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Are We Out of the Woods Yet? Impact of Economic Recession on Local Health Departments’ (LHDs) Budget, Workforce, and Program Cuts

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Are We Out of the Woods Yet? Impact of Economic Recession on Local Health Departments’ (LHDs) Budget, Workforce, and Program Cuts

04/13/2011

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Objectives

1. Describe trends in budget, and workforce cuts at local health departments (LHDs)
2. Describe the impact on program cuts
3. Examine infrastructure characteristics that are associated with an increased likelihood of budget cuts.
Methods: Data Source, Sample Size and Response Rates

Primary data source: **NACCHO’s Job Loss and Program Cuts Survey**

<table>
<thead>
<tr>
<th>Data source</th>
<th>Sampled</th>
<th>Respondents</th>
<th>Response rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>NACCHO’s Job Loss and Program Cuts Survey</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wave 1 (Nov.–Dec. 2008)</td>
<td>2,422 (Modified census)</td>
<td>1,079</td>
<td>45%</td>
</tr>
<tr>
<td>Wave 2 (July–Aug. 2009)</td>
<td>990 (Sample)</td>
<td>623</td>
<td>63%</td>
</tr>
<tr>
<td>Wave 3 (Jan.–Feb. 2010)</td>
<td>997 (Sample)</td>
<td>721</td>
<td>72%</td>
</tr>
<tr>
<td>Wave 4 (July-Aug 2010)</td>
<td>2565 (Census)</td>
<td>2107</td>
<td>82%</td>
</tr>
<tr>
<td>Wave 5: (Jan-Feb 2011)</td>
<td>596 (Sample)</td>
<td>440</td>
<td>74%</td>
</tr>
</tbody>
</table>
Budget
Percentage of LHDs with Budget Cuts (2008-2010), Including and Excluding Government Assistance

50% of all LHDs had received ARRA funds by Nov. 2010
LHD Budget Cuts – 2008

Percentage of LHDs with Lower Budget in December 2008 as Compared to Previous Year


Late 2008: More than half of LHDs have budget cuts in 7 states

LHD Budget Cuts - 2009

Percentage of LHDs with Lower Budget in July 2009 as Compared to Previous Year

Source: NACCHO Survey of LHD Budget Cuts & Workforce Reduction (July 2009).
LHD Budget Cuts – Early 2010

Percentage of LHDs with Lower Budget in January 2010 as Compared to Previous Year, Excluding One-Time Funding such as ARRA or H1N1 Funding

Source: NACCHO Survey of LHD Budget Cuts & Workforce Reduction (January 2010).
LHD Budget Cuts – Late 2010

*Percentage of LHDs with Budget Decrease in late 2010 Compared to Previous Year, Excluding One-Time Funding Such as ARRA or H1N1 Funding

Late 2010: More than half of LHDs have cuts to core funding in 28 states

Source: 2010 NACCHO National Profile of Local Health Departments survey
Budget cuts – Magnitude of Budget Loss

Proportion of LHDs with Various Magnitudes of Budget Cuts (without excluding one-time funding), as a Proportion of Total Revenue (n=230)

- 7-9.9% Loss: 16%
- 5-6.9% Loss: 19%
- 3-4.9% Loss: 10%
- 1-2.9% Loss: 16%
- 10-19.9% Loss: 34%
- 20% Loss or Greater: 7%

Source: NACCHO Survey of LHD Budget Cuts & Workforce Reduction (January 2010).
Workforce
Percentage of LHDs Losing Workforce Capacity in 2010, Overall and by Type

- Negative impact on jobs: 52%
- Lost jobs (layoffs or attrition): 44%
- Laid off staff: 18%
- Cut hours: 19%
- Imposed mandatory furlough: 10%

Data Source: NACCHO’s Job Loss and Program Cuts Survey, Wave 5 (Jan-Feb, 2011)
## Estimated Number of LHD Jobs Lost and Adversely Affected (2008–2010)

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jobs Lost to Layoffs or Attrition</td>
<td>7,000</td>
<td>16,000</td>
<td>6,000</td>
<td>29,000</td>
</tr>
<tr>
<td>Jobs Affected by Hours Reduced or Mandatory Furlough</td>
<td>Not known</td>
<td>More than 13,000</td>
<td>18,000</td>
<td>Cannot calculate</td>
</tr>
</tbody>
</table>
Workforce cuts

