



## Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

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Joint Committee on Finance

Paper #881

### Staff (Tobacco Control Board)

[LFB 2001-03 Budget Summary: Page 635, #3 and Page 636, #4]

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#### CURRENT LAW

1999 Wisconsin Act 9 (the 1999-01 biennial budget act) created the Tobacco Control Board. The Board is authorized 2.0 SEG positions, including 1.0 staff coordinator position that serves as the Executive Director and 1.0 program and planning position. Base funding for general operations for the Board is \$408,600 SEG from the tobacco control fund.

#### GOVERNOR

Provide \$2,600 SEG in 2001-02 and \$11,400 SEG in 2002-03 and 2.0 SEG positions, beginning in 2001-02, to support the Board's activities. The positions would include 1.0 contract specialist to increase monitoring of grants awarded by the Board and 1.0 program assistant to provide clerical support to the Board. The cost of these positions (\$62,600 in 2001-02 and \$71,400 in 2002-03) would be partially offset by reducing base funding budgeted for limited-term employees (-\$50,000 annually) and permanent property (-\$10,000 annually).

The amounts transferred from the general fund to the tobacco control fund from the proceeds from the Attorney's General Master Tobacco Settlement Agreement of November 23, 1998 (MSA) include \$352,400 in 2001-02 and \$361,200 in 2002-03 to support the Board's general operations.

#### DISCUSSION POINTS

1. The Board, which is comprised of members appointed by, and who serve at the pleasure of, the Governor, currently has 22 members. The Board is responsible for: (1) appointing

an Executive Director; (2) administering the tobacco control grant program; (3) promulgating rules establishing criteria for recipients of grant awards, including performance-based standards for grants for media efforts, and ensuring that the programs or projects funded are culturally sensitive; (4) providing a forum for discussion, development and recommendation of public policy alternatives in the field of smoking cessation and prevention; (5) providing a clearinghouse of information on matters relating to tobacco issues and how they are being met in different places throughout the nation such that both lay and professional groups in the field of government, health care and education may have additional avenues for sharing experiences and interchanging ideas in the formulation of public policy on tobacco; and (6) developing and preparing an annual report regarding the allocation of funding for a statewide tobacco control program, the success of the grant program, the number of grants awarded, the purpose for which the grants were made and any donations or grant.

2. In the 1999-01 biennium, the Board has appointed an Executive Director, developed a strategic plan, promulgated rules for, and awarded funds under the tobacco control grant program and contracted with the University of Wisconsin-Madison Clearinghouse for Prevention to provide a clearinghouse for tobacco information and resources across the country. The Board has appointed five subcommittees to address specific topics and make recommendations to the Board. To date, the Board and its subcommittees have held 32 meetings, including six meetings of the full Board and 26 subcommittee meetings, since the Board was appointed in April, 2000. The Board plans to meet quarterly in the future.

3. The Board's general operations appropriation is a biennial appropriation, therefore any unspent funds at the end of the biennium lapse to the tobacco control trust fund. Because only \$16,800 of the \$200,000 budgeted for 1999-00 was expended, a total of \$583,200 is available for expenditures in 2000-01 (\$183,200 carried over from 1999-00 and \$400,000 budgeted in 2000-01). Based on current projections, the Board will spend \$433,200 for general program operations in 2000-01. Therefore, a projected \$150,000 will lapse to the tobacco control fund at the end of the 1999-01 biennium. The amount of funding transferred from the general fund to the tobacco control fund in 2001-02 should be reduced by this amount to reflect these carryover funds.

4. The Board is attached to the Department of Health and Family Services (DHFS) for limited administrative functions, including budgeting, program coordination and related management functions. The Board rents space from DHFS and contracts with DHFS for professional services, such as computer and personnel services support for Board staff. DHFS has also been loaning 0.5 program assistant to provide some clerical support to the Board.

5. In "Best Practices for Comprehensive Tobacco Control Programs," the Centers for Disease Control and Prevention (CDC) recommends that 5% of grant funding, less evaluation, be used for state program administration and management to ensure collaboration and coordination among public health program managers, policymakers and other state agencies. Based on the state's grant level of \$20,808,000 annually, less \$1.5 million for evaluation, this would imply that the state should budget \$965,400 annually for program administration and management activities.

