

# A Broken Promise to Our Children

*The 1998 State  
Tobacco Settlement  
13 Years Later*

November 30, 2011

Robert Wood Johnson Foundation



American  
Heart  
Association  
*Learn and Live*



AMERICAN  
LUNG  
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AMERICANS for  
NONSMOKERS'  
RIGHTS

# **A Broken Promise to Our Children: The 1998 State Tobacco Settlement Thirteen Years Later**

## **A Report on the States' Allocation of the Tobacco Settlement Dollars**

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## Executive Summary

Since the states settled their lawsuits against the tobacco companies in November 1998, our organizations have issued annual reports assessing whether the states are keeping their promise to use a significant portion of their settlement funds – expected to total \$246 billion over the first 25 years – to attack the enormous public health problems posed by tobacco use in the United States.

In addition to the billions of dollars they receive each year from the tobacco settlement, the states collect billions more in tobacco taxes. In the current budget year, Fiscal Year 2012, the states will collect a total of \$25.6 billion in revenue from the tobacco settlement and tobacco taxes, near record levels.

**This year, our report finds that despite collecting huge sums in tobacco revenue, the states have slashed funding for tobacco prevention and cessation programs by 12 percent in the past year and by 36 percent over the past four years.**

**Of the \$25.6 billion in tobacco revenue they will collect this year, the states will spend only 1.8 percent – \$456.7 million – on programs to prevent kids from smoking and help smokers quit. This means the states are spending less than two cents of every dollar in tobacco revenue to fight tobacco use.**

Both the total amounts states are spending on tobacco prevention programs and the percentage of tobacco revenue spent on these programs are the lowest since 1999, when states first received tobacco settlement funds.

The states' failure to use more of their tobacco money to fight the tobacco problem is especially troubling in light of recent national surveys indicating that smoking declines in the United States have slowed. The nation's progress in the battle against tobacco use – the number one cause of preventable death – is at risk unless states increase funding for tobacco prevention and cessation programs. Given the deep cutbacks in state programs, it is more critical than ever that the federal government also fund and implement a robust, national tobacco prevention and cessation campaign.

## Key Findings

Overall conclusions of this year's report include:

- In Fiscal Year 2012, the states will collect \$25.6 billion in revenue from the tobacco settlement and tobacco taxes, but will spend only 1.8 percent of it – \$456.7 million – on programs to prevent kids from smoking and help smokers quit. The percentage of state tobacco revenues invested in tobacco prevention and cessation programs has been falling. In the first 10 years after the tobacco settlement, the states spent 3.2 percent of their tobacco money on such programs.

- States have cut funding for tobacco prevention programs by 12 percent (\$61.2 million) in the past year and by 36 percent (\$260.5 million) in the past four years. Current funding is the lowest since 1999, when states first received tobacco settlement payments.
- States are falling woefully short of recommended funding levels for tobacco prevention programs set by the U.S. Centers for Disease Control and Prevention (CDC). The \$456.7 million the states have budgeted amounts to just 12.4 percent of the \$3.7 billion the CDC recommends for all the states combined. It would take less than 15 percent of total state tobacco revenues to fund tobacco prevention programs at CDC-recommended amounts in every state.
- Budget cuts have decimated some of the most effective state tobacco prevention programs. Funding for **Washington's** program, which has helped cut youth smoking in half, has been virtually eliminated, while **New York's** program has been cut by more than half over the past four years. Funding for **Ohio's** program has been eliminated, while once robustly funded programs in **Colorado, Iowa** and **Maryland** have been cut by about 75 percent.
- Federal grants have helped to cushion the impact of state cuts, but funds provided by the 2009 economic stimulus law will run out this year and funding from the Prevention and Public Health Fund, created by the health care reform law, faces possible budget cuts. In fiscal year 2012, the federal government is providing \$91.2 million in state and community grants to reduce tobacco use. States have also received \$196.4 million in stimulus funds for tobacco prevention, some of which will be spent this year.

### Additional Findings

Our report assesses and ranks the states based on whether they are funding tobacco prevention programs at levels recommended by the CDC. Here's where the states stand this year:

- Counting both state and federal funding, only two states – **Alaska** and **North Dakota** – currently fund tobacco prevention programs at the CDC-recommended levels.
- Only four other states – **Delaware, Hawaii, Maine** and **Wyoming** – are funding tobacco prevention programs at even half the CDC-recommended levels.
- Ten states are funding tobacco prevention programs at between 25 and 50 percent of CDC-recommended levels.
- 33 states and Washington, DC, are providing less than a quarter of the CDC-recommended amounts (of those, 23 states and DC are providing less than 10 percent of the CDC-recommended amounts).<sup>1</sup>

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<sup>1</sup> Alabama's tobacco prevention program budget for FY2012 was not available when this report went to press. Alabama historically has provided minimal funding for tobacco prevention. In FY2011, Alabama budgeted \$860,000, which is just 1.5 percent of the CDC's recommendation.

- Four states – **Connecticut, Nevada, New Hampshire and Ohio** – and **DC** have allocated no state funds for tobacco prevention programs in FY2012.
- The amount states are spending on tobacco prevention programs pales in comparison to the \$10.5 billion a year that major cigarette and smokeless tobacco companies spend to market tobacco products, according to the latest tobacco marketing reports of the Federal Trade Commission (for 2008). That means the tobacco companies spend \$23 to market tobacco products for every one dollar the states spend to prevent kids from smoking and help smokers quit.

### **Progress Is At Risk Unless States and Federal Government Step Up Fight against Tobacco**

This report is being released in the wake of national surveys showing that the nation's progress in reducing smoking has slowed.

The CDC recently reported that the adult smoking rate in 2010 was 19.3 percent – only a small decline since 2004 when 20.9 percent smoked. While smoking among high school students has declined by 46 percent from a high of 36.4 percent in 1997, 19.5 percent of high school students still smoke and declines have slowed in recent years, according to the CDC.

This slowing of progress has coincided with deep cuts in funding for state tobacco prevention and cessation programs. It began when states cut funding by 28 percent, or \$211.5 million, between FY2002 and FY2005. After increasing funding to \$717.2 million in FY2008, states have again cut funding for tobacco prevention, this time by 36 percent in the last four years.

If the nation is to continue reducing smoking and other tobacco use, elected officials at all levels of government must resist complacency and redouble efforts to implement scientifically proven measures to reduce tobacco use. Recent landmark reports by the Institute of Medicine (IOM) and the President's Cancer Panel have agreed on the steps that the federal government and the states must take to win the fight against tobacco.<sup>2</sup> Recommended actions include the following:

- The states must step up efforts to implement three proven strategies to reduce tobacco use: fund tobacco prevention and cessation programs at CDC-recommended levels, increase tobacco taxes and enact smoke-free workplace laws.

As this report details, most states have woefully under-funded tobacco prevention programs, and most have cut them substantially in recent years. Instead, states should increase tobacco taxes to help fill budget gaps and use some of the revenue to increase funding for tobacco prevention programs. In addition, every state should enact a comprehensive smoke-free law that covers all workplaces and public places, including restaurants and bars. To date, 29 states and DC have enacted smoke-free laws that include restaurants and bars.

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<sup>2</sup> Institute of Medicine, *Ending the Tobacco Problem: A Blueprint for the Nation*, National Academy of Sciences, 2007; U.S. Department of Health and Human Services, *Promoting Healthy Lifestyles: Policy, Program and Personal Recommendations for Reducing Cancer Risk*, 2006-2007 Annual Report, President's Cancer Panel.

- At the federal level, the deep cuts to state programs underscore the importance of preserving the Prevention and Public Health Fund created by the health care reform law. This fund is a critical source of support for tobacco prevention and cessation efforts, including a national mass-media campaign to discourage kids from smoking and encourage smokers to quit, enhancement of telephone quitlines and other tobacco cessation services, and state and community grants. These measures are key elements of the national Tobacco Control Strategic Action Plan announced on November 10, 2010, by the U.S. Department of Health and Human Services.

It is also imperative that the U.S. Food and Drug Administration continue to effectively exercise the authority to regulate tobacco products that it received under a landmark 2009 law. Under the law, the FDA has eliminated the sale of candy and fruit-flavored cigarettes, imposed new restrictions on tobacco marketing and sales to kids, ended the use of the deceptive cigarette labels “light” and “low-tar,” and required larger warning labels on smokeless tobacco products. The FDA also has unveiled large, graphic cigarette warnings that are to appear on all cigarette packs and advertisements starting in September 2012, but tobacco companies have filed lawsuits to block the warnings.

### **States Have the Resources and the Evidence to Fund Tobacco Prevention Programs**

Elected leaders lack credible excuses for failing to do more to protect our children from tobacco and help smokers quit. First, the problem has not been solved – tobacco use remains the nation’s leading cause of preventable death. Second, despite budget shortfalls, the states are collecting huge sums in revenue from the tobacco settlement and tobacco taxes; it would take just a small portion of their tobacco money to fund tobacco prevention programs at CDC-recommended levels, leaving most of it for other purposes. Third, there is more evidence than ever that tobacco prevention and cessation programs work, especially when part of a comprehensive strategy that also includes higher tobacco taxes and smoke-free workplace laws.

The current budget crisis should not be an excuse for states to cut tobacco prevention programs. The evidence is clear that these programs not only reduce smoking and save lives, but also save money by reducing tobacco-related health care costs. Even in these difficult budget times, tobacco prevention is one of the smartest and most fiscally responsible investments that states can make.

**The states’ funding of tobacco prevention and cessation is woefully inadequate given the magnitude of the problem:** Tobacco use is the number one cause of preventable death in the United States, claiming more lives every year – more than 400,000 – than AIDS, alcohol, car accidents, murders, suicides, illegal drugs and fires combined. Cigarette smoking costs the nation \$193 billion a year in economic losses, including \$96 billion in health care costs and \$97 billion in productivity losses, according to the CDC. Every day, another 1,000 kids<sup>3</sup> become new regular smokers and another 1,200 Americans die because of tobacco use.

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<sup>3</sup> Substance Abuse and Mental Health Services Administration (SAMHSA), HHS, *Results from the 2010 National Survey on Drug Use and Health, NSDUH: Summary of National Findings*, 2011.  
<http://oas.samhsa.gov/NSDUH/2k10NSDUH/tabs/Sect4peTabs10to11.pdf>

**Despite their budget woes, every state has plenty of tobacco-generated revenue to fund a tobacco prevention program at CDC-recommended levels:** As this report shows, the states this year will collect \$25.6 billion from the tobacco settlement and tobacco taxes. It would take less than 15 percent of this total to fund tobacco prevention programs in every state at levels recommended by the CDC. Tobacco tax increases would readily provide more revenues to help fund tobacco prevention and meet other budgetary needs.

**The evidence is conclusive that tobacco prevention and cessation programs work to reduce smoking, save lives and save money by reducing tobacco-caused health care costs:** Every scientific authority that has studied the issue, including the IOM, the President's Cancer Panel, the National Cancer Institute, the CDC and the U.S. Surgeon General, has concluded that when properly funded, implemented and sustained, these programs reduce smoking among both kids and adults.

In its May 2007 report, the IOM concluded:

The committee finds compelling evidence that comprehensive state tobacco control programs can achieve substantial reductions in tobacco use. To effectively reduce tobacco use, states must maintain over time a comprehensive integrated tobacco control strategy. However, large budget cutbacks in many states' tobacco control programs have seriously jeopardized further success. In the committee's view, states should adopt a funding strategy designed to provide stable support for the level of tobacco control funding recommended by the Centers for Disease Control and Prevention.

The CDC reached similar conclusions in October 2007 when it released updated recommendations to the states for funding and implementing comprehensive tobacco control programs, in a document entitled *Best Practices for Comprehensive Tobacco Control Programs – 2007*. Summarizing state experiences and new scientific evidence since it last issued this report in 1999, the CDC concluded:

We know how to end the epidemic. Evidence-based, statewide tobacco control programs that are comprehensive, sustained, and accountable have been shown to reduce smoking rates, tobacco-related deaths, and diseases caused by smoking.... Implementing a comprehensive tobacco control program structure at the CDC-recommended levels of investment would have a substantial impact. For example, if each state sustained its recommended level of funding for five years, an estimated five million fewer people in this country would smoke. As a result, hundreds of thousands of premature deaths would be prevented. Longer-term investments would have even greater effects.

The strongest evidence that tobacco prevention programs work comes from the states themselves. Maine, which ranked first in funding tobacco prevention programs from 2002 to 2007, reduced smoking among high school students by 54 percent between 1997 and 2009. Washington state, which had a well-funded prevention program before funding was virtually

eliminated this year, has reduced adult smoking by one-third and overall youth smoking by more than half since its program began in 2000.

These smoking declines translate into lives and health care dollars saved. A study conducted for the Washington State Department of Health estimated that the state's tobacco prevention and cessation program has prevented 13,000 premature deaths and nearly 36,000 hospitalizations, saving about \$1.5 billion in health care costs. The study found that for every dollar spent by the state on tobacco prevention in the last ten years, the state saved \$5 in reduced hospitalization costs.

Studies show that California, which has the nation's longest-running tobacco prevention and cessation program, has saved tens of thousands of lives by reducing smoking-caused birth complications, heart disease, strokes and lung cancer. Between 1988 and 2004, lung and bronchus cancer rates in California declined nearly four times faster than the rest of the United States. A peer-reviewed study published in August 2008 in the medical journal *PLoS Medicine* found that California's tobacco control program saved \$86 billion in health care costs in its first 15 years, compared to \$1.8 billion the state spent on the program, for a return on investment of nearly 50:1.

Our nation has made significant progress in reducing tobacco use with a comprehensive approach that includes well-funded tobacco prevention and cessation programs, tobacco tax increases and smoke-free workplace laws. However, the recent slowing of smoking declines is a clear warning to elected officials at all levels that it is premature to declare victory over tobacco and much more must be done to win the fight against the nation's leading preventable cause of death. Tobacco's toll in health, lives and dollars is far too steep to allow backsliding. What's needed today is the political will to combat the tobacco epidemic with the leadership and resources that match the scope of the problem.





**FY2012 Rankings of Funding for State Tobacco Prevention Programs**  
(Annual funding amounts only include state funds.)

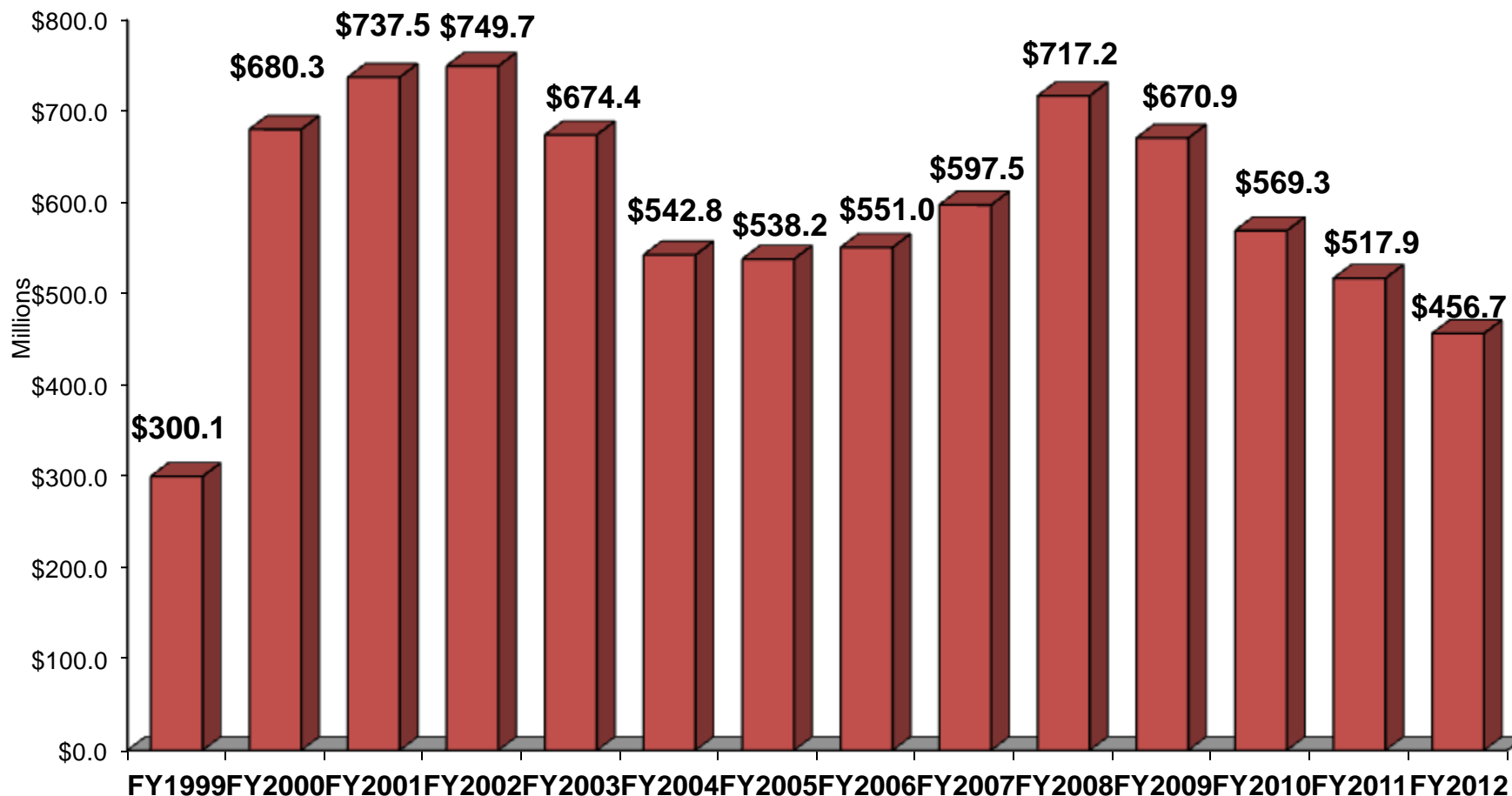
State	FY2012 Current Annual Funding (\$millions)	CDC Annual Recommendation (millions)	FY2012 Percent of CDC's Recommendation	Current Rank
Alaska	\$10.8	\$10.7	101.3%	1
North Dakota*	\$8.1	\$9.3	87.0%	2
Hawaii	\$10.7	\$15.2	70.3%	3
Delaware	\$9.0	\$13.9	64.9%	4
Wyoming	\$5.4	\$9.0	60.0%	5
Maine	\$9.4	\$18.5	50.6%	6
Oklahoma	\$21.2	\$45.0	47.1%	7
South Dakota	\$4.0	\$11.3	35.4%	8
Montana	\$4.7	\$13.9	33.8%	9
Minnesota	\$19.5	\$58.4	33.4%	10
Vermont	\$3.3	\$10.4	31.8%	11
Utah	\$7.2	\$23.6	30.4%	12
Florida	\$62.3	\$210.9	29.5%	13
Arizona	\$18.0	\$68.1	26.4%	14
New Mexico	\$5.9	\$23.4	25.3%	15
Mississippi	\$9.9	\$39.2	25.3%	15
Arkansas	\$7.4	\$36.4	20.5%	17
West Virginia	\$5.7	\$27.8	20.3%	18
Oregon	\$8.3	\$43.0	19.3%	19
New York	\$41.4	\$254.3	16.3%	20
North Carolina	\$17.3	\$106.8	16.2%	21
California	\$70.0	\$441.9	15.8%	22
Louisiana	\$8.4	\$53.5	15.8%	22
Indiana	\$10.1	\$78.8	12.8%	24
Colorado	\$6.5	\$54.4	11.9%	25
Nebraska	\$2.4	\$21.5	11.0%	26
Pennsylvania	\$13.9	\$155.5	9.0%	27
Iowa	\$3.3	\$36.7	8.9%	28

<b>State</b>	<b>FY2012 Current Annual Funding (\$millions)</b>	<b>CDC Annual Recommendation (millions)</b>	<b>FY2012 Percent of CDC's Recommendation</b>	<b>Current Rank</b>
Wisconsin	\$5.3	\$64.3	8.3%	29
Virginia	\$8.4	\$103.2	8.1%	30
South Carolina	\$5.0	\$62.2	8.0%	31
Maryland	\$4.3	\$63.3	6.8%	32
Illinois	\$9.5	\$157.0	6.1%	33
Idaho	\$880,000	\$16.9	5.2%	34
Massachusetts	\$4.2	\$90.0	4.6%	35
Kentucky	\$2.2	\$57.2	3.9%	36
Kansas	\$1.0	\$32.1	3.1%	37
Rhode Island	\$372,665	\$15.2	2.5%	38
Texas	\$5.5	\$266.3	2.0%	39
Georgia	\$2.0	\$116.5	1.7%	40
Michigan	\$1.8	\$121.2	1.5%	41
Washington	\$750,000	\$67.3	1.1%	42
New Jersey	\$1.2	\$119.8	1.0%	43
Tennessee	\$200,000	\$71.7	0.3%	44
Missouri	\$60,000	\$73.2	0.1%	45
Connecticut	\$0.0	\$43.9	0.0%	50
District of Columbia	\$0.0	\$10.5	0.0%	50
Nevada	\$0.0	\$32.5	0.0%	50
New Hampshire	\$0.0	\$19.2	0.0%	50
Ohio	\$0.0	\$145.0	0.0%	50
Alabama**	NA	\$56.7	NA	NA

\* North Dakota currently funds tobacco prevention programs at the CDC-recommended levels if both state and federal funding is counted.

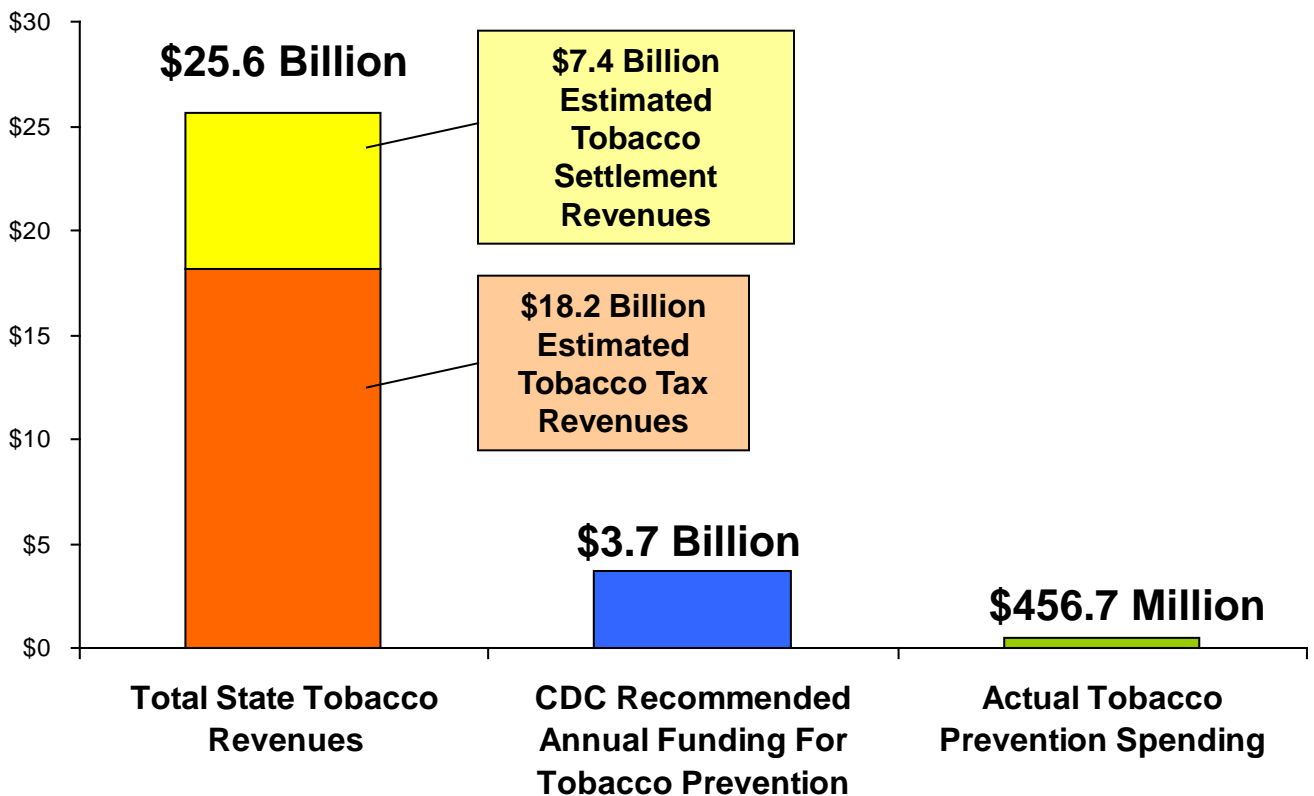
\*\*Alabama's tobacco prevention program budget for FY2012 was not available when this report went to press. In FY2011, Alabama budgeted \$860,000, which is just 1.5 percent of the CDC's recommendation.

