

CHAMPAIGN COUNTY BOARD OF HEALTH

Study Session
Tuesday, July 14, 2009, 6:00 p.m.

Call to Order & Roll Call

The Board of Health held a study session on July 14, 2009 in the Jennifer K. Putman Meeting Room at the Brookens Administrative Center, 1776 East Washington, Urbana. The meeting was called to order at 6:03 p.m. by Julian Rappaport. Board members Mark Huls, John Peterson, Cheryl Ramirez, Julian Rappaport, and Bobbi Scholze were present at the time of roll call. Betty Segal and Stan James arrived after roll call. Absent Board members were Brenda Anderson and Prashanth Gowda. The staff member present was Kat Bork (Board of Health Secretary). Also present were Peg Boyce (Smile Healthy Board of Directors Member), Deb Busey (County Administrator), and C. Pius Weibel (County Board Chair and CUPHD Board Member).

Approval of Agenda/Addendum

MOTION by Peterson to approve the agenda; seconded by Scholze. **Motion carried with all ayes.**

Public Participation

There was no public participation.

Board of Health Budget Discussion

Rappaport stated his intention for the session was to have a realistic discussion of how much money the BOH has in FY2010 and how much it could afford to spend at different rates. He also wanted Weibel to know the same things the BOH knows because Rappaport felt there has been communication confusion between CUPHD and the BOH.

Segal entered the meeting at 6:06 p.m.

Rappaport continued to explain his major intention was for the BOH to come to some communicated understanding of the dollars it has to distribute.

James entered at the meeting at 6:07 p.m.

Rappaport also wanted to know what the BOH's future would look like under various spending scenarios and how soon it would run out of money if it spent at the rate requested by various agencies. He asked Busey to spell out the possible scenarios and encouraged the BOH and Weibel to have an open discussion. Busey distributed two documents, the first being FY2010 proposed budget set at the last meeting. The proposed budget eliminated the Senior Wellness Program run by the Regional Planning Commission and the Mobile Unit Program run by CUPHD. The remaining agencies submitted budget requests with expenditures in excess of the BOH's revenue, so the BOH evenly distributed cuts to the budget requests of 16.59% to end

with a balanced budget. The second page shows the FY2010 budget with Mental Health Board (MHB) joint Crisis Nursery program pulled out of the operating expenses and funded out of the BOH fund balance. The cuts to other remaining programs would be 14% instead of 16.59%. This approach would mean the BOH is spending in excess of its revenue next year. The joint MHB program funding of \$25,000 would be appropriated out of the fund balance as a short-term, special initiative program. The FY2010 budget assumes ongoing funding of the CUPHD contract and Smile Healthy program at dollar values less than what those agencies requested so the BOH could remain within its revenue authority.

James was apprehensive about singling out the Crisis Nursery program funded with the MHB because the BOH is cutting funding to the other programs, including two which were entirely eliminated. He preferred an approach that was fair to all agencies. James pointed out the budget is not really reduced because the MHB funding is coming out of the reserve. He stressed that the H1N1 vaccination costs are unknown and could dramatically affect the fund balance. Ramirez requested an estimate of the worst case scenario costs related to H1N1. Weibel said he asked the same question at the CUPHD Board meeting yesterday and the staff did not have a good idea. The costs will all be labor and travel related to administering the vaccine. The vaccine and materials are usually provided by the state. Vaccinating children would be a priority. Ramirez wanted to know at least a ballpark figure. Weibel said the problem was CUPHD had to go out to the public to administer the vaccine, whereas it would be better if everyone came to CUPHD. Rappaport learned today via Carol Elliott that Julie Prude wanted her to communicate to the BOH that any vaccine costs are not included in CUPHD's budget request. Rappaport assumes that means CUPHD will ask the BOH to cover those additional costs. Ramirez indicated that is why the money is being placed in reserve. In response to Rappaport's question, Busey stated the fund balance amount was \$313,859 and the fund balance goal was \$185,600. This means the BOH has \$128,245 in its fund that it could appropriate. Rappaport said the proposed CUPHD budget is about \$725,000. In the conversations up to this point, BOH has been discussing reductions to the budget with no response from CUPHD that they would be willing to provide reduced services with a smaller budget. Scholze noted CUPHD has asked for an increase in benefits at a time when the BOH is struggling with budget cuts. Rappaport said he saw several things in the CUPHD budget request when he and James spoke yesterday, including that the BOH is being asked to pay a higher indirect cost than CUPHD charges itself. James had made a point that going line by line through the budget would not be the most beneficial. Rappaport wanted to point out that so far the BOH is talking to itself about the budget and they would quickly run out of money.