6. However, it is difficult to compare the Board's current or proposed staffing levels

with programs in other states because of the difference in how states administer their tobacco control programs. For example Minnesota budgets \$29.5 million for youth and adult tobacco control programs, including \$1.4 million and 36.0 staff for administration. However, Minnesota created a nonprofit organization to administer a portion of that state's tobacco control program. Therefore, it would seem reasonable that Minnesota's staffing requirements would be higher than the staffing requirements for Wisconsin's tobacco control program, where the Board is attached to an existing state agency for certain services. In addition, organizations that receive funding under Wisconsin's program may use up to 10% of those funds for administrative purposes. Therefore, while the Board is responsible for administering the overall tobacco control program and grants, the administration of the actual projects/programs in Wisconsin is borne by the agencies and organizations that receive the funds.

7. When the Board was created in Act 9, the manner in which the program would be implemented and related staffing needs were not known. Therefore, two positions were provided with a budget of \$200,000 in 1999-00 and \$400,000 in 2000-01. This level of funding has allowed the Board to contract for many services, including clerical support, communications, website development and maintenance and preparation of the annual report.

8. The Board has fulfilled many of its statutory duties - appointing an Executive Director, creating a tobacco control plan for the state, establishing a grant program, promulgating rules for program implementation, and contracting to provide a clearinghouse for tobacco-related information -- with its current staff and by relying on DHFS staff to perform support functions. Arguably, because these activities were one-time in nature, the Board's staff will now be better able to begin performing some of its ongoing functions, such as providing a forum for public policy alternatives and preparing an annual report.

If the Committee determines that the current staffing level for the Board, together with continued support by DHFS staff, is sufficient to meet the Board's needs, it could maintain the current staffing for the Board, rather than adopt the Governor's recommendations to provide 2.0 additional positions for the Board.

9. Now that the Board has begun to distribute grants, it has identified some specific, ongoing staffing needs. For instance, the statutes require performance-based standards for grants the Board awards for media efforts. To ensure accountability of the funds, the Board has extended performance-based standards to all entities that receive grants. While the policy of requiring performance-based standards should improve program outcomes, it also requires a greater level of staff assistance in negotiating criteria, fiscal monitoring to adjust award levels and follow-up with the recipients. In addition, the Board indicates that now that it is fully functional, permanent clerical support is needed to coordinate logistics for meetings, meeting materials, Board correspondence and contract paperwork, as well as to provide daily support for the Board's staff.

10. The bill would provide 1.0 contract specialist and 1.0 program assistant to address these identified needs. Most of the costs of these positions would be offset by reallocating \$60,000 in base funding that was provided to establish the program. If the positions are not approved, the \$60,000 would still be required so that the Board could continue to contract and borrow staff from

DHFS to perform these duties. Given that the positions could enhance the ability of the Board to effectively manage the tobacco control program, at a minimal additional cost due to the proposed funding reallocation, the Committee may wish to approve the additional staff recommended by the Governor.

11. In addition to the positions recommended by the Governor, the Executive Director identifies a need for 1.0 additional program and planning analyst position to perform the level of research and analysis needed to keep members up to date on the latest research, policy developments and best practice approaches in tobacco control around the nation. In addition, assistance is needed to provide better coordination of funded programs to ensure a comprehensive approach to tobacco control, as recommended by the CDC.

12. The Executive Director indicates that an additional program and planning analyst position would enhance the Board's ability to meet its statutory directive with regard to smoking cessation and prevention policy development. Without additional staff, the Board intends to contract for the preparation of policy documents on a number of issues that include an analysis of policies and practices in other states, current research and other information. The documents will be used as background for the Board to formulate its own policy statements. Contracting for the preparation of these documents could cost up to \$5,000 per report. While the Board can contract for these reports, permanent staff could be used more effectively to develop a research base on which the Board could rely upon for future related questions and research. The cost of providing 1.0 additional program and planning analyst would be \$44,900 in 2001-02 and \$49,000 in 2002-03, which would require a larger transfer of funds from the general fund to the segregated fund than would be required under the Governor's recommendations.

13. While the Board has provided some justification for additional staff, the staffing level provided under the bill would double existing staff. Therefore, the Committee may decide that it is not essential to provide additional staff, beyond the staff increase provided by the Governor, at this time.

