

**Staff Report**  
**Board Meeting Date: 02.26.26**

**DATE:** February 18, 2026  
**TO:** District Board of Health  
**FROM:** Jack Zenteno, Administrative Health Services Officer  
775-328-2417, jzenteno@nnph.org  
**SUBJECT:** Approval of the Fiscal Year 2027 (July 1, 2026-June 30, 2027) Budget

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**SUMMARY**

This Staff Report presents the Northern Nevada Public Health (NNPH) proposed budget for Fiscal Year 2027 (July 1, 2026 – June 30, 2027). The proposed budget outlines anticipated revenues and expenditures supporting 35 programs and activities and authorizes 194.99 Full-Time Equivalent (FTE) positions to deliver public health services to Washoe County residents.

Total proposed revenues, including the County General Fund transfer, are \$31,606,655. This amount reflects an additional \$1,000,000 in County support, increasing the total County General Fund transfer to \$11,516,856. Total proposed expenditures are \$36,094,436, with an additional \$193,208 in Transfers Out, resulting in planned deficit spending of \$4,680,989. Despite this planned use of fund balance, the budget maintains an estimated ending fund balance of \$5,016,159, representing 13.9% of total expenditures and remaining within County guidelines for Special Revenue Funds.

The proposed budget includes an above-base request of \$1,000,000 in additional County General Fund support to help sustain current operations and partially offset rising salary, benefit, and operating costs. While this additional support improves near-term financial stability, NNPH continues to face a structural imbalance, as ongoing operational costs exceed reliable, unrestricted revenue. To reduce expenditures and preserve fund balance, the Department is currently operating with approximately 24 vacant full-time, 2.6 vacant part-time, and 3.39 vacant intermittent hourly positions. Despite these measures, NNPH remains dependent on restricted, one-time, and time-limited funding sources that cannot be used to sustain core public health infrastructure and mandated services on a long-term basis.

Key structural changes reflected in this budget include renaming the Epidemiology and Public Health Preparedness (EPHP) Division to the Population Health Division (PHD), reassigning 20 positions to PHD to reflect this organizational change, and transferring the Chronic Disease and Injury Prevention and Sexual Health Investigations and Outreach programs from Community and Clinical Health Services (CCHS) to PHD to better align programs with divisional responsibilities and improve operational coordination.

**District Health Strategic Priorities supported by this item:**

AGENDA PACKET NO. \_\_\_\_\_

5. **Organizational Capacity:** Strengthen our workforce and increase operational capacity to support a growing population.
6. **Financial Stability:** Enable the Health District to make long-term commitments in areas that will positively impact the community's health by growing reliable sources of income.

## **PREVIOUS ACTION**

On March 6, 2025 the Board of Health Approved the FY 2026 Budget

## **BACKGROUND**

### ***Health District Mission***

To improve and protect our community's quality of life and increase equitable opportunities for better health.

### ***Northern Nevada Public Health Emerging and Strategic Considerations***

Northern Nevada Public Health is operating without a stable, dedicated funding structure. Unlike many core government functions, NNPH does not have a predictable base allocation sufficient to sustain essential public health infrastructure. The department relies heavily on competitive grants and annual discretionary General Fund decisions, creating structural instability in staffing, program continuity, and long-term planning. This funding model presents material risk to the County and the community.

Key strategic and financial considerations include:

### **Chronic Structural Funding Imbalance.**

- Northern Nevada Public Health (NNPH) does not receive a stable, formula-based county appropriation sufficient to sustain its core statutory responsibilities. Essential services including communicable disease surveillance, outbreak investigation, clinical services, environmental health inspections, vector control, and emergency preparedness are ongoing legal and operational obligations. Yet the department must annually seek discretionary county transfers and rely on restricted, time-limited grants to fund these baseline functions. This structural misalignment between permanent responsibilities and non-permanent funding creates recurring fiscal instability and constrains long-term workforce and infrastructure planning. With the expiration of COVID-era funding, NNPH's projected FY2027 funding levels will fall to those experienced during the Great Recession.

### **Overreliance on Restricted and Time-Limited Funding.**

- A substantial portion of NNPH's operating budget is derived from federal and state grants that are categorical, policy-driven, and time-limited. While public health responsibilities originate at the federal and state levels, implementation occurs locally, making NNPH the operational arm for new mandates, reporting requirements, and program expansions. As pandemic-era allocations expire and federal budget uncertainty increases, the department faces a widening gap between its ongoing statutory responsibilities and available unrestricted funding. Many grants restrict use for foundational infrastructure such as administration, information technology systems, financial management, and core epidemiology capacity, even though these functions are essential to executing the funded programs. As federal and state responsibilities are increasingly pushed to

local jurisdictions through pass-through models, NNPH experiences a growing administrative and compliance burden without proportional investment in support capacity. The result is a structurally fragmented funding model in which permanent responsibilities are supported by temporary, restricted revenue sources.

