

# 2009

## Annual Report



**VTSF**  
VIRGINIA TOBACCO  
SETTLEMENT FOUNDATION

Empowering the Youth of Virginia  
to Choose Not to Use Tobacco

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## Greetings from the Virginia Tobacco Settlement Foundation Board of Trustees!

As a legislator and doctor, and now in my role as chairman of the foundation's Board of Trustees, it is my pleasure to continue to support the Virginia Tobacco Settlement Foundation's important mission to prevent and reduce youth tobacco use.

I have served on VTSF's Board of Trustees since its inception and I have been proud to see the major positive impact that the Foundation has made upon the health of Virginia's young people. Since the Foundation began its mission in 2001, Virginia has seen a 45.8 percent decrease in the number of high school students who smoke.

The Foundation has a large reach and has become a major force for good in communities across the Commonwealth. VTSF's classroom-based prevention programs directly reach about 141,000 children in public schools, after-school programs, daycares and community centers in almost every legislative district in Virginia. The Foundation's grants employ 435 full-time positions and 1,252 part-time positions.

VTSF has demonstrated great results, but its work isn't over. We still have an estimated 8,100 children becoming new smokers every year in the Commonwealth, and as new children reach that age of experimentation, the Foundation must continue to find new strategies for helping to teach them how to live happy, healthy lives free of tobacco use.

Thank you for everything you do to help us in this mission. Together, we can look forward to more success in 2010 and beyond.

Thank you,

Delegate John H. O'Bannon, III, M.D.  
Chairman, Board of Trustees  
Virginia Tobacco Settlement Foundation



## Greetings from the Virginia Tobacco Settlement Foundation Executive Director!

During the last decade, the Virginia Tobacco Settlement Foundation helped cut youth smoking almost in half in the Commonwealth of Virginia. Because of our great success at reaching youth, FY 2010 will see us taking on a new initiative: childhood obesity prevention. And our expanded mission will bring a new name: the Virginia Foundation for Healthy Youth.

In 2009, the Virginia General Assembly voted to give the Virginia Tobacco Settlement Foundation responsibility for statewide efforts to reduce and eliminate childhood obesity in addition to our existing mission of preventing and eliminating youth tobacco use. This exciting, challenging new mission makes sense because tobacco use and obesity are now the two leading causes of preventable deaths in the United States.

Obesity has reached epidemic proportions in the U.S., where one out of three children is now obese or overweight. Here in Virginia, where more than 60 percent of adults are overweight or obese, it's no different. Childhood obesity can lead to serious, lifelong health problems previously only seen in adults such as Type 2 diabetes, high blood pressure and heart disease.

As we begin addressing childhood obesity prevention, we will forge new partnerships and collaborations, both public and private, in an effort to arrest this alarming public health threat.

More importantly however, this new mission gives us the opportunity to make a greater impact on the overall health of Virginia youth, teaching them to how to make healthy choices that will last their entire lives.

Sincerely,

Marty H. Kilgore  
Executive Director  
Virginia Tobacco Settlement Foundation

## Background

The Virginia Tobacco Settlement Foundation's nationally recognized youth tobacco-use prevention methods focus on four major initiatives: Programs, Marketing, Research and Enforcement. VTSF estimates that this comprehensive approach to reducing and preventing tobacco use annually helps prevent about 48,500 Virginia children from becoming new smokers, and will reduce tobacco-related deaths by about 15,000 per year in the coming decades. Due in large part to the VTSF's efforts to prevent youth from becoming adult smokers, VTSF estimates that the Commonwealth will save about \$840 million in smoking-related health care costs in coming decades.

### Master Settlement Agreement

In 1998, the Attorneys General of 46 states, including Virginia, signed the Master Settlement Agreement (MSA) with the four largest tobacco manufacturers in the United States to settle state suits to recover costs associated with treating smoking-related illnesses. The spirit and intent of the MSA was to provide states with funding for tobacco-use prevention programs that would ultimately lower the prevalence of tobacco use, thus lowering long-term medical costs to care for citizens with tobacco-related diseases. According to the MSA, the tobacco manufacturers are projected to pay the settling states in excess of \$200 billion in a 25-year period. Virginia is expected to receive \$4 billion.

### Creation of VTSF

In 1999, the Virginia General Assembly established the Virginia Tobacco Settlement Foundation (VTSF) to lead Virginia's youth tobacco-use prevention efforts. VTSF achieves this goal through funding education, research, marketing and enforcement initiatives. The General Assembly allocated 10% of Virginia's MSA funds to the VTSF to lead the Commonwealth's youth tobacco-use prevention efforts.

### The VTSF Board of Trustees developed its goals and objectives to include:

- Educating youth about the adverse health, economic and social effects of tobacco use
- Educating parents and guardians about the adverse health, economic and social effects of tobacco use on their children
- Promoting school and communitybased programs that target youth tobacco-use reduction
- Serving as an advocate/resource to Virginia lawmakers on legislative initiatives to reduce youth tobacco use
- Promoting research to study ways to reduce the deleterious effects of tobacco as well as to reduce the social, economic and environmental effects of tobacco use by youth
- Developing marketing strategies to promote the efforts of the Foundation
- Serving as the hub of all youth tobacco-use reduction efforts in the Commonwealth by creating a comprehensive approach to the issue
- Leveraging the resources of the Foundation to encourage private-sector investments in order to develop public/private partnerships to address this issue.

## VTSF STAFF

### Central Office Staff

701 East Franklin Street, Suite 501  
Richmond, Virginia 23219

- Marty Kilgore**, Executive Director  
**Margaret White**, Deputy Director  
**Rita Angelone**, Resource Development Coordinator  
**Terri-ann Brown**, Program Specialist  
**Eloise Burke**, Senior Executive Assistant  
**Richard Foster**, Public Affairs Coordinator  
**Donna Gassie**, Director of Programs  
**Wilma Jordan**, Business Manager  
**Charlie McLaughlin Jr.**, Program Specialist  
**Danny Saggese**, Director of Marketing

## FIELD STAFF

### NORTH REGION

**Lisa Brown**, Grants Program Administrator  
2465 Centreville Road #117-106  
Herndon, VA 20171

### CENTRAL REGION

**Henry Harper**, Grants Program Administrator  
2878 James Madison Hwy.  
Bremo Bluff, VA 23022

### SOUTHEAST REGION

**Judy Link**, Grants Program Administrator  
7100 George Washington Memorial Highway, Building B, Suite 14  
Yorktown, VA 23692

### SOUTHWEST REGION

**Jenny Martin**, Grants Program Administrator  
Research Building VII  
1700 Kraft Drive, Suite 2416  
Blacksburg, VA 24060

**CHAIRMAN**

**The Honorable John H. O'Bannon, III, M.D.**, Member of the House of Delegates, representing the 73rd District (concurrent with House term)

**VICE CHAIRMAN**

**Edda Collins Coleman**, of Fairfax, Legislative Director, Polsinelli Shughart PC (term expires June 30, 2011)

**MEMBERS**

**Sanjeev K. Aggarwal, M.D.**, of Arlington, Georgetown University Hospital, Radiation Medicine (term expires June 30, 2009)

**Curtis Coleburn**, Chief Operating Officer, Virginia Department of Alcoholic Beverage Control

**Kevin R. Cooper, M.D.**, of Midlothian, professor, Virginia Commonwealth University School of Medicine (term expires June 30, 2009)

**Richard Crittenden**, of Richmond, youth member (term expires June 30, 2009)

**Jose F. Dimas**, of Vienna, legislative representative, National Center for State Courts (term expires June 30, 2009)

**Rickie E. Fulcher**, of Stuart, director of retail operations, Clark Gas & Oil Co. (term expires June 30, 2010)

**Don Gehring**, of Richmond, Vice President Government Relations and Health Policy, Virginia Commonwealth University and VCU Health System Authority (term expires June 30, 2010)

**The Honorable Emmett W. Hanger, Jr.**, State Senator representing the 24th District (concurrent with Senate term)

**Patrick J. Hughes**, of Richmond, director of operations, Richmond Cold Storage Inc. (term expires June 30, 2011)

**John O. James Jr.**, of Charlottesville, Program Director, News Radio WINA 1070 AM (term expires June 30, 2010)

**The Honorable William R. Janis**, Member of the House of Delegates, representing the 56th District (concurrent with House term)

**Rakesh Kukreja, Ph.D.**, of Richmond, Professor of Cardiology, Virginia Commonwealth University School of Medicine

**James Lund McDaniel, M.D.**, of Franktown, attending physician and medical director, respiratory therapy, Shore Sleep Diagnostic Center & Pulmonary Function Laboratory, Shore Memorial Hospital, Nassawadox; president and chief administrative officer, Eastern Shore Physicians & Surgeons Inc. (term expires June 30, 2010)

**Keith Newby Sr., M.D.**, of Norfolk, Cardiologist, Cardiology & Arrhythmia Consultants Inc. (term expires June 30, 2010)

**The Honorable Ralph Northam, M.D., State Senator representing the 6th District** (concurrent with Senate term)

**Carlos Quintela**, of Oakton, teaching assistant for Fairfax County Public Schools, youth member (term expires June 30, 2009)

**Karen Remley, M.D.**, Commissioner of Health, Virginia Department of Health

**Claudia Tellez**, of Loudoun County, Director of Project Access, Medical Society of Northern Virginia (term expires June 30, 2009)

**Rosa I. Villoch-Santiago**, of Alexandria, Director of Hispanic and International Initiatives, American Cancer Society, South Atlantic Division (term expires June 30, 2011)

## Virginia Youth Tobacco Survey

**At a Sept. 9, 2008, press conference held at Chesterfield County's Manchester Middle School, Virginia Gov. Timothy M. Kaine announced that youth smoking rates in Virginia had plummeted to the lowest point this decade.**

Releasing the results of VTFS's 2007 Virginia Youth Tobacco Survey, Kaine stated that Virginia's percentage of high school smokers is now well below the national average. An estimated 15.5 percent of Virginia high school students are current cigarette smokers, compared to 20 percent nationally. "For a state like Virginia, which has been a tobacco-growing state, that is very, very impressive," Kaine said.

