Money Begets Money

- Why money is important.
- Current sources of revenue.
- Shifting.
- Relationship between local revenues and state & federal revenues.
- Relationship within local revenue sources.

- Presented to American Public Health Association Annual Meeting Washington DC, November 6, 2007
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Why Money Is Important

- Local agencies with higher funding levels offer a greater depth and breadth of services.

- Locally generated revenues having a much stronger impact on performance than federal spending.

- Missouri LPHA funding formula
  - $8.3 million allocated by legacy formula
  - $0.6 million allocated based on:
    - Population
    - Poverty
    - Service consolidation
    - Local tax efforts

Sources of Missouri LPHA Funding

| Revenue source	FY 2004 budget	% of total
Federal Revenues	**36,954,942**	**18%**
WIC	9,490,545	5%
AIDS Funding	8,596,694	4%
Regional ER Planning	7,189,667	4%
MCH	3,902,464	2%
Other	7,775,572	4%
State Revenues	**10,640,656**	**5%**
Core Public Health	8,853,260	4%
Other	1,787,396	1%
Local Revenues	**115,693,854**	**57%**
Taxes	96,033,595	47%
Interest	1,484,295	1%
Vital Records	5,712,246	3%
Fees	8,254,347	4%
Donations and Other	4,209,370	2%
Other Revenues	**40,746,223**	**20%**
Home Health	10,453,210	5%
Home Maker	6,847,103	3%
Medicaid	3,622,518	2%
MC+	2,771,958	1%
Medicare	1,327,158	1%
Other	15,724,277	8%
Grand Total Revenue	**204,035,675**	**100%**

Shifting

- Does local government 'rob Peter to pay Paul'?

- Do increased federal funds inspire state-level cuts?

- Or, does decreased federal and state support force local government to increase their funding efforts.

- Within localities, does an increase in a non-tax source of revenue result in reduced tax support?
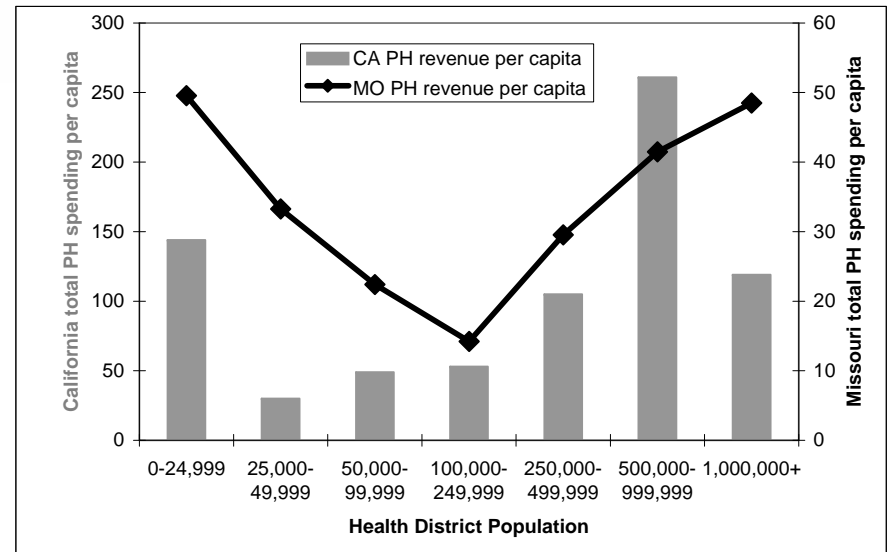
Data and Methods

