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TOBACCO EDUCATION, PREVENTION, AND CESSATION GRANT PROGRAM

DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT

**PERFORMANCE AUDIT
December 2004**

Submitted to the Office of the State Auditor

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Members of the Legislative Audit Committee:

This report contains the results of a performance audit of the Tobacco Education, Prevention, and Cessation Grant Program within the Department of Public Health and Environment. The Office of the State Auditor contracted with Pacey Economics Group to conduct this audit. The audit was conducted pursuant to Section 2-3-113, C.R.S., which requires the State Auditor to conduct or cause to be conducted program reviews and evaluations of the performance of each program funded by tobacco settlement monies to determine if that program is effectively and efficiently meeting its stated goals. The audit work was performed between June 2004 and December 2004. We would like to acknowledge the efforts and assistance extended by the Department of Public Health and Environment and the Program grant recipients. This report presents our findings, conclusions, and recommendations, and the responses of the Department of Public Health and Environment.

Tobacco Education, Prevention, and Cessation Grant Program

Background

The Tobacco Education, Prevention, and Cessation Grant Program (Program) was established under Part 8 of Article 3.5, Title 25, C.R.S., to provide funding for community-based and statewide tobacco education programs to (1) reduce initiation of tobacco use by youth, (2) promote cessation, and (3) reduce exposure to second-hand smoke. Currently, the Program is funded with monies received by the State under the 1998 Master Settlement Agreement between the tobacco industry and the majority of the states as well as commonwealths and territories. This Agreement was established to resolve all past, present and future tobacco-related claims at the state level. Colorado is scheduled to receive annual tobacco settlement monies for an estimated period of 25 years and presently funds seven programs through these monies. As discussed later, the Program is administered by the Colorado Department of Public Health and Environment (Department).

Funding for tobacco control in Colorado began in 1989 when the State participated in the American Stop Smoking Intervention Study for Cancer Prevention (ASSIST) grant program funded by the National Cancer Institute and American Cancer Society partnership. Although the ASSIST project ceased in 1998, Colorado has continued to receive funding annually for tobacco control through the Centers for Disease Control and Prevention (CDC). According to the Department, the CDC funding (approximately \$1.35 million in Fiscal Years 2001 and 2002) helped establish the infrastructure and guidelines utilized for the Tobacco Education, Prevention, and Cessation Grant Program. In addition, Colorado has received smaller grants from the American Legacy Foundation and as a subcontractor for a National Cancer Institute project.

The Program is structured and administered according to recommendations from the CDC for providing a comprehensive approach to tobacco control. More specifically, the Program utilizes CDC's *Best Practices for Comprehensive Tobacco Control Programs, August 1999* and the Surgeon General's report of 2000, *Reducing Tobacco Use*, as guidelines for the framework of Colorado's comprehensive tobacco control program. These documents describe funding, activity, evaluation, and monitoring recommendations that have been successfully utilized in other state tobacco control programs.

Agencies Monitoring the Program and Grantees

This section briefly describes the entities involved with the administration and evaluation of the Tobacco Education, Prevention, and Cessation Grant Program, as well as the entities that receive the grants.

COLORADO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT

The Program is administered by the State Tobacco Education and Prevention Partnership (STEPP) at the Colorado Department of Public Health and Environment (Department). The Department oversees Program operations, including preparing requests for proposals, seeking applicants, securing review teams, making funding recommendations to the State Board of Health, negotiating and monitoring contracts, reviewing and processing payments and progress reports, providing assistance to grantees, and assuring mandated requirements are met. Initially, 7.2 FTE were allocated to STEPP to administer the Program; however, due to decreases in the Program budget, the staff level was reduced to 2.5 FTE by the second half of Fiscal Year 2003. The staff level for Fiscal Year 2004 was established at 3.2 FTE.

STATE BOARD OF HEALTH

The nine-member State Board of Health is appointed by the Governor and confirmed by the Senate. The Board is charged with establishing rules and policies, as well as monitoring and providing advice on issues related to public health in Colorado. Additionally, the Board is responsible for monitoring the operation and effectiveness of all of the tobacco settlement programs that receive appropriations from monies obtained by the State pursuant to the Master Settlement Agreement.

Section 25-3.5-804(2), C.R.S., authorizes the State Board of Health to adopt rules for implementation of the Tobacco Education, Prevention, and Cessation Grant Program with regard to procedures for applying for a grant, selection criteria, and reporting requirements. The Board promulgated rules for the Program that became effective October 30, 2000.

ADVISORY BOARD

The Executive Director of the Department appointed a 23-member Advisory Board for the Program in September 2000 to provide assistance to STEPP in developing grant funding priorities and strategic planning for future allocations of monies. The Board is comprised of individuals with expertise in areas such as public health, medicine, education, mental health, and research.

GRANTEES

The Program grantees represent a wide range of entities that provide various tobacco control programs. Section 25-3.5-805, C.R.S., states that an entity applying for a Program grant shall demonstrate that it will provide at least one of the following:

- Education designed for school-age children that, at a minimum, addresses tobacco prevention and cessation strategies and the dangers of tobacco use.
- Education programs designed to prevent or reduce the use of all types of tobacco products.
- Counseling regarding the use of all types of tobacco products.
- Programs that address prevention and cessation of the abuse of various types of drugs, with an emphasis on prevention and cessation of tobacco use.
- Programs to help reduce exposure to secondhand smoke, with an emphasis on children and youth.
- Tobacco use and substance abuse prevention and cessation services addressed to specific population groups such as adolescents and pregnant women and provided within specific ethnic and low-income communities.
- Training of teachers, health professionals, and others in the field of tobacco use and prevention.
- Tobacco addiction prevention and treatment strategies that are designed specifically for persons with mental illness.
- Activities to prevent the sale or furnishing by other means of cigarettes or tobacco products to minors.