The Washington, D.C.-based Campaign for Tobacco-Free Kids issued a press release, stating that Virginia "should be commended for its commitment to reducing the devastating toll of tobacco use – especially among our children – by

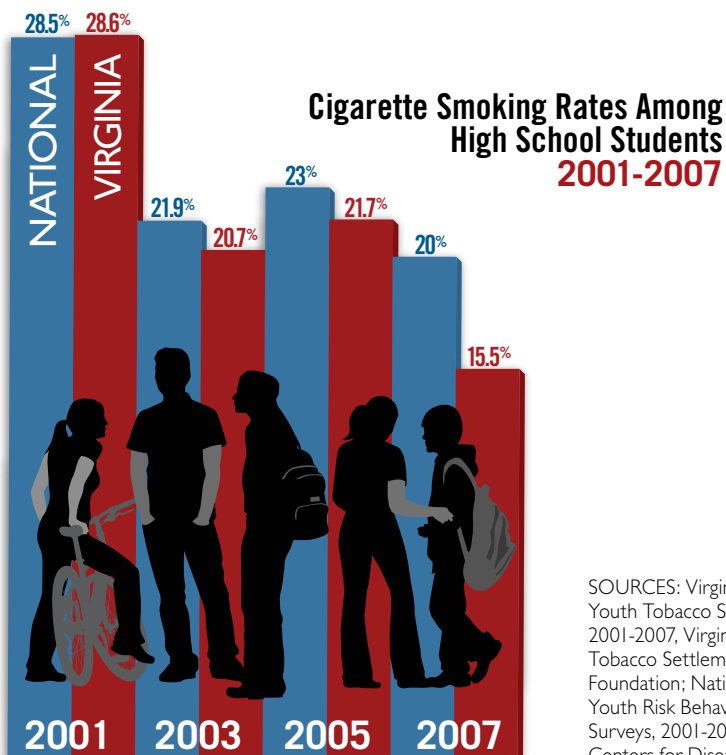


continually investing in tobacco prevention efforts." William V. Corr, executive director of the Campaign, said, "Virginia has shown remarkable progress over the past two years in its efforts to keep kids from smoking – and these new results provide additional evidence that tobacco prevention is a good investment for states."

Since 2001, VTFS has commissioned the biennial Virginia Youth Tobacco Survey (YTS) of public middle school and high school students. More than 2,600 students in grades 6 through 12 were surveyed, answering questions about tobacco use; accessibility of tobacco products; attitudes

toward tobacco use and advertising; and other factors such as secondhand smoke exposure.

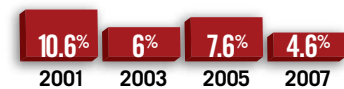
The latest survey was conducted in fall 2007 by Virginia Commonwealth University's Survey and Evaluation Research Laboratory (SERL) and Community Health Research Initiative (CHRI). Results were released in September 2008.



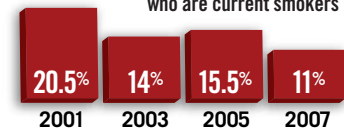
SOURCES: Virginia Youth Tobacco Survey, 2001-2007, Virginia Tobacco Settlement Foundation; National Youth Risk Behavior Surveys, 2001-2007, Centers for Disease Control and Prevention (CDC).

## Virginia Youth Tobacco Survey

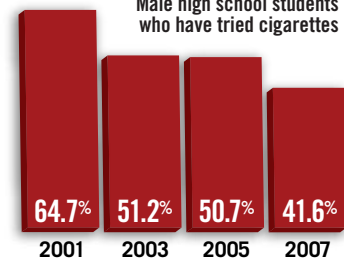
Middle school students who are current smokers



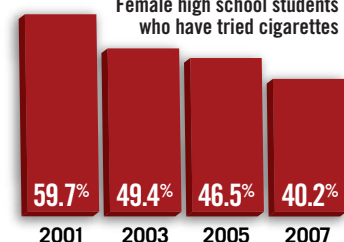
Middle and high school students who are current smokers



Male high school students who have tried cigarettes



Female high school students who have tried cigarettes



# Programs





**VTSF is committed to involving Virginia's communities in the effort to prevent youth tobacco use through tobacco-use prevention and cessation programs.**

Taught at hundreds of public schools, community recreation centers, faith centers, day cares and preschools statewide, VTSF's evidence-based community educational programs provide direct interaction with young people throughout their childhood and are a key element in changing youth attitudes and behaviors about tobacco use.

During FY 2009, VTSF directly served 50,600 youth across Virginia through 94 grant programs funded at a total of 4.4 million. VTSF awarded 42 one-year grants in FY 2009. Forty-four three-year grantees conducted their final year of programming in FY '09. In addition, eight targeted grants were awarded for collaborative projects between CSB's and schools. Grant recipients included nonprofit organizations, faith groups, schools and other community groups.

### Program Evaluation

VTSF conducts rigorous evaluations of our programs to track the success and reach of VTSF funded programs. Evaluations measure such factors as a student's ability to resist peer pressure and their knowledge of harmful effects of tobacco use. VTSF contracted with Virginia Commonwealth University's (VCU) Survey and Evaluation Research Laboratory (SERL) to provide a comprehensive evaluation of the 69 grant programs. The VTSF awarded VCU \$258,000 for these evaluation services.

### Compendium and Training

All of the funded grants utilized programs found in VTSF's Compendium of Tobacco Use Prevention Programs for Youth. The Compendium programs address issues relative to tobacco-use prevention including primary tobacco-use prevention education, tobacco cessation, early tobacco intervention and reduction, advocacy, youth empowerment and social skills building. These evidence-based programs have been recognized by national, state and nonprofit organizations as model, promising or effective tobacco-use prevention programs. VTSF provides extensive training and technical assistance to help facilitators more effectively reach young people through our Compendium programs.

### VTSF Compendium of Programs

All Stars  
 Al Pal's  
 Creating Lasting Family Connections  
 Ending Nicotine Dependence  
 The Great Body Shop  
 Helping Teens Stop Using Tobacco  
 Intervening with Teen Tobacco Users  
 Know Your Body  
 Life Skills Training  
 Minnesota Smoking Prevention Program  
 Not On Tobacco  
 Positive Action  
 Project Alert  
 Project EX  
 Project Toward No Drug Use  
 Project Toward No Tobacco Use  
 Skills for Adolescence  
 Strengthening Families 6-11  
 Strengthening Families 10-14  
 Too Good for Drugs



## TRAINING CONTRACTS

Each year, VTSF offers capacity building and tobacco prevention program training for grantees and other organizations throughout Virginia. In 2009, VTSF partnered with the following to conduct 29 workshops:

### ALEJANDRO GARCIA-BARBON – Youth Program Consultant \$5,250

**Advanced Cultural Competency - The Path to Cultural Competency** - Participants use a series of exercises and discussions to examine stages along the cultural competency continuum and to determine the impact each stage has on our ability to work cross culturally in the community and in the workplace. Discussions & exercises also focuses on self-reflection and the examination of the participants' workplaces and communities and any gaps that may exist between the two.

**Advanced Prevention** - The workshop provides discussion and exercises that promote prevention strategies to build a comprehensive, sustainable, and successful prevention effort. Prevention strategies are most likely to succeed if they reach both individuals and the environments in which people live and work – family, school and community.

**Facilitation Skills** - A focus group process in which participants learn and practice all the foundational skills and tools of small and large-group facilitation. Using the philosophy that “with the right tools, anyone can lead productive meetings,” the workshop helps participants develop the good in-house facilitators.

**Writing a Winning Proposal** - An introduction to the process, structure, and skill of professional proposal writing. Participants will learn the entire proposal writing process and complete the course with a solid understanding of not only the ideal proposal structure, but a holistic understanding of the essential factors, which determine whether or not a program gets funded. Participants emerge from the course as a competent program planning and proposal writing professional.

### THE ALLIANCE FOR OUR BELOVED CHILDREN \$3,000

**Children in America - Past, Present and Future** - The workshop examines how the history of children in the United States has impacted the fields of prevention and youth development. Participants examine how socialization has affected the way in which children are both viewed and treated. They explore ways to both challenge their own

perceptions as well as others. They learn strategies that tackle the negative views of children that are embedded in the everyday lives of Americans both in programming and beyond. **Playing with” Family Education** - The workshop connects the fields of youth development and family education. It focuses on presenting information in ways that helps to destigmatize family (parenting) education.