# State Tobacco Prevention Spending, FY1999 - FY2012

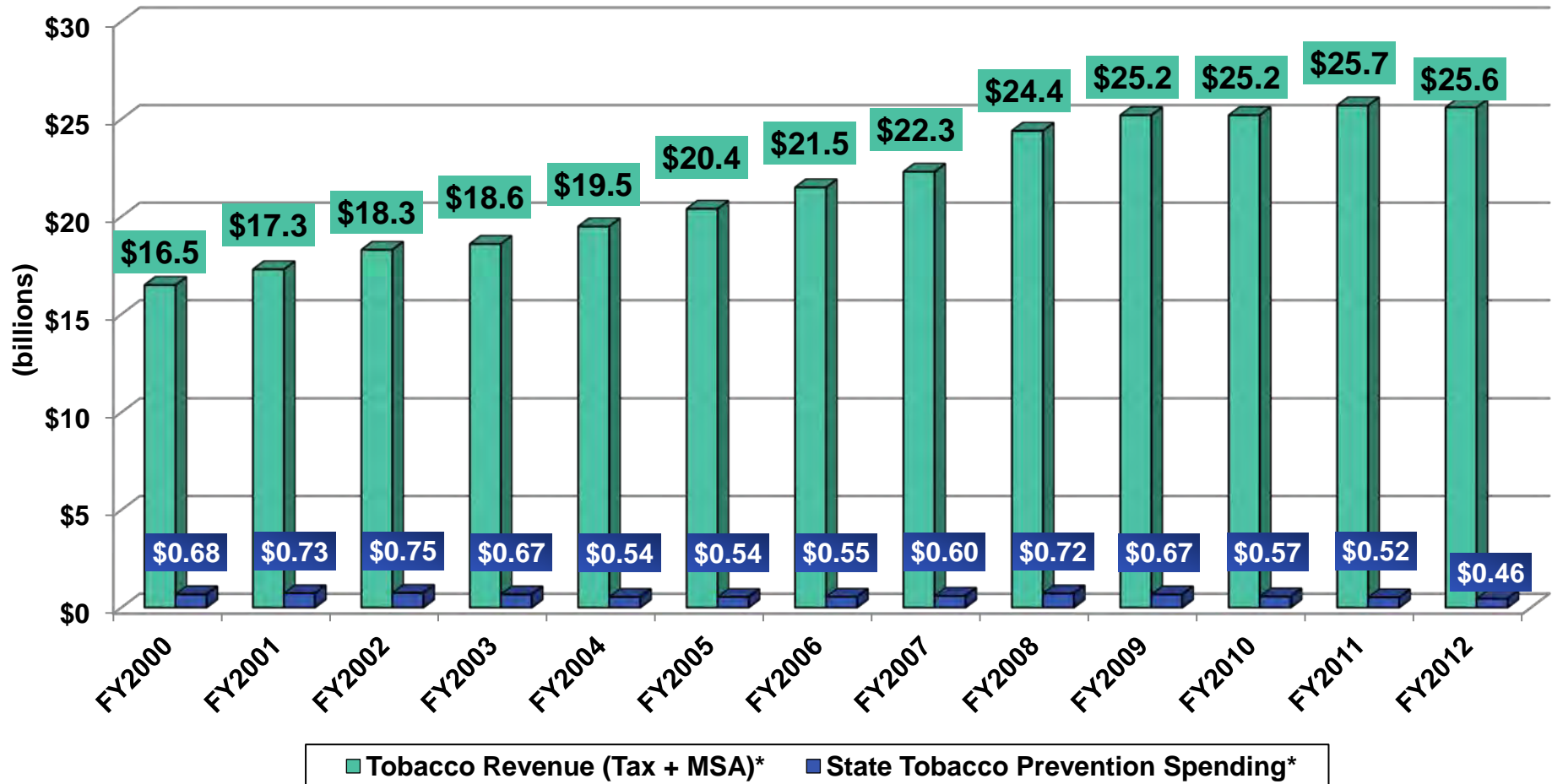


Only 3 states – AZ, CA and MA - spent any money on tobacco prevention prior to 1999. Settlement payments to states began in 1999. All states were receiving payments by 2001. Funding amounts only include state funds

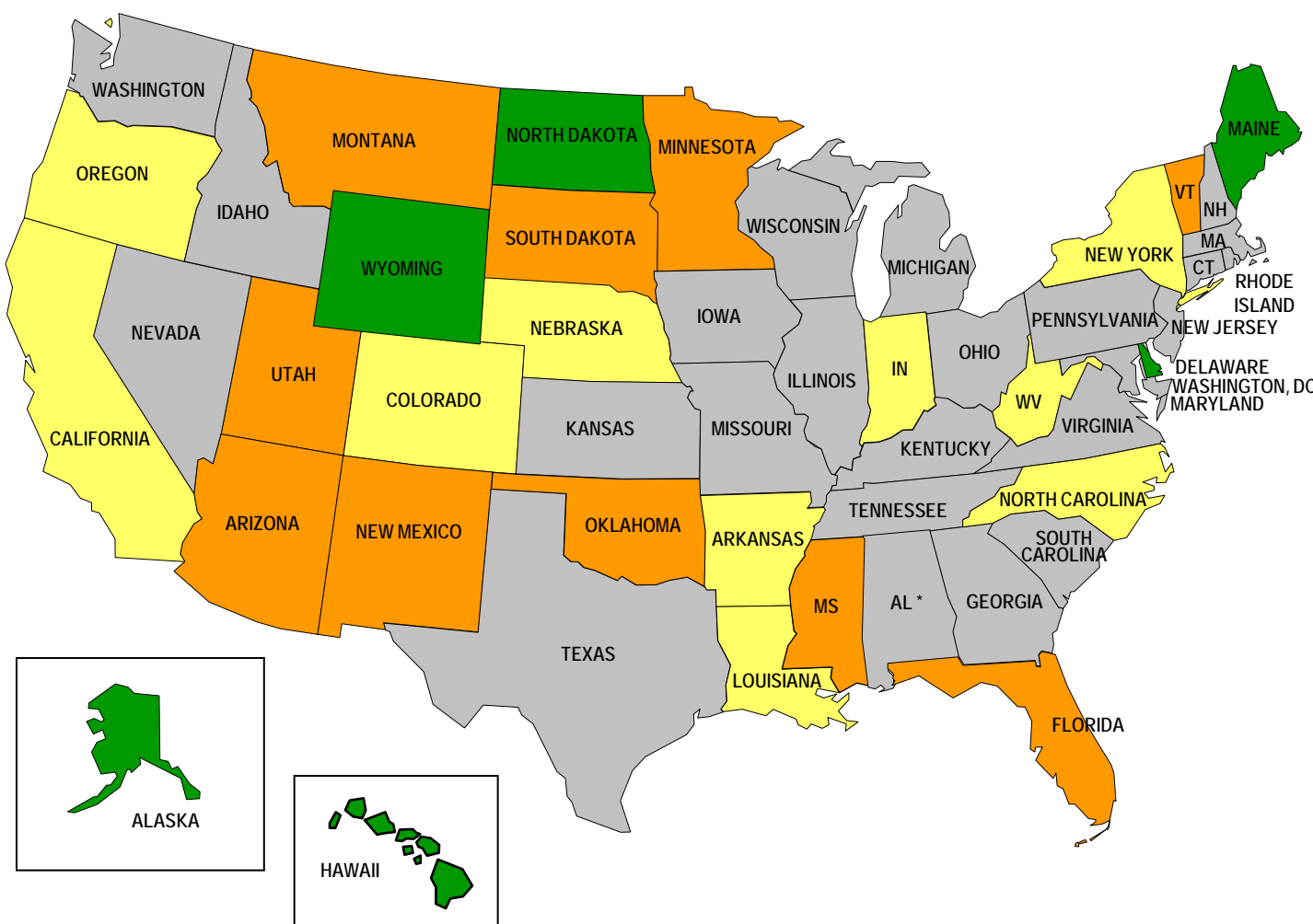
# FY2012 Tobacco Money for Tobacco Prevention



# State Tobacco Revenue and Prevention Spending FY2000 - FY2012



# FY2012 Funding for State Tobacco Prevention Programs



States that are spending 50% or more of CDC recommendation on tobacco prevention programs.



States that are spending 10% - 24% of CDC recommendation on tobacco prevention programs.



States that are spending 25% - 49% of CDC recommendation on tobacco prevention programs.



States that are spending less than 10% of CDC recommendation on tobacco prevention programs.

\* Alabama's tobacco prevention program budget for 2012 was not available when this report went to press. In FY2011, Alabama budgeted \$860,000, which is just 1.5 percent of the CDC's recommendation.

## STATUS OF FUNDING FOR STATE TOBACCO PREVENTION PROGRAMS

**States that are spending 50% or more of CDC recommendation on tobacco prevention programs. (6)**

Alaska	Maine
Delaware	North Dakota
Hawaii	Wyoming

**States that are spending 25%- 49% of CDC recommendation on tobacco prevention programs. (10)**

Arizona	New Mexico
Florida	Oklahoma
Minnesota	South Dakota
Mississippi	Utah
Montana	Vermont

**States that are spending 10%- 24% of CDC recommendation on tobacco prevention programs. (10)**

Arkansas	Nebraska
California	New York
Colorado	North Carolina
Indiana	Oregon
Louisiana	West Virginia

**States that are spending less than 10% of CDC recommendation on tobacco prevention programs. (23 and the District of Columbia)**

Connecticut	Nevada
District of Columbia	New Hampshire
Georgia	New Jersey
Iowa	Ohio
Idaho	Pennsylvania
Illinois	Rhode Island
Kansas	South Carolina
Kentucky	Tennessee
Maryland	Texas
Massachusetts	Virginia
Michigan	Washington
Missouri	Wisconsin

\*Alabama's tobacco prevention program budget for FY2012 was not available when this report went to press. In FY2011, Alabama budgeted \$860,000, which is just 1.5 percent of the CDC's recommendation.



## SPENDING vs. TOBACCO COMPANY MARKETING

[All amounts are annual and in millions of dollars per year, except where otherwise indicated]

States are still failing to invest the amounts recommended by the U.S. Centers for Disease Control and Prevention (CDC) to prevent and reduce tobacco use and related health harms and costs – and a number of states have significantly reduced their tobacco prevention spending. At the same time, the tobacco industry continues to spend overwhelming amounts to market their products, despite the limited restrictions on its marketing activities contained in the November 1998 Master Settlement Agreement (MSA) with the states. From 1998 to 2008, the major tobacco companies have increased their spending to promote their deadly products by 52 percent.

As a result, the states are being massively outspent, with state tobacco prevention efforts amounting to only a small fraction of tobacco industry marketing. In North Carolina, for example, the tobacco industry spends \$396 to promote its deadly products for every single dollar the state spends to prevent and reduce tobacco use and its harms. To look at it another way, North Carolina's tobacco prevention spending amounts to just four percent of the tobacco industry's marketing expenditures in the state. Nationwide, the tobacco industry is outspending tobacco prevention funding in the states by 23 to 1.<sup>1</sup>

State	Annual Smoking Caused Health Costs in State	FY2012 Total Tobacco Prevention Spending	2008 Tobacco Company Marketing in State	Percentage of Tobacco Company Marketing that State Spends on Tobacco Prevention	Ratio of Tobacco Company Marketing to State Tobacco Prevention Spending
<b>Total</b>	<b>\$96.7 bill.</b>	<b>\$456.7</b>	<b>\$10.5 bill.</b>	<b>4.4%</b>	<b>23 to 1</b>
Alabama	\$1.49 bill.	NA	\$214.1	NA	NA
Alaska	\$169	\$10.8	\$19.0	57.0%	1.8 to 1
Arizona	\$1.3 bill.	\$18.0	\$119.3	15.1%	6.6 to 1
Arkansas	\$812	\$7.4	\$129.5	5.8%	17.4 to 1
California	\$9.14 bill.	\$70.0	\$656.3	10.7%	9.4 to 1
Colorado	\$1.31 bill.	\$6.5	\$139.6	4.6%	21.6 to 1
Connecticut	\$1.63 bill.	\$0.0	\$98.4	0.0%	NA
Delaware	\$284	\$9.0	\$68.4	13.2%	7.6 to 1
DC	\$243	\$0.0	\$13.5	0.0%	NA
Florida	\$6.32 bill.	\$62.3	\$734.2	8.5%	11.8 to 1
Georgia	\$2.25 bill.	\$2.0	\$348.7	0.6%	174.4 to 1
Hawaii	\$336	\$10.7	\$33.5	31.9%	3.1 to 1
Idaho	\$319	\$880,000	\$49.7	1.8%	56.5 to 1
Illinois	\$4.10 bill.	\$9.5	\$365.3	2.6%	38.5 to 1
Indiana	\$2.08 bill.	\$10.1	\$307.5	3.3%	30.6 to 1
Iowa	\$1.01 bill.	\$3.3	\$102.0	3.2%	31.3 to 1
Kansas	\$927	\$1.0	\$85.0	1.2%	85.0 to 1
Kentucky	\$1.50 bill.	\$2.2	\$356.8	0.6%	159.0 to 1
Louisiana	\$1.47 bill.	\$8.4	\$223.7	3.8%	26.5 to 1
Maine	\$602	\$9.4	\$43.1	21.7%	4.6 to 1
Maryland	\$1.96 bill.	\$4.3	\$144.1	3.0%	33.4 to 1
Massachusetts	\$3.54 bill.	\$4.2	\$164.8	2.5%	39.7 to 1
Michigan	\$3.40 bill.	\$1.8	\$313.0	0.6%	171.0 to 1

<sup>1</sup> These ratios are based on state and federal tobacco prevention expenditures in FY2012 versus tobacco industry marketing expenditures in 2008 (the most recent year for which data is available).



State	Annual Smoking Caused Health Costs in State	FY2012 Total Tobacco Prevention Spending	2008 Tobacco Company Marketing in State	Percentage of Tobacco Company Marketing that State Spends on Tobacco Prevention	Ratio of Tobacco Company Marketing to State Tobacco Prevention Spending
Minnesota	\$2.06 bill.	\$19.5	\$157.0	12.4%	8.1 to 1
Mississippi	\$719	\$9.9	\$161.9	6.1%	16.4 to 1
Missouri	\$2.13 bill.	\$60,000	\$349.0	0.0%	5,816 to 1
Montana	\$277	\$4.7	\$29.8	15.8%	6.3 to 1
Nebraska	\$537	\$2.4	\$66.5	3.6%	28.1 to 1
Nevada	\$565	\$0.0	\$94.1	0.0%	NA
New Hampshire	\$564	\$0.0	\$88.5	0.0%	NA
New Jersey	\$3.17 bill.	\$1.2	\$176.1	0.7%	142.1 to 1
New Mexico	\$461	\$5.9	\$39.7	14.9%	6.7 to 1
New York	\$8.17 bill.	\$41.4	\$360.3	11.5%	8.7 to 1
North Carolina	\$2.46 bill.	\$17.3	\$396.0	4.4%	22.9 to 1
North Dakota	\$247	\$8.1	\$28.0	28.9%	3.5 to 1
Ohio	\$4.37 bill.	\$0.0	\$440.1	0.0%	NA
Oklahoma	\$1.16 bill.	\$21.2	\$186.0	11.4%	8.8 to 1
Oregon	\$1.11 bill.	\$8.3	\$112.0	7.4%	13.5 to 1
Pennsylvania	\$5.19 bill.	\$13.9	\$452.8	3.1%	32.5 to 1
Rhode Island	\$506	\$372,665	\$27.3	1.4%	73.3 to 1
South Carolina	\$1.09 bill.	\$5.0	\$232.9	2.1%	46.6 to 1
South Dakota	\$274	\$4.0	\$23.4	17.1%	5.9 to 1
Tennessee	\$2.16 bill.	\$200,000	\$253.7	0.1%	1,268 to 1
Texas	\$5.83 bill.	\$5.5	\$622.4	0.9%	114.2 to 1
Utah	\$345	\$7.2	\$49.1	14.6%	6.8 to 1
Vermont	\$233	\$3.3	\$19.0	17.4%	5.7 to 1
Virginia	\$2.08 bill.	\$8.4	\$336.4	2.5%	40.2 to 1
Washington	\$1.95 bill.	\$750,000	\$122.5	0.6%	163.3 to 1
West Virginia	\$690	\$5.7	\$121.2	4.7%	21.5 to 1
Wisconsin	\$2.02 bill.	\$5.3	\$223.0	2.4%	42.0 to 1
Wyoming	\$136	\$5.4	\$24.5	22.0%	4.5 to 1

*Campaign for Tobacco-Free Kids, November 18, 2011 / Meg Riordan*

**More information on tobacco company marketing is available at**

[http://www.tobaccofreekids.org/facts\\_issues/fact\\_sheets/toll/tobacco\\_kids/marketing/](http://www.tobaccofreekids.org/facts_issues/fact_sheets/toll/tobacco_kids/marketing/).

**More state information relating to tobacco use is available at**

[http://www.tobaccofreekids.org/facts\\_issues/key\\_issues/](http://www.tobaccofreekids.org/facts_issues/key_issues/).

**Sources:**

CDC, *State Highlights 2006*, [and underlying CDC data and estimates]. See, also, CDC, "Annual Smoking-Attributable Mortality, Years of Potential Life Lost, and Economic Costs -- United States 2000-2004," *MMWR* 57(45), November 14, 2008. U.S. General Accounting Office (GAO), "CDC's April 2002 Report on Smoking: Estimates of Selected Health Consequences of Cigarette Smoking Were Reasonable," letter to U.S. Rep. Richard Burr, July 16, 2003, <http://www.gao.gov/new.items/d03942r.pdf>.

Campaign for Tobacco-Free Kids, et al., *A Decade of Broken Promises: The 1998 State Tobacco Settlement Thirteen Years Later*, 2011, <http://www.tobaccofreekids.org/reports/settlements/>.

CDC, *Best Practices for Comprehensive Tobacco Control*, October 2007.

[http://www.cdc.gov/tobacco/tobacco\\_control\\_programs/stateandcommunity/best\\_practices/index.htm](http://www.cdc.gov/tobacco/tobacco_control_programs/stateandcommunity/best_practices/index.htm)

U.S. Federal Trade Commission (FTC), *Cigarette Report for 2007 and 2008*, 2011,

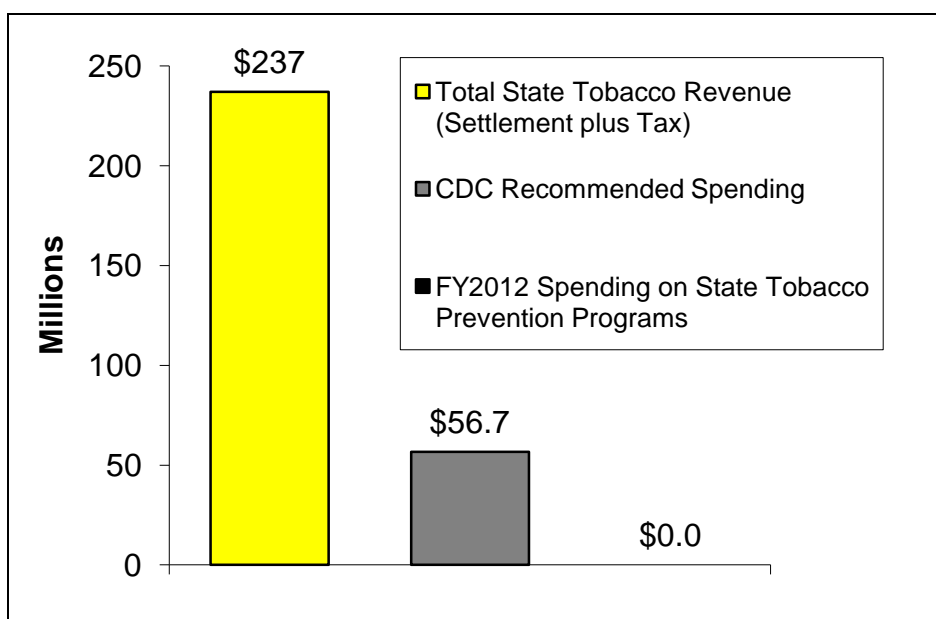
<http://www.ftc.gov/os/2011/07/110729cigarettereport.pdf>. See also, FTC, *Smokeless Tobacco Report for 2007 and 2008*, 2011, <http://www.ftc.gov/os/2011/07/110729smokelesstobaccoreport.pdf>. Data for top 5 manufacturers only.

State total is a prorated estimate based on cigarette pack sales in the state.

## Alabama

	FY2012	FY2011
<b>State Ranking</b>	NA	44
<b>STATE SPENDING ON TOBACCO PREVENTION</b>	NA	\$860,000
<b>% of CDC Recommended Spending (\$56.7 million)</b>	NA	1.5%

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that Alabama spend \$56.7 million a year to have an effective, comprehensive tobacco prevention program. Alabama's tobacco prevention program budget for FY2012 was not available at the time this report went to press.



**Recent Developments:** Alabama's tobacco settlement payments are governed by a 1999 law approved by the Legislature and signed by then-Governor Don Siegleman (D). This law allocated up to \$70 million in FY2002 and annually thereafter to a package of health and youth-related programs called the Children First Trust Fund.

Alabama's tobacco prevention program budget for FY2012 was not available at the time this report went to press. In FY2011, the state allocated \$861,292 for the tobacco prevention program, a nearly 60% cut in funding from FY2010 and FY2009.

In addition, Alabama is receiving \$2.7 million in federal funds dedicated to tobacco prevention and control:

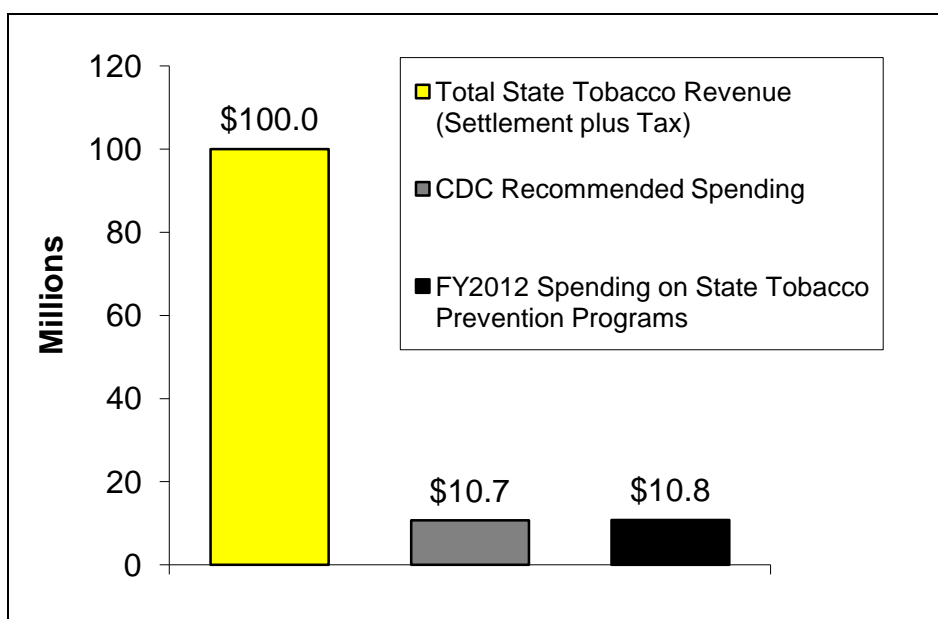
- \$1.3 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2011 (from annual appropriations).
- \$105,155 from the Prevention and Public Health Fund in the new health care reform law.
- \$1.2 million from the Food and Drug Administration for enforcement of the Family Smoking Prevention and Tobacco Control Act, including the provision regarding tobacco sales to minors.

<b>Tobacco's Toll in Alabama</b>	
Adults who smoke	21.9%
High school students who smoke	20.8%
Deaths caused by smoking each year	7,500
Annual health care costs directly caused by smoking	\$1.49 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$536 per household
Annual tobacco company marketing in state	\$214.1 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	NA to 1

## Alaska

	FY2012	FY2011
<b>State Ranking</b>	1	1
<b>STATE SPENDING ON TOBACCO PREVENTION</b>	\$10.8 million	\$9.8 million
<b>% of CDC Recommended Spending (\$10.7 million)</b>	101.3%	92.0%

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that Alaska Spend \$10.7 million a year to have an effective, comprehensive tobacco prevention program. Alaska currently allocates \$10.8 million a year for tobacco prevention and cessation. This is 101.3% of the CDC's recommendation and ranks Alaska 1st among the states in the funding of tobacco prevention programs. Alaska's spending on tobacco prevention amounts to 10.8% of the estimated \$100 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** Under laws passed in 2001 and 2004, Alaska annually sets aside 20 percent of its tobacco settlement money and a small portion of its cigarette tax revenue for tobacco prevention programs. These funds are held in the Tobacco Use Education and Cessation Fund and must be appropriated each year by the Legislature in order to be used for tobacco control purposes.

In FY2012, the state will spend \$10.8 million on tobacco prevention and cessation, one million more than was spent in FY2011.

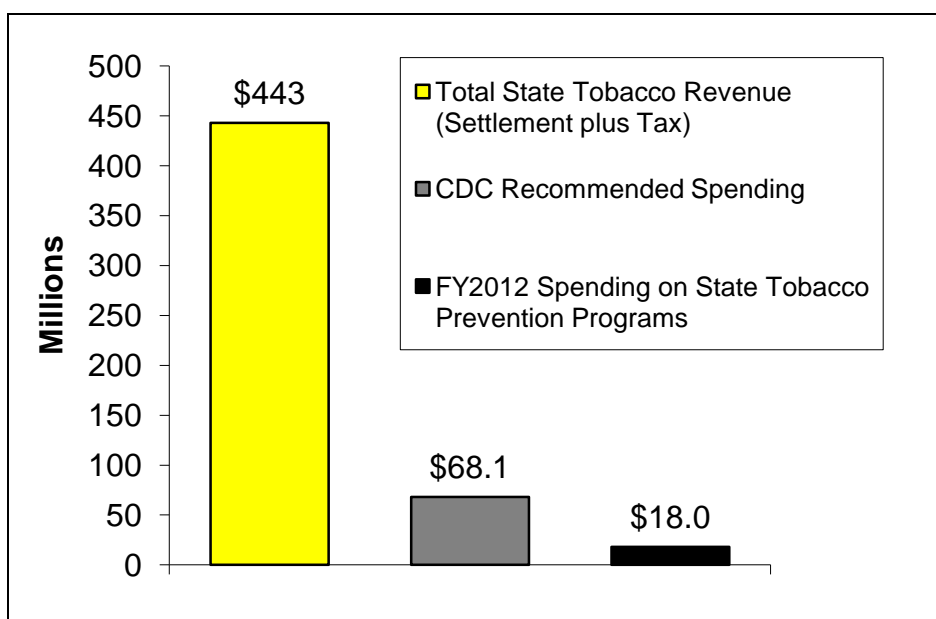
In addition, Alaska is receiving \$1.2 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2011 (from annual appropriations).

<b>Tobacco's Toll in Alaska</b>	
Adults who smoke	20.4%
High school students who smoke	15.7%
Deaths caused by smoking each year	490
Annual health care costs directly caused by smoking	\$169 million
Residents' state & federal tax burden from smoking-caused government expenditures	\$641 per household
Annual tobacco company marketing in state	\$19.0 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	1.8 to 1

## Arizona

	FY2012	FY2011
<b>State Ranking</b>	14	16
<b>STATE SPENDING ON TOBACCO PREVENTION</b>	\$18.0 million	\$19.8 million
<b>% of CDC Recommended Spending (\$68.1 million)</b>	26.4%	29.1%

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that Arizona spend \$68.1 million a year to have an effective, comprehensive tobacco prevention program. Arizona currently allocates \$18.0 million a year for tobacco prevention and cessation. This is 26.4% of the CDC's recommendation and ranks Arizona 14th among the states in the funding of tobacco prevention programs. Arizona's spending on tobacco prevention amounts to 4.1% of the estimated \$443 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** In 1994, 2002 and 2006, Arizona voters approved ballot initiatives to increase the state tobacco tax rates and have a portion of the revenue fund a comprehensive Tobacco Education and Prevention Program (TEPP). No settlement funds are used for tobacco prevention.

State spending on tobacco prevention and cessation for FY2012 will be \$18 million, a slight decrease from the \$19.8 million spent in FY2011.

In addition, Arizona is receiving \$2.0 million in federal funds dedicated to tobacco prevention and control:

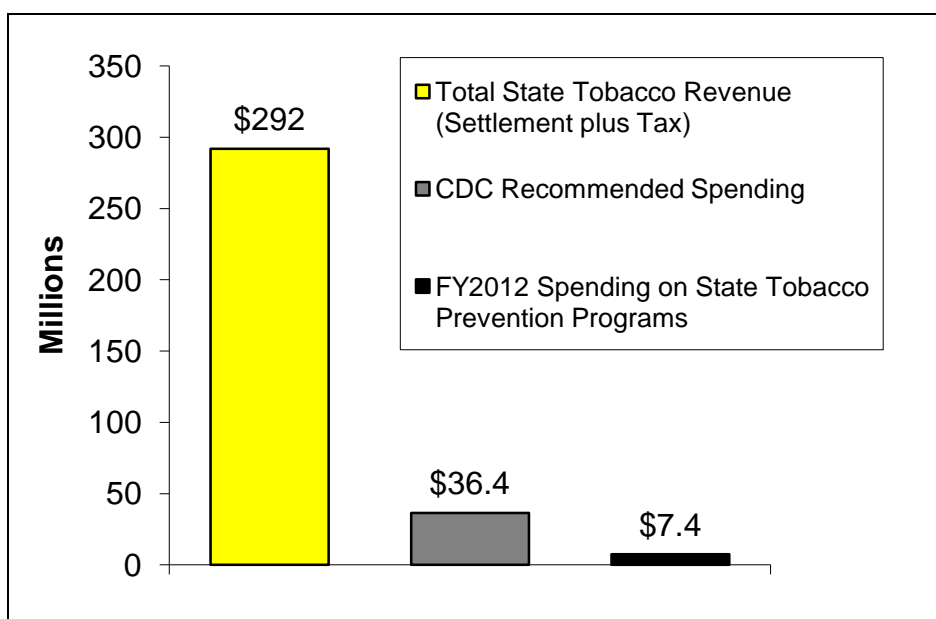
- \$1.3 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2011 (from annual appropriations).
- \$118,909 from the Prevention and Public Health Fund in the new health care reform law.
- \$594,227 from the Food and Drug Administration for enforcement of the Family Smoking Prevention and Tobacco Control Act, including the provision regarding tobacco sales to minors.