Proportion of LHDs that Lost Jobs Due to Layoffs or Attrition (July–December 2009; n=706)

More than half of LHDs lost jobs in 26 states

Source: NACCHO Survey of LHD Budget Cuts & Workforce Reduction (January 2010).
Programs
Program Cuts

Proportion of LHDs with Program Cuts in Calendar Year 2009 Due to Budgetary Reasons (n=694)

50% of LHDs made cuts to at least one program area during 2009

Source: NACCHO Survey of LHD Budget Cuts & Workforce Reduction (January 2010).
Percentage of LHDs that Cut Program Areas (July 2009–June 2010)

40 percent of all LHDs made cuts to at least one program area
Variation by LHD Characteristics
Percentage of LHDs with Budget Cuts, by Population size, July 2009–June 2010 (Excluding ARRA Funds)
Percentage of LHDs with Budget Cuts, by Population size and Whether LHD Had a Local Board of Health, July 2009–June 2010
Percentage of LHDs with Budget Cuts, by Population size and Type of Governance, July 2009–June 2010

- **<50,000 population size:**
  - State: 45%
  - Local: 53%
  - Shared: 54.8%

- **50,000-499,999 population size:**
  - State: 59%
  - Local: 62%
  - Shared: 68.1%

- **500,000+ population size:**
  - State: 88%
  - Local: 58%
  - Shared: 63.7%

- **All LHDs:**
  - State: 51%
  - Local: 56%
  - Shared: 60.6%
Percentage of LHDs with Program Cuts, by Population size and Whether LHD Had a Local Board of Health, July 2009–June 2010

- **Overall**
  - BOH: 41
  - No BOH: 35

- **Population size**
  - <50,000
    - BOH: 36
    - No BOH: 23
  - 50,000-499,999
    - BOH: 51
    - No BOH: 44
  - 500,000+
    - BOH: 62
    - No BOH: 63
Percentage of LHDs with Program Cuts, by Population size and Type of Governance, July 2009–June 2010
Percentage of LHDs with Staff Reductions Through Layoffs and/or Attrition, by Population size and Whether LHD Had a Local Board of Health, July 2009–June 2010
Percentage of LHDs with Staff Reductions Through Layoffs and/or Attrition, by Population size and Governance Type, July 2009–June 2010
For more information on LHD finances

NACCHO Profile webpage
www.naccho.org/profile

NACCHO Economic Surveillance Web page
http://www.naccho.org/topics/infrastructure/lhdbudget/index.cfm

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Additional Slides
Budget Reduction

“What factors influence your decision about which services and activities to reduce?”

Decision Drivers

**Little or no LHD control**
- Decisions made by another Authority
- Program cut driven by reduction in staff positions
- Program cut driven by loss of specific funds

**LHD had some control over decisions**
- Mandatory/core vs discretionary services
- Expected health impacts of cuts
- Preference for cost-efficient services
- Number of clients
- Services for vulnerable population
- Advice from board of health
- Anticipation of public outcry
- Perceived importance of services

Changes in Programs and Services

NACCHO Survey on Job Loss and Program Cuts, January–February 2010
Expected Impacts of the Budget Reductions on the Community – Summary of Qualitative Responses

- Spread of Infectious Diseases
  - preventive/education services
  - reduction in staff time for patients
  - decline in immunizations to individuals without insurance
  - investigation of outbreaks
  - impacts from reduced preparedness/planning efforts
  - reduced collaborations to support community-wide preparedness planning

- Negative MCH Outcomes
  - pre and postnatal services,
  - parental education,
  - education and preventive services in schools and childcare settings

- Unintended Pregnancies
  - impact on access to and quality of family planning services
  - reduced preventive/education services (particularly for teens)

- Undetected Chronic Diseases & Cancers
  - failure in early detection screenings
  - reduced preventive education

- Food-borne Illness Outbreaks
  - restaurants inspection & inspection of community events
  - where food is served will suffer
  - investigation of outbreaks will be compromised

Source: NACCHO Survey on Job Loss and Program Cuts (August 2009).