

**Oklahoma State Department of Health
Board of Health Finance Committee Brief
March 2015**

**OKLAHOMA STATE DEPARTMENT OF HEALTH
SFY 2015 BUDGET AND EXPENDITURE FORECAST: AS OF 2/23/2015**

SUMMARY

<u>Division</u>	<u>Current Budget</u>	<u>Expenditures</u>	<u>Encumbrances</u>	<u>Forecasted Expenditures</u>	<u>Surplus/(Deficit)</u>	<u>Performance Rate</u>
Public Health Infrastructure	\$24,678,235	\$9,972,066	\$4,468,974	\$9,316,132	\$921,062	96.27%
Protective Health Services	\$58,172,928	\$29,871,163	\$6,260,697	\$22,124,677	(\$83,609)	100.14%
Prevention & Preparedness Services	\$58,105,156	\$24,730,079	\$20,190,821	\$11,970,191	\$1,214,065	97.91%
Information Technology	\$7,292,390	\$2,524,701	\$4,583,482	\$0	\$184,207	97.47%
Health Improvement Services	\$20,851,374	\$8,982,845	\$3,891,129	\$6,971,985	\$1,005,415	95.18%
Community & Family Health Services	\$245,978,059	\$114,854,568	\$24,767,886	\$103,318,326	\$3,037,279	98.77%
Totals:	\$415,078,142	\$190,935,423	\$64,162,989	\$153,701,311	\$6,278,419	98.49%



Expenditure Forecast Assumptions

- Payroll forecasted through June 30, 2015
- Encumbrances shown as actual as of the report date
- Expenditure forecasts limited to realistic amounts expected to spend out during the current budget period
- Surplus/(Deficit) is projected as of June 30, 2015

Explanation of Change

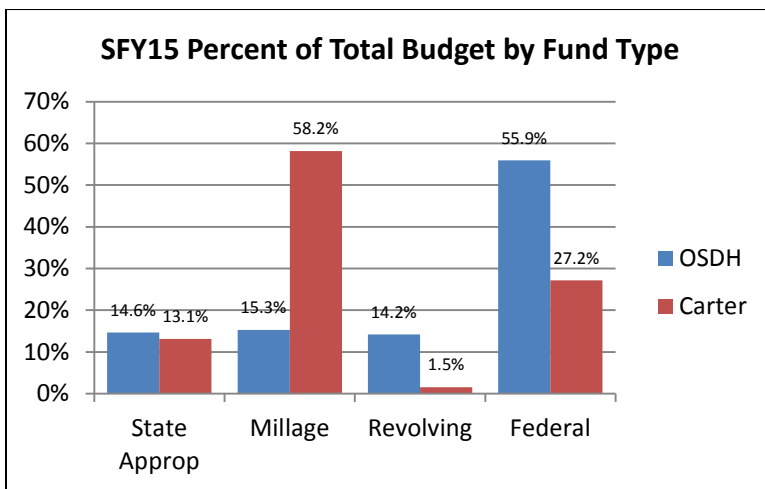
- Overall the Department is forecasted to spend 98.49% of its budget, which is little changed from the previous month's 98.48%.
- The prior month's report showed all divisions in a "green light" status.
- This month, all divisions remain in a "green light" status, with expenditures expected to be reasonably close to the budgeted amount.
- All expenditures will be monitored closely and adjustments in spending will be made as needed to ensure optimal budget performance for the Department.

A Contrasting Look at the Budgets of OSDH and Carter County Health Department

When comparing the overall budget of the Oklahoma State Department of Health (OSDH) to the portion of its budget directed at a county health department (CHD), such as Carter County Health Department (Carter), there are a few distinguishing elements. These elements highlight key characteristics of a locally focused public health operation.

In most counties, a portion of the property taxes collected are designated for use in serving the public health needs of the county. These funds must be used in the county collected and, while accounted for at OSDH, these millage funds are administered by county government.

15.3% of the **\$415,078,142** OSDH budget is comprised of millage funds. This 15.3% of the OSDH budget is the amount of millage funds budgeted in all counties across the State. In the Carter budget, which totals **\$3,419,666**, millage funds comprise 58.2% of the total.

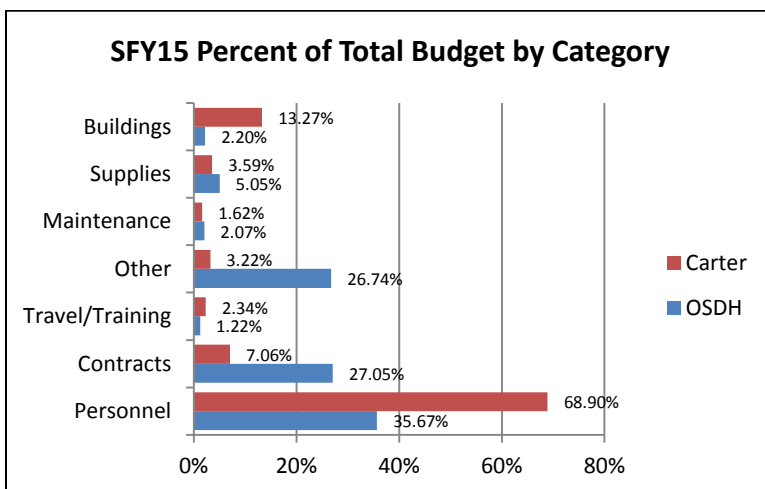


This highlights the critical role of local funds in serving local public health needs. The millage funding source provides a level of diversification that reduces risk to the finances of public health.

In years when State appropriations are reduced, or when low State tax collections result in revenue failures, OSDH and its local public health operations depend more heavily on millage. While millage funds must be kept and spent in the county collected, they have a stabilizing effect on the overall budget of OSDH when targeted budget cuts are implemented.

When comparing the portions of OSDH and Carter budgets directed at specific categories, the differences in operations between a CHD and OSDH can be seen.

Maintenance of locally owned buildings and personnel are a larger portion of the Carter budget than the OSDH budget. These are two costs that are integral to operating a clinical operation, as is operated in Carter.



Contracts and Other are two categories that make up larger portions of the OSDH budget than in a CHD budget.

Much of the work performed at the OSDH central office involves pass-through funding from the federal government, which is typically in the form of contracts.

The Other category of the OSDH budget is primarily comprised of WIC food funds.