The Health Districts are discussing options for seeking future legislative changes to fees to assist us with covering costs associated to service delivery, specifically in the Food Protection program.

Subgrants/Contracts

This year's budget reflects an expected 0.96% decrease in subgrant funding. Some subgrants are expecting funding reductions, such as Women's Health Check (due to decreased federal funding) and WIC (due to decreased demand and the removal of funding for the 27th pay period in FY2017). At the same time, WIC participant processing rules have changed necessitating more labor to serve participants. When subgrant dollars increase, so do subgrant activities.

When funding for federal subgrants is reduced, it puts additional pressure on the entire district to cover indirect costs. This is because both the direct expenses paid and the indirect costs charged to the subgrant are no longer covered by federal revenue. The direct costs can be decreased much quicker than the general indirect costs. Much of the indirect costs are building-occupancy related and not variable with the levels of activity in the District.

Expense Highlights**Salaries**

Over 50% of EIPH's budget is spent on employee wages; however, our employees' salaries continue to be the lowest among Idaho's seven health districts. This remains a concern for EIPH's administration, but lack of funding to address salary issues prohibits much progress from being made in this area. In addition, improvements in the local economy and job market over the past few years have made it more and more difficult for EIPH to recruit and retain qualified staff.

For FY2018, the Idaho Legislature recommended a 3% increase in employee compensation. As required by Idaho Code, Section 67-5309B(4), employee performance and compa-ratio must be factors in our agency's matrix for distributing salary increases to employees (the matrix is included in EIPH's Compensation Plan). Taking these two factors into consideration, EIPH's raise plan for FY2018 requires funding of about 3.15% to implement.

Employee Benefits

This year, we are experiencing a 10% increase in the cost of employee health insurance, increasing from \$12,240 to \$13,460 per employee per year. This results in an increased, largely unfunded, expense of about \$100,000 to the district. Over the last three years, there has been a 27.6% increase in health insurance costs to the employer. Health insurance costs account for over \$1.2 million dollars of our annual budget. In addition, in the coming year, employees will also be required to pay more for their portion of health insurance premiums.

Operating Expenses

Overall, budgeted operating expenses have decreased by 2.5%. The majority of this decrease is attributed to less expenses in General Support, WIC, and the Statewide Health Innovation Plan (SHIP) program. However, as we prepare for the future, there is a new challenge on the horizon related to cybersecurity of our computer network. At this time, we do not have an entirely clear understanding of the cost involved in addressing this ever growing concern.

Summary

EIPH's administration and staff are fully committed to continuing to provide high-quality public health services to the residents of Eastern Idaho in the most cost-effective manner possible, but we cannot make this happen without continued ongoing financial support from our State and County partners. We have worked hard to control expenses that are within our control, yet in FY2018 we continue to be faced with increased costs for health insurance and competitive wages for our employees that will enable us to recruit and retain a skilled and competent workforce.