### CENTER FOR CREATIVE DEVELOPMENT, INC. \$8,300

**The ABC’s of Classroom Management** - This workshop is designed to address teacher/student relationships and the use of power in the classroom. It focuses on the kinds of needs and situations which predicate classroom management problems and specific ways to improve one's skill in developing a more efficient and nurturing learning environment.

**Building a Child’s Self-Esteem & Self-Efficacy** - This workshop aims to clearly define how both self-esteem and self-efficacy interrelate—or not. It also provide foundational theories and practice for enhancing the self-esteem of our young people and developing their self-efficacy for accomplishing given tasks and/or goals.

**Conflict Resolution** - This training is design to increase participants' personal skills in effectively managing conflict in their lives, as well as for those seeking to enhance the skills of others in various important group contexts, such as family, friends, classrooms, and other learning/work groups. The knowledge and skills presented in this training, helps participants enable students/group members to reduce the tensions and hostilities associated with conflict. Participants learn how to acknowledge one another, and how to come to an understanding based on the real and legitimate needs of all people involved in the conflict. In short, empowering students/group members to express and resolve their own conflicts.

**Effective Communication** - Participants learn that communication is the single most important skill in building and maintaining healthy relationships. Though it seems simple, it is yet complex—easy to do yet easy to blunder. Communicating effectively helps group members build trust and respect, foster learning and accomplish goals. Effective communication is the means by which we convey our thoughts and feelings, and respond to the thoughts and feelings of others. It helps us satisfy our needs, as well as the needs of others.

## Programs

**Engaging the Heart** - The purpose of this change-of-pace, experiential workshop is to provide a vehicle to recharge and reawaken your creative spirit. Through this child's play—learning by doing format, blocks are dissolved, pathways illuminated, and lives transformed by the simple process of engaging the heart to recover and discover your creative powers—your vein of gold.

**Working with At-Risk Youth** – Participants develop a working definition and increase understanding of "at-risk" youth. They explore individual bias and strengths in working with this target group.

### **JASON DANIEL (JD) CARLIN – Youth Program Consultant \$1,700**

#### **Youth Advocacy through Youth**

**Favored Technological Media** - The workshop is an overview of different ways in which youth use technology to communicate. Emphasis is placed on youth's use of the Internet and social networking/discussion forum websites such as My Space and You Tube. The morning session covers various technologies and sites used and the afternoon session provides demonstrations of how to use these sites to help gather information and reach kids on their terms.

#### **Program Sustainability Through Effective Communication to Stakeholders or Decision Makers -**

This workshop focuses on ways of reaching the people that have the greatest impact on the success of your program. Focus is on both the various avenues you can use to reach the stakeholders (i.e. formal presentation or e-mail) as well as how to make these approaches livelier and more captivating ultimately resulting in greater involvement and participation from those that matter most.

### **STEVE HIXON – Youth Program Consultant \$5,400**

#### **The Culturally Competent Professional: Working**

**With an Open Mind** - This interactive workshop explores how to integrate aspects of culture into everyday practice towards becoming more culturally competent and increasing the overall quality of services provided

#### **Designing Effective Program Strategies for Youth –**

The training focuses on youth development, staffing, evaluation

and program creativity as core essentials to effective youth programs. Participants engage in interactive activities designed to highlight each of the core essentials and understanding their effectiveness as program strategies.

**Identifying the Potential in Youth** - This interactive workshop engages participants and enables them to gain insight and practical knowledge into the many positive ways in which youth can contribute. Participants complete and review the results of a questionnaire regarding their own understanding of today's youth. The workshop also identifies and addresses key barriers preventing many youth from reaching their potential and will identify key solutions. It is presented from of a proactive perspective, with emphasis on researched protective factors framework

**Managing Behavior in Youth Programs** - This workshop examines practical disciplinary strategies and techniques for pre-adolescents, adolescents and teenagers. Participants learn to understand youth developmental stages and how they impact behavior. They learn how to develop win-win situations and how to avoid power struggles. Natural and logical consequences will be demonstrated and practiced in participatory activities. Participants also learn how gender and culture factor into discipline. The importance of program environment and relationship building is explored as critical long-term disciplinary strategies. This is an interactive and participatory

**Measuring Youth Program Outcomes** - This interactive training introduces a practical, useful approach to outcome planning and measurement that will help programs increase the effectiveness of their services and communicate the value of what they do.

**Prevention 101** - A highly interactive and engaging workshop that engages participants in learning about risk and protective factors and other basic prevention principles. Special emphasis is placed on implementing research-based programming with fidelity, incorporating outcomes into the program planning stage, and identifying the importance of cultural competence as prevention professionals.



**Program Sustainability (Through Goal Achievement)-**

The workshop focuses on understanding the utilization of the logic model approach in achieving program goals and objectives. Teaching methods include interactive individual and group activities, class discussions, and lecture. Participants will complete a logic model utilizing their professional knowledge and experiences. Concentrated participation, analysis, and evaluation will be the expectation for all participants.

**VALERIE LIGGINS-LAW – Youth Program Consultant \$2,400****Designing Effective Program Strategies for Youth -**

The training focuses on youth development, staffing, evaluation and program creativity as core essentials to effective youth programs. Participants engage in interactive activities designed to highlight each of the core essentials and understanding their effectiveness as program strategies.

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**Program Sustainability (Through Goal Achievement) -** The workshop focuses on understanding the utilization of the logic model approach in achieving program goals and objectives. Teaching methods include interactive individual and group activities, class discussions, and lecture. Participants will complete a logic model utilizing their professional knowledge and experiences. Concentrated participation, analysis, and evaluation will be the expectation for all participants.

**ALAYNE MACARTHUR – Youth Program Consultant \$3,750**

**Fidelity Based Adaptations for Prevention Programs -** Participants explore definitions and standards of fidelity, discuss the most common obstacles to fidelity based implementations, identify the fidelity elements of a program that are essential to achieve desired results, and explore the

types of adaptations and modifications that preserve fidelity while accommodating local contexts.

**Spice Up Your Prevention Programs: Innovative Activities for Enhancing the Experience –**This session invites participants to approach the delivery of prevention, cessation and intervention activities in ways that engage learners on multiple levels, enhances the durability of the learning, and increases the likelihood that what is experienced in the classroom will be transferred and applied to solve real world challenges. Participants use fun and innovative techniques when delivering any type of prevention or cessation/intervention program.

**Sustainability Workshop - Get it Going and Keep it Growing: Sustaining Prevention Programs -** The workshop engages participants in a two part, interactive team based approach to sustaining prevention education programs in the context of their own organization and community. Participants begin by examining what the prevention science field has learned about sustainability of prevention programs. They then work to identify and prioritize the factors that drive or restrain sustainability in their setting. After identifying priorities for action, they develop a strategic action plan and tactics for addressing priorities.

**Teaching Methods for the Way Kids Learn -** Participants explore and experience the teaching skills necessary to create opportunities for advancing cognitive/behavioral/ social/emotional learning in youth. Attendees become better equipped to facilitate discussions with youth, provide feedback that is meaningful for your students and serve as a coach to young people as they practice and refine new skills.

**Teaching Styles to Match Learning Styles -** Participants engage in exercises to assess their teaching styles, explore varieties of learning styles and instructional methods that are effective with adolescent learners, and identify a personal teaching skill that they would like to develop in order to bridge the gap.

**STEVE RIDINI – Youth Program Consultant \$750**

**Coalition Building -** Workshop aimed at strengthening coalitions through cultivating relationships, developing organizational processes, and recruitment. The training helps coalitions assess their readiness to recruit new partners and volunteers and to develop an action plan for increasing involvement and participation from community members. It also explores how successful and effective coalitions operate and will guide participants in developing a plan to develop their coalition and make it more effective.

## VFHY Three-Year Grants, 3rd Year (08-09) Amounts

Region	Organization	Award Amount
<b>Central</b>	Medical Home Plus, Inc.	\$60,937
	Richmond Behavioral Health Authority	\$65,812
	American Lung Association of Virginia	\$63,423
	Chesterfield County Public Schools	\$68,034
	Boys & Girls Clubs of Metro Richmond	\$27,949
	Children, Youth and Family Services, Inc.	\$75,000
	Fluvanna County Public Schools	\$36,547
	Central Shenandoah Valley Office on Youth	\$36,234
	Page County Public Schools	\$8,283
	American Lung Association of Virginia	\$64,622
	Buckingham County Public Schools	\$23,999
	Alliance For Families & Children of Central Virginia	\$55,189
	Rockbridge County Public Schools	\$67,576
	<b>North</b>	Northern Virginia Family Service, Inc.
American Lung Association of Virginia		\$67,884
Loudoun County Community Services Board		\$68,475
Alexandria Community Services Board		\$73,900
Fairfax County Department of Community and Recreation Services		\$74,100
Inova Health Source		\$68,480
Fairfax-Falls Church Community Services Board		\$63,208
Ethiopian Community Development Center - African Community Center		\$71,325
Fauquier CADRE, Inc.		\$65,300
Medicorp Health System		\$67,661
<b>Southeast</b>	YMCA of South Hampton Roads/Community Service Branch	\$33,627
	City of Norfolk	\$46,113
	William A. Hunton YMCA	\$52,224
	Boys and Girls Clubs of Southeast Virginia	\$37,111
	American Lung Association of Virginia	\$61,384
	Boys & Girls Clubs of the Virginia Peninsula	\$40,245
	Historic Triangle Substance Abuse Coalition	\$60,556
	Three Rivers Health District	\$20,918
	C. Waldo Scott Center for H.O.P.E.	\$21,063
	Southside AHEC	\$49,626
	Southside AHEC	\$49,218
<b>Southwest</b>	Bland County Public Schools	\$30,489
	Giles County Partnership for Excellence Foundation, Inc.	\$59,332
	Twin County Prevention Coalition	\$37,256
	Mount Rogers Community Services Board	\$30,821
	Cumberland Mountain Community Services	\$22,499
	New River Valley Community Services	\$65,572
	Blue Ridge Behavioral Healthcare	\$58,531
	Danville-Pittsylvania Community Services	\$56,256
	Piedmont Community Services	\$50,444
	American Lung Association	\$64,781

