Arizona Department of Health Services

Division of Public Health Services
Office of the Assistant Director

150 N. 18th Avenue, Suite 520
Phoenix, Arizona 85007
(602) 542-1023
(602) 364-3445 FAX

JANET NAPOLITANO, GOVERNOR
CATHERINE R. EDEN, DIRECTOR

July 23, 2004

The Honorable Jake Flake
Speaker of the House
Arizona House of Representatives
1700 W. Washington
Phoenix, Arizona 85007

Dear Speaker:

On behalf of the Tobacco Revenue, Use, and Spending Tracking Commission (TRUST), I submit to the Arizona Legislature, our annual TRUST Commission Report. If you have any questions regarding this report, please contact myself or Catherine R. Eden, Director, Arizona Department of Health Services.

Sincerely,

TRUST Commission

for

Matthew G. Madonna
President

MGM:RC:dba

Enclosure

Cc: Susan Gerard, Office of the Governor
Policy Advisor, Health and Human Services
Richard Stavneak, Director, Joint Legislative Budget Committee
David Janofsky, Director, Office of Strategic Planning and Budget
Catherine R. Eden, Director, ADHS
Rose Conner, Assistant Director ADHS Public Health Services

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JANET NAPOLITANO, GOVERNOR
CATHERINE R. EDEN, DIRECTOR

July 23, 2004

The Honorable Ken Bennett
President of the Senate
Arizona Senate
1700 W. Washington
Phoenix, Arizona 85007

Dear President Bennett:

On behalf of the Tobacco Revenue, Use, and Spending Tracking Commission (TRUST), I submit to the Arizona Legislature, our annual TRUST Commission Report. If you have any questions regarding this report, please contact myself or Catherine R. Eden, Director, Arizona Department of Health Services.

Sincerely,

TRUST Commission

for

Matthew G. Madonna
President

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Catherine R. Eden, Director, ADHS
Rose Conner, Assistant Director ADHS Public Health Services

Arizona Department of Health Services

TOBACCO REVENUE, USE, SPENDING AND TRACKING COMMISSION ANNUAL REPORT 2004

The Tobacco Revenue, Use, Spending and Tracking Commission (TRUST) was created through the passage of Proposition 303 on November 5, 2002. Proposition 303, in addition to the levy of an additional tobacco tax, reaffirmed existing statutory language (A.R.S. section 36-772) authorizing the Arizona Department of Health Services' (ADHS) administration of a portion of tobacco tax funds for tobacco education and prevention. Proposition 303 also created a new program, the Chronic Disease Fund and allocated 2% of the new tobacco tax dollars to this fund. The TRUST commission was formed as an advisory oversight board for both the Tobacco Education and Prevention Program (TEPP) and Chronic Disease Fund providing advice to the ADHS Director. In the letter of establishment, the TRUST Commission is requested to submit an annual report of its activities to the President of the Senate and the Speaker of the House of Representatives in July of each year.

On August 13, 2003 the Arizona State Legislature, through the office of the Speaker of the House and the Senate President, officially established the TRUST commission and appointed the original eight members. (Attachment A) The representation on the Commission is in concert with the categories articulated in Proposition 303.

The Commission convened four times during the past fiscal year 2004 – November 19, 2003, January 27, 2004, April 15, 2004, May 17, 2004 - and once during the current '05 fiscal year on July 14, 2004. (Attachment B) The Commission prepared and submitted a Common Purpose Statement, TRUST Commission Values / Ethics Statement, and By-Laws to the Director for approval (Attachment C). A chair and vice-chair were selected as well as a Nominating Committee established for future member appointment. During this initiation period, two members submitted their resignation. (Attachment D)

The Commission structured the agendas to begin educating its membership about the Tobacco Education and Prevention Program, to provide guidance to the initial dispersal of chronic disease funds through a Request for Proposal process and to comply with the state requirement of ethics training for its membership. A manager of the chronic disease fund was appointed in January 2004 and the Request for Proposal was issued in late January 2004. Nine proposals were selected by review committees comprised of internal and external representation, and $1,848,834 total funds were awarded to a variety of community-based organizations and partnerships in May 2004.

Projects to be undertaken by the TRUST commission during the current fiscal year include a comprehensive review of the TEPP program, monitoring of the Chronic Disease Funds and its first year grantees, recruitment and recommendation of new Commission members, participation in a strategic planning process for both programs and guidance for TEPP's legislative report due November 15, 2004.

Attachments:

A. Appointment Letter of August 13, 2003
B. Minutes of the TRUST Commission:
    November 19, 2003
    January 27, 2004
    April 15, 2004
    May 17, 2004
    July 14, 2004
C. Common Purpose Statement
    TRUST Commission Values/Ethics Statement
    TRUST By-laws
D. Page 4 of the TRUST Minutes of May 17, 2004

Attachment A

Arizona State Legislature

1700 West Washington

Phoenix, Arizona 85007

August 13, 2003

Mr. William Pfeifer
President and CEO, American Lung Association of AZ/NM
102 West McDowell Road
Phoenix, AZ 85003

Dear Mr. Pfeifer:

We are pleased to inform you that pursuant to Ad hoc committee created by the President of the Senate and Speaker of the House of Representatives pursuant to Proposition 303 from November 5, 2002 General Election., we are appointing you to serve as a member of the Tobacco Revenue, Use, Spending and Tracking Commission.

