

**OKLAHOMA STATE DEPARTMENT OF HEALTH
SFY 2015 BUDGET AND EXPENDITURE FORECAST: AS OF 1/23/2015**

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 | \$25,202,793 | \$8,942,004 | \$5,558,534 | \$9,607,845 | \$1,094,410 | 95.66% |
| Protective Health Services | \$59,398,678 | \$26,078,307 | \$6,601,542 | \$27,234,978 | (\$516,149) | 100.87% |
| Prevention & Preparedness Services | \$56,732,633 | \$21,167,739 | \$22,124,310 | \$13,668,138 | (\$227,553) | 100.40% |
| Information Technology | \$7,292,436 | \$1,866,943 | \$5,210,101 | \$0 | \$215,393 | 97.05% |
| Health Improvement Services | \$20,573,357 | \$7,750,782 | \$3,799,269 | \$8,240,806 | \$782,501 | 96.20% |
| Community & Family Health Services | \$256,259,450 | \$98,431,444 | \$29,225,921 | \$123,468,778 | \$5,133,307 | 98.00% |
| Totals: | \$425,459,347 | \$164,237,219 | \$72,519,676 | \$182,220,544 | \$6,481,908 | 98.48% |



Expenditure Forecast Assumptions

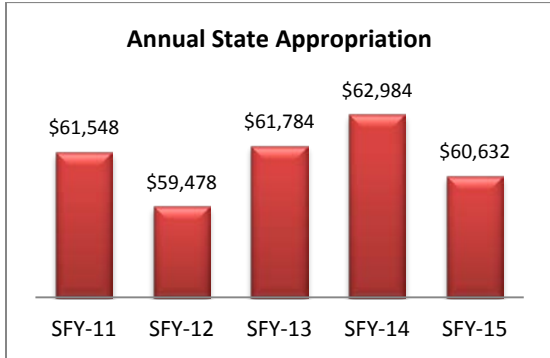
- Payroll forecasted through June 30, 2015
- Encumbrances shown are actual as of the report date
- Expenditure forecasts limited to realistic amounts and expected to expend during the current budget period
- Surplus/(Deficit) is projected through June 30, 2015

Explanation of Change

- Overall budget decrease due to grant "close out" process
- Public Health Infrastructure - Last month in "yellow light" status due to vacancies now in process of refill
- Information Technology - Last month in "yellow light" status, budget has been reduced to contract amount
- Health Improvement Services - Last month in "yellow light" status due to vacancies which are now in process or filled

Oklahoma State Department of Health - Board of Health
Finance Committee Brief
February 10, 2015

Each year, the Oklahoma Legislature appropriates dollars to the Oklahoma State Department of Health (OSDH) based on our Operational Budget Request, mandates, and historical need. At the beginning of the calendar year, state agencies meet with the Oklahoma Senate and House Committees on Appropriations and the Office of Management and Enterprise Services (OMES) to discuss known or anticipated budgetary issues.

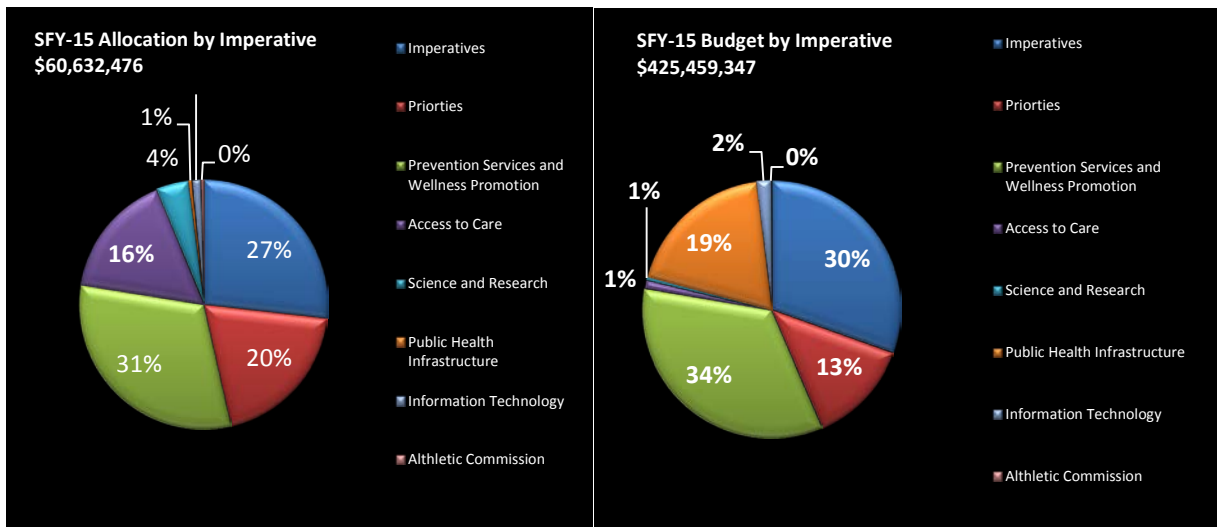


Each year all state agencies are asked to prepare funding reduction scenarios specific to managing a three, five and ten percent reduction in state funds.

In response to this on-going request the department has developed budget reduction alternatives after a review of core public health services and mandates, agency strategic plan and business plan priorities and revenue availability.

A 3% reduction in appropriation to the department would equal **\$1,818,974** and would require a reduction of services. Based on the OSDH business plan and agency priorities the department would reduce the distribution of state funds to Federally Qualified Health Centers for uncompensated care associated with the delivery of primary health care to uninsured patients from \$2,552,477 (SFY-15 amount) to \$733,503 for SFY-16.

A 5% reduction in appropriations to the department would equal **\$3,031,624** and based on the OSDH business plan and agency priorities would require a reduction in the Oklahoma Child Abuse Prevention (OCAP) program and the elimination of uncompensated care payments to FQHCs. Payments to FQHCs for the delivery of primary care services to uninsured patients would be reduced from \$2,552,477 (SFY 15 amount) to \$0 for SFY-16. OCAP funds would be reduced from \$3,005,733 to \$2,526,586 in SFY-16.



A 10% reduction in appropriations to the department would equal **\$6,063,248** million and would require the elimination of programs. Specifically, FQHC uncompensated care payments in the amount of \$2,552,477, OCAP in the amount of \$3,005,733, Oklahoma Cord Blood Bank in the amount of \$500,000 and reduce FQHC new start funding by \$5,038 from \$319,531 to \$314,493. This approach would minimize the impact on mandated public health programs (i.e., emergency preparedness and infectious disease control programs) and maintain OHIP priorities that are necessary to improve health outcomes and prevent disease, specifically tobacco, obesity and Children's Health programs.