



STATE OF MARYLAND

DHMH

Maryland Department of Health and Mental Hygiene
201 W. Preston Street • Baltimore, Maryland 21201
Robert L. Ehrlich Jr., Governor – Arlene H. Stephenson, M.A.S., Acting Secretary

Cigarette Restitution Fund Program
Director: Carlessia A. Hussein, R.N., Dr. P.H.

January 27, 2003

The Honorable Ulysses Currie, Chairman
Senate Budget and Taxation Committee
Miller Senate Office Building
3 West Wing, 11 Bladen Street
Annapolis MD 21401-1991

The Honorable Howard P. Rawlings, Chairman
House Appropriations Committee
Room 130, Lowe House Office Building
Annapolis MD 21401-1991

The Honorable Thomas M. Middleton, Chairman
Senate Finance Committee
Miller Senate Office Building
3 West Wing, 11 Bladen Street
Annapolis MD 21401-1991

The Honorable Maggie L. McIntosh, Chairman
House Environmental Matters Committee
Room 161, Lowe House Office Building
Annapolis MD 21401-1991

The Honorable John Adams Hurson, Chairman
House Health and Governmental Operations Committee
Room 161, Lowe House Office Building
Annapolis MD 21401-1991

Re: Health General Article, Sections 13-1002 and 13-1102
Cigarette Restitution Fund Program (CRFP)

Dear Chairmen:

In accordance with the requirements set forth in Health General, Section 13-1002 and Section 13-1102, the Department of Health and Mental Hygiene submits the enclosed Fiscal Report for fiscal year 2002 and the first six months of fiscal year 2003, through December 31, 2002.

Funds available in fiscal 2002 were \$36 million for the cancer program and \$18 million for the tobacco program. The 2002 fiscal year awards were reduced because of the legal requirement to withhold funds in an escrow account pending resolution of the lawsuit. All program components have completed their startup phases with corresponding increases in outcomes and results. There was \$6 million unspent in fiscal 2002 because jurisdictions held back funds to pay for treatment for more cancers than were diagnosed and the competitive procurement process in some jurisdictions delayed the start of contracts.

In fiscal 2003, the legislative appropriation is \$38 million for the cancer program and \$20 million for tobacco. These totals do not reflect escrow funds directed to the programs through the Budget Reconciliation and Financing Act. The unobligated fund balance for the cancer program is \$9 million and \$13 million for tobacco. The final unobligated balances are projected to be \$300,000 and \$900,000 respectively once all spending plans are realized.



The Honorable Ulysses Currie
The Honorable Thomas M. Middleton
The Honorable John Adams Hurson
The Honorable Howard P. Rawlings
The Honorable Maggie L. McIntosh
Page Two

The attached Fiscal Report presents expenditures for fiscal year 2002 and six months of fiscal year 2003 by program component and local jurisdictions throughout Maryland.

Please contact me at (410) 767-6505 if you have any questions concerning these reports, or call Dr. Carlessia A. Hussein, Director, CRFP at (410) 767-0094.

Sincerely,



Arlene H. Stephenson, M.A.S.
Acting Secretary

Enclosure

cc: The Honorable Robert L. Ehrlich, Jr.
Diane L. Matuszak, M.D.
Carlessia A. Hussein, Dr. P.H.
Josie Ogaitis



STATE OF MARYLAND

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Maryland Department of Health and Mental Hygiene

201 W. Preston Street • Baltimore, Maryland 21201

Robert L. Ehrlich Jr., Governor – Arlene H. Stephenson, M.A.S., Acting Secretary

Cigarette Restitution Fund Program

Director: Carlessia A. Hussein, R.N., Dr. P.H.

January 27, 2003

The Honorable Robert L. Ehrlich, Jr.
Governor
90 State Circle
Annapolis MD 21401

Re: Health General Article, Sections 13-1002 and 13-1102
Cigarette Restitution Fund Program (CRFP)

Dear Governor Ehrlich:

In accordance with the requirements set forth in Health General, Section 13-1002 and Section 13-1102, the Department of Health and Mental Hygiene submits the enclosed Fiscal Report for fiscal year 2002 and the first six months of fiscal year 2003, through December 31, 2002.

