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NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors

FROM: Alice Hughey for Snowden, Randolph F. - Director
Health & Human Services

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

SUBJECT: Review and Adoption of Fiscal Year 2010-2011 Tobacco Master Settlement Agreement Process and Criteria

RECOMMENDATION

Director of Health and Human Services requests direction/possible action(s) on the following issues regarding the Fiscal Year 2010-2011 Tobacco Master Settlement Agreement (MSA) Grant Awards:

1. Potential changes to the Tobacco MSA grant categories and adoption of associated funding allocations;
2. Potential changes to the MSA grant application process and rating criteria;
3. Potential changes in the evaluation component of the grant program; and
4. Initiation of the Fiscal Year 2010-2011 grant cycle in accordance with the provisions detailed in the "Proposed Fiscal Year 2010-2011 MSA Grant Application Categories" and the "Proposed Fiscal Year 2010-2011 Grant Award Criteria", which will be revised to the extent necessary to comport with any directions provided by the Board.

EXECUTIVE SUMMARY

At its meeting on January 19, 2010, the Board considered various revisions to the Master Settlement Agreement grant application process and procedures for the Fiscal 2010-2011 grant cycle. One outcome of the meeting was the naming of an ad hoc committee composed of Supervisors Caldwell and Luce along with Mitch Wippert, the manager at the Health and Human Services Agency responsible for administration of the annual grant program. The committee was asked to provide the Board with recommendations on possible further revisions to the grant program, with specific attention to the possibility of designating funding categories and allocating the available funding among these categories.

The Board is now being provided with a summary of the committee's deliberations and requested to provide direction on: (1) potential changes to the Tobacco MSA grant categories and the adoption of associated funding

allocations; (2) potential changes to the MSA grant application process and rating criteria; (3) the possible revision of the evaluation component of the grant program; and (4) the initiation of the Fiscal Year 2010-2011 grant cycle in accordance with the provisions detailed in the attachments, which will be revised to the extent necessary to comport with any direction provided by the Board.

FISCAL IMPACT

Is there a Fiscal Impact? No

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

Board Actions to Date Regarding the Grant Program for 2010-2011. At its meeting on January 19, 2010, the Board of Supervisors considered various revisions to the Master Settlement Agreement application process and procedures for the Fiscal Year 2010-2011 grant cycle. The upshot were the Board's determinations to:

1. Continue to utilize the funds being received by the County from the national Tobacco Master Settlement Agreement to fund "physical, mental, and drug and alcohol programs and facilities that provide inpatient and outpatient services, including related prevention and education programs;"
2. Award in the 2010-2011 grant cycle an amount equal to 10 percent of the balance of the County's Master Settlement Agreement fund at January 1, 2010;
3. Continue to entertain applications for both single-year and multi-year grants;
4. 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 Napa County; and
5. Continue to structure the program in a manner that encourages the use of evidence-based service models.
6. The Board also adopted the "Proposed Fiscal Year 2010-2011 Changes to the Master Settlement Agreement Grant Procedures and Process," which was set forth in Attachment B to the January 19, 2010, agenda item.

Proposal to Adopt "Funding Categories". During the Board's deliberations, consideration was given to dividing the available funding among designated "funding categories" to improve the distribution of funds among identified types of services. The Board named an ad hoc committee composed of Supervisor Caldwell, Supervisor Luce, and Mitch Wippert, the manager at the Health and Human Services Agency responsible for the administration of the grant program. The Committee was asked to return to the Board with recommendations regarding funding categories and the percentages of total funding to be made available in each category.

The subcommittee, together with County Executive Officer Nancy Watt, met as directed and developed for the Board's consideration the funding categories and allocations set forth in Attachment A.

The Board is now being asked to approve the categories and allocations set forth in Attachment A.

Request for Board Clarification of Related Issues. If the Board determines to adopt the recommendations of the ad

hoc committee, staff requests guidance regarding certain questions that might be raised by the new categories and allocations:

- I Scoring Preference for Tobacco Cessation. The current grant application rating criteria are set forth in Attachment B. Criterion #9 makes up to five points available for applications seeking funding for smoking cessation services. Staff requests guidance on whether the Board wishes to continue this criterion or whether it is superseded by the category structure being considered by the Board today. If the Board determines to continue the criterion but also adopts the recommended system of categories, it should be noted that tobacco cessation programs will be competing in the "Alcohol, Tobacco, and other Drug Services" category, where they will enjoy a rating advantage over other applications. Given the Board's proactive role in creating rating categories and in the original creation of the bonus for cessation programs, staff is offering no recommendation on this item.
- I Scoring Preference for "Safety Net Services". Criterion #10 makes up to five points available to projects that provide "social safety net services." Again, staff requests Board guidance on whether the new categories supersede the category implied by this rating bonus. Staff's recommendation is to delete Criterion #8, as it is substantively addressed by the inclusion of "Distressed Families and Individuals" in the recommended category system.
- I Availability of Multi-Year Grants. The grant program currently allows applicants to apply for multi-year grants of up to three years. In the past few hearings relating to this grant program, Board members have expressed an interest in adjusting the structure of the grant program to allow the Board to more directly influence the areas where grant funds will be utilized. Because multi-year grants have the effect of delaying the implementation of any changes the Board might determine to make in funding areas, staff requests the Board to confirm its intent to entertain multi-year grant applications in the upcoming grant cycle. Staff is not recommending that the Board depart from the consideration of multi-year grants, but wishes to ensure that the Board is aware of their effect on the timetable for implementing changes to targeted funding areas.
- I Assignment of Applications to Funding Categories. It is likely that many grant applications will describe projects impacting two or more of the proposed funding categories. Staff requests Board guidance on whether applicants must designate one category in which they wish to compete or whether they may compete in two or more categories. Staff recommends that applications designate a single grant category in which the applicant wishes to compete for funding.

New Rating Criteria. The ad hoc committee considered a number of possible new rating criteria which might further the Board's intention to direct grant funding toward more specifically identified local priorities. The upshot of these considerations is the submission of the following possible new rating criteria for consideration by the Board:

1. Does the proposed project save the community money by providing services that will reduce future costs and local impacts?
2. Does the proposed project increase geographic access to services countywide?
3. Does the proposed project maintain critical social services infrastructure?

These rating criteria were suggested at different times during the course of the committee's discussions but were not the subject of a formal recommendation to the Board. Staff recommends that the Board consider adopting numbers 1 and 2. The committee's recommendation that a "Distressed Families and Individuals" funding category be created appears to address the intent of number 3, relating to "critical social services infrastructure." Staff accordingly recommends that it not be adopted as a separate rating criterion if the Board adopts the recommended funding categories. (The recommended rating criteria relating to "future costs and local impacts" and "geographic access" are reflected in Attachment B as numbers 7 and 8.)

Minimum Scoring Thresholds. Applications for funding undergo two "rounds" of evaluation. Applicants submit a preliminary application which is rated against the funding criteria approved by the Board. Successful applicants

are then invited to submit "full applications" and to make a presentation to a panel of disinterested evaluators, who rate the full applications and prepare the final funding recommendations for consideration by the Board. At the present time, the grant process requires preliminary applications to achieve a score of 70% of the maximum possible rating points to progress to the "full application" round. The ad hoc committee discussed the possibility of also requiring that a full application achieve a score of at least 70% to be considered for funding. This would not ensure funding because the applications achieving a score of 70% could be seeking, in the aggregate, more money than is available. If this requirement had existed in last year's funding cycle, it would not have changed the outcome of the process.

The committee did not develop a recommendation for the Board on whether full applications should be required to achieve a score of at least 70% to be considered for funding. However, in light of the Board's stated interest in seeing that grant funds are utilized for the most effective projects possible that best address the funding priorities established by the Board, staff recommends that the Board consider requiring both preliminary and full applications to achieve a score of at least 70% to qualify for recommendation for funding. As in past years, the Board will of course be informed of all of the applications submitted at the time recommendations for funding are presented.

Evaluation of Grant Projects. The ad hoc committee also considered various strategies to better evaluate the effectiveness of projects funded with MSA grant monies. The committee did not develop a recommendation for the Board.

As an evolutionary step toward a more rigorous evaluation component, staff suggests that the Board consider initiating a program for the formal evaluation of a sampling of funded programs each year. Staff estimates that an annual investment of approximately \$25,000 per year would allow for approximately one quarter of the funded grants to be formally evaluated by expert consultants with special expertise in the field of program evaluation. The selection of programs for evaluation could be made a part of the grant selection process. If the evaluation component were funded from the fund corpus, it would not work to reduce the amount of funding available to grant applicants in a given year for the foreseeable future.

Summary. The Board's direction is requested regarding: (1) the adoption of the funding categories and allocations set forth in Attachment A; (2) clarification of the "related issues" which might arise if the categories and allocations are approved by the Board, including direction on whether to delete funding criteria 7 and 8; (3) adoption of new rating criteria; (4) adoption of a minimum scoring threshold for full applications; (5) initiation of a more formal evaluation process; and (6) initiation of the Fiscal Year 2010-2011 allocation of MSA funds in accordance with the provisions detailed in the attachments. The attachments are subject to revision to the extent necessary to comport with direction provided by the Board.

SUPPORTING DOCUMENTS

- A . Proposed FY 2010-2011 MSA Grant Application Categories
- B . Proposed FY 2010-2011 MSA Grant Award Criteria

CEO Recommendation: Approve

Reviewed By: Karen Collins