EIPH Expenses - FY18

REVENUE

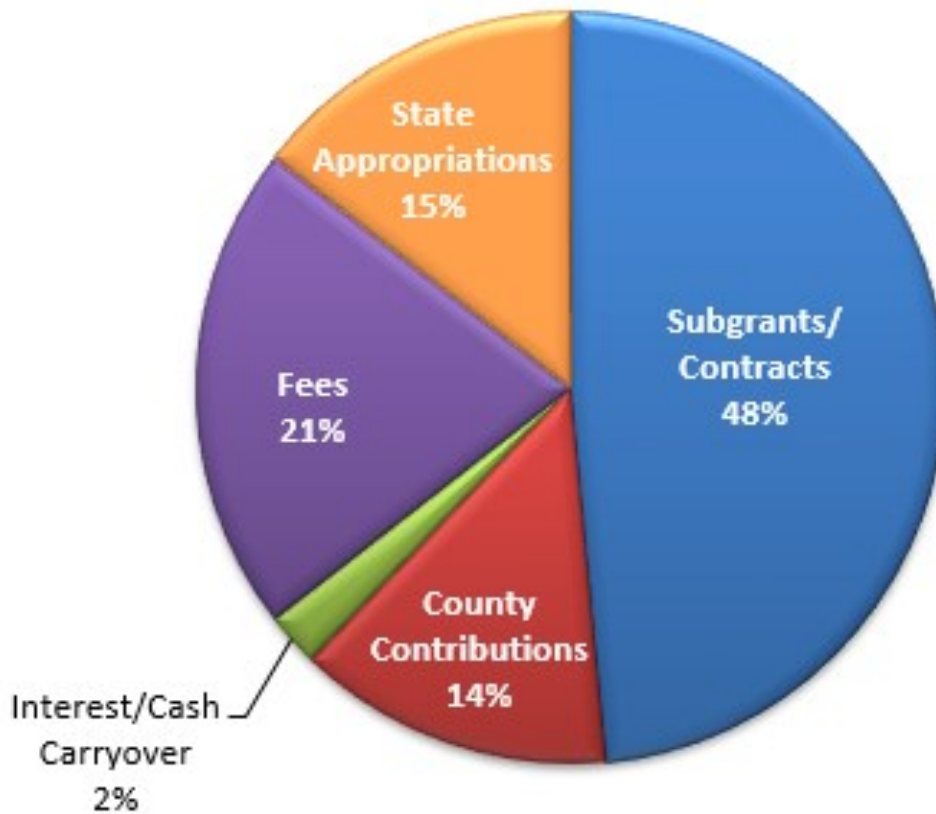
Division	Contracts	Fees
Board of Health	\$0	\$0
Environmental Health	227,294	565,900
Family & Community Health Services	1,121,900	1,139,200
Health Education, Epidemiology, and Preparedness	1,066,387	25,000
Healthcare Transformation	310,485	0
Nutrition	1,265,567	0
Total Revenue	\$3,991,633	\$1,730,100
FY2017 Budget	\$4,030,170	\$1,611,550
Change from FY17 to FY18	\$(38,537)	\$118,550
% Change	(0.96)%	7.36%

EXPENSES

Division	Salaries	Benefits	Operating Expenses	FY2018 Proposed Budget	FY2017 Budget
Board of Health	\$5,263	\$444	\$12,500	\$18,207	\$16,181
Environmental Health	621,917	322,383	107,500	1,051,799	981,417
Family & Community Health Services	1,636,180	852,557	1,004,300	3,493,037	3,332,191
General Support	459,926	213,890	429,000	1,102,816	1,114,845
Health Education, Epidemiology, and Preparedness	581,119	274,729	173,215	1,029,064	1,063,603
Healthcare Transformation	166,006	78,507	37,000	281,514	431,146
Nutrition	708,457	396,339	150,100	1,254,896	1,220,026
Total Expenses	\$4,178,868	\$2,138,849	\$1,913,615	\$8,231,332	\$8,159,409
FY 2017 Budget	\$4,184,677	\$2,011,753	\$1,962,979		
Change	\$(5,809)	\$127,096	\$(49,364)		
% Change	(0.14)%	6.32%	(2.51)%		

SOURCE OF FUNDS	FY 2017 Budget	FY 2018 Proposed Budget	Change	% Change
County Contributions	\$1,088,061	\$1,120,703	\$32,642	3.00%
State Appropriations	1,187,300	1,193,800	6,500	0.55%
Interest	8,000	18,000	10,000	125.00%
Cash Carryover	234,330	177,095	(57,235)	(24.42)%
Subgrants/Contracts	4,030,170	3,991,633	(38,537)	(0.96)%
Fees	1,611,550	1,730,100	118,550	7.36%
TOTAL	\$8,159,411	\$8,231,332	\$79,120	0.88%

Revenue Projection Summary - FY18



Request for Approval of FY2018 Operating Budget—\$8,231,332

COUNTY APPROPRIATION FORMULA

County Contribution = 70% Population Distribution + 30% Taxable Market Value
 (Based on 2016 Population Estimate) (Based on 2016 Taxable Market Value)