STEPP has categorized the grantees into three groups: (1) local agencies, (2) statewide initiatives, and (3) youth coalition/community partnerships.

LOCAL AGENCIES are typically county health departments or nursing services that provide services at the local level. These agencies generally work with a coalition of local individuals (e.g., local law enforcement or other persons/organizations with an interest in tobacco control) to determine how to best utilize the grant monies in their geographic areas. The services/activities of these agencies include promoting cessation and cessation services to adults and educational programs to school-age children, increasing the number of businesses and workplaces that adopt clean indoor air policies, training providers to counsel pregnant women to quit smoking, and launching local media campaigns, among others.

STATEWIDE INITIATIVES are projects designed to reach individuals across the State. The initiatives include a toll-free telephone counseling service, known as Quitline, and free Internet-based tobacco cessation services through the QuitNet website. To advise the public of these two free services, a grantee received an award to place advertisements for these services along with anti-tobacco use messages in a variety of media, including television, radio, newspapers, billboards, and the Internet. Statewide grants are also provided to groups that specifically focus on educating youth about tobacco through their schools. Monies were also awarded to agencies that offer cessation services to high school students and that focus on prevention and cessation efforts for students on college campuses. Another statewide initiative provides guidelines to health care providers to use when discussing tobacco use with their patients. In addition, the Colorado Department of Revenue receives an annual grant for enforcement of laws governing tobacco advertising, sales, and access of youth to tobacco. Other grants have been awarded to target special populations, to establish a clearinghouse for tobacco control materials for use by various grantees, and to fund surveys and an independent evaluation of the Program.

YOUTH COALITION/COMMUNITY PARTNERSHIPS have been awarded small grants (typically \$5,000 or less). Youth coalitions were sponsored by a wide-range of community-based organizations and partnerships, including community-based non-profit agencies and faith-based organizations. Some of these organizations conducted tobacco-related events, such as Smokeless Sunday and Kick Butts Day, both designed to increase awareness about tobacco use. In addition, GET R!EAL, a youth-led advocacy coalition, educates youth and provides material to youth on the marketing strategies of the tobacco industry. Due to budgetary constraints, STEPP did not award grants under the Community Partnership category for Fiscal Year 2005.

Program Funding

This section describes how the Program is funded and provides background information on the grant awards made since the inception of the Program.

FUNDING TO THE PROGRAM

Section 24-75-1104, C.R.S., sets forth the funding formula that is used to determine annual appropriation amounts for all Master Settlement Agreement programs, including the Tobacco Education, Prevention, and Cessation Grant Program. According to statute, this Program was to receive 15 percent of the total amount of tobacco settlement monies annually received by the State up to a maximum of \$15 million in any fiscal year. The appropriation for Fiscal Years 2001 and 2002 was \$11.9 million and \$12.9 million,

respectively. For Fiscal Year 2003, the Program was initially appropriated \$14.8 million; however, due to statewide budget shortfalls, this appropriation was decreased to \$7.3 million in the middle of the fiscal year. The Program received \$3.9 million for Fiscal Year 2004. House Bill 04-1421 was passed which changed the funding formula for the Program effective July 1, 2004, to 5 percent of the annual tobacco settlement monies, up to a maximum of \$8 million in any fiscal year. For Fiscal Year 2005, the Program was appropriated \$4.4 million.

Most of the funds appropriated for this Program have been used for grants to providers throughout the State. Since the inception of the Program through Fiscal Year 2005, the General Assembly has appropriated approximately \$40.3 million to the Program. Of these total appropriations, STEPP has expended about \$34.9 million in grants, spent about \$1.8 million for Program administration, and reverted about \$3.7 million to the Tobacco Settlement Trust Fund. Section 25-3.5-807, C.R.S., allows the Department to retain up to 5 percent of the amount annually appropriated for the actual costs incurred by the Department in implementing and administering this Program. During Fiscal Years 2001 through 2004, the Department's administrative costs ranged from 3.3 percent to 4.9 percent of the amount appropriated. Table I identifies the appropriations and expenditures for the Tobacco Education, Prevention, and Cessation Grant Program for Fiscal Years 2001 through 2004 and budgeted amounts for Fiscal Year 2005.

	Actual			Budgeted		
	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	Total
Appropriation	\$11,878,719	\$12,891,329	\$7,347,618	\$3,863,977	\$4,364,449	\$40,346,092
Monies From Prior FY		8,101,771	9,883,542			
Total Monies Available	11,878,719	20,993,100	17,231,160	3,863,977	4,364,449	58,331,405
Expended - Current FY	1,535,415	2,111,389	6,205,357	3,659,919	4,146,227	
Expended - Prior FY monies		7,541,598	9,724,667			
Monies Expended on Grants	1,535,415	9,652,987	15,930,024	3,659,919	4,146,227	34,924,572
Administrative Expenses	395,442	634,164	317,124	190,969	218,222	1,755,921
Total Expended	1,930,857	10,287,151	16,247,148	3,850,888	4,364,449	36,680,493
Rolled Forward for Next FY	8,101,771	9,883,542				
Total Spent and Rolled Forward	10,032,628	20,170,693	16,247,148	3,850,888	4,364,449	54,665,806
Excess of Appropriations over Expenditures and Monies Rolled Forward	\$1,846,091	\$822,407	\$984,012	\$13,089	---	\$3,665,599

Source: Colorado Financial Reporting System (COFRS) Reports.

