

## Funding Formula for Allocation of Public Health Modernization Funding to Local Public Health Authorities

June 2025

Under ORS 431.123, the Oregon Public Health Advisory Board (PHAB) is responsible for making recommendations to OHA for developing and modifying the Public Health Modernization funding formula for local public health authorities (LPHAs).

A PHAB subcommittee met between April and June 2024 to recommend updates to the funding formula. PHAB voted on June 13, 2024, to approve the following components of the funding formula for the 2025-27 biennium:

1. No change to base component of the funding formula, including maintaining the floor funding of \$400,000 to each county and using the same set of health and demographic indicators for allocations;
2. Implement matching component of funding formula in 2025 if total funds available to LPHAs through the funding formula increase by five percent; and
3. Activate incentive payments to LPHAs in 2025 based on 2024 performance on Modernization accountability metric process measures with incentive payment pool at 1% of total available funds to LPHAs.

The following visuals describe how Public Health Modernization funding to LPHAs will be distributed in the 2025-2027 biennium with no additional investment (**Scenario 1**) or with at least an additional 5% investment to implement the matching component of the funding formula (**Scenario 2**).

**Table 1** shows available incentive funding for each LPHA and provides an example incentive funding payout scenario based on the number of Public Health Modernization accountability metric process measures met.

**Scenario 1: No additional investment in public health modernization for the 2025-2027 biennium. Matching funds will only be awarded if at least \$2,348,805 (5% of 2023-2025 funding) more funding is available for LPHAs.**

Total LPHA biennial funding level	<b>\$46,976,092 total award for 2025-27</b> (Does not include the \$4,400,000 allocated for regional modernization partnerships)				
Funding formula component	Base funds (\$46,506,331, 99% of funds)		Matching funds N/A	Incentive funds (\$469,761, 1% of funds)	
How funds are allocated	Equal "base floor" payments to each LPHA	Additional allocation to all LPHAs based on funding formula indicators	N/A	Proportion of total incentive funds available to each LPHA based on population size	Incentive funding that is unallocated from LPHAs not meeting all process measures will be redistributed
	31% of base funds	69% of base funds	N/A	Allocation of available incentive funds to each LPHA proportional to number of incentive metrics met	LPHAs that meet more metrics than the average across all LPHAs qualify for unallocated funds
Funding amount	\$14,400,000 (Each county receives \$400,000)	\$32,106,331 (LPHA award based on indicator ranking and county population)	N/A	LPHAs receive unallocated funds proportional to their population among all eligible LPHAs	

**Scenario 2: Additional investment of \$2,348,805 (5% of 2023-2025 LPHA funding) for public health modernization is available for LPHAs. If funding greater than that amount is available for LPHAs, the pot of match fundings will continue to increase at the level of 5% of base + incentive funds.**

Total LPHA biennial funding level	<b>\$49,324,897 total award for 2025-27</b> (Does not include the \$4,400,000 allocated for regional modernization partnerships)				
Funding formula component	<b>Base funds</b> (\$46,506,331, 94% of funds)		<b>Matching funds</b> (\$2,348,805, 5%)	<b>Incentive funds</b> (\$469,761, 1% of funds)	
How funds are allocated	Equal "base floor" payments to each county	Additional allocation to all LPHAs based on funding formula indicators	LPHAs qualify for matching payment if <u>maintain or increase</u> county investment over two-year period	Proportion of total incentive funds available to each LPHA based on population size	Incentive funding that is unallocated from LPHAs not meeting all process measures will be redistributed
	31% of base funds	69% of base funds	Buffer of 3% applied to calculation of county investment to account for standard budget fluctuations	Allocation of available incentive funds to each LPHA proportional to number of incentive metrics met	LPHAs that meet more metrics than the average across all LPHAs qualify for unallocated funds
Funding amount	\$14,400,000 (Each county receives \$400,000)	\$32,106,331 (LPHA award based on indicator ranking and population)	\$2,348,805 (LPHAs receive funds proportional to their population among all eligible LPHAs)	LPHAs receive unallocated funds proportional to their population among all eligible LPHAs	

**Table 1. Incentive funding available for each LPHA and payout example**

Notes:

- The payout amounts shown below are for demonstration purposes only and not a guarantee of funding.
- An LPHA meeting all six of their process measures will receive their entire “population payout” amount.
- Curry and Wallowa Counties are not included because they transferred public health responsibilities to OHA so incentive funding is not applicable.

LPHA	County Population	Population Payout	Payout Per Capita
Baker	16,927	\$ 1,867	\$ 0.11
Benton	99,355	\$ 10,959	\$ 0.11
Clackamas	424,043	\$ 46,773	\$ 0.11
Clatsop	42,095	\$ 4,643	\$ 0.11
Columbia	53,143	\$ 5,862	\$ 0.11
Coos	66,945	\$ 7,384	\$ 0.11
Crook	26,583	\$ 2,932	\$ 0.11
Deschutes	212,141	\$ 23,400	\$ 0.11
Douglas	113,748	\$ 12,547	\$ 0.11
Gilliam	2,062	\$ 227	\$ 0.11
Grant	7,418	\$ 818	\$ 0.11
Harney	7,600	\$ 838	\$ 0.11
Hood River	24,406	\$ 2,692	\$ 0.11
Jackson	222,762	\$ 24,571	\$ 0.11
Jefferson	25,878	\$ 2,854	\$ 0.11
Josephine	88,814	\$ 9,796	\$ 0.11
Klamath	71,919	\$ 7,933	\$ 0.11
Lake	8,562	\$ 944	\$ 0.11
Lane	384,374	\$ 42,397	\$ 0.11
Lincoln	51,930	\$ 5,728	\$ 0.11
Linn	131,984	\$ 14,558	\$ 0.11
Malheur	32,981	\$ 3,638	\$ 0.11
Marion	352,249	\$ 38,854	\$ 0.11
Morrow	13,010	\$ 1,435	\$ 0.11
Multnomah	801,306	\$ 88,386	\$ 0.11
Polk	90,553	\$ 9,988	\$ 0.11
Sherman, Wasco	28,969	\$ 3,195	\$ 0.11
Tillamook	28,000	\$ 3,088	\$ 0.11
Umatilla	81,842	\$ 9,027	\$ 0.11
Union	26,335	\$ 2,905	\$ 0.11
Washington	610,245	\$ 67,311	\$ 0.11
Wheeler	1,533	\$ 169	\$ 0.11
Yamhill	109,743	\$ 12,105	\$ 0.11
<b>Total</b>	<b>4,259,455</b>	<b>\$ 469,828</b>	<b>\$ 0.11</b>

**Baker County Example**

Measures Met	Payout Received	Total Payout	Funds to be Redistributed
1/6	0.17	\$ 311	\$ (1,556)
2/6	0.33	\$ 622	\$ (1,245)
3/6	0.50	\$ 934	\$ (934)
4/6	0.67	\$ 1,245	\$ (622)
5/6	0.83	\$ 1,556	\$ (311)
6/6	1.00	\$ 1,867	\$ -