<b>Tobacco's Toll in Arizona</b>	
Adults who smoke	13.5%
High school students who smoke	19.7%
Deaths caused by smoking each year	6,800
Annual health care costs directly caused by smoking	\$1.3 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$533 per household
Annual tobacco company marketing in state	\$119.3 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	6.6 to 1

## Arkansas

	FY2012	FY2011
<b>State Ranking</b>	17	11
<b>STATE SPENDING ON TOBACCO PREVENTION</b>	\$7.4 million	\$11.8 million
<b>% of CDC Recommended Spending (\$36.4 million)</b>	20.5%	32.4%

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that Arkansas spend \$36.4 million a year to have an effective, comprehensive tobacco prevention program. Arkansas currently allocates \$7.4 million a year for tobacco prevention and cessation. This is 20.5% of the CDC's recommendation and ranks Arkansas 17th among the states in the funding of tobacco prevention programs. Arkansas's spending on tobacco prevention amounts to 2.6% of the estimated \$292 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** Arkansas' tobacco settlement funds are governed by a ballot initiative approved by voters in November 2000 that allocated 31.6 percent of the state's tobacco settlement funds to tobacco prevention and cessation programs.

Arkansas' total state spending on tobacco prevention and cessation for FY2012 is \$7.4 million.

Arkansas is spending minimal amounts on tobacco prevention despite the fact that the state is receiving more tobacco-generated revenue than ever before as a result of a 56-cent cigarette tax increase in 2009, bringing Arkansas' cigarette tax to \$1.15 a pack.

In addition, Arkansas is receiving \$2.0 million in federal funds dedicated to tobacco prevention and control:

- \$1.1 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2011 (from annual appropriations).
- \$91,895 from the Prevention and Public Health Fund in the new health care reform law.
- \$832,010 from the Food and Drug Administration for enforcement of the Family Smoking Prevention and Tobacco Control Act, including the provision regarding tobacco sales to minors.

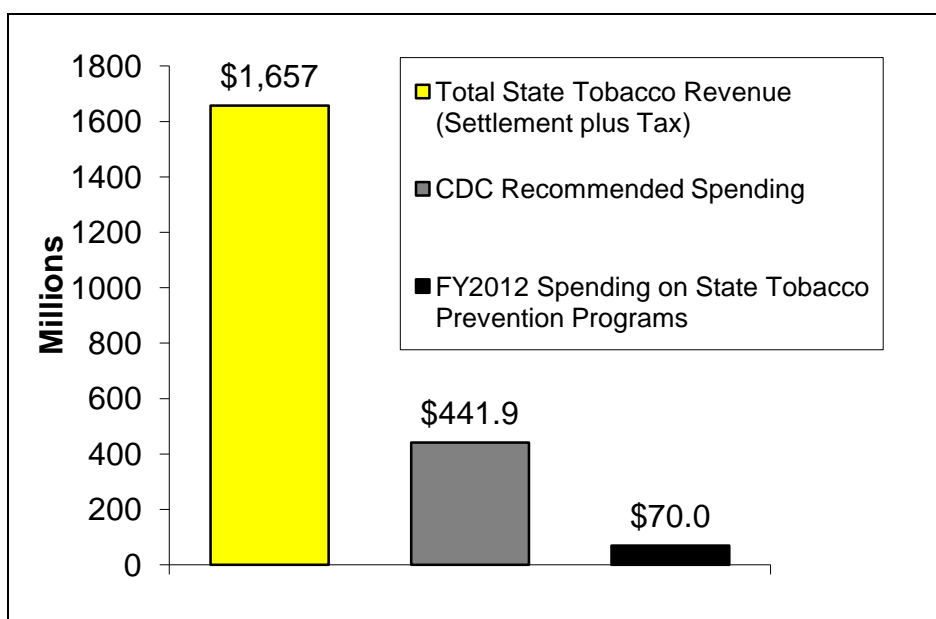


<b>Tobacco's Toll in Arkansas</b>	
Adults who smoke	22.9%
High school students who smoke	23.5%
Deaths caused by smoking each year	4,900
Annual health care costs directly caused by smoking	\$812 million
Residents' state & federal tax burden from smoking-caused government expenditures	\$554 per household
Annual tobacco company marketing in state	\$129.5 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	17.4 to 1

## California

	FY2012	FY2011
<b>State Ranking</b>	22	23
<b>STATE SPENDING ON TOBACCO PREVENTION</b>	\$70.0 million	\$75.0 million
<b>% of CDC Recommended Spending (\$441.9 million)</b>	15.8%	17.0%

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that California spend \$441.9 million a year to have an effective, comprehensive tobacco prevention program. California currently allocates \$70.0 million a year for tobacco prevention and cessation. This is 15.8% of the CDC's recommendation and ranks California 22nd among the states in the funding of tobacco prevention programs. California's spending on tobacco prevention amounts to 4.2% of the estimated \$1.7 billion in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** California has the oldest and one of the most successful tobacco prevention programs in the country. In 1988, California voters approved Proposition 99, a ballot initiative that increased the state cigarette tax by 25 cents a pack, and earmarked 20 percent of the revenue for a tobacco prevention program. California launched its Tobacco Control Program in the spring of 1990.

Funding for California's program components changes based on the amount of revenue generated from the state's tobacco tax. In FY2012, state spending on the tobacco control program will be \$70 million, slightly less than the \$75 million spent in FY2011.

In addition, California is receiving \$3.4 million in federal funds dedicated to tobacco prevention and control:

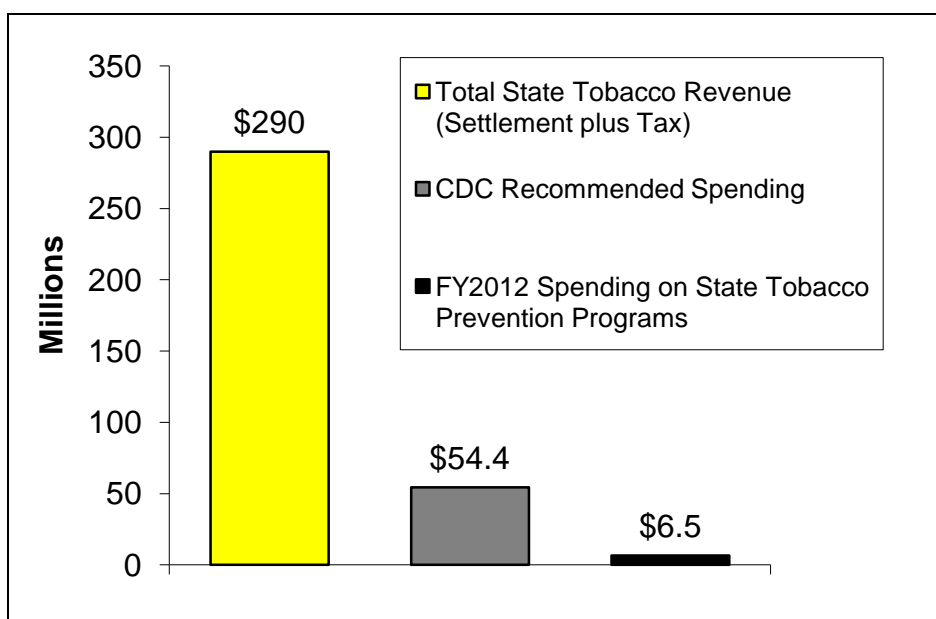
- \$1.9 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2011 (from annual appropriations).
- \$340,245 from the Prevention and Public Health Fund in the new health care reform law.
- \$1.2 million from the Food and Drug Administration for enforcement of the Family Smoking Prevention and Tobacco Control Act, including the provision regarding tobacco sales to minors.

<b>Tobacco's Toll in California</b>	
Adults who smoke	12.1%
High school students who smoke	13.8%
Deaths caused by smoking each year	36,600
Annual health care costs directly caused by smoking	\$9.14 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$612 per household
Annual tobacco company marketing in state	\$656.3 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	9.4 to 1

## Colorado

	FY2012	FY2011
<b>State Ranking</b>	25	27
<b>STATE SPENDING ON TOBACCO PREVENTION</b>	\$6.5 million	\$7.0 million
<b>% of CDC Recommended Spending (\$54.4 million)</b>	11.9%	12.9%

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that Colorado spend \$54.4 million a year to have an effective, comprehensive tobacco prevention program. Colorado currently allocates \$6.5 million a year for tobacco prevention and cessation. This is 11.9% of the CDC's recommendation and ranks Colorado 25th among the states in the funding of tobacco prevention programs. Colorado's spending on tobacco prevention amounts to 2.2% of the estimated \$290 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** For FY2012, Colorado is scheduled to spend \$6.5 million in state funds for tobacco prevention and cessation programs, which is slightly less than what was spent in FY2011.

In April 2005, Colorado's elected leaders joined with Citizens for A Healthier Colorado to champion a cigarette tax increase, agreeing that \$27 million a year in state funds would go to a comprehensive tobacco prevention and cessation program. As a result of this agreement, and in addition to the fact that the original tobacco settlement funds were used to fill budget shortfalls on unrelated programs, MSA dollars are no longer used to fund tobacco prevention and cessation programs.

In addition, Colorado is receiving \$2.3 million in federal funds dedicated to tobacco prevention and control:

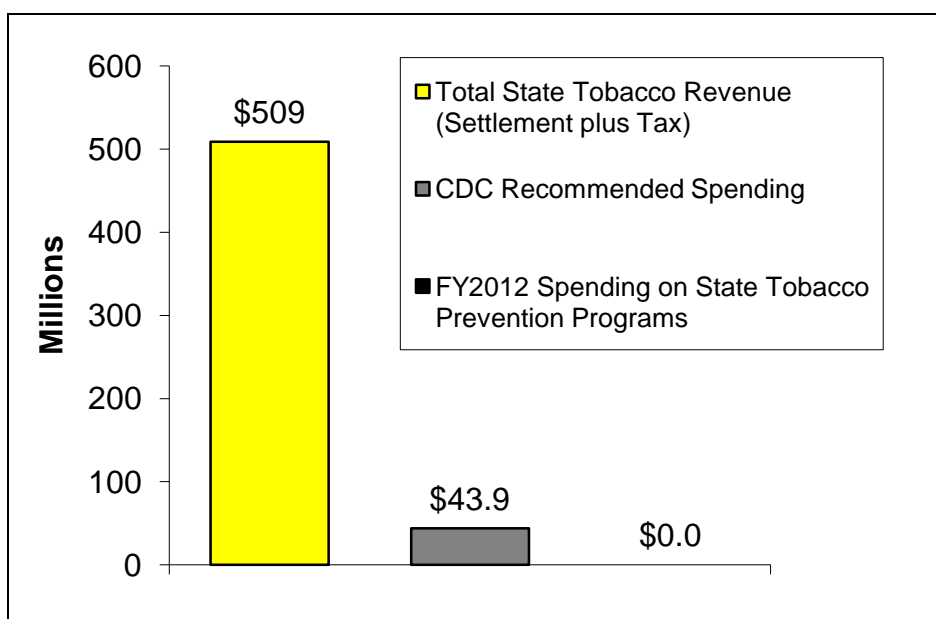
- \$1.3 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2011 (from annual appropriations).
- \$107,458 from the Prevention and Public Health Fund in the new health care reform law.
- \$914,426 from the Food and Drug Administration for enforcement of the Family Smoking Prevention and Tobacco Control Act, including the provision regarding tobacco sales to minors.

<b>Tobacco's Toll in Colorado</b>	
Adults who smoke	16.0%
High school students who smoke	17.7%
Deaths caused by smoking each year	4,300
Annual health care costs directly caused by smoking	\$1.31 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$572 per household
Annual tobacco company marketing in state	\$139.6 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	21.6 to 1

## Connecticut

	FY2012	FY2011
<b>State Ranking</b>	50	45
<b>STATE SPENDING ON TOBACCO PREVENTION</b>	\$0.0	\$400,000
<b>% of CDC Recommended Spending (\$43.9 million)</b>	0.0%	0.9%

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that Connecticut spend \$43.9 million a year to have an effective, comprehensive tobacco prevention program. Connecticut currently allocates \$0.0 a year for tobacco prevention and cessation. This is 0.0% of the CDC's recommendation and ranks Connecticut 50th among the states in the funding of tobacco prevention programs. Connecticut's spending on tobacco prevention amounts to 0.0% of the estimated \$509 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** Connecticut's tobacco settlement payments are folded into the general fund and allocated through the biennial budget process. In FY2009, the legislature changed the rules governing expenditure of funds from the state's Tobacco and Health Trust Fund (THTF). The Trust Fund's Board is now able to spend up to 50 percent of the amount the legislature adds to the principal Fund balance, if any, in that year, in addition to any interest that the fund has accumulated. During the 2010 legislative session, the legislature redirected the \$12 million in annual payments from the THTF to General Revenue for FY2011 and FY2012. In addition, the legislature transferred \$5 million from the fund to General Revenue, leaving only \$400,000 in the fund. In FY2011, that \$400,000 was available to be appropriated for tobacco prevention and cessation programs. However, recommendations for the use of these funds were never made and as a result, there was no spending on tobacco prevention and cessation in FY2011. For FY2012, no state funds were appropriated for the tobacco prevention and cessation program; however, Governor Dan Malloy (D) included support for tobacco cessation treatment for Medicaid enrollees in the state budget.

Connecticut is spending minimal amounts on tobacco prevention despite the fact that the state is receiving more tobacco-generated revenue than ever before as a result of a 40-cent cigarette tax increase, which went into effect on July 1, 2011, bringing Connecticut's total cigarette tax to \$3.40 a pack. In addition, the excise tax on snuff tobacco increased from 55 cents to one dollar per ounce and the tax rate on all other tobacco products was increased to 50 percent of the wholesale price.

Connecticut is receiving \$1.8 million in federal funds dedicated to tobacco prevention and control:

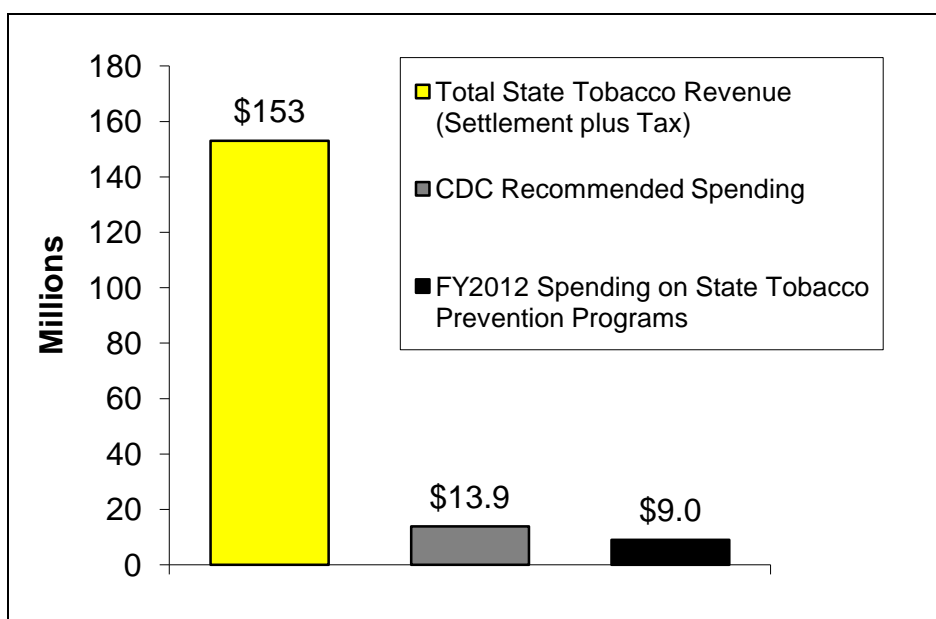
- \$1.1 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2011 (from annual appropriations).
- \$96,478 from the Prevention and Public Health Fund in the new health care reform law.
- \$615,539 from the Food and Drug Administration for enforcement of the Family Smoking Prevention and Tobacco Control Act, including the provision regarding tobacco sales to minors.

<b>Tobacco's Toll in Connecticut</b>	
Adults who smoke	13.2%
High school students who smoke	15.3%
Deaths caused by smoking each year	4,700
Annual health care costs directly caused by smoking	\$1.63 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$665 per household
Annual tobacco company marketing in state	\$98.4 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	NA to 1

## Delaware

	FY2012	FY2011
<b>State Ranking</b>	4	6
<b>STATE SPENDING ON TOBACCO PREVENTION</b>	\$9.0 million	\$8.3 million
<b>% of CDC Recommended Spending (\$13.9 million)</b>	64.9%	59.5%

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that Delaware spend \$13.9 million a year to have an effective, comprehensive tobacco prevention program. Delaware currently allocates \$9.0 million a year for tobacco prevention and cessation. This is 64.9% of the CDC's recommendation and ranks Delaware 4th among the states in the funding of tobacco prevention programs. Delaware's spending on tobacco prevention amounts to 5.9% of the estimated \$153 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** In the past, funding for Delaware's tobacco prevention programs came from the Delaware Health Fund into which all of the state's tobacco settlement payments were directed. While funding has stayed fairly level, funds for FY2012 will not come from the Health Fund but instead will be a mix of one-time appropriations and special fund appropriations to the General Fund, making tobacco prevention and cessation funding vulnerable and possibly unstable in the future.

Total state spending on tobacco prevention and cessation for FY2012 will be \$9.0 million. This amount represents a small increase from the amount the state reported spending on the tobacco program in FY2011.

Delaware is spending less than the CDC-recommended amount on tobacco prevention despite the fact that the state is receiving more tobacco-generated revenue than ever before as a result of a 45-cent cigarette tax increase enacted in 2009, bringing it to \$1.60 a pack.

In addition, Delaware is receiving \$904,647 million in federal funds dedicated to tobacco prevention and control:

- \$669,374 from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2011 (from annual appropriations).
- \$77,285 from the Prevention and Public Health Fund in the new health care reform law.



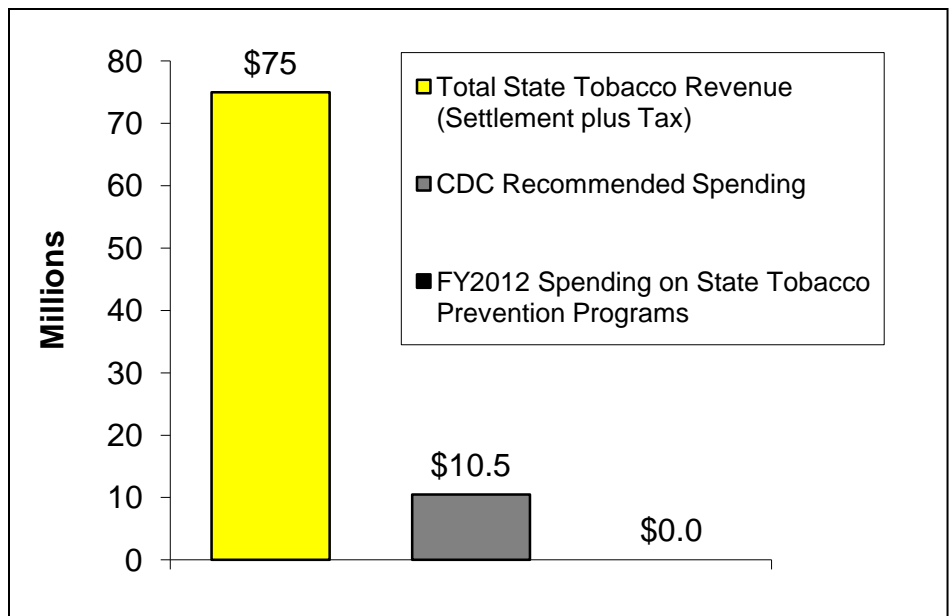
- \$157,988 from the Food and Drug Administration for enforcement of the Family Smoking Prevention and Tobacco Control Act, including the provision regarding tobacco sales to minors.

<b>Tobacco's Toll in Delaware</b>	
Adults who smoke	17.3%
High school students who smoke	14.9%
Deaths caused by smoking each year	1,100
Annual health care costs directly caused by smoking	\$284 million
Residents' state & federal tax burden from smoking-caused government expenditures	\$609 per household
Annual tobacco company marketing in state	\$68.4 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	7.6 to 1

## District of Columbia

	FY2012	FY2011
<b>State Ranking</b>	50	36
<b>STATE SPENDING ON TOBACCO PREVENTION</b>	\$0.0	\$569,000
<b>% of CDC Recommended Spending (\$10.5 million)</b>	0.0%	5.4%

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that District of Columbia spend \$10.5 million a year to have an effective, comprehensive tobacco prevention program. District of Columbia currently allocates \$0.0 a year for tobacco prevention and cessation. This is 0.0% of the CDC's recommendation and ranks District of Columbia 50th among the states in the funding of tobacco prevention programs. District of Columbia's spending on tobacco prevention amounts to 0.0% of the estimated \$75 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** The District of Columbia was among the last localities to make a decision on how to use its tobacco settlement funds. In 2001, after three years of budget debates with no spending decisions, the City Council agreed to then-Mayor Anthony Williams' plan. The plan was to securitize most of the settlement funds by issuing bonds backed by the \$1 billion that the city expects to receive over the next 25 years. The money raised was transferred into a trust fund used to pay the city's debt. The tobacco settlement payments are used every year to re-pay the bonds. Once the bondholders are paid, any remaining money from the trust is held in escrow for three years. Beginning in 2004, any remaining funds would be available for expenditure for other programs. These funds are still subject to appropriation by the City Council and Mayor. A Reserve Fund was also created to cover any residual cost from each year's payment. If the money in the Reserve Fund is not needed for the bond payment in June, a portion would be released in July each year for other expenditures. The Mayor and City Council must then agree on how to spend any residual funds. Beginning in FY2007, the DC City Council allocated \$10 million for a tobacco prevention program over three years. In FYs 2007-2009, DC spent a total of \$10 million spread over three years administered for tobacco prevention programs. These funds were administered by the American Lung Association. In FY2010, the council chose to not re-appropriate these funds leaving the District of Columbia with significantly less funding than what was spent in the past.

In FY2012, there will be no state funding for tobacco prevention and cessation programs in the District. The program is surviving on dollars from the Centers for Disease Control and Prevention.

DC is spending nothing on tobacco prevention, despite the fact that the city is receiving more tobacco-generated revenue than ever before as a result of a 50-cent cigarette tax increase, enacted in 2009, bringing it \$2.50 a pack.

The District of Columbia is receiving \$839,640 million in federal funds dedicated to tobacco prevention and control:

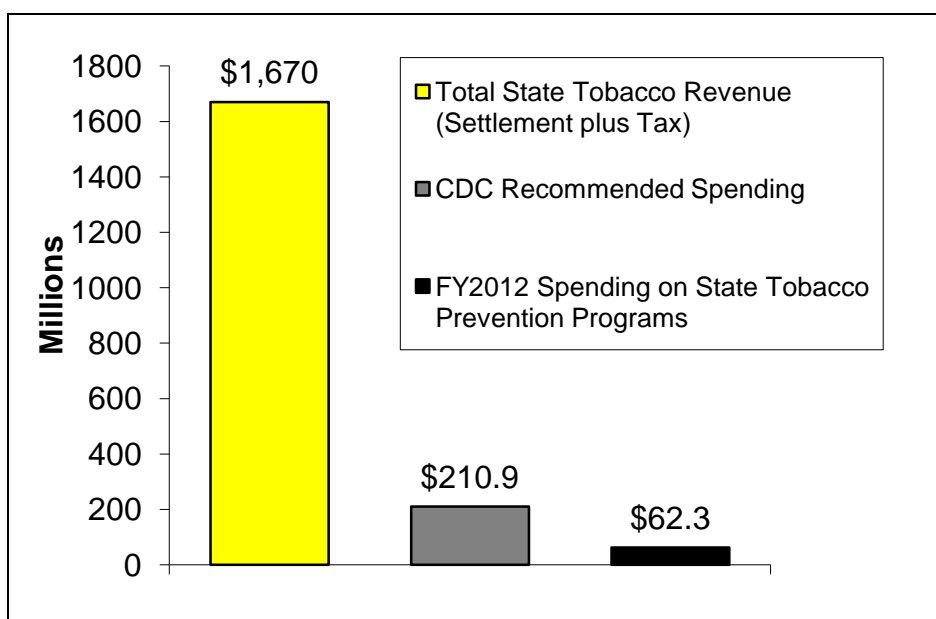
- \$531,744 from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2011 (from annual appropriations).
- \$307,896 from the Food and Drug Administration for enforcement of the Family Smoking Prevention and Tobacco Control Act, including the provision regarding tobacco sales to minors.

<b>Tobacco's Toll in Washington, DC</b>	
Adults who smoke	14.8%
High school students who smoke	10.6%
Deaths caused by smoking each year	720
Annual health care costs directly caused by smoking	\$243 million
Residents' state & federal tax burden from smoking-caused government expenditures	\$592 per household
Annual tobacco company marketing in state	\$13.5 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	NA to 1

## Florida

	FY2012	FY2011
<b>State Ranking</b>	13	15
<b>STATE SPENDING ON TOBACCO PREVENTION</b>	\$62.3 million	\$61.6 million
<b>% of CDC Recommended Spending (\$210.9 million)</b>	29.5%	29.2%

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that Florida spend \$210.9 million a year to have an effective, comprehensive tobacco prevention program. Florida currently allocates \$62.3 million a year for tobacco prevention and cessation. This is 29.5% of the CDC's recommendation and ranks Florida 13th among the states in the funding of tobacco prevention programs. Florida's spending on tobacco prevention amounts to 3.7% of the estimated \$1.7 billion in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** Florida's tobacco settlement payments were initially governed by a 1999 law, which allocated the payments to several trust funds, the largest being the Lawton Chiles Endowment Fund for Children and the Elderly. During the program's first full year, \$70 million was provided for tobacco prevention under then-Governor Lawton Chiles (D). After the first four years of the program, between 1998 and 2002, Florida reduced youth smoking rates by 50 percent among middle school students and 35 percent among high school students, according to the Florida Department of Health. Despite its success at reducing youth smoking, funding for the tobacco prevention program came under attack every year. The cuts made to the initial program seriously reduced the effectiveness of the Florida Tobacco Control Program, which was once considered a national model. To restore funding for tobacco prevention, a coalition of public health organizations called Floridians for Youth Tobacco Education, gathered signatures to place a state constitutional amendment on the November 2006 ballot. The amendment passed with 61 percent of the vote and requires Florida to spend 15 percent of the funds paid to Florida in 2005 under the Tobacco Settlement, adjusted annually for inflation. In FY2012, \$62.3 million was allocated to the state's tobacco prevention and cessation program, slightly more than was allocated in FY2011.

Florida is spending minimal amounts on tobacco prevention despite the fact that the state is receiving more tobacco-generated revenue than ever before as a result of a \$1.00 cigarette tax increase, to \$1.339 cents a pack, and an increase in the tax on other tobacco products in 2009.