The purpose of the Committee is to: (1) advise and consult with the Department of Health Services on the goals, objectives and activities of programs that receive monies pursuant to section 36-772, Arizona Revised Statues and; (2) provide a report of its activities to the President of the Senate and Speaker of the House of Representatives by July 1 of each year.

The members of the Committee are:

Mr. Kenneth Burdick, CEO, United Healthcare
Dr. John V. Gallagher
Mr. Robert Guerrero
Dr. Kelly Hsu
Mr. Matthew Madonna
Dr. Hugh Miller, Department of Obstetrics and Gynecology Arizona Health Science Center
Mr. William Pfeifer, President and CEO, American Lung Association of AZ/NM
Ms. Bertha Supelveda

Thank you for your willingness to serve on this Committee.

Sincerely,

Ken Bennett
President of the Senate

Jake Flake
Speaker of the House of Representatives

KB:
cc: Representative Jake Flake, Speaker of the House of Representatives
Senator Jack A. Brown, Senate Democratic Leader
Ryan Anderson, House Majority Staff
Julie Keene, Senate Research Staff

Attachment B

Tobacco Revenue, Use, Spending and Tracking Commission

November 19, 2003
Department of Health Services
150 North 18th Avenue, Room 345A
Phoenix, AZ 85007

MINUTES

Members Present: Matthew Madonna – President
Kenneth Burdick
John Gallagher
Robert Guerrero
Kelly Hsu
Hugh Miller
William Pfeifer
Bertha Sepulveda

ADHS Guests: Catherine R. Eden - Director
Rose Conner – Assistant Director
Raul Muñoz – Deputy Assistant Director
Cathy Bischoff – Office Chief, Tobacco Education and Prevention
Dilia Loë – Office Chief, Chronic Disease

Called to order at 10:05am by Catherine Eden, Director, Arizona Department of Health Services.

Ms. Eden: Opening remarks, announcement of the appointment of Matthew Madonna as Chairman, an informational outline of the commission was presented.

Ms. Bischoff: Explanation of items in members packet; TRUST Commission information, provisions in Prop 303 are sparse, guidelines of commission to be established.

Mr. Madonna: Opening remarks; introductions of members, ADHS guests and audience; establish methods of procedure for the Commission, Commission has no sunset date, critically important to establish the parameters of the Commission, suggested a special meeting in January.

Date for retreat in January discussed for either January 15, 2004 or January 27, 2004 in Casa Grande from 9:00am to 3:00pm; retreat to create operating structure of the commission.

Dates established for the quarterly meetings in 2004; Thursday, April 15, 2004; Wednesday, July 14, 2004 and Wednesday, October 13, 2004. All meetings will be from

10:00am to 12:00pm at the Department of Health Services, 150 North 18th Avenue, Phoenix, AZ.

Discussion of terms, term limits, how the terms will be determined, Vice-Chair, must solidify to abide by law, report to the Legislature due July 1, 2004, contains the recommendations for the structure of the Commission, Prop 303 and the appointment letter does not contain the language to form Commission structure, well within the purview of the Commission to establish its structure. Incorporate the function at the January retreat.

Ms. Bischoff: PowerPoint presentation of the Office of Tobacco Education and Prevention Program.

Ms. Loe: PowerPoint presentation of the Office of Chronic Disease; explanation on specific grant received by ADHS.

Ms. Bischoff: Explanation of funding of grants for the Chronic Disease three RFP's; 1) Planning; 2) Early prevention and detection; 3) Healthy life style.

Discussion of the grants, funding, allocation of funds, evaluation to be overseen by the TEPP office, questions as to the disproportional of the funding to planning. Recommendation was that the unused funds would roll over to the other two areas, limitations to apply, ranking and grading system. Funding will be used for expanding services and growth and not to supplant current funding.

Call for public commentary – None.

Motion to adjourn by Mr. Madonna, seconded by Dr. Miller.

Meeting Adjourned at 12:25pm.

Respectively Submitted By

Cathy Bischoff
Office Chief – ADHS-TEPP

CB:lga

Tobacco Revenue, Use, Spending and Tracking Commission

January 27, 2004
Holiday Inn
777 North Pinal Avenue
Casa Grande, AZ 85222

MINUTES

Members Present: Matthew Madonna – President
John Gallagher
Robert Guerrero
Kelly Hsu
Hugh Miller
William Pfeifer
Bertha Sepulveda

Members Absent: Kenneth Burdick

ADHS Guests: Cathy Bischoff – Office Chief, Tobacco Education and Prevention
Dilia Loé – Office Administrator
Robert Leischow – Office Chief, Chronic Disease
Lynda Anderson – Administrative Assistant

Meeting called to order at 9:05am by Matt Madonna – President

Introduction of Members, Department of Health Services (ADHS) Staff and Kimberly McAdams.

Mr. Madonna - Motion to approved the minutes of November 19, 2003
Dr. Miller - Moved to approve minutes.
Dr. Gallagher - Seconded.
Minutes approved.

