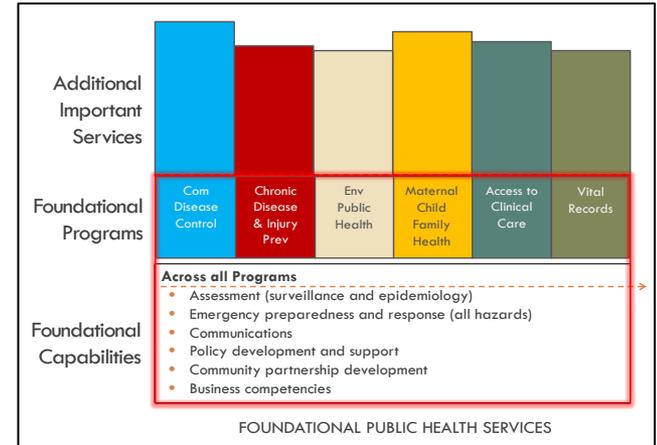


# FUNDING RESPONSIBILITY DISCUSSION

## Introduction

### Who should be responsible for funding FPHS?

- This discussion is focused on who should be responsible for funding the services in the “red box” of the foundational public health services framework.
- This discussion is about who raises the money to pay for FPHS.
  - It’s important to remember that whether we identify the state or local jurisdictions as responsible for raising funding, the taxpayers of our state are ultimately the same set of people paying into these services.
  - For example, if the state implements a 0.1% sales tax, all taxpayers in the state would pay it. If the counties all implemented the same tax, the impact on taxpayers (in the affected county) would be the same. The difference is in who is collecting and distributing that funding.



### Key terms in this discussion

- “The state funds” – this phrase means that Washington State takes responsibility for raising and distributing funding
- “Locals fund” – this phrase means that local jurisdictions (all counties and a few cities) take responsibility for raising and distributing funding
- “Federal government funds” - this phrase means that the federal government takes responsibility for raising and distributing funding

# Background on Fees and Federal Funding

## Fees

- Fees are services paid for directly by the users (i.e. restaurant inspections, birth certificates).
- Except for vital records, fees collected by DOH are generally set by DOH and fees collected by LHJs are generally set by LHJs.
- There is legislation regarding the types of costs that can be recovered by fees, usually restricting fees to paying solely for the services being paid for.
- Overall, fees support about 24% of all current governmental public health spending.\*
  - FPHS is heavily fee supported – 50% of spending on FPHS today is from fees.
  - Other public health spending is only about 11% supported by fees.

## Federal Funding

- The federal government provides funding in the form of categorical funds – meaning funds restricted to specific activities.
- Federal funds are usually provided in the form of program-specific grants that can only be used to support those services, with some allowance to cover indirect and overhead costs.
- Overall, federal funding pays for about 45% of all current governmental public health spending.\*
  - FPHS is less reliant on federal funding – 19% of spending on FPHS today is from federal funds.
  - Other services are more reliant on federal funding – 60% of services not included in the foundational definition is paid for by from federal funds.
- There is a high likelihood that some federal funding will decrease or be reprioritized in the future. However, this analysis assumes the majority of federal funding currently spent on FPHS will continue.
- This assumption may have risk going forward if federal funds for FPHS decrease. At that point it would be necessary to decide how state/local funding responsibility would apply to these services

# Introduction to Funding Ideas

## Discussion Topics

- The following sections present different high-level ideas for who should take responsibility for funding FPHS.
- For background, after removing the influence of federal funding the state currently pays for 62% of FPHS (\$151 million) and locals currently pay for 38% (\$92 million). Therefore, the current state/local split is 62%/38%.\*
- For each idea, we will:
  - Review the idea
  - Identify implications
  - Discuss the advantages and disadvantages of the idea.

## Idea 1: The State Funds FPHS

**Under a model where the state funds FPHS, the cost of providing all FPHS statewide would be funded by state dollars – including services at DOH, LHJs, and Tribal Public Health Departments.**

### Questions

What are your questions about having the state fund FPHS?

