


**MEMORANDUM**

DATE: May 6, 2014

TO: Casey Toomay,  
Budget Manager

FROM: Dan Partridge, RS, MPH  
Director 

CC: Cynthia Wagner,  
Assistant City Manager

RE: 2015 Budget Amended Request

*Together, day by day, building a healthy community* – Since 1942 the Lawrence-Douglas County Health Department has worked to realize our vision by advancing policies, practices and programs that promote health for all, prevent disease and protect the environment. Our programs are aimed at prevention and are shown to be cost-effective.

This letter summarizes our budget request to the City of Lawrence for 2015. For 2015, the budget amount requested from the City of Lawrence is \$666,102. This represents level funding from 2014.

**Revenue**

In addition to local support from the City and the County, the Health Department funds approximately half of its budget through fees and state and federal grant funds earmarked for public health. These revenues have been included in our 2015 budget submittal.

We anticipate adjustments in revenues including;

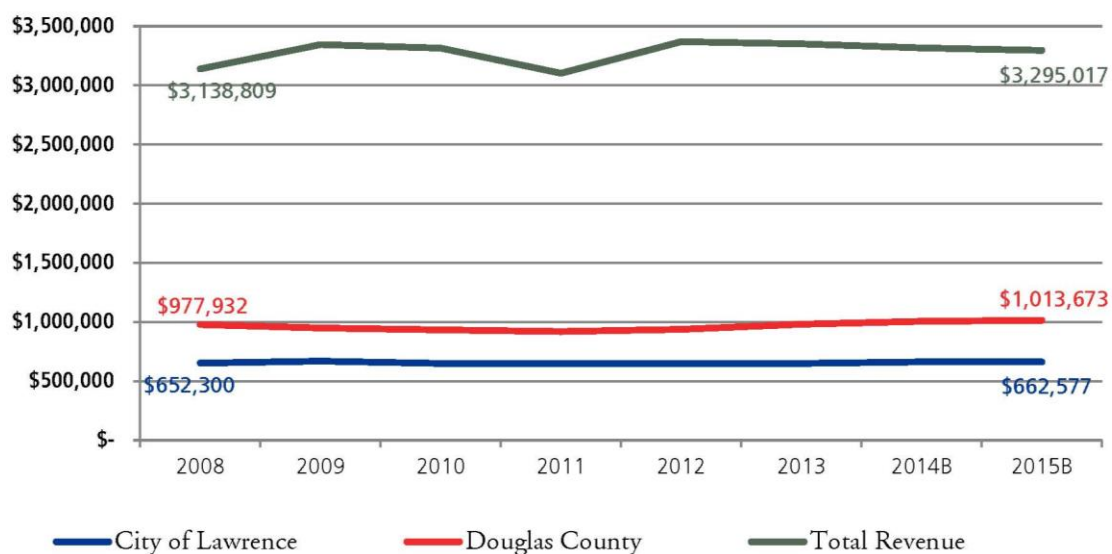
1. Grant revenue will decrease by \$8,900 or 0.8% to \$1,116,329 due primarily to a reduced projection for private grants.
2. Fee and interest revenue will decrease by \$26,062 or 5% to \$484,188. This reflects the trend we see in our client demographics, in that, they are generally poorer and less able to support the services they receive from the Health Department. We have yet to see an increase in the number of clients having health insurance coverage.
3. 2015, funding support from Douglas County:
  - a. Support for expenses other than health insurance remains level at \$775,707.

- b. Douglas County funding support for health insurance is projected at \$242,725 (an increase of \$13,173 from 2014 Budgeted). A 2.0% increase in insurance premiums is included in this forecast.
- c. Total Douglas County revenue request for 2015 of \$1,018,432

Combined funding requests from the City and County equal \$1,676,250, 39.5% of this total represents the City of Lawrence portion.