In addition, Florida is receiving \$2.1 million in federal funds dedicated to tobacco prevention and control:

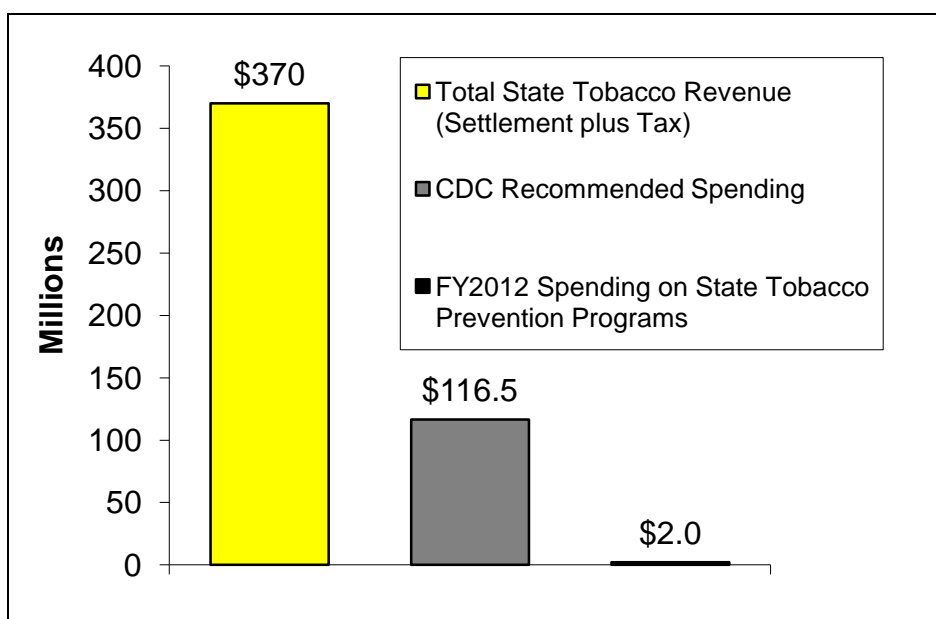
- \$1.9 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2011 (from annual appropriations).
- \$205,000 from the Prevention and Public Health Fund in the new health care reform law.

<b>Tobacco's Toll in Florida</b>	
Adults who smoke	17.1%
High school students who smoke	11.9%
Deaths caused by smoking each year	28,600
Annual health care costs directly caused by smoking	\$6.32 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$576 per household
Annual tobacco company marketing in state	\$734.2 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	11.8 to 1

## Georgia

	FY2012	FY2011
<b>State Ranking</b>	40	43
<b>STATE SPENDING ON TOBACCO PREVENTION</b>	\$2.0 million	\$2.0 million
<b>% of CDC Recommended Spending (\$116.5 million)</b>	1.7%	1.8%

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that Georgia spend \$116.5 million a year to have an effective, comprehensive tobacco prevention program. Georgia currently allocates \$2.0 million a year for tobacco prevention and cessation. This is 1.7% of the CDC's recommendation and ranks Georgia 40th among the states in the funding of tobacco prevention programs. Georgia's spending on tobacco prevention amounts to 0.5% of the estimated \$370 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** Georgia places one-third of its tobacco settlement funds in the One-Georgia Fund, established in 2000 to support economic development initiatives, and folds the remaining two-thirds of its payments into the state's general budget process. Settlement funds placed in the Fund have been subdivided into two funds. The EDGE (Economic Development, Growth and Expansion) Fund helps Georgia communities compete with localities in other states to attract business. The Equity Fund has been used for a variety of projects, including expanding water and sewer systems to support industrial parks, improving tourism and recreation in the state, shrimp and fish aquaculture, and assistance to technical colleges.

Total state spending on tobacco prevention and cessation for FY2012 will be \$2 million, about what was spent in FY2011 and FY2010. Half of those funds will be allocated to the state Quitline and the remaining \$1 million will be divided among 18 health districts.

In addition, Georgia is receiving \$1.6 million in federal funds dedicated to tobacco prevention and control:

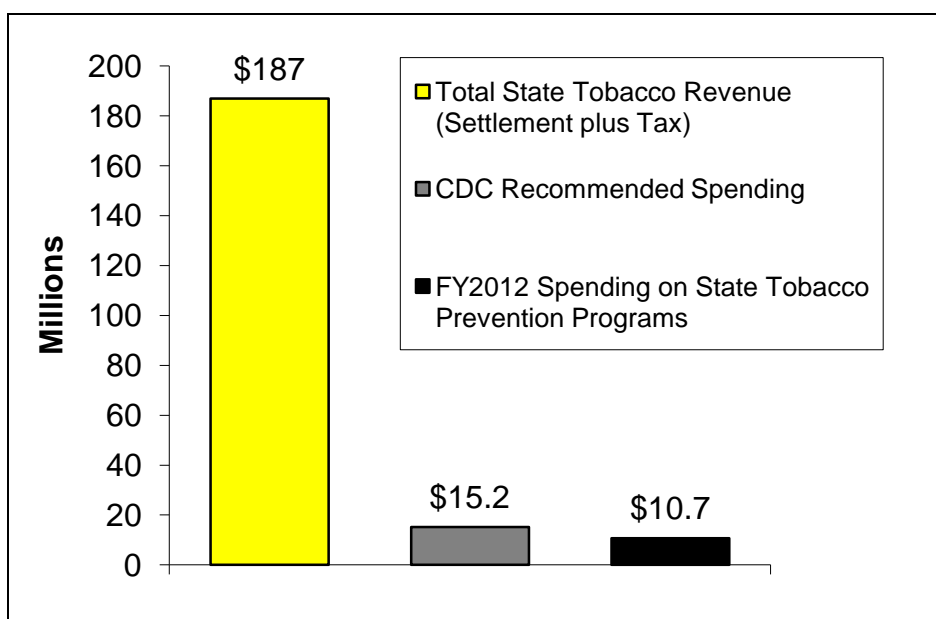
- \$1.1 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2011 (from annual appropriations).
- \$486,855 from the Food and Drug Administration for enforcement of the Family Smoking Prevention and Tobacco Control Act, including the provision regarding tobacco sales to minors.

<b>Tobacco's Toll in Georgia</b>	
Adults who smoke	17.6%
High school students who smoke	16.9%
Deaths caused by smoking each year	10,500
Annual health care costs directly caused by smoking	\$2.25 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$543 per household
Annual tobacco company marketing in state	\$348.7 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	174.4 to 1

## Hawaii

	FY2012	FY2011
<b>State Ranking</b>	3	3
<b>STATE SPENDING ON TOBACCO PREVENTION</b>	\$10.7 million	\$9.3 million
<b>% of CDC Recommended Spending (\$15.2 million)</b>	70.3%	61.1%

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that Hawaii spend \$15.2 million a year to have an effective, comprehensive tobacco prevention program. Hawaii currently allocates \$10.7 million a year for tobacco prevention and cessation. This is 70.3% of the CDC's recommendation and ranks Hawaii 3rd among the states in the funding of tobacco prevention programs. Hawaii's spending on tobacco prevention amounts to 5.7% of the estimated \$187 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** Hawaii's tobacco prevention programs are funded with federal, state and trust fund dollars. The dollars received through the master settlement with the tobacco industry, by law will become the tobacco settlement special fund. A portion of this fund is used by the Department of Health for health promotion and chronic disease prevention programs, including tobacco control programs. Another portion is deposited into the Tobacco Prevention and Control Trust Fund which provides funding for activities such as the Hawaii Quitline, media campaigns and community intervention grants.

The FY2012 budget enacted includes \$10.7 million for the tobacco program, \$1.4 million more than the state spent on tobacco prevention and cessation in FY2011.

In addition, Hawaii is receiving \$1.3 million in federal funds dedicated to tobacco prevention and control:

- \$926,456 from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2011 (from annual appropriations).
- \$80,274 from the Prevention and Public Health Fund in the new health care reform law.
- \$252,151 from the Food and Drug Administration for enforcement of the Family Smoking Prevention and Tobacco Control Act, including the provision regarding tobacco sales to minors.

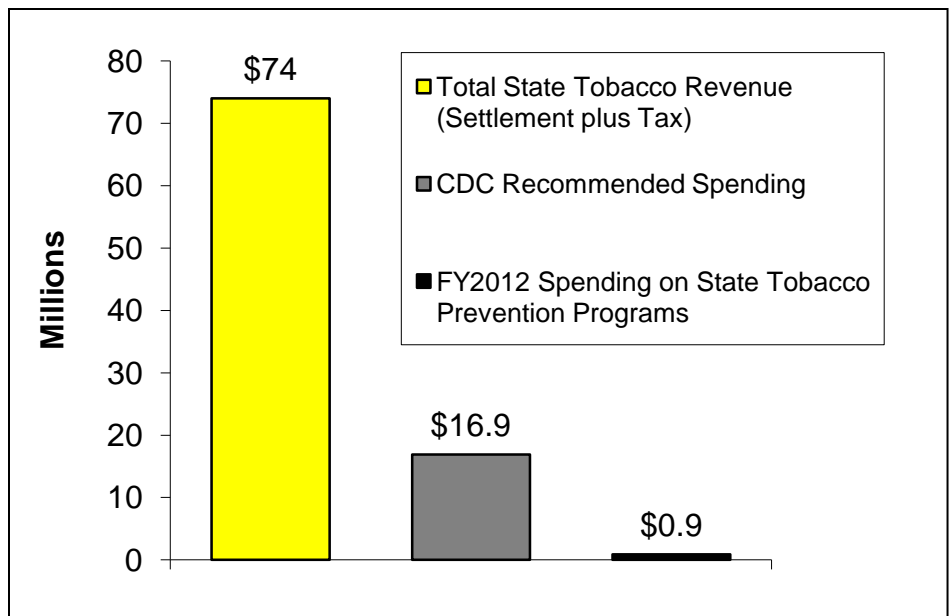


<b>Tobacco's Toll in Hawaii</b>	
Adults who smoke	14.5%
High school students who smoke	11.3%
Deaths caused by smoking each year	1,100
Annual health care costs directly caused by smoking	\$336 million
Residents' state & federal tax burden from smoking-caused government expenditures	\$619 per household
Annual tobacco company marketing in state	\$33.5 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	3.1 to 1

## Idaho

	FY2012	FY2011
<b>State Ranking</b>	34	32
<b>STATE SPENDING ON TOBACCO PREVENTION</b>	\$880,000	\$1.5 million
<b>% of CDC Recommended Spending (\$16.9 million)</b>	5.2%	8.9%

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that Idaho spend \$16.9 million a year to have an effective, comprehensive tobacco prevention program. Idaho currently allocates \$880,000 a year for tobacco prevention and cessation. This is 5.2% of the CDC's recommendation and ranks Idaho 34th among the states in the funding of tobacco prevention programs. Idaho's spending on tobacco prevention amounts to 1.2% of the estimated \$74 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** The FY2012 budget for the state's tobacco prevention and cessation program includes \$880,000 in state funding, which is more than \$600,000 less than what was allocated in FY2011.

The Idaho Millenium Fund is a repository of funds received by Idaho under the MSA. With establishment of the Millenium Permanent Endowment Fund in 2007, 80 percent of all receipts received by the state will be distributed to the Permanent Endowment Fund and 20 percent of receipts will be distributed to the traditional Millenium Fund. These funds are managed and invested by the state Treasurer. Each year, 5 percent of the fair market value of the permanent and traditional Millenium Funds are distributed to the Idaho Millennium Income Fund and made available for legislative appropriation. Legislators can appropriate funds to the following three areas: tobacco prevention and cessation, chronic disease resulting from smoking, and substance abuse and health. Additional state funds comes from the State Cancer Control Account, which is funded through cigarette tax revenue.

For FY2012, \$650,000 was allocated from the Millennium Fund and \$230,000 from the State Cancer Control Account.

In addition, Idaho is receiving \$1.2 million in federal funds dedicated to tobacco prevention and control:

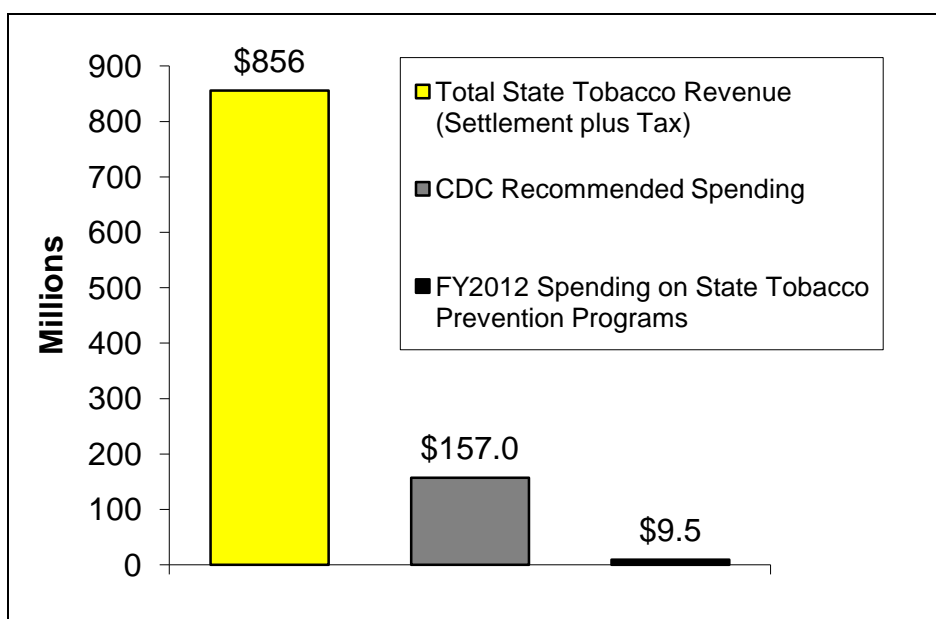
- \$1.1 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2011 (from annual appropriations).
- \$82,100 from the Prevention and Public Health Fund in the new health care reform law.

<b>Tobacco's Toll in Idaho</b>	
Adults who smoke	15.7%
High school students who smoke	14.5%
Deaths caused by smoking each year	1,500
Annual health care costs directly caused by smoking	\$319 million
Residents' state & federal tax burden from smoking-caused government expenditures	\$532 per household
Annual tobacco company marketing in state	\$49.7 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	56.5 to 1

## Illinois

	FY2012	FY2011
<b>State Ranking</b>	33	35
<b>STATE SPENDING ON TOBACCO PREVENTION</b>	\$9.5 million	\$9.5 million
<b>% of CDC Recommended Spending (\$157.0 million)</b>	6.1%	6.1%

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that Illinois spend \$157.0 million a year to have an effective, comprehensive tobacco prevention program. Illinois currently allocates \$9.5 million a year for tobacco prevention and cessation. This is 6.1% of the CDC's recommendation and ranks Illinois 33rd among the states in the funding of tobacco prevention programs. Illinois's spending on tobacco prevention amounts to 1.1% of the estimated \$856 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** Illinois deposits its tobacco settlement money into the Tobacco Settlement Recovery Fund and appropriates it through the annual budget process. The FY2012 budget allocated \$9.5 million in state funding for tobacco prevention, the same amount that was allocated in FY2011, but just a fraction of what was allocated to the program at the start of the settlement. While Illinois does fund several important tobacco control programs, the state is not pursuing a CDC-based statewide comprehensive program and the use of these funds is not consistent or coordinated. State funds are designated to a state Quitline, to the Department of Public Health programs, and to local health departments for prevention and cessation activities. In recent years, tobacco prevention funds were not made available for use until mid-year, which resulted in programs that were either interrupted or ended prematurely, dramatically impacting their effectiveness. Equally disappointing, is the lack of direct program funding to the state Department of Public Health IDPH. In previous budgets, the General Assembly has allocated \$5 million in tobacco settlement funding to IDPH. While these funds could be used to coordinate a statewide evaluation campaign or for implementation of the state clean indoor air law and/or surveillance, more than half of this money has been diverted to non-tobacco programs. As a result, opportunities for worthwhile programming were missed and funds were lost.

In addition, Illinois is receiving \$1.9 million in federal funds dedicated to tobacco prevention and control:

- \$1.1 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2011 (from annual appropriations).

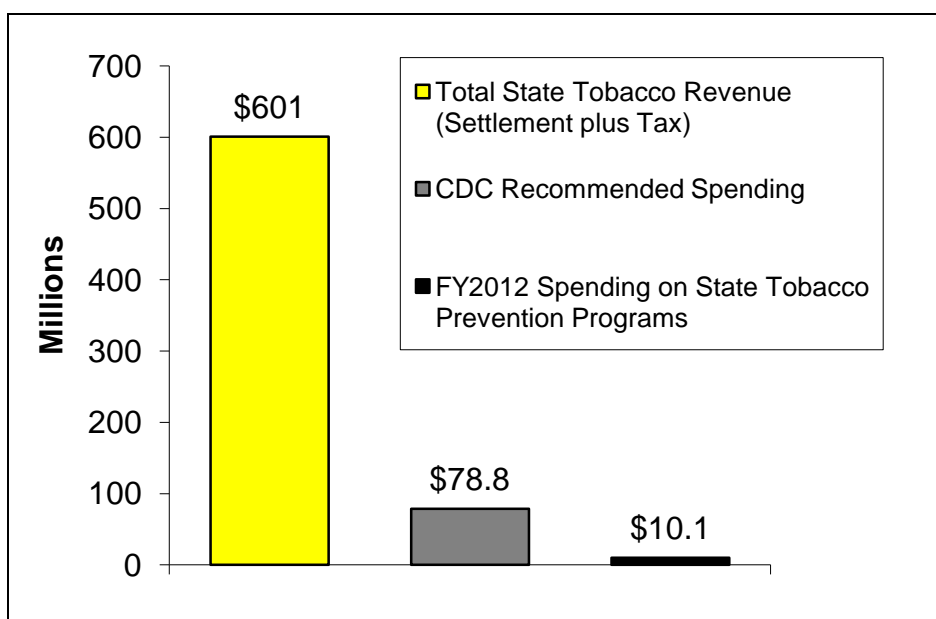
- \$710,767 from the Food and Drug Administration for enforcement of the Family Smoking Prevention and Tobacco Control Act, including the provision regarding tobacco sales to minors.

<b>Tobacco's Toll in Illinois</b>	
Adults who smoke	16.9%
High school students who smoke	18.1%
Deaths caused by smoking each year	16,600
Annual health care costs directly caused by smoking	\$4.10 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$661 per household
Annual tobacco company marketing in state	\$365.3 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	38.5 to 1

## Indiana

	FY2012	FY2011
<b>State Ranking</b>	24	28
<b>STATE SPENDING ON TOBACCO PREVENTION</b>	\$10.1 million	\$9.2 million
<b>% of CDC Recommended Spending (\$78.8 million)</b>	12.8%	11.7%

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that Indiana spend \$78.8 million a year to have an effective, comprehensive tobacco prevention program. Indiana currently allocates \$10.1 million a year for tobacco prevention and cessation. This is 12.8% of the CDC's recommendation and ranks Indiana 24th among the states in the funding of tobacco prevention programs. Indiana's spending on tobacco prevention amounts to 1.7% of the estimated \$601 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** In 2011, Indiana lawmakers eliminated the highly successful Indiana Tobacco Prevention and Cessation agency (ITPC) and transferred all of its assets to the Indiana State Department of Health. On July 1, 2011 ITPC became part of the State Health Department as the Tobacco Prevention and Cessation Commission. In FY2012, approximately \$10.1 million was allocated for the state tobacco prevention program, including \$8.1 million appropriated by the state legislature and \$2 million authorized by Indiana's Office of Management and Budget. While this is slightly more than was allocated in FY2011, it is far less than the \$15.1 million spent in FY2009.

In addition, Indiana is receiving \$2.0 million in federal funds dedicated to tobacco prevention and control:

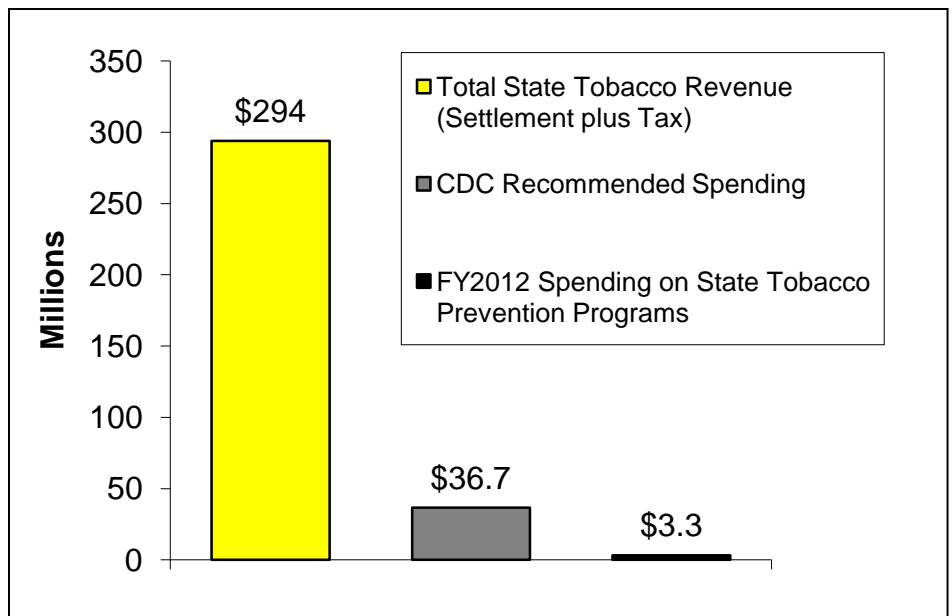
- \$1.0 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2011 (from annual appropriations).
- \$117,651 from the Prevention and Public Health Fund in the new health care reform law.
- \$795,843 from the Food and Drug Administration for enforcement of the Family Smoking Prevention and Tobacco Control Act, including the provision regarding tobacco sales to minors.

<b>Tobacco's Toll in Indiana</b>	
Adults who smoke	21.2%
High school students who smoke	18.1%
Deaths caused by smoking each year	9,700
Annual health care costs directly caused by smoking	\$2.08 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$562 per household
Annual tobacco company marketing in state	\$307.5 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	30.6 to 1

## Iowa

	FY2012	FY2011
<b>State Ranking</b>	28	20
<b>STATE SPENDING ON TOBACCO PREVENTION</b>	\$3.3 million	\$7.3 million
<b>% of CDC Recommended Spending (\$36.7 million)</b>	8.9%	20.0%

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that Iowa spend \$36.7 million a year to have an effective, comprehensive tobacco prevention program. Iowa currently allocates \$3.3 million a year for tobacco prevention and cessation. This is 8.9% of the CDC's recommendation and ranks Iowa 28th among the states in the funding of tobacco prevention programs. Iowa's spending on tobacco prevention amounts to 1.1% of the estimated \$294 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** The FY2012 budget for Iowa provides \$3.3 million dollars in state funds for tobacco prevention and cessation programs, a significant decrease from the \$7.3 million allocated in FY2011. While in the past funding for tobacco prevention programs has come from the MSA, Healthy Iowans Tobacco Trust, and the Healthcare Trust Fund, funds from the tobacco tax increase, these funds are now being directed into a general fund where tobacco prevention must compete with many other legislative priorities to secure funding.

In addition, Iowa is receiving \$1.6 million in federal funds dedicated to tobacco prevention and control:

- \$1.0 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2011 (from annual appropriations).
- \$92,758 from the Prevention and Public Health Fund in the new health care reform law.
- \$479,850 from the Food and Drug Administration for enforcement of the Family Smoking Prevention and Tobacco Control Act, including the provision regarding tobacco sales to minors.

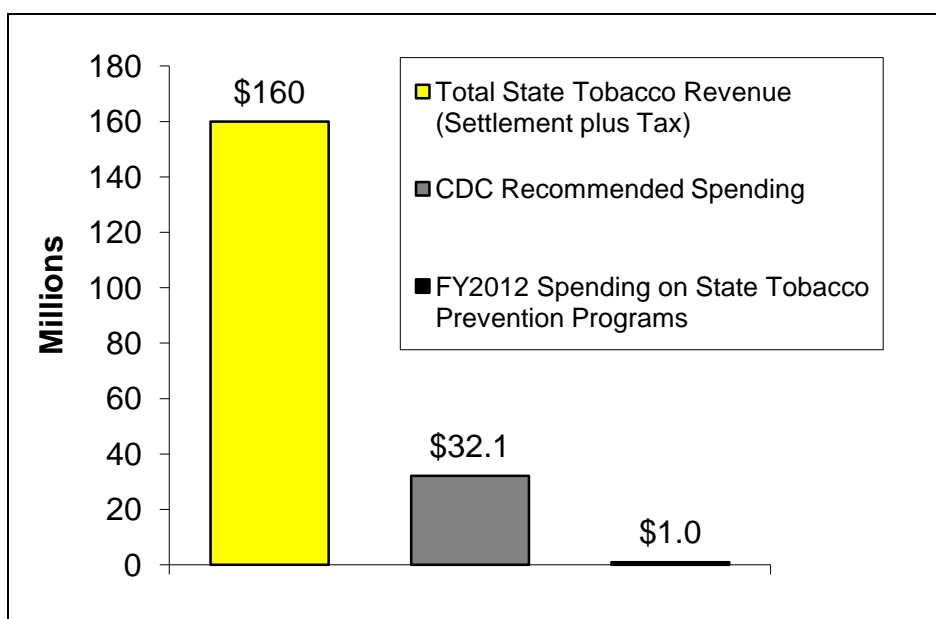


<b>Tobacco's Toll in Iowa</b>	
Adults who smoke	16.1%
High school students who smoke	18.9%
Deaths caused by smoking each year	4,400
Annual health care costs directly caused by smoking	\$1.01 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$587 per household
Annual tobacco company marketing in state	\$102.0 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	31.3 to 1

## Kansas

	FY2012	FY2011
<b>State Ranking</b>	37	41
<b>STATE SPENDING ON TOBACCO PREVENTION</b>	\$1.0 million	\$1.0 million
<b>% of CDC Recommended Spending (\$32.1 million)</b>	3.1%	3.1%

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that Kansas spend \$32.1 million a year to have an effective, comprehensive tobacco prevention program. Kansas currently allocates \$1.0 million a year for tobacco prevention and cessation. This is 3.1% of the CDC's recommendation and ranks Kansas 37th among the states in the funding of tobacco prevention programs. Kansas's spending on tobacco prevention amounts to 0.6% of the estimated \$160 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** Kansas' tobacco settlement funds are governed by a law that directs all of the state's tobacco settlement payments to a trust fund supporting youth programs. The FY2012 budget, approved by the legislature, provides just \$1.0 million for tobacco prevention from this fund. Because funding continues to be inadequate for a statewide tobacco prevention program based on CDC recommendations, funding supports countywide prevention programs in selected areas of the state.

In addition, Kansas is receiving \$1.8 million in federal funds dedicated to tobacco prevention and control:

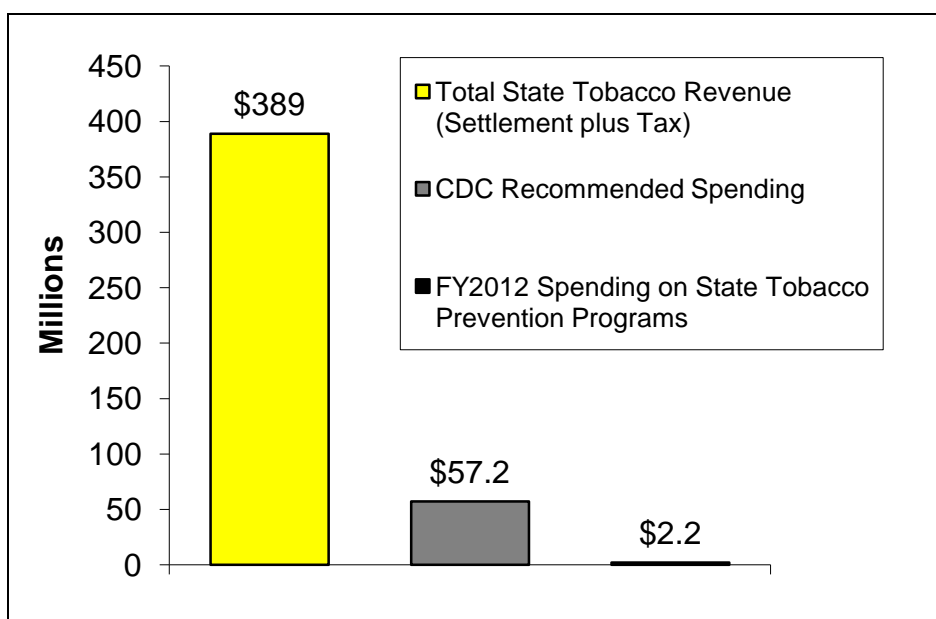
- \$1.3 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2011 (from annual appropriations).
- \$91,379 from the Prevention and Public Health Fund in the new health care reform law.
- \$445,590 from the Food and Drug Administration for enforcement of the Family Smoking Prevention and Tobacco Control Act, including the provision regarding tobacco sales to minors.