Amendment 35, which was passed by Colorado voters in November 2004, will increase the excise tax on cigarettes by 64 cents per pack and increase the tax on other tobacco products by 20 percent. Under this amendment, as much as \$28 million annually could be available for tobacco control through the Tobacco Education, Prevention and Cessation Program.

The \$28 million that may be generated from the excise tax more closely approaches the level of monies recommended by the CDC for tobacco education and control programs. For the State of Colorado, the CDC recommends funding a tobacco control program in the range of \$6.31 to \$16.25 per person per year (in 1999), as discussed in Appendix A. Adjusting this figure to 2004 dollars utilizing the consumer price index (CPI) and applying Colorado's current population per the State of Colorado Demography Office (approximately 4.6 million), total funding recommendations under this guideline would range from \$32.5 to \$83.6 million per year (versus the \$3.9 million to \$12.9 million appropriated to this Program since its inception). See Appendix A for more details of the CDC funding recommendations.

GRANT AWARDS

During the early years of the Program, STEPP received approval from the State Controller's Office to roll forward some of the monies appropriated during the first two fiscal years for projects in the following fiscal year. There were 85 and 86 grantees for Fiscal Years 2001 and 2002, respectively. In Fiscal Year 2003, STEPP began the year by awarding grants to 183 contractors; however, in January 2003, the Program's appropriation was reduced by more than 50 percent resulting in the reduction and/or retractions of a number of those grants. In Fiscal Years 2004 and 2005, 75 and 44 contractors received awards, respectively.

The grants have been awarded to a variety of entities. As mentioned earlier, the grantees under this Program have been categorized by STEPP as local agencies, statewide initiatives, and youth coalition/community partnerships. Table II provides a breakdown of the grants awarded by type of program. According to Section 25-3.5-804, C.R.S., one-third of the grant monies are to be awarded to entities providing tobacco control services, solely or in combination with substance abuse programs, to school-age children. STEPP reports that this statutory directive has been met as some entities provide services solely to youth while others provide a portion of their services to youth (e.g., a local agency engages youth to be active in providing cessation materials to other youth at a health fair). In evaluating the monies granted in the aggregate, the statewide initiatives which focus on tobacco control activities for youth and the youth coalition/community partnerships comprise about 15 percent of the total monies awarded. Furthermore, in conducting the site reviews of the local agencies, we found that at a minimum, the agencies were typically allocating about 30 percent of the monies they received to the first of the three goals outlined by the Department, which is to "prevent initiation of tobacco use by youth." Thus, in considering only these two components, in the aggregate, we believe that the Department has addressed the directive that one-third be spent on youth initiatives, not including portions of the other initiatives which focus part of their efforts on young people as well, such as the media campaigns, materials clearinghouse, etc.

Table II. Tobacco Education, Prevention, and Cessation Grant Program Grants Awarded by Type of Program						
	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	TOTAL
Statewide Initiatives	\$98,000	\$4,078,231	\$11,274,989	\$1,416,151	\$1,443,640	\$18,311,011
Quitline and QuitNet		681,813	1,211,263	634,248	639,991	3,167,315
Enforcement (Dept. of Revenue)	98,000	357,555	270,405	300,000	318,743	1,344,703
Youth (Collegiate, K-12, Cessation)		486,367	2,543,767	399,905	399,906	3,829,945
Media Campaigns		321,630	6,284,957			6,606,587
Health Care Providers			262,904	47,500	45,000	355,404
Evaluation and Surveys		333,541	641,526			975,067
Materials Clearinghouse		30,000	41,000	34,498	40,000	145,498
Special Populations/Other		1,867,325	19,167			1,886,492
Local Agencies						
Health Department and Nursing Services	1,531,951	4,338,564	6,236,389	2,214,327	2,406,760	16,727,991
Youth Coalition/ Community Partnerships		121,625	363,780	52,106	0	537,511
Total	\$1,629,951	\$8,538,420	\$17,875,158	\$3,682,584	\$3,850,400	\$35,576,513

Notes: 1) Monies are identified under the Fiscal Year in which they were awarded.

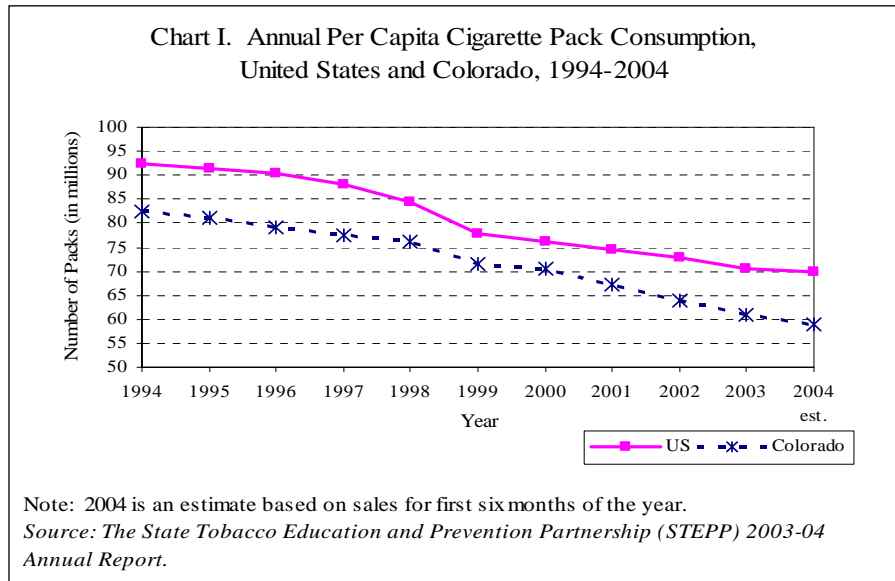
2) The figures in this table represent the amount "awarded" to each type of entity and, therefore, the total does not necessarily match the amount "expended" identified in Table I because in some cases not all of the monies awarded have been spent by a grantee.