Mr. Madonna – TRUST Commission meeting to encompass two sections, first is the public meeting and then to adjourn to Executive Session.

Ms. Bischoff – Update on the RFP. The documents are finished and the public notice will be announced at the end of next week. Governor Napolitano to announce the release of the RFP at the Governor's Call for Action Conference on January 30, 2004. There will be wide distribution and Tobacco Education and Prevention Program (TEPP) will provide training to potential grantees. Monies can be reallocated. Money available is $2.5 - 2.6 million with approximately $189,000 coming in each month. The fund will be close to the three million dollars expected by the conclusion of the RFP approval process.

Finances – There will be additions to the TEPP staff and the changes will be announced at the next TRUST Commission meeting.

Income – Review of income by month. Tobacco stamp taxes are $1.6 – 1.7 million. Decline in revenue, not sure of decline, counterfeit product could be one answer. There is an across the board decline in revenue. Department of Revenue (DOR) reports that the funds have not been misdirected. Could request an audit of DOR if other affected departments also register their concerns.

Contract expenditures – Current projected revenue $21 million, could reach $23.5 with back flow. TEPP should be debt free by July 2004. TEPP is a non-lapsing fund.

Mr. Pfeifer – TRUST Commission to advise ADHS on the "big picture". Its role will evolve as to what the TRUST Commission thinks and how ADHS is to respond to advice.

Mr. Madonna – Need data to support expenditure and can advise to make necessary changes, specific legislative directives on prevention and cessation, i.e. the school bus mandate, pilot programs, etc.

Call for public comment – None

Next meeting will be April 15, 2004 at the Arizona Department of Health Services, 150 North 18th Avenue, Suite 540A, Phoenix, AZ 85007

Meeting Adjourned to Executive Session at 9:45am.

Respectively Submitted By,

Cathy Bischoff, Office Chief
Arizona Department of Health Services
Office of Tobacco Education and Prevention Program

Tobacco Revenue, Use, Spending and Tracking Commission
April 15, 2004
Arizona Department of Health Services
150 North 18th Avenue, #540A
Phoenix, AZ 85007

MINUTES

Members Present:	Matthew Madonna – President John Gallagher Kelly Hsu Hugh Miller William Pfeifer Bertha Sepulveda
Members Absent:	Kenneth Burdick
ADHS Guests:	Danny Valenzuela, Deputy Director Rose Conner, Assistant Director Raul Muñoz, Deputy Assistant Director Cathy Bischoff – Office Chief, Tobacco Education and Prevention Dilia Loé – Office Administrator Robert Leischow – Office Chief, Chronic Disease Lynda Anderson – Administrative Assistant

Meeting called to order at 10:08am by Matt Madonna – President

Introduction of TRUST Commission Members and the Department of Health Services Staff.

Mr. Madonna – Explained the parameters of the process for public commentary.

Mr. Madonna - Motion to approved the minutes of January 27, 2004
Mr. Pfiefer - Moved to approve minutes.
Mr. Muñoz - Seconded.
Minutes approved.

Review of The Trust Commission's Bylaws:

Mr. Madonna – Nominating Committee has missed a step. Recommend to add " recommendations made by the Committee be forwarded to the Director of the Department of Health Services for approval." Committee to work on appropriate language.

Dr. Gallagher – Page 4, typo in Conflict of Interest, line 3 – Trsut.

Review of The Trust Commission's Common Purpose Statement.

Ms. Sepulveda – Committed to improving, make the statement more concrete. Add to sentences 1 and 2, "TRUST Commission's purpose is to improve the health of Arizona. We will accomplish this by".

Review of The Trust Commission's Values / Ethical Statement.

Dr. Gallagher – Change the 4th point to "integrity, truth and compassion".

With the changes all three documents are to be forwarded to the Director of the Department of Health Services for final review.

Mr. Pfeifer – Copies with changes to be delivered with red-line.

Mr. Madonna – Membership:

1. Elect Bill Pfeifer as Vice Chairman.

Mr. Miller - Moved to have Mr. Pfeifer appointed Vice Chairman for the interim period that emcompasses this first year of the TRUST.
Dr. Gallagher – Seconded.
Approved

2. Size of the Commission/Vacancies - Mr. Pfeifer, as Vice Chairman, to chair Nominating Committee. Committee will have three members.

Dr. Gallagher – Moved to have Mr. Pfeifer chair the nominating committee
Ms. Sepulveda – Seconded.
Approved.

Mr. Madonna asked if there were any members to help on the nominating committee. Ms. Sepulveda and Dr. Hsu have names for nominees, but cannot serve on the committee at this time.

Discussion pertaining to the number of Nominating Committee meetings and at least one meeting will be held by teleconference. The Commission needs to decide the total number of members will be on the Commission. May raise the number to 12. There is a need to determine how to deal with vacancies and applicants.

Ms. Conner – Distribution of Chronic Disease monies through the RFP's. Three areas for the RFP's:
1. Screening and Detection
2. Healthy Lifestyles Program Development
3. Chronic Disease Planning

ADHS is moving ahead with the Screening and Detection and the Healthy Lifestyles RFPs. The Chronic Disease portion will come back to the TRUST Commission for review next month.