### Targeted Program Grants

North	Fairfax-Falls Church CSB – Too Good For Drugs	\$86,371
	Alexandria CSB – Too Good for Drugs	\$70,283
Central	Goochland/Powhatan – Life Skills Training	\$75,951
Southwest	Highlands Comm. Services – Life Skills Training; Too Good for Drugs	\$92,022
	Dickenson County Behavioral Health – Positive Action	\$20,355
	New River Valley CSB – Life Skills Training; Intervening with Teen Tobacco Users	\$17,834
Southeast	MP-NN CSB – Life Skills Training	\$71,315
	Hampton-NN CSB – Life Skills Training	\$96,122
	Total	\$532,007

### One-Year Program Grants

Organization	Funding Amount
Appomattox County Schools, Appomattox, VA 24522	\$26,971.00
Better People, Inc., Richmond, VA 23225	\$12,090.00
Boys and Girls Clubs of Harrisonburg and Rockingham County, Harrisonburg, VA 22802	\$28,907.00
East District Family Resource Center, Richmond, VA 23223	\$50,000.00
Metropolitan Family Services, Inc., Richmond, VA 23241	\$63,642.00
NIA, Inc., Richmond, VA 23223	\$5,000.00
Rockbridge Area Community Services, Prevention Unit, Lexington, VA 24450	\$70,322.00
Rockingham Memorial Hospital, Harrisonburg, VA 22801	\$75,000.00
Virginia Rural Health Resource Center 2265 Kraft Drive Blacksburg, VA 24060	\$74,998.00
Boys & Girls Club of Greater Washington - Virginia Region, Manassas, VA 20110	\$70,480.00
Caroline County Public Schools 16221 Richmond Turnpike Bowling Green, VA	\$62,945.00
Fairfax Area Christian Emergency & Transitional Services, Inc. (FACETS, Fairfax, VA 22030	\$21,668.00
Hugh Mercer Elementary School, Fredericksburg, VA 22401	\$25,031.00
Rappahannock Area YMCA, Falmouth, VA 22405	\$14,677.00
Youth Apostles Institute, McLean, VA 22101	\$26,744.00
Accomack County Public Schools, P.O. Box 330 Accomack, VA 23301	\$32,735.00
Alternatives, Inc., Hampton, VA 23666	\$43,302.00
Boys & Girls Clubs of Emporia/Greensville, Emporia, VA 23847	\$25,612.00
Eastern Shore Community Services Board, Nassawadox, VA 23413	\$40,698.00

**One-Year Program Grants continued**

<b>Organization</b>	<b>Funding Amount</b>
Family Development Center of VA, Warsaw, VA 22572	\$8,878.00
Middle Peninsula- Northern Neck Community Services Board, Saluda, VA 23149	\$74,909.00
Newport News Office on Youth Development, Newport News, VA 23606	\$22,612.00
Portsmouth Public Schools, Portsmouth, VA 23704	\$62,316.00
The Up Center, Norfolk, VA 23517	\$67,299.00
Western Tidewater Community Service Board, Suffolk, VA 23434	\$58,593.00
Woodlawn Learning Center, Hopewell, VA 23860	\$18,742.00
Bristol Youth Services, Bristol, VA 24201	\$66,229.00
Chilhowie Elementary School, Chilhowie, VA 24319	\$36,639.00
Community Youth Program at St. John's Inc., Roanoke, VA 24002	\$16,498.00
Grayson County Public Schools, Independence, VA 24348	\$70,517.00
Henry County Schools, Collinsville, VA 24078	\$30,185.00
Mountain View Youth & Family Services, Hillsville, VA 24343	\$38,421.00
Pittsylvania County Community Action, Inc., Chatham, VA 24531	\$54,871.00
Planning District One Behavioral Health Services, Norton, VA 24273	\$15,509.00
Presbyterian Community Center, Roanoke, VA 24013	\$5,152.00
Pulaski County Public Schools, Pulaski, VA 24301	\$72,508.00
Radford City Public Schools, Radford, VA 24141	\$55,963.00
Roanoke County Public Schools, Roanoke, VA 24019	\$61,002.00
Rooftop of Virginia CAP, Galax, VA 24333	\$24,789.00
St. John Neumann Academy, Blacksburg, VA 24060	\$18,027.00
Support to Eliminate Poverty (STEP), Inc., Rocky Mount, VA 24151	\$3,479.00
Virginia Wilderness Institute, Oakwood, VA 24631	\$5,426.00
Total	\$1,659,386.00



# Marketing





VTSF's comprehensive marketing efforts are aimed at continuing to drive the low rates of tobacco use by youth in Virginia ever lower. It all began in 2002 with the award-winning multimedia Y Campaign. This initiative (also known as *ydouthink*) prevents youth tobacco use and empowers Virginia's young people to make healthy lifestyle choices. The focus market of the campaign, which is based on the most extensive youth marketing research ever conducted in Virginia, is young people ages 10 to 17, with a special emphasis on "tweens" ages 10 to 14. The Y Campaign's tagline asks kids, "Can anybody tell us why smoking isn't stupid?" The campaign's powerful message targets youth through a variety of mediums including: television and radio commercials; interactive Web sites; cinema advertising; and street marketing. In more recent years the VTSF has expanded its research efforts to better understand and reach at-risk segments of youth subculture in the Commonwealth of Virginia. Syke, 2up2down, and Veeay are some of the brands created specifically to deliver more relevant messaging to young people within subcultures that exhibit higher rates of tobacco use.

### Campaign Partners

The marketing campaign funded the following contractors to promote the Y Campaign in FY09:

#### Barber Martin Agency (\$4.2 million)

Award made for the continued implementation of the multimedia efforts of the Virginia Foundation for Healthy Youth. This includes the purchasing of traditional and nontraditional media to place advertisements in various outlets, the development of new creative concepts and ideas, and the production of ideas into finished advertisements or commercials.

#### RescueSCG (\$1,225,000)

Award made for continued research, implementation and evaluation of the street-marketing and interactive initiatives supporting the Y Campaign. This includes the scheduling and managing of all campaign events, the employment of personnel to conduct events, the training and management of youth volunteers and the development and implementation of new advocacy projects for Virginia youth. RescueSCG is also responsible for the Y Campaign's interactive initiatives, including VTSF's award-winning Web site *ydouthink.com*. This includes site development

and management, hosting, interactive media development and interactive media planning/purchasing/placement.

#### Market Decisions (\$100,000)

Award made for continued implementation of VTSF's evaluation efforts associated with the Y Campaign. This includes conducting a biannual tracking survey, analyzing data and preparing reports for each survey, as well as proposing and implementing other tools for evaluating the campaign's effectiveness.

#### Market Research

After seven years, the awareness level of VTSF's *ydouthink* campaign remains high, reaching 70% of the target audience (Virginians ages 10 to 17), according to an April 2009 market research study conducted by the Southeastern Institute of Research. The campaign's awareness has been consistently strong statewide (between 70% and 79%) for 66 consecutive months.

#### TV & Radio

Over the years, VTSF's creative work has been recognized for its excellence. Among the most recent awards:

- "Belly Dance" was chosen as one of the "TV Spots of the Week" by Advertising Age.
- VTSF TV ad "Kiss" was selected to participate in the 2009 National Conference on Tobacco or Health's AdFest 2009. The event highlighted the best tobacco-prevention ads from around the country within the CDC's Media Campaign Resource Center database.





## Street Marketing

### Y Street

VTSF launched Y Street in 2004 to recruit teen volunteers for the Foundation's marketing initiatives. Through street marketing, Y Street has overcome the challenge of declining participation between trainings faced by many other youth tobacco-prevention programs. Y Street focuses on an integrated social marketing approach by training youth and creating a system for sustained youth involvement. In the initial 18 months of Y Street, young people volunteered some 1,667 times throughout Virginia, resulting in more than 25,000 youth-to-youth interactions. After the most recent round of Y Street Trainings, there are now more than 3,000 young people statewide who have become Y Street members and who are working to educate their peers and the general public about the dangers of tobacco use and secondhand smoke. In FY09, Y Street members completed a total of 456 projects and put in more than 1,000 volunteer hours.