Sources: Analysis by Pacey Economics Group using data from the State Tobacco Education and Prevention Partnership Annual Reports to the Colorado Department of Public Health and Environment dated September 28, 2001, September 30, 2002, September 17, 2003, and September 20, 2004 as well as information from STEPP staff.

Program Outcomes

According to Section 25-3.5-806, C.R.S., the Department is required to prepare an annual report that includes a compilation of the grantees' annual reports. The most recent annual report issued by STEPP, dated September 2004, provides a summary of the operations and accomplishments of the Program. The Department reports two types of accomplishments: (1) aggregate accomplishments for the Program and (2) activities accomplished by the grantees. The aggregate accomplishments reported for the entire State are the following:

- Per capita consumption of cigarettes decreased from 70.6 million packs to 61 million packs, or 13.7 percent, between 2000 and 2003, which is nearly twice the nationwide rate of 7.5 percent. (Chart I illustrates the decrease in cigarette pack consumption over time.)



- The adult smoking rate has declined from 22.5 percent in 1999 to 18.6 percent in 2003. (Nationwide, the adult smoking rate changed very little.)
- Since 1999, the quit attempts among women smokers have increased by 43 percent while the number of daily smokers has decreased substantially.
- Preliminary data suggests that the number of youth in Colorado who are using tobacco and who have ever used tobacco has decreased. For example, in 2000, 67 percent of high school students and 39 percent of middle school students reported ever using tobacco while these numbers decreased in 2003 to 63 and 35 percent, respectively.

Some of the highlights of the grantees’ activities and accomplishments completed during Fiscal Year 2004 as described by the Department include:

- Quitline, the toll-free telephone counseling service, served 4,171 callers with 76 percent enrolling in the counseling program and 24 percent requesting materials or other information. QuitNet, the website that provides free Internet-based tobacco cessation services, registered 5,185 for in-depth cessation services.

- A total of 26,660 college students and 42,900 K-12 students participated in and/or received information on cessation and prevention. In addition, 820 high school students participated in the NOT (Not-On-Tobacco) youth cessation program.
- The Tobacco Enforcement Program of the Colorado Department of Revenue conducted 2,592 tobacco-sales compliance checks and issued 160 criminal summonses for tobacco products illegally sold.

It is important to note that public health literature indicates that there are several factors which make evaluating tobacco control programs more difficult than other health care programs. First, several “encounters” with various aspects of a tobacco control program may be necessary for an individual to make the decision to decrease or cease using tobacco products. Therefore, there is a lagged or cumulative effect to monies spent in a certain fiscal year. Second, there are several factors that impact a state’s cigarette sales level including expenditures on tobacco control programs, excise taxes, general market price increases, expenditures by tobacco companies on advertising, and cross-border cigarette sales that result from interstate tax differentials, among others. (For example, during the first years of this Program, the overall price per pack in Colorado increased approximately 40 percent from 1998 to 2000 per data compiled by the Roswell Park Cancer Institute.) Given these multiple factors, one cannot assign all of the change in cigarette sales to a tobacco control program.

In addition to other studies, an article published in 2003 in the *Journal of Health Economics* explores the impact of expenditures on tobacco control throughout the United States from 1981 through 2000. This study, conducted by the Centers for Disease Control and Prevention and the University of Illinois-Chicago, found that tobacco control expenditures did have some impact on cigarette sales, especially in the four states with large-scale tobacco control programs (Arizona, California, Massachusetts, and Oregon).

Geographic Distribution of Awards

Section 25-3.5-805, C.R.S., requires that "...tobacco education, prevention, and cessation programs are available throughout the state and that said programs are available to serve persons of all ages." We reviewed the geographic distribution of the awards granted to local agencies to date, i.e., the local county health departments and nursing services that provide tobacco control services to the local geographic area. Because statewide initiatives are designed to serve all individuals throughout the State, they have not been included in this analysis. In addition, this analysis does not include youth coalition/community partnership grants as they were small in nature (\$5,000 or less) and represent a small portion (1.5 percent) of the total grant monies awarded. To break the State into regions, we utilized the State's Planning and Management Regions (PMR) designated by the Governor in 1977 for general purpose planning with the same adjustments incorporated in the Tobacco Attitudes and Behaviors Survey (TABS). The TABS survey is discussed in more detail later in this report.

Table III below shows the amount of grant monies awarded, the population, and the square mileage for each region of the State. STEPP staff report that they have made an effort to fund local agencies throughout the State and as Table III indicates, all of the regions of the State have received funding for local agencies.