- Missouri local public health agency, fiscal year 2004. N=114

- Ordinary least-squares regression
  - Per capital local PH funding ~
    - o Per capita state plus federal funding
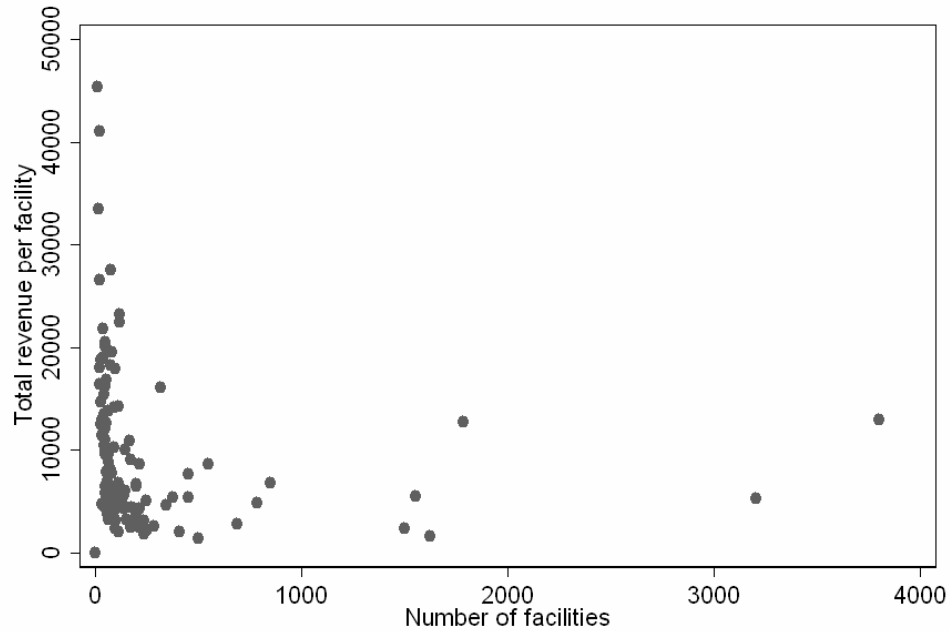   - o Population
    - o Facilities
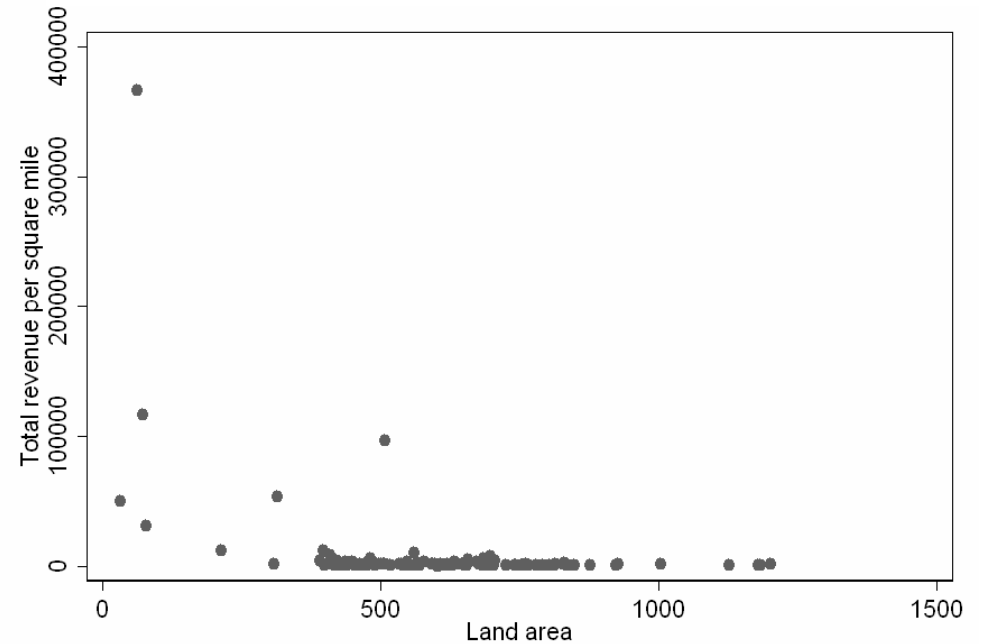   - o Area