#### Escalating Fixed Cost Obligations Without Corresponding Revenue Growth.

- Personnel costs, including negotiated salary adjustments and increases in retirement contributions, health insurance premiums, and other fringe benefits, continue to rise annually. In addition to salaries, NNPH must absorb growth in employer-paid obligations such as PERS and OPEB contributions, medical coverage, workers' compensation, unemployment insurance, and accrued leave liabilities. Leave balances accumulate over time and represent a long-term financial obligation that must ultimately be paid out upon separation or retirement, further increasing structural personnel costs. Facility expenses, including ongoing expenses for the new TB building, technology licensing, cybersecurity requirements, and data infrastructure investments further compound these fixed obligations. Unlike enterprise functions within county government, NNPH lacks autonomous revenue-adjustment mechanisms sufficient to offset inflationary pressures and cannot independently adjust its primary revenue streams to keep pace with rising costs. Without a stable and growing base revenue source, increasing fixed expenditures will necessitate service reductions, deferred workforce and capital investments, and continued reliance on one-time or temporary funding strategies. Over time, this structural imbalance erodes operational resilience and limits the department's ability to respond effectively to emerging public health threats.

#### Workforce Sustainability and Retention Risk.

- The public health workforce operates in an environment of increasing complexity and evolving public expectations. In response to ongoing funding instability, NNPH has held positions vacant to manage budget constraints, resulting in lean staffing levels across multiple program areas. While fiscally necessary, sustained vacancy management increases workload demands, limits operational redundancy, and places additional pressure on existing staff. Maintaining a highly qualified workforce requires competitive compensation, ongoing professional development, modern technology support, and supportive working conditions. Without stable and predictable funding, the Department faces increased risk of staff turnover, loss of institutional knowledge, and higher recruitment and training costs. Workforce stability is essential to maintaining continuity of operations, program effectiveness, and the Department's ability to deliver core public health services.

#### ***Budget Assumptions – FY27 and Three-Year Projection Period***

The FY27 proposed budget and associated three-year financial projections are based on the following assumptions:

- Federal and State grant revenues will remain at currently awarded or reasonably anticipated levels and will not experience significant reductions beyond those already reflected in the projections.
- State funding supporting NNPH programs will continue throughout the projection period at or near current levels, with no material reductions in ongoing allocations.
- County General Fund support will be sustained throughout the projection period.

- Personnel costs reflect negotiated salary adjustments, current retirement contribution rates, projected health insurance trends, and known employer-paid obligations.
- Vacancy management and expenditure controls will continue as necessary to align ongoing operating costs with available and reasonably anticipated revenue.
- Fund balance will be maintained within County policy guidelines and used in a limited and strategic manner to support short-term financial stability, not to sustain ongoing structural expenditure growth.
- No major public health emergency or unforeseen event requiring significant unbudgeted response expenditures will occur during the projection period.

### ***Fiscal and Operational Risk Outlook (FY27-FY30)***

#### **Federal Retrenchment Risk**

- Potential reductions or restructuring of federal public health funding may decrease available program revenues while compliance and reporting requirements remain in place.

#### **State Pass-Through Compression**

- State-level fiscal constraints or funding reallocations may reduce pass-through resources to local jurisdictions while maintaining or increasing oversight and administrative obligations.

#### **County Fiscal Constraints**

- Washoe County revenue limitations may restrict growth in General Fund support for public health operations.

#### **Structural Personnel Cost Escalation**

- Negotiated salary adjustments, retirement contributions, health insurance premiums, and accrued leave liabilities continue to grow at rates that may outpace revenue growth.

#### **Fund Balance Reliance Risk**

- Use of reserves to support recurring expenditures provides short-term stability but does not resolve structural funding imbalances.

#### **Administrative Burden Expansion**

- Increasing audit, reporting, and compliance requirements place additional strain on administrative and technology infrastructure, often without proportional funding support.

#### **Workforce Sustainability Risk**

- Lean staffing levels, burnout risk, and competitive labor market pressures may increase turnover costs and reduce institutional capacity over time.

#### **Economic Downturn Scenario**

- In a recessionary environment, revenue sources may decline while demand for public health services increases, creating counter-cyclical fiscal pressure.

### ***Interlocal Agreement Establishing Northern Nevada Public Health***

As established in the Health District Interlocal Agreement, Northern Nevada Public Health (NNPH) operates as a Special Revenue Fund within Washoe County. Special Revenue Funds account for revenues that are legally restricted for specified purposes. All revenues and expenditures associated with NNPH's public health functions are accounted for and budgeted within the Health Fund.