We developed two measures of geographic distribution that are included in Table III: dollars per person and dollars per square mile. Dollars per person recognizes that some of the activities of the local agencies are more direct service in nature (e.g., face-to-face meetings with pregnant women educating them on smoking during pregnancy). This measure ranges from \$1.76 per person in the adjusted PMR 3 (Adams, Arapahoe, Denver, Douglas and Jefferson counties) to \$18.68 per person in PMR 6 (southeastern Colorado). On the other hand, some of the activities of a tobacco control program are population-based and relate to "connecting" with or "getting the message out" to a large number of people (e.g., local media campaign or passing out cessation information at a local event). In these activities, there are economies of scale to having a more dense population as more people will be exposed to the message at one point in time. This is reflected in the second geographic measure, dollars per square mile. Under this measure, the southeastern Colorado counties have been awarded \$100 per square mile while the Denver metropolitan counties identified above have been awarded \$1,028 per square mile.

Table III. Distribution of Tobacco Education, Prevention, and Cessation Grant Monies Awarded to Local Agencies Among State Regions (from inception through Fiscal Year 2005)							
Region²	Counties	Amount Awarded¹	Percent of Total Awards	Population in 2004	Square Miles	Amount Awarded per person	Amount Awarded per Sq. Mile (rounded to nearest dollar)
PMR 1	Logan, Morgan, Phillips, Sedgwick, Washington and Yuma	\$287,472	1.7%	72,769	9,269	\$3.95	\$31
PMR 2	Larimer and Weld	2,144,161	12.8%	480,333	6,646	\$4.46	\$323
Region A	Boulder and Broomfield	1,332,306	8.0%	328,433	774	\$4.06	\$1,721
Region D	Clear Creek and Gilpin	138,589	0.8%	14,545	547	\$9.53	\$253
PMR 3 (minus A & D)	Adams, Arapahoe, Denver, Douglas, and Jefferson	3,861,840	23.1%	2,195,654	3,757	\$1.76	\$1,028
Region B	Park and Teller	302,024	1.8%	38,992	2,768	\$7.75	\$109
PMR 4 (minus B)	El Paso	1,819,608	10.9%	554,428	2,129	\$3.28	\$855
PMR 5	Cheyenne, Elbert, Kit Carson and Lincoln	224,572	1.3%	39,254	8,378	\$5.72	\$27
PMR 6	Baca, Bent, Crowley, Kiowa, Otero and Prowers	962,727	5.8%	51,549	9,598	\$18.68	\$100
PMR 7	Pueblo	704,952	4.2%	151,561	2,397	\$4.65	\$294
PMR 8	Alamosa, Conejos, Costilla, Mineral, Rio Grande and Saguache	755,796	4.5%	48,003	8,201	\$15.74	\$92
PMR 9	Archuleta, Dolores, LaPlata, Montezuma and San Juan	952,545	5.7%	86,670	6,557	\$10.99	\$145
PMR 10	Delta, Gunnison, Hinsdale, Montrose, Ouray and San Miguel	624,926	3.7%	93,881	9,610	\$6.66	\$65
PMR 11 (minus C)	Mesa	773,115	4.6%	126,830	3,346	\$6.10	\$231
PMR 12 & Region C ³	Eagle, Garfield, Grand, Jackson, Moffat, Pitkin, Rio Blanco, Routt and Summit	1,248,452	7.5%	198,045	20,081	\$6.30	\$62
PMR 13	Chaffee, Custer, Fremont and Lake	317,160	1.9%	77,317	3,670	\$4.10	\$86
PMR 14	Huerfano and Las Animas	277,747	1.7%	24,630	6,365	\$11.28	\$44
	Total	\$16,727,991	100%	4,582,894	104,093		

Notes: 1. Award figures do not include monies for statewide initiatives or youth coalition/community partnerships.
2. Regions are based on the Planning and Management Regions (PMR) with adjustments utilized in the Tobacco Attitudes and Behavior Survey (TABS). Per the Department of Public Health and Environment's website, adjustments are made because in some cases PMRs are comprised of one county with a large population and several counties with small populations.
3. PMR 12 and Region C are combined as some grant monies were distributed to both regions under one grant.

Source: Analysis by Pacey Economics Group of 2004 population data from the State of Colorado Demography Office, square miles data from Colorado Counties, Inc. (www.ccionline.org) and lists of grantees and amounts awarded obtained from STEPP's annual reports and STEPP staff.

Audit Scope and Methodology

We reviewed documentation and interviewed personnel associated with the Tobacco Education, Prevention, and Cessation Grant Program at the Department of Public Health and Environment with respect to Program policies, procedures, operations, and oversight. We interviewed key personnel from various grantees including nine statewide initiatives and six local agencies (in some instances, the local agencies were serving more than one county). The 15 grantees we interviewed represent \$21.4 million of the total \$35.4 million awarded (or 60 percent of the total monies awarded under this Program). We conducted a survey of the staff at these sites, which included a number of questions regarding the overall administration of the Program, the application process, budgeting issues, and reporting requirements. Our findings and conclusions follow in the remainder of the report.

Background on Department's Oversight

According to Section 25-3.5-804(1), C.R.S., the Program is to provide funding for community-based and statewide tobacco education programs that are designed to:

- Reduce initiation of tobacco use by children and youth.
- Promote cessation of tobacco use among youth and adults.
- Reduce exposure to second-hand smoke.

STEPP staff are responsible for ensuring that grant awards are used for these goals. To monitor the grantees, STEPP staff review grantee progress reports and reimbursement requests. In addition, STEPP staff annually perform “desk audits” of each grantee by requesting and reviewing the backup invoices/receipts for the expenditures submitted by each grantee for one month.

STEPP staff also evaluate the achievements of the Program. To do this, they have relied upon internal data as well as survey data and information from an independent program evaluator. *Best Practices for Comprehensive Tobacco Control Programs*, by the Centers for Disease Control and Prevention (CDC), recognizes the need for surveillance and evaluation of a program for accountability for policy-makers. This document recommends that 10 percent of the total annual program funds be allocated for surveillance and evaluation.

