



Contractual Mechanisms for Determining City Shares of Local Public Health Services in Recently Consolidated Local Health Departments (LHDs)[©]

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The Issue:

How are city shares of funding for public health services determined in recently consolidated LHDs in Ohio?

Background

Ohio law gives communities discretion regarding how their public health services are financed. Thus, when a city-county LHD consolidation is negotiated through a contract and/or merger, the share of funding from the two jurisdictions needs to be determined.

Methods

To arrive at the findings presented here, we:

- Reviewed 15 consolidation contracts from a sample of 20 LHDs that had consolidated since 2002.
- Queried health officials from LHDs that had consolidated from 1999-2012.

Findings

Our investigations revealed three mechanisms for establishing city shares of local public health funding:

- Determine city share based on an established proportion of assessed property valuation. Eight of the fifteen (53%) consolidated LHDs in our sample used this method. This assessment of property valuation can be sub-categorized into two types:
 - Inside Millage: six of eight (75%) used this method.
 - “Inside millage” is millage that can be assessed without a public vote.
 - Public Health Levy: two of eight (25%) used this method.
 - A “Public Health Levy” is a tax on assessed property valuation that is voted on by citizens.
- Determine city share based on negotiated fixed dollar amount to determine the costs to the consolidating cities. Five of fifteen (33%) consolidated LHDs in our sample used this method.
- Determine city share based on a per capita payment arrangement. Two of fifteen (13%) consolidated LHDs in our sample used this method. Marion Public Health (MPH) is now considering this method.

More detailed information is provided in the Table on the following page

***A Review of Available Ohio LHD Consolidation Contracts:
Mechanisms for Determining City Shares & Related Notes***

| Consolidation | Mechanism Determining City Share | Year of Consolidation | Year of Contract Reviewed by KSU-CPPH* | Amount of Payment &/or Other Notable Features of the Contract |
|------------------------------|---|------------------------------|---|---|
| Clark-New Carlisle | Assessed Valuation – PH Levy | 2005 | 2004* | Payment equals the city’s 1 mil human services levy. |
| Portage-Ravenna | Assessed Valuation- PH Levy | 2013 | 2013 | \$30k +, one-half year implementation for 2013. |
| Cuyahoga-Lakewood | Assessed Valuation – Inside Millage | 2008 | 2008 | \$228,777 |
| Mahoning-Campbell | Assessed Valuation – Inside Millage | 2003 | 2003 | “Amount determined by a rate of inside millage equal to the rate paid by other political subdivisions in the general health district.” |
| Mahoning-Struthers | Assessed Valuation- Inside Millage | 2009 | 2012* | “Amount determined by a rate of inside millage equal to the rate paid by other political sub-divisions comprising the general health district.” |
| Summit-Barberton | Assessed Valuation- Inside Millage | 2010 | 2010 | “apportionment on the basis of taxable valuations among each political subdivision” |
| Summit-Norton | Assessed Valuation- Inside Millage | 2009 | 2009 | “apportionment on the basis of taxable valuations among each political subdivision” |
| Hamilton-Reading | Assessed Valuation- Inside Millage | 2003 | 2012* | \$10,990.80, and future year payments shall be made on the same basis as the assessment to Townships and Villages. |
| Hamilton-Indian Hill | Fixed dollar amount | 2006 | 2012* | \$39,662.19, according to the CFO, this figure is actually based on assessed valuation. |
| Crawford-Bucyrus | Fixed dollar amount | 2002 | 2001* | \$174,000, plus subsidies & other funds to Bucyrus for PH services. Amount to be reduced by PH levy collected on property. |
| Fairfield-Lancaster | Fixed dollar amount | 2002 | 2011* | \$247,000 – with additional charges for nuisance abatements. |
| Licking-Newark | Fixed dollar amount | 2008 | 2012* | \$788,000. Proceeds from levies may be used to reduce this amount. Newark may continue general fund payments above this amount. |
| Summit-Akron | Fixed dollar amount | 2011 | 2010* | Not to exceed \$5.337M in 2011, but with addition of a one-time \$150,000 payment. Subsequent revision reported by the CFO created a contract amount of 1.25 times total property taxes assessed to all other jurisdictions, effective in 2014. |
| Franklin-Bexley | Per-capita payment | 2007 | 2007 | Per capita rate of \$5.13, not to exceed \$67,993 in 2007. Extra charge for nuisance abatements. County receives state subsidy funds for Bexley. |
| Franklin-Pickerington | Per-capita payment | 2010 | 2010 | Per capita rate of \$5.73, not to exceed \$81,142 for 2010. Extra charge for nuisance abatements. |

Source(s): Reviews of 15 consolidation contracts involving city and county LHDs in Ohio between 2002 and 2013, with supplemental information provided from through queries made to recently consolidated LHDs, discussions with their Health Commissioners, and other sources.

*These are the years the contracts reviewed by KSU-CPPH staff were signed by the participating jurisdictions. As can be seen above, a number of these contracts were signed the year before the actual consolidation came into effect. In other cases, we reviewed contracts put in place after the consolidation occurred.