

VTSF

VIRGINIA TOBACCO SETTLEMENT FOUNDATION

Board of Trustees Meeting Minutes September 12, 2006

Members present

Richard Bennett, MD, Daniel Cawley, Curtis Coleburn, Kevin R. Cooper, M.D, Richard A. Crittenden (departed: 12:30), Jose Dimas, Rickie E. Fulcher, Patrick Hughes, Senator Emmett W. Hanger, Jr., Delegate William Janis, Debra E. Keith, RN, Rakesh C. Kukreja, PhD., James McDaniel, MD, Delegate John O'Bannon (arrived: 12:55), III, MD, Senator John Watkins (left at 1:40).

Members not present

Sanjeev K. Aggarwal, MD., Edda Marie Collins, Audrey Douglas-Cooke, RN, Pamela J. Daffern, MD, Lolly Gilmore, Robert Stroube, MD.

Staff

Rita Angelone, Eloise Burke, Richard Foster, Donna Gassie, Wilma Jordan, Marty Kilgore, Judy Link, Danny Saggese, and Margaret White.

Counsel

Frank Ferguson, Deputy Attorney General

Called to order

Rickie Fulcher called the meeting to order at 12:10.
Rickie welcomed Deputy Attorney General Frank Ferguson.

Minutes

Motion: to approve the minutes Daniel Cawley.
Second: Senator Hanger
Vote: Unanimous in favor.

Chairman's Comments

We have some interesting events unfolding within the Commonwealth of Virginia and around the nation. Events which will be of particular interest to this Board and its staff as we move forward with our mission to reduce and prevent the use of tobacco products by our young people in Virginia.

Gov. Kaine has publicly stated his willing support of a state ban on smoking in government buildings and vehicles. Secondhand smoke is a great risk to children. The Surgeon General's report concluded that there is no risk-free exposure to secondhand smoke, and the EPA estimates that secondhand smoke is the cause of between 150,000 and 300,000 annual respiratory tract infections in children under 18 months old. The EPA also states that exposure to secondhand smoke makes children more likely to have reduced lung function and respiratory irritation. It can also worsen childhood asthma. This is an opportunity for us to work with our legislators in support of a bill which would at the least ban smoking in all public restaurants to protect our children. Opportunity is knocking.

A study has been released by the Massachusetts Dept. of Public Health which confirms that "nicotine levels" are on the increase. This study shows that most cigarettes nicotine levels rose an average of 10 percent between 1998 and 2004, with the majority being brands most popular with young people and minorities. Some brands increased as much as a 36 percent. Only three states require tobacco companies to provide them with annual measurements of nicotine in cigarettes. Perhaps this should be an area of concern, as we all know nicotine is addictive and with these higher levels in cigarettes the harder it will be for smokers who want to quit being able to.

Tobacco companies have asked that they be allowed to continue to use the terms "light" and "low-tar" until such time as they have had a chance to appeal a ruling in a government lawsuit. The ruling states that the major cigarette manufacturers violated racketeering laws, in that the companies conspired for decades to mislead the public about the health hazards of smoking. This should be an interesting case especially in "light" of the release of the Massachusetts Report.

Remember the 5th Annual Grantee Training Conference which will be held on September 27th at the Holiday Inn Tanglewood in Roanoke. If you can attend please drop by to let our grantees know we are involved and want to see them succeed for without their efforts we would not be achieving the numbers we are today.

We have some exciting events and challenging opportunities facing us this year; working together we can set our goals high and meet them with the knowledge that our efforts will provide a better future for the children of Virginia.

Thank you for all that you do each and every day, your efforts will touch lives in ways that you may never know.

Election of Chair/Vice Chair

Curtis Coleburn reported there were two nominations for the chairman, Daniel Cawley and Rickie Fulcher. He asked if there were nominations from the floor and there were none.

Motion: to close nominations by Delegate Bill Janis.

Second: Dr. Bennett

Rickie Fulcher expressed his thanks for the opportunity to chair the Foundation.

Daniel Cawley expressed his thanks for the nomination and stated his willingness to serve in this or any capacity on the board.

Motion: to affirm the majority showing of hands in the voting process to elect Rickie Fulcher as Chairman of the Board by Delegate Bill Janis.