We reviewed STEPP's oversight and management of the Program and the activities that the grants have been used for. We identified issues with the coordination of the activities of the grantees. In addition, although the grant awards have been used for the long-term

goals identified above, we have some concerns relating to a sub-group of the population also addressed in the statute, i.e., persons with mental illness. Also, the continuity of Program evaluation has been disrupted and there are problems with the reporting system used by some grantees

Coordination of Grantees' Activities

As discussed earlier in this report, there are numerous entities providing tobacco control services throughout the State. For example, county nursing services and/or health departments focus on local initiatives to promote prevention, cessation, and policies to reduce exposure to second hand smoke and are typically involved in numerous activities designed to offer a comprehensive program in their area. Concurrently, there are several statewide initiatives which provide more concentrated services that are available throughout the State. As mentioned previously, the statewide initiatives include Quitline and QuitNet, as well as agencies which focus on health issues for college age students, or specialize in health education for grades K-12. In conducting interviews with both local agencies and statewide initiatives, entities consistently expressed concerns regarding the lack of adequate coordination of information between the local agencies and the statewide initiatives such that services can be provided most efficiently.

For instance, during the application process, STEPP requires a portion of the local agencies' activities to be focused on youth, with examples provided in the application for how an agency might address various populations such as school age children and teens, college age students, etc. On the other hand, some organizations have already developed comprehensive programs targeted toward college age students and have already established connections and organized student leaders on various campuses throughout the State. However, there is a lack of coordination of efforts among the local agencies which desire to work with a college campus and several of the statewide initiatives that focus on this population.

The local agencies can best benefit from the connections, networking, and expertise that the statewide initiatives have already established. Furthermore, the statewide initiatives have indicated that they would like to be made aware of the agencies which have included, as part of their workplans, projects with targeted populations such as college students, teens, etc., so that the statewide programs can provide their expertise and assist the local agency in connecting with the appropriate campus staff/volunteers. Local agencies reported that they would like to be more informed of the activities of the statewide initiatives such that they can adequately plan to coordinate/supplement those events, i.e., the GET R!EAL road tour, media campaigns for various activities, Quitline and QuitNet promotions, etc.

Staff at local agencies report that they have built coalitions and relationships with interested parties in the local community. As such, they have established contacts that may be useful to other grantees, such as statewide initiatives, that are planning on conducting activities in the local area. In addition, the staff at local agencies indicate that if they are provided information regarding the activities of other grantees they could modify their own work plan to provide services that make use of or expand on the activities of the other grantee.

Both the statewide initiatives and the local agencies we interviewed indicated that communications by STEPP have improved with time; for example, STEPP distributes a weekly newsletter to all grantees via e-mail and sponsors annual conferences which now include a forum for the local agencies and statewide initiatives to network and learn more about each other's work. The staff at the local agencies and statewide initiatives indicate that these sources of information are helpful; however, they report that information regarding other grantees' plans are often not received early enough for them to assist other grantees or to modify their own work plans. Given the number of grantees and the nature of the services provided by the grantees, the Department needs to better coordinate and track the grantees' activities to make the Program more efficient and prevent the potential for duplication of services.

Recommendation No. 1:

The Department of Public Health and Environment should improve its oversight of the Program by:

- a. better coordinating and tracking the activities of grantees to prevent duplication of services; and
- b. providing information to the grantees with respect to the activities of other grantees in advance so that grantees can assist each other or modify their work plan, if appropriate.

Department of Public Health and Environment Response:

- a. Agree. To make coordination of state and local initiatives a priority and prevent the duplication of services, an inventory of local agency and statewide contractor activities will be taken and duplication of services will be identified and addressed. If needed, a memorandum of understanding will be developed to assure roles and responsibilities are clarified. To enhance the communication between state and local initiatives, STEPP will implement quarterly statewide conference calls. STEPP will continue to provide coordination with and between local agencies and statewide initiatives through its weekly newsletter and forum activities. Areas of coordination will be identified by July 2005.

Implementation Date: July 2005

b. Agree. STEPP will provide information to the grantees with respect to the activities of other grantees, so that grantees can assist each other or modify their work plans. STEPP will inform local health agencies and statewide initiatives of each other's planned work and "locations" utilizing the Tobacco Control Partners website. In addition, STEPP staff will review all work plans within 30 days prior to the new fiscal year to better identify opportunities for coordination earlier in the fiscal year so plans can be modified, if necessary. In the event that multi-year contracts are awarded for any statewide initiatives, local health agencies will be provided with this information in advance of their work plan preparation.

Implementation Date: July 2005

Persons with Mental Illness

In addition to the long-term goals identified above, Section 25-3.5-802(2), C.R.S, states that:

. . . persons with mental illness are more likely to abuse tobacco products than any other segment of society. The general assembly further finds that the unusually heavy pattern of tobacco abuse engaged in by persons with mental illness requires special treatment strategies that are not provided by other alcohol, drug, or tobacco abuse programs. It is therefore the general assembly's intent that programs funded pursuant to this part 8 include comprehensive programs to prevent and treat tobacco addiction among persons with mental illness.

In response to this statutory requirement, in Fiscal Year 2002 STEPP funded eight special needs assessment studies, one of which was for persons with mental illness who are nicotine-dependent. The assessment studies were intended to evaluate the special populations and provide recommendations to STEPP on how best to address their needs regarding tobacco use.