In 2009, VTSF launched the Y Street Leadership Team, beginning with a gathering of the top 15 Y Street members from across the state in an effort to increase youth participation in developing Y Street work plans and volunteer projects. Y Street has grown impressively this past year, evident in the high rate of youth participation as well as in the number of projects completed by Y Street members. The Y Street Leadership Team will be designed to motivate, develop and empower outstanding Y Streeters. It will also provide a structure in which youth input can be efficiently incorporated into Y Street activities throughout the fiscal year.

Also in 2009, Y Street had a significant presence at the National Conference on Tobacco or Health held in Phoenix. Several members of the Y Street Leadership Team helped explain the Y Street effort to the thousands of health professionals in attendance, in addition to representing Y Street at the conference's Youth Activism Event.

## 86 Campaign

One of Y Street's major initiatives in FY 2009 was the **86 Campaign ([www.86thesmoke.com](http://www.86thesmoke.com))**, a volunteer initiative in which Y Street youth educated the general public about smoke-free health issues, while evaluating support for smoke-free restaurants in their communities. Y Street volunteers collected 3,725 surveys of adult restaurant patrons, as well as non-smoking pledges and video testimonials about restaurant patrons' attitudes toward smoking. The average age of the survey participants was 30, with 20% reporting to be smokers. Some of the survey findings included:

- 82% of respondents, including a majority of smokers (53%), thought that smoking should be removed from Virginia restaurants.
- 91% of respondents who dined out 5-12 times a month said they would dine out more often if all restaurants were smoke free.
- 79% of Virginians who did not want smoking banned from restaurants said they would dine out more often or just as frequently if all restaurants were smoke free.



## Meltdown Campaign

Based on the input of the newly created Y Street Leadership Team, Y Street's next major project is **Meltdown ([www.meltdownva.com](http://www.meltdownva.com))**, focusing on snus and dissolvable tobacco products. Y Street youth volunteers hope to involve Virginians to proactively express their opposition against these products on the basis that their flavors and packaging are blatantly targeted to young people. While snus is already prevalent, dissolvable tobacco products such as orbs, sticks and strips are currently not available in Virginia, but these products are



being test-marketed in select cities nationwide. By proactively motivating the community to voice their objections, Y Street will be recognized as the only youth tobacco-use prevention group involved in this objective, and hopefully this will encourage others across the nation to take a stand.

### Researching Youth Subcultures

VTSF and Rescue Social Change Group (RSCG) have released the results of a comprehensive research project that is part of VTSF's endless desire to examine smoking-related attitudes among Virginia middle and high school students. Entitled "Functional Analysis For Cultural Interventions On Virginia Teen Smoking," the primary goal of this study is to further understand the associations between identity and smoking for these individuals. The entire project involved 19 focus groups at 5 middle schools, 2 high schools, and 1 community library involving 137 youth from the counties of Essex, Montgomery, Washington and Henrico, as well as the cities of Norfolk and Virginia Beach. The focus group activities consist of various identity-projection exercises, such as discussing the perceived smoking habits of teens based on pictures only. Participants were selected based on their responses to a screening survey, administered to a total of 283 teenagers. Some of the study's findings:

- Seven prominent subcultures were identified within Virginia teen culture; Preppy, Skater/Rocker, Emo/Goth, Flashy Hip Hop, Hard Hip Hop, Mainstream Floaters, and Southern.
- Smoking rates within subcultures ranged from 3% (Mainstream Floaters) to 35% (Hard Hip Hop).
- Teens with higher levels of social concern have greater odds of being or becoming a smoker. Immediate, environmental stimulation, social approval, and establishment of popularity are all outcomes desired by teenagers who are more likely to smoke.

Perhaps the main implication from this study for the VTSF's marketing effort is that we need to become a social leader within the subcultures that are farthest away from the center of teen culture in Virginia (Mainstream Floaters) because smoking prevalence within those groups is significantly greater. While the ydouthink brand has played a huge role in drastically reducing tobacco use among teens in Virginia, the reduction has been mostly concentrated amongst teens in the Mainstream Floater group (only 5% smoking prevalence,

despite making up 18% of overall population), and ydouthink's messages would not be ideal for groups on the fringe of teen subcultures in Virginia, such as Hard Hip Hop or Emo/Goth.

### Internet

The Y Campaign has a broad reach online. From the mainstay **ydouthink.com** to the **veeay.com** social networking site, VTSF's interactive initiatives continue to keep up with the ever-changing interests and lifestyles of Virginia tweens and teens.

### YDOUTHINK.COM / YSTREET.ORG

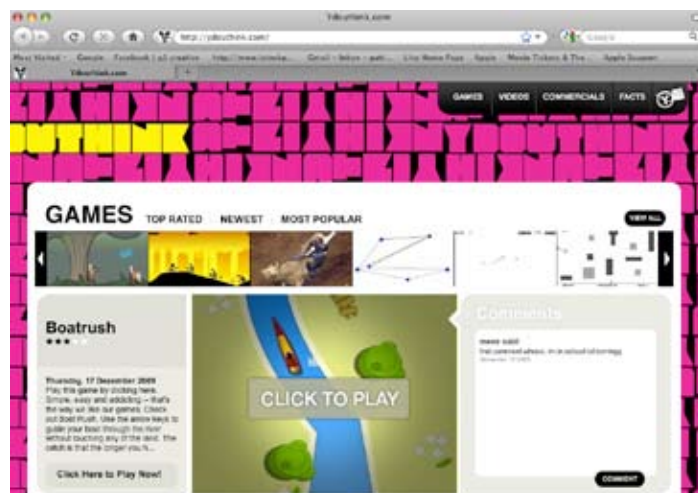
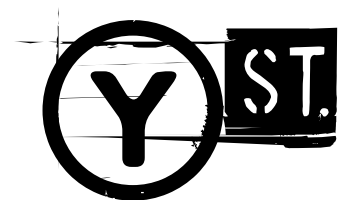
Originally launched in 2002, **ydouthink.com**, the flagship youth-destination Web site for VTSF's Y Campaign, attracts a regular audience of Virginia teens.

Information about the dangers of tobacco use are interlaced subtly throughout this extremely interactive environment, making it a part of the site's culture rather than the only purpose of the site.

In March 2009, **ydouthink.com** was awarded with a 2008 Silver Davey award under the section of Web sites – Health Category. The annual International Davey Awards (daveyawards.com) honors the achievements of the "Creative Davids" who derive their strength from big ideas, rather than stratospheric budgets.

Web site and online activity stats through June 30, 2009:

- More than 1 million site visits (15,000 to 20,000 per month)
- More than 250 million total impressions
- More than 250,000 total Virginia visitors to ydouthink.com
- More than 35,000 total posts and more than 2,500 new topics on members-only message boards at ystreet.org.



# Enforcement



## Enforcement

The Centers for Disease Control and Prevention (CDC) states that without aggressive enforcement of tobacco-access laws, there will be no decrease in the purchase of tobacco products by minors. As a result, enforcement is an important component of the VTSF's comprehensive youth tobacco-use prevention program.

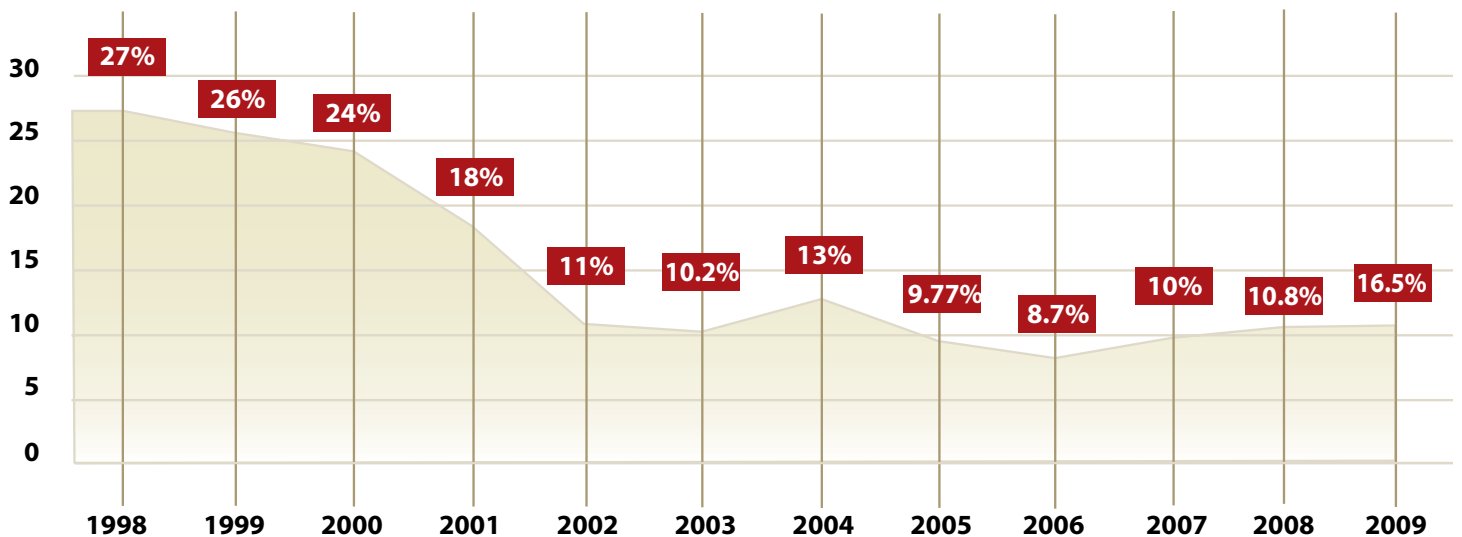
The VTSF funds the state Department of Alcoholic Beverage Control (ABC) to conduct approximately 360 compliance checks per month, during which ABC agents randomly test tobacco retailers to see if retailers will sell tobacco products to underage buyers. ABC regularly reports the results of these compliance checks to the VTSF. Since 1998, the noncompliance rate has decreased from 27% to 16.5%.

