



USING TOBACCO SETTLEMENT FUNDS FOR TOBACCO PREVENTION SUPPORTIVE QUOTES FROM HIGH-RANKING STATE OFFICIALS

After the Master Settlement Agreement (MSA) was signed in November 1998, many state governors, attorneys general, and other high-ranking state officials expressed strong support for investing substantial portions of the tobacco settlement payments into new efforts to prevent and reduce tobacco use in their states.

ALABAMA

Alabama has, I believe, a good program. It is called Children First. It is a program to deal with dropouts, to deal with teen smoking and drinking and drug abuse and problem kids, preschool programs, a comprehensive plan to deal with juvenile crime and violence and delinquency, and to help place children first. The funding for it will come from the settlement of this lawsuit.

US Senator Jeff Sessions (R-AL), Senate debate, March 17-18, 1999.

ALASKA

Among the highlights in Governor Tony Knowles' Fiscal 2000 budget: \$3 million for a tobacco-control program to keep children away from Alaska's number one killer. . . . Knowles will insist that all of the programs funded by the tobacco settlement "carry the message that tobacco kills."

Press Release from Governor Tony Knowles (D), December 11, 1998.

ARIZONA

I rise today in support of this amendment offered to earmark a portion of the tobacco settlement proceeds for health and anti-smoking programs. The use of the money for these purposes goes to the very heart of my support for the global settlement a year ago and my reason for sponsoring a bill to implement the settlement. It was never my intention or understanding that this money would be used for building roads, prisons, or to simply inflate the government's coffers. It was my understanding and intent that the money would be used primarily to fight the evils of the tobacco industry and to keep 3,000 kids a day from starting to smoke.

US Senator John McCain (R-AZ), Senate debate, March 17-18, 1999.

I will also propose that a sizable portion of the tobacco settlement be used for the creation of a state health trust fund. This would help to ensure a permanent funding stream for health care programs. Yet, leave a legacy to continue those programs as funds may decline.

And to my friends at the counties, I recommend that the Legislature approve a portion of the tobacco settlement moneys to you. This will allow you to use the money for health care programs based on the needs you have identified.

Governor Jane Dee Hull (R), State of the State Speech, January 11, 1999.

ARKANSAS

"I would hope that we would treat these funds as help for health-related problems for our citizens, not a bonanza of bucks for politicians to fund pet projects."

*Governor Mike Huckabee (R) quoted in **The Washington Post**, January 20, 1999.*

COLORADO

I also support the creation of a trust fund into which the tobacco settlement moneys would flow. I believe that a portion of the settlement should ensure a future revenue stream that is available from these tobacco settlement funds when the fund payments are completed.

Governor Bill Owens (R), State of the State Address, January 14, 1999.

Colorado's windfall from Big Tobacco - about \$100 million a year until 2025 - may start pouring in before spring, Attorney General Gale Norton (R) announced Tuesday. And Norton issued recommendations that the money should be spent on "improving the health" of Coloradans. "After all," she said, "the entire litigation was about health effects of tobacco."

Denver Post, January 6, 1999.

CONNECTICUT

Attorney General Richard Blumenthal (D) has teamed up with anti-smoking advocates to propose legislation for spending the state's \$5.5 billion settlement with Big Tobacco. Under the plan, 45 percent would go to education, prevention and cessation initiatives, 45 percent to health programs, and 10 percent would be invested in an endowment fund.

USA Today, January 15, 1999.

DELAWARE

There's another more insidious – but no less lethal – threat to the lives of our children: tobacco. We need to do more to keep our kids from getting hooked on it. On this day in America, 3,000 children – with an average age twelve-and-a-half – will begin smoking. At least 1,000 of them will end up dying from that choice. Last week, I joined Sen. (Patricia) Blevins, Rep. (Deborah) Capano and Rep. (Eugene) Maier, as well as Attorney General (M. Jane) Brady, in supporting a new campaign to reduce teen smoking. That campaign can be funded, in part, by the tobacco settlement worked out by the nation's attorneys general.