Busey drew the Board's attention to the document she prepared that showed the effect of fully funding the CUPHD and Smile Healthy FY2010 budget requests, continuing to fund the clerical support services the BOH must have, and nothing else. Busey projected the fund balance with the CUPHD and Smile Healthy expenses increasing annually at a conservative 2% rate and an annual property tax revenue growth of 2.5%. From FY2010 forward, the BOH would be spending more than it is receiving in revenue with just those two programs. The fund balance would be completely depleted in two years. Clearly, the BOH cannot take that approach. The next page of charts shows what happens if the CUPHD contract and BOH clerical support services are the only things funded by the BOH with the same assumptions for growth. The BOH would basically have a balanced budget only funding those two things. Weibel asked how

much BOH clerical services cost. Busey said it was approximately \$6,000 a year. She noted the BOH is also paying administrative support to CUPHD in excess of \$100,000 a year, yet CUPHD was not providing clerical support for the BOH. Bork noted the BOH only pays her for the number of hours she actually works.

Rappaport concluded if the BOH went to the model where it essentially gave all its revenue to CUPHD, then there would be little point to actually having a County Board of Health since it would have no decisions to make and no policy to implement. This may ultimately be a discussion with the County Board, CUPHD Board and BOH as to whether they actually want an active County Board of Health. James commented the BOH basically understands what the core services are, but there are questions about the scope of those services. He acknowledged it was a difficult issue to tackle because none of the members have the time to analyze the numbers and determine what the BOH is receiving for its money. He asked Weibel if he had any insight as to whether the BOH is being charged a fair rate. Weibel replied he had not looked at it in any great detail and it was a good question. James focused on the issue of what services the BOH is legally obligated to do and whether the BOH has to meet that obligation before it farms out to other entities. In his mind, the BOH should have the right to farm out to other entities once it has met the basics of its legal obligations, which he felt the BOH has. He believes in presenting agencies with a dollar figure the BOH can afford and asking the agencies to respond as to whether they could work within that amount. If the agencies could not work within the set amount, he wanted to know why. James understood agencies are affected by increased benefits costs, but it is up to the agency to decide how to react the issue. He thought the BOH should make cuts to unnecessary services where it can, while ensuring the BOH is meeting the core services. He thought the BOH was meeting the core service standards, but was not sure if the BOH was going overboard with the services. Since the BOH has presented a fair budget and CUPHD has not responded, he would rather keep the budget as proposed without any more fine-tuning that spends the fund balance. He pointed out other boards are making cuts due to current economic conditions, including the County Board.

Scholze did not think the Board has consensus about the core services issue and the intent of the law. There are questions concerning what level of service is required by law and what is the limit to those services. Scholze felt that CUPHD will always have need for more money to use towards public health services than the BOH can afford to give because the need for services is constant. She felt CUPHD staff were unquestionably professional and know the business of public health. However, the BOH is struggling to make decisions about budget cuts and the Board is not able to have a good conversation with CUPHD about the services. At some point, CUPHD has to make decisions about what services they are going to cut. While Scholze is sympathetic to the budget strain CUPHD is facing, she noted the other agencies responded with plans of how they would manage the programs within the budget cuts. She was not inclined to turn over all the BOH money to CUPHD because of the all or nothing approach to services that was stated at the last meeting.

Peterson asked Weibel about the impact of funding cuts to CUPHD. Weibel said the grant funding is dropping and CUPHD is somewhat preparing for impacts. The funding cuts have not hit CUPHD yet, but Weibel thought it is likely something would happen when the state budget is finalized. Rappaport said the BOH budget is based on receiving the same amount from