Pursuant to the Interlocal Agreement, the Washoe County Board of County Commissioners is required to adopt NNPH's final budget in accordance with the same format, statutory requirements, and timeline applicable to other County departments. The Agreement further requires that a preliminary budget be transmitted to the City Managers of Reno and Sparks and the County Manager for review and comment prior to final adoption. A meeting with the Managers will occur in advance of the March Board meeting. The District Health Officer will present the Managers' comments to the District Board of Health at its regularly scheduled March 2026 meeting as part of the FY27 budget process.

Division Directors and program leadership met with Health Administration to review projected revenues and expenditures through the remainder of FY26 and to identify budgetary requirements and structural considerations for FY27. The proposed FY27 budget reflects those discussions, incorporates updated revenue projections and expenditure assumptions, and aligns with policy direction provided by the District Health Officer.

### ***Activities by Division***

#### **Office of the District Health Officer**

The District Board of Health, the District Health Officer, and NNPH are organized under Chapter 439 of the Nevada Revised Statutes as the public health authority for Washoe County. The Office of the District Health Officer provides administrative direction for NNPH and provides a variety of public health activities based on the needs of Washoe County.

#### **Recent Accomplishments:**

- Achieved National Public Health Reaccreditation, demonstrating continued compliance with rigorous national standards and commitment to quality improvement.
- Successfully advanced AB451, establishing civil liability protections for licensed firearm dealers (FFLs) and local law enforcement agencies when temporarily storing and returning firearms under specified conditions.
- Secured ongoing funding for the 2026–2027 Biennium totaling \$15 million statewide (\$7.5 million annually), with approximately \$1.3 million allocated to NNPH.
- Maintained a strong organizational culture, with 80% of employees recommending NNPH as a great place to work
- Completed the 2026 Community Health Assessment in partnership with Renown Health, engaging more than 200 community partners to identify and prioritize regional health needs.

- Invested over \$350,000 in community initiatives to strengthen public health infrastructure and improve health outcomes for vulnerable populations.
- Implemented a new Communications Support Ticket system to streamline internal communications requests and improve responsiveness and operational efficiency.

Total Full-Time Equivalents: 14

Current Filled Full-Time Equivalents: 10

Total FY 27 Revenues: \$680,548

Total FY 27 Other Revenues: \$1,301,500

Total FY 27 Expenditures: \$4,690,878

### **Administrative Health Services**

Administrative Health Services (AHS) provides centralized administrative leadership and operational oversight for all financial management, human resources, payroll, procurement, grant compliance, contract administration, and technology services activities for Northern Nevada Public Health. As a Special Revenue Fund operating within Washoe County, NNPH must comply with federal Uniform Guidance requirements, Nevada Revised Statutes governing local government finance and purchasing, County Code provisions, audit standards, and grant-specific reporting mandates. AHS is responsible for ensuring compliance with these regulatory frameworks while maintaining internal fiscal controls, monitoring over 60 unique financial activities, managing multi-year grant awards, overseeing contract monitoring, and coordinating budget development and financial reporting.

In addition to financial and compliance oversight, AHS supports department-wide workforce operations, including recruitment, onboarding, classification, labor coordination, benefits administration, leave liability monitoring, payroll processing, and training coordination. AHS also oversees technology infrastructure, cybersecurity compliance, data systems support, and system modernization efforts necessary to meet increasing reporting, surveillance, and interoperability requirements.

### **Recent Accomplishments:**

As external grant requirements expand and categorical funding models become more complex, the administrative and compliance workload within Administrative Health Services (AHS) continues to increase, even as overall program funding fluctuates or declines. Many restricted funding sources do not provide sufficient support for essential administrative, financial, human resources, and technology functions, requiring AHS to strategically manage limited unrestricted resources to sustain department-wide operations. Administrative Health Services provides the financial, human resources, and technology infrastructure necessary to support all NNPH divisions, ensuring fiscal stewardship, audit readiness, regulatory compliance, and the operational continuity required to maintain effective public health services.

Total Program Full-Time Equivalents: 10

Current Filled Program Full-Time Equivalents: 10

Total FY 27 Program Revenues: Administrative Health Services functions as an internal administrative support division and does not generate or receive direct programmatic revenue. Its activities are supported through departmental cost allocation and shared funding sources rather than external revenue streams.

