

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 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. All local health departments receive an additional 36% reimbursement 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. **The 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 laudable intent of the per capita rate is to provide 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.**



ALLOWING BOTH OPTIONS IS EQUITABLE, BUT IS THE PRACTICE OF HAVING THE PER CAPITA RATE MIRROR THE FLAT BASE GRANT TRULY EQUITABLE?

Historically, the 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. Conversely, allowing our most populous municipalities a per capita rate rather than a flat base grant does give them much larger base grants, but it also means New York State reimburses these local health departments far less 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 an increase to the percentage reimbursed above base from 36% to 38%, helps all local health departments maintain the strong public health infrastructure necessary to protect our communities.

