



**Request for City Council Committee Action  
From the Department of Health & Family Support**

**Date:** June 9, 2010

**To:** PUBLIC SAFETY & HEALTH COMMITTEE

**Subject:** DISCUSSION ON REALLOCATION OF CDBG PUBLIC SERVICE FUNDS

**Recommendation:**

Council approval reallocating 2008 and 2009 CDBG Public Service funds as follows: \$74,859 allocated to the Neighborhood Health Care Network to be used as low income and uninsured families health services subsidies in 2010; and \$74,859 to be held as part of the 2011 funding allocation overseen by the Public Health Advisory Committee.

**Previous Directives:**

2008 and 2009 City Council Appropriation Resolutions approving each respective year Consolidated Plan CDBG-funded programs.

**Prepared or Submitted by:** Becky McIntosh, Director of Planning & Administration  
Phone: x2884

**Approved by:**

\_\_\_\_\_  
Gretchen Musicant, Commissioner of Health

**Permanent Review Committee (PRC):** Approval \_\_\_\_ Not Applicable \_\_\_\_

**Policy Review Group (PRG)** Approval \_\_\_\_ Date of Approval \_\_\_\_ Not Applicable  X

**Presenters in Committee:** Gretchen Musicant, Commissioner of Health

**Financial Impact (Check those that apply)**

X  No financial impact (If checked, go directly to Background/Supporting Information).

**Background/Supporting Information Attached**

The department is requesting a policy decision reallocating unexpended 2008 and 2009 CDBG Public Service funds. Once a reallocation policy decision is made, a proposal to revise the HUD approved Consolidated Plan will be made through the Community Development Committee after a public hearing. Final approval of the reallocation will need to come from HUD.

Of the approximately \$150,000 available, a total of \$122,800 of the funds are a result of a request to be made to HUD to cancel the Youth Are Here Buses programming, which was unable to achieve compliance with the federal requirement for determining the eligibility of participants for the program. The balance of the funds is unexpended portions of other 2008 projects.

It is the recommendation of staff, following consultation with the chair and co-chair of the Public Safety and Health Committee, to allocate half of the funds for use in 2010 by the Neighborhood Health Care Network (NHCN). The other half would be held until 2011 to be included as part of the 2011 funds available for allocation through the competitive process overseen by the City's Public Health Advisory Committee.

The funding for the NHCN would be for medical and dental services to low income and uninsured families. As the numbers of uninsured have grown during the recession, the clinics have continued to struggle with uncompensated care costs. On average, over 30 per cent of the patients seen at the clinics are uninsured. With the exception of some additional CDBG provided last year, the funding from the City has been flat for the last 5 years. In 2007 the six participating clinics provided 11,769 visits to uninsured residents, and in 2009 this number had increased to 14,012, a 19% increase. Additional funding is needed to keep up with this growing demand.

The federal ARRA stimulus funding allocated to federally qualified health centers (FQHC) is for capital equipment, renovation/remodeling, and IT/electronic health record-related costs. None of it is for the day-to-day provision of services to families. Nor is any funding for these costs anticipated through the health care reform bill other than a gradual expansion of Medical Assistance eligibility over the next 5 years which will ultimately reduce the numbers of uninsured patients the clinics see, but will not address the immediate needs for financial support.