14. The Committee may wish to consider reducing the size of the Board as a means of reducing the Board's operations budget. The 1999-01 biennial budget bill, as passed by the Legislature, provided for a 20-member Board, of which 13 nonpublic members were to be appointed by the Governor for three-year terms. The creation of the Board was based on a proposal from the Senate Committee on Human Services and Aging which included an 18-member "Health Trust Board." In the final biennial budget act, the Governor vetoed all language relating to the number of Board members, composition of the Board and terms of service. As a result, the Governor appoints the Board, but the statutes do not specify the number of Board members, their qualifications or their terms.

15. A 21-member Board was created by Governor Thompson on February 25, 2000, and another member was added in January, 2001. The current membership includes five doctors, five public officials, three students, public health officials and others. Members serve at the pleasure of the Governor, and additional members could be added at any time.

16. While it could be argued that it was desirable to have a large Board to provide input for the creation of a comprehensive tobacco control plan for the state, now that a plan has been implemented, the Board's size could be reduced.

17. The size of the Board directly and indirectly affects the staff and resources needed to support it. Reducing the size of the Board could alleviate some of the staffing needs identified by the Executive Director, particularly in terms of arranging meetings and Board correspondence. In addition, meeting and travel expenses directly related to the number of members could be reduced.

18. Under the bill, the Board's annual budget for supplies and services in the 2001-03 biennium would be \$166,900. The proposed budget includes a total of \$50,600 annually for travel and meeting expenses for Board members. These costs would increase if additional members are appointed by the Governor, and decrease if the number of Board members were reduced.

19. Six boards are currently attached to DHFS. All, except for the Tobacco Control Board, have limitations on the numbers of members, ranging from five members (the Independent Review Board) to 16 members (the Child Abuse and Neglect Prevention Board). Two of the boards have 11 members.

20. The Committee could limit Board membership and directly reduce related supplies and services costs, as follows: (a) 15 members (-\$16,100 annually); (b) 11 members (-\$25,300 annually); or (c) seven members (-\$34,500 annually).

21. If the Committee does not choose to reduce Board membership, it may want to consider setting a limit at the current membership level of 22. This would prohibit the Governor from appointing additional members, and increasing Board costs further.

22. The Committee may also want to consider including a provision to require some type of qualifications for the Board to ensure a level of expertise so that tobacco-related health concerns can be adequately addressed, regardless of the size of the Board. Therefore, the Committee could require that a majority of Tobacco Control Board members be professionals from health-related fields.

23. The revenue transfer in the 1999-01 biennium to the tobacco control fund was a one-time transfer. Because the Tobacco Control Board is considered a base agency for Joint Finance Committee deliberations, a vote must be taken to transfer revenue in 2001-03 to the tobacco control fund in order to fund 2001-03 Tobacco Control Board grants and operations.

## **ALTERNATIVES TO BASE**

### **A. Staffing**

1. Approve the Governor's recommendations to provide \$2,600 SEG in 2001-02 and \$11,400 SEG in 2002-03 and 2.0 SEG positions, beginning in 2001-02, to provide 1.0 contract

specialist and 1.0 program assistant. As part of this item, reduce LTE funding by \$50,000 annually and permanent property funding by \$10,000 annually to partially offset the cost of the positions.

<b>Alternative A1</b>	<b>GPR</b>	<b>SEG</b>	<b>TOTAL</b>
<b>2001-03 REVENUE</b> (Change to Base)	- \$713,600	\$713,600	\$0
<i>[Change to Bill]</i>	\$0	\$0	\$0]
<b>2001-03 FUNDING</b> (Change to Base)	\$0	\$14,000	\$14,000
<i>[Change to Bill]</i>	\$0	\$0	\$0]
<b>2002-03 POSITIONS</b> (Change to Base)	0.00	2.00	2.00
<i>[Change to Bill]</i>	0.00	0.00	0.00]

2. Adopt the Governor’s recommendations. In addition, provide \$44,900 SEG in 2001-02 and \$49,000 SEG in 2002-03 and 1.0 FTE for a program and planning analyst, beginning in 2001-02.

