

ARTICLE 6 STATE AID BASE GRANTS:

FLAT GRANT VS. PER CAPITA—CURRENT RATES

Allowable Expenses Reimbursed 100% up to Total Base Grant Amount



Municipalities with populations of less than 75,000*



\$650,000 flat base grant:
average per capita rate = **\$13.08**



Municipalities with populations of 75,000 to 249,999*



\$650,000 flat base grant:
average per capita rate = **\$5.16**



Municipalities with populations of 250,000 to 749,999



\$650,000 flat base grant:
average per capita rate = **\$2.19**



Municipalities with populations of 750,000 or more



Six municipalities receive a base grant of less than one dollar per capita, including the three municipalities with populations over 1,000,000 who currently receive the statutory per capita rate of only 65 cents.



These six municipalities need a more equitable \$1.30 per capita base grant rate

*Excludes Hamilton County (outlier), includes partial service counties who are currently eligible for reimbursement up to a \$500,000 flat base grant.

** Under NYSACHO proposal, municipalities with populations of 750,000 or more would receive the per capita rate, rather than the flat base grant.

***Municipality means the City of New York or one of the 57 counties in NYS.



WHY DOES ARTICLE SIX PROVIDE TWO DIFFERENT TYPES OF BASE GRANT FUNDING— A SET DOLLAR AMOUNT OR A PER CAPITA RATE?



Public Health Law Article Six starts with a base grant to support General Public Health Work, setting a foundation to support core public health services. Municipalities are eligible to receive a flat base grant or a per capita rate, whichever is higher. Local health departments receive an additional 36% reimbursement (20% NYC) for eligible expenditures once they've exceeded their base grant. The flat base grant provides a floor, ensuring that even the smallest municipalities receive sufficient state aid to support their core public health work. If municipalities with populations of 75,000 or less received the current per capita rate, most could barely afford a single full-time employee. The least populous counties would likely not even be able to afford a part-time employee. **This floor, or set base grant, is critical for less populous counties.**

If the flat grant establishes a floor, the per capita rate raises the ceiling. The intent of the per capita rate is to address the needs of the most populous municipalities. A flat base grant might cover a majority, or in a few instances all, of the eligible public health expenses for smaller counties, but it doesn't begin to cover the cost of public health services for our largest communities. The per capita rate provides more state reimbursement at 100% for public health expenditures in the communities serving more people. **Thus this ceiling, or per capita rate, is important for large counties.**



BOTH OPTIONS STRIVE TO PROVIDE EQUITABLE FUNDING STATEWIDE, BUT IS THE PRACTICE OF HAVING THE PER CAPITA RATE *MIRROR* THE FLAT BASE GRANT TRULY EQUITABLE?

Historically, the statutory per capita rate in Article Six mirrors the flat base grant. On paper, the matching numbers give the appearance of equitable funding: \$650,000 or 65 cents per capita. Appearances, in this case, are deceiving. In reality, when you translate the flat base grant into a per capita rate, it turns out that the fewer people your local health department serves, the more New York State pays, per capita, at 100% reimbursement. By mirroring the flat base grant, the per capita rate provided to the most populous municipalities, while providing larger base grants, results in New York State reimbursing the most populous municipalities less than one dollar per capita at 100% of eligible public health costs. Thus, per capita state support for public health is far lower in the very communities where the public health needs are exponentially greater.

HOW CAN WE CREATE MORE EQUITABLE FUNDING?

Eliminate the practice of matching the flat grant figure to the per capita figure. Amend Article Six of the Public Health Law to assure that all municipalities receive base grant spending that, on a per capita basis, is at least one dollar and thirty cents. A \$1.30 per capita rate, and an increase to the flat base grant to \$750,000, helps to lessen the harm done by administrative cuts made to Article Six reimbursement over the past few years. The base grant increases, in combination with other state aid formula improvements can help all local health departments maintain the strong public health infrastructure necessary to protect our communities.

