

APPENDIX C: SAMPLE FUNDING OBLIGATION CALCULATIONS

As stated in Section V of the APL, an illustrative set of scenarios for calculating Community Reinvestment funding obligations by county is provided below.

Table 1: Base Community Reinvestment Funding Obligations (\$ in Millions)

MCP	Contract Revenues	Net Income	Net Income \leq 7.5% of Contract Revenues	5% of Net Income \leq 7.5% of Contract Revenues	Net Income > 7.5% of Contract Revenues	7.5% of Net Income > 7.5% of Contract Revenues	Overall Base Obligation
	A	B	C = Lesser of B or 0.075 * A	D = 0.05 * C	E = B – C	F = 0.075 * E	G = D + F
MCP A	\$2,000.00	\$200.00	\$150.00	\$7.50	\$50.00	\$3.75	\$11.25
MCP B	\$2,000.00	\$150.00	\$150.00	\$7.50	\$0.00	\$0.00	\$7.50
MCP C	\$2,000.00	\$100.00	\$100.00	\$5.00	\$0.00	\$0.00	\$5.00

Table 2: Base Community Reinvestment Funding Allocation (\$ in Millions)

MCP	Overall Base Obligation	County	County Allocation % of MCP Members	Proportionate Share of Base Obligation	Equal Share of Base Obligation	County Allocation
	A		B	C = A * B	D = A / # Counties Served	E = (0.95 * C) + (0.05 * D)
MCP A	\$11.25	County 1	30.0%	\$3.38	\$1.88	\$3.30
		County 2	15.0%	\$1.69	\$1.88	\$1.70
		County 3	5.0%	\$0.56	\$1.88	\$0.63
		County 4	30.0%	\$3.38	\$1.88	\$3.30
		County 5	10.0%	\$1.13	\$1.88	\$1.16
		County 6	10.0%	\$1.13	\$1.88	\$1.16
MCP B	\$7.50	County 7	60.0%	\$4.50	\$3.75	\$4.46
		County 8	40.0%	\$3.00	\$3.75	\$3.04
MCP C	\$5.00	County 9	100.0%	\$5.00	\$5.00	\$5.00

Table 3: Quality Achievement Community Reinvestment Funding Allocation (\$ in Millions)

MCP	7.5% of Net Income	County	County Allocation % of MCP Members	Proportionate Share of Net Income ¹
	A		B	C = A * B
MCP A	\$15.00	County 1	30.0%	\$4.50
		County 2	15.0%	\$2.25
		County 3	5.0%	\$0.75
		County 4	30.0%	\$4.50
		County 5	10.0%	\$1.50
		County 6	10.0%	\$1.50
MCP B	\$11.25	County 7	60.0%	\$6.75
		County 8	40.0%	\$4.50
MCP C	\$7.50	County 9	100.0%	\$7.50

¹ Step C represents the Quality Achievement Community Reinvestment funding obligation for any county in which the MCP receives an Enforcement Tier 2 or Tier 3 assignment. See Table 4 below for more information.

Table 4: Quality Achievement Community Reinvestment Funding Obligation (\$ in Millions)

MCP	County	County Allocation if Within Tier 2 or 3	Quality Tier	Subject to Quality Achievement Requirement?	Actual County Allocation
		A <i>See Step C in Table 4</i>			B = Value of Step A for any County within Tier 2 or 3
MCP A	County 1	\$4.50	Tier 2	Y	\$4.50
	County 2	\$2.25	Tier 2	Y	\$2.25
	County 3	\$0.75	Tier 2	Y	\$0.75
	County 4	\$4.50	Tier 1	N	-
	County 5	\$1.50	Tier 1	N	-
	County 6	\$1.50	Tier 3	Y	\$1.50
MCP B	County 7	\$6.75	Tier 3	Y	\$6.75
	County 8	\$4.50	Tier 3	Y	\$4.50
MCP C	County 9	\$7.50	Tier 1	N	-

Table 5: Total Community Reinvestment Funding Allocation (\$ in Millions)

MCP	County	Base County Allocation	Quality Achievement County Allocation ²	Total County Allocation ³
		A <i>See Step E in Table 3</i>	B <i>See Step B in Table 5</i>	C = A + B
MCP A	County 1	\$3.30	\$4.50	\$7.80
	County 2	\$1.70	\$2.25	\$3.95
	County 3	\$0.63	\$0.75	\$1.38
	County 4	\$3.30	-	\$3.30
	County 5	\$1.16	-	\$1.16
	County 6	\$1.16	\$1.50	\$2.66
MCP B	County 7	\$4.46	\$6.75	\$11.21
	County 8	\$3.04	\$4.50	\$7.54
MCP C	County 9	\$5.00	-	\$5.00

² Quality Achievement Community Reinvestment funding allocations must be used toward investments in the “Cultivating Improved Health” category described in Section II.

³ Total Community Reinvestment funding allocations at the county-level reflect the minimum amount MCPs are required to invest as required under the MCP Contract and this APL. MCPs may choose to fund Community Reinvestment initiatives in excess of these amounts.