<b>Tobacco's Toll in Kansas</b>	
Adults who smoke	17.0%
High school students who smoke	16.9%
Deaths caused by smoking each year	3,800
Annual health care costs directly caused by smoking	\$927 million
Residents' state & federal tax burden from smoking-caused government expenditures	\$568 per household
Annual tobacco company marketing in state	\$85.0 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	85.0 to 1

## Kentucky

	FY2012	FY2011
<b>State Ranking</b>	36	39
<b>STATE SPENDING ON TOBACCO PREVENTION</b>	\$2.2 million	\$2.6 million
<b>% of CDC Recommended Spending (\$57.2 million)</b>	3.9%	4.5%

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that Kentucky spend \$57.2 million a year to have an effective, comprehensive tobacco prevention program. Kentucky currently allocates \$2.2 million a year for tobacco prevention and cessation. This is 3.9% of the CDC's recommendation and ranks Kentucky 36th among the states in the funding of tobacco prevention programs. Kentucky's spending on tobacco prevention amounts to 0.6% of the estimated \$389 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** Kentucky's tobacco settlement payments are governed by a 2000 law that directed the funds into three accounts – 50 percent for tobacco growers and rural development initiatives, 25 percent for a comprehensive early childhood development program, and 25 percent for public health initiatives – 10 percent of which goes to tobacco and substance abuse prevention programs. Oversight boards were created to oversee the resulting programs.

In FY2012, state funding for tobacco prevention and cessation is \$2.2 million, less than was spent in FY2011. In addition, the state will support tobacco cessation treatment for Medicaid enrollees who want help with quitting.

Kentucky is spending less than the CDC-recommended amount on tobacco prevention despite the fact that the state is receiving more tobacco-generated revenue than ever before as a result of an increase in the cigarette tax, from 30 to 60 cents a pack, and doubling of the tax rates on other tobacco products enacted in 2009. None of the new revenue from the cigarette tax increase is being used for tobacco prevention and cessation.

In addition, Kentucky is receiving \$1.7 million in federal funds dedicated to tobacco prevention and control:

- \$1.1 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2011 (from annual appropriations).

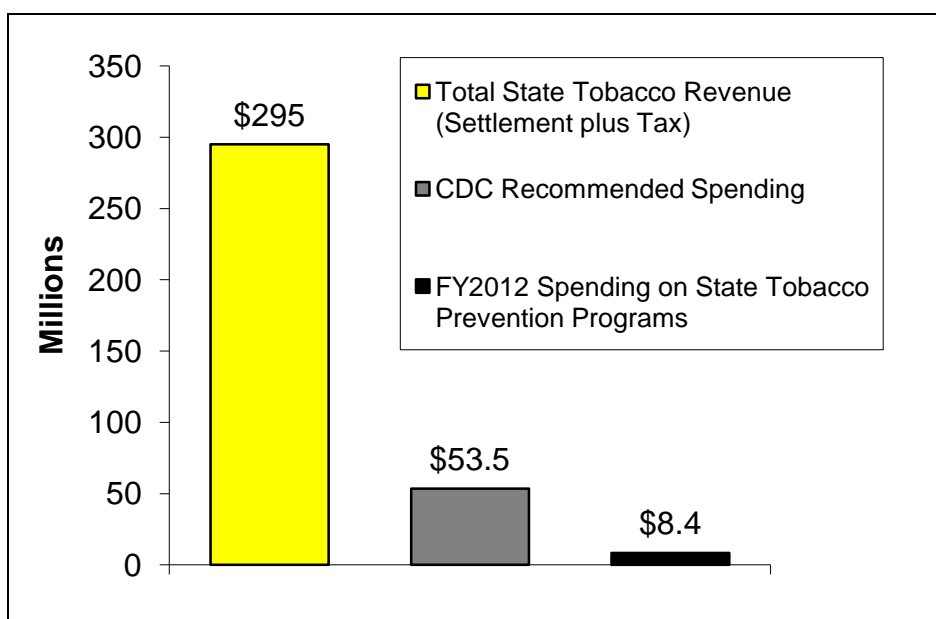
- \$102,279 from the Prevention and Public Health Fund in the new health care reform law.
- \$428,278 from the Food and Drug Administration for enforcement of the Family Smoking Prevention and Tobacco Control Act, including the provision regarding tobacco sales to minors.

<b>Tobacco's Toll in Kentucky</b>	
Adults who smoke	24.8%
High school students who smoke	26.1%
Deaths caused by smoking each year	7,800
Annual health care costs directly caused by smoking	\$1.50 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$579 per household
Annual tobacco company marketing in state	\$356.8 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	159.0 to 1

## Louisiana

	FY2012	FY2011
<b>State Ranking</b>	22	24
<b>STATE SPENDING ON TOBACCO PREVENTION</b>	\$8.4 million	\$9.0 million
<b>% of CDC Recommended Spending (\$53.5 million)</b>	15.8%	16.9%

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that Louisiana spend \$53.5 million a year to have an effective, comprehensive tobacco prevention program. Louisiana currently allocates \$8.4 million a year for tobacco prevention and cessation. This is 15.8% of the CDC's recommendation and ranks Louisiana 22nd among the states in the funding of tobacco prevention programs. Louisiana's spending on tobacco prevention amounts to 2.9% of the estimated \$295 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** In 2002, the Legislature passed and then-Governor Mike Foster (R) signed into law a 12-cent per pack increase in the state cigarette tax, to 36 cents a pack. Two cents of the tax on each pack is dedicated to a Cancer Consortium, comprised of Tulane University and Louisiana State University, for tobacco prevention and cessation programs. Revenue generated from the tax will automatically flow to the consortium every year, unless the law is changed by the Legislature.

Total state spending on tobacco prevention and cessation for FY2012 will be \$8.4 million, slightly less than what was spent in FY2011. MSA Settlement expenditures totaling \$500,000 will go to the state tobacco control program, and \$7,930,319 received from state tobacco taxes will go to the Campaign for Tobacco-Free Living.

In addition, Louisiana is receiving \$1.8 million in federal funds dedicated to tobacco prevention and control:

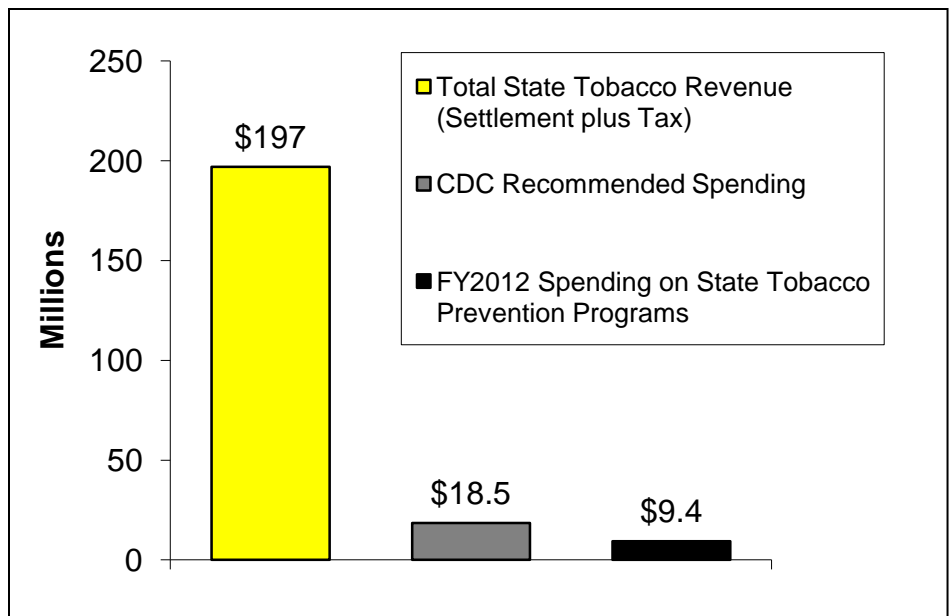
- \$1.1 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2011 (from annual appropriations).
- \$103,575 from the Prevention and Public Health Fund in the new health care reform law.
- \$583,007 from the Food and Drug Administration for enforcement of the Family Smoking Prevention and Tobacco Control Act, including the provision regarding tobacco sales to minors.

<b>Tobacco's Toll in Louisiana</b>	
Adults who smoke	22.1%
High school students who smoke	19.4%
Deaths caused by smoking each year	6,500
Annual health care costs directly caused by smoking	\$1.47 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$639 per household
Annual tobacco company marketing in state	\$223.7 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	26.5 to 1

## Maine

	FY2012	FY2011
<b>State Ranking</b>	6	7
<b>STATE SPENDING ON TOBACCO PREVENTION</b>	\$9.4 million	\$9.9 million
<b>% of CDC Recommended Spending (\$18.5 million)</b>	50.6%	53.5%

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that Maine spend \$18.5 million a year to have an effective, comprehensive tobacco prevention program. Maine currently allocates \$9.4 million a year for tobacco prevention and cessation. This is 50.6% of the CDC's recommendation and ranks Maine 6th among the states in the funding of tobacco prevention programs. Maine's spending on tobacco prevention amounts to 4.8% of the estimated \$197 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** In 1997, Maine increased its cigarette tax and used a portion of those funds to establish a comprehensive tobacco prevention and control program known as the Partnership for a Tobacco-Free Maine. Maine's program is no longer funded through cigarette tax revenue. Now the state's program, the Fund for a Healthy Maine, is funded only by proceeds from the tobacco settlement.

The FY2012 budget enacted by the Legislature and Governor Paul LePage (R) included \$9.4 million for the tobacco program, slightly less than the state spent on tobacco-specific work in FY2011. The reduction in funding from FY2011 is due to a drop in MSA allocations to the state that was applied proportionally.

In addition, Maine is receiving \$1.7 million in federal funds dedicated to tobacco prevention and control:

- \$944,248 from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2011 (from annual appropriations).
- \$80,443 from the Prevention and Public Health Fund in the new health care reform law.
- \$701,299 from the Food and Drug Administration for enforcement of the Family Smoking Prevention and Tobacco Control Act, including the provision regarding tobacco sales to minors.

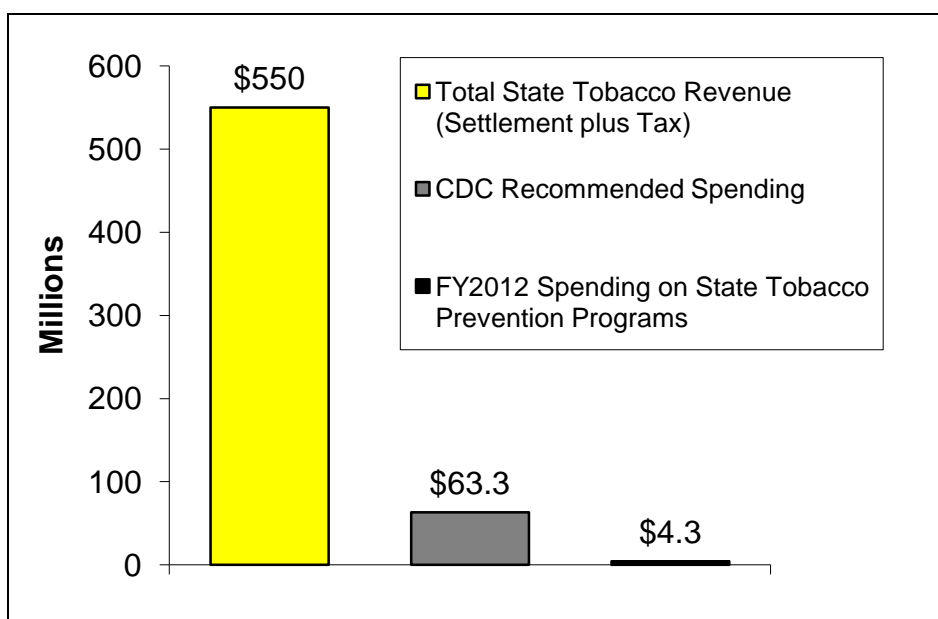


<b>Tobacco's Toll in Maine</b>	
Adults who smoke	18.2%
High school students who smoke	18.1%
Deaths caused by smoking each year	2,200
Annual health care costs directly caused by smoking	\$602 million
Residents' state & federal tax burden from smoking-caused government expenditures	\$647 per household
Annual tobacco company marketing in state	\$43.1 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	4.6 to 1

## Maryland

	FY2012	FY2011
<b>State Ranking</b>	32	34
<b>STATE SPENDING ON TOBACCO PREVENTION</b>	\$4.3 million	\$4.3 million
<b>% of CDC Recommended Spending (\$63.3 million)</b>	6.8%	6.9%

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that Maryland spend \$63.3 million a year to have an effective, comprehensive tobacco prevention program. Maryland currently allocates \$4.3 million a year for tobacco prevention and cessation. This is 6.8% of the CDC's recommendation and ranks Maryland 32nd among the states in the funding of tobacco prevention programs. Maryland's spending on tobacco prevention amounts to 0.8% of the estimated \$550 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** Maryland's tobacco settlement payments are folded into the state's Cigarette Restitution Fund (CRF) and allocated through the annual budget process.

In November 2007, during a special legislative session called by Governor O'Malley to resolve the state's budget deficit, the legislature approved and the governor signed into law a \$1.00 per pack increase in the cigarette tax, bringing Maryland's cigarette tax to \$2.00 per pack beginning January 1, 2008. However, none of these funds were earmarked for tobacco prevention.

Previously, state law required that a minimum of \$21 million be spent annually from state and federal funds on tobacco prevention and cessation. In 2010, the governor proposed and the legislature approved budget language reducing the required minimum level of tobacco prevention funding to \$6 million through FY2012. In FY2013, the minimum required increases to \$10 million.

State funding for tobacco prevention and cessation is \$4.3 million for FY2012. This is close to what was spent in FY2011, though less than the \$5.5 million that was allocated in FY2010, and substantially less than the \$19.6 million that was allocated in FY2009. Unless program funding is increased to CDC-recommended levels, Maryland's historic 32 percent drop in smoking over the past twelve years, which is double the national average, could be reversed.

In addition, Maryland is receiving \$2.0 million in federal funds dedicated to tobacco prevention and control:

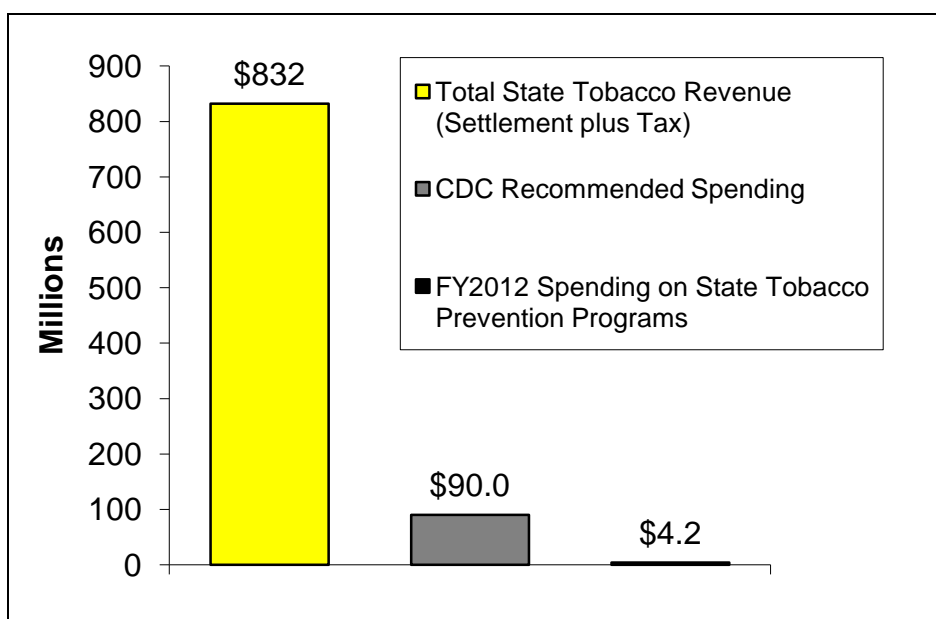
- \$1.2 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2011 (from annual appropriations).
- \$112,377 from the Prevention and Public Health Fund in the new health care reform law.
- \$716,501 from the Food and Drug Administration for enforcement of the Family Smoking Prevention and Tobacco Control Act, including the provision regarding tobacco sales to minors.

<b>Tobacco's Toll in Maryland</b>	
Adults who smoke	15.2%
High school students who smoke	14.1%
Deaths caused by smoking each year	6,800
Annual health care costs directly caused by smoking	\$1.96 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$610 per household
Annual tobacco company marketing in state	\$144.1 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	33.4 to 1

## Massachusetts

	FY2012	FY2011
<b>State Ranking</b>	35	37
<b>STATE SPENDING ON TOBACCO PREVENTION</b>	\$4.2 million	\$4.5 million
<b>% of CDC Recommended Spending (\$90.0 million)</b>	4.6%	5.0%

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that Massachusetts spend \$90.0 million a year to have an effective, comprehensive tobacco prevention program. Massachusetts currently allocates \$4.2 million a year for tobacco prevention and cessation. This is 4.6% of the CDC's recommendation and ranks Massachusetts 35th among the states in the funding of tobacco prevention programs. Massachusetts's spending on tobacco prevention amounts to 0.5% of the estimated \$832 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** Massachusetts launched its program in 1993 with funding from a voter-approved cigarette tax of 25 cents a pack. In December 1999, the legislature voted to supplement the Massachusetts Tobacco Control Program (MTCP) cigarette tax funding with tobacco settlement money. By 2002-2003, fiscal emergencies and other factors led to funding cuts that nearly eliminated the program. Since then, the legislature has increased funding, most notably in FY2008, when funding was increased from \$8.25 million to \$12.75 million. However, in FY2010, the state legislature and Governor Deval Patrick (D) cut funding for the MTCP to \$4.5 million. The FY2012 budget enacted by the legislature and Governor Patrick appropriated \$4.2 million in tobacco control program funding, slightly less than the amount that was allocated in FY2011. In total, the MTCP has been cut by more than 65 percent since FY2008.

In addition, Massachusetts is receiving \$2.3 million in federal funds dedicated to tobacco prevention and control:

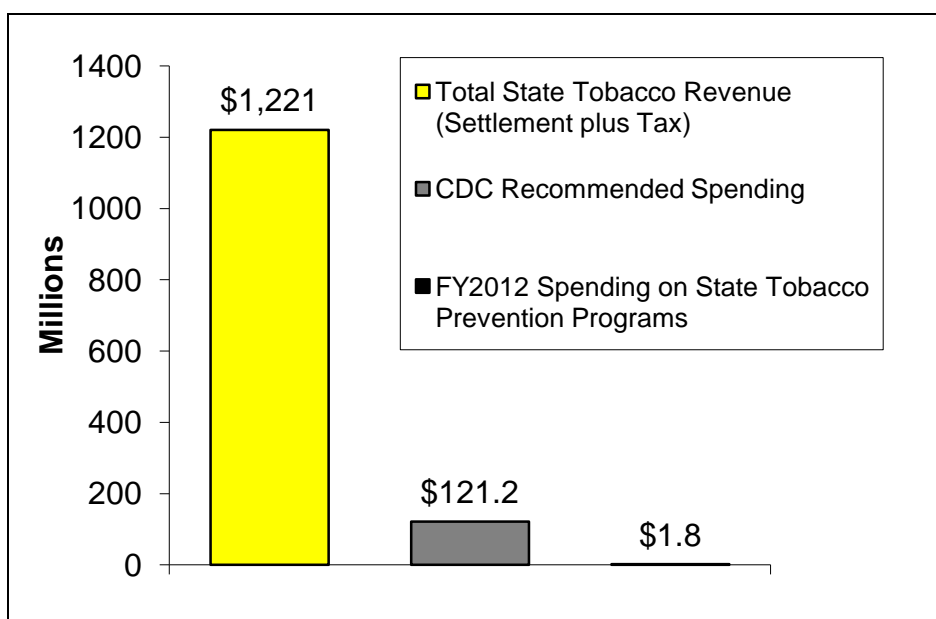
- \$1.5 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2011 (from annual appropriations).
- \$118,894 from the Prevention and Public Health Fund in the new health care reform law.
- \$646,275 from the Food and Drug Administration for enforcement of the Family Smoking Prevention and Tobacco Control Act, including the provision regarding tobacco sales to minors.

<b>Tobacco's Toll in Massachusetts</b>	
Adults who smoke	14.1%
High school students who smoke	16.0%
Deaths caused by smoking each year	9,000
Annual health care costs directly caused by smoking	\$3.54 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$720 per household
Annual tobacco company marketing in state	\$164.8 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	39.7 to 1

## Michigan

	FY2012	FY2011
<b>State Ranking</b>	41	42
<b>STATE SPENDING ON TOBACCO PREVENTION</b>	\$1.8 million	\$2.6 million
<b>% of CDC Recommended Spending (\$121.2 million)</b>	1.5%	2.1%

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that Michigan spend \$121.2 million a year to have an effective, comprehensive tobacco prevention program. Michigan currently allocates \$1.8 million a year for tobacco prevention and cessation. This is 1.5% of the CDC's recommendation and ranks Michigan 41st among the states in the funding of tobacco prevention programs. Michigan's spending on tobacco prevention amounts to 0.1% of the estimated \$1.2 billion in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** Michigan's budget for FY2012 allocates \$1.8 million to the Tobacco Section of the Michigan Department of Community Health, a 30 percent decrease in funding from what was spent in FY2010 and FY2011. The state continues to dedicate no funding from the Master Settlement Agreement toward reducing tobacco-caused death and disease, and the little funding it does provide falls far short of the amount needed for a comprehensive CDC-recommended program. Michigan continues to be one of the only states that never dedicated any Master Settlement Agreement funds for tobacco prevention.

In addition, Michigan is receiving \$2.8 million in federal funds dedicated to tobacco prevention and control:

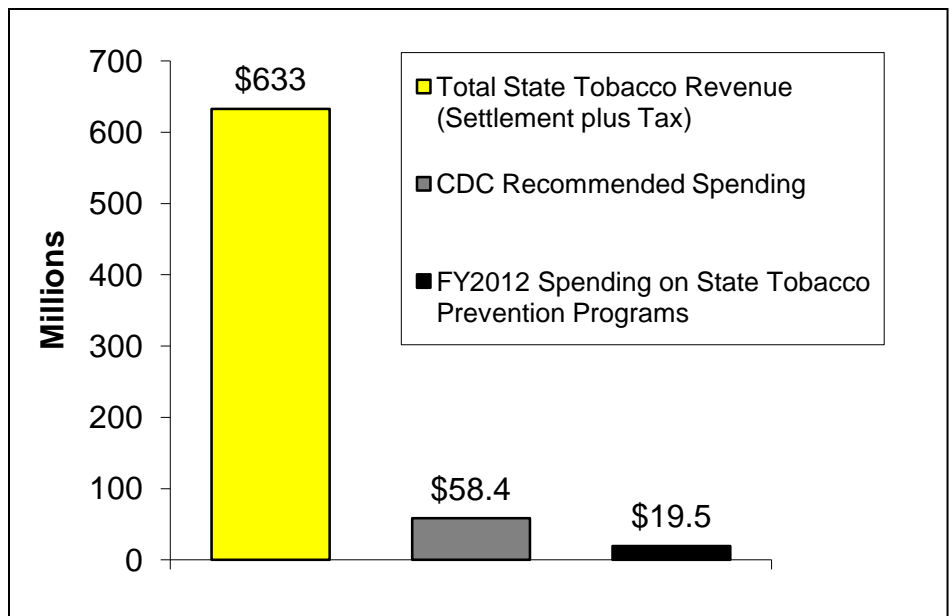
- \$1.7 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2011 (from annual appropriations).
- \$143,503 from the Prevention and Public Health Fund in the new health care reform law.
- \$997,623 from the Food and Drug Administration for enforcement of the Family Smoking Prevention and Tobacco Control Act, including the provision regarding tobacco sales to minors.

<b>Tobacco's Toll in Michigan</b>	
Adults who smoke	18.9%
High school students who smoke	18.8%
Deaths caused by smoking each year	14,500
Annual health care costs directly caused by smoking	\$3.40 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$598 per household
Annual tobacco company marketing in state	\$313.0 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	171.0 to 1

## Minnesota

	FY2012	FY2011
<b>State Ranking</b>	10	10
<b>STATE SPENDING ON TOBACCO PREVENTION</b>	\$19.5 million	\$19.6 million
<b>% of CDC Recommended Spending (\$58.4 million)</b>	33.4%	33.6%

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that Minnesota spend \$58.4 million a year to have an effective, comprehensive tobacco prevention program. Minnesota currently allocates \$19.5 million a year for tobacco prevention and cessation. This is 33.4% of the CDC's recommendation and ranks Minnesota 10th among the states in the funding of tobacco prevention programs. Minnesota's spending on tobacco prevention amounts to 3.1% of the estimated \$633 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** In FY2012, legislatively-allocated funding for tobacco prevention remains low, though Minnesota continues to benefit from the 1998 settlement reached between the tobacco industry and both the state and Blue Cross/Blue Shield of Minnesota. This settlement resulted in the creation of ClearWay Minnesota, an independent non-profit organization that allocates funds for tobacco prevention free from legislative action. Authorized for 25 years, Clearway Minnesota will close its doors in 2023.

In FY2012, Minnesota is scheduled to spend \$19.5 million for tobacco prevention and cessation programs – including \$16.3 million approved by ClearWay Minnesota's Board of Directors and \$3.2 million in state funds. Also party to the state's individual tobacco settlement, Blue Cross/Blue Shield was allocated \$241 million in settlement funds, aiding the launch of a long-term initiative in 2006 to improve the health of Minnesotans. Although Blue Cross expenditures on tobacco prevention are substantial, they are not public funds, and therefore do not meet the criteria for inclusion in the state total of this report.

In addition, Minnesota is receiving \$1.9 million in federal funds dedicated to tobacco prevention and control:

- \$1.2 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2011 (from annual appropriations).
- \$109,218 from the Prevention and Public Health Fund in the new health care reform law.