Funds available in fiscal 2002 were \$36 million for the cancer program and \$18 million for the tobacco program. The 2002 fiscal year awards were reduced because of the legal requirement to withhold funds in an escrow account pending resolution of the lawsuit. All program components have completed their startup phases with corresponding increases in outcomes and results. There was \$6 million unspent in fiscal 2002 because jurisdictions held back funds to pay for treatment for more cancers than were diagnosed and the competitive procurement process in some jurisdictions delayed the start of contracts.

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The Honorable Robert L. Ehrlich, Jr.
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Arlene H. Stephenson, M.A.S.
Acting Secretary

Enclosure

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House Appropriations Committee
Senate Finance Committee
House Environmental Matters Committee
House Health and Governmental Operations Committee
Diane L. Matuszak, M.D.
Carlessia A. Hussein, Dr. P.H.
Josie Ogaitis

MARYLAND DEPARTMENT OF HEALTH AND MENTAL HYGIENE

**REPORT TO THE GOVERNOR AND
GENERAL ASSEMBLY**

**ON THE
CIGARETTE RESTITUTION FUND PROGRAM**

July 1, 2001 though June 30, 2002
July 1, 2002 through December 31, 2002

January 15, 2003

Robert L. Ehrlich, Jr.
Governor

Michael S. Steele
Lieutenant Governor

Arlene H. Stephenson, M.A.S.
Acting Secretary

CIGARETTE RESTITUTION FUND PROGRAM

Fiscal Report

July 1, 2001 thru June 30, 2002

July 1, 2002 thru December 31, 2002

January 15, 2003

The Cigarette Restitution Fund Program (CRFP) was enacted into law during the 2000 Legislative Session and implementation began July 1, 2001. The first and second year's funding were used to fully implement the programs and move toward achieving goals and objectives. Fiscal year 2003 provided \$38 million for Cancer and \$21 million for tobacco programs during which have significantly increased services, partnerships and results. Section 13-1002 and 13-1102 of Health General Article require that the Department of Health and Mental Hygiene (DHMH) report the amount of money that was allocated to each component of the CRFP and the amount distributed to a county as a local public health grant showing funds spent and unobligated for the prior fiscal year and six months of the current fiscal year ending December 31, 2002

The cancer and tobacco programs each have five components. These components are displayed on the attached tables showing the budget, expenditures, obligations and unobligated balances. There is a one-year report for July 1, 2001 through June 30, 2002 and a six-month report for July 1, 2002 through December 31, 2002. The fiscal 2003 projected unobligated balance for the cancer program is \$300,000 and \$900,000 for the tobacco program.

Major accomplishments and outcomes include:

1. Local Cancer Public Health grants have gone to all counties and Baltimore City and resulted in over 13,500 persons screened with 24 colorectal cancers found, 466 colon polyps removed and 12 other cancers diagnosed.
2. Two academic health centers have received \$23 million in CRF funds for six grants; two cancer research, one tobacco-related diseases, one Statewide Health Network, and two Baltimore City public health. The Johns Hopkins Institutions has funded 44 new cancer research studies, and the University of Maryland has recruited 31 new cancer research faculties. Their cancer research infrastructures have received major enhancements.
3. The Minority Outreach & Technical Assistance (MOTA) program funded four Primary Grantees and 60 community-based partners to voice the health concerns of African, Hispanic, Asian and Native Americans. This active network of minority organizations participates on the 48 local Community Tobacco and Cancer Coalitions across the State. Twenty-eight faith-based organizations received over \$182,000 in fiscal years 2002/2003.
4. Local Tobacco Public Health grants have gone to all counties and Baltimore City and have resulted in 4,400 persons participating in smoking cessation classes and 272,000 persons receiving education about prevention.
5. A 2002 Special Study showed that tobacco use has declined significantly among African Americans, women and targeted minorities living in Baltimore City.
6. The Media/Countermarketing campaign includes TV, billboards, websites and local events. Over 6,000 citizens pledged to quit smoking and 50,000 visited the Website.

