



Napa County

1195 THIRD STREET
SUITE 310
NAPA, CA 94559
www.napacounty.gov

Main: (707) 253-4580

Legislation Text

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TO: Board of Supervisors

FROM: Jennifer Yasumoto, Director of Health and Human Services

REPORT BY: Summer Isham, Supervising Staff Services Analyst

SUBJECT: Approval of Recommendations for Enhanced Tobacco Master Settlement Agreement (MSA) Grant Awards

RECOMMENDATION

SET MATTER 10:15 AM - MSA Presentation

Interim County Executive Officer and Director of Health and Human Services (HHSA) request approval of the review panel's recommendations for Tobacco Master Settlement Agreement (MSA) and General Fund (hereinafter, "Enhanced MSA") grant awards.

EXECUTIVE SUMMARY

The County has made MSA funds available to meet community needs through an annual competitive grant award process. Following this year's grant award process, 14 grant applications were received, reviewed, and scored. Staff are now presenting the funding recommendations to the Board for consideration and possible approval.

FISCAL & STRATEGIC PLAN IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	Yes
Where is it budgeted?	Revenue and expenses are budgeted within the General Fund for MSA and County General Funds.
Is it Mandatory or Discretionary?	Discretionary

Discretionary Justification:	Approval of the requested action is discretionary because there is no mandate to distribute MSA or General Funds for specific purposes or to specific entities. The award of these funds to community providers is in accordance with the Board's direction to staff.
Is the general fund affected?	Yes
Future fiscal impact:	MSA and General Funds will be allocated for Fiscal Year 2023-2024 and the following two fiscal years.
Consequences if not approved:	Master Settlement Agreement grant awards will not be distributed to non-profit grant applicants.
County Strategic Plan pillar addressed:	Healthy, Safe, and Welcoming Place to Live, Work, and Visit

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

For over two decades, the Board of Supervisors has steadfastly committed to making MSA funds the County receives available for grant awards to support community health. Commencing in Fiscal Year (FY) 06-07, the Board assigned responsibility of the MSA grant process to Health and Human Services Agency (HHSA), although the funds reside in the Napa County general government services operating budget. Each year, staff recommends and carries out a process that enables the County to target MSA funds on specific areas of safety-net services to help mitigate the impacts felt by those most vulnerable in our community.

In response to the increased need during the COVID-19 pandemic and continuing, the Board of Supervisors increased the funds available through this grant process initially starting in Fiscal Year (FY) 20-21 and extended that increase for a period of five years, through Fiscal Year 24-25 from the historical amount of \$1.1M to \$2.1M annually. The enhanced funding was made possible due to the Board's decision to apply ARPA funds to otherwise offset General Fund expenses, thereby accomplishing the goal of minimizing the administrative burdens for our community-based organizations associated with ARPA funds. Additionally, the Board further supported staff's recommendation that, for multi-year award planning purposes, in Fiscal Year 25-26, a total of \$1.5M in MSA funding would be made available; instead of the amount reverting to the pre-pandemic historical amount of \$1.1M annually.

Since FY 20-21, the County has prioritized MSA funding in the areas of food insecurity, housing instability, and physical and behavioral healthcare. Commencing with the upcoming FY 23-24, however, staff proposed to the Board a hybrid process that accomplishes the County's goal of leveraging other funding to the greatest extent possible so that MSA funding is largely reserved for programs/services that really can't be funded elsewhere. This reflects a significant change since it allowed for behavioral healthcare to be carved out as a category eligible for MSA funding because Health and Human Services Agency (HHSA) concurrently made available for competitive award \$1.2M of Mental Health Services Act (MHSA) funds. This effectively doubled the overall funding

available for these four categories of safety-net services that help to fill critical service gaps.

This was possible because HHSA is continually evaluating MHSA funds, which came in at higher than State projected amounts over the past two years. As MHSA funding fluctuates over time, then the MSA process will also be continually reviewed. By diverting the behavioral healthcare category to MHSA, the County necessarily expanded the MSA funding available for the remaining categories of food insecurity, housing instability and physical healthcare, while also ensuring that significant funding was made available for behavioral healthcare.

To recap the multi-year enhanced MSA grant awards available, last year your Board committed \$3M in ARPA funds over three years, which enabled the County to make available an additional \$1M (ultimately it was General Funds due to a swap of ARPA funds) to the MSA process for a three-year period from FY 22-23 through FY 24-25. This elevated the annual amount from \$1.1M to \$2.1M for those three years. Your Board also requested last year that the County resume awarding some multi-year grant awards. Therefore, this year's upcoming MSA process includes FY 23-24, 24-25 and 25-26. As noted previously, the amount available in FY 25-26 is \$1.5M.

After factoring in existing obligations from multi-year grants made last year, the MSA grant award process opened on March 6 and closed on April 3, with the following approximate maximum amounts available for competitive awards: \$1.2M for FY 23-24, \$950,000 for FY 24-25, and \$600,000 for FY 25-26. A methodology of retaining 40% and 60% of the funding available in FY 24-25 and 25-26, respectively, was applied to ensure that some multi-year awards can be supported while also reserving funding for an MSA grant process to occur annually.

Accordingly, 14 applications were received requesting MSA funding that exceeded the amount available in FY 23-24 by approximately \$60,000. The review panel reviewed and scored the applications. Proposals that received a score of 90 or more are recommended for 100% funding, proposals that received scores between 80-89 are recommended for 95% funding, and proposals that received scores between 70-79 are recommended for 90% funding. The list of organizations, proposals, and recommended award amounts are set forth in Exhibit A. The total recommended for award in FY 23-24 is \$1,209,129, the total for FY 24-25 is \$769,991, and the total for FY 25-26 is \$358,228; totaling over \$2.3M in awards over the next three Fiscal Years.

As previously noted, there are existing multi-year MSA grant awards that continue into FY 23-24 and 24-25. To provide a complete picture of the County's MSA grant awards, the list of organizations, proposals and committed awards are set forth in Exhibit B. Based upon the funding the Board has committed to making available for this process through FY 25-26, this leaves approximately \$1.8M in uncommitted funds for award in Fiscal Years 24-25 and 25-26.

In conclusion, staff recommends the Board of Supervisors consider approving the MSA grant awards set forth in Exhibit A. If the Board approves of the recommendations, staff will return to the Board in July with written agreements that formalize these proposals and deliverables.