As illustrated by the chart below, actual revenues for 2007 through 2013 and budgeted revenue for 2014 and 2015 are relatively unchanged. The exceptions being an increase for the years 2009-2010 attributed to unanticipated federal funds earmarked for our local response to the Influenza A H1N1 pandemic. Additionally, in 2012 we recognized \$259,827 in pass through funds for the Kansas Children's Service League. We understand the current economic times and work diligently to control costs, maintain standards of care and challenge ourselves to meet new performance goals.

### Revenue History



The Health Board routinely reviews fees for services and increases fees when indicated. However, we are constrained by the following:

- Our fees for sanitary code enforcement and child care licensure are already significant, typically several hundred dollars.
- Our fees for clinic services are often capitated by federal law. However each year as called for by Title X, we complete a cost analysis of family planning services and adjust our fees accordingly. The increase has always been modest and by law we slide the fee to zero based on our clients' self-reported income.
- Our mission is to serve the public regardless of their ability to pay.

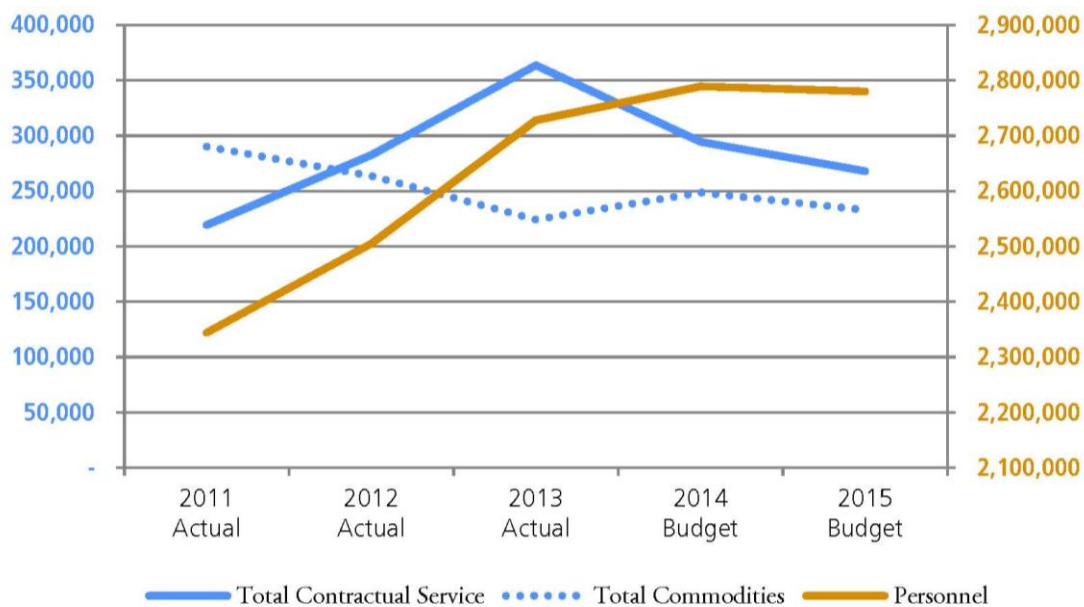
We continue, as opportunities present themselves, to pursue alternative sources of revenue that support our mission. For example, the 2015 budget includes \$176,187 in federal Medicaid Match funds. These monies are used to support our case management program for at-risk families with young children.

## Expenditures

The Health Department's total budgeted expenditures *decline* in 2015 by \$56,570 or 1.7% to \$3,295,369. City monies will be utilized to assist with funding the budgeted program expenses and to partially provide the local match/maintenance of effort requirements of the grants.

### Expenditure History

The chart below describes expenditure trends since 2010.



### Personnel

The 2015 budget includes \$24,131, or 1.2% of 2014 budgeted salary expense, for enhancements to staff salaries. This amount is \$15,869 (or 40%) less than what was provided in 2014. The actual salary enhancement package will be determined by the Health Board at the end of 2013.

