MEMORANDUM

To: Mr. John Keel
Legislative Budget Board

From: Rick Hefner,
Vice President of Finance and Administration

Subject: Use of Tobacco Funds in Fiscal Year 2004

Date: November 1, 2004

This memo is to respond to your request for information regarding distribution of tobacco settlement dollars within the various fund groups at The University of Texas Health Center at Tyler. Currently the funding is used to support programs and clinical research, basic science research, medical education, oncology, pulmonary disease, and environmental and preventative medicine. The breakout as it relates to each of our institutional strategies is as follows:

1) **Clinical:** The funding used in this strategy includes salary and operational expenses for the support of physicians who are specifically involved in therapeutic intervention in patients with smoking induced diseases. This includes care related to pulmonary/respiratory disease, cancer care, and treating other disorders exacerbated by exposure to primary and secondary tobacco smoke.
   * Operating Expense $1,150,248

1) **Basic Science Research:** The funding used in this area provide salary support for faculty and staff whose research interests focus on lung pathophysiology particularly pulmonary inflammatory reactions, connective tissue changes, oxidant mediated lung damage, DNA repair and effect of inhaled particulates. These are all processes either caused by or exacerbated by exposure to cigarette smoke.
   * Operating Expense $784,163

1) **Medical Education:** Funding includes salary support for individuals involved in support of programs for providing educational care offered to healthcare professionals as well as associated with a wide array of diseases including many which are smoking related. Heavy emphasis has been on developing a formal smoking cessation program to which funds have been committed to preventative medical specialists on our faculty.
1) **Clinical Research:** The funding used in this area provided salary support for clinical research staff to help conduct studies on lung pathophysiology associated with cigarette smoking. Clinical research projects supported by these personnel include those related to chronic obstructive lung disease, damage to airways and cancer. These studies are designed to provide new information to optimize treatment for the large number of patients victimized by such smoking-related diseases.

* Operating Expense $290,824

* Operating Expense $187,660

The total of all the expenses is $2,412,895, with total staff support of 23.53 FTE’s. We have worked hard to ensure that the appropriated funds accomplish the overall objectives as designated in the settlement. These resources are particularly critical to our institution as a center dedicated to the treatment and prevention of diseases of the chest, many of which are tobacco-induced. Please let me know if you have additional questions or concerns.