Total FY 27 Program Expenditures: \$2,190,861

### **Air Quality Management**

The Air Quality Management Division (AQMD) protects air quality and safeguards public health throughout Washoe County through comprehensive monitoring, permitting, planning, and regulatory compliance activities. The Division develops and enforces air quality regulations, oversees permitted sources, conducts ambient air monitoring, and ensures adherence to local, state, and federal standards. Through these efforts, AQMD works to reduce pollution, support responsible economic development, strengthen community partnerships, and advance environmental justice while maintaining clean air for current and future residents.

#### **Recent Accomplishments:**

- Achieved an average data capture rate exceeding 92 percent across all parameters at all ambient air monitoring stations, ensuring high-quality and reliable air quality data.
- Completed all corrective actions associated with the 2023 EPA Air Quality Technical Systems Audit, demonstrating full compliance with federal program requirements.
- Finalized and submitted the 2023 EPA Air Quality Triennial Emissions Inventory in accordance with federal reporting standards.
- Processed 99 percent of plan reviews within established jurisdictional timeframes, maintaining regulatory efficiency and predictability for applicants.
- Implemented a revised Annual Fee Process that reduced late payments by 74 percent, increased revenue by 14 percent, and reduced staff processing time through improved billing and collection procedures.

Total Full-Time Equivalents: 22.2

Current Filled Full-Time Equivalents: 21.2

Total FY 27 Revenues: \$4,507,936

Total FY 27 Expenditures: 4,517,537

### **Community and Clinical Health Services**

The Community and Clinical Health Services Division provides direct clinical services, population-based health programs, and coordinated community partnerships to improve health outcomes across Washoe County. The Division delivers comprehensive services through the Family Planning Program, Immunizations Program, Maternal, Child, and Adolescent Health Program, Sexual Health services

including clinic care, partner services, and community testing, the Tuberculosis Program, and the Women, Infants, and Children (WIC) Program. The Community Health Worker Program, along with Community and Clinical Health Administration and Client Billing, supports care coordination, outreach, and operational oversight. Through integrated clinical care, preventive services, and collaboration with healthcare providers and community organizations, the Division works to strengthen the overall health of the community.

**Recent Accomplishments:**

- Successfully supported the transition of the Chronic Disease and Injury Prevention (CDIP) Program and the Sexual Health Program from Community and Clinical Health Services to the Population Health Division, ensuring continuity of services and operational stability during the realignment.
- Established a bidirectional electronic interface with the Nevada State Public Health Laboratory, enabling secure transmission of laboratory orders and results, reducing errors, eliminating paper requisitions, and improving processing efficiency and accuracy.
- Strategically maintained selected vacant positions in anticipation of projected grant reductions or expirations, strengthening fiscal preparedness and mitigating potential mid-year budget disruptions.
- Secured vaccines through the State Opioid Response Fund, allowing the Division to provide no-cost vaccinations to uninsured adults and expand immunization access.
- Implemented syphilis point-of-care testing and added a second point-of-care analyzer for chlamydia and gonorrhea, increasing testing capacity, improving turnaround times, and enhancing patient service delivery.
- Sustained uninterrupted Women, Infants, and Children (WIC) services during the federal government shutdown, ensuring continued support for participants during a period of funding uncertainty.
- Resolved claim denial issues related to incorrect provider type configuration. After updating roster credentials and enabling group-level billing, denied claims were successfully reprocessed, resulting in recovered payments exceeding \$19,000.
- Reduced personnel expenditures by strategically holding vacant positions and reallocating eligible staff time to grant-funded activities, maximizing external revenue and minimizing reliance on unrestricted funds. These actions resulted in a total personnel cost reduction of \$687,932.

Total Full-Time Equivalents: 58.53

Current Filled Full-Time Equivalents: 47.6

Total FY 27 Revenues: \$2,836,490

Total FY 27 Expenditures: \$8,803,705

### **Environmental Health Services**

The Environmental Health Services Division (EHS) leads regulatory and compliance efforts that protect public health across Washoe County while supporting a strong and responsible local business environment. The Division ensures adherence to local, state, and federal laws governing food safety, permitted facilities, waste management, vector-borne disease control, land development, and water safety. Through inspections, permitting, enforcement, and technical review, EHS promotes safe environmental conditions and provides guidance that helps businesses understand and meet regulatory requirements efficiently. By combining oversight with education, technical assistance, and collaboration with industry partners, the Division advances public health protection while facilitating economic activity and supporting sustainable local growth.