Second: Patrick Hughes

Vote: Unanimous in favor.

Curtis Coleburn reported one nomination for Vice Chair, Patrick Hughes. He asked if there were nominations from the floor and there were none.

Motion: to close the nominations for Vice Chair by Senator Hanger, III.

Second: Senator Watkins

Vote: Unanimous in favor.

The vote by show of hands was unanimous in favor of Patrick Hughes for Vice Chair.

Director's Report

Programs:

Regional Orientation Meetings were held across the state the week of May 22 in Blacksburg, Charlottesville, Chantilly, Powhatan, and Newport News for the new VTSF grantees. The fifty grantees receiving 3-year grants and the twenty-five grantees receiving 1-year grants attended. The orientation meetings for VTSF program grantees provided consistent information across regions regarding grants management, public relations, and evaluation processes. The meetings also provided an opportunity for organizations to get technical assistance from staff prior to the start date of their respective grant. This proactive approach helps ensure success among the grant-funded programs. Finally, contracts were processed with programs beginning July 1.

A total of twenty-four applications for the May 15th Special Projects Mini-Grants were received at the regional offices. Regional Advisory Board members reviewed the applications and funding decisions were made. Seven Special Project Mini-Grants were awarded on July 1st. This was the final round of Special Projects Mini-Grants.

Grant Program Administrators worked with all FY06 grantees to collect and review final reports and reimbursement requests at the end of the grant cycle—June 30. The FY07 grantees began their respective programs July 1. Program Specialists, Terri-ann Brown and Charlie McLaughlin, provided training to grantees that made requests. Facilitator Trainings for various VTSF Compendium Programs took place in Chantilly, Wytheville, Danville, Williamsburg, Norfolk, Newport News, Pulaski County, Big Stone Gap, Buchanan County, Halifax County, Richmond, Harrisonburg, Fredericksburg, and Giles County. Approximately 150 individuals participated.

The Program Department Staff met on July 18th in Charlottesville for a staff planning meeting and to discuss the changes since the VTFSF staff reorganization. The agenda covered planning for the coming year's activities including RFP development, grantee outreach and overall grants management. Staff brainstormed about the Regional Advisory Boards, timelines, future RFP formats and ways to increase effectiveness with grants management.

Donna Gassie, the VTFSF Director of Programs, was invited to speak on the topic of "Best Practices in Grants Management" at a conference sponsored by the Peking Union Medical College and the China Medical Board. The conference took place in Harbin, China from August 30-September 1, 2006. Her travel was sponsored by the conference host.

Trainings to help achieve our mission while helping build capacity among stakeholders and other statewide agencies have continued with our collaborating partners, JMU and Tobacco Technical Assistance Consortium (TTAC). The *Prevention Basics Virginia Tobacco Settlement Foundation (PBVTFSF)* training series, a three level series, was offered in Wytheville, Fairfax, Williamsburg, and Roanoke. To date, approximately 100 people have participated. An Evaluations Fundamentals workshop facilitated by the Tobacco Technical Assistance Consortium (TTAC) was held on June 12-13, 2006 in Richmond. Sixteen current and potential grantees from various regions of the state were in attendance.

The 5th Annual VTFSF Grantee Training Conference will be held on September 27, 2006 in Roanoke. The goal of this year's conference is to provide up-to-date information about proven strategies for eliminating disparities among vulnerable populations in Virginia. The conference will provide a unique opportunity for VTFSF grantees to learn about tobacco use in priority populations, to brainstorm and share innovative strategies, and to reaffirm their commitment toward eliminating tobacco use among youth in Virginia.

This summer, I visited grantee programs, including a June 13 visit with state Sen. Mark Herring to Farmwell Station Middle School in Loudoun County. The after-school session of Get Real About Tobacco was put on by the Loudoun County Parks, Recreation and Community Services department, a VTFSF grantee. I also attended a June 12 recognition luncheon in Farmville for teachers in the Al's Pals program, held by the South Side Area Health Education Center, another VTFSF grantee. Lastly, I made a stop in late July to Norfolk's Norview Middle School, where kids from the Boys & Girls Clubs of Southeast Virginia performed an antismoking rap song at their Tobacco Road Graduation Ceremony. The rap was later played as a public service announcement by a local radio station.