Proposed FY 2018 County Appropriations

County	2016 Population Estimate ¹	% Population of District	Population 70% Distribution	2016 Taxable Market Value ²	% Valuation of District	Valuation 30% Distribution	FY 2018 Budget County Cost Pop. + Eval.
Bonneville	112,232	52.03%	\$408,171	6,013,767,703	43.93%	\$147,697	\$555,868
Clark	860	0.40%	3,138	120,221,446	0.88%	2,959	6,097
Custer	4,096	1.90%	14,905	681,996,105	4.97%	16,710	31,615
Fremont	12,943	6.00%	47,070	1,624,963,446	11.87%	39,908	86,978
Jefferson	27,839	12.91%	101,278	1,287,438,269	9.40%	31,604	132,882
Lemhi	7,723	3.58%	28,085	669,450,311	4.89%	16,441	44,526
Madison	39,048	18.10%	141,993	1,699,932,498	12.42%	41,757	183,750
Teton	10,960	5.08%	39,852	1,593,217,415	11.64%	39,135	78,987
TOTAL	215,701	100.00%	\$784,492	\$13,690,957,193	100.00%	\$336,211	\$1,120,703

¹ U.S. Census Bureau, 2016 Census Population Estimate

² Under Idaho Code 39-424, the State Tax Commission is required to report to the health districts by April 1 net property taxable value for each county.

County	FY2017 Contribution	FY2018 Proposed Contribution	\$ Change
Bonneville	\$541,603	\$555,868	\$14,265
Clark	6,061	6,097	36
Custer	34,013	31,615	(2,398)
Fremont	86,381	86,978	597
Jefferson	126,400	132,882	6,482
Lemhi	43,849	44,526	677
Madison	176,712	183,750	7,038
Teton	73,042	78,987	5,945
TOTAL	\$1,088,061	\$1,120,703	\$32,642

Request for Approval of County Appropriations—\$1,120,703

County Population

County	County Population				County's % of Health District Population		
	FY17	FY18	Change	% Change	FY17	FY18	Change
Bonneville	110,889	112,232	1,343	1.21%	52.21%	52.03%	(0.18)%
Clark	880	860	(20)	(2.27)%	0.41%	0.40%	(0.02)%
Custer	4,087	4,096	9	0.22%	1.92%	1.90%	(0.03)%
Fremont	12,819	12,943	124	0.97%	6.04%	6.00%	(0.03)%
Jefferson	27,157	27,839	682	2.51%	12.79%	12.91%	0.12%
Lemhi	7,735	7,723	(12)	(0.16)%	3.64%	3.58%	(0.06)%
Madison	38,273	39,048	775	2.02%	18.02%	18.10%	0.08%
Teton	10,564	10,960	396	3.75%	4.97%	5.08%	0.11%
Total	212,404	215,701	3,297	1.55%	100.00%	100.00%	

County Property Values

County	County Valuation				County's % of Health District Total		
	FY17	FY18	Change	% Change	FY17	FY18	Change
Bonneville	\$5,751,633,771	\$6,013,767,703	\$262,133,932	4.56%	44.10%	43.93%	(0.18)%
Clark	117,200,515	120,221,446	3,020,931	2.58%	0.90%	0.88%	(0.02)%
Custer	774,950,340	681,966,105	(92,984,235)	(12.00)%	5.94%	4.98%	(0.96)%
Fremont	1,613,776,398	1,624,963,446	11,187,048	0.69%	12.37%	11.87%	(0.50)%
Jefferson	1,157,713,484	1,287,438,269	129,724,785	11.21%	8.88%	9.40%	0.53%
Lemhi	643,779,687	669,450,311	25,670,624	3.99%	4.94%	4.89%	(0.05)%
Madison	1,577,146,686	1,699,932,498	122,785,812	7.79%	12.09%	12.42%	0.32%
Teton	1,405,631,779	1,593,217,415	187,585,636	13.35%	10.78%	11.64%	0.86%
Total	13,041,832,660	13,690,957,193	649,124,533	4.98%	100.00%	100.00%	

OPERATING ACCOUNT

ACCOUNT BALANCE	\$3318,030
PLUS FY2018 Personnel/Benefit Costs (transfer from Capital Reserve)	121,287
LESS amount available to use for budget stabilization	(177,095)
LESS amount restricted by donor/funding source	(93,486)
LESS amount reserved for and authorized for spending on a public health emergency	(500,000)
LESS amount reserved and authorized for vehicle purchases	(57,667)
LESS amount reserved for and authorized for spending on building maintenance	(100,000)
LESS amount reserved for and authorized for spending on legal fees	<u>(40,000)</u>
Total Unrestricted Operating Account Balance as of March 31, 2017	\$2,471,069

