

NACCHO Survey of Local Health Departments' Budget Cuts and Workforce Reductions

Background

The National Association of County and City Health Officials (NACCHO) surveyed 2,422 local health departments (LHDs) nationwide in the months of November and December 2008 to assess the impact of current economic conditions on LHDs' budgets and workforce. The survey, to which 1,079 LHDs distributed across 46 states responded, found that a majority of respondents are experiencing adverse impacts and expect those to continue.

NACCHO estimates a total loss of approximately 7,000 local public health workers nationwide and expects that number to increase in 2009.

Jobs Provided by Local Health Departments are Dwindling

In 2008, more than half of LHDs had either laid off employees or lost them through attrition and have been unable to replace them due to budget limitations. About one-third predict layoffs in 2009 (see Figure 1). Among the largest LHDs, 85 percent reduced their staff in 2008, and 46 percent expect to lay off staff in 2009 (see Figure 2). In addition, many small LHDs have cut costs by reducing staff hours or placing employees on temporary furlough rather than laying off staff.

Certain states have been particularly affected by cuts in LHD staff (see Figure 3). Over 90 percent of LHDs in Arizona, California, Georgia, Idaho, Michigan, Pennsylvania, South Carolina, Vermont, and Virginia report laying off staff or losing positions through attrition. When survey results are extrapolated to all LHDs, NACCHO estimates a total loss of approximately 7,000 local public health workers nationwide and expects this number to increase in 2009.

Figure 1. Budget and Staff Cuts of LHDs: 2008 and 2009

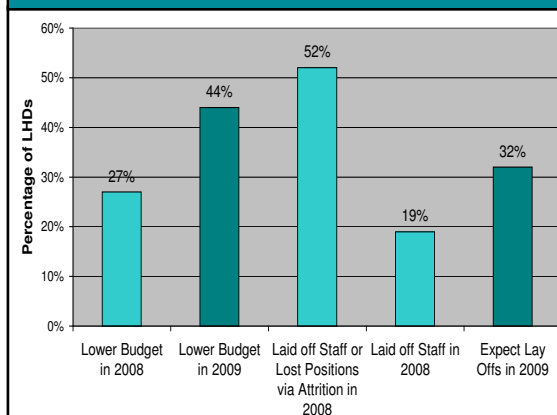


Figure 2. Actual and Expected Decreases in Staffing at LHDs — by Jurisdiction Population

Jurisdiction Population	Percentage of LHDs that:			
	Laid Off Staff or Lost Positions via Attrition in 2008	Lost Positions via Attrition for Financial Reasons in 2008	Laid Off Staff in 2008	Expect to Lay Off Staff in 2009
All LHDs	52%	46%	19%	32%
<25,000	29%	22%	11%	21%
25,000–49,999	45%	41%	11%	25%
50,000–99,999	61%	56%	17%	40%
100,000–499,999	76%	70%	32%	50%
500,000+	85%	84%	40%	46%

Figure 3. Actual and Expected Decreases in Staffing at LHDs — by State

State	Percentage of LHDs that:			
	Laid Off Staff or Lost Positions via Attrition in 2008	Expect to Lay Off Staff in 2009	Number of Observations	Response Rate
All States	52%	32%	1,024	42%
AZ	100%	100%	10	67%
GA	100%	100%	7	35%
ID	100%	100%	5	71%
MI	100%	78%	26	58%
PA	100%	25%	6	38%
SC	100%	50%	5	63%
VA	100%	86%	16	47%
VT	100%	14%	7	58%
CA	95%	81%	20	32%
TN	90%	75%	20	44%
FL	89%	59%	36	54%
WA	89%	71%	18	53%
MD	88%	50%	17	71%
OK	75%	0%	8	40%
OH	66%	38%	61	47%
NC	65%	42%	40	47%
KY	63%	35%	27	48%
IL	60%	24%	48	52%
TX	59%	30%	32	32%
NE	58%	31%	12	50%
CT	53%	40%	30	42%
NY	53%	40%	32	56%
AL	50%	14%	8	62%
MN	48%	24%	46	62%
NJ	48%	23%	40	36%
OR	46%	75%	13	38%
UT	43%	43%	7	58%
MT	40%	16%	15	29%
MO	39%	27%	51	45%
CO	39%	25%	23	35%
WY	38%	25%	16	70%
WI	32%	30%	50	54%
AR	31%	0%	26	34%
WV	31%	15%	26	53%
IN	26%	25%	34	39%
MA	25%	16%	84	27%
IA	23%	15%	47	46%
ND	20%	0%	10	36%
KS	15%	10%	46	46%

Note: States with fewer than five LHDs reporting have been omitted.

Local Health Departments' Budgets are Eroding

Nationally, 27 percent of LHDs are working under a current budget that is less than the previous year, and 44 percent expect to do so next year (see Figure 4). The impact falls disproportionately on LHDs serving large jurisdictions, of which two-thirds expect next year's budget to be lower than this year's. For LHDs in large jurisdictions that experienced budget declines this year, the mean budget reduction was \$2.6 million (see Figure 5). When survey results are extrapolated to all LHDs, the total budget cuts over the past year are approximately \$300 million.

The burden of declining budgets is also falling disproportionately on LHDs in certain states (see Figure 6). More than 50 percent of the LHDs in nine states (Arizona, California, Florida, Georgia, Oklahoma, Pennsylvania, South Carolina, Vermont, and Virginia) have already experienced cuts. More than 80 percent in 10 states anticipate cuts next year (Arizona, California, Florida, Georgia, Idaho, Pennsylvania, South Carolina, Vermont, Virginia, and Washington).

