



COUNTY OF SAN DIEGO

AGENDA ITEM

BOARD OF SUPERVISORS

GREG COX
First District

DIANNE JACOB
Second District

KRISTIN GASPAR
Third District

RON ROBERTS
Fourth District

BILL HORN
Fifth District

DATE: July 18, 2017

XX

TO: Board of Supervisors

SUBJECT:

ACCEPT PROPOSITION 99 AND PROPOSITION 56 TOBACCO TAX FUNDS FROM THE CALIFORNIA DEPARTMENT OF PUBLIC HEALTH; AUTHORIZE CLERK OF THE BOARD TO SIGN AGREEMENTS; AND AUTHORIZE COMPETITIVE SOLICITATIONS (DISTRICTS: ALL)

OVERVIEW

In November 2016, California voters passed Proposition 56, the California Healthcare, Research and Prevention Tobacco Tax of 2016, which increased the cigarette tax by \$2.00 per pack of cigarettes. Revenue from the additional \$2.00 tax increase will be allocated to physician training; prevention and treatment of dental diseases; Medi-Cal; tobacco use prevention; research into cancer, heart and lung diseases, and other tobacco-related diseases; and school programs focusing on tobacco use prevention and reduction.

Today's action requests the Board of Supervisors to accept revenue and authorize the Clerk of the Board to sign Proposition 99 and Proposition 56 Tobacco Tax Health Education Revenue Agreements for the period July 1, 2017 through June 30, 2021, as well as to authorize competitive solicitations.

Today's action supports the Building Better Health component of the countywide *Live Well San Diego* vision by providing funding to address tobacco education, prevention, and cessation activities which promote a healthy, safe, and thriving region.

RECOMMENDATION(S)

CHIEF ADMINISTRATIVE OFFICER

1. Waive Board Policy B-29, Fees, Grants, Revenue Contracts – Department Responsibility for Cost Recovery, which requires full cost recovery of contracts.
2. Establish appropriations of \$389,823 in the Health and Human Services Agency for tobacco education, prevention, and cessation activities based on unanticipated revenue from the California Department of Public Health. **(4 VOTES)**
3. Approve and authorize the Clerk of the Board, upon receipt, to sign the Tobacco Tax Health Education Revenue Agreements from the California Department of Public Health to provide tobacco education, prevention, and cessation activities for the period July 1, 2017 through June 30, 2021, for a four year total of approximately \$12,660,516 or an annual amount of

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approximately \$3,165,129 including any new agreements, extensions, amendments, or revisions that do not materially impact or alter the program or funding level.

4. Authorize the Health and Human Services Agency to pursue future funding opportunities to fund efforts for tobacco prevention, education, cessation, enforcement, and control.
5. In accordance with Section 401, Article XXIII of the County Administrative Code, authorize the Director, Department of Purchasing and Contracting, to issue Competitive Solicitations for tobacco education, prevention, cessation, enforcement and control programs and services, and upon successful negotiations and determination of a fair and reasonable price, award contracts for a term of up to one year, with two option years, and up to an additional six months if needed, and to amend the contracts as needed, to reflect changes to services and funding.

FISCAL IMPACT

Funds for this request are partially included in the Fiscal Year 2017-19 CAO Recommended Operational Plan in the Health and Human Services Agency. If approved, today's action will result in costs of \$1,944,714 and revenue of approximately \$1,785,144 in Fiscal Year 2017-18 and costs and revenue of up to \$4,545,114 in Fiscal Year 2018-19. Any unspent FY 2017-18 funds, from the allocated \$3,165,129, will be carried over to FY 2018-19. The funding source is the California Department of Public Health. A waiver of Board Policy B-29 is requested as there are projected unrecoverable costs estimated at \$159,570 in FY 2017-18. The funding source for these costs is Health Realignment. The Health and Human Services Agency certifies the public benefit for providing these services far outweighs these costs. There will be no change in net General Fund cost and no additional staff years.

BUSINESS IMPACT STATEMENT

State Labor Code 6404.5, which was expanded to include bars, taverns, and gaming clubs effective January 1, 1988, requires most places of business to be smoke-free. The Health and Human Services Agency provides information pertaining to the requirements of this law and makes referrals to appropriate agencies.

ADVISORY BOARD STATEMENT

BACKGROUND

The County has received funding from the State since 1989 for local tobacco education and prevention activities as a result of the 1988 California voter-approved Proposition 99, the Tobacco Tax Initiative. Beginning in Fiscal Year 2017-18, the County will receive additional funding for local tobacco education and prevention activities as a result of the 2016 California voter-approved Proposition 56, the California Healthcare, Research and Prevention Tobacco Tax of 2016.

The California Department of Public Health (CDPH)-California Tobacco Control Program contracts with the County to carry out the mandates of Propositions 99 and 56, which include mandates to reduce the rate of smoking. CDPH has designated county and city health departments as jurisdictional Local Lead Agencies (LLA) for Proposition 99- and Proposition 56-related tobacco control activities and provides funding through LLA Allocation agreement

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contracts. The County of San Diego is the San Diego region's State-designated LLA for tobacco control and contracts with community-based organizations to provide some of these services.

On February 9, 2017, the CDPH-California Tobacco Control Program notified the County of its intent to allocate Proposition 99 and Proposition 56 funds in an annual amount of approximately \$2,872,729 beginning July 1, 2017 and similar amounts for the following three fiscal years through June 30, 2021. In addition, the Governor's May Revise increased the allocation by \$292,400 to \$3,165,129 annually. Despite the availability of additional funding, the County is unlikely to spend the full amount in Fiscal Year 2017-18 due to the time required to competitively procure and execute new contracts. However, any unspent funds will carry over to the following fiscal year.