### The Enforcement Process

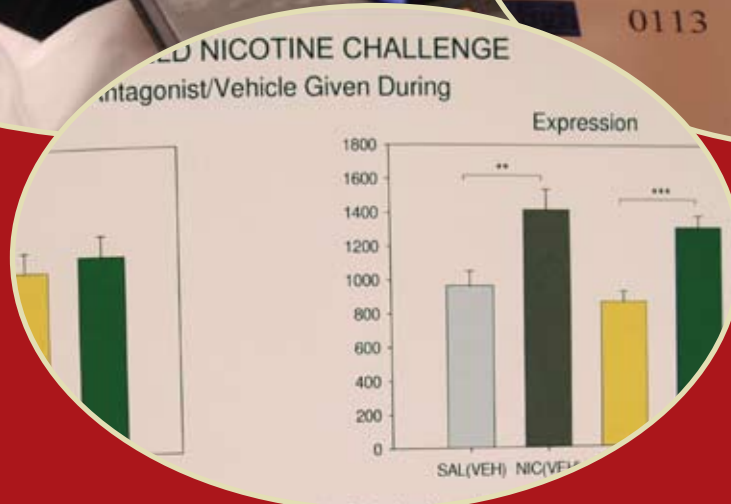
One ABC special agent accompanies an Underage Buyer (UAB) into a tobacco-selling retail establishment. The UAB then attempts to purchase tobacco products from the retailer. As undercover agents under the enforcement authority of the state ABC, the agency's UABs can purchase tobacco products from retailers with immunity and are paid as part-time state employees. Should a violation occur, the UAB returns to a secondary special agent outside the retail establishment. Witnessing the violation, the secondary special agent issues a state summons to the retail clerk.

**Since 1998, the non-compliance rate has decreased from 27% to 16.5%.**

### Non-Compliant Rates



# Research



**GEORGE MASON UNIVERSITY \$246,839****Principal Investigator:** Bob Smith**Collaborating Partners:** VCU, W&M,  
other GMU departments**Neurodevelopmental Effects of Adolescent Nicotine**

Work at George Mason University continued to emphasize the extent to which adolescent nicotine permanently changes brain growth and development. In addition to brain structures we earlier found to be changed, we found that brain cells in the amygdala, a key area for emotional regulation, are permanently altered by adolescent nicotine. This is paralleled by changes in brain chemistry and previously reported changes in emotional behavior. These changes underscore that adolescent nicotine induces widespread changes in brain structure, brain function [behavior], and brain chemistry, and that these changes appear to be permanent.

A new focus, which carried forward into a subsequently awarded grant, is on the importance of the first experience with nicotine. In the rat, we found that a single nicotine dose in adolescence induces a short-lasting preference for (and long-lasting change in sensitivity to) nicotine. Early data collected under this grant showed that such effects are greatest when the nicotine dosing occurs after the animal has been mildly stressed, when the exposure conditions [environment] are new to the animal, and when the animal has been socially deprived. Since our data suggest that long-lasting brain changes appear to start with the first experience, work to define the variables that affect the first experience, and the long-lasting effects of adolescent nicotine, is continuing.

**VIRGINIA COMMONWEALTH UNIVERSITY \$247,986****Principal Investigator:** Faye Belgrave,  
Co-PI: Aashir Nasim**Collaborating Partners:** Virginia  
State University, James Madison  
University, public school districts**The Pathways to Smoking among African-American Adolescents: Family, Contextual, and Cultural Factors**

Over the two years of implementation of this study, we collected data from 642 students, (255 in wave 1 and 387 in wave 2). We successfully collaborated with rural and urban schools in the central, southeastern and western Virginia regions. We are currently concluding data collection for wave 2 and, as of Oct. 26, 2009, our overall retention rate for this group through the three data collection time points is 75%. Analyses are ongoing. However, a significant finding at this point is that it appears that neighborhood disorganization and stress contribute to increased smoking among African-American adolescents and that religious factors attenuate these risks. This conclusion is based on analysis of data from 567 African-American adolescents. A hierarchical multiple regression analysis was conducted to see if risk factors as well as cultural factors predicted past 30-day tobacco use.

**VIRGINIA COMMONWEALTH UNIVERSITY \$238,112****Principal Investigator:** Imad Damaj**Collaborating Partners:** W&M,  
GMU**Establishing the Biological and Genetic Basis for Youth Smoking**

The objective of this collaborative effort using human studies and animal models of nicotine addiction is to characterize the role of the nicotine biological system in tobacco addiction, establish the biological basis for juvenile vulnerability to tobacco addiction, and determine to what extent genetic factors are responsible.

Using human association studies, we explored and replicated the association between variants in nicotinic acetylcholine receptors alpha5 and alpha3 genes and the Cannabinoid receptor 1 gene and the risks to nicotine dependence. We also demonstrated that the nature of the association between church attendance and nicotine consumption changes dramatically over development being largely a result of shared environmental factors in childhood and shared genetic risk factors in adulthood.

Using animal models of dependence, we demonstrated that exposure to low levels of nicotine in a short period in early adolescence causes a long-lasting alteration in the development of dopaminergic signaling in brain regions associated with addiction and render the animals more vulnerable to drugs like

cocaine.

Finally, our studies that combined genetics and genomics approaches allowed a rational selection of candidate genes responsible for nicotine dependence for future follow-up studies in mice or humans.

## VIRGINIA COMMONWEALTH UNIVERSITY \$227,223

### Principal Investigator:

Steven Danish,  
Co-PI: Earl Dowdy



**Collaborating Partners:** VT, Amherst Co. Schools, Appomattox Co. Schools, Charlotte Co. Schools, Nottoway Co. Schools

### Assessing the Efficacy of a School-Based Health Promotion Intervention on Tobacco Use and Fruit and Vegetable Consumption among Rural Youth

In the final year of the LIFT+ grant, we completed the booster intervention training and implementation with the Wave 2 schools, which were originally randomized to the intervention condition beginning in 2008-2009. Specifically, 8<sup>th</sup>-grade students who originally participated in LIFT+ as 7<sup>th</sup> graders and received the eight-workshop intervention curriculum (theory-based, integrated tobacco-prevention, healthy-eating, and self-efficacy program), delivered key intervention messages to 6<sup>th</sup> graders in their respective schools. We also administered the one-year follow-up questionnaires. Following data entry, we conducted statistical analyses to assess the intervention effects using Wave 1 and Wave 2 data (i.e., differences between the LIFT+ intervention and control conditions) at each time point using mixed model regression methods (SAS 9.2 MIXED and GLIMMIX procedures). These methods were necessary since the unit of randomization in this trial was the school rather than the individual student, thus requiring random effects. We assessed possible effect modification by race and gender and stratified results if necessary and adjusted for confounders. In addition, at immediate post-test and one-year follow-up, we adjusted for the baseline value of outcome measures.

At baseline, a total of 1,119 students participated in LIFT+ (intervention=576; control= 543) and 57.5% of the intervention schools had a majority of Caucasian students, whereas 42.8% of the control schools were majority Caucasian (p-value=0.090). One can observe that we have a narrow range of differences among subjects on many of our items, which means the power of the items to discriminate between classes of subjects may be low, and our statistical results may be vulnerable to random error or noise. Comparing our intervention and control data, some items show non-significant differences in the right direction, and a few others produce significant results. After adjustment, the prevalence of smoking a cigarette in the last 100 days was low and did not differ at baseline for the 7<sup>th</sup> graders in the participating schools (Intervention = 2.1% vs. Control = 1.4%). While intervention students were statistically more confident that they would not use cigarettes in the next year at immediate post-test, this did not necessarily translate to actual behavior at one-year follow-up. Specifically, after the one-year follow-up, the intervention effects were not statistically different; however, the intervention schools' prevalence was 2% lower than the control schools (Intervention = 3.7% vs. Control = 5.7%). We also may have influenced uptake of chewing tobacco/snuff in non-Caucasians, though those results failed to show statistical significance. Specifically, at baseline approximately 5% and 5.5% respectively of intervention and control schools reported ever trying chewing tobacco/snuff. While experimentation increased, at the one-year follow-up only 11.8% of non-Caucasian intervention students had tried chewing tobacco, whereas 19.3% of non-Caucasian control students had tried chewing tobacco (p-value=0.011). In addition, our observed treatment effect on self-reported fruit and vegetable consumption was encouraging. At baseline, 23.8% of intervention students reported eating five or more serving of fruits and vegetables a day, compared to 19.5% of control school students (p-value=0.340). At immediate-post test, intervention students were statistically more likely to eat five or more fruits and vegetables a day than control students (30.2% vs. 19.0; p-value=0.020). At immediate post-test intervention, students were also statistically more likely to want to follow-up national recommendations for healthy eating and have confidence that they could follow the guidelines compared to the controls. Additional research is needed to address sustainability of these improved health habits.