CAPITAL RESERVE ACCOUNT

ACCOUNT BALANCE	\$694,199
Dedicated for future personnel costs	\$228,460
Dedicated for future building projects	409,739
Dedicated for future 27th pay period	20,000
Dedicated for future operating stabilization	36,000
LESS amount transferred to FY18 Budget for Personnel/Benefits	<u>(121,287)</u>
CAPITAL RESERVE BALANCE	\$572,912

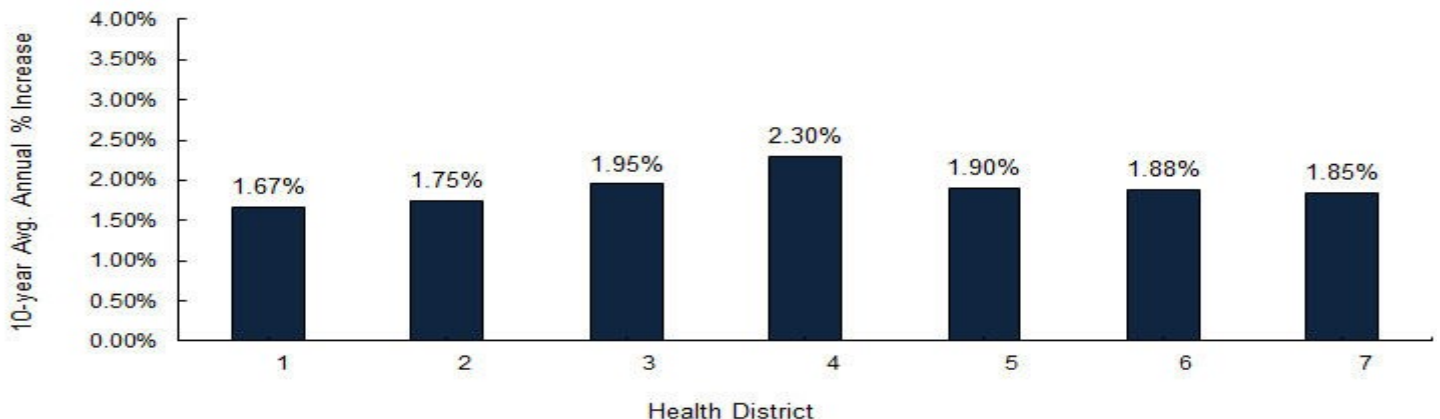
Request for Approval of FY2018 Operating & Capital Reserve Accounts

History of County Contributions (FY2008 - 2017)

FISCAL YEAR	DISTRICT 1	DISTRICT 2	DISTRICT 3	DISTRICT 4	DISTRICT 5	DISTRICT 6	DISTRICT 7	TOTALS
2017	\$1,195,560	\$797,229	\$1,263,970	\$2,231,487	\$1,150,138	\$1,145,747	\$1,088,061	\$8,872,192
2016	1,172,100	774,099	1,227,156	2,166,492	1,127,586	1,126,041	1,046,211	8,639,595
2015	1,149,135	751,465	1,191,414	2,103,400	1,094,744	1,093,244	1,025,696	8,409,098
2014	1,115,700	729,578	1,156,713	2,042,126	1,062,858	1,061,402	1,010,538	8,178,915
2013	1,083,171	708,328	1,123,023	1,982,647	1,031,901	1,040,590	981,102	7,950,762
2012	1,051,622	687,697	1,106,427	1,924,900	1,011,668	1,010,282	961,867	7,754,463
2011	1,051,622	712,639	1,106,427	1,887,166	1,011,668	1,010,282	961,867	7,741,671
2010	1,071,116	712,639	1,106,427	1,887,166	1,011,668	1,010,282	961,867	7,761,166
2009	1,076,498	712,639	1,106,427	1,887,166	1,011,668	1,010,282	961,867	7,766,547
2008	1,045,100	691,900	1,074,200	1,832,200	982,200	973,700	933,900	7,533,200

History of County Contributions Percent Change (FY2008 - 2017)