Governor Thomas R. Carper (D), State-of-the-State Address, January 21, 1999.

FLORIDA

In addition, Governor Jeb Bush (R) plans to earmark \$61.5 million [yearly, from the tobacco settlement money] to continue the state's anti-smoking programs aimed at teen-agers. The move quashed fears among anti-smoking groups that the new governor would soften the effort.

South Florida Sun-Sentinel, January 20, 1999.

HAWAII

I can't think of any more appropriate topic of concern at every level of government than the reduction of smoking in this society. This process of suing the tobacco companies, this process that led to the settlements, is not about getting some money for new highways or new types of programs at the State level. It started with the realization that smoking is the most dangerous public health problem in this country and we have to take concerted steps to do that. The suits resulted in a settlement, financially, but it won't result in the effective eradication, elimination, or reduction of smoking unless we apply those proceeds to smoking cessation programs and other public health initiatives that are critical to the health and welfare of this country.

US Senator Daniel Akaka (D-HI), Senate debate, March 17-18, 1999.

ILLINOIS

It is less important to me who spends the money from the Tobacco companies than how it is spent. It is not as important to me that a Federal agency achieve the results so much as the results are achieved. And the results I am seeking are several. First, it reduces the number of young people who are taking up tobacco and becoming addicted to it. Ultimately, one out of three die. If we can bring that percentage down by innovative, creative, and forceful State programs, that is all the better as far as I am concerned.

US Senator Richard Durbin (D-IL), Senate debate, March 17-18, 1999.

Attorney General Jim Ryan wants half of the state's \$9.1 billion windfall from the national tobacco lawsuit to go to health and anti-smoking programs – and he wants legislation now to keep Washington's hand out of Illinois' cookie jar. Ryan's plan would earmark 50 percent of the money for uninsured children, smoking-cessation and anti-smoking education programs and helping police enforce tobacco restrictions on minors.

Daily Southtown, January 23, 1999.

INDIANA

Governor Frank O'Bannon and Attorney General Jeff Modisett today signed the \$206 billion national tobacco settlement. They urged using much of Indiana's share for children's health. "We have an incredible opportunity here to use this money to greatly enhance the lives of children as well as adults," O'Bannon said. "This money is a debt the tobacco industry owes to generations of Hoosier smokers and to all those harmed by secondhand smoke. And we all owe a debt of gratitude to Jeff and the other attorneys general who helped bring about this settlement." The majority of the settlement funds received during the state's next budget cycle should be used for children's health, anti-smoking programs and other public health initiatives, including support of local health departments, they said. Other possible uses of settlement funds include expanding health insurance to low-income working families and support to tobacco farmers to ease their transition to other crops, they added. "Nationwide, about 3,000 kids start smoking every day, and a third of them will die prematurely because of it," O'Bannon said. "This money can go a long way toward preventing Hoosier kids from ever getting hooked on tobacco and toward helping our citizens stop smoking and recover from smoking-related illness."

"This is a unique opportunity for Indiana to target programs that could make a difference to the children of this state," Modisett added.

Press Release from Governor Frank O'Bannon (D) and Attorney General Jeff Modisett (D), November 20, 1998.

IOWA

If the States want to take their portion and build a sports arena, that is up to the voters of that State. I can tell you if it happened in my State, I would be on the side of any other taxpayers in my State, suing the Governor or anybody else who was spending the money that way, because I think that money is held in trust for the very purposes which I just enumerated, and that is to cut down on smoking and to help the public health.

US Senator Tom Harkin (D-IA), Senate debate, March 17-18, 1999.

