

**SANTA BARBARA COUNTY
BOARD AGENDA LETTER**



Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Agenda Number:
Prepared on: 11/19/03
Department Name: Public Health
Department No.: 041
Agenda Date: 12/02/03
Placement: Departmental
Estimate Time: 20 min.
Continued Item: NO
If Yes, date from:

TO: Board of Supervisors

FROM: Roger E. Heroux, Chair
Tobacco Settlement Advisory Committee (TSAC)

STAFF CONTACT: Michele Mickiewicz, Deputy Director
681-5446

SUBJECT: Tobacco Settlement Advisory Committee (TSAC) Funding Recommendations for FY 2004-2005 for consideration during budget deliberations

Recommendation(s):

That the Board of Supervisors:

- A. Receive recommendation to place 20% of FY 2004-05 tobacco settlement revenues into the TSAC endowment. (Total TSAC revenues in FY 2004-05 are estimated to be \$4,280,272. The 20% distribution to the TSAC endowment would be \$856,055;
- B. Receive recommendation to allocate the balance of FY 2004-05 tobacco settlement revenues (estimated at \$3,424,217) plus interest projected to be earned in FY 2003-04 (estimated at \$88,549 for a total of \$3,512,766) as follows:

Description	FY 04-05 Final Recommendation
1. ADMHS - Alcohol and Drug Program	80,000
2. ADMHS - Multi-Agency Integrated System of Care	280,000
3. ADMHS – Psychiatric Crisis and Recovery Services	150,000
4. Adult and Aging Network	40,000
5. Air Pollution Control District	30,000
6. CADA - Cacique Shelter	40,000
7. Dental	100,000
8. Emergency Room Physician Care	180,000
9. FSA - 211 After Hours Web Based Access	40,000
10. Hospital/Emergency Room	730,000
11. In-Home Supportive Services	*
12. Primary & Specialty Care	730,000
13. Project Clean Water	37,000
14. Santa Barbara Neighborhood Clinics	95,000
15. Santa Barbara Regional Health Authority Foundation	39,766
16. Tobacco Prevention & Education	811,000
17. TSAC Administration Overhead and Evaluation	130,000
 Grand Total	 3,512,766
Total Projected Amount Available for FY 04-05	\$3,512,766
Difference	0

* \$200,000 allocated to IHSS for FY 03-04 will be rolled over to FY 04-05

- C. Receive recommendation to decrease funding proportionately for allocations recommended in Section B in the event that the funding received for FY 2004-05 tobacco settlement is less than \$3,512,766;
- D. Receive recommendation to allocate any additional funding to infrastructure for the Public Health and Alcohol, Drug and Mental Health Departments in the event that the funding received for FY 2004-05 tobacco settlement is more than \$3,512,766;

These recommendations from the Tobacco Settlement Advisory Committee (TSAC) are submitted for consideration during the budget deliberations for Fiscal Year 04-05.

Alignment with Board Strategic Plan:

The recommendation(s) are primarily aligned with:

Goal No. 2. A Safe and Healthy Community in Which to Live, Work, and Visit

Goal No. 5. A High Quality of Life for All Residents, and

Goal No. 7. A Community that Fosters the Safety and Well-Being of Families and Children.

Executive Summary and Discussion:

Your Board approved the first recommendations from the Tobacco Settlement Advisory Committee (TSAC) for the allocation funding received in FY 1999-2000 on June 6, 2000. This funding is received as a result of litigation against the tobacco industry to recover the costs of tobacco-related illness. These funds were directed by your Board to be used for county health needs and programs. Your Board has subsequently

approved the Tobacco Settlement Advisory Committee (TSAC) recommendations for FY 01-02, FY 02-03 and FY 03-04.

In Fiscal Year 2004-05, Santa Barbara County will receive an estimated \$3,512,766 in tobacco settlement funding. TSAC met on October 22, 2003 to begin developing funding allocation recommendations for FY 2004-05, and to hear presentations from community representatives on current health needs in our County. In a subsequent meeting on November 3, 2003, TSAC completed the funding allocation recommendations listed on pages 1 and 2, items A-D. A comparison of allocations for 00-01 through 03-04 and recommended allocations for 04-05 is provided in Attachment 1.

Mandates and Service Levels:

There are no mandates regarding the allocation and use of tobacco settlement funds. TSAC allocations will enhance specialty care, dental care, hospital and emergency room care, case management services for children and older adults, in-home care visits for the elderly and vulnerable populations, tobacco cessation, education, and prevention services, drug abuse treatment services, and environmental monitoring and water testing. These services will be monitored through the performance measures in each specific Memoranda of Understanding.

Fiscal and Facilities Impacts:

Approval of this action will not increase the Public Health Department's use of General Fund or Special Revenue Fund resources. In addition, the direct and indirect costs for the administration of the Tobacco Settlement Funds are estimated at \$130,000 for FY04-05. These costs will be fully funded through Tobacco Settlement funds.

The attached spreadsheet describes the tobacco settlement funds and allocations for FY 04-05 (Attachment 2). Approximately \$856,055 will be added to the Endowment. This amount, along with projected interest, will bring the Endowment balance to more than \$3,490,003 by 6/30/04. Approximately \$3.5 million will be available for programs in FY 04-05.