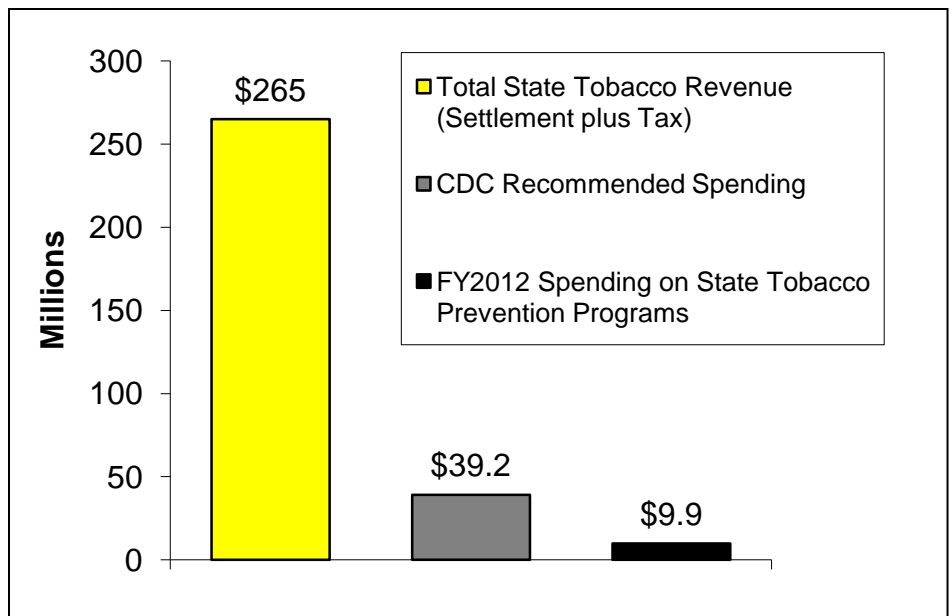
- \$584,354 from the Food and Drug Administration for enforcement of the Family Smoking Prevention and Tobacco Control Act, including the provision regarding tobacco sales to minors.

<b>Tobacco's Toll in Minnesota</b>	
Adults who smoke	14.9%
High school students who smoke	19.1%
Deaths caused by smoking each year	5,500
Annual health care costs directly caused by smoking	\$2.06 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$611 per household
Annual tobacco company marketing in state	\$157.0 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	8.1 to 1

## Mississippi

	FY2012	FY2011
<b>State Ranking</b>	15	17
<b>STATE SPENDING ON TOBACCO PREVENTION</b>	\$9.9 million	\$9.9 million
<b>% of CDC Recommended Spending (\$39.2 million)</b>	25.3%	25.3%

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that Mississippi spend \$39.2 million a year to have an effective, comprehensive tobacco prevention program. Mississippi currently allocates \$9.9 million a year for tobacco prevention and cessation. This is 25.3% of the CDC's recommendation and ranks Mississippi 15th among the states in the funding of tobacco prevention programs. Mississippi's spending on tobacco prevention amounts to 3.7% of the estimated \$265 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** Under a court order issued in December 2000 by the Jackson County Chancery Court, the court with jurisdiction over Mississippi's tobacco settlement agreement and subsequent litigation, \$20 million of Mississippi's annual settlement payments were directed to the tobacco prevention program launched by the parties and the court in 1997. Under a 1999 law, the rest of the annual settlement payments were deposited into a Health Care Trust Fund, with interest available for expenditure only for health care purposes. The state tobacco prevention program, run by the Partnership for a Healthy Mississippi, was highly successful at reducing youth smoking rates. However, Governor Haley Barbour (R), the state Division of Medicaid, and the Health Care Trust Fund filed motions to vacate the 2000 order and direct the \$20 million away from tobacco prevention and into the fund. In May 2006, citing the lack of agreement between the legislative and executive branches regarding funding for tobacco prevention, the Jackson County Chancery Court granted the governor and treasurer's motion, denying the tobacco prevention programs access to further funding. In June 2007, the Mississippi Supreme Court upheld the December 2006 order from the Jackson County Chancery Court that determined only the Mississippi Legislature could appropriate funds to tobacco prevention programs.

In FY2012, Mississippi will spend \$9.9 million in state tobacco prevention, identical to what was spent last year.

In addition, Mississippi is receiving \$2.0 million in federal funds dedicated to tobacco prevention and control:

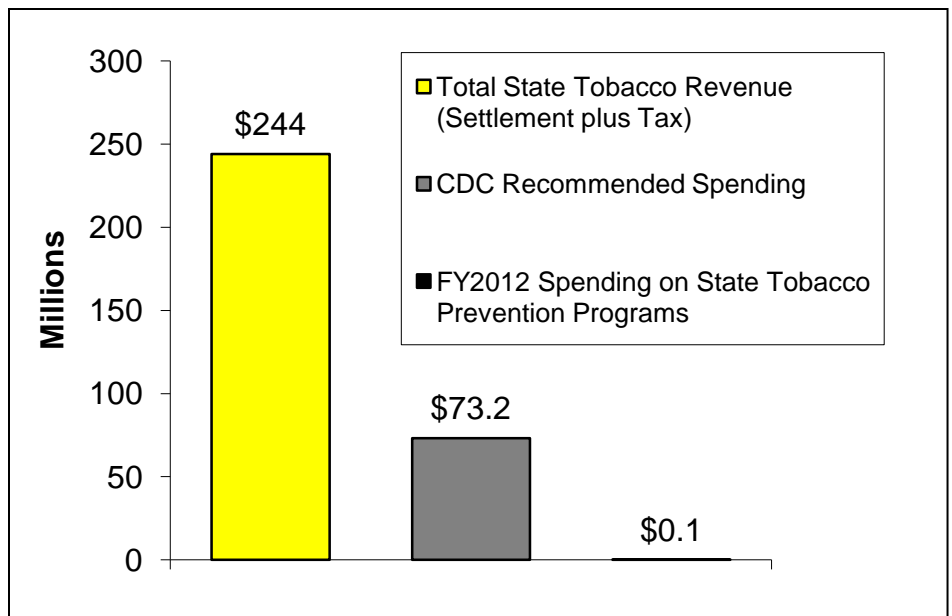
- \$1.1 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2011 (from annual appropriations).
- \$892,554 from the Food and Drug Administration for enforcement of the Family Smoking Prevention and Tobacco Control Act, including the provision regarding tobacco sales to minors.

<b>Tobacco's Toll in Mississippi</b>	
Adults who smoke	22.9%
High school students who smoke	19.6%
Deaths caused by smoking each year	4,700
Annual health care costs directly caused by smoking	\$719 million
Residents' state & federal tax burden from smoking-caused government expenditures	\$552 per household
Annual tobacco company marketing in state	\$161.9 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	16.4 to 1

## Missouri

	FY2012	FY2011
<b>State Ranking</b>	45	48
<b>STATE SPENDING ON TOBACCO PREVENTION</b>	\$60,000	\$60,000
<b>% of CDC Recommended Spending (\$73.2 million)</b>	0.1%	0.1%

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that Missouri spend \$73.2 million a year to have an effective, comprehensive tobacco prevention program. Missouri currently allocates \$60,000 a year for tobacco prevention and cessation. This is 0.1% of the CDC's recommendation and ranks Missouri 45th among the states in the funding of tobacco prevention programs. Missouri's spending on tobacco prevention amounts to 0.0% of the estimated \$244 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** Missouri is once again spending just under \$60,000 in state funds on tobacco prevention in FY2012. This is just one-tenth of the CDC-recommended spending for the state which is not nearly enough to pursue a comprehensive prevention and cessation program. From FY2003 through FY2007, the legislature dedicated no funding for tobacco prevention. In 2006, Missouri voters narrowly rejected a ballot initiative to increase the state cigarette tax by 80 cents a pack and double the tax on other tobacco products. The initiative would have given Missouri one of the best-funded prevention programs in the country. Instead, Missouri's cigarette tax remains at 17 cents per pack, which is significantly lower than the \$1.46 per pack average across the United States. Missouri remains among the bottom states in funding tobacco prevention and cessation programs.

In addition, Missouri is receiving \$1.9 million in federal funds dedicated to tobacco prevention and control:

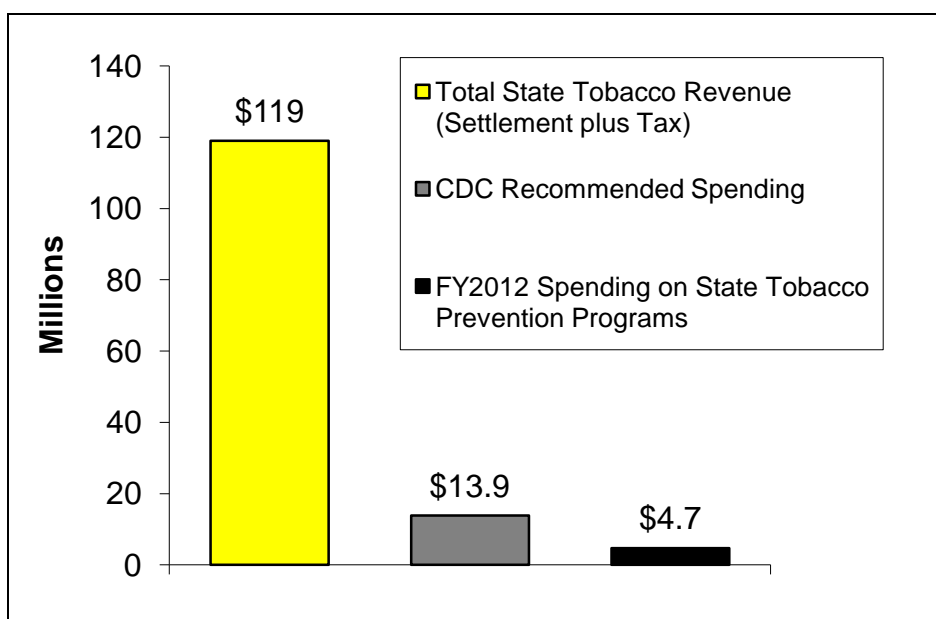
- \$1.1 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2011 (from annual appropriations).
- \$114,477 from the Prevention and Public Health Fund in the new health care reform law.
- \$615,374 from the Food and Drug Administration for enforcement of the Family Smoking Prevention and Tobacco Control Act, including the provision regarding tobacco sales to minors.

<b>Tobacco's Toll in Missouri</b>	
Adults who smoke	21.1%
High school students who smoke	18.9%
Deaths caused by smoking each year	9,500
Annual health care costs directly caused by smoking	\$2.13 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$581 per household
Annual tobacco company marketing in state	\$349.0 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	5,816.7 to 1

## Montana

	FY2012	FY2011
<b>State Ranking</b>	9	4
<b>STATE SPENDING ON TOBACCO PREVENTION</b>	\$4.7 million	\$8.4 million
<b>% of CDC Recommended Spending (\$13.9 million)</b>	33.8%	60.4%

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that Montana spend \$13.9 million a year to have an effective, comprehensive tobacco prevention program. Montana currently allocates \$4.7 million a year for tobacco prevention and cessation. This is 33.8% of the CDC's recommendation and ranks Montana 9th among the states in the funding of tobacco prevention programs. Montana's spending on tobacco prevention amounts to 3.9% of the estimated \$119 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** For FY2012, the Legislature and Governor Brian Schweitzer (D) allocated \$4.7 million in state funds for the state's tobacco prevention program. This is a significant decrease from the \$8.4 million allocated in FY2011. This decrease means that Montana will be funding their tobacco prevention program below 50 percent of CDC-recommended spending for the first time since FY2005.

In addition, Montana is receiving \$1.0 million in federal funds dedicated to tobacco prevention and control:

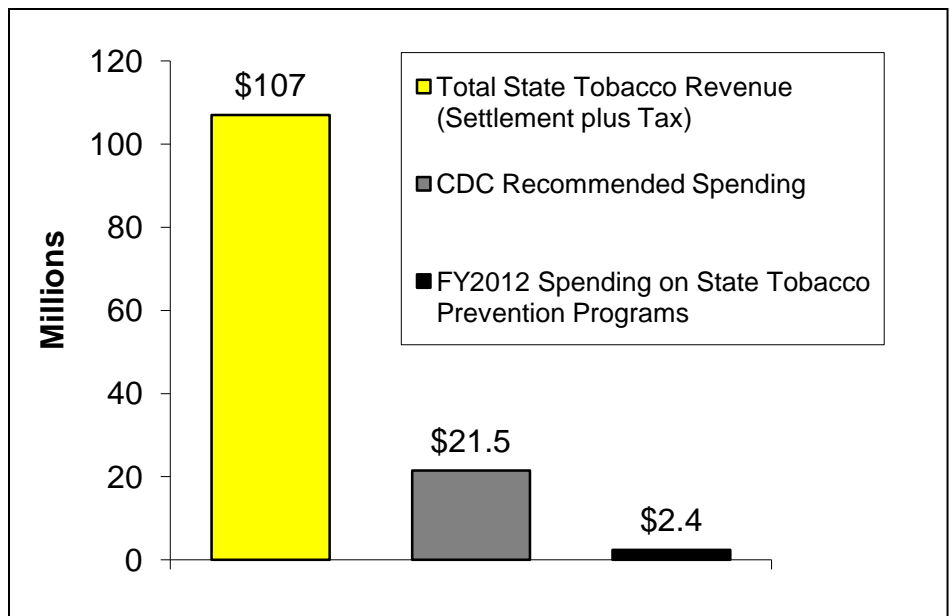
- \$961,793 from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2011 (from annual appropriations).
- \$77,939 from the Prevention and Public Health Fund in the new health care reform law.

<b>Tobacco's Toll in Montana</b>	
Adults who smoke	18.8%
High school students who smoke	18.7%
Deaths caused by smoking each year	1,400
Annual health care costs directly caused by smoking	\$277 million
Residents' state & federal tax burden from smoking-caused government expenditures	\$546 per household
Annual tobacco company marketing in state	\$29.8 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	6.3 to 1

## Nebraska

	FY2012	FY2011
<b>State Ranking</b>	26	26
<b>STATE SPENDING ON TOBACCO PREVENTION</b>	\$2.4 million	\$2.9 million
<b>% of CDC Recommended Spending (\$21.5 million)</b>	11.0%	13.3%

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that Nebraska spend \$21.5 million a year to have an effective, comprehensive tobacco prevention program. Nebraska currently allocates \$2.4 million a year for tobacco prevention and cessation. This is 11.0% of the CDC's recommendation and ranks Nebraska 26th among the states in the funding of tobacco prevention programs. Nebraska's spending on tobacco prevention amounts to 2.2% of the estimated \$107 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** For FY2012, Nebraska has allocated \$2.4 million for the state's tobacco prevention and cessation program, a 17 percent cut from the amount allocated in FY2011. Funding for this promising program remains substantially below the \$7.0 million in state funds allocated in FY2003.

In addition, Nebraska is receiving \$1.2 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2011 (from annual appropriations).

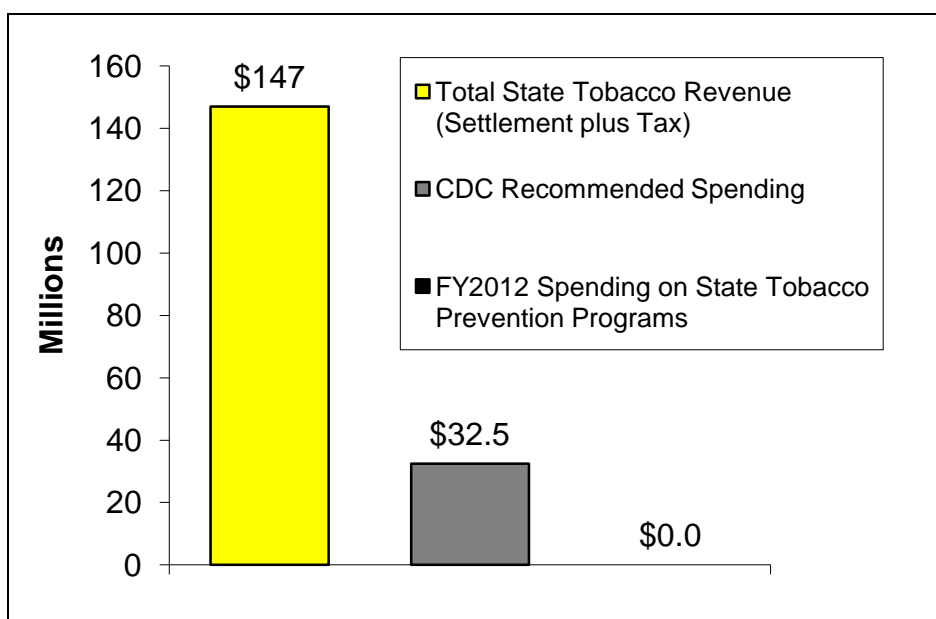


<b>Tobacco's Toll in Nebraska</b>	
Adults who smoke	17.2%
High school students who smoke	15.0%
Deaths caused by smoking each year	2,200
Annual health care costs directly caused by smoking	\$537 million
Residents' state & federal tax burden from smoking-caused government expenditures	\$570 per household
Annual tobacco company marketing in state	\$66.5 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	28.1 to 1

## Nevada

	FY2012	FY2011
<b>State Ranking</b>	50	51
<b>STATE SPENDING ON TOBACCO PREVENTION</b>	\$0.0	\$0
<b>% of CDC Recommended Spending (\$32.5 million)</b>	0.0%	0.0%

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that Nevada spend \$32.5 million a year to have an effective, comprehensive tobacco prevention program. Nevada currently allocates \$0.0 a year for tobacco prevention and cessation. This is 0.0% of the CDC's recommendation and ranks Nevada 50th among the states in the funding of tobacco prevention programs. Nevada's spending on tobacco prevention amounts to 0.0% of the estimated \$147 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** Nevada's programs were funded entirely through settlement payments, so funding levels would change if the actual settlement payments were different than projected. A 1999 state law divided Nevada's settlement money into three trust funds: 40 percent to the Millennium Trust Fund for college scholarships; 10 percent to the Trust Fund for Public Health; and 50 percent to the Fund for a Healthy Nevada. Initially, 20 percent of the money directed to the Fund for a Healthy Nevada was distributed to the tobacco prevention and cessation program; however, in 2007, this allocation was reduced to 15 percent.

In FY2012, there will be no state funding for tobacco prevention and cessation programs in Nevada. This is the same as what was spent in FY2011, when, due to revenue shortfalls, state funding for tobacco prevention and cessation programs was completely eliminated. The program is surviving on minimal dollars from the CDC, although many grantees, including local health districts, are no longer receiving funding from the state. The tobacco programs at the Southern Nevada Health District received federal stimulus funds through the Communities Putting Prevention to Work grant, but this is a one-time appropriation that will end in March 2012.

Nevada is receiving \$947,636 million in federal funds dedicated to tobacco prevention and control:

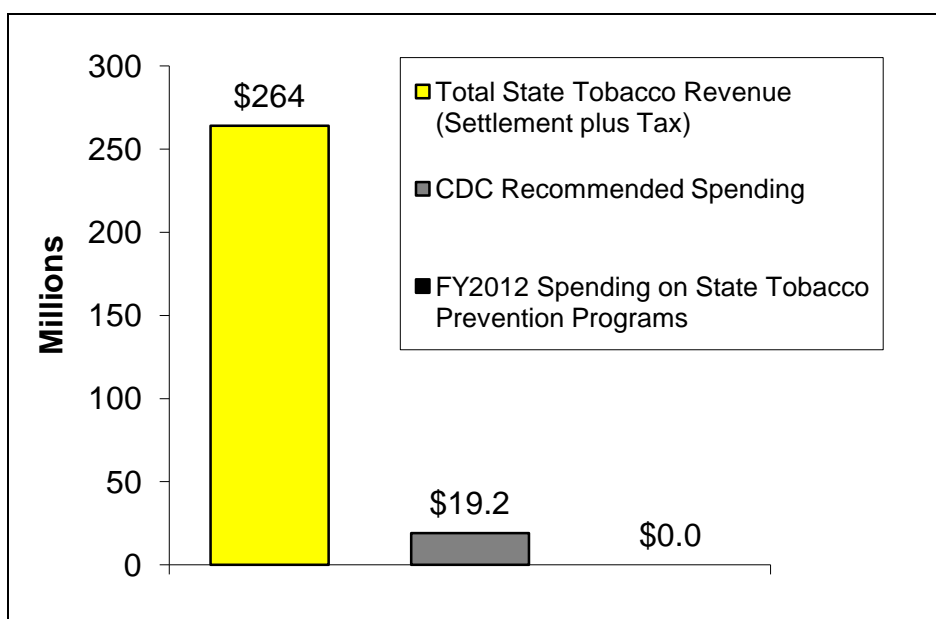
- \$857,537 from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2011 (from annual appropriations).
- \$90,099 from the Prevention and Public Health Fund in the new health care reform law.

<b>Tobacco's Toll in Nevada</b>	
Adults who smoke	21.3%
High school students who smoke	17.0%
Deaths caused by smoking each year	3,300
Annual health care costs directly caused by smoking	\$565 million
Residents' state & federal tax burden from smoking-caused government expenditures	\$548 per household
Annual tobacco company marketing in state	\$94.1 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	NA to 1

## New Hampshire

	FY2012	FY2011
<b>State Ranking</b>	50	51
<b>STATE SPENDING ON TOBACCO PREVENTION</b>	\$0.0	\$0
<b>% of CDC Recommended Spending (\$19.2 million)</b>	0.0%	0.0%

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that New Hampshire spend \$19.2 million a year to have an effective, comprehensive tobacco prevention program. New Hampshire currently allocates \$0.0 a year for tobacco prevention and cessation. This is 0.0% of the CDC's recommendation and ranks New Hampshire 50th among the states in the funding of tobacco prevention programs. New Hampshire's spending on tobacco prevention amounts to 0.0% of the estimated \$264 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** New Hampshire continues to invest no state funds in tobacco prevention and cessation. In FY2011, instead of allocating funds for tobacco prevention programs, the legislature allocated one dollar to the state's cancer plan for the next two years.

New Hampshire is receiving \$1.3 million in federal funds dedicated to tobacco prevention and control:

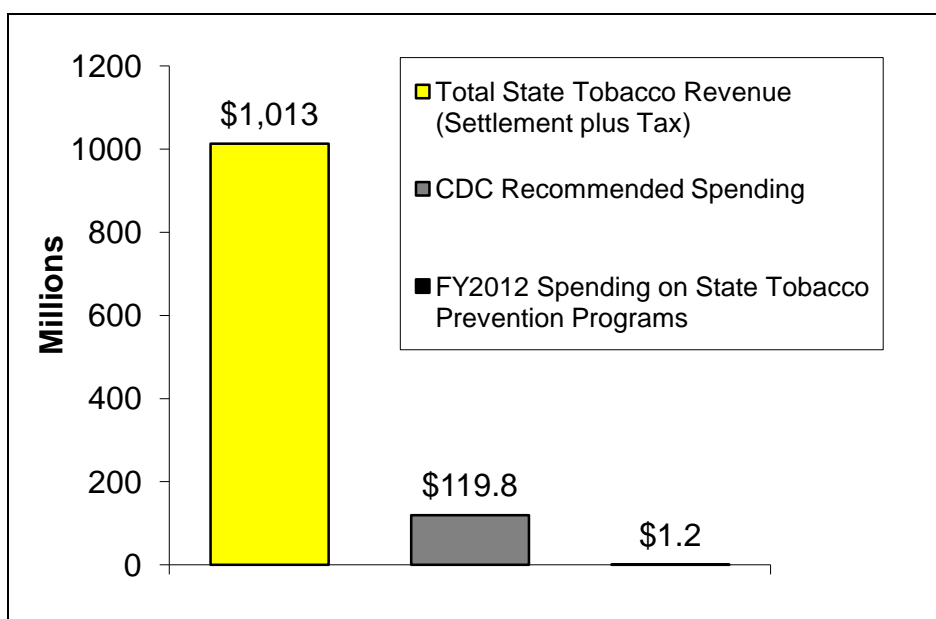
- \$1.0 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2011 (from annual appropriations).
- \$80,488 from the Prevention and Public Health Fund in the new health care reform law.
- \$197,094 from the Food and Drug Administration for enforcement of the Family Smoking Prevention and Tobacco Control Act, including the provision regarding tobacco sales to minors.

<b>Tobacco's Toll in New Hampshire</b>	
Adults who smoke	16.9%
High school students who smoke	20.8%
Deaths caused by smoking each year	1,700
Annual health care costs directly caused by smoking	\$564 million
Residents' state & federal tax burden from smoking-caused government expenditures	\$615 per household
Annual tobacco company marketing in state	\$88.5 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	NA to 1

## New Jersey

	FY2012	FY2011
<b>State Ranking</b>	43	46
<b>STATE SPENDING ON TOBACCO PREVENTION</b>	\$1.2 million	\$600,000
<b>% of CDC Recommended Spending (\$119.8 million)</b>	1.0%	0.5%

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that New Jersey spend \$119.8 million a year to have an effective, comprehensive tobacco prevention program. New Jersey currently allocates \$1.2 million a year for tobacco prevention and cessation. This is 1.0% of the CDC's recommendation and ranks New Jersey 43rd among the states in the funding of tobacco prevention programs. New Jersey's spending on tobacco prevention amounts to 0.1% of the estimated \$1.0 billion in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** New Jersey's tobacco prevention and cessation program is funded primarily by tobacco tax revenues. Fiscal challenges have led to cuts in many New Jersey state programs. In FY2011, state funding for the New Jersey Comprehensive Tobacco Control Program (CTCP), once a national leader among statewide tobacco prevention and cessation programs, was slashed from \$7.6 million in FY 2010 to just \$600,000. In FY2012, program funding was increased to \$1.2 million.

In addition, New Jersey is receiving \$2.1 million in federal funds dedicated to tobacco prevention and control:

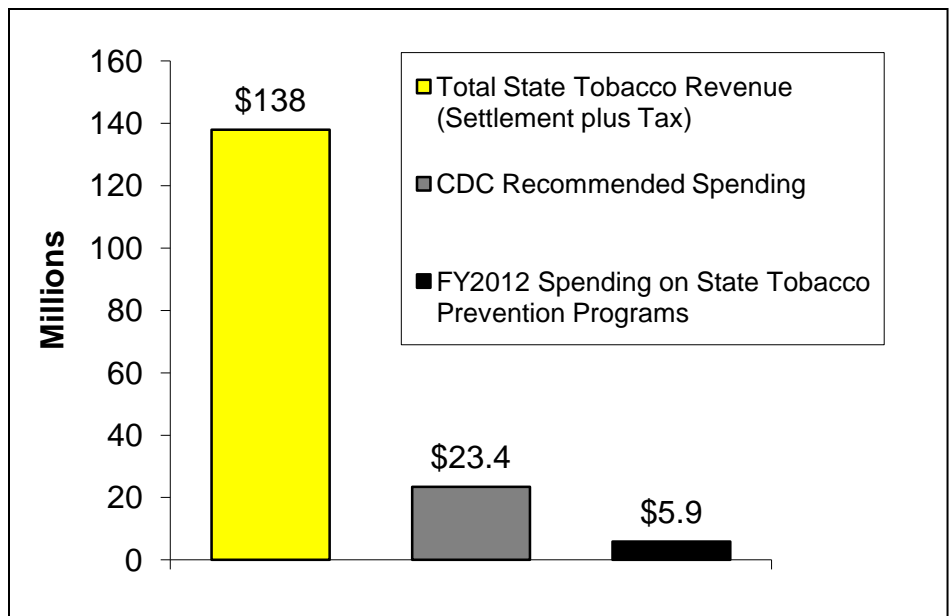
- \$1.3 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2011 (from annual appropriations).
- \$824,250 from the Food and Drug Administration for enforcement of the Family Smoking Prevention and Tobacco Control Act, including the provision regarding tobacco sales to minors.

