



A Tradition of Stewardship
A Commitment to Service

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NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors

FROM: Shelli Brobst for HOWARD HIMES - Director
Health & Human Services Administration

REPORT BY: Shelli Brobst, Contracts Manager - 253-4720

SUBJECT: Review and Adoption of Fiscal Year 2015-2016 Master Settlement Grant Agreement Process and Criteria

RECOMMENDATION

Director of Health and Human Services requests direction and possible action(s) on the following regarding the Tobacco Master Settlement Agreement (MSA) Grant Awards:

1. Potential changes to the process for the fiscal year 2015-2016 and 2016-2017 grant cycles;
2. Total amount of funding to be made available for the fiscal year 2015-2016 and 2016-2017 grant cycles;
3. Status of the Children's Health Initiative Napa County in the 2015-2016 grant cycle; and
4. Initiation (solicitation and processing of applications) of the Fiscal Year 2015-2016 grant cycle.

EXECUTIVE SUMMARY

Commencing with the Fiscal Year 2006-2007 funding cycle, the Board of Supervisors has assigned responsibility for administration of the Tobacco Master Settlement Agreement (MSA) Grant Funding Process to the Health and Human Services Agency (HHS). Since that time, HHS has returned to the Board each year prior to the solicitation of grant applications to provide the Board with recommended potential improvements or other changes to the process, receive Board guidance and direction, and present a draft document and other application materials setting forth the MSA Funding Process for the upcoming grant cycle.

In accordance with this Board direction, staff today seeks Board direction on: (1) potential changes to the Tobacco MSA Grant process and criteria for the FYs 2015-2016 and 2016-2017 grant cycles; (2) the total amount to be made available in FYs 2015-2016 and 2016-2017; (3) the status of the Children's Health Initiative Napa County for the FY 2015-2016 grant cycle; and (4) initiation of the FY 2015-2016 allocation of MSA funds in accordance with the provisions detailed in the attachments, as will be revised to the extent necessary to comport with any direction provided by the Board today.

PROCEDURAL REQUIREMENTS

1. Staff reports.
2. Public comments.
3. Motion, second, discussion and vote on the item.

FISCAL IMPACT

Is there a Fiscal Impact? No

ENVIRONMENTAL IMPACT

There is no Environmental Impact for this item.

BACKGROUND AND DISCUSSION

In 2001, the Board of Supervisors made the decision to use the expected revenues from the National Tobacco Master Settlement Agreement (MSA), through a grant award process, to support health-related "physical, mental, and drug and alcohol programs and facilities which provide inpatient and outpatient services, including related prevention and education programs." On June 6, 2006, the Board slightly modified the determined uses for the MSA fund to "All grant proceeds must be used for the provision of 'health services' within the meaning adopted by the Board, such that they support physical, mental, or drug and alcohol programs or facilities which provide inpatient or outpatient services or related prevention or education programs."

Commencing with the Fiscal Year 2006-2007 funding cycle, the Board assigned responsibility for administration of the MSA Grant Funding Process to the Health and Human Services Agency (HHSA). Since that time, HHSA has returned to the Board each year prior to the solicitation of grant applications, to: (1) make recommendations regarding potential improvements or other changes to the process, and (2) present for Board approval a draft document setting forth the MSA Funding Process for the upcoming grant cycle. The draft document would also include the grant application procedures as well as the grant award criteria.

At its meeting on September 24, 2013, the Board determined to:

1. Continue to utilize Tobacco Master Settlement Agreement monies to fund "physical, mental, and drug and alcohol programs and facilities that provide inpatient and outpatient services, including related prevention and education programs";
1. Continue to award a maximum amount equal to 10 percent of the balance of the County's Master Settlement Agreement fund at January 1 of the applicable grant year (2014);
1. Continue to award the funds through a competitive grant program, with the exception of a non-competitive service contract in the amount of \$100,000 to be awarded to Children's Health Initiative (CHI) Napa County; and Continue to structure the program in a manner that encourages the use of evidence-based service models.