As is mentioned in the Executive summary, should the amounts made available during FY 03-04 for the proposed FY 04/05 TSAC allocations fall below \$3,512,766, the funding recommendations listed in items B1-B17 will be decreased accordingly. Should the amounts made available be more than \$3,512,766 the funds will be allocated for the infrastructure needs of the Public Health and Alcohol, Drug and Mental Health departments.

There will be no facilities impact from this action.

Special Instructions:

None

Concurrences:

None

Comparison of TSAC Allocations for FY 00-01 to FY 03-04 and Recommended Allocations for FY 04-05

Description	00-01 Allocation	01-02 Allocation	02-03 Allocation	03-04 Allocation	04-05 Rec. Allocation
Allocations:					
Administration/Overhead	140,000	140,000	140,000	140,000	130,000
Adult & Aging Network	100,000	100,000	50,000	50,000	40,000
Air Pollution Control District	85,000	85,000	85,000	85,000	30,000
Dental Care	100,000	100,000	100,000	100,000	100,000
Emergency Room Physicians	-	-	100,000	200,000	180,000
Hospital & ER	500,000	500,000	500,000	800,000	730,000
Multi-Agency Integrated System of Care	500,000	500,000	500,000	450,000	280,000
Project Clean Water	600,000	600,000	259,000	52,000	37,000
SB Neighborhood Clinics (Hep C)	-	-	50,000	50,000	47,500
SB Neighborhood Clinics (Outreach)	-	-	50,000	50,000	47,500
In-Home Supportive Services (IHSS)*	-	-	-	200,000	-
Primary & Specialty Care**	-	-	-	800,000	730,000
Specialty Care Testing	-	-	150,000	-	-
Specialty Medical Care	500,000	500,000	500,000	-	-
Substance Abuse Treatment Court***	170,000	170,000	150,000	150,000	80,000
Tobacco Prevention & Education	815,000	815,000	806,000	806,000	811,000
Psychiatric Crisis and Recovery Services	-	-	-	-	150,000
Council on Alcoholism & Drug Abuse-Detox Ctr	-	-	-	-	40,000
Family Service Agency 211 Access	-	-	-	-	40,000
SB Regional Health Authority	-	-	-	-	39,766
Allocations Total	\$ 3,510,000	\$ 3,510,000	\$ 3,440,000	\$ 3,933,000	3,512,766
Infrastructure:****					
Alcohol, Drug, & Mental Health Services	626,362	140,203	315,470	300,000	-
Public Health Department	939,542	210,304	359,205	55,000	-
Infrastructure Total	\$ 1,565,904	\$ 350,507	\$ 674,675	\$ 355,000	\$ -
Endowment:	\$ 802,495	\$ 856,440	\$ 947,567	\$ 1,036,600	\$ 856,055

* The allocation for IHSS for FY 03-04 will be rolled over to FY 04-05

** Allocations previously specified for Specialty Medical Care and Specialty Care Testing have now been grouped with Primary & Specialty Care.

*** ADMHS Substance Abuse Court Program is now incorporated into an allocation for ADMHS Alcohol and Drug Program

**** FY 00-01 Infrastructure was a one-time allocation.

FY 01-02 Infrastructure was allocated from surplus funds at the close of FY 00-01.

FY 02-03 Infrastructure included \$76,000 to ADMHS directly with the balance allocated from surplus funds at the close of FY 01-02.

	<u>Fund 0046</u>	<u>Endowment</u>	<u>Endowment</u>
	<u>Projection</u>	<u>Scenario # 1</u>	<u>Scenario # 2</u>
		<u>Projection</u>	<u>Projection</u>
Allocations for 2003-2004	Note 1 4,167,802.00	3,993,142.00	3,993,142.00
Expected Distributions for 2003-2004	Note 2 4,167,802.00	-	-
Endowment Loan # 1 to General Fund for 2003	-	Note 3 (800,000.00)	Note 3 (800,000.00)
Projected Balance of 2003 Allocations	-	3,193,142.00	3,193,142.00
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Projected Master Settlement Allocations for 2004	Note 4 3,424,217.00	856,055.00	856,055.00
Proposed Endowment Loan # 2 to General Fund for 2004	-	-	Note 3 (740,000.00)
Projected Interest Earned	Note 5 88,549.00	188,789.00	180,806.00
Unexpended for 2003-2004	-	-	-
Total Projected Available Amount for FY 2004-2005	Note 6 <u>3,512,766.00</u>		
Total Projected Balance of Endowment	-	<u>4,237,986.00</u>	<u>3,490,003.00</u>

- Notes:**
- Note 1:** \$4,167,802 includes Infrastructure allocations to Public Health (PHD) in the amount of \$53,458 and Alcohol, Drug & Mental Health (ADMHS) in the amount of \$291,591.
 - Note 2:** Distribution: All allocations are expected to be distributed in full.
 - Note 3:** Scenario # 1 includes Endowment Loan # 1 approved by Board of Supervisors on 10-7-03. Scenario # 2 includes Loan # 2 not considered yet.
 - Note 4:** \$3,424,217 Projected Allocation for 2004 is 80% of Attorney General's total 2004 Projected Allocation of \$4,280,272.
 - Note 5:** Projected interest earned on Tobacco Settlement over the course of FY 2003-2004.
 - Note 6:** Total Projected Available Amount for 2004-2005 consist of: \$3,424,217 which is 80% of Attorney General's Projected Allocation of \$4,280,272 and \$88,549 Projected Interest Earned.