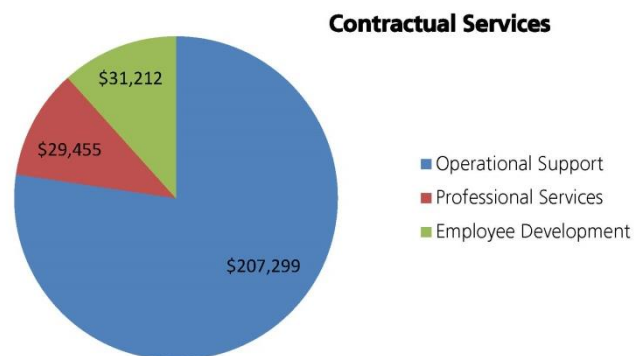
Health Department employees are covered under the Douglas County health insurance plan. The amount included in our 2015 budget request reflects a 0.0% rate increase. As a result of changes in coverage levels chosen by staff insurance expenses are projected to increase by \$8,414 despite reductions in staffing, see chart below.

2015 B	2014 B	2013	2012	2011	2010	2009
39.25	40.25	39.45	38.3	36.68	37.15	36.71

## Contractual Services

In March of 2013, the Health Department experienced a network security breach that resulted in the loss of network access for more than 4 working days. As a consequence of recovering from this event contractual services expenditures for 2013 were higher than expected.

The pie chart to the right breaks out 2015 budgeted contractual services expenditures by type. Operational support includes expenses such as telephone and internet service, software support, mileage reimbursement and laboratory. Professional services include physician, legal and IT support. Employee development includes continuing education expenses.



In alignment with accreditation standards we continue to focus on quality improvement (QI) and performance management. Again this year we have included with this budget request updated program performance reports which provide financial history, operational information, human impact stories and performance indicators for each program. We also include the 2013 Annual Financial Performance Report. These reports will allow you to understand more fully how City funds are used to support Lawrence residents and to understand the performance expectations we have for each program.

We are pleased to submit this 2015 budget request and are available to answer any questions you may have.

### Enclosures:

- 2015 proposed budget
- 2013 Annual Financial Performance Report
- 2014 Program Performance Reports
- Organization Chart

# 2015 Budget

Draft 5/6/2014

## Lawrence-Douglas County Health Department - Summary

	2011 Actual	2012 Actual	2013 Actual	2014 Budget	2015 Budget
<b>REVENUE</b>					
<b>City</b>					
5010 City Operating	648,929	648,929	648,929	662,577	666,102
<b>County</b>					
5020 County Operating - fund 91111	715,000	715,000	715,000	735,470	735,470
5020 County Operating - fund 91199	-	-	30,237	30,237	30,237
5021 County Health Insurance	194,566	212,350	225,175	229,552	242,725
5022 County Mill Levy Aging - fund 91112	10,000	10,000	10,000	10,000	10,000
Total County	919,566	937,350	980,412	1,005,259	1,018,432
<b>Operating</b>					
5110 Contract Services	64,092	54,099	152,990	187,410	189,687
5120 Program Fees	362,989	333,810	276,342	319,540	292,101
5190 Interest	11,731	3,326	2,403	3,300	2,400
Total Operating	438,812	391,235	431,735	510,250	484,188
<b>Grant</b>					
5171 Federal	5,000	680,124	808,902	734,108	731,358
5172 State	998,909	374,255	344,965	359,972	359,972
5173 Local/Private	76,965	57,150	44,150	31,149	24,999
Total Grant	1,080,874	1,111,529	1,198,017	1,125,229	1,116,329
<b>Other</b>					
5701 Other	14,089	280,092	91,590	13,500	18,250
5702 CHIP Grant	-	-	-	-	-
Cash Balance Forward	-	-	-	35,125	-
Total Other	14,089	280,092	91,590	48,625	18,250
Total Revenue	3,102,270	3,369,135	3,350,683	3,351,940	3,303,301

