



# PHEP Funding Formula Recommended Revisions Overview

FOR FIVE-YEAR PROJECT PERIOD BEGINNING JULY 1, 2017  
APPROVED BY SCHSAC SEPTEMBER 28, 2016

## Background on Public Health Emergency Preparedness (PHEP) Funding

- Federal funds allocated to states by CDC
- Five-year funding project periods (new cycle begins July 1, 2017)
- PHEP grant requirements include responsibilities for both state and local public health
- MDH administers the grant for Minnesota
- Minnesota funding split between state and local was reviewed by State Community Health Services Advisory Committee (SCHSAC) in 2015
- PHEP funding formula used to distribute local share among community health boards
- Note: Tribes also receive PHEP funding; different process than community health boards
- Community health board responsibilities
  - “Prepare and respond to emergencies”  
Public health emergency preparedness is one of the six areas of public health responsibility required by Local Public Health Act – Minn. Stat. § 145A

## Revised PHEP Funding Formula for Community Health Boards Approved by SCHSAC, September 2015

- SCHSAC directed SCHSAC PHEP Oversight Group to review the implementation of the new formula
- The subgroup carefully examined all the funding formula components
- Significant emphasis placed on minimizing large swings (up or down) in funding awards
- Establish a formula that was flexible enough to be used for the entire five-year project period
- PHEP Oversight Group formed a Funding Formula Subcommittee Spring 2016
  - Members from single-county/city community health boards: Robert Einweck (St. Paul-Ramsey), Pam Blixt (Minneapolis)
  - Members from multi-county community health boards: Sharon Braaten (Horizon), Jim Gangl (Carlton-Cook-Lake-St. Louis), Gloria Tobias (Countryside)

## Recommendations from the SCHSAC PHEP Oversight Group

Decisions of the PHEP Oversight Group to modify the current formula components of base, population, collaboration, benchmarks and SVI are as follows:

Maintain these formula components:

- Base
- Population

Drop these formula components: Collaboration and Benchmark scores

- Documentation and calculation of these scores were burdensome to local and state staff
- Minimal impact on funding awards

Revise this formula component: Social Vulnerability Index (SVI)

- SVI is calculated at the census tract level
- In 2015 Formula, the SVI for multi-county community health boards was arrived at by adding each county's SVI score together.
- Proposed revision: use highest score from the individual county SVIs in multi-county community health boards

New formula component:

- Multi-county community health boards
- Rationale: Takes into account the need to conduct preparedness activities in each county; addresses geography and complexity of working in multiple jurisdictions

## Comparing Current and Recommended Formula

A side-by-side comparison is not technically possible as the two formulas are different in several ways.

1. Different number of community health boards
2. Indirect rates apply for the first two years of the next project period  
With the beginning of a new five-year grant agreement, MDH is required to charge indirect to the first \$25,000; MDH has a currently federally approved rate of 19.07 percent, which results in an amount of \$4,767.50 for each community health board agreement. In order to minimize award decreases due to indirect, this amount will be split between years 1 and 2 of the new five-year agreement. This is one of the advantages to the master contract — indirect only needs to be charged on the first \$25,000 of the total five-year agreement whereas annual agreements would require annual indirect charges.

3. Calculations are based on percentages in the recommended formula.
  - **Current**  
Base: \$8,000 (*a set amount for everyone*)  
Population: 63 percent  
SVI: 10 percent (*additive for multi-county community health boards*)  
Benchmarks: 7 percent  
Collaboration: 11 percent
  - **Recommended**  
Base: 20 percent (*percent instead of set amount*)  
Population: 62 percent  
SVI: 8 percent (*highest county SVI for multi-county community health boards*)  
Multi-county: 10 percent

## Recommendation to SCHSAC from Public Health Preparedness Oversight Group

1. Adopt the recommended funding formula for community health boards for the five-year PHEP grant project period (beginning July 1, 2017 through June 30, 2022)
2. Each community health board will receive PHEP grant funding determined by:
  - 20%: Base
  - 62%: Population
  - 10%: Multi-County Community Health Boards
  - 8%: Social Vulnerability Index (SVI)
3. Furthermore, any change in community health board governing structure after July 1, 2017, results in no net change in funding for the jurisdictions originally part of the community health board for the remainder of the five-year project period. Recalculation based on the new governing structure would happen in the next five-year project period, beginning July 1, 2022.

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Approved by SCHSAC 9/28/2016

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