



COUNTY OF SAN DIEGO

AGENDA ITEM

BOARD OF SUPERVISORS

VACANT
First District

JOEL ANDERSON
Second District

TERRA LAWSON-REMER
Third District

MONICA MONTGOMERY STEPPE
Fourth District

JIM DESMOND
Fifth District

DATE: April 22, 2025

03

TO: Board of Supervisors

SUBJECT

AUTHORIZATION TO ACCEPT TOBACCO GRANT PROGRAM FUNDING, ADOPT A RESOLUTION, AND AUTHORIZE APPLICATIONS FOR ADDITIONAL FUNDING OPPORTUNITIES (DISTRICTS: ALL)

OVERVIEW

In November 2016, California voters passed Proposition 56, the California Healthcare, Research, and Prevention Tobacco Tax Act of 2016, which increased the cigarette tax by \$2.00 per pack of cigarettes. Through Proposition 56, the California Department of Justice (CADOJ) offers grant funding to support Tobacco Retail Licensing (TRL) efforts in local jurisdictions throughout the state.

Since 2021, the County of San Diego (County) Health and Human Services Agency (HHS), Public Health Services, TRL Program has applied for and received funding from CADOJ to support the local TRL Ordinance (No. 10699), approved by the San Diego County Board of Supervisors (Board) on December 8, 2020 (8). On January 23, 2024 (4), the Board accepted \$1,279,771 in Tobacco Grant Program funds from CADOJ for the term of January 1, 2024, through June 30, 2027, adopted a resolution, and authorized applications for future funding opportunities to raise awareness about the harmful effects of tobacco use and to reduce access to tobacco products for San Diego County residents. In June 2024, the County applied for additional funding, and in October 2024, was awarded for the term of July 1, 2025, through June 30, 2028. If approved to accept additional funding, planned activities include continuing to perform compliance checks for all retailers, creating an education option for retailers who are cited in lieu of a license suspension, and expanding the data management system.

Today's actions request the Board to authorize acceptance of \$2,402,082 in funds from the CADOJ for the term of July 1, 2025, through June 30, 2028, for Tobacco Tax Health Education Revenue, including any extensions, amendments, and revisions thereof that do not materially impact either the program or funding level. Today's action also requests to waive Board Policy B-29, adopt a resolution and authorize the Deputy Chief Administrative Officer, HHS, to apply for additional funds when available.

This item supports the County vision of a just, sustainable, and resilient future for all, specifically those communities and populations in San Diego County that have been

SUBJECT: AUTHORIZATION TO ACCEPT TOBACCO GRANT PROGRAM FUNDING, ADOPT A RESOLUTION, AND AUTHORIZE APPLICATIONS FOR ADDITIONAL FUNDING OPPORTUNITIES (DISTRICTS: ALL)

historically left behind, as well as our ongoing commitment to the regional *Live Well San Diego* vision of healthy, safe, and thriving communities. This will be accomplished by providing services to reduce and eliminate tobacco use among San Diego County residents, specifically youth, who live within, or visit, the unincorporated areas of the county that will ultimately 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 prior approval of grant applications and full cost recovery of grants.
2. Authorize the acceptance of \$2,402,082 in grant funds from the California Department of Justice for the period of July 1, 2025 through June 30, 2028, for the Tobacco Grant Program and authorize the Deputy Chief Administrative Officer, Health and Human Services Agency, to execute all required grant documents, upon receipt, including any annual extensions, amendments, or revisions that do not materially impact or alter the services or funding level.
3. Adopt a resolution of the San Diego County Board of Supervisors authorizing acceptance of a grant from the state of California Department of Justice Tobacco Grant Program under Proposition 56, the Healthcare, Research, and Prevention Tobacco Tax Act of 2016.
4. Authorize the Deputy Chief Administrative Officer, Health and Human Services Agency, or designee to apply for additional funding opportunity announcements, if available.

EQUITY IMPACT STATEMENT

According to the Behavioral Risk Factor Surveillance System, since the inception of the California Tobacco Control Program, there has been a substantial decline in adult smoking in California over the last 30 years. Results from the 2023 California Health Interview Survey showed an adult smoking prevalence of 5.1% in the state. However, disparities in cigarette smoking continue to persist by age, gender, race/ethnicity, sexual orientation, income level, education, and those who experience psychological distress, or reside in rural areas. According to the 2023 California Health Interview Survey (CHIS), though the percentage of African Americans in California who smoke has fallen from 12.3% in 2018 to 9.0% in 2023, rate of smoking in this population exceeds that of the White (5.2%) and Latino (5.0%) populations. The percentage of smokers in the Asian American population is lower than that of the White and Latino populations at 3.5%.