In accordance with this Board direction, staff today seeks Board direction on: (1) potential changes to the Tobacco MSA Grant process and criteria for the FYs 2015-2016 and 2016-2017 grant cycles; (2) the total amount to be made

available in FYs 2015-2016 and 2016-2017; (3) the status of the Children's Health Initiative Napa County for the FY 2015-2016 grant cycle; and (4) initiation of the FY 2015-2016 allocation of MSA funds in accordance with the provisions detailed in the attachments, as will be revised to the extent necessary to comport with any direction provided by the Board today.

Potential Revisions to the MSA Grant Procedure and Application Process.

In online surveys sent August 22, 2014, staff solicited feedback from agencies that applied for MSA Grants during the past two application cycles. The surveys asked about agencies' perceptions of the application process and opinions about proposed revisions to the application process. The proposed revisions are intended to simplify the application process and clarify the rating criteria.

Proposed changes to the application process are summarized here; proposed changes to the rating criteria are illustrated in Attachment A.

- a. Remove redundant criteria by including them in either the pre-application or the full application, but not in both.
- b. Carry pre-application scores over to the full application; final scores would combine scores on pre- and full-application criteria. Score modifiers would remain the same as in previous years.
- c. Reword criteria to more specifically describe how they will be interpreted in the rating process (See Attachment A.)
- d. Remove the tobacco criterion which previously awarded points to applicants for providing tobacco cessation services and replace it as a minimum qualification, requiring provision of tobacco cessation services or a memorandum of understanding demonstrating referral of clients for such services, unless the applicant can demonstrate that its program serves a client group for which cessation services are not appropriate, for example, children.

Status of the Children's Health Initiative

Based on direction provided by the Board, the Children's Health Initiative (CHI) has been awarded \$100,000 on a noncompetitive basis for the last seven grant cycles. If the Board intends to continue this award, HHSA recommends that the funding continue to be provided through a service contract of the type utilized for other organizational providers rather than through a grant award agreement. Staff feels that providing these funds through a service contract, rather than a grant award, allows staff to more closely coordinate with CHI, which leads to better program outcomes.

Total Amount of Funds to be Made Available

For the most recent grant cycle, the Board determined to distribute 10% of the MSA fund corpus as of January 1 of the applicable year. This resulted in \$1,117,689 being available for distribution in the FY 2014-2015 grant cycle. Staff estimates that, as of January 1, 2015, the balance in the MSA fund will be approximately \$11,380,000 which, by the formula used in previous years, would result in \$1,138,000 being available for distribution. However, not included in this estimate is an upcoming distribution of \$4 million from the MSA fund toward capital improvements at South Campus. Whether or not this distribution occurs before January 1, 2015, staff recommends that the Board set the FY 2015-2016 and 2016-2017 MSA Grant allocation amounts at \$1,100,000 per fiscal year in order to remain consistent with the amounts made available in recent years.

Assuming that the multiple-year grants awarded in the past two years are honored in the current cycle, that CHI continues to be funded from the allocation to be used for competitive grants and that the formula adopted by the Board for the allocation of funds to multi-year grants is maintained, staff calculates that there will be up to \$700,000 in MSA funds available for new grants in fiscal year 2015-2016, with up to \$550,000 reserved for new single year grants and up to \$150,000 available for either new multi-year grants or new single-year grants. The details of this estimate are shown in Attachment B. The draft key dates for the FY 2015-2016 MSA grant application process, shown in Attachment C, include an application period opening on December 2, 2014 and closing on March 6,

2015. Based on this timeline, staff intends to return to the Board on May 19, 2015, with recommendations for the award of MSA grant funds, and again on June 23, 2015, to request approval of the contracts awarding MSA funding to the selected projects.

HHSA is seeking guidance with respect to the following:

1. Direction to adopt the proposed revisions to the grant application rating criteria and process for the FY 2015-2016 grant cycle.
2. Will the total allocation to be made available for awards in the 2015-2016 grant cycle equal \$1,100,000, or some other amount?
3. Will CHI continue to qualify for the award of \$100,000 out of the allocation, to be awarded through a service contract?
4. Direction to initiate the FY 2015-2016 grant cycle in accordance with the provisions set forth in the attachments, as they are amended pursuant to direction received today from the Board.

SUPPORTING DOCUMENTS

- A . Proposed Application Rating Criteria
- B . Funding Availability Estimate
- C . Key Dates

CEO Recommendation: Approve

Reviewed By: Karen Collins