**Department of Health and Mental Hygiene
Family Health Administration
Cigarette Restitution Fund Program
Fiscal Year 2002 Fiscal
Report**

(July 1, 2001 - June 30, 2002)

1) Cancer Prevention, Education, Screening and Treatment Program

Components:	Original Budget	Adjustments	Revised Budget	Expenditures	Obligations	Unobligated
Administration (X671)	\$ 1,329,305	\$ (311,126)	\$ 1,018,179	\$ 992,030	\$ -	\$ 26,149
Surveillance and Evaluation (X672)	\$ 2,414,983	\$ (986,046)	\$ 1,428,937	\$ 1,260,484	\$ -	\$ 168,453
Statewide Academic Health Center (X673)	\$ 23,000,000	\$ -	\$ 23,000,000	\$ 21,409,891	\$ -	\$ 1,590,109
Local Public Health (X674) *	\$ 19,000,000	\$ (7,980,000)	\$ 11,020,000	\$ 9,707,128	\$ -	\$ 2,449,569
Total	\$ 45,744,288	\$ (9,277,172)	\$ 36,467,116	\$ 33,369,533	\$ -	\$ 4,234,280

Distribution by Jurisdiction is provided below

Local Public Health Component - Distribution by Jurisdiction - **CANCER**

Subdivision	(Budget) Available Funding	Reconciled Expenditures	Obligations	Unobligated
ALLEGANY	307,031	211,787	0	95,244
ANNE ARUNDEL	1,318,828	1,120,697	0	198,131
BALTIMORE COUNTY	2,599,833	1,940,132	0	659,701
CALVERT	184,653	124,641	0	60,012
CAROLINE	85,658	79,215	0	6,443
CARROLL	374,643	239,836	0	134,807
CECIL	250,292	140,302	0	109,990
CHARLES	296,160	188,725	0	107,435
DORCHESTER	138,125	125,452	0	12,673
FREDERICK	448,681	315,358	0	133,323
GARRETT	84,928	84,928	0	0
HARFORD	551,899	389,623	0	162,276
HOWARD	451,751	332,925	0	118,826
KENT	80,662	60,311	0	20,351
MONTGOMERY	1,848,703	1,678,790	0	169,913
PRINCE GEORGE'S	1,734,585	1,435,757	0	298,828
QUEEN ANNE'S	119,705	106,605	0	13,100
ST. MARYS	184,337	145,375	0	38,962
SOMERSET	83,907	68,909	0	14,998
TALBOT	135,743	116,516	0	19,227
WASHINGTON	420,029	404,615	0	15,414
WICOMICO	235,658	187,790	0	47,868
WORCESTER	220,886	208,839	0	12,047
BALTIMORE CITY *	2,860,952	2,860,952	0	0
TOTAL	15,017,649	12,568,080	0	2,449,569

* The budgets for the local health and statewide academic health center components do not reflect an across the board adjustment to local programs in all jurisdictions including Baltimore City. The adjustment was made because full funding was not available.

**Department of Health and Mental Hygiene
Family Health Administration
Cigarette Restitution Fund Program
Fiscal Year 2002 Fiscal
Report**

2) Tobacco Use Prevention and Cessation Program (July 1, 2001 - June 30, 2002)

Components:	Original Budget	Adjustments \$	Revised Budget Funding	Expenditures	Obligations	Unobligated
Administration (X681)	\$ 1,246,007	\$ (361,783)	\$ 884,224	\$ 836,137	\$ -	\$ 48,087
Surveillance and Evaluation (X682)	\$ 2,550,749	\$ (1,012,426)	\$ 1,538,323	\$ 1,360,547	\$ -	\$ 177,776
Countermarketing and Media (X683)	\$ 10,000,000	\$ (5,700,000)	\$ 4,300,000	\$ 4,300,000	\$ -	\$ -
Local Public Health (X684)	\$ 14,000,000	\$ (4,775,000)	\$ 9,225,000	\$ 7,624,224	\$ -	\$ 1,600,776
Statewide Public Health (X686)	\$ 2,875,000	\$ (1,213,955)	\$ 1,661,045	\$ 1,590,653	\$ -	\$ 70,392
Total	\$ 30,671,756	\$ (13,063,164)	\$ 17,608,592	\$ 15,711,561	\$ -	\$ 1,897,031