#### **Recent Accomplishments:**

- Completed a comprehensive update to septic regulations, incorporating new treatment technologies, reducing variance requirements for standard mitigation measures, and addressing common industry concerns to improve regulatory clarity and efficiency.
- Implemented an online well permitting process and digitized all septic record types within Accela. All septic and well permit applications are now submitted electronically, streamlining intake processes and reducing clerical workload.
- Conducted record levels of stakeholder outreach and industry engagement, including:
  - Launching quarterly Food Inspection Boot Camp workshops to help operators understand inspection criteria and conduct effective self-inspections.
  - Hosting the second annual Food Establishment Permitting Fair in partnership with local agencies at the Neil Road Recreation Center.
  - Presenting at the Safe Drinking Water Conference.
  - Partnering with the Rural Community Assistance Corporation to provide educational well and septic workshops for homeowners.
  - Establishing free weekly office hours to assist new and existing food operators with permitting and operational guidance.
  - Forming the Northern Nevada Food Safety Partnership to enhance regional collaboration.
  - Transitioning realtor outreach programming to a quarterly in-house format to improve efficiency and reach.
- Secured a grant to conduct PFAS sampling at residential wells in Washoe County, allowing NNPH to provide no-cost sampling and educational materials to affected homeowners.
- Negotiated increased contract funding with the Nevada Division of Environmental Protection for both Underground Storage Tank (UST) and Safe Drinking Water (SDW) programs.
- Participated in the NACCHO Mentorship Program, serving as a mentor to two local health jurisdictions and contributing to statewide capacity building.
- Launched a Spanish-language AMC course to improve accessibility and support compliance among regulated operators.

- Partnered with Make the Road Nevada to provide funding and technical assistance to assist local street food vendors in obtaining required permits, licenses, and compliant mobile food equipment.
- Strengthened inspection quality and workforce competency through standardization and re-standardization of nine staff members and implementation of field evaluations, improving inspection consistency and regulatory alignment.
- Completed structured four-month onboarding and training programs for five newly hired staff, including field evaluations, classroom instruction, and required online coursework.
- Supported five staff members in successfully passing the Registered Environmental Health Specialist (REHS) examination, enhancing professional credentialing and technical expertise.
- Enabled staff participation in Conference for Food Safety committees, contributing to national working groups addressing emerging food safety issues.
- Supported completion of the NEHA Leadership Academy by one staff member, culminating in a capstone project to develop a mobile application to track mobile food establishments.

Total Full-Time Equivalents: 45.36

Current Filled Full-Time Equivalents: 39.2

Total FY 27 Revenues: \$6,651,970

Total FY 27 Expenditures \$9,209,464

### **Population Health**

The Population Health Division (PHD) conducts disease surveillance and data analysis to monitor reportable communicable and chronic conditions, identify risk factors, and inform evidence-based disease control strategies. The Division investigates outbreaks, serves as the local registrar for births and deaths, oversees the Emergency Medical Services Program, and maintains readiness for biological events and other public health emergencies.

In FY26, the Division underwent a significant reorganization, including a formal name change from Epidemiology and Public Health Preparedness to the Population Health Division (PHD) to reflect its expanded scope. As part of this transition, PHD integrated the Sexual Health Investigation and Outreach Program and the Chronic Disease and Injury Prevention Program. The Division also reorganized internal operations by consolidating statisticians and informatics functions into a unified Statistics and Informatics Program to promote consistency, efficiency, and standardized data practices across programs.

In response to funding constraints, PHD is currently holding seven vacant positions frozen and has strategically supplemented staffing capacity through full utilization of University of Nevada, Reno graduate assistants, interns, and fellows. The Division has developed informatics automation workflows

to improve efficiency in data management, tracking, and reporting, reducing manual processing time across multiple programs. Additionally, eligible personnel costs have been strategically aligned with new grant funding sources to achieve cost savings and minimize reliance on unrestricted funds.

**Recent Accomplishments:**

- The Population Health Division launched the Respiratory Virus Surveillance Dashboard in Fall 2025. As of January 2026, it is one of the most visited pages on the NNPH website, improving public access to timely respiratory illness data and situational awareness.
- The Division modernized antimicrobial resistance surveillance by developing new dashboards for carbapenem-resistant organisms (CRO) and carbapenemase-producing organisms (CPO). Expanded onboarding of local hospitals to the XDRO registry strengthened detection and monitoring of extensively drug-resistant organisms among patients in Washoe County.
- In collaboration with informatics, statistics, and the Chronic Disease and Injury Prevention team, PHD designed and launched the Chronic Disease and Injury Dashboard, enhancing access to population-level health indicators and trend analysis.
- The Chronic Disease and Injury Prevention team provided education to seven multifamily housing properties and technical assistance to three Reno Housing Authority properties to support implementation of smoke-free and vape-free policies during the current fiscal year.
- Through coordination with the Washoe Suicide Prevention Alliance, the Division supported implementation of a local pilot of The Armory Project, a nationally recognized, evidence-based initiative partnering with firearm owners and retailers to reduce suicide risk.
- The Sexual Health team collaborated with the NNPH Government Affairs Liaison and community stakeholders to support legislation expanding syphilis testing during pregnancy, advancing efforts to reduce congenital syphilis cases in Nevada.
- The Vital Statistics Office completed 53,286 service transactions in 2025, including 46,998 official record issuances, ensuring timely access to essential records for the public.
- The EMS Oversight Program led and coordinated efforts related to amendments to the Ambulance Service Franchise Agreement, supporting system oversight and continuity of emergency medical services.
- The Public Health Preparedness Program procured more than \$350,000 in supplies and equipment to strengthen preparedness capacity among community partners.
- Preparedness staff led a series of coordinated emergency response activities during April and May 2025, culminating in full-scale earthquake response exercises to enhance regional readiness and interagency coordination.