Mr. Leischow – We are in the procurement process, we have had the group reviews and the recommendations have been submitted. There will be an announcement next week. There were 13 proposals; seven for Healthy Lifestyles and six for Screening and Detection. Reviewers were a mix of community based, academic and a couple of researchers. General release of the information pertaining to the RFP's will be released with the announcements. They will be contracts for 13-14 months.

Ms. Conner – The Chronic Disease Planning portion will be based on the Comprehensive Cancer Planning Process. The Chronic Disease Planning will be overseen by Raul Muñoz, Division of Public Health Prevention Services, and will be community based.

A discussion on the Cancer Plan as it applies to Chronic Disease and a copy of the Cancer Plan will be forwarded to the Commission members.

Ms. Bischoff – Review of revenue, revenue has dropped off, now $21-22 million, reasons for the drop in revenue, consumption or inventory.

Dr. Miller – There is a need to monitor the revenue to ensure longevity, create reliability of data: stamps, counterfeit products, purchase from other states.

Ms. Bischoff – Presentation on the Office of Tobacco Education and Prevention (TEPP), explanation of tax funds and how TEPP has allocated the funds in the different TEPP programs. The current challenge is the decrease in revenue, how to do with lesser funds, $21 million.

Mr. Madonna – The next meeting will include a mandatory training by Kevin Ray from the Attorney General's office.

Call for public comment – None.

Next meeting will be May 17, 2004, 10am to 2pm, at a location to be determined.

Mr. Madonna – Motion to adjourn.
Mr. Pfeifer - Moved to adjourn.
Dr. Gallagher - Seconded.
Approved

Meeting Adjourned at 11:59am.

Respectively Submitted By,

Cathy Bischoff, Office Chief
Arizona Department of Health Services
Office of Tobacco Education and Prevention Program

Tobacco Revenue, Use, Spending and Tracking Commission
May 17, 2004
Halle Heart Center
2929 South 48th Street
Tempe, AZ

MINUTES

Members Present: Matthew Madonna – President
Kelly Hsu, M.D.
William Pfeifer

Members Absent: John Gallagher, M.D.
Hugh Miller, M.D.
Bertha Sepulveda

ADHS Guests: Raul Muñoz, Deputy Assistant Director
Cathy Bischoff – Office Chief, Tobacco Education and Prevention
Dilia Loé – Office Administrator
Lynda Anderson – Administrative Assistant

Meeting called to order at 10:15am by Matt Madonna – President

Introduction of TRUST Commission Members and the Department of Health Services Staff.

Mr. Madonna – Explanation that the ethics training will not be held today as previously scheduled. Explained the parameters of the process for public commentary.

Mr. Madonna - Motion to approved the minutes of April 15, 2004
Mr. Pfeifer - Moved to approve minutes.
Dr. Hsu - Seconded.
Minutes approved.

Ms. Bischoff – Report of the financials, stabilizing, backfill, new prop $1.7 million, earlier $300,000 for a total of $2 million, Department of Revenue (DOR) proposed the Department of Health Services to fund inspectors, DOR hired three new inspectors, DOR needs eight inspectors to do a reasonable job.

Report on the office of Tobacco Education Prevention Program (TEPP) budget, need to determine where the population resides, what is the look of the population in the counties, budget for the Local Projects, some had reductions, some figures remained the same, and some were slightly increased, prevalence, target 4th-8th grades made long term sense, moderate to high risk category, Helpline is a statewide program, community based classes, direct services, need to rethink cessation services, pull cessation dollars from Local Projects, have one fund through an RFP, grants to think differently, youth cessation programs.

Mr. Pfeifer – Is it possible to receive funding from Disease Control Research Center (DCRC) and remove them from TEPP?

Dr. Hsu – Approach with different levels, package.

Ms. Bischoff – Classes are not viable to those with less than a high school degree, how do people define "quit", once or several times before finally quitting permanently.

Mr. Madonna – Lose control with DCRC funds.

Collaboration or partnership with the DCRC at Governors level, forward recommendations to Dr. Eden so she can facilitate with the Governor's office.

Mr. Pfeifer - DCRC, lost funding for research with tobacco issues.

Ms. Bischoff - Place DCRC discussion on the agenda for the next meeting, community based budgets remain the same, the cuts reflect expenditures, funding goes to them differently, expenditures less than the 10 million anticipated for 2004, 1) Community based is the same, 2) Cuts in media, 3) Cuts in statewides, 4) Evaluation stays the same, 5) Administration stays the same, Native Americans, 69% drop out of school, high numbers of smokers who drop out, where to allocate services, on the reservations or the cities, plateau of 16% in California.

Mr. Pfeifer – Spending dollars per capita, breakdown by male, female, age group or ethnicity, balanced approach, target kids.

Ms. Bischoff – Prevention data, at risk, how profiles individual schools, study with Arizona Health Care Cost Containment (AHCCCS).

Mr. Pfeifer – Has the window of opportunity passed to make recommendation on the 2005 budget? Can the TRUST Commission make recommendations on the 2006 budget?

