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Final Report and Recommendations

The Georgia Public Health Funding Formula Advisory Committee September 2010

**Prepared for
The Division of Public Health
Georgia Department of Community Health**

By

The Georgia Health Policy Center



Executive Summary

Purpose

In Georgia, the legislature appropriates funds annually to the Division of Public Health, which has the responsibility of distributing the funds to each county to meet the state's public health needs. The Division is granted "general powers" to determine the method by which GGIA funds are to be allocated and distributed to counties. Historically, a formula has been applied to determine how funds are distributed. Formula-based allocation methods are in common use by both state and federal agencies throughout the country.

The current public health funding formula was used for the first time in 1967. Less populated and poorer counties were disproportionately and more adversely affected by the new formula. This led to funding levels for those counties being maintained at the 1966 levels, and finally the use of the formula was frozen in FY1971 at the 1970 level and has not been applied to new allocations since that time. Funding amounts awarded to the counties have changed since that time, however relative shares of the total amount available have not. Increases since 1971 have been made for special purposes, such as for personnel costs, cost of living increases, fringe benefit increases and within-grade salary advancements.

Given the population dynamics over the period, the Georgia Public Health Funding Formula Advisory Committee was convened in July 2010 to begin the process of developing recommendations for a new. The 10- member Committee was made up of a diverse group of legislators, public health practitioners and representatives from the Association of County Commissioners in Georgia and the Georgia Public Health Advisory Council.

Over a two month period, the group used best available evidence and the experiences of other states to establish principles to guide the process and inform the development of their recommendations.

Principles

- Fairness – the formula must be fair in the way in which it allocates funds to all counties
- Focus on infrastructure – the formula should ensure that there is adequate public health infrastructure to meet needs especially in underserved communities
- Simplicity – the formula should be simple to use, understand and explain
- Flexibility – the formula and its use should be flexible enough under review for improvements or changes over time.

Recommendations

Of the funds allocated by the state for General Grant in Aid, each county should receive a portion based on population size and level of poverty. Specifically, the following formula weights and measures should serve as the primary method of allocating these funds to county health departments in Georgia:

- Population share (40%)
- Poverty share (40%)
- Poverty rate (20%)

The Committee also made the following recommendations with respect to the implementation process:

- Use a phased-in approach (over a five year period) if implementing the formula with current GGIA funding levels.
- Limit the level of funding loss or gain (annually) to any county (e.g. consider 20% as an acceptable margin).
- Ensure that census data changes/updates are incorporated in formula calculations on a regular basis.
- Especially with new funding, use allocation as a mechanism to encourage county level consolidation of services that will improve efficiency of effort and value the presence of a health department in every county. May need to set aside some funding for this specific purpose.

The process was jointly staffed by employees of the Division of Public Health and Georgia State University (*Georgia Health Policy Center and the Department of Economics at the Andrew Young School of Policy Studies*).

Committee Members

Lawton Davis, M.D.

District Health Director
South Central Health District

Greg Goggans, D.D.S.

Senator
7th District, Georgia

Lloyd Hofer, M.D., M.P.H.

District Health Director
East Metro Health District

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170th District, Georgia

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