<b>Tobacco's Toll in New Jersey</b>	
Adults who smoke	14.4%
High school students who smoke	17.0%
Deaths caused by smoking each year	11,200
Annual health care costs directly caused by smoking	\$3.17 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$653 per household
Annual tobacco company marketing in state	\$176.1 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	142.1 to 1

## New Mexico

	FY2012	FY2011
<b>State Ranking</b>	15	14
<b>STATE SPENDING ON TOBACCO PREVENTION</b>	\$5.9 million	\$7.0 million
<b>% of CDC Recommended Spending (\$23.4 million)</b>	25.3%	29.8%

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that New Mexico spend \$23.4 million a year to have an effective, comprehensive tobacco prevention program. New Mexico currently allocates \$5.9 million a year for tobacco prevention and cessation. This is 25.3% of the CDC's recommendation and ranks New Mexico 15th among the states in the funding of tobacco prevention programs. New Mexico's spending on tobacco prevention amounts to 4.3% of the estimated \$138 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** New Mexico's tobacco settlement funds are governed by a law passed in 2000 by the legislature and signed by Governor Gary E. Johnson (R) that placed 50 percent of the state's tobacco settlement payments in a permanent trust fund. Under the law, the other half of settlement payments are placed into a program fund that can be spent on a variety of health-related programs appropriated through the state's annual budget process.

State spending on tobacco prevention for FY2012 will be \$5.9 million, which is a 15% cut from what was spent in FY2011 and more than a 35% cut from what was spent in FY2010.

New Mexico is receiving more tobacco-generated revenue than ever before as a result of a 75-cent cigarette tax increase, to \$1.66 a pack, which went into effect on July 1, 2010.

In addition, New Mexico is receiving \$1.9 million in federal funds dedicated to tobacco prevention and control:

- \$1.1 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2011 (from annual appropriations).
- \$85,482 from the Prevention and Public Health Fund in the new health care reform law.
- \$684,720 from the Food and Drug Administration for enforcement of the Family Smoking Prevention and Tobacco Control Act, including the provision regarding tobacco sales to minors.

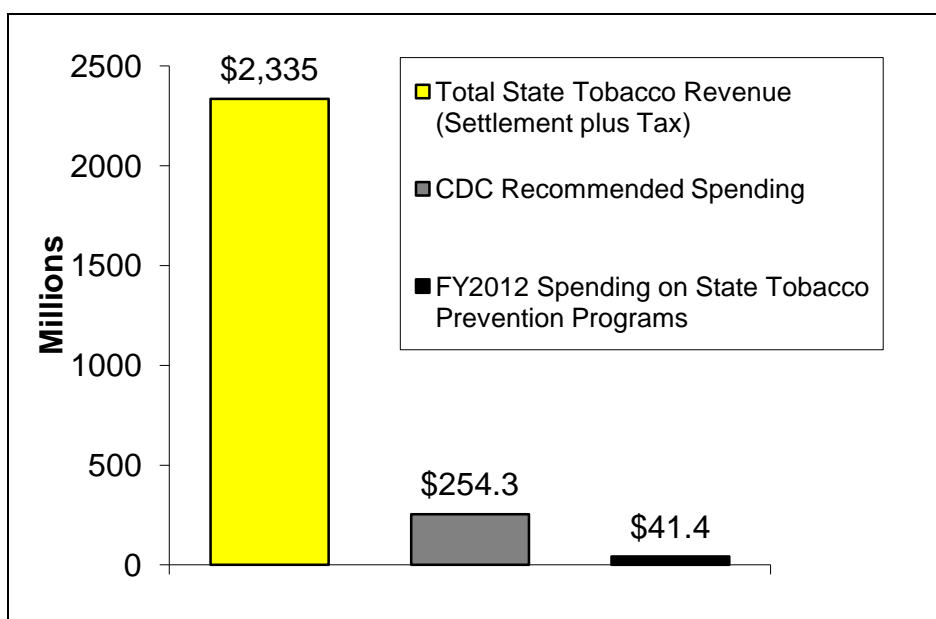


<b>Tobacco's Toll in New Mexico</b>	
Adults who smoke	18.5%
High school students who smoke	24.0%
Deaths caused by smoking each year	2,100
Annual health care costs directly caused by smoking	\$461 million
Residents' state & federal tax burden from smoking-caused government expenditures	\$561 per household
Annual tobacco company marketing in state	\$39.7 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	6.7 to 1

## New York

	FY2012	FY2011
<b>State Ranking</b>	20	18
<b>STATE SPENDING ON TOBACCO PREVENTION</b>	\$41.4 million	\$58.4 million
<b>% of CDC Recommended Spending (\$254.3 million)</b>	16.3%	23.0%

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that New York spend \$254.3 million a year to have an effective, comprehensive tobacco prevention program. New York currently allocates \$41.4 million a year for tobacco prevention and cessation. This is 16.3% of the CDC's recommendation and ranks New York 20th among the states in the funding of tobacco prevention programs. New York's spending on tobacco prevention amounts to 1.8% of the estimated \$2.3 billion in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** The 1998 settlement stipulated that the state of New York receives 51.2 percent of the tobacco settlement payments; with New York City receiving 26.6% and the counties outside New York City sharing the remaining 22.2 percent. The formula for disbursing payments to New York City and the counties is based on the localities' mandatory contributions to Medicaid costs. New York City's base-lined budget for FY2012 includes \$9.7 million for tobacco prevention and cessation programming.

New York's tobacco settlement funds are folded into the state's general fund and allocated through the annual budget process. In FY2010, due to revenue shortfalls, funding for tobacco prevention and cessation was cut by 30 percent, from approximately \$80 million to \$55.2 million. The FY2012 budget enacted by the Legislature and Governor Cuomo (D) allocated \$41.4 million to the tobacco control program, a \$17 million cut from FY2011 funding level. While the state's fiscal crisis caused budget cuts across state programs, the tobacco control program experienced disproportionately larger cuts than those endured by almost any other state program.

New York is spending less than the CDC-recommended amount on tobacco prevention despite the fact that the state is receiving more tobacco-generated revenue than ever before as a result of a \$1.60 per pack cigarette tax increase, bringing the state tax to \$4.35 per pack, and increases to the taxes on other tobacco products, which went into effect in July, 2010.

In addition, New York is receiving \$2.1 million in federal funds dedicated to tobacco prevention and control:

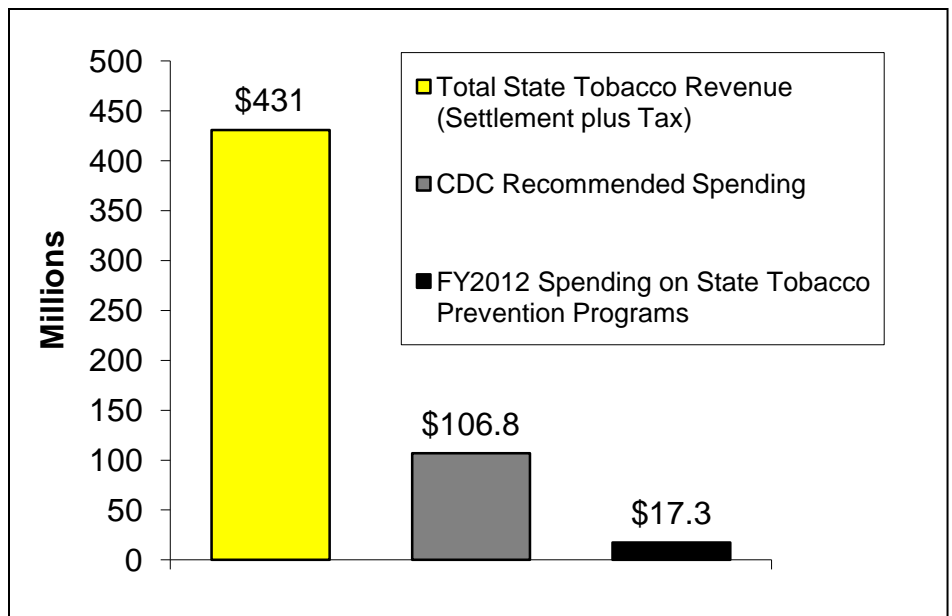
- \$1.9 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2011 (from annual appropriations).
- \$213,269 from the Prevention and Public Health Fund in the new health care reform law.

<b>Tobacco's Toll in New York</b>	
Adults who smoke	15.5%
High school students who smoke	12.6%
Deaths caused by smoking each year	25,400
Annual health care costs directly caused by smoking	\$8.17 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$884 per household
Annual tobacco company marketing in state	\$360.3 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	8.7 to 1

## North Carolina

	FY2012	FY2011
<b>State Ranking</b>	21	22
<b>STATE SPENDING ON TOBACCO PREVENTION</b>	\$17.3 million	\$18.3 million
<b>% of CDC Recommended Spending (\$106.8 million)</b>	16.2%	17.1%

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that North Carolina spend \$106.8 million a year to have an effective, comprehensive tobacco prevention program. North Carolina currently allocates \$17.3 million a year for tobacco prevention and cessation. This is 16.2% of the CDC's recommendation and ranks North Carolina 21st among the states in the funding of tobacco prevention programs. North Carolina's spending on tobacco prevention amounts to 4.0% of the estimated \$431 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** North Carolina's tobacco settlement funds were governed by a 1999 law that established three trust funds. The Golden LEAF Foundation received 50 percent of the funds for assistance to tobacco-dependent communities. The Tobacco Trust Fund received 25 percent for direct aid to tobacco farmers, quota holders, tobacco manufacturing workers and tobacco-related businesses. The remaining 25 percent of funds were placed in a Health and Wellness Trust Fund (HWTF), which was administered by the North Carolina Health and Wellness Trust Fund Commission.

In 2011, state lawmakers abolished the HWTF and transferred \$22 million of the remaining funds in the Fund as one-time funding to the North Carolina Department for Health and Human Services for public health programs, including tobacco prevention. The state will spend \$17.3 million of that on tobacco prevention and cessation in FY2012, slightly less than was spent in FY2011; however, these funds are currently non-recurring funds. If these funds are not made recurring in 2012, North Carolina would be tied for last in the nation in funding tobacco prevention and cessation programs.

North Carolina is spending minimal amounts on tobacco prevention even though the state is receiving more tobacco-generated revenue than ever before as a result of increases in the tobacco tax rates in 2009. The rate increases brought North Carolina's cigarette tax to 45 cents a pack from 35 cents, and the tax on other tobacco products to 12.8 percent of the wholesale price.

In addition, North Carolina is receiving \$2.4 million in federal funds dedicated to tobacco prevention and control:

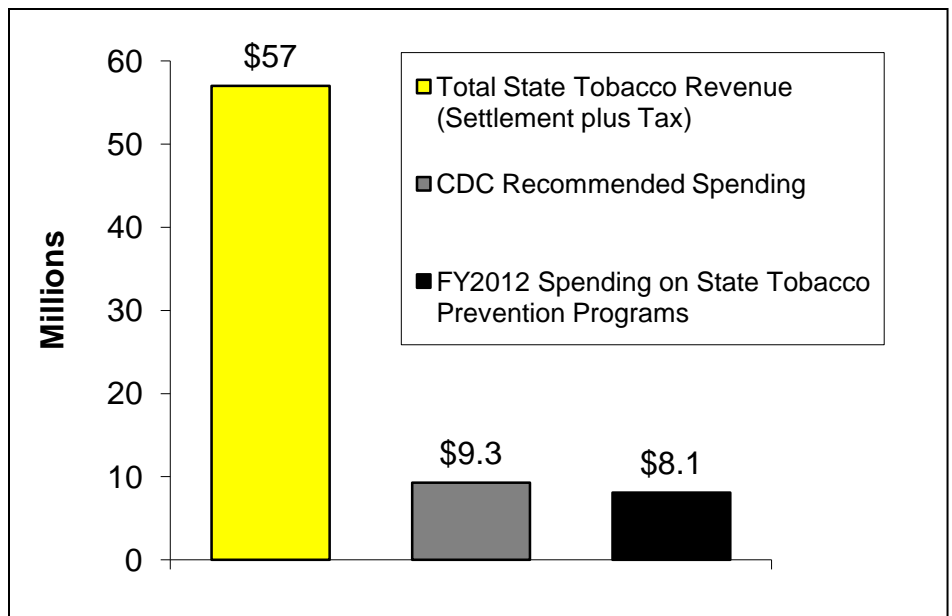
- \$1.7 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2011 (from annual appropriations).
- \$139,210 from the Prevention and Public Health Fund in the new health care reform law.
- \$595,026 from the Food and Drug Administration for enforcement of the Family Smoking Prevention and Tobacco Control Act, including the provision regarding tobacco sales to minors.

<b>Tobacco's Toll in North Carolina</b>	
Adults who smoke	19.8%
High school students who smoke	16.7%
Deaths caused by smoking each year	12,200
Annual health care costs directly caused by smoking	\$2.46 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$564 per household
Annual tobacco company marketing in state	\$396.0 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	22.9 to 1

## North Dakota

	FY2012	FY2011
<b>State Ranking</b>	2	2
<b>STATE SPENDING ON TOBACCO PREVENTION</b>	\$8.1 million	\$8.2 million
<b>% of CDC Recommended Spending (\$9.3 million)</b>	87.0%	88.1%

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that North Dakota spend \$9.3 million a year to have an effective, comprehensive tobacco prevention program. North Dakota currently allocates \$8.1 million a year for tobacco prevention and cessation. This is 87.0% of the CDC's recommendation and ranks North Dakota 2nd among the states in the funding of tobacco prevention programs. North Dakota's spending on tobacco prevention amounts to 14.2% of the estimated \$57 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** North Dakota's tobacco settlement payments have been governed by a 1999 law that placed 45 percent of the money into a Water Development Trust Fund, 45 percent into a Common Schools Trust Fund, and 10 percent into a Community Health Trust Fund. On November 4, 2008, North Dakota voters approved a ballot measure to allocate the tobacco settlement strategic contribution funds to the state's tobacco prevention and cessation program at the CDC-recommended level, which is \$9.3 million a year. North Dakota has had a slight decrease in state funding for FY2012 to \$8.1 million. When federal funds are added, North Dakota's tobacco control program is funded at CDC-recommended levels.

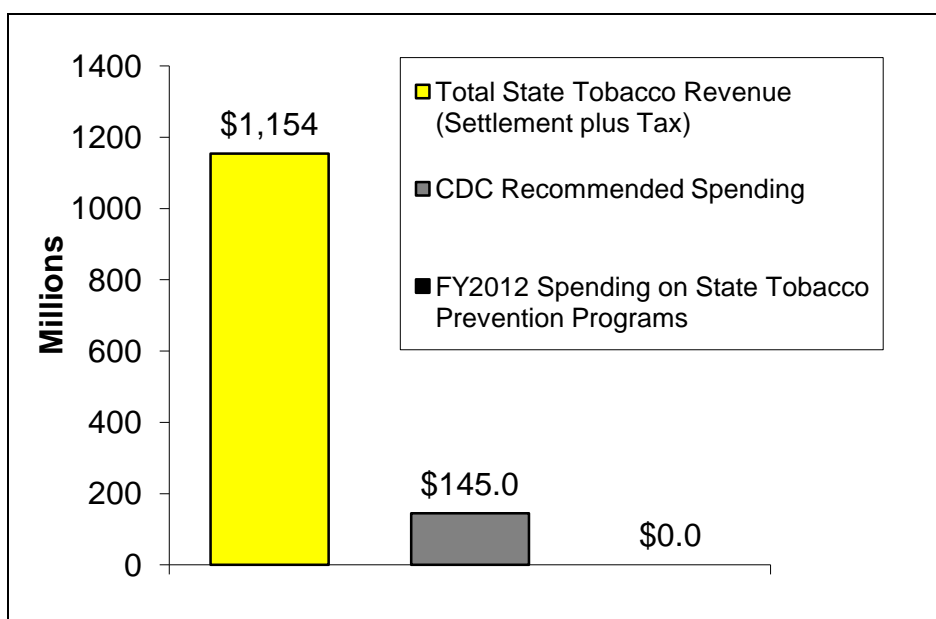
In addition, North Dakota is receiving \$1.2 from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2011 (from annual appropriations).

<b>Tobacco's Toll in North Dakota</b>	
Adults who smoke	17.4%
High school students who smoke	22.4%
Deaths caused by smoking each year	800
Annual health care costs directly caused by smoking	\$247 million
Residents' state & federal tax burden from smoking-caused government expenditures	\$559 per household
Annual tobacco company marketing in state	\$28.0 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	3.5 to 1

## Ohio

	FY2012	FY2011
<b>State Ranking</b>	50	51
<b>STATE SPENDING ON TOBACCO PREVENTION</b>	\$0.0	\$0
<b>% of CDC Recommended Spending (\$145.0 million)</b>	0.0%	0.0%

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that Ohio spend \$145.0 million a year to have an effective, comprehensive tobacco prevention program. Ohio currently allocates \$0.0 a year for tobacco prevention and cessation. This is 0.0% of the CDC's recommendation and ranks Ohio 50th among the states in the funding of tobacco prevention programs. Ohio's spending on tobacco prevention amounts to 0.0% of the estimated \$1.2 billion in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** After a series of lawsuits and political maneuvers that finally abolished a foundation meant to receive settlement funds and be spent on tobacco prevention and cessation, Ohio will spend no state money on these programs in FY2012. In FY 2011, approximately \$2.3 million was still in the tobacco control program's account. These funds were transferred to the Department of Health's Environmental Health program for the enforcement of the Smoke-Free Work Place Act. Since funding for the state tobacco control program was cut dramatically in 2009, Ohio's adult smoking rate has increased – from 20.2 percent in 2008 to 22.5 percent in 2010.

Ohio is receiving \$2.4 million in federal funds dedicated to tobacco prevention and control:

- \$1.4 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2011 (from annual appropriations).
- \$154,966 from the Prevention and Public Health Fund in the new health care reform law.
- \$844,975 from the Food and Drug Administration for enforcement of the Family Smoking Prevention and Tobacco Control Act, including the provision regarding tobacco sales to minors.

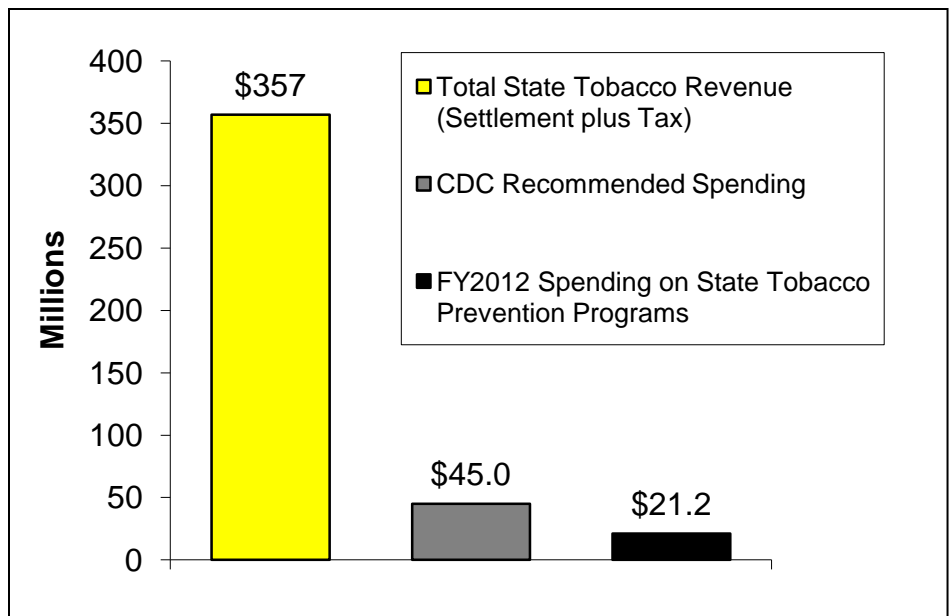


<b>Tobacco's Toll in Ohio</b>	
Adults who smoke	22.5%
High school students who smoke	19.4%
Deaths caused by smoking each year	18,500
Annual health care costs directly caused by smoking	\$4.37 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$614 per household
Annual tobacco company marketing in state	\$440.1 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	NA to 1

## Oklahoma

	FY2012	FY2011
<b>State Ranking</b>	7	8
<b>STATE SPENDING ON TOBACCO PREVENTION</b>	\$21.2 million	\$21.7 million
<b>% of CDC Recommended Spending (\$45.0 million)</b>	47.1%	48.2%

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that Oklahoma spend \$45.0 million a year to have an effective, comprehensive tobacco prevention program. Oklahoma currently allocates \$21.2 million a year for tobacco prevention and cessation. This is 47.1% of the CDC's recommendation and ranks Oklahoma 7th among the states in the funding of tobacco prevention programs. Oklahoma's spending on tobacco prevention amounts to 5.9% of the estimated \$357 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** Oklahoma's tobacco settlement funds are governed by a constitutional amendment which establishes a Tobacco Settlement Endowment Trust (TSET). Under the measure, the amount of tobacco settlement payments deposited into the endowment, from which only interest can be spent on certain broadly specified programs including health, education and tobacco prevention, increased from 50 percent in 2001 to 75 percent in 2007 and each year thereafter. The TSET Board of Directors determines how to allocate all earnings from the endowment. The legislature appropriates the remaining 25 percent of settlement payments.

Total state spending on tobacco prevention and cessation for FY2012 will be \$21.2 million. The total includes \$18.6 million from the Oklahoma Settlement Endowment Trust, \$2 million in state tobacco excise taxes, and \$600,000 from the general fund.

In addition, Oklahoma is receiving \$1.7 million in federal funds dedicated to tobacco prevention and control:

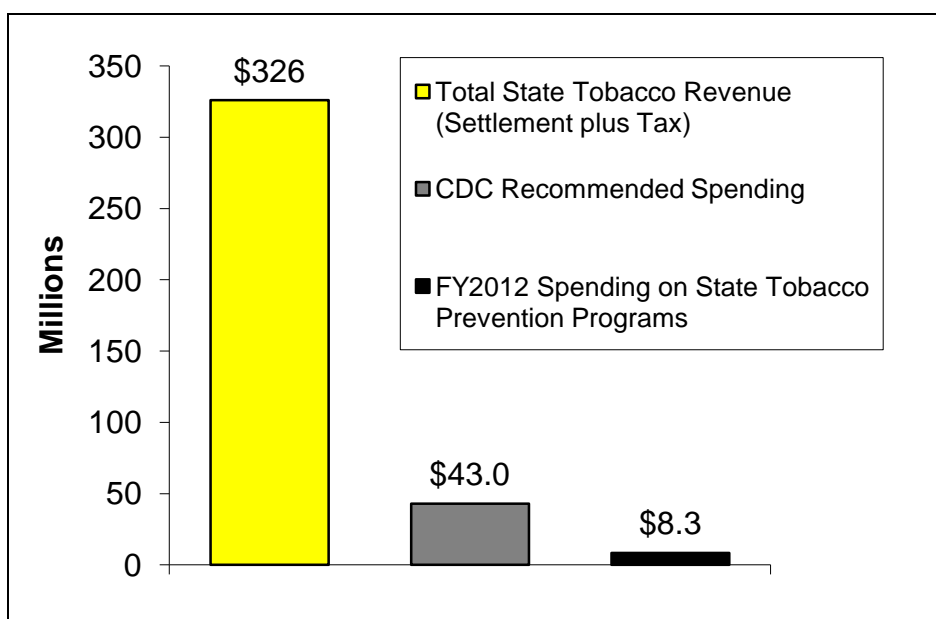
- \$1.3 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2011 (from annual appropriations).
- \$97,707 from the Prevention and Public Health Fund in the new health care reform law.
- \$268,629 from the Food and Drug Administration for enforcement of the Family Smoking Prevention and Tobacco Control Act, including the provision regarding tobacco sales to minors.

<b>Tobacco's Toll in Oklahoma</b>	
Adults who smoke	23.7%
High school students who smoke	20.2%
Deaths caused by smoking each year	6,200
Annual health care costs directly caused by smoking	\$1.16 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$548 per household
Annual tobacco company marketing in state	\$186.0 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	8.8 to 1

## Oregon

	FY2012	FY2011
<b>State Ranking</b>	19	25
<b>STATE SPENDING ON TOBACCO PREVENTION</b>	\$8.3 million	\$7.1 million
<b>% of CDC Recommended Spending (\$43.0 million)</b>	19.3%	16.6%

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that Oregon spend \$43.0 million a year to have an effective, comprehensive tobacco prevention program. Oregon currently allocates \$8.3 million a year for tobacco prevention and cessation. This is 19.3% of the CDC's recommendation and ranks Oregon 19th among the states in the funding of tobacco prevention programs. Oregon's spending on tobacco prevention amounts to 2.5% of the estimated \$326 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** Oregon's tobacco prevention and education program (TPEP) continues to be funded with tobacco tax revenues. In 2008, the program experienced its first significant funding increase since a drastic reduction in FY2004. Allocations that had been outlined in Measure 44, which provides that the program receive 10 percent of the state's 1996 30-cent per pack tax increase, were restored after years in which these funds were diverted to other programs.

In FY2012, state funding for TPEP is \$8.3 million, slightly more than the \$7.1 million spent in FY2011.

In addition, Oregon is receiving \$1.2 million in federal funds dedicated to tobacco prevention and control:

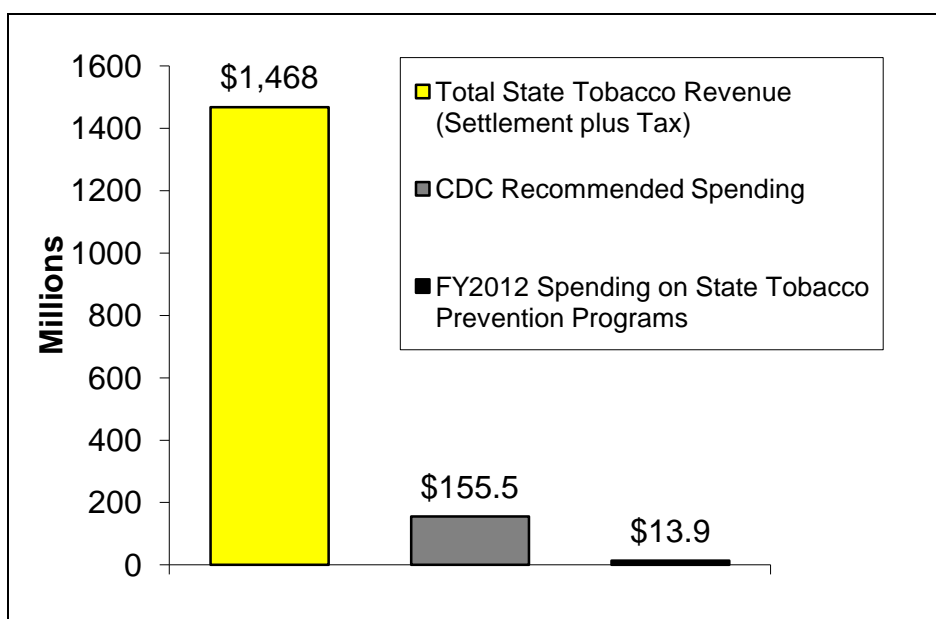
- \$1.1 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2011 (from annual appropriations).
- \$98,711 from the Prevention and Public Health Fund in the new health care reform law.

