

## AGENDA COVER MEMO

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**AGENDA DATE:** August 5, 2009  
**TO:** Board of County Commissioners  
**DEPARTMENT:** Health & Human Services  
**PRESENTED BY:** Rob Rockstroh



**AGENDA TITLE:** ORDER / \_\_\_\_\_ IN THE MATTER OF APPLYING FOR A GRANT IN THE AMOUNT OF \$5,000,000 FROM THE U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES FOR EXPANDING CAPACITY TO PROVIDE PRIMARY CARE THROUGH THE FEDERALLY QUALIFIED HEALTH CENTER.

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### I. MOTION

In the Matter of Applying for a Grant in the Amount of \$5,000,000 from the Department of Health and Human Services for Expanding Capacity to Provide Primary Care Through the Federally Qualified Health Center.

### II. AGENDA ITEM SUMMARY

American Reinvestment and Recovery Act (ARRA) funds through the U.S. Department of Health and Human Services Health Resources and Services Administration are available to Federally Qualified Health Centers for the purposes of expanding their capacity to provide primary care and preventive health services to medically underserved populations nationwide as well as create employment opportunities in underserved communities over the next 2 years. These grants will be awarded on the basis of competitive reviews and are available in amounts from \$700K to \$12MM. Lane County is interested in applying for these funds to renovate and equip the recently purchased new Community Health Centers of Lane County site.

### III. BACKGROUND/IMPLICATIONS OF ACTION

#### A. Board Action and Other History

The Community Health Center has outgrown their current location on G Street in Springfield. Board order 09-05-20-06 approved the purchase of a new site at 2073 Olympic Boulevard in Springfield. The purchase was finalized in June of 2009. It is estimated that it will cost somewhere between \$4,000,000 and \$5,000,000 to remodel and outfit the new clinic space.

B. Policy Issues

Continuation of the efficient and effective delivery of primary health care services to Lane County residents

C. Board Goals

Applying for this grant meets the Board goal of providing outstanding customer/constituent service.

D. Financial and/or Resource Considerations

The ability to fund the renovation of the clinic space with grant dollars would negate the need to use bond funds for the remodel.

E. Analysis

The increased utilization of the Community Health Centers requires a larger building to continue to provide quality services to Lane County constituents. A building has been purchased and needs to be remodeled for clinic services. ARRA grant funds are available to assist FQHC's in expanding their capacity to provide primary care and preventive health services to medically underserved populations nationwide as well as create employment opportunities in underserved communities over the next 2 years. Lane County, through the Department of Health & Human Services, would like to request a grant to pay for the remodeling and outfitting of the new clinic space.

Remodeling will begin on the Olympic site prior to notification of the grant award. The grant stipulates that applicable costs may be charged retroactively back to February 17, 2009. The actual grant award will not be in excess of approved project costs.

The information required by the Board of County Commissioners prior to approval of grant applications is provided below:

1. What is the match requirement, if any, and how is that to be covered for the duration of the grant?

There is no match requirement.

2. Will the grant require expenditures for Material and Services or capital not fully paid for by the grant?

The original cost of the building (\$2,150,000) is not covered by the grant. Construction contingencies will also not be covered by the grant. \$419,818 has been budgeted for contingencies.

3. Will the grant funds be fully expended before county funds need to be spent?

No. A pro-rata share of contingencies will be paid as the remodeling progresses.

4. How will the administrative work of the grant be covered if the grant funds don't cover it?

The administrative work will be absorbed by the Clinical Financial Services Division of Health & Human Services.

5. Have grant stakeholders been informed of the grant sun setting policy so there is no misunderstanding when the funding ends? Describe the plan for service if funding does not continue.

There are no grant stakeholders in the traditional sense as this is a construction grant.

6. What accounting, auditing and evaluation obligations are imposed by the grant conditions?

The County's standard accounting, auditing and evaluation processes will meet the requirements of the grant.

7. How will the department cover the accounting, auditing, and evaluation obligations? How are the costs for these obligations covered, regardless of whether they are in the department submitting the grant or a support service department? Does the department acknowledge that the county will need to cover these costs and is it an appropriate cost incurred by support service departments?

Costs will be borne by the Clinical Financial Services Division of Health & Human Services. Support services departments will be covered by the County indirect payment.

8. Are there any restrictions against applying the county full cost indirect charge?

There is no indirect as a part of this grant.

9. Are there unique or unusual conditions that trigger additional county work effort or liability, i.e., maintenance of effort requirements or supplanting prohibitions or indemnity obligations?

The Federal Government retains interest in property constructed, acquired, or improved with Federal funds. The interest decreases in proportion to the useful life of the asset.

10. Is this a grant funded computer/software application project?

No.

F. Alternatives/Options

1. To accept the motion, adopt the order and approve the grant application, for the remodel of the Community Health Center site and delegate authority to the County Administrator to sign the application and all subsequent grant documents.
2. Not to accept the motion and direct Health & Human Services to use bonds to pay for the remodel of the Community Health Center site.

G. Recommendation

To approve Option #1, above.

H. Timing/Implementation

August 6, 2009 – Application due  
October 1, 2009 – Anticipated start date of remodel  
November, 2009 – Notification of grant award  
June 14, 2010 – Anticipated project completion date

**IV. IMPLEMENTATION**

Upon action by the Board, the funding application will be submitted to the U.S. Department of Health and Human Services Health Resources and Services Administration.

Construction will commence as planned with the remodel being paid for with bonds if grant funding is not awarded.

**V. ATTACHMENTS**

Board Order

**THE BOARD OF COUNTY COMMISSIONERS, LANE COUNTY, OREGON**

**ORDER:**            ) IN THE MATTER OF APPLYING FOR A GRANT IN THE  
                          ) AMOUNT OF \$5,000,000 FROM THE U.S. DEPARTMENT OF  
                          ) HEALTH AND HUMAN SERVICES FOR EXPANDING  
                          ) CAPACITY TO PROVIDE PRIMARY CARE THROUGH THE  
                          ) FEDERALLY QUALIFIED HEALTH CENTER

WHEREAS, the Community Health Centers of Lane County, a Federally Qualified Health Center, have outgrown their current site; and

WHEREAS, Board Order 09-05-20-06 approved the purchase of a new site at 2073 Olympic Street in Springfield; and

WHEREAS, the building needs to be remodeled to be used as a clinic by the Community Health Centers of Lane County; and

WHEREAS, bond funds were anticipated as the funding mechanism for the remodel; and

WHEREAS, The U.S. Department of Health and Human Services Health Resources and Services Administration has allocated American Reinvestment and Recovery Act (ARRA) funds for expanding capacity to provide primary care and preventative health services to medically underserved communities over the next two years; and

WHEREAS, these funds can be used for remodeling costs on the new Community Health Center site for costs incurred back to February 17, 2009;

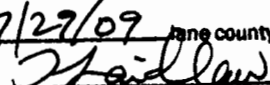
NOW THEREFORE IT IS HEREBY RESOLVED AND ORDERED that Lane County shall apply for funding in the amount of \$5,000,000 from the U.S. Department of Health and Human Services for expanding capacity to provide primary health care through the Federally Qualified Health Center; and it is

FURTHER ORDERED that the County Administrator be delegated authority to execute this application and all applicable award documents pursuant to this grant

DATED this \_\_\_\_ day of August, 2009.

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Peter Sorenson, Chair  
Lane County Board Of Commissioners

APPROVED AS TO FORM  
Date 7/29/09 Lane County  
  
OFFICE OF LEGAL COUNSEL