Total Full-Time Equivalents: 44.9

Current Filled Full-Time Equivalents: 37

Total FY 27 Revenues: 4,111,355

Total FY 27 Expenditures: 6,681,991

**Revenue Outlook**

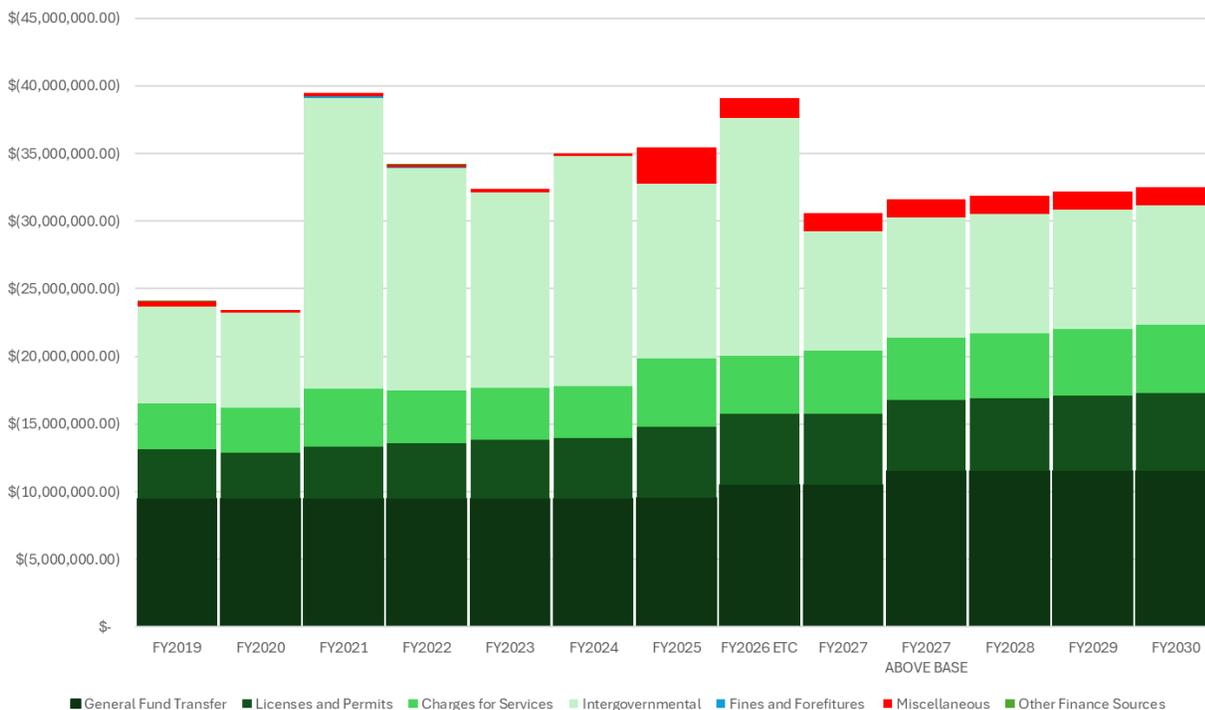
Total FY27 revenues are budgeted at \$31,606,655 and are derived from a combination of County General Fund support, regulatory and service-related fees, intergovernmental funding, and miscellaneous sources. These revenues reflect the diverse funding structure necessary to support departmental operations across multiple program areas. While certain revenue sources, such as fees and permits, are generated through ongoing regulatory and service activities, a significant portion of total funding is received through intergovernmental and categorical sources that are restricted to specific programs and purposes.