<b>Alternative A2</b>	<b>GPR</b>	<b>SEG</b>	<b>TOTAL</b>
<b>2001-03 REVENUE</b> (Change to Base)	- \$807,500	\$807,500	\$0
<i>[Change to Bill]</i>	- \$93,900	\$93,900	\$0]
<b>2001-03 FUNDING</b> (Change to Base)	\$0	\$107,900	\$107,900
<i>[Change to Bill]</i>	\$0	\$93,900	\$93,900]
<b>2002-03 POSITIONS</b> (Change to Base)	0.00	3.00	3.00
<i>[Change to Bill]</i>	0.00	1.00	1.00]

3. Transfer \$50,000 annually in LTE funding and \$10,000 annually in permanent property to supplies and services to allow the Tobacco Control Board to continue to contract for assistance in administering the program, instead of providing additional positions.

<b>Alternative A3</b>	<b>GPR</b>	<b>SEG</b>	<b>TOTAL</b>
<b>2001-03 REVENUE</b> (Change to Base)	- \$699,600	\$699,600	\$0
<i>[Change to Bill]</i>	\$14,000	- \$14,000	\$0]
<b>2001-03 FUNDING</b> (Change to Base)	\$0	\$0	\$0
<i>[Change to Bill]</i>	\$0	- \$14,000	- \$14,000]
<b>2002-03 POSITIONS</b> (Change to Base)	0.00	0.00	0.00
<i>[Change to Bill]</i>	0.00	- 2.00	- 2.00]

**B. Tobacco Control Fund Balance -- Modification**

Modify the Governor’s recommendation by reducing the amount of GPR transferred from the general fund to the tobacco control fund by \$150,000 in 2001-02 to reflect that this amount of funding budgeted in the 1999-01 biennium is expected to lapse to the tobacco control fund at the end of the 2000-01 fiscal year.

<u>Modification</u>	<u>GPR</u>	<u>SEG</u>	<u>TOTAL</u>
<b>2001-03 REVENUE</b> (Change to Base)	\$150,000	- \$150,000	\$0
<i>[Change to Bill]</i>	<i>\$150,000</i>	<i>- \$150,000</i>	<i>\$0]</i>

**C. Tobacco Control Board Membership and Supplies and Services Funding**

1. Reduce funding by \$16,100 annually and limit the membership on the Tobacco Control Board to 15 members, effective beginning on the first day of the third month following the enactment of the bill.

<u>Alternative C1</u>	<u>GPR</u>	<u>SEG</u>	<u>TOTAL</u>
<b>2001-03 REVENUE</b> (Change to Base)	\$32,200	- \$32,200	\$0
<i>[Change to Bill]</i>	<i>\$32,200</i>	<i>- \$32,200</i>	<i>\$0]</i>
<b>2001-03 FUNDING</b> (Change to Base)	\$0	- \$32,200	\$0
<i>[Change to Bill]</i>	<i>\$0</i>	<i>- \$32,200</i>	<i>\$0]</i>

2. Reduce funding by \$25,300 annually and limit the membership on the Tobacco Control Board to 11 members, effective beginning on the first day of the third month following the enactment of the bill.

<u>Alternative C2</u>	<u>GPR</u>	<u>SEG</u>	<u>TOTAL</u>
<b>2001-03 REVENUE</b> (Change to Base)	\$50,600	- \$50,600	\$0
<i>[Change to Bill]</i>	<i>\$50,600</i>	<i>- \$50,600</i>	<i>\$0]</i>
<b>2001-03 FUNDING</b> (Change to Base)	\$0	- \$50,600	- \$50,600
<i>[Change to Bill]</i>	<i>\$0</i>	<i>- \$50,600</i>	<i>- \$50,600]</i>

3. Reduce funding by \$34,500 annually and limit membership on the Tobacco Control Board to seven members, effective beginning on the first day of the third month following the enactment of the bill.

<u>Alternative C3</u>	<u>GPR</u>	<u>SEG</u>	<u>TOTAL</u>
<b>2001-03 REVENUE</b> (Change to Base)	\$69,000	- \$69,000	\$0
<i>[Change to Bill]</i>	<i>\$69,000</i>	<i>- \$69,000</i>	<i>\$0]</i>
<b>2001-03 FUNDING</b> (Change to Base)	\$0	- \$69,000	- \$69,000
<i>[Change to Bill]</i>	<i>\$0</i>	<i>- \$69,000</i>	<i>- \$69,000]</i>

4. Limit membership on the Tobacco Control Board to its current level of 22 members.

5. Take no action.

**D. Board Qualifications**

1. Specify that a majority of the members of the Board be professionals from health-related fields.
2. Take no action.

Prepared by: Carri Jakel