Population
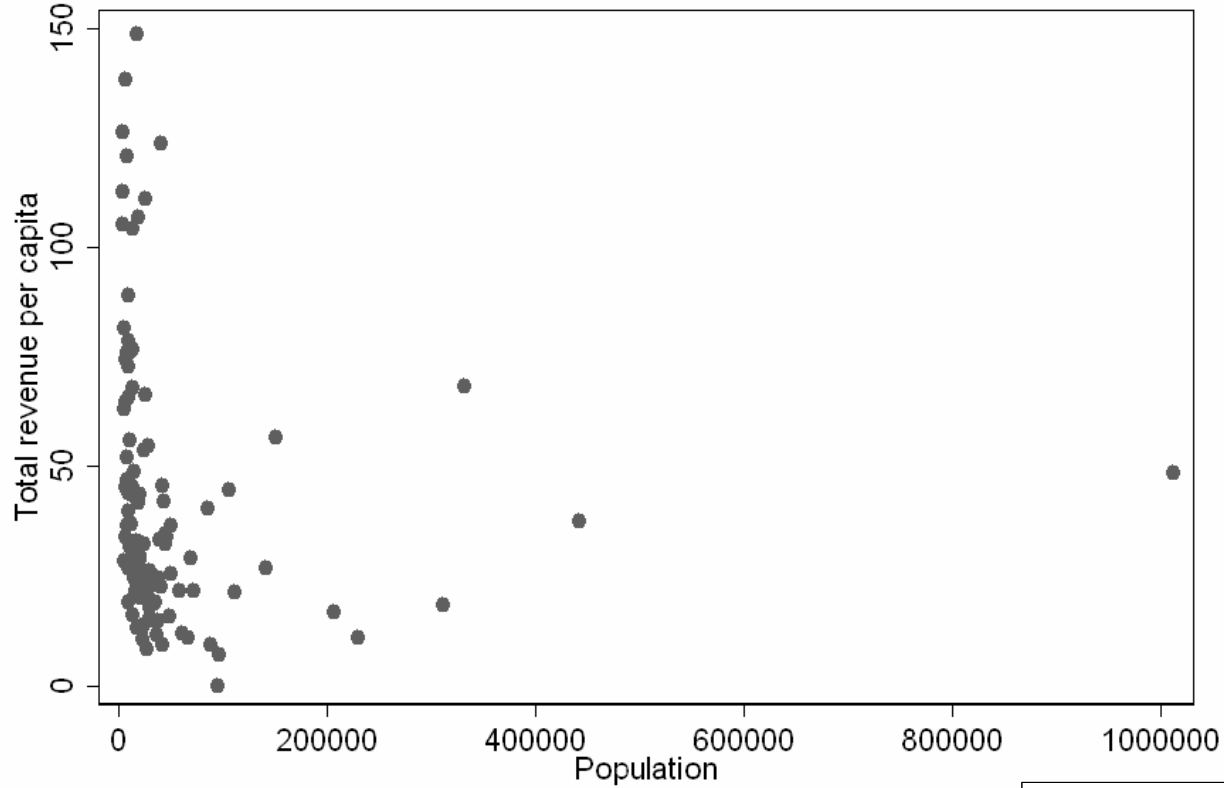
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# Facilities Requiring Inspection and Land Area

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MA101_35gB

Predicting Local Based on State and Federal

Variable	Coefficient		Standard Error	t
Per capita federal + state revenue	0.485528	***	0.147315	3.30
Area	0.000466		0.015324	0.03
Area^2	-0.000009		0.000011	-0.82
Facilities	0.018226	**	0.008756	2.08
Facilities^2	-0.000004	*	0.000002	-1.72
Population	-0.000085	*	0.000044	-1.91
Population^2	1.01e-10	**	3.90e-11	2.60
Constant	13.883780	**	6.258329	2.22

N=115; F(7,107) = 6.02; Prob > F = 0.0000; R^2=0.2826; Adjusted R^2=0.2356
***p>|t| < .01; ** p>|t| < .05; * p>|t| < .10