Distribution by Jurisdiction is provided below

Local Public Health Component - Distribution by Jurisdictions - TOBACCO

Subdivision	(Budget) Available Funding	Reconciled Expenditures	Obligations	Unobligated
ALLEGANY	175,086	157,589	0	17,497
ANNE ARUNDEL	942,200	942,200	0	0
BALTIMORE COUNTY	1,268,791	750,287	0	518,504
CALVERT	179,651	125,932	0	53,719
CAROLINE	80,156	71,557	0	8,599
CARROLL	311,183	226,684	0	84,499
CECIL	197,377	187,640	0	9,737
CHARLES	276,979	261,696	0	15,283
DORCHESTER	64,984	62,372	0	2,612
FREDERICK	419,518	213,357	0	206,161
GARRETT	64,625	64,156	0	469
HARFORD	473,754	386,353	0	87,401
HOWARD	367,554	345,170	0	22,384
KENT	42,689	41,770	0	919
MONTGOMERY	1,067,275	874,659	0	192,616
PRINCE GEORGE'S	1,095,403	935,538	0	159,865
QUEEN ANNE'S	91,137	70,450	0	20,687
ST. MARYS	188,664	156,404	0	32,260
SOMERSET	53,604	51,716	0	1,888
TALBOT	60,063	45,485	0	14,578
WASHINGTON	286,720	274,669	0	12,051
WICOMICO	176,551	176,372	0	179
WORCESTER	95,203	88,549	0	6,654
BALTIMORE CITY	1,245,833	1,113,619	0	132,214
TOTAL	9,225,000	7,624,224	0	1,600,776

**Department of Health and Mental Hygiene
 Family Health Administration
 Cigarette Restitution Fund Program
 Fiscal Year 2002 Fiscal
 Report**

(July 1, 2001 - June 30, 2002)

		(Budget) Available Funding	Expenditures	Obligations	Unobligated
3) Maryland Healthcare Foundation	X692	\$ 1,000,000	\$ 636,228	\$ 363,772	\$ -

Source: Financial reports of the State's Financial Management Information System (FMIS) and the local health departments

Footnotes / Definitions

- 1) Budget: funds allocated to each component and distributed to each county.
- 2) Expenditures: items reflected in the State's financial management system (FMIS) or on the County's financial reports.
- 3) Obligations: funds reflective of an executed signed agreement or contract.
- 4) Unobligated: budget minus expenditures and obligations.

**Department of Health and Mental Hygiene
Family Health Administration
Cigarette Restitution Fund Program
Fiscal Year 2003 Interim Fiscal
Report**

(July 1, 2002 - December 31, 2002)

1) Cancer Prevention, Education, Screening and Treatment Program

Components:	Original Budget	Deferred Increase	Revised Budget	Expenditures	Obligations	Unobligated
Administration (X671)	\$ 1,382,808	\$ 20,000	\$ 1,402,808	\$ 553,152	\$ 645,685	\$ 203,971
Surveillance and Evaluation (X672)	\$ 2,302,104	\$ 100,000	\$ 2,402,104	\$ 439,209	\$ 1,393,397	\$ 569,498
Statewide Academic Health Center (X673)	\$ 23,000,000	\$ 2,000,000	\$ 25,000,000	\$ 2,856,353	\$ 19,004,599	\$ 3,139,048
Local Public Health (X674) *	\$ 11,020,000	\$ 5,980,000	\$ 17,000,000	\$ 8,180,304	\$ 3,978,744	\$ 4,840,952
Statewide Public Health (X676)	\$ -	\$ 739,000	\$ 739,000	\$ -	\$ -	\$ 739,000
Total	\$ 37,704,912	\$ 8,839,000	\$ 46,543,912	\$ 12,029,018	\$ 25,022,425	\$ 9,492,469 **

Distribution by Jurisdiction is provided below

Local Public Health Component - Distribution by Jurisdiction - **CANCER**

Subdivision	(Budget) Available Funding	Expenditures	Obligations	Unobligated
ALLEGANY	306,693	116,907	0	189,786
ANNE ARUNDEL	1,248,141	485,090	763,051	0
BALTIMORE COUNTY	2,565,759	373,960	248,329	1,943,470
CALVERT	188,996	67,591	0	121,405
CAROLINE	105,831	30,032	0	75,799
CARROLL	353,080	111,483	0	241,597
CECIL	264,433	71,152	40,897	152,384
CHARLES	281,871	75,442	0	206,429
DORCHESTER	160,107	71,857	0	88,250
FREDERICK	454,724	96,975	0	357,749
GARRETT	96,012	60,974	0	35,038
HARFORD	573,233	168,639	0	404,594
HOWARD	454,971	110,838	12,722	331,411
KENT	74,625	27,101	0	47,524
MONTGOMERY	1,871,515	576,815	564,312	730,388
PRINCE GEORGE'S	1,665,959	312,660	829,177	524,122
QUEEN ANNE'S	127,278	37,775	0	89,503
ST. MARYS	195,399	71,947	123,452	0
SOMERSET	90,312	58,236	5,893	26,183
TALBOT	154,881	56,130	0	98,751
WASHINGTON	415,593	231,256	0	184,337
WICOMICO	304,071	110,841	10,275	182,955
WORCESTER	205,564	58,231	0	147,333
BALTIMORE CITY *	2,850,952	0	0	2,850,952
TOTAL	15,010,000	3,381,932	2,598,108	9,029,960

* The budgets for the local health and statewide academic health center components do not reflect an across the board adjustment to local programs in all jurisdictions including Baltimore City. The adjustment was made because full funding was not available.