the Local Health Protection Grant. It is possible the Local Health Protection Grant will be reduced or disappear completely. Weibel stated CUPHD is facing the same issue. Rappaport said when the BOH tries to figure out how to be a public health board and have a conversation with CUPHD staff, they basically get a flat out demand, sometimes nicely stated, instead of a conversation. He did not get a sense the BOH could negotiate with CUPHD staff and it might be inappropriate for the BOH to negotiate with CUPHD staff when it is appropriate to negotiate with the CUPHD Board. Rappaport thought the BOH might need to have conversations with the CUPHD Board about the policy regarding what kind of public health services make sense in the County given the BOH's resources and CUPHD's interest. He felt these discussions should occur between the two boards and then be implemented by the staff. He would want to know from staff what would be the best level of service that could be provided for a budget set by the BOH. He noted the BOH could not tell CUPHD staff what to do because they are CUPHD's staff, not the BOH's staff. Instead, the BOH needed some way to communicate with the CUPHD Board. Weibel stated the CUPHD Board does not make a lot of policies that affect what the staff does because the staff is largely controlled by Springfield. The CUPHD Board accepts the grants that come in and spends most of its time dealing with personnel policy and physical plant issues. Most of what CUPHD staff does is directed by policies that come out of Springfield. He noted the BOH is unique because it has no staff to speak of, so it does not have the personnel issues that CUPHD has to deal with on a regular basis. He stated the CUPHD Board does not direct the staff because it has an Administrator who knows what the staff should be doing and provides that direction to staff. Peterson thought the CUPHD Board really did not have a strong idea of what the state budgetary impacts on the agency would be and Weibel concurred. He noted more than half of the CUPHD budget is dependent on grants.

James looks at the budget process as a negotiation because everyone has to make cuts in the current economic climate, so there has to be some compromise. The BOH wants to be sure it is fulfilling its duty the way it was intended. He thought the BOH did not have an idea of whether they are fulfilling that duty because the Board is not clear as to what core services it does have to provide. James explained the BOH was looking for a response from CUPHD saying that they could live with the reduced budget and where the cuts would be made. There were some areas of the CUPHD budget that James had questions about and he realized there were things the BOH was not being charged for in the past, but felt there was still room to negotiate. He noted the Regional Planning Commission is not here objecting to the budget cut, they are swallowing it and moving on. He wanted to hear a plan from CUPHD. Weibel said the BOH had not formally presented anything to CUPHD. James stated Julie Pryde and Carol Elliott were present at the meeting when the BOH proposed the FY2010 budget with program cuts. Rappaport and Busey confirmed a letter was sent to Carol Elliott and copied to the entire CUPHD Board giving the specific dollar amounts the BOH approved based on the FY2010 request by CUPHD. The letter also asked for a joint meeting and since that request was not granted, the BOH hoped the CUPHD Board would respond regarding the proposed budget. Weibel replied the two boards had not found a good time to hold a joint meeting. James said the CUPHD Board could meet by itself and respond as to whether the proposed budget was livable, especially with potential H1N1 costs. Weibel said the issue has not been on a CUPHD Board agenda yet and he cannot talk to Elliott outside of a meeting because of the Open Meetings Act. Busey and James discussed fund balance goal set at the June meeting. James thought the BOH could consider whether it wanted to expend the money in the fund balance that is in excess of the

goal. The BOH does not have to spend this money, but it could look at expenditure requests from any agency later in the year. Busey advised that any expenditure of the fund balance in excess of the goal should be limited to one-time expenses and not built into the operating expenses.

Rappaport wanted Weibel to be aware that when the BOH's legal counsel reviewed the statutes concerning core services, the definition of a core service is clear but how much core service a public health department must provide is interpretable. If it comes to point that the BOH cannot meet the core services, it can be negotiated with the Illinois Department of Public Health. He felt if CUPHD informs the BOH what the best level of service they can provide for the proposed budget figure and the BOH is worried the level will not meet the core services requirement; the BOH would be willing to negotiate with IDPH. Weibel acknowledged he was familiar with that information and thought IDPH would tell the BOH to figure it out themselves. He thought IDPH would only be concerned with cases where a public health department is completely out of money. Rappaport asked if the BOH's certification was at risk. Weibel could not answer and was unfamiliar with the certification process.

Peterson stated a large potential cut would be to perform two Type-1 restaurant inspections rather than three because Environmental Health is the biggest deficit area. James concurred there were ways to make cuts while continuing providing the services, even though the services would not be at the ideal level. Scholze felt the Administrator's job was to make recommendations where reasonable cuts could be made without really harming services because she knows the public health regulations better than the Board. The BOH relies on the Administrator for this expertise and Scholze felt they have not received it. Rappaport respectfully asked Weibel or the CUPHD staff to look at the indirect or overhead costs being charged to BOH. Rappaport said the BOH was willing to pay a fair share, but indirect costs can usually be negotiated. James wanted the two boards to work together to meet the public health needs in Champaign County.

