



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 9/24/2013

Agenda Placement: 7F

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors

FROM: Shelli Brobst for Randolph F. Snowden - Director of Health & Human Services
Health & Human Services Operations

REPORT BY: BENJAMIN KING, STAFF SERVICES ANALYST II - 707-253-4173

SUBJECT: Initiation of Fiscal Year 2014-2015 Master Settlement Grant Agreement Process

RECOMMENDATION

Director of Health and Human Services requests approval of the following regarding the Tobacco Master Settlement Agreement grant awards:

1. That the total allocation available for awards in the 2014-2015 grant cycle equal 10% of the fund corpus as of January 1, 2014;
2. That Children's Health Initiative continue to qualify for the award of \$100,000 out of the allocation, to be awarded through a professional service contract; and
3. That staff initiate the FY 2014-2015 grant cycle on October 11, 2013, in accordance with the schedule set forth in the attached "Key Dates" document.

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.

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 October 23, 2012, the Board determined to:

- Adopt proposed revisions to the grant application rating criteria and process for the 2013-2014 and 2014-2015 grant cycles;
- 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";
- 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 (2013);
- 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.

Potential Revisions to the MSA Grant Procedure and Application Process.

No revisions are proposed to the MSA Grant procedure or application process for the Fiscal Year 2014-2015 grant application period. In accordance with Board direction on October 23, 2012, staff will follow the MSA Grant procedure and application process for the Fiscal Year 2014-2015 cycle as it was adopted for the 2013-2014 cycle.

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 six 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 \$1,050,356 being available for distribution in the FY 2013-2014 grant cycle. HHSA estimates that, as of January 1, 2014, the balance in the MSA fund will be approximately \$10.48 Million. This includes a principal payment of approximately \$1.8 million and an estimated \$49,000 in interest earnings. HHSA estimates the amount to be available for MSA grants in the upcoming cycle, should the Board decide to continue to allocate 10% of the grant fund corpus, would be approximately \$1,048,000. This amount substantially exceeds the interest accrued in the last year. 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 funds to multi-year grants is maintained, staff estimates that there will be approximately \$266,000 in MSA funds available for new multi-year grants and \$524,000 available for single-year grants in the FY 2014-2015 grant cycle. The details of this estimate are shown in Attachment A. The draft key dates for the FY 2014-2015 MSA grant application process, shown in Attachment B, include an application period opening on October 11, 2013, and closing on January 31, 2014. Based on this timeline, staff intends to return to the Board on April 22, 2014, with recommendations for the award of MSA grant funds, and again on June 24, 2014, to request approval of the contracts awarding MSA funding to the selected projects.

Staff recommends:

- That the total allocation to be made available for awards in the 2014-2015 grant cycle equal 10% of the fund corpus as of January 1, 2014;
- That CHI continue to qualify for the award of \$100,000 out of the allocation, to be awarded through a service contract; and
- That staff initiate the FY 2014-2015 grant cycle on October 11, 2013, in accordance with the schedule set forth in Attachment B, "MSA Key Dates FY 14-15 DRAFT."

SUPPORTING DOCUMENTS

A . MSA Funding Availability Estimate FY 14-15

B . MSA Key Dates FY 14-15 DRAFT

CEO Recommendation: Approve

Reviewed By: Karen Collins