** Unobligated balance for FY 2003 includes \$400,000 in pending contracts not yet awarded.

**Department of Health and Mental Hygiene
Family Health Administration
Cigarette Restitution Fund Program
Fiscal Year 2003 Interim Fiscal
Report**

(July 1, 2002 - December 31, 2002)

2) Tobacco Use Prevention and Cessation Program

Components:	Original Budget	Deferred Increase	Revised Budget	Expenditures	Obligations	Unobligated
Administration (X681)	\$ 977,253	\$ 45,000	\$ 1,022,253	\$ 312,158	\$ 380,432	\$ 329,663
Surveillance and Evaluation (X682)	\$ 2,666,142	\$ 100,000	\$ 2,766,142	\$ 283,014	\$ 1,495,690	\$ 987,438
Countermarketing and Media (X683)	\$ 4,500,000	\$ 5,500,000	\$ 10,000,000	\$ 4,020,783	\$ 479,217	\$ 5,500,000
Local Public Health (X684)	\$ 9,225,000	\$ 4,775,000	\$ 14,000,000	\$ 6,945,634	\$ 2,279,366	\$ 4,775,000
Statewide Public Health (686)	\$ 2,833,755	\$ 741,000	\$ 3,574,755	\$ 703,718	\$ 1,001,311	\$ 1,869,726
Total	\$ 20,202,150	\$ 11,161,000	\$ 31,363,150	\$ 12,265,307	\$ 5,636,016	\$ 13,461,827 **

Distribution by Jurisdiction is provided below

Local Public Health Component - Distribution by Jurisdictions - TOBACCO

Subdivision	(Budget) Available Funding	Expenditures	Obligations	Unobligated
ALLEGANY	170,202	56,026	0	114,176
ANNE ARUNDEL	946,015	548,970	397,043	2
BALTIMORE COUNTY	1,268,791	64,424	880,710	323,657
CALVERT	180,957	25,677	0	155,280
CAROLINE	80,156	36,395	0	43,761
CARROLL	311,183	63,865	0	247,318
CECIL	197,377	60,969	36,547	99,861
CHARLES	276,979	140,294	0	136,685
DORCHESTER	64,985	25,185	0	39,800
FREDERICK	419,018	179,812	0	239,206
GARRETT	64,625	21,514	0	43,111
HARFORD	473,754	162,153	0	311,601
HOWARD	367,554	71,031	134,698	161,825
KENT	42,689	14,242	0	28,447
MONTGOMERY	1,067,275	170,943	434,623	461,709
PRINCE GEORGE'S	1,095,403	230,682	452,344	412,377
QUEEN ANNE'S	91,138	15,988	0	75,150
ST. MARYS	188,664	15,344	173,320	0
SOMERSET	53,604	40,903	12,701	0
TALBOT	60,065	25,973	0	34,092
WASHINGTON	286,720	113,376	0	173,344
WICOMICO	176,553	53,339	98,626	24,588
WORCESTER	95,460	18,475	0	76,985
BALTIMORE CITY	1,245,833	213,475	0	1,032,358
TOTAL	9,225,000	2,369,055	2,620,612	4,235,333

** Unobligated balance for FY 2003 includes \$1.4 million in pending contracts not yet awarded.

**Department of Health and Mental Hygiene
 Family Health Administration
 Cigarette Restitution Fund Program
 Fiscal Year 2003 Interim Fiscal
 Report**

(July 1, 2002 - December 31, 2002)

		(Budget) Available Funding		Expenditures		Obligations		Unobligated
3) Maryland Healthcare Foundation	X692	\$ 1,000,000	\$	718,095	\$	281,905	\$	-

Source: Financial reports of the State's Financial Management Information System (FMIS) and the local health departments

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- 3) Obligations: funds reflective of an executed signed agreement or contract.
- 4) Unobligated: budget minus expenditures and obligations.
- 5) Expenditures from all jurisdictions have not yet been reconciled.