The needs assessment study on persons with mental illnesses, dated June 2002, indicates that 7.7 percent of Colorado's adult population suffers from a serious mental illness and

that cigarette smoking is much more prevalent for adults with mental illnesses compared to the general population. According to that study:

- 41 percent of adults served by the Colorado public mental health system use tobacco compared with 23 percent of the general adult population.
- About 45,000 to 50,000 Colorado adults with serious mental illnesses and limited financial resources (under 300 percent of the federal poverty level) use tobacco.
- There are currently very few tobacco control programs available to or targeting persons with serious mental illnesses.

In Fiscal Year 2003 STEPP issued Request for Proposals specifically for tobacco control programs that focused on the special populations and also requested approval from the Board of Health for funding to begin developing and implementing a program to serve persons with mental illness. However, the Department staff report that their failure to fund new grantees related to persons with mental illness is due to the Department's appropriation being cut by about 50 percent in Fiscal Year 2003. In addition, for Fiscal Year 2004 and 2005, the Department reports not funding a program to serve persons with mental illness. STEPP staff report that, given the substantial decreases in funding, sustaining existing programs has taken priority over starting new ones. In addition, STEPP staff report that statewide initiatives and other programs provide services to all citizens of the State, including special populations.

We recognize the issues surrounding funding shortfalls. However, the General Assembly clearly intended that programs funded pursuant to statute include comprehensive programs to prevent and treat tobacco addiction among persons with mental illness. We therefore recommend that STEPP revisit its allocation to meet the General Assembly's intent as described by Section 25-3.5-802(2), C.R.S.

Recommendation No. 2:

The Department of Public Health and Environment should revisit its allocation of grants to meet the General Assembly's intent to fund programs specifically designed to provide services to persons with mental illness.

Department of Public Health and Environment Response:

Agree. The Department will work to identify best practices for treating tobacco dependence in this population and will fund programs specifically designed for this purpose in consideration of the available resources, priorities, and cost

effectiveness. Significant reductions in the STEPP funding have prevented the resource intensive development and implementation of a comprehensive program of prevention and treatment of tobacco addiction for persons with mental illness.

Implementation Date: September 2005

Program Evaluation

To evaluate the achievements of the Program, STEPP has relied on data from a number of sources, including various surveys and input from an independent evaluator. One of the surveys utilized by STEPP was funded under the Colorado Tobacco Research Program (CTRP). CTRP was a research program initially funded under the Master Settlement Agreement and administered by the University of Colorado. The General Assembly stopped funding CTRP beginning in Fiscal Year 2004 due to budget constraints. CTRP was established to provide grants to scientific researchers to evaluate tobacco and substance-abuse-related issues. One of the grantees of CTRP, AMC Cancer Research, conducted an in-depth survey of tobacco use and behaviors known as the Colorado Tobacco Attitudes and Behaviors Survey (TABS) in 2001. This grantee received about \$1.5 million to develop and conduct this baseline survey to provide detailed information to STEPP on the use of and exposure to tobacco products by adults and youth in Colorado. STEPP staff report that the administrators of CTRP agreed to fund the baseline survey but that they would not fund any follow-up survey. At the time of the 2001 baseline survey, STEPP staff report that they had planned to fund a follow-up survey in 2005 in order to compare the survey results over time. To date, grant monies have not been awarded for this purpose.

As a result, the continuity of STEPP's evaluation of the long-term success of the Program has been disrupted. This is an issue because the decrease/cessation of tobacco use is not an instantaneous result and, therefore, it is important that the results of a tobacco control program be measured over time. Additionally, for the data to be comparable, it is important for the survey to be conducted in the same manner as originally designed.

In addition to the TABS survey, the Program has also relied upon other surveys and evaluations that provide pieces of information regarding tobacco use. The surveys include the Behavioral Risk Factor Surveillance System (BRFSS) and the Pregnancy Risk Assessment Monitoring System (PRAMS), both of which are conducted in conjunction with the CDC, among others. In addition, the local agencies and statewide initiatives report that, depending upon their activities, they conduct surveys or track data (e.g., the Quitline and QuitNet track informative data from their patrons including socioeconomic data, tobacco use data, and outcome data, among others). In addition,

STEPP received input from an independent evaluator who received a grant to begin a three year Program evaluation but which was subsequently shortened to one year. However, the independent evaluator performed some parts of the evaluation, such as a telephone survey on the effectiveness of the media campaign. As a requirement for the grant from CDC, STEPP employs a Program evaluator who is responsible for data review and Program evaluation, among other duties.

It is critical that the Program has a consistent source of comprehensive data in order for the achievements of the Program to be identified. STEPP needs to have the tools to evaluate the strengths and weaknesses of its approach and better manage resources to achieve Program goals most efficiently. Although there are numerous surveys and/or pieces of information available to evaluate the Program, we believe that it is important for STEPP to have its own comprehensive study specifically designed to evaluate the achievements of this Program over time. This is especially important given the millions of state funds the Program receives.

Although the Program has funded limited evaluation activities in the past, staff at the Department report that they believe this Program was established to provide tobacco control services, while the CTRP was established to fund tobacco research activities including the evaluation of the Program. However, because CTRP has not been funded by the General Assembly since Fiscal Year 2003, the Program does not have that as an avenue for obtaining an evaluation. Department staff also note that the purposes for which grants can be awarded under Section 25-3.5-805, C.R.S., do not include evaluation and that statutory change may be needed to provide the Department with specific authority to make an award for the purpose of evaluating the Program.