FISCAL YEAR	DISTRICT 1	DISTRICT 2	DISTRICT 3	DISTRICT 4	DISTRICT 5	DISTRICT 6	DISTRICT 7
2017	2.0%	3.0%	3.0%	3.0%	2.0%	1.8%	4.0%
2016	2.0%	3.0%	3.0%	3.0%	3.0%	3.0%	2.0%
2015	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	1.5%
2014	3.0%	3.0%	3.0%	3.0%	3.0%	2.0%	3.0%
2013	3.0%	3.0%	3.0%	3.0%	2.0%	3.0%	2.0%
2012	0%	-3.5%	0%	2.0%	0%	0%	0%
2011	-1.8%	0%	0%	0%	0%	0%	0%
2010	-0.5%	0%	0%	0%	0%	0%	0%
2009	3.0%	3.0%	3.0%	3.0%	3.0%	3.8%	3.0%
2008	3.0%	3.0%	3.0%	3.0%	3.0%	2.3%	3.0%
Avg. Annual % Change	1.67%	1.75%	1.95%	2.30%	1.90%	1.88%	1.85%



**History of State Appropriations
(FY2009 - 2018)**

FISCAL YEAR	DISTRICT 1	DISTRICT 2	DISTRICT 3	DISTRICT 4	DISTRICT 5	DISTRICT 6	DISTRICT 7	TOTALS
2018	\$1,260,600	\$889,300	\$1,394,800	\$2,206,400	\$1,204,400	\$1,192,400	\$1,193,800	\$9,341,700
2017	1,253,600	885,000	1,387,000	2,192,600	1,197,900	1,186,100	1,187,300	9,289,500
2016	1,184,200	814,300	1,315,400	2,071,100	1,121,200	1,110,500	1,102,500	8,719,200
2015	1,153,300	810,600	1,286,300	2,003,100	1,108,800	1,077,400	1,091,700	8,531,200
2014	1,125,700	759,500	1,227,800	1,930,700	1,065,300	1,054,200	1,069,300	8,232,500
2013	1,082,600	696,900	1,254,100	1,957,200	1,059,300	1,027,200	1,058,800	8,136,100
2012	1,045,600	705,500	1,208,600	1,856,800	1,014,700	993,200	1,020,700	7,845,100
2011	1,109,400	764,400	1,273,100	1,955,500	1,083,000	1,054,800	1,079,300	8,319,500
2010	1,262,700	842,700	1,416,500	2,171,000	1,214,500	1,195,200	1,202,500	9,305,100
2009	1,459,000	985,500	1,611,200	2,521,100	1,420,300	1,394,200	1,408,000	10,799,300

FISCAL YEAR	DISTRICT 1	DISTRICT 2	DISTRICT 3	DISTRICT 4	DISTRICT 5	DISTRICT 6	DISTRICT 7
2018	13.49%	9.52%	14.93%	23.62%	12.89%	12.76%	12.78%
2017	13.49%	9.53%	14.93%	23.60%	12.90%	12.77%	12.78%
2016	13.58%	9.34%	15.09%	23.75%	12.86%	12.74%	12.64%
2015	13.52%	9.50%	15.08%	23.48%	13.00%	12.63%	12.80%
2014	13.67%	9.23%	14.91%	23.45%	12.94%	12.81%	12.99%
2013	13.31%	8.57%	15.41%	24.06%	13.02%	12.63%	13.01%
2012	13.33%	8.99%	15.41%	23.67%	12.93%	12.66%	13.01%
2011	13.33%	9.19%	15.30%	23.51%	13.02%	12.68%	12.97%
2010	13.57%	9.06%	15.22%	23.33%	13.05%	12.84%	12.92%
2009	13.51%	9.13%	14.92%	23.35%	13.15%	12.91%	13.04%

For Fiscal Years 2014—2017, the following distribution formula has been used for State Appropriation funding:

Population (18%) + Poverty (15%) + County Funding (67%)

In June of 2016, the Idaho Association of Local Boards of Health voted to change the State Appropriation funding formula for Fiscal Year 2018 to:

- Each District shall receive base funding equal to their respective share of the State general fund allocation of the prior fiscal year, but in no case less than 67% of the county contribution.
- Any increase over the prior year in the State Appropriation will be divided among the Districts based on the following:
 - ⇒ 67% proportionate level of county contribution
 - ⇒ 33% based on proportionate share of the three year rolling average of population

Discussions regarding the funding distribution formula continue and a new formula is anticipated for use in FY2019.



Eastern Idaho
Public Health

Prevent. Promote. Protect.

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