## VIRGINIA COMMONWEALTH UNIVERSITY \$179,603

**Principal Investigator:** Bob Balster, J. Randy Koch



**Collaborating Partners:** GMU, JMU, UVA, VT, W&M

### Virginia Youth Tobacco Project Research Coalition Core

The Virginia Youth Tobacco Projects (VYTP) Research Coalition was established in 2002 to advance the prevention of youth tobacco use and nicotine dependence through an integrated program of basic and applied research, research translation and dissemination. During FY 2009, the VYTP Research Coalition continued its previously successful efforts and implemented new initiatives that contribute to its overall mission. Major accomplishments for the past year include: 1) The VYTP Research Coalition grew to include 43 members from eight universities, including two members from Virginia's historically black colleges and universities, Norfolk State University and Virginia State University. 2) The annual meeting of the VYTP Research Coalition was conducted in November 2008, with 40 members/guests attending. The meeting featured final reports on all of the VYTP Small Grants Program studies and a workshop conducted by Dr. Stephen Hecht from the University of Minnesota on Biomarkers for Assessing Nicotine and Tobacco Carcinogen Exposure. The annual VYTP meetings continue to foster opportunities for multi-disciplinary and multi-university collaborations. 3) Dr. Desideria Hacker of Norfolk State University completed her professional affiliation with the VYTP under the mentorship of Drs. Faye Belgrave (VCU) and Aashir Nasim (VCU). Dr. Hacker used her affiliation to increase her skills in conducting research on the psychosocial and behavioral factors related to tobacco initiation and use. She presented her work at the VYTP research conference and has plans to develop a grant proposal for submission in 2009/2010. 4) An expert panel was convened to analyze the issues surrounding youth smoking cessation, and to develop programmatic and policy recommendations for the Commonwealth of Virginia. Led by Dr. Alison Breland (VCU), the panel members included Dr. Suzanne Colby (Brown University), an expert in youth

tobacco issues and pharmacotherapy for adolescent tobacco users; Dr. Geri Dino (West Virginia University), one of the creators of the Not-On-Tobacco (N-O-T) program for adolescent tobacco users; and Ginny Smith, the regional director of mission services for the American Lung Association. Initial findings and recommendations were presented at the triennial VYTP research conference in April 2009. 5) Finally, as part of its mission to reduce youth tobacco use by trying to bridge the "gap" between research and practice, the VYTP held its third in a series of triennial conferences on April 14-15, 2009. Titled The Virginia Forum on Youth Tobacco Use: Translating Research into Policy and Practice, this conference brought together practitioners, policy makers and researchers to hear several presentations from international experts and to engage in discussions about several critical and emerging issues in the field of tobacco control. Presentations including those on the epidemiology of youth tobacco use, developments in youth smoking cessation interventions, reduced exposure products and tobacco control policy and research in primary healthcare settings. The triennial conference continues to focus greater national attention on the VFHY research enterprise by bringing in a large number of national experts to interact with our membership hear about the research being conducted in Virginia.

Overall, the VYTP Research Coalition has been extremely successful in building a strong program of research on the causes and prevention of youth tobacco use. It has facilitated the entry of both junior and senior researchers into this field of research and stimulated collaborations across institutional and disciplinary boundaries. Its success can also be seen by the tremendous productivity of its participating faculty. Most remarkable is that VYTP investigators submitted at least 30 grant applications during FY 2009, with 18 of those being funded. This represented a major increase in grant activity over previous years, demonstrating that VYTP investigators are actively pursuing and obtaining funding for research that builds on the support provided by the VFHY. In addition, VYTP investigators continued to make a significant contribution to the dissemination of scientific work on youth tobacco use, having published or submitted for publication more than 30 manuscripts, and having delivered more than 50 conference presentations during the past year.

## COLLEGE OF WILLIAM AND MARY \$103,024

### Principal Investigator:

Robert Barnet, Ph.D.,  
Co PI's: Joshua Burk and  
Pamela Hunt



**Collaborating Partners:** VCU, GMU

### Long-Term Impact of Adolescent Nicotine on Cognitive Function

The main objective of this research is to characterize the long-term consequences of adolescent nicotine exposure on cognition. Two points of key interest include (a) characterizing the nature of cognitive deficits that occur; and (b) clarifying which brain structures are impacted by adolescent nicotine intake. The long-term objective is to apply those characterizations to models of nicotine addiction and drug dependence on the view that knowledge of what types of cognitive impairment and neural change occur may better arm prevention campaigns, and enable more effective cognitive-behavioral or pharmacological cessation and anti-relapse treatments.

Previous findings from this research suggest that two types of memory impairment may occur in adults as a result of adolescent nicotine exposure. Rats exposed to nicotine as adolescents were found to be deficient as adults in memory tasks that required recognition and integration of complex sensory cues (so-called "context conditioning" task). It was also observed that nicotine exposure during adolescence rendered adult animals incapable of learning in a predictive task which required them to predict an important outcome (brief shock) if that outcome was separated in time from the antecedent predictor (tone, in so-called "trace conditioning" task). Both former tasks require the hippocampus. Recent findings extend analysis of memory impairment associated with adolescent nicotine exposure and suggest adolescent nicotine may cause rats to be more susceptible to the effects of distracting information. Specifically, adult rats exposed to a maze task requiring rapid encoding of task-relevant information were impoverished in their performance in the task, but only if they had been exposed to earlier adolescent nicotine. In this case, effects from prior adolescent nicotine exposure resembled similar effects caused by lesions of the prefrontal cortex. Collectively, these findings suggest adolescent nicotine exposure causes long lasting changes in brain systems important to memory (hippocampus and prefrontal cortex). As a result, the adult's ability to integrate multiple pieces of information into a cohesive memory, prediction of future events, and susceptibility to distraction may be altered.

## VIRGINIA TECH \$196,023

### Principal Investigator:

Peggy Meszaros



**Collaborating Partners:** JMU, VCU, Virginia Treatment Center for Children, New River Valley Community Services, Via College of Osteopathic Medicine

### The Development and Implementation of a Family-Based Substance Abuse Prevention Model for Youth Receiving Behavioral Health Care Services

In Blacksburg, the research team from Virginia Tech, Virginia Commonwealth University and James Madison University worked successfully with a 12-member volunteer Community Development Team (CDT) to design, implement and evaluate two pilot interventions of the Strengthening Families Program (SFP) with a unique population of young people who were receiving Behavioral Health Care Services either at the Richmond Treatment Center for Children or the New River Community Services Board in Blacksburg. The members of the CDT represented prevention specialists, school-based counselors, mental health clinicians, parents and youth in self-declared recovery from addiction in a true Community Participatory Research Team approach. At the final CDT meeting results of the second pilot, recommendations for revisions of the Strengthening Families Program, and plans for the NIH submission were discussed.

It is noteworthy to mention that Dr. Catheryn Hockaday, Extension Program Coordinator for the Strengthening Families Program for Parents and Youth 10-14 at Iowa State University, visited the Virginia Tech campus in May 2009. She had received a report on our results from the second pilot and she stated that our research team had been more successful with full implementation of the SFP with this target audience than any other research team who had tried the intervention. She was most complimentary of our efforts and offered to be a consultant on any subsequent grant we might submit.

## STATEMENT OF NET ASSETS AND GOVERNMENTAL FUNDS

### Balance Sheet

As of June 30, 2009

	<u>Government Funds</u> <u>Special Revenue</u>
<b>ASSETS:</b>	
Cash and cash equivalents held by the Treasurer of Virginia (Note 1-A)	\$ 11,676,745
* Investments held by the Treasurer (Note 1-B)	\$ 4,333,318
Lease Deposits (Note 2-A)	\$ 5,351
Prepaid Rent (Note 2-B)	\$ 5,306
Capital Assets, net of accumulated depreciation: (Note 3) Operating equipment	\$ -
<b>TOTAL ASSETS</b>	<b>\$ 16,020,720</b>
<b>LIABILITIES:</b>	
Accounts Payable (Note 4-A)	\$ 16,051
Accrued Payroll (Note 4-B)	\$ 69,438
Obligations Under Security Lend (Note 1-B)	\$ 4,333,318
Grants Payable (Note 4-C)	\$ 481,534
Contractual Obligations (Note 4-C)	\$ 136,470
Compensated absences (Note 5)	\$ 70,344
<b>Total Liabilities</b>	<b>\$ 5,107,201</b>
<b>NET ASSETS:</b>	
Investment in Capital Assets, net of related debt	\$ -
Unrestricted	\$ 10,913,519
<b>Total net assets</b>	<b>\$ 10,913,519</b>

*The accompanying notes are an integral part of the financial statements.*

\* The Commonwealth's policy is to record unrealized gains and losses in the General Fund in the Commonwealth's basic financial statements. When gains or losses are realized, the actual gains and losses are recorded by the affected agencies.

