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NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors
FROM: Shelli Brobst for Randolph F. Snowden - Director
Health & Human Services
REPORT BY: MITCH WIPPERN, PROJECT MANAGER - H & HS , 259-8653
SUBJECT: Recommended Tobacco Master Settlement Awards

RECOMMENDATION

Director of Health and Human Services requests approval of the recommended recipients of Fiscal Year 2007-2008 Tobacco Master Settlement grant funds.

EXECUTIVE SUMMARY

The Board allocated \$700,000 in funds from the national Tobacco Master Settlement Agreement (MSA) for distribution in the current fiscal year to local community organizations through a competitive grant process. The Health and Human Services Agency (HHSA) solicited applications pursuant to guidelines previously adopted by the Board, resulting in fifteen grant applications totaling \$1.25 million. A grant application review committee reviewed and rated the applications in accordance with the Recommended Procedures approved by the Board. The Board is now requested to approve the Recommended Recipients resulting from the review process. HHSA will then negotiate specific funding agreements with the approved applicants and will return to the Board at a future Board Meeting for the approval of those agreements.

In 2005, the Board committed to allocate \$100,000 per year for three years from the Tobacco Master Settlement Agreement funds for the Children's Health Initiative (CHI), to increase access to health care and health care coverage for children from birth through the age of 18. In accordance with the 2005 Board commitment, on June 26, 2007, the Board authorized the renewal of the agreement with CHI. The June 26, 2007 agreement authorized the second year funding for this initiative, with an option to renew the agreement for one final year.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	Yes

Where is it budgeted?	Health & Human Services
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	<p>The requested action is discretionary in that there is no mandate to distribute Master Settlement Account funds for specific purposes or to specific entities. In June 2001, the Board adopted a plan to distribute \$750,000 per year from funds deposited in the Tobacco Settlement Trust Account through a community grant process. The Board further determined that if the annual interest generated by the trust account came to exceed \$750,000, the entire amount of interest earned in that year would be distributed.</p> <p>In 2005, the Board increased the annual Master Settlement Agreement allocation from \$750,000 to \$800,000 and committed to allocate \$100,000 per year for three years to the Children's Health Initiative (CHI). The CHI distribution began in Fiscal Year 2006-2007. The same action left \$700,000 to be awarded each year to other grantees.</p> <p>Today's requested action recommends the award of a total of \$699,994. This amount includes 11 new grants totaling \$649,994 and the \$50,000 for the second year funding of a three-year grant. A total amount of \$800,000 is appropriated in HHS's budget for the 2007-2008 grant cycle.</p>
Is the general fund affected?	No
Future fiscal impact:	If awarded, all of the grants terminate March 31, 2009.
Consequences if not approved:	If the requested action is not approved, the Board will need to determine not to distribute Master Settlement Account funds in Fiscal Year 2007-2008, or decide on alternative grant recipients.
Additional Information:	As of June 25, 2007, the balance in the Tobacco Master Settlement account is \$8,159,565.15. The last deposit to the account from the State of California was \$1,269,231.70 on April 19, 2007. Interest earned in Fiscal Year 2005-2006 was \$214,616.39 and interest earned to date in Fiscal Year 2006-2007 is \$229,618.56.

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

On January 23, 2007, the Board reviewed the County's Master Settlement Agreement Grant Award Program. The Board then adopted the Funding Guidelines and the Recommended Procedures for the Distribution of Tobacco Master Settlement Grant Funds in Fiscal Year 2007-2008. The Board also directed staff to solicit and process applications in accordance with the Recommended Procedures. An amount of \$700,000 is included in Health and Human Services Agency's (HHS) adopted budget for the 2007-2008 grant cycle. HHS will oversee the funding agreements for the successful applications.

Per Board direction, staff solicited applications for the available grant funds. Fifteen applications were received from fourteen different agencies, seeking a total of \$1,251,478 in grant awards. All of the applications were processed in accordance with the Recommended Procedures. All applications met the minimum qualifications and were passed on to the Grant Application Review Committee for consideration.

The Grant Application Review Committee was composed of:

- | Marla Tofle, Director of Philanthropic Services, Community Foundation of the Napa Valley
- | Commander Steve Potter, City of Napa Police Department
- | Dr. Karen Smith, Public Health Officer, County of Napa Health and Human Services Agency
- | Shirin Vakharia, Supervising Mental Health Counselor, Substance Abuse Services, County of Napa Health and Human Services Agency

The Committee members reviewed each application. Each applicant then made an individual in-person interactive presentation to the Committee, which included time for follow up questions to further clarify the proposed projects. After reviewing all fifteen applications and after all of the individual presentations, each committee member rated each application against the Funding Criteria previously adopted by the Board. The results of the review process are shown in Attachments A and B. Attachment A shows "Applications Recommended for Funding" and Attachment B shows the "Applications Not Recommended for Funding." The Funding Guidelines and Funding Criteria are shown in Attachment C. Applications requesting multi-year funding and those submitted as collaborative projects were rated against additional criteria. The Funding Guidelines adopted by the Board favor applications that show clear evidence of the project need, the outcomes to be achieved, and the applicant's ability to provide effective on-going services.

The approved procedure and funding guidelines reflect the Board's overarching goal of ensuring an objective, functional and needs-based application and allocation process. Staff notified more than 100 agencies of the grant application process, solicited grant applications, and on February 13, 2007, held a pre-application conference. The application period was open from February 13, 2007 to April 30, 2007. After rating the applications individually, the Committee met to review the individual ratings, establish an overall rating for each project, and issue final funding recommendations. The final recommendations are based on the proposals' overall average scores. Proposals recommended for funding received scores ranging from 90.25 to 108.75 points out of a possible 115 points.

The Grant Application Review Committee is recommending that a total of \$699,994 be awarded to the 12 applicants listed in Attachment A (11 new grants totaling \$649,994 and \$50,000 for the second year of funding for a three-year grant to the COPE Family Center). Two of the successful applicants shown on Attachment A requested multi-year funding. The Board of Supervisors adopted procedures that set a maximum of 20% of the amount of annual grant funds that can be awarded as multi-year grants. The multi-year requests from the two applicants exceed the 20% limit. In accordance with the procedures set by the Board, staff is recommending multi-year funding be awarded to the highest scoring of those two applicants. If today's requested action is approved, HHSA will return to the Board for approval of agreements for the 11 new grants, and the \$50,000 funding agreement for the second of three years of MSA funding awarded to the COPE Family Center last year.

The Grant Application Review Committee did not recommend funding for four applications. Those applications, shown in Attachment B, received scores ranging from 71.8 to 87 out of a possible 115 points.

SUPPORTING DOCUMENTS

A . Applications Recommended for Funding

B . Applications Not Recommended for Funding

C . FY 2007-2008 Master Settlement Agreement Funding Guidelines and Award Criteria

CEO Recommendation: Approve

Reviewed By: Lorenzo Zialcita