Most LHDs are funded through a patchwork of sources and are experiencing decreased funding from many of them. LHDs report decreased funding from state general revenues, federal funds passed through by state health agencies, and local funding sources, such as levies, sales tax, and property tax revenues. In addition, economic declines affecting housing and jobs in other sectors result in decreased fee revenues from such services as on-site sewage permits and restaurant inspections. An LHD in California reports, "We are experiencing declining revenues from state budget cuts, but also from county tax revenues that are in decline due to the economic crisis. At the same time, we have increasing costs due to bargained labor agreements and other operational costs."

Figure 4. Percentage of LHDs Reporting Declining Budgets — by Jurisdiction Population

Jurisdiction Population	Current Budget Compared to Prior Year	Next Year's Budget Compared to Current Year	Number of LHDs Completing Survey
All LHDs	27%	44%	1079
<25,000	22%	38%	351
25,000–49,999	20%	38%	240
50,000–99,999	25%	45%	186
100,000–499,999	37%	54%	236
500,000+	45%	68%	66

Figure 5. Size of LHD Budget Decreases (Current Year vs. Prior Year) and Expected Budget Decreases (Next Year vs. Current Year) — by Jurisdiction Population

Jurisdiction Population	Budget Decrease (Current Year vs. Prior) Dollars		Expected Budget Decrease (Next Year vs. Current Year) Dollars	
	Mean	Number of Observations	Mean	Number of Observations
All LHDs	\$480,000	242	\$500,000	429
<25,000	\$45,000	67	\$50,000	112
25,000–49,999	\$110,000	42	\$110,000	79
50,000–99,999	\$180,000	37	\$160,000	67
100,000–499,999	\$540,000	50	\$410,000	106
500,000+	\$2,600,000	23	\$3,200,000	41

Note: Statistics reported for LHDs reporting budget decreases (27% of respondents) or expected future budget decreases (44% of respondents).

Local Health Departments are Forced to Cut Services at Time of Increased Need

The statistics on budget declines do not tell the whole financial story for LHDs. Many LHDs have maintained their budgets or experienced relatively small overall budget cuts by spending down reserves and increasing fees. These measures do not, however, provide LHDs with the stable funding needed to provide quality public health services to their communities. Even relatively small decreases in funding or staffing result in reduction or elimination of programs. A medium-sized LHD in Minnesota that experienced a small reduction in staff reports, "We are discontinuing our senior health clinics, where we provided foot care and blood pressure checks to seniors, discontinuing child passenger safety seat checks in our office, and discontinuing public health nursing outreach at the WIC clinics."

Cuts in LHDs' budgets and services are taking place at a time of increased need for public health services. A Gulf Coast LHD reports, "Hurricane Ike simultaneously created more need in our county and taxed our existing resources. Our geographic location places us in an area vulnerable to hurricanes and affected by huge population growth. We struggle to provide basic services with current funding, and the prospect of additional cuts is ominous for our department and our community." A small LHD in the Midwest reports, "We continue to be asked to cut our budget by approximately two percent each year, and it is nearly impossible to do this without cutting staff or hours of staff. We are small and rural with only seven staff now. Cutting really hurts us. And due to the economy, the need is greater than ever to provide immunization and other services to the uninsured."

Conclusion

The job losses and budget cuts experienced by LHDs exemplify the vast, interrelated consequences of the U.S. economic downturn. LHDs are the governmental agencies that work every day in their communities to prevent disease, promote wellness, and protect health. The current erosion of their capacities is deeply alarming, particularly at this time when the rates and costs of preventable chronic diseases due to poor nutrition, physical inactivity, and smoking are increasing. Similarly, reduction in staff and budgets threatens LHDs' abilities to detect outbreaks of infectious disease and mobilize responses quickly.

LHDs are also part of the fraying "safety net" that provides or arranges healthcare for the uninsured and those who otherwise would have no access to care. The loss of LHDs' many essential services will, therefore, have widespread adverse consequences on the health of the communities they serve, most of which are already experiencing multiple stresses associated with a poor economy. Sustaining local governmental public health services is an essential element of a comprehensive approach to economic recovery.

FOR MORE INFORMATION, CONTACT:

Donna Brown, JD, MPH
Government Affairs Counsel
dbrown@naccho.org

Figure 6. Percentage of LHDs Reporting Declining Budgets — by State

	Current Budget Compared to Prior Year	Next Year's Budget Compared to Current Year	Number of LHDs Completing Survey	Response Rate
All LHDs	27%	44%	1,061	44%
SC	100%	100%	5	63%
VT	100%	100%	7	58%
VA	94%	94%	16	47%
GA	86%	86%	7	35%
CA	85%	95%	20	32%
PA	83%	100%	6	38%
FL	62%	89%	36	54%
AZ	50%	80%	10	67%
OK	50%	38%	8	40%
TN	43%	70%	21	47%
ID	40%	100%	5	71%
WA	39%	89%	18	53%
MI	35%	62%	26	58%
OR	31%	69%	13	38%
OH	30%	37%	61	47%
IL	29%	37%	49	53%
NJ	26%	29%	42	38%
AL	25%	25%	8	62%
WV	25%	46%	28	57%
TX	24%	39%	33	33%
KY	24%	48%	29	52%
CO	24%	32%	25	38%
MD	24%	59%	17	71%
CT	23%	48%	31	43%
MO	22%	43%	54	47%
MA	21%	45%	89	29%
MT	21%	47%	19	37%
IA	16%	20%	48	47%
NE	15%	31%	13	54%
IN	15%	32%	34	39%
UT	14%	43%	7	58%
WI	13%	39%	52	57%
NC	13%	55%	40	47%
NY	13%	31%	32	56%
WY	12%	29%	17	74%
MN	11%	30%	46	62%
ND	9%	9%	11	39%
KS	8%	12%	52	52%
AR	4%	8%	26	34%

Note: States with fewer than five LHDs reporting have been omitted.