

School-Based Health Center Funding Workgroup Report March 2004

▪ **Background**

Oregon's School-Based Health Center program (SBHC) has benefited from 17 years of support by the Oregon Department of Human Services and the Oregon Legislature. What began with an initial commitment of \$212,000 to partially fund four SBHCs grew to a commitment of \$2,619,649 for the 2003-2005 biennium. The total number of centers supported by state general funds has increased from four in 1988 to twenty centers in 2003 representing a local investment of \$2,104,760. The balance of funds is used for operation of the state program office to perform coordination, certification, data collection, and technical assistance activities for approximately 41 certified SBHCs.

Over the years, the actual dollar figure for state support per center has remained essentially constant at approximately \$52,000 per site. One exception in the funding cycle worth noting is that during the economic downturn of 1991-93 state support was cut to \$28,000 per site but reinstated the following biennium. Twenty centers currently receive \$52,619 each per year.

Oregon participated in the Robert Wood Johnson Foundation (RWJF) Making the Grade SBHC initiative between the years 1994-2000. The grant provided for the establishment of six new centers and dedicated state staffing to look at statewide policy and to refine the SBHC model. Outcomes of that grant resulted in establishing development of state certification (a requirement for future funding eligibility), a system for statewide data collection & reporting, a state model for funding and replacement funding for the six RWJF sites and ongoing state program office functions which reflects our current level of General Fund investment by the legislature.

In the past, all monies (General Fund or Other) that have been made available to the state to establish or operate SBHCs have always been awarded by a competitive RFP process. Over time, this has created an inequity between individual centers, communities and counties in terms of ongoing monetary supports for SBHC operations. Also historically, once a center had successfully competed for money they have continued to receive funding in subsequent years. At this time, slightly less than half of all certified centers have ever received General Fund support and some counties have never received any funding.

Experiences over the past several legislative sessions related to ongoing uncertainty of SBHC dollars as a funding priority within the state budget processes combined with the recent loss/restoration of funding in 2003 has been the primary impetus for both state and local partners' desire to, (1) re-visit how General Fund dollars are utilized to support the overall mission, (2) address equity issues between funded / un-funded centers or counties, and, (3) to lay a more stable public health funding framework to help improve ongoing support for both maintenance and future growth of the SBHC program.

- **Funding Workgroup Process**

SBHC stakeholders agreed to participate in a process that would review and develop new recommendations for how SBHC funding might be distributed as of the 2005-2007 biennium. A workgroup was established with one representative each from: Oregon School-Based Health Care Network (OSBHCN); Maternal and Child Health Committee of the Conference of Local Health Officials (MCH-CLHO), and; the School-Based Health Center state program office, Office of Family Health (OFH), Department of Human Services (DHS).

The overall plan was for the workgroup to meet over a concentrated period of time to develop a report and propose new funding recommendations. The recommendations would be opened for comment and advanced through MCH-CLHO to the CLHO funding formula committee and ultimately to CLHO for action. Steps in the process include:

- February Identification of workgroup members, preparation & gathering of background materials, develop meeting agenda
- March Conduct half-day workgroup meetings (3/3, 3/8, 3/12)
Draft report/recommendations
Update MCH-CLHO and CLHO on progress
Open recommendations for review to all SBHCs and LHD administrators
- April Present recommendations with comments to CLHO funding formula committee
- May CLHO action on recommended changes

- **Funding Workgroup Discussion**

Each meeting was approximately 3 hours long with topics for discussion and desired meeting outcomes decided at the start of each session. Notes were compiled and distributed to workgroup members prior to subsequent meetings along with any follow-up staffing tasks (e.g., budget estimates and projections). Discussion topics included:

- Charge/goal of the workgroup,
- Historical background on School Based Health Center funding,
- Review of state model for SBHC funding
- Current political, economic, contextual factors,
- Review of comments from OSBHCN & Funding Loss Survey,
- Use of un-obligated funds (short-term and long-term),
- Principles / factors to consider in guiding our work,
- Floor / threshold funding level,
- Targeting criteria,
- Core vs. Expanded certification levels,
- Future cycle of funding review,

- Use of restricted funding sources,
- Growth projection/retraction

- **Criteria & Principles**

As a result of the workgroup's extended discussion and deliberation, several core principles emerged that we agreed should be reflected in the approach or detail of any final funding formula recommendation. These included:

- Preserve the link between certification and eligibility for existing or future funding
- Use existing General Fund dollars to support more centers and/or more counties to make the distribution of funds more equitable
- Do the least harm to the least number of SBHCs or SBHC systems currently receiving state funds
- Preserve some level or concept of floor or threshold funding
- Maintains an expectation of shared funding, local investment and ongoing work towards sustainability at the local level
- Increase ease of administration and flexibility of use of funds
- Maximize potential for future local community advocacy to maintain existing or to seek additional funds

- **Funding Models**

The workgroup brainstormed several possible models for funding and then used a SBHC financial modeling spreadsheet to review how awards would look by individual centers or counties to compare impact on existing funding levels. In addition, a list of 'advantages' and 'disadvantages' for each model was developed for comparison between models and against the common criteria & principles. Five basic models (sometime discussed with variations) were identified. These included:

1. Differential funding based on a defined needs / targeting criteria
2. Equal funding for all currently certified centers (N=41)
3. Equal funding for all counties (N=14) with one or more certified centers
4. Base county funding plus additional money for each certified center
5. Base county funding by a range formula

Multiple reasons were identified for the eventual elimination of the first four models, however the primary reasons they were not advanced were:

1. [Differential] criteria too complex or limiting, administrative burden
2. [Equal by centers] dilution of funds, inequity by counties, below thresholds
3. [Equal by counties] inequity by counties/#centers, severe loss by multiple counties
4. [Base county +plus] significant loss by multiple counties

Consequently, model five [Base county by range of # of centers] was advanced as an option that seem to best met the criteria & principles (stated above) and had the least disadvantages. The base county by range model:

- avoided complexity and administrative burden,
- did not dilute or move funding significantly below existing thresholds,
- avoided loss by the least number of counties (with a mitigating solution proposed),
- provides maximum flexibility for counties to use dollars across certified SBHCs within their system,
- best reflects a public health investment strategy (county / county systems development)
- represents a shared responsibility for expanding the model with counties coordinating individual community interests with their public health needs
- is easy to portray to policy makers and offers options related to expansion (new counties vs. existing system development)
- suggested a 'limit' or 'cap' for the maximum investment in this particular access/safety net model that addresses long term cost control

▪ **Recommendations & Explanation**

For the reasons identified above, the workgroup came to a consensus decision and recommends the following model and actions.

The recommendation assumes the same level of General Funds will be available for the 05-07 biennium and ranges are determined based on the current assessment of certified centers.

The recommendation also assumes in order to avoid dilution of funds or counties falling below threshold that, unless additional funds are identified for new county participation or system expansion, counties will not receive new or increased funding if they open a center or move into a new range through local investment. However, such local investment would position counties for future funding. New funds would need to be sought or prioritized for (1) increasing the number of counties participating in this model, (2) expanding existing systems, or (3) a combination of both. A spreadsheet (attached) is provided that shows current and future awards.

Recommendation 1. Adopt a Base County by Range Model for the '05-'07 biennium

- Funding is based on range number of centers per county currently certified
 - 1-2 centers = \$50,000
 - 3-5 centers = \$100,000
 - 6-9 centers = \$150,000
 - 10 or more centers = \$200,000

Recommendation 2. Utilize the anticipated \$80,000 in unobligated funds for '03-'04 to off-set loss by the two counties that experience the greatest future monetary loss and immediately bring in the three counties with certified centers who have never received any General Fund to help stabilize their funding environments;

- \$25,000 each to Umatilla and Jackson to mitigate 05-07 formula loss
- \$10,000 each to Benton, Columbia, and Washington to immediately help stabilize their funding environments

Recommendation 3. Utilize the SBHC funding workgroup in the future to help respond to annual or biennial changes in funding levels and/or redistribution of unobligated funds by:

- Convening annually, or as needed, the workgroup with equal representation by MCH-CLHO, OSBHCN, and DHS State Program Office who would conduct the analysis and advance a report with recommendations for consideration through the appropriate stakeholder groups and CLHO channels
- Redistributing or assigning one-time unobligated funds only at the end of any current fiscal year based on immediate funding needs or to assist counties (new or moving into an expanded range) if they have met certification requirements during the prior year