Marketing:

Filming of the three newest television commercials - "Belly Dance", "Frog", and "Off to School" - for the VTFSF's "*ydouthink*" youth marketing initiative took place the week of May 15th in the Richmond area. "Belly Dance" began airing in June and "Off to School" and "Frog" began airing in August and September. The spots can be viewed at ydouthink.com.

The VTSF's most recently released TV spot "Belly Dance" was chosen as one of the "TV Spots of the Week" by *Advertising Age*. The ad was honored along with prominent national brands such as Cingular Wireless, Juicy Fruit Gum, Pantene, and Fruit of the Loom.

The VTSF was awarded the Gold Cannonball and "Best in Show - Interactive" for its youth oriented website www.ydouthink.com at The Richmond Show 2005. Additionally, the VTSF television commercial entitled "Makeover" was awarded the Silver Cannonball in the category of Public Service Television, Single. "Makeover" joins "Kissing Booth", "Belly Dance", "Lick", and "Jobs" as the fifth VTSF television commercial that has received public recognition for excellence. The Richmond Show is an annual event presented by The Richmond Ad Club that awards the best creative of the year from within Central Virginia's strong advertising agency community.

On July 17th, the *ydouthink* campaign launched a statewide radio ad campaign. The campaign ran for two weeks and was heard by approximately 250,000 youth in Virginia. Also, *ydouthink* sponsored a statewide cinema ad campaign which ran for eight weeks in 24 different theaters on 231 screens. The campaign was viewed by approximately 150,000 youth in Virginia.

www.ydouthink.com, the youth-oriented website of the VTSF's "*ydouthink*" campaign, has been redesigned to more accurately depict the interests and lifestyles of tweens and teens in Virginia. To support the redesign, an online advertising campaign has been developed to engage Virginia youth on numerous websites and drive them to the new *ydouthink.com*. Since the campaign began on May 22, nearly 23,000 visits have been recorded (818 per day). The total visits during the campaign have more than doubled from the average of 362 per day over the previous 6 months (an increase of 126%), with the majority of those visitors being from Virginia.

On July 12th, the marketing team members of the *ydouthink* campaign, the VTSF's marketing initiative, conducted an important strategic planning meeting to discuss and determine the future direction of the campaign's street marketing elements and the overall *ydouthink* message. Key officers from each of the three contractors—Barber Martin, Rescue Productions, and Southeastern Institute of Research--as well as Danny Saggese, Director of Marketing, Marge White, Deputy Director, Richard Foster, Public Relations Coordinator, and I were in attendance.

In 2004, Y St. was launched in Virginia to recruit teen volunteers for *ydouthink*, the VTSF's tobacco use prevention campaign focused on 10-14 year old tweens. The Y St. campaign believes in the power of youth-to-youth (Y2Y) interactions in cultural settings, which include: skate parks, high school sporting events, malls, movies theaters, concerts, festivals, bowling alleys, and other youth-frequented places. With street marketing, Y St. has been able to overcome the challenge faced by many other youth-based anti-tobacco programs with declining participation between trainings. Y St. focuses on an integrated social marketing approach by not only training youth, but also creating a system for sustained youth involvement. In the initial 18 months of Y St., there were 1,516

volunteer instances throughout Virginia by the 1,001 trained members. On average, the campaign system manifests 1.5 volunteer instances for each trained youth. For each volunteer instance in a street marketing effort, an average of 15 Y2Y interactions occur, which spread the campaign message through the teenage members of the campaign. In these 18 months, there were 22,740 Y2Y interactions that occurred through the volunteer model. This figure indicates that during the 18-month period, there was a monthly average of 1,338 Y2Y interactions. That is 1,338 youth throughout Virginia that were directly engaged by another youth in a cultural setting about being smoke-free, EVERY MONTH!

Research:

Contracts for the seven research projects are complete. One contract was declined due to internal staffing changes at VCU. Pre-award meetings took place with each principal investigator to review the project plans and reporting requirements.