## STATEMENT OF ACTIVITIES AND CHANGES IN FUND BALANCE

For the Fiscal Year Ended June 30, 2009

### REVENUES:

Master Settlement payments (Note 6)	\$13,974,261
Interest Income (Note 6)	193,734
* Proceeds from securities lending transactions (Note I-B)	34,189

**TOTAL REVENUES** **\$ 14,202,184**

EXPENDITURES:	Expenses	Adjustments	Net (Expense) Revenue & Changes in Net Assets
Tobacco Settlement Expense:			
Administration (Note 7)	\$1,442,676	\$0	\$ -1,442,676
Depreciation Expense (Note 3)	0	0	0
Expenses for Securities Lending (Note I-B)	34,189	0	-34,189
Marketing (Note 4-C)	4,739,885	0	-4,739,885
Program Expense (Note 8)	4,534,441	0	-4,534,441
Research and Evaluation (Note 9)	1,831,724	0	-1,831,724
Inter-Agency Expenses (Note 10)	65,000	0	-65,000
State General Fund Transfers Out (Note 11)	72,823	0	-72,823
<b>Total Expenditures</b>	<b>\$12,720,738</b>	<b>\$0</b>	<b>\$ -12,720,738</b>

Excess (deficiency) of revenue over expenditures 1,481,446

**Fund Balance/Net Assets, July 1, 2008** **\$ 9,432,073**

**Fund Balance/Net Assets, June 30, 2009** **\$ 10,913,519**

*The accompanying notes are an integral part of the financial statements.*

\* The Commonwealth's policy is to record unrealized gains and losses in the General Fund in the Commonwealth's basic financial statements. When gains or losses are realized, the actual gains and losses are recorded by the affected agencies..

**NOTES TO FINANCIAL STATEMENTS**  
As of June 30, 2009

**Note 1: CASH, CASH EQUIVALENTS, AND INVESTMENTS**

**A. Cash and Cash Equivalents**

Cash and cash equivalents represent cash in the General Account at the Department of Treasury. Treasury manages the General Account Investment Portfolio. Information related to the composition of this portfolio is available on a statewide level in the Commonwealth of Virginia's Comprehensive Annual Financial Report.

**B. Securities Lending Transactions**

Investments and cash equivalents held by the Treasurer of Virginia represent the Virginia Tobacco Settlement Foundation's (VTSF) allocated share of cash collateral received and reinvested and securities received for the State Treasury's securities lending program. Information related to the credit risk of these investments and the State Treasury's securities lending program is available on a statewide level in the Commonwealth of Virginia's Comprehensive Annual Financial Report. The Commonwealth's policy is to record unrealized gains and losses in the General Fund in the Commonwealth's basic financial statements. When gains or losses are realized, the actual gains and losses are recorded by the affected agencies.

Cash with the Treasurer of Virginia	\$11,676,745
Investments held by the Treasurer of Va.	<u>\$2,796,293</u>
<b>Total cash, cash equivalents, and investments</b>	<b>\$16,010,063</b>

**Note 2: LEASE DEPOSITS and RENTS**

**A.** VTSF rents office space at 701 E. Franklin for the main office and had field staff offices located in Bremo Bluff, Blacksburg, and Grafton, Virginia. Two leases required deposits. The Richmond office is \$5,126.00, and the Grafton office is \$225.00 for a total of \$5,351.00 in deposits for rental leases.

**B.** As of June 30, 2009 VTSF had paid \$5,306 in rents that were due July 1.

**Note 3: CAPITAL ASSETS**

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the government-wide financial statements. The government defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated life in excess of two years. The Virginia Tobacco Settlement Foundation did not procure assets that would meet the capital asset requirements; therefore, they are maintained in an internal inventory control system.

**Note 4: LIABILITIES**

**Accounts payable**

Operating expenses accrued but unpaid as of June 30, 2009 totaled \$16,051.

**B. Accrued Payroll**

All VTSF employees are paid on a semi-monthly schedule. Accrued payroll expenses of \$69,483 represents work performed prior to June 30, 2009 but registered in FY10 CARS.

**C. Grants/Contractual payables**

The VTSF awarded funding to programs all over the Commonwealth for the prevention of tobacco use by youths. The VTSF contracted with higher education universities to conduct research, surveys and evaluations on tobacco use and prevention. They also have contracts with marketing agencies to lead a major campaign geared toward youths throughout Virginia on the prevention of tobacco use. At the end of the fiscal year there were outstanding payables for which the VTSF had received invoices in the amount of \$618,004.

**Note 5: COMPENSATED ABSENCES**

Compensated absences represent the amounts of annual, disability credits, and compensatory leave earned by VTSF employees, but not taken as of June 30, 2009. The \$70,344 represents the balances at the fiscal year end provided by the Commonwealth's leave liabilities tracking program. To determine how much of this amount to record as long-term liability, calculations were made by adding estimated additional earned leave and subtracting estimated leave to be taken during FY10. Balances for staff with longer years of service were based on the allowable carry forward amounts. As a result, it has been determined that \$36,899 of the entire amount is long-term liability and the remainder is considered short-term liability.

**Note 6: REVENUES**

The VTSF is funded by receiving 10% of Virginia's share of the Master Settlement Agreement (MSA) negotiated between the various Attorneys general and the tobacco manufacturers in 1998. In FY 2009, the VTSF received \$13,974,261 of the projected \$14,672,841 in MSA payments and interest payments from the MSA funds of \$193,734. VTSF did not receive the full 10% due to deposits made into a dispute escrow fund by participating tobacco manufacturers resulting from estimated decreases in market share to non-participating manufacturers.

**Note 7: ADMINISTRATION**

Administrative costs are all of the operating expenses needed for the maintenance of the VTSF. These include expenses of the Board of Trustees, Payroll (including accrued leave liabilities), rents, utilities,

insurances, equipment (repairs, maintenance, rental and purchases), furniture and supplies, postage and delivery, printing, state vehicle fees, employee travel and trainings. In addition, it includes expenses incurred for professional services provided by private industries such as temporary employees, marketing services, website design and maintenance, etc.

**Note 8: PROGRAM**

Program Expenses include funding provided to local organizations to conduct tobacco use prevention programs with youth and funding provided to the Department of Alcoholic Beverage Control for retail compliance checks.

**Note 9: RESEARCH AND EVALUATION**

These expenses include the contracts and agreements with higher education universities in Virginia focused on the

research, evaluation of tobacco use prevention programs, evaluation of the statewide marketing campaign as well as a statewide Youth Tobacco Survey.

**Note 10: INTER-AGENCY EXPENSE**

These include expenses incurred as a result of Memorandums of Understanding with agencies such as the Department of Health for fiscal and payroll support and VITA for system support.

**Note 11: TRANSFERS**

Transfers out are to reimburse the General Fund for expenses related to the Office of the Attorney General, Department of Taxation, DGS, DOA, and DHRM. Additionally for savings due to the suspension of the state employee group life employer contribution rate.



# Commonwealth of Virginia

**Walter J. Kucharski, Auditor**

**Auditor of Public Accounts  
P.O. Box 1295  
Richmond, Virginia 23218**

October 28, 2009

**The Honorable Timothy M. Kaine  
Governor of Virginia  
State Capital  
Richmond, Virginia**

**The Honorable M. Kirkland Cox  
Chairman, Joint Legislative Audit  
and Review Commission  
General Assembly Building  
Richmond, Virginia**

We have audited the financial records and operations of the **Virginia Tobacco Settlement Foundation (Foundation)** for the year ended June 30, 2009. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

## Audit Objectives

Our audit's primary objectives were to evaluate the accuracy of recorded financial transactions on the Commonwealth Accounting and Reporting System, review the adequacy of the Foundation's internal controls, and test compliance with applicable laws and regulations.

## Audit Scope and Methodology

The Foundation's management has responsibility for establishing and maintaining internal control and complying with applicable laws and regulations. Internal control is a process designed to provide reasonable, but not absolute, assurance regarding the reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

We gained an understanding of the overall internal controls, both automated and manual, sufficient to plan the audit. We considered materiality and control risk in determining the nature and extent of our audit procedures. Our review encompassed controls over the following significant cycles, classes of transactions, and account balances.

- Master Settlement Agreement payments
- Contract and grant management
- Vendor payments
- Payroll
- Foundation's board approved budget

We performed audit tests to determine whether the Foundation's controls were adequate, were placed in operation, and were being followed. Our audit also included tests of compliance with provisions of applicable laws and regulations. Our audit procedures included inquiries of appropriate personnel, inspection of documents, records, vouchers, payroll files, marketing and research contracts, program grants, and observation of the Foundation's operations. We tested transactions and performed analytical procedures, including budgetary and trend analyses.

#### Conclusions

We found that the Foundation properly stated, in all material respects, the amounts recorded and reported in the Commonwealth Accounting and Reporting System. The Foundation records its financial transactions on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The financial information presented in this report came directly from the Commonwealth Accounting and Reporting systems and the Foundation's records.

We noted no matters involving internal control and its operation that we consider necessary to be reported to management. The results of our tests of compliance with applicable laws and regulations disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

#### Exit Conference and Report Distribution

We discussed this report with management on November 19, 2009.

This report is intended for the information and use of the Governor and General Assembly, management, and the citizens of the Commonwealth of Virginia and is a public record.



AUDITOR OF PUBLIC ACCOUNTS

AWP/clj



# 2009



## VTSF

VIRGINIA TOBACCO  
SETTLEMENT FOUNDATION

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