The 2023 California Youth Tobacco Survey (CYTS) (formerly called the California Student Tobacco Survey), for San Diego County, found that vapes were the most popular tobacco product, with 7.8% of surveyed youth being current users. By contrast, according to the CYTS, only 1.2% reported currently smoking cigarettes and 0.5% using little cigars or cigarillos. Overall, according to the CHIS, 9.7% of adults reported currently using a non-cigarette tobacco product.

The Tobacco Retail Licensing Program (TRLP) in the County of San Diego (County) Health and Human Services Agency, Public Health Services is responsible for the oversight of the County's Tobacco Retail Licensing Ordinance including administration, education, compliance verification

SUBJECT: AUTHORIZATION TO ACCEPT TOBACCO GRANT PROGRAM FUNDING, ADOPT A RESOLUTION, AND AUTHORIZE APPLICATIONS FOR ADDITIONAL FUNDING OPPORTUNITIES (DISTRICTS: ALL)

and enforcement activities. Acceptance of funds will advance the goal of the TRLP to limit youth access to tobacco products and reduce the initiation of overall tobacco use by County residents.

SUSTAINABILITY IMPACT STATEMENT

Today's proposed actions support the County of San Diego (County) Sustainability Goal #4 to protect the health and well-being of everyone in the region, with a focus on collaborating with community partners and stakeholders and advocating for environmental justice for communities that have been disproportionately impacted by tobacco use. Today's actions will help to further enhance the County's activities, including license enforcement, compliance checks, license inspections, public education outreach, community engagement and education, and preventing and reducing the use of tobacco products by minors and youth.

FISCAL IMPACT

Funds for this request are included in the Fiscal Year (FY) 2025-27 CAO Recommended Operational Plan in the Health and Human Services Agency. If approved, this request will result in costs of \$846,112 and revenue of \$766,918 in FY 2025-26, costs of \$883,423 and revenue of \$800,019 in FY 2026-27, and costs of \$923,060 and revenue of \$835,145 in FY 2027-28 for a total cost of \$2,652,595 and revenue of \$2,402,082 for the entire grant term, to support tobacco retail licensing activities. Funds for subsequent years will be included in future operational plans. The funding source is the California Department of Justice Tobacco Grant Program.

A waiver of Board Policy B-29 is requested because the funding does not offset all indirect costs. These indirect costs which will not be recovered are estimated at \$79,194 for FY 2025-26, \$83,404 for FY 2026-27, and \$87,915 for FY 2027-28, for a total unrecovered indirect cost of \$250,513 for the entire grant term. The funding source for these unrecovered costs is the Tobacco Retail License fee. The County of San Diego 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

N/A

ADVISORY BOARD STATEMENT

The Health Services Advisory Board recommended approval of these recommendations at its meeting on February 4, 2025.

BACKGROUND

According to the Centers for Disease Control and Prevention (CDC), smoking is the leading cause of preventable death in the United States (U.S.). Licensing tobacco retailers is an evidence-based tobacco control measure proven to reduce tobacco use according to the U.S. Surgeon General (CDC). To limit youth access to tobacco products and reduce the initiation of overall tobacco use by San Diego County residents, the San Diego County Board of Supervisors (Board) approved a Tobacco Retail Licensing Ordinance (No. 10699) (Ordinance) in the San Diego County Code on December 8, 2020 (8).

SUBJECT: AUTHORIZATION TO ACCEPT TOBACCO GRANT PROGRAM FUNDING, ADOPT A RESOLUTION, AND AUTHORIZE APPLICATIONS FOR ADDITIONAL FUNDING OPPORTUNITIES (DISTRICTS: ALL)

The California Healthcare, Research and Prevention Tobacco Tax Act of 2016 (Proposition 56) provides local public agencies with funding through the California Department of Justice (CADOJ) Tobacco Grant Program to promote a healthier California by reducing illegal sales and marketing of cigarettes and tobacco products, including e-cigarettes, to minors and youth. Any local public agency within the state of California that has authority to enforce tobacco-related state laws or local ordinances is eligible to apply.

Since 2021, the Tobacco Retail Licensing Program (TRLP), administered under County of San Diego (County) Health and Human Services Agency, Public Health Services, has received funding from CADOJ to support its efforts to educate local tobacco retailers on the Ordinance, as well as ensure compliance to it through enforcement activities. During Fiscal Year (FY) 2021-22, 280 retailers who were eligible for a TRL received educational visits and compliance checks to determine the level of knowledge about the Ordinance and the initial level of compliance. The compliance checks showed that over 80% of retailers were found to be out of compliance during their initial visit. Additionally, minor decoy operations were initiated later that year to determine the number of retailers who sold tobacco to minors. The operations continued through next fiscal term with 51% of 247 retailers selling to minors in FY 2022-23 and 35% of 238 retailers selling in FY 2023-24. In FY 2024-25, enforcement efforts were implemented including license suspensions to penalize retailers who sell to minors.