Total budgeted revenues are derived from the following sources:

- County General Fund Transfer: .....\$11,516,856
- Licenses and Permits: .....\$5,255,257
- Charges for Services: .....\$4,629,716
- Intergovernmental: .....\$8,854,889
  - Federal and State Grants: ..... \$7,591,406
  - Tire Fees: ..... \$550,000
  - Pollution Control Fees: ..... \$713,484
- Miscellaneous: .....\$1,349,937
  - State Public Health Funds:..... \$1,113,766
  - Non-Governmental Grants:..... \$154,789
  - Other Miscellaneous Revenue: ..... \$81,382
- Total .....31,606,655

The proposed County General Fund contribution of \$11,516,856 includes a \$1,000,000 above-base increase for FY27. This additional funding provides essential support for NNPH’s core operations and administrative infrastructure and helps offset rising personnel, benefit, and operating costs. The above-base request represents a targeted investment to maintain current service levels and stabilize the Department’s primary source of flexible, unrestricted funding. However, a substantial portion of NNPH’s total revenue continues to be derived from restricted, program-specific sources that cannot be used to support foundational operations or long-term operational needs. Continued alignment between stable County support and the Department’s ongoing operational responsibilities remains critical to maintaining financial stability and ensuring the sustained delivery of public health services.

NNPH Revenue by Source: Actual and Projected (FY2019–FY2030)



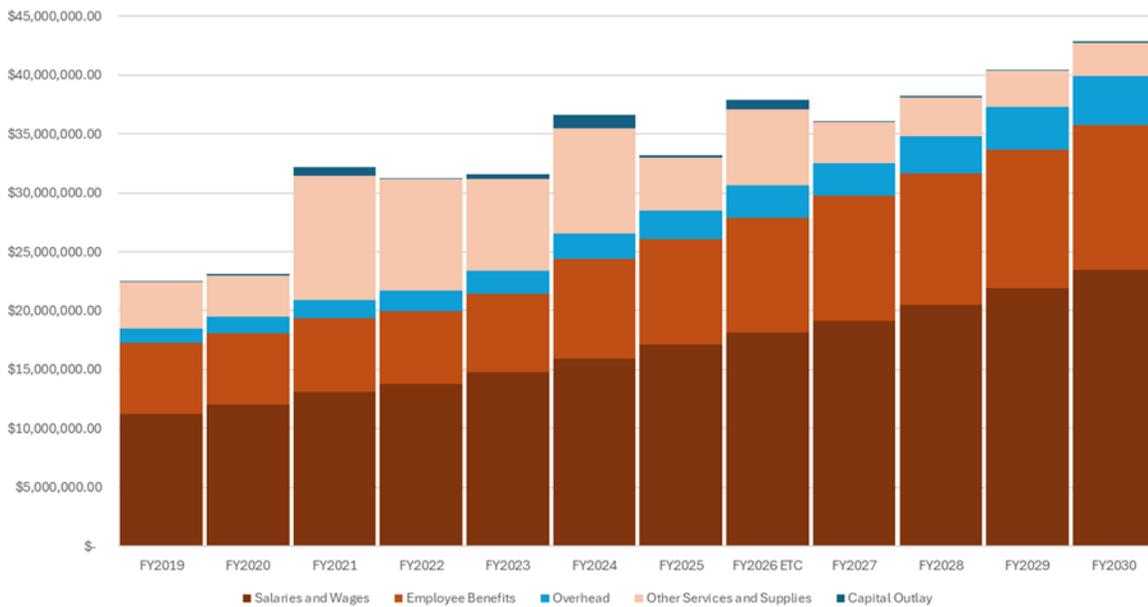
**Expenditure Outlook**

Total FY27 expenditures of \$36,094,436 primarily support personnel and the operational infrastructure required to deliver public health services across NNPH. Salaries and wages of \$19,142,122 and employee benefits of \$10,652,602 together represent the largest portion of the budget, reflecting the Department’s workforce-centered service model and the staffing necessary to maintain core public health functions. Services and supplies total \$6,199,712, including \$2,733,811 in overhead and \$3,465,901 in direct operational costs, which support program delivery, technology, and administrative systems. These expenditures reflect the baseline cost required to maintain current service levels and operational capacity, with personnel and essential operating costs comprising the majority of the Department’s financial obligations.

Total budgeted expenditures are allocated across the following categories:

- Salaries and Wages: .....\$19,142,122
- Employee Benefits: .....\$10,652,602
- Services and Supplies: .....\$6,199,712
  - Overhead .....\$2,733,811
  - All Other S&S.....\$3,465,901
- Capital Outlay .....\$100,000
- Transfers Out .....\$193,208

NNPH Expenditure by Use: Actual and Projected (FY2019-FY2030)



**Three-Year Financial Projections: Sources, Uses, and Fund Balance**

This analysis presents NNPH’s projected financial activity and resulting fund balance over a three-year period, beginning with the FY25 ending fund balance of \$15,893,282 and incorporating projected revenues and expenditures through FY27.