Ms. Bischoff – The Local Projects needed to know what their budget for 2005 will be. It is a non-lapsing non-appropriated account and adjustments can be made in December.

Work to define the role of the TRUST Commission, involvement in the process, become a benefit to the TEPP program.

Mr. Madonna – Chairman's Report – Ken Burdick and Robert Guerrero have resigned.

Mr. Pfeifer - Report at the next meeting on identifying prospects for filling the two vacancies, making recommendations to the Director of Health Services.

Mr. Madonna – Meeting with Director Eden and Cathy Bischoff to discuss the By-laws, Common Purpose Statement and the Values and Ethics Statement.

Mr. Madonna - Motion to adopt the By-laws as changed.
Mr. Pfeifer - Moved to adopt the By-laws.
Dr. Hsu - Seconded.
Adopted.

Mr. Madonna - Motion to adopt the Common Purpose Statement as changed.
Mr. Pfeifer - Moved to adopt the Common Purpose Statement.
Dr. Hsu - Seconded.
Adopted.

Mr. Madonna - Motion to adopt the Values / Ethics Statement as changed.
Dr. Hsu - Moved to adopt the Values / Ethics Statement.
Mr. Pfeifer - Seconded.
Adopted.

Mr. Pfeifer – Yearly report is due July 1, 2004.

Mr. Madonna – Dr. Eden, Cathy Bischoff and Matt Madonna to work on the report. Need to have official approval of the By-laws, Common Purpose Statement and Values / Ethics Statement by Dr. Eden and then incorporate them into the yearly report.

Ms. Bischoff – TRUST Commission members will need to sign the Loyalty Oath and we will need to put timeframes on the Oath.

Mr. Madonna – Nominating Committee will define term limits in addition to obtaining names of new members.

Ms. Bischoff - TEPP Update: Budget plan, media: "Go Cold Turkey", In Hale Life, and Gearheadz. Update on recent and future campaigns: 1) Women's Health Week, 2) Healthy Kids, 3) Gearheadz, 4) Diana Taurasi and, 5) Ashes to Ashes.

Mr. Madonna – What were the goals for Health Kids?

Ms. Bischoff – Depends on sponsorship, $25,000 per event, work with the school nurses to ensure the children are screened appropriately, partner with corporations.

Mr. Madonna – Does TEPP partner with non-profits?

Ms. Bischoff – The services provided at the Healthy Kids Fairs are through non-profits, need for financial support. The fairs are coordinated by the district, one school is chosen to host and all schools participate, good model to do outreach, marketable, bring in more corporate sponsors.

Ms. Bischoff – Gearheadz update, cartoons this summer in Harkins theaters, school children bused to the theaters, trade cards, website, posters on the buses, grades 3-6.

Brief break for lunch

Ms. Bischoff - Diana Taurasi update, commercials, billboards, "BE" campaign. Ashes to Ashes update, African American campaign, not media, hard hitting approach, focus groups completed, Little Shawn from KISS FM. Advanced Lights – less toxins, second hand smoke.

Ms. Bischoff – The Department is doing an RFP for cessation, Central Data Warehouse, Evaluation is at the University of Arizona, Department of Psychology, the Helpline is a stand-alone entity. Health Links update, change, oversee by Maricopa County. Health Care partnership update, 3.2 in the state, 9.4 at the local level. Chronic Disease Fund, RFP update, procurement will make the final decision.

Schedule the following topics for discussion for the next year:
1. Adult Tobacco Report
2. Youth tobacco Report
3. Focus Group Data
4. Population Date
5. Harvard Business Study
6. Gearheadz report on media language
6. Cessation, state and national overview
7. Prevention

Ms. Loé – RFP update. Chronic disease update, January 2005 draft deadline, comprehensive Chronic Disease plan. Format; Core group, Community Based Organizations, Managed care.

Mr. Pfeifer - Department of Environmental Quality used a task force, appointed by the Governor, could their model be use by the TRUST Commission, accomplished their goals in a short period of time.

Mr. Madonna – Need to have an intelligent plan to allocate funding for several years. The task force should not be done in a vacuum.

Call for public comment – None.

Next meeting will be July 14, 2004, at Department of Health Services, 150 North 18th Avenue, Phoenix, AZ 85007. Meeting will begin at 10am.

Mr. Madonna – Motion to adjourn.
Mr. Pfeifer - Moved to adjourn.
Dr. Hsu - Seconded.
Approved

Meeting Adjourned at 1:42pm.

Respectively Submitted By,

Cathy Bischoff, Office Chief
Arizona Department of Health Services
Office of Tobacco Education and Prevention Program

Tobacco Revenue, Use, Spending and Tracking Commission
July 14, 2004
Arizona Department of Health Services
150 North 18th Avenue, Room 540A
Phoenix, AZ 85020

MINUTES

Members Present:	Matthew Madonna – President William Pfeifer – Vice President Kelly Hsu, M.D.
Members Absent:	John Gallagher, M.D. Hugh Miller, M.D. Bertha Sepulveda
ADHS Guests:	Rose Conner – Assistant Director Raul Muñoz, Deputy Assistant Director Cathy Bischoff – Office Chief, Tobacco Education and Prevention Bob Leischow – Chronic Disease Fund Administrator Lynda Anderson – Administrative Assistant

The meeting was called to order at 10:05am by Matt Madonna – President

Introduction of TRUST Commission Members and the Department of Health Services' Staff.