# Predicting Local Based on State and Federal
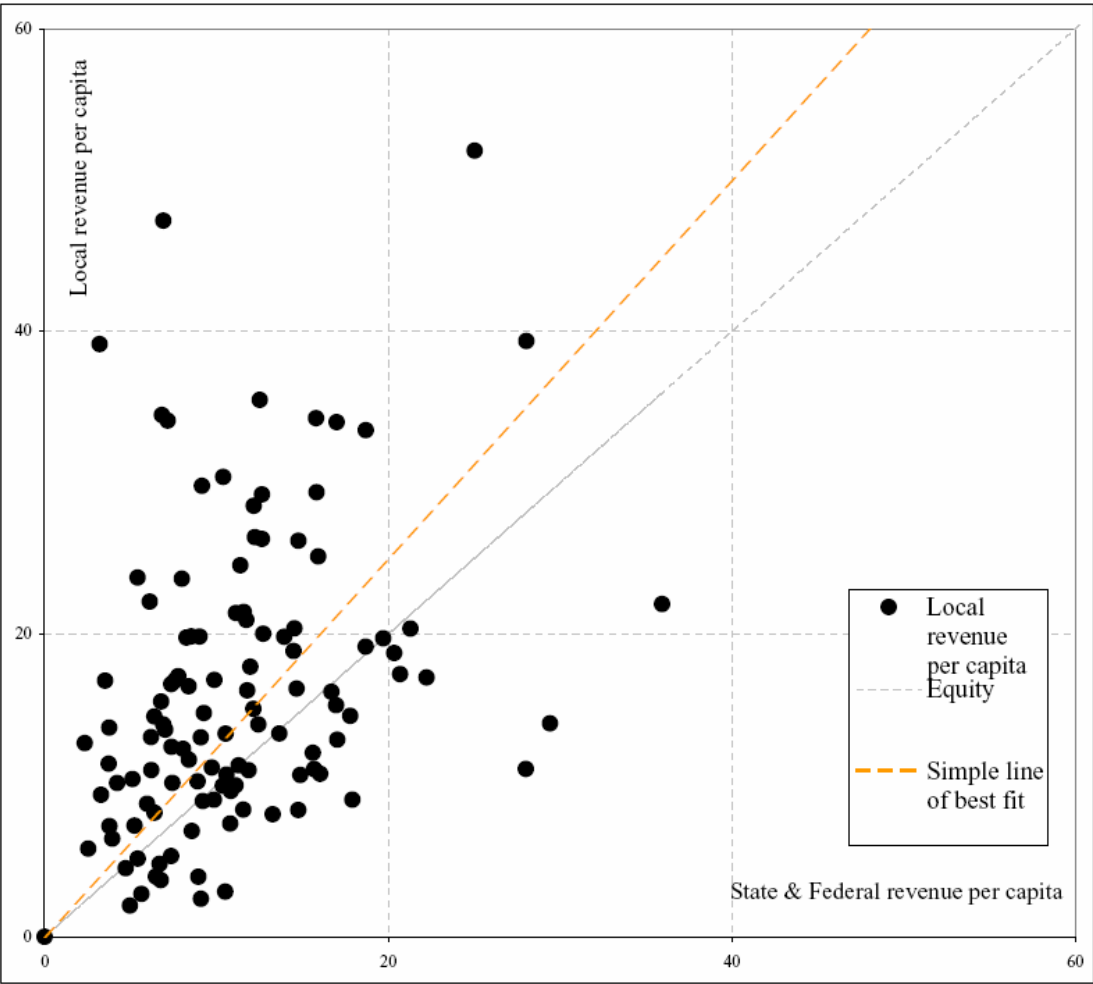
Predicting Local Funding Breakdown

	Coefficient		Standard Error	t
Per capita revenues (excluding taxes)	0.080357	**	0.035093	2.29
Area	-0.019830		0.013359	-1.48
$Area^2$	0.000004		9.95E-06	0.40
Facilities	0.015628	*	0.007903	1.98
$Facilities^2$	-0.000003		2.20E-06	-1.58
Population	-0.000084	**	0.000039	-2.15
$Population^2$	9.56 E-11	***	3.49E-11	2.74
Constant	21.744830		4.716920	4.61