MARYLAND

Our Legislature has already provided that a portion of the money be used for anti-smoking education efforts, and to assist the State's tobacco farmers with crop transition. I agree with these programs. . . . Lt. Gov. Kathleen Kennedy Townsend and I will strongly recommend that the rest of the funds be used for education and children's health. . . . We are committed to fighting for the kinds of programs that will substantially reduce smoking among our young people and that will prevent the next generation of prospective smokers from ever lighting their first cigarette.

Press Release from Governor Parris Glendening (D), November 20, 1998.

MASSACHUSETTS

While the federal government could legally demand that the states reimburse Washington from their settlements, I believe the states should be allowed to keep one hundred percent of the money. However, the federal share must be used by the states for programs that will advance the goals of protecting children and enhancing public health which were at the heart of the litigation and are consistent with the purposes of Medicaid. That would be an eminently fair and reasonable compromise of this contentious issue. Three thousand children start smoking every day, and one thousand of them will die prematurely as a result of tobacco-induced disease. Prevention of youth smoking should be, without question, our highest priority for the use of these funds. Reducing youth smoking would, of course, result in a dramatic savings in future Medicaid expenditures. The state settlements provide the resources to dissuade millions of teenagers from smoking, to break the cycle of addiction and early death. We must seize that opportunity.

US Senator Edward Kennedy (D-MA), Senate debate, March 17-18, 1999.

"[T]he money from the settlement should be used to... reduce tobacco use among children and adults, especially in minority and urban neighborhoods."

Former Attorney General Scott Harshbarger (D), Boston Globe, December 2, 1998.

"The goal of the [tobacco] lawsuit was to prevent people from smoking and recoup money spent on treating people who get sick from smoking," said Attorney General Tom Reilly (D). "It's important not to lose sight of that.... Everyone is seeing this as a panacea for all kinds of things. I don't see it that way."

Boston Globe, January 28, 1999.

MINNESOTA

“State legislatures also have a part to play. They must reinvest their tobacco dollars in developing and administering effective tobacco-control programs. In Minnesota, polls show overwhelming public support for spending most or even all of the money won in the settlement on public health programs.”

*Former Attorney General Hubert H. Humphrey III (D), **The New York Times**, November 24, 1998.*

Senate Majority Leader Roger Moe's (D) proposal calls for a \$655 million trust fund aimed at preventing young people from starting smoking, a \$353 million fund for medical education and research and a \$301 million fund for children under age 5. The permanent funds would yield a combined \$65 million a year for such efforts as antismoking advertising and early childhood development research. By comparison, state tobacco control and prevention spending has averaged little more than \$1 million a year in the 1990s.

***Minneapolis Star-Tribune**, January 21, 1999.*

MISSOURI

Missouri's share of the national tobacco settlement should be spent for health programs and educating children about the effects of smoking, Governor Mel Carnahan (D) said. “I'm hopeful that we will devote the settlement proceeds to education of young people against the dangers of smoking and to treat health-related problems associated with smoking. A large portion of the proceeds we think, ought to go in that area...”

***Associated Press**, December 28, 1998.*

I ask you to establish a Tobacco Settlement Trust Fund, pending the outcome of the [tobacco] litigation and other uncertainties. Its purpose will be to preserve these funds for future investments to support anti-teen smoking initiatives and to improve the health and education of future generations...

Governor Mel Carnahan (D), State of the State Address, January 20, 1999.

MONTANA

Under the terms of the settlement, Montana will receive an estimated \$832 million over the next 26 years. Attorney General Joe Mazurek said he will urge the Legislature to channel most of the money into public health programs, to meet the lawsuit's goal of reducing tobacco use and thus reducing the public health problems caused by smoking.

Press Release from Attorney General Joe Mazurek (D), November 19, 1998.

Much focus will be placed upon the substantial sum of money involved in this settlement. But this suit was not about money. It was about the public health of this state and this nation. Because our suit was filed based on our concern about the effect of tobacco on public health, we will argue strenuously that the Legislature should channel most of this money to public health programs to be offered through the Department of Public Health and Human Services and local public and private health agencies. And we intend to work with the Montana public health community to see that happens.