Ramirez stated at the last meeting Elliott suggested CUPHD may not accept the proposed budget. Ramirez understood this to mean the BOH would have to go elsewhere for core services. She asked Rappaport if Elliott had ever given him a sense during their conversations of what that dollar threshold might be. Rappaport indicated Elliott has not informed him what that dollar amount might be. Ramirez felt the BOH needed a response from CUPHD regarding the proposed budget before they can move forward. James suggested other options should be on the table for comparison. Ramirez said the BOH, as a responsible board, has to look into a Plan B if there is a possibility CUPHD would not provide the services. The BOH discussed the budget development to this point. The Board agreed it needed to hear a response from CUPHD before moving forward.

Huls suggested asking CUPHD again for a response to the proposed budget. Rappaport had written and verbal communications with Carol Elliott. During these communications she indicated she did not want to have a joint study session in the absence of CUPHD's staff or their lawyer. He wanted to have conversation between the two boards so both entities would understand their respective positions. Rappaport explained to Weibel his opinion that the boards should communicate because while it is unclear what the BOH's relationship is to CUPHD staff.

While Julie Pryde is the BOH's Administrator on paper, Rappaport felt the position was structurally in a conflict of interest. On one hand the CUPHD Administrator should try to get the most revenue possible for CUPHD to ensure it functions well, but on the other hand the BOH to trying to obtain services from CUPHD in the most cost effective manner for its budget. If each entity had a separate Administrator, then they could be negotiating with each another. Rappaport said it was a policy issue to determine what kind of public health system Champaign County should have. He asked how the two boards could work together in a better fashion for the purpose of good government and good public health. He asked for the CUPHD Board to engage with the BOH. Weibel stated the CUPHD Board did not say no and advised the BOH to not take the fact that Elliott asked to have their attorney present as a threat. Weibel often takes the one of the Assistant State's Attorneys with him to grievance hearings to have a lawyer interpret the contract. James expressed that staff can be more knowledgeable about the budget numbers than board members, giving the example of Busey's role as County Administrator to the County Board. He understood why the CUPHD Board wanted to have its staff present to give input. James thought Pryde was being fair in a difficult situation. Rappaport said he would be trying to get a reduction in the indirect costs charged by CUPHD if he was the BOH's Administrator.

Busey spoke about the contractual relationship between the two boards. In Illinois, the boards could enter into an intergovernmental agreement what would enable the CUPHD Board and the BOH to have a joint Administrator. An example can be seen with the Champaign County Mental Health Board and Developmental Disabilities Board. Those two boards have an intergovernmental agreement and a single Administrator serves both boards. The Mental Health Board and Developmental Disabilities Board have created a structure which enables one person to act as Administrator to both. The BOH and CUPHD Board do not have such a structure, instead the CUPHD Administrator is put in a no-win situation. The structure between the boards should be a public conversation about what could be accomplished differently if the CUPHD Board and BOH worked together through an intergovernmental agreement instead of one board contracting with another for services. The BOH supported exploring that idea. Rappaport said the boards can agree to change contract at any time. Huls suggested the national economic situation has made now the right time to have this conversation. Rappaport acknowledged the BOH was interested, but they had to have a willing partner in the conversation. Huls asked Weibel if this could happen. Weibel said maybe they could and hypothesized the boards would have to have develop an intergovernmental agreement and vote on it. The BOH discussed the possibilities of an intergovernmental agreement with the CUPHD Board.

Returning to the budget issue, Scholze suggested requesting a reply on the proposed budget from the CUPHD Board by a set deadline. James suggested Rappaport send a letter to CUPHD asking for a response by the BOH's July meeting so the BOH knows how to proceed with its budget. BOH discussed holding a joint study session or meeting with the CUPHD Board as it moves towards its budget deadline. James hoped Weibel would share the information from tonight's study session with the other CUPHD Board members. Weibel said he could not do so until the next CUPHD Board meeting. The BOH discussed the history with CUPHD and looking forward with the budget. Scholze asked what would happen if CUPHD does not respond to the letter. Weibel suggested talking to Pryde instead of sending a letter. Rappaport was willing to have the conversation, but James preferred having something in writing. Scholze wanted to have a plan in place for the worst case scenario because the BOH might have to apply for a waiver

from the state. James suggested talking to Susan McGrath to understand the legal options. Scholze said that information was included in McGrath's recent legal opinion on core services.

Rappaport appreciated Weibel's willingness to be present to hear what is going on in the BOH members' minds and understand what is driving them.

Adjournment

The meeting was adjourned at 7:15 p.m.

Respectfully submitted,

Kat Bork
Board of Health Secretary

Secy's note: The minutes reflect the order of the agenda and may not necessarily reflect the order of business conducted at the meeting.