

# VTSF

## VIRGINIA TOBACCO SETTLEMENT FOUNDATION

### **Board of Trustees Meeting Minutes March 12, 2002**

#### **Members present**

Steve Danish, PhD, John O'Bannon, MD, John Andrako, MD, Del. George E. Broman, Jr., Rebecca Darby, Rickie E. Fulcher, Sen. Emmett W. Hanger, Jr., Barbara Hughes, Patrick J. Hughes, Robert Leek, V. Carole Lougheed, Becky Hartt Minor, Sen. John Watkins.

#### **Members not present**

Walter H. Bass, III, Kevin M. Bolling, Curtis Coleburn, Dennis L. DeSilvey, MD, Del. Allen Dudley, James L. McDaniel, MD, Robert B. Stroube, MD, Percy Wootton, MD.

#### **Staff**

Eloise Burke, Donna Gassie, Wilma Jordan, Marty Kilgore, Sheri Lawson, Peter Sengenberger, Margaret White.

#### **Counsel**

Frank Ferguson

#### **Called to order**

Chairman Danish called meeting to order at 1:30 p.m.

#### **Minutes**

Minutes were approved as read.

#### **Old Business**

None

#### **Director's Report**

Marty introduced two new employees to the foundation: Wilma Jordan, Business Manager and Peter Sengenberger, Public Relations Coordinator and re-introduced Rebecca Darby, a student, and Patrick J. Hughes who is employed with Richmond Cold Storage as new board members.

Marty reported that the General Assembly adjourned on Saturday, March 9<sup>th</sup>. Budget amendments to restore the \$15.5 million back to the Foundation were submitted by Senators Watkins and Norment and Delegate Hamilton. Ultimately, the money was not restored.

Del. O' Bannon introduced legislation that exempted from the mandatory disclosure requirements of FOIA (Freedom of Information Act) information of a proprietary nature. The bill was heard in the FOIA sub-committee and was met with opposition, especially from the Virginia Press Association. Committee members felt that the student's personal information would be covered under "scholastic record". No other legislation affected VTSF this session.

Eighty-four programs are now up and running all across the Commonwealth. Every legislative district received funding. A second RFP was issued on January 25<sup>th</sup> for those regions with remaining funds. A pre-proposal conference and grant writing workshop was held in Charlottesville. Proposals are due back April 2<sup>nd</sup>.

The First Annual Grantee Training Conference took place on March 6<sup>th</sup> and 7<sup>th</sup>. Over 260 grantees, VTSF Board of Trustees and staff were in attendance along with 26 exhibitors. The conference was a huge success. Special thanks to Terri-ann and Charlie and our staff for putting together a well-organized and meaningful training conference for the grantees.

The Virginia Research Consortium, an advisory group for the Foundation, met to review collaborative research projects of the six major research institutions in the state. Also discussed was the upcoming RFP for future projects.

### **Chairman's Report**

Dr. Danish reported that the decision to take the Foundation's funds was not final. The Governor could still eliminate the budget cut through a line item veto in the budget bill. Although staff members are not allowed to lobby, members of the board and people in the room and around the Commonwealth can lobby the Governor. Dr. Danish reported that the CEO of Philip Morris contacted the legislators and the Governor about restoring the money. He also stated that Philip Morris wants the programs to go forward because they believe the Master Settlement Agreement was intended to return money to states to prevent and reduce youth smoking. Dr. Danish further explained that the Department of Planning and Budget, who recommended that the money be redirected from the Foundation, did not understand that the Foundation is under a different budget cycle than that of the state, which requires the Foundation to carry-forward ten months worth of budget each year. He also reported that DPB believed the money was not obligated.

### **Marketing Campaign**

Sheri reported that the marketing campaign would launch April 2<sup>nd</sup> with seven television spots, eight radio spots and a youth web site. Outdoor and theatre ads will begin this summer. The "Battle of the Bands," a precursor to the concert series, starts April 22<sup>nd</sup>. Staff from Work, Inc. showcased the marketing campaign's logo and explained how it would be used throughout the campaign.

### **Budget Report**

#### Year-to-Date

Marge reported that a new format for the budget report will be utilized in the future. Sen. Emmett Hanger suggested a "Cash on Hand" column be added. Wilma added that administrative costs shown at 55% simply reflects that 55% of the budget for administrative costs has been expended so far this fiscal year. The overall administrative cost is about 5 1/2 % of the total budget cost.

#### Proposed Budget Cut

Marge went over the information given to the legislative conference committee that outlines the Foundation's cash flow problem. This information outlines when Master Settlement Agreement (MSA) payments are deposited in our fund, when the budget cut will affect the fund and the fact that we would have a zero balance in our fund for a period of about nine months.

If DPB withdraws the money on 7/1/2002, it could potentially create a cash flow problem in December 2002, because of the way in which payments are distributed under the MSA. A verbal request has been made to delay the withdrawal of funds until 6/30/2003 to delay the onset of a cash flow problem. DPB is now aware that every year there will always be a ten-month period where there will be a large carry-forward balance, because we operate from April to March and they operate July to June.

If the budget cut occurs the board will need to consider 1.) a contingency budget for fiscal years 03 and 04 to determine areas to achieve immediate savings and cuts that could potentially affect the 89 existing contracts. 2.) the use of a state treasury loan to assist in the period of time with a cash flow problem.

A discussion followed with several board members asking questions and making comments. The Foundation is researching other additional funding opportunities. Dr. Danish talked about the Florida data and their success and the fact that their success declined when their money was decreased. Dr. Danish also expressed the fact that this is not just a one-time deal. This is an on-going process, which needs to continue over the life of the MSA. Sen. Watkins talked about the legislature's efforts to restore the funds to the Foundation and feels that we still have an opportunity to ask the Governor to restore the funds to ensure that the programs will continue.

**Motion:** Sen. Hanger moved that a member of the executive committee request a meeting with the Governor to discuss exactly where we are at, what we are doing and the fact that we will run out of money by a certain date.

Second: Del. Broman

Vote: Unanimous in favor

Dr. Danish requested that a report be prepared regarding the stopping of programs and when that would happen if the money ran out.

Dr. Danish called for a ten-minute recess at 3:35 p.m.

The meeting reconvened at 3:45 p.m.

#### **Public Comment**

None

#### **New Business**

None

#### **Committee Reports**

##### Program Committee

Becky Hartt Minor forwarded report to Eloise for typing and distribution.

##### Research Committee

Marge reported that the Youth Tobacco Survey (YTS) data collection is complete, however, most regions did not have scientifically valid data due to inadequate participation by schools. She also reported that the Centers for Disease Control and Prevention (CDC) stated that most states that conduct the YTS do not achieve valid data the first time. Marge will be working with the Department of Health and CDC to determine the cost for a new baseline survey to be conducted.

The research RFP is pending for funds to be issued for FY03. The board felt it should go forward since they are committed to continuing initiatives as planned. The Research Committee needs additional membership – interested board members should contact Marge.

#### **Other Business**

Marge shared the promotional package in the VTSF folder, which was handed out at the Grantee Training. A laminated card with staff information was also distributed, as requested by Del. Broman.

#### **Adjournment**

Motion: Barbara Hughes

Second: Becky Hartt Minor

Vote: Unanimous

The meeting was adjourned at 3:55 p.m.