



GBPI

Georgia Budget and Policy Institute

Thoughtful Analysis...Responsible Policy

FY 2012 Budget Funds New Department of Public Health

Highlights of the Enacted FY 2012 Budget for the Department of Public Health

By Timothy Sweeney, M.P.A., Senior Health Care Analyst

Summary

The enacted fiscal year (FY) 2012 budget separates funding for public health functions from the Department of Community Health (DCH) and reflects the creation of a new cabinet-level agency, the Department of Public Health (DPH). The enacted FY 2012 budget appropriates \$174 million of General Fund support, along with \$12 million of Tobacco Settlement funding, for a total state funds appropriation of \$186 million to the new department.

Of this total, \$19.8 million is appropriated for departmental administration; the remaining \$166.2 million is appropriated for various programmatic public health functions. Excluding funding for departmental administration (which was not specifically appropriated in FY 2011), the FY 2012 appropriation represents a \$2.3 million, or 1.5 percent, increase from the original FY 2011 budget. However, the non-administrative FY 2012 appropriation represents a \$25.8 million, or approximately 13.4 percent, cut from the original (pre-recession) FY 2009 budget.

This report provides an overview of the FY 2012 budget for DPH as well as an examination of the way in which public health programs have been transferred from the Department of Community Health to the new stand-alone department.

THOUGHTFUL ANALYSIS...RESPONSIBLE POLICY

Department of Public Health

Beginning in July 2011, Georgia will reorganize its public health functions into the new Department of Public Health (DPH). The creation of the new agency is the culmination of work that began in 2009 with legislation to break-up the former Department of Human Resources (DHR) into the Department of Human Services (DHS) and the Department of Behavioral Health and Developmental Disabilities (DBHDD).

When DHR was divided into two new agencies, the public health functions of the old agency were temporarily relocated to the Department of Community Health. In FY 2010, \$173.8 million in combined General Fund and Tobacco Settlement support was moved from DHR to DCH to fund public health programmatic activities (excluding \$23 million for trauma funding). In addition, \$18.9 million in General Fund support was moved to DCH to fund administrative costs associated with Georgia's public health programs (\$131,795 in Tobacco Settlement funding for administrative costs was moved to DCH in FY 2011). In total, \$192.9 million in General Fund and Tobacco Settlement funds were moved to DCH to transfer public health functions from DHR.

At the same time, a commission was established to examine Georgia's public health structure and to make recommendations to the Legislature on the structure of the state's public health functions going forward. The Public Health Commission recommended that the Legislature create a stand-alone public health department. This recommendation was implemented by House Bill 214 that was passed in the 2011 Legislative Session and subsequently signed by Governor Nathan Deal.

As a result of the passage of HB 214, the FY 2012 budget directly appropriates funding for the 10 public health programs (Table 1) to the Department of Public Health. In addition, a new program for departmental administration is added in the FY 2012 budget and funded by transferring funding previously included in the DCH Administration program. Finally, two agencies that were attached to DCH for budget purposes are now attached to DPH – The Brain and Spinal Injury Trust Fund and the Georgia Trauma Care Network Commission. (Funding for these attached agencies is not included in budget comparisons to FY 2009, FY 2010, or FY 2011, though they are presented separately in this document.)

Closer look at the FY 2012 Budget

The FY 2012 budget reflects the creation of the new department by appropriating \$186 million in state funds (including \$174 million from the General fund and \$12 million in Tobacco Settlement funding) to the Department of Public Health. The FY 2012 state funds appropriation is summarized by program in Table 1.

Although the FY 2012 total represents a slight increase from FY 2011 (\$2.3 million, or approximately 1.5 percent), the appropriation represents a \$25.8 million, or 13.4 percent, cut from the original (pre-recession) FY 2009 appropriation. Furthermore, it should be noted that the FY 2012 increase is due to increased funding for agency contributions to the State Health Benefit Plan. The FY 2012 budget adds significant state funding to agency budgets throughout

state government to increase employer SHBP contributions to make up for a projected shortfall in the SHBP. Excluding this new funding, which flows directly to the SHBP and is not used to increase public health services, the enacted FY 2012 budget would represent a \$6.6 million reduction in programmatic state public health spending, compared to the original FY 2011 appropriation.

