Background

Federal, state and local government budget cuts are jeopardizing a decade of significant gains made by state and territorial health agencies (SHAs). Critical SHA programs and services have been cut or reduced, staff positions have been eliminated and many staff have been laid off or furloughed.

The Association of State and Territorial Health Officials (ASTHO) has been following this trend since 2008, when it initiated a longitudinal study to investigate the impact of budget cuts on SHAs and the people they serve.

Reduced Workforce Capacity and Programs

SHAs continue to experience budget cuts and job losses, resulting in the reduction or elimination of critical public health programs and services. Figure 1 displays the percentage of SHAs experiencing reduced workforce capacity between July 1 and December 31, 2011 and the percentage of SHAs experiencing reduced workforce capacity since July 2008.

Job Loss

Since July 2008, 91 percent of all SHAs have experienced job losses through a combination of layoffs and attrition. Approximately 17,800 state jobs have been lost in central, local and regional offices.

- About 15,440 state employees in central offices lost their jobs.
- More than 2,360 state employees assigned to local/regional offices lost jobs.
Combining this data with the latest numbers from NACCHO’s survey of local health department job losses and program cuts reveals that more than 52,200 state and local jobs have been lost since 2008. This represents a loss of 17% of the state and territorial public health workforce and a loss of 22% of the local public health workforce.

More than a half (58 percent) of all health agencies imposed furloughs since FY10.

- Since FY10, state employees in central offices took nearly 242,000 furlough days, the equivalent loss of over 1,050 full-time workers.
- Since FY10, state employees assigned to local/regional offices took approximately 5,285 furlough days, the equivalent of 23 full-time workers.

**Budget Cuts**

Forty-eight SHAs (87 percent) have reported budget cuts since July 2008, based on the results of the ASTHO Budget Cuts Surveys (figure 2). The number of SHAs reporting budgets smaller than the previous fiscal year is also displayed in figure 2. With 24 SHAs reporting budget cuts between July 1 and December 31 and three SHAs reporting budget cuts for the first time this survey round, the graph demonstrates that budget cuts are still on the rise.
Cost-Saving Strategies

Since July 2008, SHAs have implemented a variety of cost-saving strategies to cut expenses and reduce layoffs. Strategies used most frequently are travel restrictions, delayed hires, hiring freezes and cutting vacant positions (figure 3). The most common cost-saving strategies in the other category include general operating expense reductions in supplies, training, equipment, nonclient/patient-related services and consolidating local health units.

**Figure 3. Percentage of SHAs Implementing Cost-saving Strategies Feb. 2012 and since July 2008**

- Travel restrictions: 57% cumulative, 67% Feb 2012
- Delayed hires: 67% cumulative, 98% Feb 2012
- Hiring freeze: 46% cumulative, 91% Feb 2012
- Cut vacant positions*: 61% cumulative, 85% Feb 2012
- Furloughs: 7% cumulative, 5% Feb 2012
- Alternative work schedule: 15% cumulative, 4% Feb 2012
- Early retirement options: 9% cumulative, 9% Feb 2012
- Rehiring of retirees: 9% cumulative, 9% Feb 2012
- Agency closures**: 4% cumulative, 4% Feb 2012
- Pre-retirement modifications: 9% cumulative, 9% Feb 2012
- Other: 26% cumulative, 67% Feb 2012

*Data were only collected since FY10.
**Data were only collected since FY11.

A Sample of SHA Program Cuts

Continuous budget cuts are forcing SHAs to eliminate or drastically reduce programs and services aimed at protecting the public’s health. Table 1 lists the programs most frequently cut, as reported since July 2008. Almost half (46%) of SHAs reduced services in the last six months of 2011.
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Table 1. Number and Percentage of SHAs with Program Cuts Since July 2008 by Program Area (N=55)

<table>
<thead>
<tr>
<th>Program Area</th>
<th>Number with Program Cuts</th>
<th>As % of the Whole</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public health hospitals and clinics</td>
<td>24</td>
<td>44%</td>
</tr>
<tr>
<td>HIV, AIDS, and STDs</td>
<td>23</td>
<td>42%</td>
</tr>
<tr>
<td>Family health and nutrition (including WIC)</td>
<td>22</td>
<td>40%</td>
</tr>
<tr>
<td>Disease-specific programs (ALS, Alzheimer’s, Arthritis, Asthma, Cystic Fibrosis, Epilepsy, Genetic Disorders, Hepatitis C, Infectious Diseases, Osteoporosis, Parkinson’s, PKU, Renal Diseases, Sickle Cell, Tuberculosis, Valley Fever)</td>
<td>22</td>
<td>40%</td>
</tr>
<tr>
<td>Tobacco prevention and control</td>
<td>20</td>
<td>36%</td>
</tr>
<tr>
<td>Maternal and child health programs</td>
<td>20</td>
<td>36%</td>
</tr>
<tr>
<td>Prevention programs</td>
<td>18</td>
<td>33%</td>
</tr>
<tr>
<td>Immunization</td>
<td>18</td>
<td>33%</td>
</tr>
<tr>
<td>Family planning services</td>
<td>16</td>
<td>29%</td>
</tr>
<tr>
<td>Children with special healthcare needs</td>
<td>16</td>
<td>29%</td>
</tr>
</tbody>
</table>

Alabama: Reduction in "317" vaccine funds; reduced selected state-supplied vaccines; select vaccines now limited to persons eligible for Vaccines For Children program.

Iowa: Almost all programs reduced due to decreased or same funding, but increased costs. This has limited eligibility, reduced frequency of services, and reduced the number of people served.

Maryland: Closure of one care facility for persons with intellectual disabilities; hospital services for non-citizens reduced; rate cuts to service providers; reduction in equipment and supplies.

Ohio: Reduced program operations for the Zoonosis Program; reduced sub-grants from the Immunization Program due to a loss of general revenue funds; reduced operations for the Epidemiology Program; reduced general supporting operations for the Division of Prevention; reduced the amount of funding to be distributed to sub-grantees for the Bureau of Children and Family Health Services due to the loss of state and federal funding; merged two lead sub-grant programs and reduced the amount of grant funding; reduced the amount of hearing and vision clinic subsidies; reduced the size of the Healthy Child Care Ohio Program; reduced the size of the Regional Infant Hearing Program; phased out developmental evaluation teams with the Help Me Grow Program; reduced the Hospital-Based Regional Child Find grant, which connects families with children who may be eligible for Early Intervention; and reduced Population-Based Birth Defects Surveillance, necessitating a reduction in the time an epidemiologist can spend on birth defects data.
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**Washington:** Family Services Planning: Funding is contracted out for infrastructure and direct services. Tobacco Quit Line Services: Reductions have impacted tobacco cessation services.

**Methods**
ASTHO surveyed 59 SHAs via a Web-based survey that was fielded in November 2008, January 2009, and approximately every six months since then for a total of eight survey rounds thus far. Since 2008, the survey has generated a total of 55 respondents (50 states, four territories and the District of Columbia). In February 2012, 44 states, one territory, and the District of Columbia responded to the survey. Slight changes to the survey instrument were made at various time points. Data analysis was conducted using SPSS statistical software.

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