Based on projected FY26 revenues and expenditures, the estimated ending fund balance for FY26 is \$9,697,148. This balance provides sufficient resources to support the FY27 budget and maintain ongoing operations, including NNPH’s core public health services and priority initiatives.

Based on projected FY27 revenues and expenditures, the ending fund balance at the close of FY27 is anticipated to be \$5,016,159, representing approximately 13.9% of total expenditures. This level remains within the County’s guideline range of 10% to 17% for Special Revenue Funds and maintains compliance with County fiscal policy.

However, three-year projections demonstrate a continued decline in fund balance driven by expenditures exceeding recurring revenues. Based on current revenue and expenditure assumptions, financial projections beyond FY27 indicate the Department’s fund balance will fall below the County’s required minimum levels. This trend reflects a structural imbalance between ongoing operational costs and sustainable funding sources.

NNPH is currently in discussions with Washoe County to evaluate long-term funding alignment and identify sustainable funding solutions to ensure continued delivery of mandated public health services and long-term financial stability.

Detailed financial history from FY 2019 through FY 2025 can be found in Attachment A.

Detailed projections of revenues, expenditures, and resulting fund balance are provided in Attachment B.

### ***Staffing Levels and Workforce Capacity***

Northern Nevada Public Health currently has 181.00 authorized full-time equivalent (FTE) positions, 5.00 authorized part-time FTE, and 8.99 authorized intermittent hourly FTE, for a total of 194.99 authorized FTE. Of these positions, 157.00 full-time FTE, 2.40 part-time FTE, and 5.60 intermittent hourly FTE are filled, representing 165.00 filled FTE and an overall vacancy rate of approximately 15.4%.

The Department's workforce is supported through a combination of locally generated revenues and federal and state grant funding. Certain operational areas benefit from more stable, activity-based revenue sources, while other essential public health functions rely heavily on restricted, time-limited grant funding. This funding structure limits flexibility in workforce planning and creates ongoing challenges in aligning permanent staffing levels with sustainable revenue sources.

Personnel costs, including salaries and employer-paid benefits, continue to increase annually, requiring careful management of staffing levels to maintain financial stability. While vacancy management has been necessary to align expenditures with available funding, sustained vacancies can reduce operational capacity and increase pressure on existing staff. Long-term alignment between staffing levels and reliable funding will be essential to maintaining workforce stability and ensuring continuity of public health services.

A detailed Organizational Chart can be Found in Attachment C.

### ***Next Steps***

- March
  - District Health Officer delivers the FY2027 budget to the County Manager and City Managers
  - DBOH update on the managers meeting for FY 2027
- April
  - BCC meeting, County Manager's recommended FY 2027 budget, General Fund support should be finalized.
- May
  - BCC Public Hearing and possible adoption of the FY 2027 budget
- June 1<sup>st</sup>
  - County delivers final budget to the Department of Taxation

### **FISCAL IMPACT**

Approval of the FY27 proposed budget establishes total authorized revenues of \$31,606,655, consisting of \$20,089,799 in departmental revenues and a County General Fund transfer of \$11,516,856, which includes a \$1,000,000 above-base request. Total authorized expenditures are \$36,094,436. The above-base request is intended to help offset rising personnel and operating costs and support the continued delivery of core public health services.

The projected ending fund balance for FY27 is \$5,016,159, representing 13.9% of total expenditures and remaining within the County's required policy range of 10% to 17% for Special Revenue Funds.

Approval of the proposed budget by the District Board of Health authorizes submission of the budget to Washoe County for inclusion in the County’s budget adoption process. This action does not preclude adjustments prior to final adoption by the Board of County Commissioners in May 2026. Any material changes resulting from the County’s review and approval process will be communicated to the District Board of Health.

**RECOMMENDATION**

Staff recommends that the District Board of Health approve the proposed Fiscal Year 2027 budget for Northern Nevada Public Health for the period of July 1, 2026, through June 30, 2027.

**POSSIBLE MOTION**

If the Board concurs with staff’s recommendation, a possible motion would be:

“I move to approve Northern Nevada Public Health’s Fiscal Year 2027 budget for the period of July 1, 2026, through June 30, 2027, as presented.”

If the Board wishes to modify the proposed budget, a possible motion would be:

“I move to approve Northern Nevada Public Health’s Fiscal Year 2027 budget for the period of July 1, 2026, through June 30, 2027, as presented, with the following modifications...”

**ATTACHMENTS**

Attachment A - FY 2019 – FY 2025 Source and Use

Attachment B – FY 2026 Estimates to Complete, FY 2027 Base and Above Base Request and FY 2028-2030 Financial Projections

Attachment C - Northern Nevada Public Health Organizational Chart

Attachment D – Budget Presentation