World Conference:

Several staff members attended the 13th annual World Conference on Tobacco OR Health in Washington, D.C., from July 12-15. The conference drew some 10,000 attendees from the tobacco-control and cancer research fields. There were several highlights of the conference involving VTSF: the director of marketing presented a poster session on street marketing efforts involving youth volunteers; Rescue Social Change Group, VTSF's street marketing contractor, presented a session on social branding that highlighted VTSF's campaign; and the VTSF-funded research project at VCU presented information on a potential genetic marker for nicotine addiction along with work from its Twin Registry.

Resource Development:

VTSF partnered with Prevention Connections to apply for a CDC grant. The RFA offered \$1.2 million per year for three years to conduct a tobacco prevention counter marketing campaign targeted at at-risk youth, ages 12-17. The 2005 Youth Tobacco Survey data was used to identify at-risk youth categories. The proposal was submitted electronically on July 14th. The proposal was recommended for funding; however, it was not ranked first. Only the top proposal was awarded funding at this time. If additional funding becomes available, our proposal will be reconsidered.

Stakeholder issues:

The CDC hosted a meeting of MSA-funded groups and state tobacco control managers August 16-17 in Atlanta. The deputy director represented VTSF at this meeting; her travel was sponsored by the CDC. The purpose of the meeting was to enhance the exchange of information and collaboration within and among states. This is the first meeting of its type since MSA-funded organizations have developed in various states.

The executive and deputy director continue to meet with the health voluntary organizations and health department representatives to review the statewide strategic plan for tobacco use control and prevention. This group meets on a bi-monthly basis to coordinate activities and plan collaborative efforts.

VTSF staff met with staff from DMHMRSAS and ABC to discuss compliance with the youth access law that prohibits the sale of tobacco products to minors. ABC is authorized to enforce this law and is under contract with DMHMRSAS and VTSF to conduct compliance checks with retailers. The discussion centered on methods to get an accurate list of retailers that sell tobacco products in Virginia. Currently, the list is developed from business lists using Dun & Bradstreet codes.

The group decided to explore other options to obtain an accurate list such as contacting the State Corporation Commission and the Department of Taxation, regarding business registration, surveying other states on their methods, and exploring the need to have tobacco retailers registered.

Media:

On July 11, the Richmond Times-Dispatch published prominent, top-of-the-fold articles in its Business section about the VTSF's newest television commercials and the 2005 Youth Tobacco Survey results. VTSF Public Affairs Coordinator Richard Foster also did radio interviews about the Youth Tobacco Survey with WINA in Charlottesville, WRVA in Richmond and WVTF in Roanoke.

Reorganization:

The Chairman, in communication with the Executive Committee approved a reorganization plan. Significant changes include the following:

Shifting the reporting relationships of Program Specialist Positions to the Director of Programs (previously called Director of Grants Management)

Shifting staff support for the Program Committee to the Director of Programs

Reducing the number of Grant Program Administrators

One of the Program Specialists indicated a willingness to opt for the 32-hour employee status. This will take effect this month.

Creating a Resource Development Coordinator to focus on new revenue.

During FY06, we are projected to have expenses approximately \$100,000 under budget in the administration line item and we anticipate similar expenses in FY07. We propose other general administrative changes included in the list below. Changes resulting in additional savings of about \$100,000 include:

A negotiated reduction in VTSF central office rent for a five-year period - \$4,000 savings/year

Offering the compensation options approved by the board - \$30,000 savings

Approving full-time telecommuting for the North GPA to work out of home - \$12,000 savings

Approving the Program Specialist as a 32-hour employee - \$14,000 savings in salary and benefits

Closing the Midlothian field office and turning in the state vehicle assigned to this office - \$10,000 savings

Reduction in total cost for IT - \$20,000 savings
Shifting one staff member's health care coverage to her spouse's plan within another state agency - \$12,000 savings
Abolishing the Board-hosted reception and encouraging board members to attend the health voluntary organization reception- \$3,000 savings
Shifting the timeframe to ship program proposals to reviewers in order to allow time for regular mail vs. Fed Ex - \$3,000 savings.

Budget

Wilma Jordan reported the cash on hand as of July 31, 2006 is \$6,309,264 million. VTSF began the fiscal year with approximately \$6,500,000 million which was about \$671,000 less than last year as a result of the funds currently in litigation. It is too early to tell if it will be necessary to draw on the line of credit earlier than March.