Speaking Points for Attorney General Joe Mazurek (D), November 19, 1998.

NEW JERSEY

New Jersey Governor Christie Whitman today welcomed the news of the proposed settlement in New Jersey's suit against the tobacco industry. She suggested that the proceeds of the settlement be deposited into health care trust funds when she issued the following statement:

We filed our suit because we were particularly concerned about the health of our children, who have been specifically targeted by the tobacco industry's marketing and promotional efforts. I am pleased that the proposed settlement contains several provisions designed to protect teenagers and discourage teen smoking by restricting advertising, promotions and marketing.

This agreement builds upon many of our existing initiatives including our rigorous enforcement of New Jersey's age of sale requirements and our public education and awareness programs.

Importantly, this agreement will reimburse New Jersey taxpayers in an amount more than \$7 billion. I will recommend to the Legislature that these funds be deposited in health care trust funds and used entirely for funding public health programs and meeting New Jersey's health care needs. Every penny of these funds should be used for health purposes including prevention programs and counter advertising to protect kids, cessation programs and community partnerships to serve those who have already put their

health at risk by smoking, in addition to existing important health programs such as charity care and KidCare.

I have asked the Commissioner of Health and Senior Services for his input on the most effective elements of a comprehensive program to curb teen smoking and to deal with current and future smoking-related health problems in New Jersey.

Press Release from Governor Christie Whitman (R), November 16, 1998.

NEVADA

The settlement contains groundbreaking controls on the tobacco industry in marketing and advertising that targets youth. These controls will benefit Nevada in achieving our highest priority, the prevention of smoking and tobacco use by children and teens. The settlement also contains substantial resources for funding community-based and population-based prevention efforts. Nevada has rarely had sufficient resources to invest in health prevention and education, especially for children. This settlement provides Nevada with a window of opportunity to make a significant investment toward improving the health and safety of Nevada residents.

Press Release from Attorney General Frankie Sue Del Papa (D), November 20, 1998.

...[W]e will, in turn, leave millions of dollars for worthy and innovative health care programs to preserve the integrity of the [tobacco] settlement and educate our children on the risks associated with smoking.

Governor Kenny Guinn (R), State of the State Address, January 18, 1999.

NORTH CAROLINA

Governor Jim Hunt (D) said the consent decree gives North Carolina “a balanced approach” to allocate tobacco settlement money. “It will help us address our efforts to crack down on underage smoking and to protect the health and well-being of North Carolinians,” he said.

North Carolina News and Observer, December 22, 1998.

Mike Easley (D), North Carolina’s attorney general, told the conference that half the state’s \$5 billion in settlement proceeds will be used to help wean tobacco-dependent communities from the crop by diversifying economic development, providing money to make up tax shortfalls for schools and other projects. The other half will go to public health to educate people about smoking and dealing with nicotine addiction. “I think we’re going to see a lot of this coming back around to public health,” Easley said.

Associated Press, January 20, 1999.

NORTH DAKOTA

First, I am proposing we devote 10 percent of any tobacco settlement dollars to public health programs, including important initiatives on diabetes, drug and alcohol abuse, and tobacco prevention and cessation. This will fund programs primarily driven at the local level, and will provide a six hundred percent increase over current state spending for local public health!

Governor Edward T. Schafer (R), State of the State Address, January 5, 1999.

OHIO

“It’s premature to rush to spend this [tobacco settlement] money,” said Attorney General Betty Montgomery, who was joined at the announcement by members of the public health community. “The reason we got in this fight was to protect public health and prevent underage smoking. A significant portion of this money should go toward these causes.”

Press Release from Attorney General Betty Montgomery (R), November 18, 1998.

