

**Guidance for Essential Local Public Health Services Funds Provided under MCL 123.1357(4)(a)(viii)
distributed by the Local Community Stabilization Authority**

Updated 12/20/19

The following information is provided as a guide to Local Health Department frequently asked questions regarding the new source of funds for Essential Local Public Health Services under MCL 123.1357(4)(a)(viii). This will be updated as needed and is not intended as an exhaustive list. Questions that are specific to a particular jurisdiction will be responded to individually.

1. Where are Local Community Stabilization Authority (LCSA) funds being sent?

Funds are sent by either EFT or by check to your county treasurer's office for single county jurisdictions and to the fiduciary county's treasurer's office for multi-county jurisdictions. Letters have been sent by the LCSA to all recipient counties stating the purpose of the funds. While these funds compensate for reasonable and allowable costs of the provision of required and allowable health services under MCL 333.2475, they are not paid directly to local health departments because the LCSA Act designates that they be paid to "municipalities".

2. What can we use the funds for? What is the purpose of the funds?

Funds may be used for any of the ELPHS programs. It is expected that these funds will be used to supplement existing ELPHS funds to maintain levels of service in these basic and required programs under the Public Health Code in the face of increased and increasing demands on local health services. Thus, the LCSA ELPHS funds should not be used to supplant other local appropriations, including Local Maintenance of Effort requirements.

3. Would you please send me a screen shot of the legislation or instructions as to where I can find it?

The following link is to MCL 123.1357(4)(a)(viii), which provided for the original LCSA funds for Essential Local Public Health Services. <http://legislature.mi.gov/doc.aspx?mcl-123-1357>

4. Are there any reporting requirements? How do we report this revenue on our Local Maintenance of Effort reports?

The only reporting requirement is to report the LCSA payment as "Other" in sources of funds in any EGrAMS budgets into which a local health department chooses to use the funds. These funds are not to be considered local appropriations and the total local appropriations for a local health department must meet the minimums required by MCL 333.2482. In FY 21, MDHHS will make available to local health departments a new funding source category named "ELPHS-LCSA" for EGrAMS budget reporting purposes.

MDHHS does encourage local health departments to track the use of LCSA ELPHS funds as a means of educating the community on the use of those funds and the impact on local health department service maintenance and improvement.

- 5. This allocation is related to the FY19 \$10 million dollars, correct? I just want to verify that it does not also include the \$10 million for FY20.**

The funds disbursed December 2, 2019 are for calendar year 2019. This does not include the 2020 funds.

- 6. When will the 2020 money be coming from the LCSA?**

MDHHS will begin working on certification to the LCSA for the 2020 payments in January 2020. LCSA has informed MDHHS that it will send payments on November 30 each year, unless that date falls on a weekend or holiday, in which case payments will be sent the following business day. (MCL 123.1357 (8)(e).)

- 7. Do we have until September 30, 2020 to expend the funds?**

MDHHS has confirmed with the LCSA that once payment is made, it is up to local jurisdictions to determine when to expend those funds. Those jurisdictions that permit rollover of funds may do so.

- 8. Do the December 2019 funds need to be used for a specific fiscal year?**

No. Since LCSA has stated that the local jurisdictions can determine the final date to expend the funds, there is no requirement to expend/report the funds in the year "earned" nor in the year received. Funds should be reported when they are used. Finally, since a local jurisdiction does not have to spend the funds in the year received, any rolled over portion should be reserved for use in future periods on ELPHS programs.

The ELPHS LCSA funds should **not** be reported on final FY 19 FSRs because they were neither received nor used in that fiscal year.

- 9. Is there a certain ELPHS program in which the funds must be used?**

No.

- 10. May a local health department select to apply the LCSA ELPHS funds to only one or two ELPHS programs? Or must the funds be divided in the same manner as with the traditional ELPHS funds across all programs?**

Funds may be used in the ELPHS programs a local health department deems necessary.

- 11. Can the funds go to non-ELPHS programs?**

No. The funds are provided to reimburse municipalities for certain reasonable and allowable costs of required and allowable health services described in Section 2475 of the Michigan Public Health Code. The funds cannot be used for any other purpose.

- 12. Is the disbursement of funds issued December 2, 2019 based on previous years' funding?**

This is a new source of funds. The old ELPHS funding formula was used to disburse the funds for the 2019 disbursement. The intent is to use the new ELPHS funding formula to disburse the funds for 2020. MDHHS will be reconvening with MALPH, EGLE, and MDARD to discuss the means for doing so, given the new funding formula uses number of permits or licenses as part of the formula for the EGLE and MDARD programs.

13. Is this funding one time or annual?

The legislation provides for payments “beginning calendar year 2019,” and does not specify a stop date. See MCL 123.1357(4)(a)(viii).