## EXPENSE

<b>Payroll</b>					
6010 Gross Salaries & Wages	1,720,833	1,809,527	1,965,824	2,009,710	1,988,740
6200 Payroll Taxes (SS & MC)	119,130	131,528	143,688	154,335	152,730
6201 Insurance - Health	335,824	357,688	377,387	382,586	404,542
6202 KPERS	130,325	142,026	165,096	187,602	207,741
6203 Insurance - Unemployment	12,247	17,030	6,722	11,499	2,045
6204 Insurance - Work Comp	18,056	40,541	64,365	36,519	25,522
6205 Insurance - Prof. Liability	7,552	6,699	4,730	6,700	6,700
6020 Payroll Related Expenses	-	-	-	-	-
Total Payroll	2,343,967	2,505,039	2,727,812	2,788,952	2,788,020
<b>Contractual Service</b>					
6300 Contractual Service Expenditure	12,647	60,422	76,816	27,000	22,650
6310 Interpreters	7,592	8,183	7,840	8,280	8,220
6320 Advertising	75	-	30	-	-
6302 Employment Ads	4,269	1,205	2,913	800	1,225
6322 Health Education/Promotion	21,775	15,292	6,208	8,000	6,250
6330 Bank & Credit Card Fees	3,479	3,145	3,277	3,500	3,300
6340 Continuing Education / Meetings	-	2,990	301	5,300	4,000
6341 Commercial Travel	2,717	2,382	2,814	1,200	1,500
6342 Meals	761	817	1,258	952	1,412
6343 Lodging	4,440	4,779	5,069	3,120	4,275
6344 Registration	8,788	6,869	12,760	5,070	8,320
6350 Copying & Printing	6,659	6,635	5,996	6,469	5,940
6360 Insurance - Non-Payroll Related	3,139	10,243	10,299	10,250	10,250
6370 Laboratory	18,848	23,483	18,016	44,500	20,400
6380 Mileage/ Tolls/ Parking	24,387	26,893	26,261	27,745	27,120
6390 Miscellaneous	9,737	11,943	9,373	8,008	8,561
6301 Phone & Communications	13,121	12,817	16,405	25,200	21,228
6311 Postage & Delivery	9,915	8,934	10,325	6,000	10,150
6312 Publications & Subscriptions	3,742	3,892	2,335	2,525	2,605
6313 Repair & Maintenance	1,678	776	1,686	1,205	1,660
6314 Service & Licensing Contracts	33,689	23,838	88,513	59,120	58,945
6315 Medical Fees	1,652	2,950	2,328	3,100	2,745
6316 Network Consultant Fees	5,894	-	3,199	7,920	8,580
6317 Legal Fees	2,852	25,074	14,478	6,210	7,475
6318 Physician Fees	12,957	13,625	11,201	12,175	11,000
6319 Dues	3,260	1,482	10,905	8,768	9,107
6323 HR Consultant	-	2,582	11,403	600	-
6321 Business Administration Fees	1,302	1,315	1,562	1,350	1,400
Total Contractual Service	219,375	282,567	363,570	294,367	268,318
<b>Commodities</b>					
6410 Medical Supplies	21,628	22,472	17,069	23,040	20,365
6420 Pharmaceuticals	175,646	183,145	169,366	183,300	181,250
6430 Office Supplies	13,446	18,162	10,744	18,430	14,699
6440 Other Supplies	79,397	39,987	27,074	23,850	16,650
Total Commodities	290,117	263,765	224,253	248,620	232,964
<b>Other</b>					
6500 Other Expenses	-	259,827	66,825	-	-
Total Other	-	259,827	66,825	-	-
6222 Capital Equipment	21,185	6,387	16,566	-	-
To Funded Depreciation	75,000	65,000	50,000	20,000	14,000
To Board Designated Fund	58,000	100,000	-	-	-
Total Expense	3,007,644	3,482,586	3,449,027	3,351,939	3,303,301
<b>NET INCOME</b>					
	94,626	(113,451)	(98,344)	0	(0)