Ohio could see its first payment of more than \$120 million by next year. The yearly payments will be adjusted annually based on inflation and volume adjustments based on future sales of cigarettes. When I announced Ohio would sign on to this proposal, I stood side-by-side with Ohio’s public health community and we asked that a significant portion of this money go for public health causes. That’s where we need to focus our efforts now. I will continue to work with the public health community, the legislature, and the governor to ensure that this settlement accomplishes the basic goals we started out with: improve public health, and protect our children. Sounds simple. It is.

Editorial Column by Attorney General Betty Montgomery (R), December 4, 1998.

Some but not all of the \$9.9 billion Ohio is in line to receive over 25 years from a settlement with the tobacco industry should go toward anti-smoking programs, House Speaker Jo Ann Davidson (R) said Monday.

Associated Press, December 28, 1998.

OKLAHOMA

“While this agreement is a great beginning, we all realize that much more work needs to be done at the state and local levels to produce an effective tobacco control program,” Attorney General W.A. Drew Edmondson said. “I would like to think that this settlement will help provide the momentum and the resources needed for an ongoing, comprehensive effort.”

Press Release from Attorney General W.A. Drew Edmondson (D), November 16, 1998.

OREGON

“The Oregon legislature has discretion over how the money is used; however, I am hoping that Governor Kitzhaber and lawmakers, understanding the direct link between tobacco use and increased health care costs, will invest the proceeds in health care, namely, smoking cessation and prevention programs and increased access to health care,” Attorney General Hardy Myers said.

Press Release from Attorney General Hardy Myers (D), November 20, 1998.

PENNSYLVANIA

When the majority leader talks about spending the funds for juvenile detention, that is very important. But that is simply not related to tobacco. When there is talk about using it for debt reduction of the States, that is very important. But it is not related to tobacco causes. These are funds produced from a tobacco settlement, and if the States do not use these funds in this way, my legal judgment is that these funds are impressed with a trust enforceable by any citizen of the State. It is vital that we act now to ensure that these funds are used to protect public health. During the discussion which is currently occurring in the states on how to use the tobacco funds, a wide variety of uses have been proposed. Specifically, I understand that states have plans to spend funds on roads, mental health services, to assist tobacco farmers, and to eliminate the State debt, increase teacher pay, other proposed uses include financing tax relief, and using these revenues to fund a new Merit Award Trust Fund. While all of these goals may be noble, I am convinced that states, who sued tobacco companies to reimburse state health costs as a result of smoking, have a fiduciary duty to use these funds to reduce smoking and to support public health.

US Senator Arlen Specter (R-PA), Senate debate, March 17-18, 1999.

“Emphysema, heart disease, cancer — more than 20,000 Pennsylvanians die from tobacco-related diseases each year,” Attorney General Mike Fisher said. “I sued the tobacco industry because it conspired to increase the addictive properties of tobacco products and suppressed vital information about the deadly nature of tobacco. This money will not bring back those who have died, but it may be used to keep others from starting this deadly habit.”

Press Release from Attorney General Mike Fisher (R), November 16, 1998.

RHODE ISLAND

Legislation that would set up the “Twenty-first Century Health Care Fund” using Rhode Island’s \$1.4 billion in tobacco settlement money will be introduced in January, Lt. Governor Charles Fogarty (D) announced Monday. Under the bill, 20 percent of the funds would be earmarked for programs designed to decrease the use of tobacco and to treat tobacco-related illnesses.

Associated Press, December 21, 1998.

UTAH

Utah’s \$836 million will be paid over 25 years, with the first payment of \$10 million due early in 1999, and approximately \$30 million each year thereafter. Decisions concerning how the money will be spent for Utah are made by the Legislature and Governor, but Attorney General Jan Graham was emphatic that a significant part of the funds be spent on curbing the harm that prompted her to file the lawsuit in the first place. “Utah has a moral duty to invest a good part of this money in keeping our kids away from

cigarettes. One-third of kids who start smoking will die of smoking caused disease,” Attorney General Jan Graham said.

Press Release from Attorney General Jan Graham (D), November 16, 1998.