Accountability for the use of public resources is a key responsibility of management, and as part of this, management must be able to demonstrate that funds are being used effectively and efficiently to meet the intent and goals of the Program. The Department should ensure that a comprehensive survey, such as the Tobacco Attitudes and Behaviors Survey, is performed on a periodic basis and that the results are analyzed and used to improve the Program. If the Department determines that statutory clarification is needed, it should work with the General Assembly to obtain the required changes.

Recommendation No. 3:

The Department of Public Health and Environment should ensure that periodic, comprehensive evaluations of the Tobacco Education, Prevention, and Cessation Grant Program are performed and use the results for program improvement. The Department should seek statutory change, if necessary.

Department of Public Health and Environment Response:

Partially Agree. The Department agrees with the auditors that periodic evaluations should be performed to analyze and improve STEPP and to demonstrate funds are being used effectively and efficiently. However, the Department cannot ensure that such evaluations can occur unless sufficient funding is provided. In addition, the Department believes it may be more appropriate to have an independent contractor evaluate the program. The Department will work with the General Assembly as needed.

Implementation Date: December 2005 assuming that funding is provided in FY 2005-06

Reporting System

Section 25-3.5-806, C.R.S., requires that the grantees provide annual reports on the outcomes of their programs. In addition, STEPP requires the grantees to provide quarterly progress reports. The local agencies (i.e., county health departments and nursing services) conduct similar activities and, as such, STEPP requires that they utilize a standard format for reporting. For example, the local agencies utilize a Microsoft Access program into which they type information regarding their objectives, results, challenges, and accomplishments. (The activities of the statewide initiatives are more diverse and, as such, they do not utilize this specific computer program to report to STEPP.)

During our on-site visits, staff at some of the local agencies indicated that the structure of this Microsoft Access program is not user-friendly and that printing the reports is cumbersome. More specifically, staff at some of the local agencies reported that it is difficult to input pieces of information as they are unable to see the entire report when inputting the data. In addition, they report that they are unable to print the document after

inputting the information. To get the document in a form that can be printed, they must e-mail it to STEPP staff who convert the file into a PDF document and e-mail it back to the local agency. After the conversion to a PDF document, the local agencies can print the progress report; however, they are not able to make any changes to a report because the document is in the PDF format.

STEPP staff are aware of the limitations of this program and are presently reviewing other reporting systems. Given the difficulties that the staff at the local agencies have reported, STEPP should continue to explore alternative reporting programs.

Recommendation No. 4:

The Department of Public Health and Environment should continue to explore other systems for the local agencies to use to report their program outcomes.

Department of Public Health and Environment Response:

Agree. STEPP discontinued the Microsoft Access system at the end of FY 2003-04. A temporary system has been put in place and used for reporting activities in the first quarter of FY 2004-05. Feedback from the local health agencies has been positive.

Immediate future plans include adopting and modifying the web-based reporting system (KIT Solutions) being developed under the auspices of the Interagency Prevention Systems. The Department is participating on a committee charged with developing a single web-based reporting system for use by several state agencies that fund local contractors. Once fully operational, all local and state tobacco control contractors would use this system. The STEPP module of the web-based reporting system is expected to be on-line September 2005.

Implementation Date: September 2005

APPENDIX

APPENDIX A – FUNDING RECOMMENDATIONS FROM CDC

The Tobacco Education, Prevention, and Cessation Grant Program utilizes CDC’s *Best Practices for Comprehensive Tobacco Control Programs, August 1999* as a guideline for implementing a comprehensive tobacco control program. The CDC document provides funding and program implementation advice based upon “best practices” as determined by analyses of other comprehensive state tobacco control programs. The CDC recommends that states establish tobacco control programs that are comprehensive, sustainable, and accountable. According to this report, CDC recommends a per capita program budget for each state and for the State of Colorado recommends a range from \$6.31 to \$16.25 per person per year. Adjusting this to 2004 dollars utilizing the consumer price index (CPI) and applying Colorado’s current population per the State of Colorado Demography Office (approximately 4.6 million), total funding under this guide would amount to \$32.5 to \$83.6 million per year. Appropriations for this Program have ranged from 12% to 42% of the minimum CDC recommended funding level (adjusted for population level and inflation). Table A-I below compares the CDC’s recommended minimum funding recommendation for the State of Colorado to the actual appropriation.

Table A-I. Tobacco Education, Prevention, and Cessation Grant Program Appropriation by Fiscal Year in Comparison to CDC Recommended Funding					
	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
CDC’s Minimum Per Capita Funding Recommendation (adjusted for inflation)	\$6.71	\$6.81	\$6.97	\$7.08	\$7.20
Population	4,436,725	4,516,847	4,525,291	4,582,894	4,647,323
Minimum Recommended Funding (population times per capita funding)	\$29,770,425	\$30,759,728	\$31,541,278	\$32,446,890	\$33,460,726
Actual Program Appropriation	\$11,878,156	\$12,891,329	\$7,347,618	\$3,863,977	\$4,364,449
Percentage of Minimum Funding	39.9%	41.9%	23.3%	11.9%	13.0%

Sources: Analysis by Pacey Economics Group using data from the following sources:

- 1) *Best Practices for Comprehensive Tobacco Control Programs, August 1999* issued by the Centers for Disease Control and Prevention.
- 2) *State of Colorado Demography Office.*
- 3) *State Tobacco Education and Prevention Partnership Annual Reports to the Colorado Department of Public Health and Environment* dated September 28, 2001, September 30, 2002, and September 17, 2003 as well as information from STEPP staff.

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