What are the implications of having the state fund FPHS?

### Implications

- The state would take full responsibility for funding the portion of FPHS not supported by federal dollars. This could involve moving state funding to FPHS from other activities and/or raising new state revenues
- Locals would no longer have to pay for FPHS. This would likely free up some money that locals currently use to pay for FPHS that could be flexible funding to be shifted toward other local priorities.
- Tribal Health Departments would no longer have to pay for FPHS. The funding they currently use for FPHS could be shifted toward other tribal priorities.

# Idea 1: The State Funds FPHS

**Under a model where the state funds FPHS, the cost of providing all FPHS statewide would be funded by state dollars – including services at DOH, LHJs, and Tribal Public Health Departments.**

What are the advantages of having the state fund FPHS?

Advantages

What are the disadvantages of having the state fund FPHS?

Disadvantages

# FUNDING RESPONSIBILITY DISCUSSION

## Idea 2a: The State Funds 75%; Tribes and Locals Fund 25%

**Under a shared funding responsibility model, the cost of providing all FPHS statewide would be funded by a mix of tribal, state, and local dollars – including services at DOH, LHJs, and Tribal Public Health Departments .**

### Questions

What are your questions about having the state fund 75% of FPHS and tribes and locals fund 25%?

What are the implications of having the state fund 75% of FPHS and tribes and locals fund 25%?

### Implications

- The state would fund 75% of the portion of FPHS not supported by federal funding. To do this, the state would need to shift nearly all movable state funding currently spent on other services to FPHS, raise new state revenue, or a mix of both.
- Locals would be responsible for funding 25% of the portion of FPHS not supported by federal funding. Since locals are already supporting 27% of this amount, there may be some local flexible funding that could be reprioritized to support other local priorities.
- It is unclear what this shift in responsibility would mean for Tribal Health Departments, as the current mix of state and tribal funding is unknown.

# FUNDING RESPONSIBILITY DISCUSSION

## Idea 2a: The State Funds 75%; Tribes and Locals Fund 25%

**Under a shared funding responsibility model, the cost of providing all FPHS statewide would be funded by a mix of tribal, state, and local dollars – including services at DOH, LHJs, and Tribal Public Health Departments .**

Advantages

What are the advantages of having the state fund 75% of FPHS and tribes and locals fund 25%?

Disadvantages

What are the disadvantages of having the state fund 75% of FPHS and tribes and locals fund 25%?

# FUNDING RESPONSIBILITY DISCUSSION

## Idea 2b: The State Funds 50%; Tribes and Locals Fund 50%

**Under a shared funding responsibility model, the cost of providing all FPHS statewide would be funded by a mix of tribal, state, and local dollars – including services at DOH, LHJs, and Tribal Public Health Departments .**

### Questions

What are your questions about having the state fund 50% of FPHS and tribes and locals fund 50%?

What are the implications of having the state fund 50% of FPHS and tribes and locals fund 50%?

### Implications

- The state would fund 50% of the portion of FPHS not supported by federal funding. To do this, the state would need to shift some state funding currently spent on other services to FPHS, raise new state revenues, or a mix of both.
- Locals would be responsible for funding 50% of the portion of FPHS not supported by federal funding. This would require a significant increase in the level of local funding. This may include shifting local funding that is currently used for other services to pay for FPHS and generating new local revenues.
- It is unclear what this shift in responsibility would mean for Tribal Health Departments.

# FUNDING RESPONSIBILITY DISCUSSION

## Idea 2b: The State Funds 50%; Tribes and Locals Fund 50%

**Under a shared funding responsibility model, the cost of providing all FPHS statewide would be funded by a mix of tribal, state, and local dollars – including services at DOH, LHJs, and Tribal Public Health Departments .**

Advantages

What are the advantages of having the state fund 50% of FPHS and tribes and locals fund 50%?

Disadvantages

What are the disadvantages of having the state fund 50% of FPHS and tribes and locals fund 50%?