In May 2024, CADOJ announced its intention to distribute an estimated \$28.5 million in available funding to eligible local agencies. TRLP submitted a grant in June 2024 to seek additional funding and received an award notification in October 2024. TRLP will use the new grant funding to carry out the following activities:

1. Conduct at least one annual compliance check for all retailers (estimated at 259) in the unincorporated area of the county, focusing on the sale of flavored products, pricing, and packaging to increase retailer compliance with the Ordinance.
2. Create a retailer education option for retailers who are cited for selling to minors for the first time during annual minor decoy operations. Education will be offered as an alternative to accepting a 30-day suspension of a tobacco retail license.
3. Expand the data management system to include compliance tracking.

If approved to accept additional funding, planned activities include continuing to perform compliance checks, needed to gauge the level of adherence as TRLP moves toward increasing its enforcement efforts. Enforcement includes suspending licenses for retailers who sell to minors. The addition of an education option for retailers with violations in lieu of a suspension and expanded data management system will be new efforts carried out under this grant funding. Offering education as an alternative to suspensions for initial offenses will provide retailers an opportunity to better understand state and local tobacco sales guidelines and what they need to do to comply, thus reducing the likelihood of future violations. Education will be offered as an alternative to accepting a 30-day suspension of a tobacco retail license. Expansion of the data management system, currently being developed for processing applications to also track compliance, will help to recognize any significant trends and ultimately improve education and enforcement efforts by quickly identifying repeat offenders and highlighting notable patterns of non-compliance in the unincorporated area.

SUBJECT: AUTHORIZATION TO ACCEPT TOBACCO GRANT PROGRAM FUNDING, ADOPT A RESOLUTION, AND AUTHORIZE APPLICATIONS FOR ADDITIONAL FUNDING OPPORTUNITIES (DISTRICTS: ALL)

The Board has taken numerous actions to change social norms related to tobacco initiation, use, and secondhand smoke exposure by adopting comprehensive policies to help achieve health equity. This work and other efforts to address racial disparities in tobacco must continue to fully address the public health impacts of racial injustice, as racial and ethnic minority groups experience higher rates of illness and death across a wide range of health conditions.

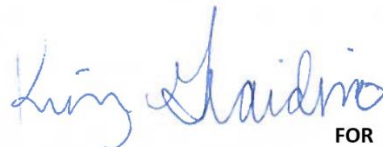
Today's actions request the Board to authorize the acceptance of \$2,402,082 in grant funds from CADOJ for continued support of tobacco retail licensing activities specifically in areas of enforcement and education through June 2028. In addition, today's action includes a request to adopt a resolution for acceptance of the funds, and authorize the Deputy Chief Administrative Officer of the Health and Human Services Agency, or designee, to sign all grant documents and any annual extensions, amendments, and/or revisions thereof that do not materially impact or alter the services or funding level, and a request to waive Board Policy B-29, Fees, Grants, Revenue Contracts – Department Responsibility for Cost Recovery.

A waiver of Board Policy B-29 is requested because the funding does not offset all indirect costs. The CADOJ Tobacco Grant Program has a cap on the reimbursable indirect cost. These indirect costs will not be offset by grant funding, and are estimated at \$79,194 for FY 2025-26, \$83,404 for FY 2026-27, and \$87,915 for FY 2027-28, for a total of \$250,513 for the entire grant term. The funding source for these costs will be the Tobacco Retail License Fee. The County of San Diego Health and Human Services Agency certifies the public benefit for providing these services far outweighs these costs.

LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

Today's proposed actions support the Equity (Health) and Community (Quality of Life) initiatives of the County of San Diego 2025-2030 Strategic Plan, as well as the regional *Live Well San Diego* vision by providing services to promote the stoppage of tobacco use among San Diego County residents, specifically youth, who live within, or visit, the unincorporated areas of the county.

Respectfully submitted,



FOR

EBONY N. SHELTON
Chief Administrative Officer

ATTACHMENT(S)

Attachment A - A RESOLUTION OF THE SAN DIEGO COUNTY BOARD OF SUPERVISORS AUTHORIZING ACCEPTANCE OF A GRANT FROM THE STATE OF CALIFORNIA DEPARTMENT OF JUSTICE TOBACCO GRANT PROGRAM UNDER PROPOSITION 56, THE HEALTHCARE, RESEARCH AND PREVENTION TOBACCO TAX ACT OF 2016