

**Agenda Item Number:**

**ORANGE COUNTY BOARD OF HEALTH  
AGENDA ITEM SUMMARY**

**Meeting Date:** August 27, 2014

**Agenda Item Subject:** Strengthening Local Public Health  
Infrastructure- Maintenance-of-Effort  
Requirement and Financial Impact

**Attachment(s):** N/A

**Staff or Board Member Reporting:** Christy Bradsher

**Purpose:**  Action  
 Information only  
 Information with possible action

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**Summary Information:**

**PURPOSE:** To establish a formal process for ensuring compliance with new state Maintenance of Effort Requirements.

**BACKGROUND:**

Maintenance of Effort Requirement:

In 2012 the NC General Assembly modified General Statute 130A-34.4 making it a requirement for local health departments to be accredited, and for counties to maintain operating appropriations to local health departments from local ad valorem tax receipts (local county appropriations) at levels equal to amounts appropriated in fiscal year 2010-2011.

This new statute became effective on July 1, 2014 and was enacted by section 3 of S.L. 2012-126 (HB 438), which is available at:

<http://www.ncleg.net/EnactedLegislation/SessionLaws/PDF/2011-2012/SL2012-126.pdf>.

On average the Health Department receives close to \$587,000.00 in state and federal money. Failure to meet the new Maintenance of Effort requirement will result in the loss of this funding which is used to provide clinical services, public health education, communicable disease surveillance and prophylaxis, and population health research data for the purpose of implementing best practices in public health.

Although we are currently meeting the requirements and have been for several years, establishing a formal process now will ensure we remain eligible to receive state and federal funding in years to come.

**Maintenance of Effort Measurement:**

The baseline fiscal year for comparison is 2010-2011, and for that period the Health Department’s original approved local county appropriation was **\$5,017,639.00**. This amount represents the department’s total local county appropriation and is comprised of operational funds only as capital funds will not be included in how the state measures compliance.

**Process Established:**

Each year when the Health Department prepares its annual budget, the total local county appropriation requested will be compared against the baseline year amount of **\$5,017,639.00**.

The local appropriation amount included in the Health Department’s budget request for approval by the Board of Health and the Board of County Commissioners will be at a minimum the baseline year amount.

**FINANCIAL IMPACT:**

As outlined in the table below, the Health Department’s original approved county appropriation has consistently been above \$5,017,669.00 since fiscal year 2010-2011, and exceeds that amount by \$653,680.00 in the current fiscal year (2014-2015).

Orange County Health Department 5 Year Original Approved Local Appropriation Budget Comparison	
Fiscal Year	Original Approved Local Appropriation
<b>2010-2011 (Baseline Year)</b>	<b>\$ 5,017,639.00</b>
2011-2012	\$ 5,118,432.00
2012-2013	\$ 5,187,610.00
2013-2014	\$ 5,493,540.00
2014-2015	\$ 5,671,319.00

**Recommended Action:**  Approve  
 Approve & forward to Board of Commissioners  
 Approve & forward to \_\_\_\_\_  
 Accept as information  
 Revise & schedule for future action  
 Other (detail):