Table 1 Public Health Appropriations by Program, FY 2009 and FY 2012

| | Original FY 2009 Appropriation | Enacted FY 2012 |
|---|-----------------------------------|-----------------------|
| State Funding Sources for Public Health Programs (excluding administration): | | |
| State General Fund | \$ 180,172,511 | \$ 154,287,891 |
| Tobacco Settlement Funds | 11,805,814 | 11,881,325 |
| Total State Funds for Public Health | \$ 191,978,325 | \$ 166,169,216 |
| Public Health Appropriations by Program: | | |
| Adolescent and Adult Health Promotion | \$ 12,879,984 | \$ 8,975,356 |
| Adult Essential Health Treatment Services | 9,112,099 | 7,231,809 |
| Emergency Preparedness and Trauma System Improvement | 4,464,515 | 2,399,599 |
| Epidemiology | 4,613,576 | 3,863,497 |
| Immunizations | 3,195,266 | 2,684,539 |
| Infant and Child Essential Health Treatment Services | 30,651,928 | 22,361,045 |
| Infant and Child Health Promotion | 15,214,935 | 10,124,282 |
| Infectious Disease Control | 31,420,533 | 29,857,724 |
| Injury Prevention and Control | 757,613 | -- |
| Inspections and Environmental Hazard Control | 4,046,105 | 3,481,608 |
| Public Health Grants to Counties | 71,857,328 | 71,650,778 |
| Vital Records | 3,764,443 | 3,538,979 |
| Non-Admin Total State Funds for Public Health | \$ 191,978,325 | \$ 166,169,216 |
| Non-Admin Change from FY 2009 to FY 2012 | | -25,809,109 |
| Administrative Funding | N/A | 19,813,683 |
| FY 2012 Total Including Administration | N/A | \$ 185,982,899 |
| <i>Note: Amounts do not include funding for the following attached agencies: The Georgia Trauma Care Network Commission and The Brain and Spinal Injury Trust Fund.</i> | | |

The FY 2012 budget makes the following funding cuts to DPH, compared to the original FY 2011 budget:

- \$2.7 million in reduced funding for salaries and other operating funding.
- \$2.9 million to eliminate General Fund support for the Children's First program. This funding cut is partially offset with the addition of \$2.8 million of federal Temporary Assistance to Needy Families (TANF) funding.
- \$1.2 million in state General Fund savings due to the implementation of the federal Pre-Existing Condition Insurance Program created by the Affordable Care Act. This federal program will help otherwise uninsurable Georgians receive health insurance, and in turn generates state savings as some of these individuals would otherwise qualify for state assistance.

- \$499,000 in savings by eliminating some public health lab testing services otherwise available through private testing facilities, including routine HIV testing, well water testing, and water fluoridation testing.
- \$345,000 in reductions to programmatic Grant-in-Aid funding for local health departments.
- \$754,000 to eliminate the trauma registry and eliminate trauma readiness grants.

The reductions described above are partially offset by the following funding additions to DPH:

- \$10.8 million in funding for higher employer contributions for state employee health insurance costs (\$8.9 million) and state employee retirement costs (\$1.9 million).
- \$262,000 to replace enhanced federal funding from the Recovery Act that is no longer available.

The FY 2012 budget also makes changes to funding levels for two agencies that are attached to DPH for administrative purposes: The Georgia Trauma Care Network Commission and the Brain and Spinal Injury Trust Fund. (Funding for these attached agencies is not reflected in DPH budget figures presented in the preceding sections.)

The enacted budget appropriates \$17.7 million of General Fund support to the Georgia Trauma Care Network Commission. This total represents a \$4.6 million cut from the original FY 2011 budget and includes the following changes:

- \$216,956 cut to reflect lower operating appropriations and reduced allocations to the Office of Emergency Medical Services and Trauma;
- \$5.4 million reduction due to declining super speeder revenue projections; and,
- \$1 million in new state funding and \$2.5 million in federal Recovery Act funding to help set up a trauma communications network.

The Brain and Spinal Injury Trust Fund appropriation was reduced by \$27,140 as a result of lower than projected trust fund revenues for a total FY 2012 appropriation of \$1,933,708.

Public Health Funding Trends and Issues

Changes to public health funding in FY 2012 come on top of several years of cuts to Georgia's public health and emergency preparedness programs. Since the originally enacted FY 2009 budget, state General Fund support to the state's public health and emergency preparedness programs has fallen by \$25.8 million, which is a nearly 13.4 percent decline.

Furthermore, even prior to the recent economic downturn and resulting budget cuts, Georgia invested relatively modestly in public health programs. From FY 2000 to FY 2009, nearly flat state public health spending led to a decline in Georgia's per capita investment in public health programs of approximately 21 percent.

While Georgia's public health investment has stagnated in the last 10-plus years, Georgia's population has increased considerably. The 2010 census indicated that Georgia added 1.5

million residents in the last decade, an 18.3 percent increase. This growth rate was the 7th fastest rate in the country, and only North Carolina's 18.5 percent growth rate exceeded Georgia's among states east of the Mississippi River.

Georgia faces a variety of public health challenges, from growing rates of obesity to high rates of infectious disease. As the state grows, it will need to invest more in the Department of Public Health and in key state programs that are needed to generate healthier individuals and communities leading to a healthier state.

© 2011 Georgia Budget & Policy Institute
All Rights Reserved.

This document may be quoted with proper citation. A PDF is available for reference and dissemination at GBPI.org.
Contact: Tim Sweeney, Tsweeney@GBPI.org; 404.420.1324