Mr. Madonna - Motion to approved the minutes of May 17, 2004
Mr. Pfeifer - Moved to approve minutes.
Dr. Hsu - Seconded.
Minutes approved.

Mr. Madonna – Informed members that the Annual Report to the Legislators is due. The report will include the TRUST Commission's accomplishments since November 2003.

Mr. Pfeifer - Dr. Hugh Miller and Dr. John Gallagher were appointed to the Nominating Committee. The Committee has completed the form and will continue to look for and interview potential candidates. The Committee will have names to recommend to the Director of the Arizona Department of Health Services for consideration and approval at the September meeting.

Mr. Leischow - A presentation on the results of the Chronic Disease Fund RFP (Healthy Lifestyles and Screening and Detection) was given. A list of the contractors, the parameters of the contract and the budget were also explained.

Rose Conner - A presentation on the Comprehensive Chronic Disease Plan.

Discussion on the time-frame for the Comprehensive Chronic Disease Plan; current plans for Cancer, Diabetes, CVD, obesity, and asthma were discussed; multi-year programs vs. single year programs; plan to be completed in July 2005.

Ms. Bischoff – Fiscal year funding update. Monthly income in the range of $1.8-1.9 million with an annual income of $24 million expected. Department of Revenue has hired nine additional inspectors to ensure compliance with stamps. Department of Revenue is unable to provide "backfire" revenue projections. By October a review of funding should show a stable income. Invoices for the 2004 year should total $22 million.

Ms. Bischoff – Suggested agendas for the coming months:

September - Evaluation Unit, TEPP Strategic Plan - 1 year/draft for 3 year plan, frame work for the Legislative Report.

October - Media, Legislative Report - draft, Worksites, Pima and Maricopa County

November - Local projects (other counties), Helpline, Final Legislative Report

Mr. Madonna – Recognition of Ms. Bischoff's accomplishments and presentation of a Thank You gift.

Call for public comment – Dr. Sands, Maricopa County, wanted the chronic Disease contracts to be creditable and felt that multi-year contracts were in the best interest of the public; felt that Diabetes should be part of CVD, programming.

Adjourned to Ethics Training
Attendees were Matt Madonna and Dr. Kelly Hsu
Bill Pfeifer and Dr. John Gallagher had attended previous ethics training and were excused.

Meeting adjourned at 2:15pm.

Respectively Submitted By,

Cathy Bischoff, Office Chief
Arizona Department of Health Services
Office of Tobacco Education and Prevention Program

Attachment C

Common Purpose Statement

The TRUST Commission's purpose is to improve the health of Arizona, by making recommendations to the Director of the Department of Health Services and monitoring the development of programs and policy changes which lead to effective tobacco and chronic disease outcomes in the State of Arizona.

Rules of Interaction

We will:

- Let common sense prevail
- Limit public comment in meeting to 5 minutes
- Work to build consensus on as many as possible issues – consensus will be that 80% of the committee feel at least 80% comfortable with the decision and agree to support the decision 100%.
- Support all decisions reached by the commission 100%.
- Agree to let the Chair publicly represent the group.
- To submit all agenda items to chair 20 days in advance of the meeting so that it will be included on the 10 calendar day advance agenda release.
- Review material and be prepared to participate in discussion about the agenda.
- We will pay respect to other members by: making no personal attacks, silence our cell phones, have no sidebars, respect open meeting laws and be timely including starting and ending on time and returning from breaks on time and attending entire meeting.
- We will keep an e-file of all the documents that relate to the TRUST Commission and we will be provided a binder with updates at each meeting.

TRUST Commission
Values / Ethical Statement

Based on a belief in excellence, inclusiveness and integrity that honors individuals, the TRUST commission is to provide advice on the use of tobacco tax funds for the Tobacco Education and Prevention Program (TEPP) and the Chronic Disease Fund. The mission of the TRUST Commission is to improve the health and quality of life of all Arizonans by making recommendations on overall strategic goals, objectives and activities of TEPP and the Chronic Disease Fund including a comprehensive tobacco control strategy.

TRUST Commission Value Statements:

- TRUST Commission is committed to excellence through integrity and inclusiveness, honoring individual, cultural and religious practices.
- We value the communities we serve and represent.
- We value excellence in developing quality recommendations based on determined community needs and data supporting those needs.
- We will act with integrity, truth and compassion.
- We will seek and integrate community input through creating partnerships and collaborations with others
- We will honor individuals and their communities by giving respect and dignity to all who reach out to us.

BYLAWS

Tobacco Revenue Use, Spending and Tracking Commission

The name of this Commission shall be: Tobacco Revenue Use, Spending and Tracking Commission of the State of Arizona, referred to in the remainder of these Bylaws as "TRUST Commission".