VERMONT

As you know, because of the leadership of Attorney General William Sorrell, it is likely that at the end of the next fiscal year we will receive the first down payment on nearly \$800 million from the tobacco companies. Although money from the settlement will not come to Vermont until June 30, 2000, we can now set up the mechanism and properly appropriate that money. I propose that we set up a special trust fund and that the money be spent to educate Vermonters, particularly young Vermonters, about the extraordinary dangers of smoking. Tobacco is an addictive drug that claims the lives of nearly 1,000 of us in Vermont each year. We need to use this money to make it as difficult as possible, and as unattractive as possible, for Vermonters to get caught in this addiction.

Governor Howard Dean (D), State of the State Address, January 7, 1999.

“By accepting this proposal, Vermont will receive on average more than thirty million dollars per year in perpetuity,” said the Attorney General William Sorrell. “Now it will be up to the Legislature to decide how these moneys are to be spent. It would be a shame not to use the funds to make serious progress in helping Vermonters currently addicted to stop smoking and to do a better job convincing young Vermonters not to smoke,” added Attorney General William Sorrell.

Press Release from Attorney General William Sorrell (D), November 20, 1998.

VIRGINIA

I’m submitting a bill proposing that possible tobacco settlement money be placed in three funds. First, half of the money should be placed in a fund for economic and agricultural development purposes, targeted at assistance for growers and workers hurt by the settlement. Second, a health fund for children, community based treatment for mental illness, long term care and youth anti-smoking programs. Third, a fund that addresses critical transportation and education infrastructure needs.

Governor Jim Gilmore (R), State of the Commonwealth Address, January 13, 1999.

WASHINGTON

Mr. President, we have a difficult decision before us. I believe most, if not all of us, hope the states will do the right thing and spend the tobacco litigation money to stop underage smoking, reduce adult smoking, and provide critical public health services. I know I am unequivocally committed to those objectives and will therefore support the Specter-Harkin amendment to ensure they do so.

US Senator Patty Murray (D-WA), Senate debate, March 17-18, 1999.

Washington Governor Gary Locke called on the 1999 Legislature to use most of the state’s tobacco-settlement funds to protect Washington’s Basic Health Plan for working families and to expand Medicaid health coverage for children in low-income families. The governor also proposed using the tobacco settlement to establish a \$150 million endowment fund to supplement national efforts to help smokers quit and convince young people not to use tobacco. “Over the course of this century, we witnessed how products of the tobacco industry destroyed lives and stole from us our parents, brothers, sisters – people we loved,” Locke said. “At the threshold of the 21st century, we’ll use this settlement to settle the score with Big Tobacco. We’ll use their money to build healthy, educated families who have the strength and knowledge to fight the addiction the tobacco industry is peddling. It is our goal to make the current generation of smokers in Washington the last generation of smokers in our state,” Locke said.

Press Release from Governor Gary Locke (D), December 2, 1998.

“We have indicated we want all the moneys to be used for public health purposes...”

Attorney General Christine Gregoire (D), Wall Street Journal, November 23, 1998.

WEST VIRGINIA

It’s premature to rush to spend this money. The reason we got in this fight was to protect public health and prevent underage smoking. A significant portion of this money should go toward these causes.

Press Release from Attorney General Darrell V. McGraw, Jr. (D), November 19, 1998.

WYOMING

The third health initiative deals with reducing tobacco consumption, especially by our youth. The recently announced Tobacco Settlement would yield Wyoming's share at \$486M paid in relatively equal amounts over a 25 year period, provided that there is a reduction in tobacco use by kids. I recommend that you designate a special account to set apart the funds until priorities for expenditure are set. I further recommend that health care, particularly for young people, and programs for wellness, for early intervention, and for disease prevention, be the target for funding.

Governor Jim Geringer (R), State of the State Address, January 13, 1999

Campaign for Tobacco-Free Kids, January 22, 1999