N=115; F(7,107) = 5.61; Prob > F = 0.0000; R2=0.2685; Adjusted R2=0.2207
***p>|t| < .01; ** p>|t| < .05; * p>|t| < .10

Predicting Local Funding Breakdown
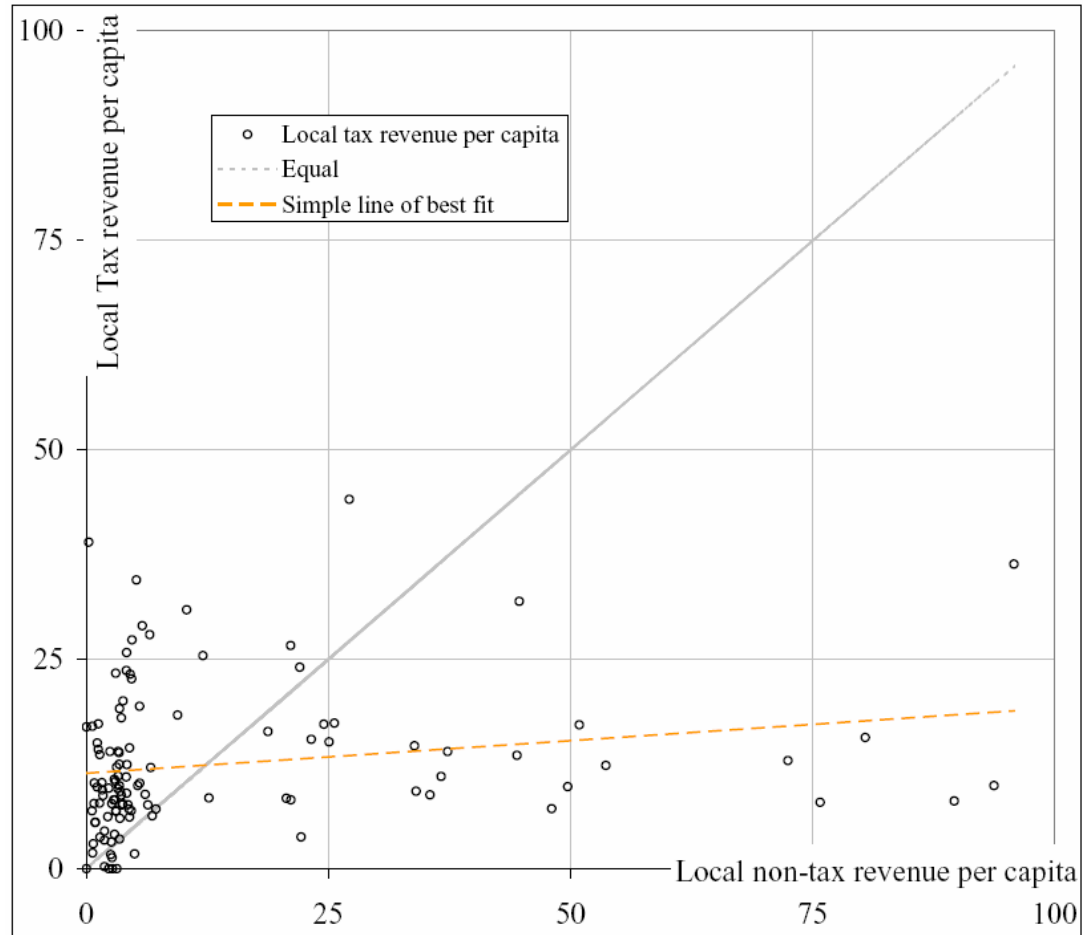
Key Points

- Higher levels of state and federal funding associated with higher levels of locally-generated funds.

- Within localities, there is no offset with higher funds from one area being used to affect reductions in tax-based funding.

- Future study
    - Get program funding rules in order to compute exact percentage increase that can be attributed to matching requirements.
    - Time series to detect trends over time.
    - Duplicate in other states

Per capita GIA