Purpose and Scope of Work

The Tobacco Revenue Use, Spending and Tracking Commission is established through the passage of Prop 303 in November 2002. This Commission is charged with providing advice to the Director of the Arizona Department of Health Services on the use of tobacco tax funds for the Tobacco Education and Prevention Program (TEPP) and the Chronic Disease Fund. The Trust Commission can make recommendations on overall strategic goals, objectives and activities of TEPP and the Chronic Disease Fund. In general, this oversight can include the following areas:

The TRUST Commission reviews the current Tobacco Education Prevention Program and Chronic Disease Fund and makes recommendations to the Director of the Department of Health Services for a strategic plan that will include:

a. A comprehensive tobacco control strategy that includes plans for education, prevention and cessation activities, including a media and marketing plan. The plans will include programs to discourage tobacco use among the general population as well as minors and culturally diverse populations.

b. Identification of measurable program goals and objectives

c. Expenditure priorities

d. Performance measures and an evaluation process for determining the effectiveness of statewide and community programs funded with monies from the health education account of the tobacco tax and health care fund.

The TRUST Commission annually reviews prior expenditures of the Tobacco Education and Prevention Program and Chronic Disease Fund and makes recommendation to the Director of the Department of Health Services on the appropriateness of budget allocation recommendations in meeting program goals.

The TRUST Commission provides advice to the Director of the Department of Health Services on potential dispersal of tax monies out of the Tobacco Education and Prevention Program and/or the Chronic Disease Fund through a competitive grants process to community organizations.

TRUST Commission Oversight

The Chair of this commission and the Office Chief of Tobacco Education and Prevention shall be responsible for mutually developing the timelines, agendas and materials for all TRUST Commission meetings.

TRUST Commission Members

The commission membership shall be composed of a minimum of 12 members and a maximum 15 members. Initial membership appointed by the President of the State Senate and the Speaker of the State House of Representatives.

The Commission shall include members that have expertise in public health services; tobacco cessation or tobacco addiction programs; school-based tobacco education programs; marketing or public relations; research and evaluation of public health programs. (Proposition 303, year 2002, section 8) Future members will be nominated for membership by a committee as described below.

The term of Commissioners shall be 3 years. No Commissioner shall serve more than 3 consecutive terms. After serving 3 consecutive terms members must rotate off a full year prior to submitting name for nomination. Attempts shall be made to ensure that no more than 3 terms expire in a given year.

Compensation: Members of the TRUST Commission are not entitled to compensation.

Officers: The membership shall select a Chair and Vice Chair. The Chair's term shall be 1 year. The Chair may not serve more than 3 consecutive terms. The Vice Chair's term shall be 1 year. The Vice Chair shall serve no more than 3 consecutive terms. After 3 consecutive years as Chair or Vice Chair Commission members must join standard membership for one full year prior to being nominated for leadership position again.

In the event a Chair or Vice Chair is elected at the end of their 3 consecutive terms, they may be granted an extension to serve out their office.

Voting: Each member of the commission shall be entitled to one vote when present at a meeting of the TRUST Commission. No individual member shall have more than one vote. Voting and or participation by proxy and/or alternate voter shall not be authorized.

Vacancies: Vacancies shall be filled within 3 months of vacancy as needed. If vacancy occurs during the length of a Commission member's term, their replacement will serve out the remainder of the vacant position. Then they may be considered for a full term.

Nominating Committee

A sub-committee of three (3) TRUST Commission members shall be established by the full commission membership to serve as the Nominating Committee. This sub-committee shall be responsible for selecting and presenting potential new members and members for leadership positions as need arises. The sub-committee shall nominate potential new members with-in the parameters defined by the full commission. The sub-committee shall determine best practices and processes for operating and submit procedures to full commission for approval.

The TRUST Committee's recommendations for new TRUST Commission members shall be submitted to the Director of the Department of Health Services for approval.

Chair of the Nominating committee and its members shall be selected by the Commission Chair.

Nominating Committee will work to ensure that overall TRUST Commission membership stay at 12 unless they determine there is a compelling reason to add additional members.

TRUST Commission Meetings

Meetings: The TRUST Commission shall meet at least quarterly. A special meeting may be called by the Chair of the commission or by written request of a simple majority of the commission, and must comply with the Open Meeting Law, and will be ratified at the next meeting of the commission. TRUST Commission members shall be notified at least ten (10) days in advance of all special commission meetings. A public notice will be made no later than 48 prior to a special meeting.

Notice of Meetings: A yearly schedule of regular commission meeting shall be made available to the members in January. Minutes of the previous meeting and an agenda for the upcoming meeting should be available ten (10) calendar days in advance of the commission meetings.

Attendance: Regular attendance is expected of all the TRUST commission members. If a member fails to attend 2 consecutive meetings an inquiry shall be made by the Nominating Committee of that member concerning his/her continued participation in the commission and the results of the inquiry together with a recommendation of the committee shall be forwarded to the full commission.

Quorum: A simple majority of the members of the TRUST commission in person or by telephone shall constitute a quorum. Quorum will be determined by those actual members of the commission and without consideration of vacant membership positions.

Parliamentary Authority

The rules contained in the current edition of Robert's Rules of Order Newly Revised shall govern the TRUST Commission in all cases to which they are applicable and in which they are not inconsistent with these bylaws or state law.