The Auditor of Public Accounts is in the process of auditing the VTSF records for FY06. The auditors have recommended that a policy be adopted to formalize the process used to review and adjust the budget. Margaret White noted the auditors were pleased about the process the board uses to review our budget to actual expenditures at each meeting and they suggested that it would be good to formalize that procedure into a broader policy. The Board directed the staff to bring a draft policy to the next meeting. Wilma Jordan also thanked the staff for their assistance with the requests from the auditors.

Deputy Attorney General, Frank Ferguson gave an update on the law suit which was filed against R.J. Reynolds Tobacco Co. and Lorillard Tobacco Co., the tobacco companies that put a portion of their disputed payment from 2003 in a dispute escrow account. The District Court ruled that the case go to arbitration for resolution; the Attorney General's office has appealed this ruling. At the same time, there is a national effort underway to negotiate some adjustments to the Master Settlement Agreement (MSA) that will remedy this problem for future years.

Public Comment

None

Committee Reports/Business:

Programs:

Donna Gassie reported there are 75 grantees for FY07 which includes 25 one-year grantees and 50 three-year grantees with funding totaling \$3,585,000.

The next RFP will go out in January 2007 with programs beginning July 1, 2007. VTSF will utilize a Best Value RFP for the upcoming process.

The statewide grantee training conference is coming up at the end of this month. VTSF received a SAMHSA grant for \$25,000 from the Federal government to offset most of the cost of the conference.

As a result of the reorganization, VTSF now has four Grant Program Administrators instead of five. The regions have been restructured to reflect the staffing changes. Regional Advisory Boards will be restructured as well in the coming months.

Marketing

Danny Saggese reported the new television advertisements are on the air. Belly Dance has received the most recognition both from individuals and the advertising community.

Since the launch of Y Street in the fall of 2004, there have been 16 different trainings - four within each major demographic market of the state. A total of 1,432 youth have been trained in street marketing strategies, tobacco prevention and how to speak to other youth about the issue. It is estimated that each trained youth interacts with 1,500 youth on the street.

The “*ydouthink*” Campaign had a poster session at the World Conference on Tobacco Health in D.C on July 13. The title of the poster was “Stainable Youth Involvement in Prevention and Advocacy”.

Research

Dr. Kevin Cooper reported that one of the grantees was unable to accept the award granted in the amount of \$200,000 a year to do research. That researcher is leaving the institution and the institution did not find a qualified researcher to fill the position. The Research Committee discussed several suggestions to reallocate these funds. Two proposals were agreed upon for recommendation to the full board.

Motion: Move approval of a contract modification for the VCU contract with Principal Investigator Belgrave of \$21,879 (Year 1-\$7,808, Year 2-\$6,049, Year 3-\$8,022) for indirect costs not included in the original budget approved by the board.

Dr. McDaniel

Second: Sen. Hanger

Vote: Unanimous in favor

Motion: Move approval of a contract modification for the VCU contract with Principal Investigator Danish to add \$3,500 to add additional items to their evaluation survey (writing, testing, and printing costs) as suggested by the VTSF research review team.

Sen. Watkins

Second: Pat Hughes

Vote: Unanimous in favor

The board also had a discussion related to a mentor project that would pair current research grantees with faculty in Historically Black Colleges and Universities (HBCUs). The idea was generated from the Virginia Youth Tobacco Project Steering Committee. The board discussed the value of building capacity within HBCUs as a mechanism to enhance tobacco prevention research versus offering funding to study tobacco use and health disparities affecting minority youth populations. The board referred the matter back to the research committee for further review as it plans for the use of the funding that was declined by VCU.

Old Business

None

New Business

Senator Emmett Hanger, Jr. stated that the American Legacy Foundation's (ALF) Truth Campaign (media campaign) targeted at youth concerns him due to the use of inappropriate language. He plans to contact board members at ALF to express his concerns.

Marty Kilgore added that she sent out an email in August to alert the VTSF board of the ALF activities in Virginia.

Announcements:

Next Board Meeting: Rickie Fulcher indicated that the next board meeting will be coordinated around the voluntary organizations' health reception on January 10 since many VTSF members will be attending that event. An announcement with the meeting date and location will be forwarded to the board.

Adjournment

Meeting adjourned by Rickie Fulcher at 1:59 p.m.