TCRP outcomes, utilizing Prop 99 annual funding of \$235,000 for the last three fiscal years included but were not limited to:

- Participation in approximately 54 meetings, trainings, and presentations.
- Engagement of over 500 adults and youth in tobacco control-related activities.
- Technical assistance of over 200 hours to tobacco control advocates and community members.
- Adoption of a smoke-free outdoor dining policy by the City of Oceanside.
- Development of a local Behavioral Health Regional Training in coordination with the State.
- Implementation of a policy to restrict the use of electronic smoking devices wherever smoking and tobacco are prohibited by the city of Lemon Grove.
- Implementation of a local Tobacco Treatment Specialist Certification Training for County Behavioral Health Services providers.
- Implementation of the San Diego Law Enforcement Roundtable, in coordination with the State.
- Implementation of the Healthy Stores for a Healthy Community Campaign, including media events. Data collected include an assessment of 387 retail stores, 14 key informant interviews, and 304 public opinion polls.

The new Proposition 56 funding will provide the County's Tobacco Control Resource Program (TCRP) with the resources to develop a greater community presence, strengthen community relationships, and launch interventions which will more effectively address smoking-related health disparities. It is anticipated that a portion of the funding will be used for media campaigns, to competitively procure evaluation contract(s), and to competitively procure contracts with community-based organizations to provide tobacco education, prevention, and cessation activities.

The new TCRP work plan encompassing both Proposition 99 and Proposition 56 objectives will address CDPH's four priority areas:

1. Limit tobacco promoting influences;
2. Reduce exposure to secondhand smoke, tobacco smoke residue, tobacco waste, and other tobacco products;
3. Reduce the availability of tobacco; and
4. Promote tobacco cessation.

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Today's action includes a request to the Board of Supervisors to authorize competitive procurements for Tobacco Control services, to continue the implementation of the work plan as it is possible contract amounts could exceed \$1,000,000 per year; therefore, as required by Administrative code section 401, authorization is requested to procure the services, with related contracts beginning approximately January 1, 2018 through June 30, 2018. The requested authorization would include three renewal option years through June 30, 2021 and up to an additional six months if necessary.

LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

Today's proposed recommendation supports the Healthy Families Initiative of the County of San Diego's 2017-2022 Strategic Plan, as well as the *Live Well San Diego* vision, by supporting tobacco education, prevention, and cessation activities.

Respectfully submitted,

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HELEN N. ROBBINS-MEYER
Chief Administrative Officer

ATTACHMENT(S)

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AGENDA ITEM INFORMATION SHEET

REQUIRES FOUR VOTES: Yes No

WRITTEN DISCLOSURE PER COUNTY CHARTER SECTION 1000.1 REQUIRED

Yes No

PREVIOUS RELEVANT BOARD ACTIONS:

On May 6, 2014 (6) and May 20, 2014 (10), the Board approved two Ordinances that added language prohibiting certain uses of electronic smoking devices to the County Administrative and Regulatory Codes; March 11, 2014 (7), the Board approved updates to County Board Policy A-99 and directed the Chief Administrative Officer to return to the Board with proposed regulatory language for the Board to review for regulatory controls in which County policies for electronic smoking devices follow those of conventional cigarettes; November 5, 2013 (24), the Board approved an item to direct the Chief Administrative Officer to review County Board Policy A-99 and return to the Board with language to address all electronic vapor devices; November 5, 2013 (10), authorized the Clerk of the Board to execute the Tobacco Tax Health Education Revenue Agreement with CDPH for the period July 1, 2013 – June 30, 2017; December 8, 2009 (14), authorized submission of the Comprehensive Tobacco Control Plan to the State and approved execution of the Tobacco Tax Health Education Revenue Agreement for Fiscal Years 2010-11 through 2012-13; April 20, 2004 (8), authorized submission of the Comprehensive Tobacco Control Plan to the State and approved execution of the Tobacco Tax Health Education Revenue Agreement for Fiscal Years 2004-05 through 2006-07 and authorized a Competitive Solicitation for tobacco education and prevention program.

BOARD POLICIES APPLICABLE:

Board Policy A-99 – Tobacco Use, Prevention and Cessation, and Electronic Smoking Devices
Board Policy B-29 – Fees, Grants, Revenue Contracts - Department Responsibility for Cost Recovery

BOARD POLICY STATEMENTS:

A waiver of Board Policy B-29 – Fees, Grants, Revenue Contracts – Department Responsibility for Cost Recovery, which requires full cost recovery of contracts, is requested because the funding does not offset all costs. The public benefit for providing these services far outweighs these costs. The services funded by this grant provide support for tobacco prevention, education, cessation, and enforcement. The Agency Director, Health and Human Services Agency, certifies that these services would be worthy of County support if outside funding were not available.

MANDATORY COMPLIANCE:

N/A

ORACLE AWARD NUMBER(S) AND CONTRACT AND/OR REQUISITION NUMBER(S):

Proposition 99 Oracle Award Number: 104624 Proposition 56 Oracle Award Number: TBD
Contract Numbers: 548818 – Vista Community Clinic 548821 – American Lung Association in California

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ORIGINATING DEPARTMENT: Health and Human Services Agency

OTHER CONCURRENCE(S): N/A

CONTACT PERSON(S):

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