Open Meeting Law

The Arizona Open Meeting Law shall apply to meeting of the commission and its committees.

Minutes

Accurate minutes of each TRUST Commission meeting will be recorded, and the commission shall have the right of review and correction of minutes of all meetings before publication and distribution.

Motions

All motions passed by the TRUST Commission will be forwarded to the Office Chief of Tobacco Education/Prevention and the Director of the State Department for Health for review and/or action. An annual report will be made by July 1st to the President of the Senate and the Speaker of the State House of Representatives.

Amendments

These bylaws can be amended at any regular meeting of the TRUST Commission by a majority of the entire membership, provided that the amendment has been submitted in written form ten (10) days in advance of the meeting. Bylaws will be reviewed, at a minimum, every 3 years.

Conflict of Interest

A.R.S. § 38-501 through § 38-511 governs conflicts of interest of public officers and employees, including any state agencies, departments, commissions, boards and bodies. It is the TRUST Commission member's continuing responsibility to observe and apply the provisions of these laws. The purpose of conflict of interest laws is to remove or limit the possibility of personal influence which might bear upon a public official's decision. The following policy can help the TRUST Commission avoid situations that can damage the public's trust in the TRUST Commission.

- **Business or professional interests:** TRUST Commission members have outside business and professional interests. TRUST Commission members may not profit, in any way, by using the TRUST Commission in furtherance of outside employment or business interests, for themselves, relatives, or friends. TRUST Commission members shall

disclose any conflict of interest involving an issue before the TRUST Commission. TRUST Commission members should not participate in any issue in which they have an interest, and shall not vote on that issue.

- **Gifts, gratuities:** TRUST Commission members will not accept gifts, gratuities, trips, personal property or other items of value from an outside person or organization working with the TRUST Commission.

- **Personal Beliefs:** TRUST Commission members hold a wide range of personal belief, values and commitments. These may present a conflict of interest if they prevent TRUST Commission members from acting for the benefit of the full organization. TRUST Commission members shall not use their membership to further personal interests, or to convince other TRUST Commission members, the Executive Director or TRUST Commission staff to act upon the TRUST Commission member's wishes. TRUST Commission member efforts shall be focused on the mission of the TRUST Commission and not on personal goals.

- **Abuse of the TRUST Commission office:** TRUST Commission members should not abuse their office by using the TRUST Commission' staff, services, equipment of property for their personal or family gain.

Confidentially

Minutes of and discussion made at an Executive Session are required by law to be kept confidential and shall not be shared with any person outside this meeting room except to:

- Members of the TRUST Commission;
- A person who is the subject of the discussion pursuant to A.R.S. § 38-431(A)(1);
- The Auditor General in connection with an audit authorized by law; and
- The Attorney General's Office

Ethics Statement

Members of the TRUST Commission will comport themselves with dignity and strive to maintain high standards of honest, integrity and responsibility in the conduct of the TRUST Commission's business. Members of the TRUST Commission will maintain a respectful degree of professionalism and ethical behavior in accordance with Arizona law.

Dr. Hsu – Approach with different levels, package.

Ms. Bischoff – Classes are not viable to those with less than a high school degree, how do people define "quit", once or several times before finally quitting permanently.

Mr. Madonna – Lose control with DCRC funds.

Collaboration or partnership with the DCRC at Governors level, forward recommendations to Dr. Eden so she can facilitate with the Governor's office.

Mr. Pfeifer - DCRC, lost funding for research with tobacco issues.

Ms. Bischoff - Place DCRC discussion on the agenda for the next meeting, community based budgets remain the same, the cuts reflect expenditures, funding goes to them differently, expenditures less than the 10 million anticipated for 2004, 1) Community based is the same, 2) Cuts in media, 3) Cuts in statewides, 4) Evaluation stays the same, 5) Administration stays the same, Native Americans, 69% drop out of school, high numbers of smokers who drop out, where to allocate services, on the reservations or the cities, plateau of 16% in California.

Mr. Pfeifer – Spending dollars per capita, breakdown by male, female, age group or ethnicity, balanced approach, target kids.

Ms. Bischoff – Prevention data, at risk, how profiles individual schools, study with Arizona Health Care Cost Containment (AHCCCS).

Mr. Pfeifer – Has the window of opportunity passed to make recommendation on the 2005 budget? Can the TRUST Commission make recommendations on the 2006 budget?

Ms. Bischoff – The Local Projects needed to know what their budget for 2005 will be. It is a non-lapsing non-appropriated account and adjustments can be made in December.

Work to define the role of the TRUST Commission, involvement in the process, become a benefit to the TEPP program.

Mr. Madonna – Chairman's Report – Ken Burdick and Robert Guerrero have resigned.

Mr. Pfeifer - Report at the next meeting on identifying prospects for filling the two vacancies, making recommendations to the Director of Health Services.

Mr. Madonna – Meeting with Director Eden and Cathy Bischoff to discuss the By-laws, Common Purpose Statement and the Values and Ethics Statement.

Mr. Madonna - Motion to adopt the By-laws as changed.
Mr. Pfeifer - Moved to adopt the By-laws.
Dr. Hsu - Seconded.
Adopted.