<b>Tobacco's Toll in Oregon</b>	
Adults who smoke	15.1%
High school students who smoke	14.9%
Deaths caused by smoking each year	4,900
Annual health care costs directly caused by smoking	\$1.11 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$563 per household
Annual tobacco company marketing in state	\$112.0 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	13.5 to 1

## Pennsylvania

	FY2012	FY2011
<b>State Ranking</b>	27	30
<b>STATE SPENDING ON TOBACCO PREVENTION</b>	\$13.9 million	\$14.7 million
<b>% of CDC Recommended Spending (\$155.5 million)</b>	9.0%	9.5%

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that Pennsylvania spend \$155.5 million a year to have an effective, comprehensive tobacco prevention program. Pennsylvania currently allocates \$13.9 million a year for tobacco prevention and cessation. This is 9.0% of the CDC's recommendation and ranks Pennsylvania 27th among the states in the funding of tobacco prevention programs. Pennsylvania's spending on tobacco prevention amounts to 0.9% of the estimated \$1.5 billion in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** Pennsylvania's allocation of tobacco settlement money is governed by a 2001 law that dedicated 12 percent of the state's annual settlement payments to tobacco prevention. Under the law, settlement funds must still be appropriated annually and the Department of Health is required to distribute 70 percent of its tobacco prevention and cessation funding to local programs and 30 percent of its funding to statewide programs.

Pennsylvania will spend \$13.9 million on tobacco prevention in FY2012, slightly less than what was spent in FY2011. State spending over the past four fiscal years has been reduced by more than 50%.

In addition, Pennsylvania is receiving \$2.1 million in federal funds dedicated to tobacco prevention and control:

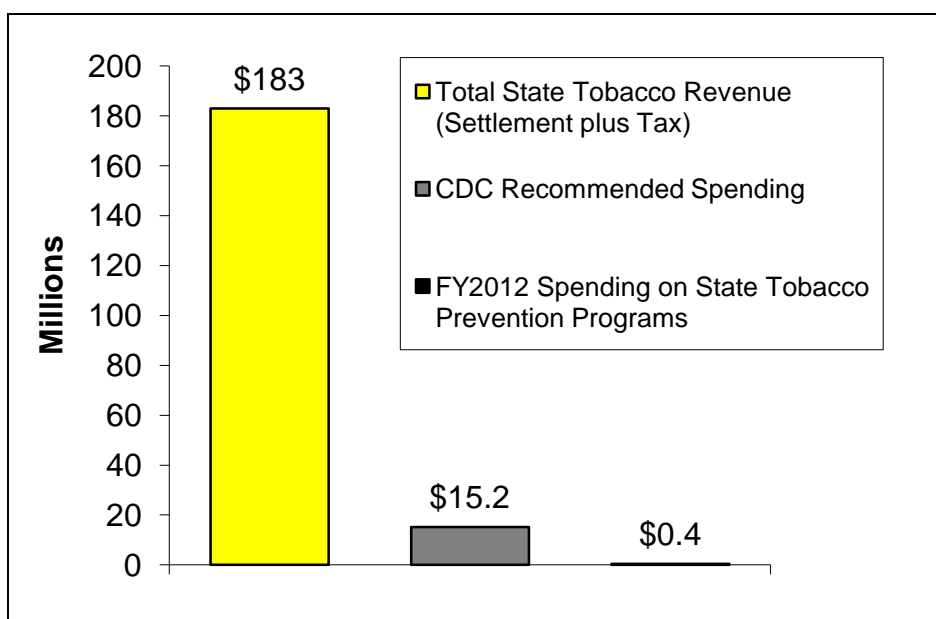
- \$1.3 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2011 (from annual appropriations).
- \$162,708 from the Prevention and Public Health Fund in the new health care reform law.
- \$626,280 from the Food and Drug Administration for enforcement of the Family Smoking Prevention and Tobacco Control Act, including the provision regarding tobacco sales to minors.

<b>Tobacco's Toll in Pennsylvania</b>	
Adults who smoke	18.4%
High school students who smoke	18.4%
Deaths caused by smoking each year	20,000
Annual health care costs directly caused by smoking	\$5.19 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$656 per household
Annual tobacco company marketing in state	\$452.8 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	32.5 to 1

## Rhode Island

	FY2012	FY2011
<b>State Ranking</b>	38	38
<b>STATE SPENDING ON TOBACCO PREVENTION</b>	\$372,665	\$735,095
<b>% of CDC Recommended Spending (\$15.2 million)</b>	2.5%	4.8%

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that Rhode Island spend \$15.2 million a year to have an effective, comprehensive tobacco prevention program. Rhode Island currently allocates \$372,665 a year for tobacco prevention and cessation. This is 2.5% of the CDC's recommendation and ranks Rhode Island 38th among the states in the funding of tobacco prevention programs. Rhode Island's spending on tobacco prevention amounts to 0.2% of the estimated \$183 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** The Rhode Island tobacco prevention and cessation program is funded entirely through the state's general fund. In 2002, the state approved a plan to sell, or securitize, the state's rights to \$1.19 billion in future tobacco settlement payments, for a smaller, one-time payment of \$600 million. The funds were used to address budget shortfalls and pay capital and operating expenses in FY2002-FY2004. Securitization left Rhode Island with no tobacco settlement funding available for tobacco prevention and other purposes after FY2004.

In FY2012, the state allocated \$372,665 for the state tobacco prevention and cessation program, nearly 50 percent less than the amount allocated in FY2011.

Rhode Island is spending less than the CDC-recommended amount on tobacco prevention, despite the fact that the state is receiving more tobacco-generated revenue than ever before as a result of increases in its tobacco taxes enacted in 2009, which brought the state's cigarette tax to \$3.46 a pack from \$2.46, its tax rate other tobacco products other than moist snuff to 80 percent of the wholesale price.

In addition, Rhode Island is receiving \$1.8 million in federal funds dedicated to tobacco prevention and control:

- \$1.1 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2011 (from annual appropriations).



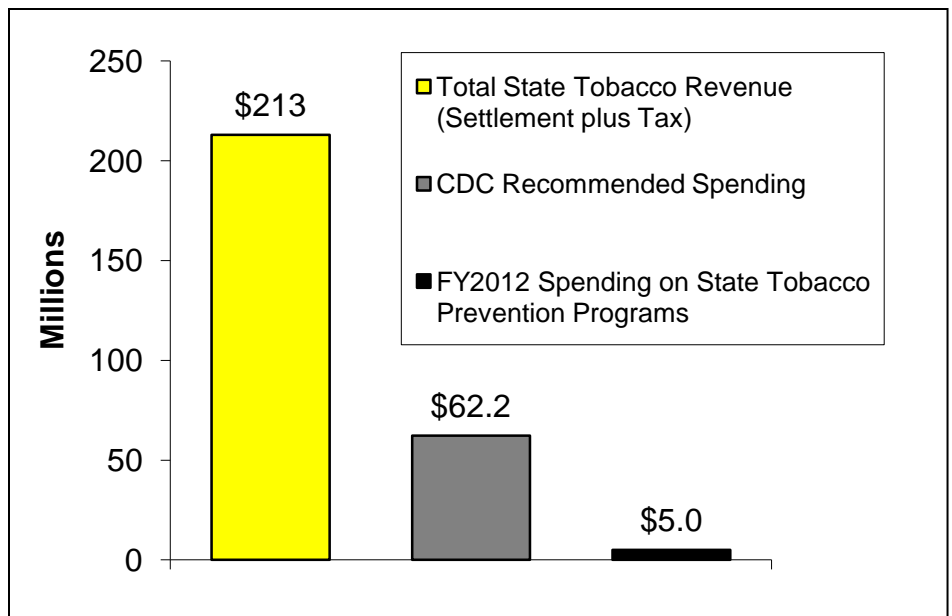
- \$78,510 from the Prevention and Public Health Fund in the new health care reform law.
- \$620,377 from the Food and Drug Administration for enforcement of the Family Smoking Prevention and Tobacco Control Act, including the provision regarding tobacco sales to minors.

<b>Tobacco's Toll in Rhode Island</b>	
Adults who smoke	15.7%
High school students who smoke	13.3%
Deaths caused by smoking each year	1,600
Annual health care costs directly caused by smoking	\$506 million
Residents' state & federal tax burden from smoking-caused government expenditures	\$717 per household
Annual tobacco company marketing in state	\$27.3 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	73.3 to 1

## South Carolina

	FY2012	FY2011
<b>State Ranking</b>	31	33
<b>STATE SPENDING ON TOBACCO PREVENTION</b>	\$5.0 million	\$5.0 million
<b>% of CDC Recommended Spending (\$62.2 million)</b>	8.0%	8.0%

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that South Carolina spend \$62.2 million a year to have an effective, comprehensive tobacco prevention program. South Carolina currently allocates \$5.0 million a year for tobacco prevention and cessation. This is 8.0% of the CDC's recommendation and ranks South Carolina 31st among the states in the funding of tobacco prevention programs. South Carolina's spending on tobacco prevention amounts to 2.3% of the estimated \$213 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** Under a 2000 agreement between the legislature and then-Governor Jim Hodges (D), South Carolina securitized its future tobacco settlement proceeds by selling them to investors in exchange for a smaller lump sum payment. The \$910 million raised was transferred into four trust funds. The legislature appropriates money from the trust funds annually for programs. From 2003 until 2011, no tobacco settlement funds were dedicated to tobacco prevention.

In 2010, the legislature passed a 50-cent cigarette tax increase that raised the cigarette tax to 57 cents, effective July 1, 2010. The law specified that \$5 million of that new tax revenue should be spent on tobacco prevention and cessation programs in FY2011. However, the legislature ultimately authorized the Department for Health and Environmental Control (DHEC) to spend just \$1,250,000 of that. The legislature has authorized that the full \$5 million be spent on tobacco control programs in FY2012.

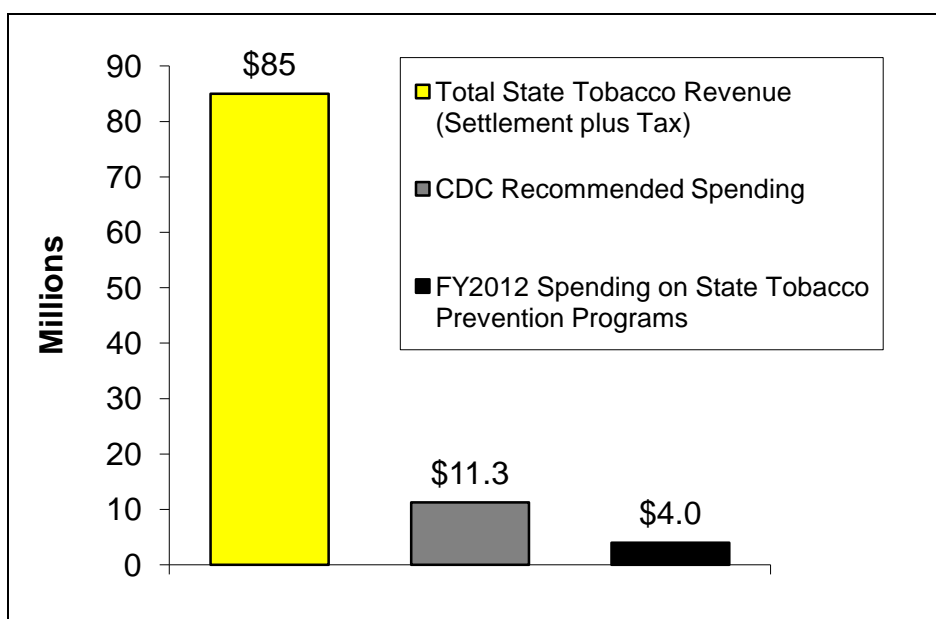
In addition, South Carolina is receiving \$1.2 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2011 (from annual appropriations).

<b>Tobacco's Toll in South Carolina</b>	
Adults who smoke	21.0%
High school students who smoke	20.5%
Deaths caused by smoking each year	6,100
Annual health care costs directly caused by smoking	\$1.09 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$556 per household
Annual tobacco company marketing in state	\$232.9 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	46.6 to 1

## South Dakota

	FY2012	FY2011
<b>State Ranking</b>	8	12
<b>STATE SPENDING ON TOBACCO PREVENTION</b>	\$4.0 million	\$3.5 million
<b>% of CDC Recommended Spending (\$11.3 million)</b>	35.4%	31.0%

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that South Dakota spend \$11.3 million a year to have an effective, comprehensive tobacco prevention program. South Dakota currently allocates \$4.0 million a year for tobacco prevention and cessation. This is 35.4% of the CDC's recommendation and ranks South Dakota 8th among the states in the funding of tobacco prevention programs. South Dakota's spending on tobacco prevention amounts to 4.7% of the estimated \$85 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** The FY2012 budget passed by the legislature and signed by Gov. Dennis Daugaard (R) allocated \$4 million for tobacco prevention. While this is a slight increase from what was appropriated in FY2011, it is still well below the CDC-recommended spending for South Dakota.

A November 2006 ballot initiative increased the state cigarette tax by \$1.00 per pack and increased the tax on other tobacco products to 35 percent of the wholesale price. This measure was expected to provide approximately \$5 million per year for tobacco prevention and cessation. But during the 2010 legislative session, the legislature decided to reduce spending on tobacco prevention and cessation to \$3.5 million for FY2011 and funding has remained below \$5 million since then.

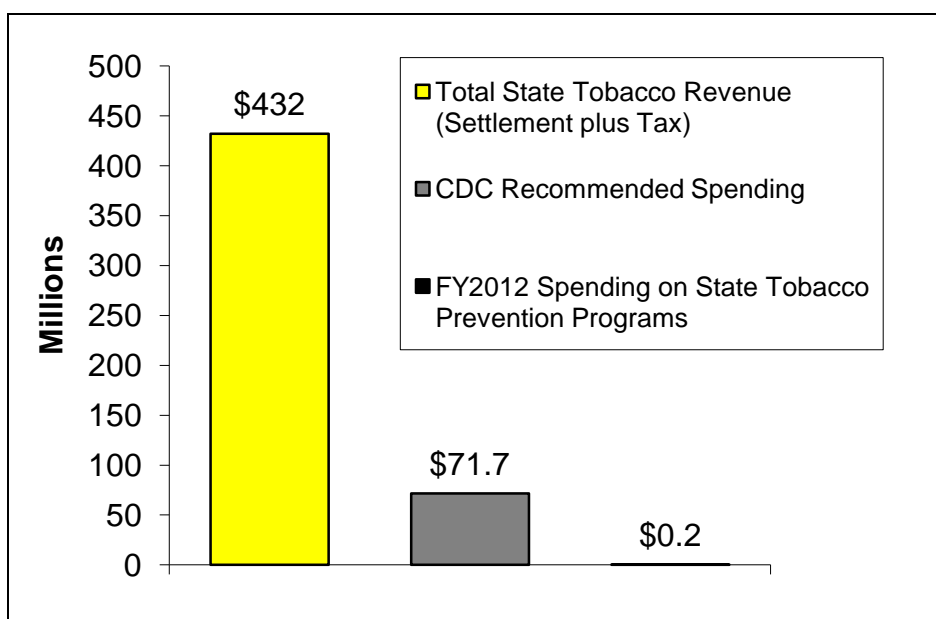
In addition, South Dakota is receiving \$963,055 from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2011 (from annual appropriations).

<b>Tobacco's Toll in South Dakota</b>	
Adults who smoke	15.4%
High school students who smoke	23.2%
Deaths caused by smoking each year	1,000
Annual health care costs directly caused by smoking	\$274 million
Residents' state & federal tax burden from smoking-caused government expenditures	\$567 per household
Annual tobacco company marketing in state	\$23.4 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	5.9 to 1

## Tennessee

	FY2012	FY2011
<b>State Ranking</b>	44	47
<b>STATE SPENDING ON TOBACCO PREVENTION</b>	\$200,000	\$222,268
<b>% of CDC Recommended Spending (\$71.7 million)</b>	0.3%	0.3%

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that Tennessee spend \$71.7 million a year to have an effective, comprehensive tobacco prevention program. Tennessee currently allocates \$200,000 a year for tobacco prevention and cessation. This is 0.3% of the CDC's recommendation and ranks Tennessee 44th among the states in the funding of tobacco prevention programs. Tennessee's spending on tobacco prevention amounts to 0.0% of the estimated \$432 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** Tennessee did not dedicate state funds to tobacco prevention until FY2008, when the budget passed by the legislature and signed by Governor Phil Bredesen (D) allocated \$10 million for tobacco prevention programs. However, due to a budget crisis, state funding for tobacco prevention was cut in half to \$5 million for FY2009. In FY2012, \$200,000 will be spent on tobacco control, about the same amount that was spent in FY2011. Tennessee should be commended, however, for funding smoking cessation benefits for Medicaid recipients.

In addition, Tennessee is receiving \$1.6 million in federal funds dedicated to tobacco prevention and control:

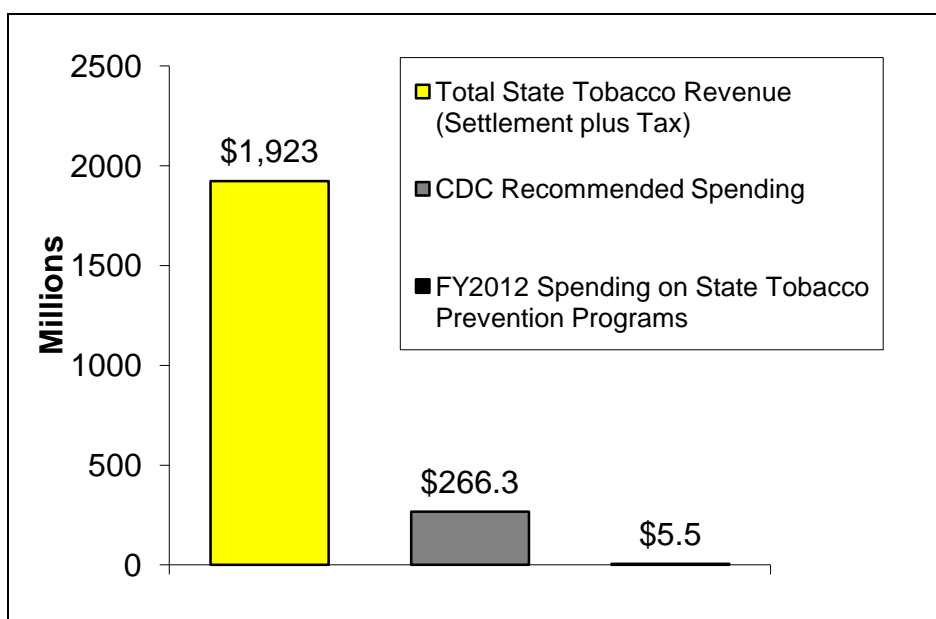
- \$1.3 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2011 (from annual appropriations).
- \$116,726 from the Prevention and Public Health Fund in the new health care reform law.
- \$245,561 from the Food and Drug Administration for enforcement of the Family Smoking Prevention and Tobacco Control Act, including the provision regarding tobacco sales to minors.

<b>Tobacco's Toll in Tennessee</b>	
Adults who smoke	20.1%
High school students who smoke	20.9%
Deaths caused by smoking each year	9,700
Annual health care costs directly caused by smoking	\$2.16 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$592 per household
Annual tobacco company marketing in state	\$253.7 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	1,268.5 to 1

## Texas

	FY2012	FY2011
<b>State Ranking</b>	39	40
<b>STATE SPENDING ON TOBACCO PREVENTION</b>	\$5.5 million	\$11.4 million
<b>% of CDC Recommended Spending (\$266.3 million)</b>	2.0%	4.3%

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that Texas spend \$266.3 million a year to have an effective, comprehensive tobacco prevention program. Texas currently allocates \$5.5 million a year for tobacco prevention and cessation. This is 2.0% of the CDC's recommendation and ranks Texas 39th among the states in the funding of tobacco prevention programs. Texas's spending on tobacco prevention amounts to 0.3% of the estimated \$1.9 billion in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** A 1999 law requires that all tobacco settlement payments be placed into several permanent endowments earmarked for a range of health and education programs. As Texas receives new funds as part of its settlement with the tobacco industry, the money is appropriated by the legislature on a biennial basis.

Texas is spending minimal amounts on tobacco prevention even though the state is receiving more tobacco-generated revenue than ever before as a result of a \$1.00 cigarette tax increase in 2007, which brought Texas's cigarette tax to \$1.41 a pack.

The biannual state budget for FY2012 and FY2013 appropriated \$10.9 million from the tobacco settlement to tobacco prevention, which is approximately \$5.5 million per year. This is half of what was spent on prevention in FY2010 and FY2011.

In addition, Texas is receiving \$3.1 million in federal funds dedicated to tobacco prevention and control:

- \$1.9 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2011 (from annual appropriations).
- \$251,470 from the Prevention and Public Health Fund in the new health care reform law.



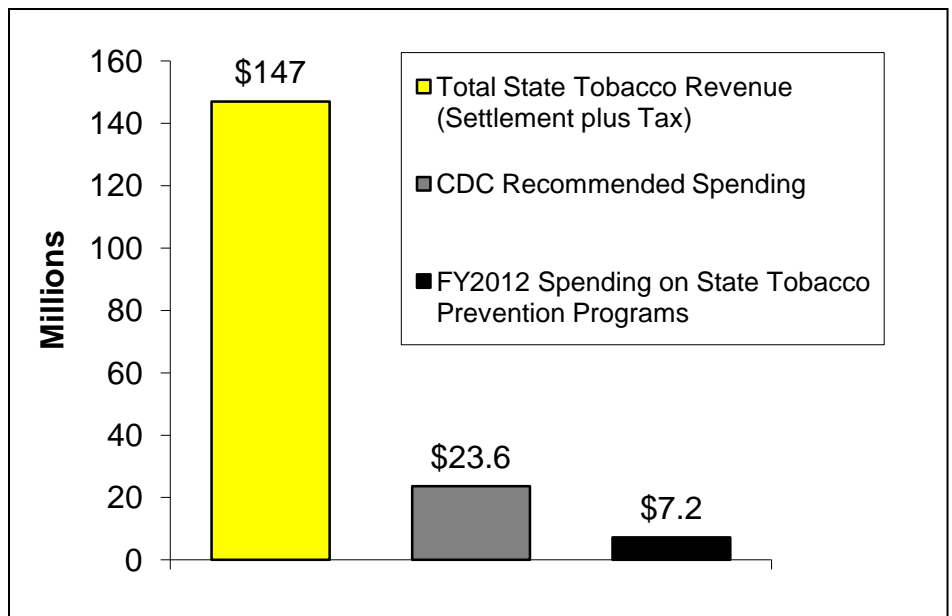
- \$1,024,050 from the Food and Drug Administration for enforcement of the Family Smoking Prevention and Tobacco Control Act, including the provision regarding tobacco sales to minors.

<b>Tobacco's Toll in Texas</b>	
Adults who smoke	15.8%
High school students who smoke	21.2%
Deaths caused by smoking each year	24,500
Annual health care costs directly caused by smoking	\$5.83 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$563 per household
Annual tobacco company marketing in state	\$622.4 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	114.2 to 1

## Utah

	FY2012	FY2011
<b>State Ranking</b>	12	13
<b>STATE SPENDING ON TOBACCO PREVENTION</b>	\$7.2 million	\$7.1 million
<b>% of CDC Recommended Spending (\$23.6 million)</b>	30.4%	30.2%

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that Utah spend \$23.6 million a year to have an effective, comprehensive tobacco prevention program. Utah currently allocates \$7.2 million a year for tobacco prevention and cessation. This is 30.4% of the CDC's recommendation and ranks Utah 12th among the states in the funding of tobacco prevention programs. Utah's spending on tobacco prevention amounts to 4.9% of the estimated \$147 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** Utah's tobacco settlement money is governed by a 2000 law that placed a portion of the state's annual payments into an endowment and gave the legislature the authority to appropriate the remaining half through the annual budgets. The law also called for a referendum in which voters would decide how to spend interest earned from the endowment. In November 2000, voters approved a measure that reinvested half the interest generated by the endowment and earmarked the remainder for health care programs.

In FY2012, the legislature and Governor Gary Herbert (R) allocated \$7.2 million in state funds for the state's tobacco prevention program, about the same amount as in FY2011.

The state is receiving more tobacco-generated revenue than ever before as a result of a \$1.005 per pack cigarette tax increase, to \$1.70 per pack, and increases in the tax rates on other tobacco products, enacted on July 1, 2010. Nonetheless, Utah spends less than the CDC-recommended amount on tobacco prevention and cessation.

In addition, Utah is receiving \$1.6 million in federal funds dedicated to tobacco prevention and control:

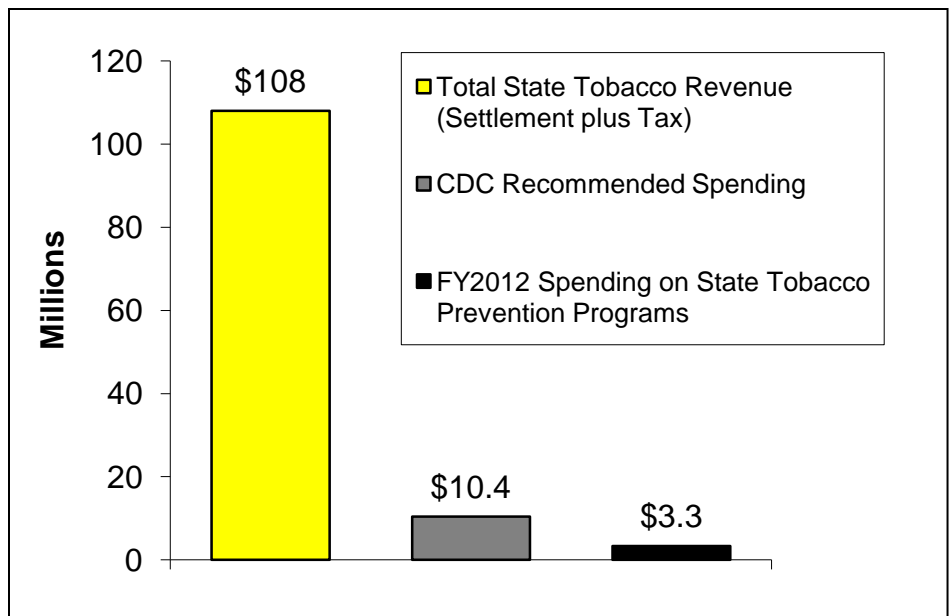
- \$1.2 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2011 (from annual appropriations).
- \$91,130 from the Prevention and Public Health Fund in the new health care reform law.
- \$272,145 from the Food and Drug Administration for enforcement of the Family Smoking Prevention and Tobacco Control Act, including the provision regarding tobacco sales to minors.

<b>Tobacco's Toll in Utah</b>	
Adults who smoke	9.1%
High school students who smoke	8.5%
Deaths caused by smoking each year	1,100
Annual health care costs directly caused by smoking	\$345 million
Residents' state & federal tax burden from smoking-caused government expenditures	\$516 per household
Annual tobacco company marketing in state	\$49.1 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	6.8 to 1

## Vermont

	FY2012	FY2011
<b>State Ranking</b>	11	9
<b>STATE SPENDING ON TOBACCO PREVENTION</b>	\$3.3 million	\$4.5 million
<b>% of CDC Recommended Spending (\$10.4 million)</b>	31.8%	43.4%

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that Vermont spend \$10.4 million a year to have an effective, comprehensive tobacco prevention program. Vermont currently allocates \$3.3 million a year for tobacco prevention and cessation. This is 31.8% of the CDC's recommendation and ranks Vermont 11th among the states in the funding of tobacco prevention programs. Vermont's spending on tobacco prevention amounts to 3.1% of the estimated \$108 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** In FY2012, Vermont's funding for tobacco prevention and cessation was \$3.3 million, a 25 percent reduction from FY2011. Since FY2009, the total tobacco control program budget has been cut by 35 percent. In addition, Vermont's Trust Fund, which was set up to insulate money from the Master Settlement Agreement and ensure the long-term health of the tobacco control program, has instead been used as a revenue source during budget shortfalls over the past two years. Approximately \$19 million was diverted for general budget purposes, leaving the fund with a balance of only \$4 million.

Vermont is spending less than the CDC-recommended amount on tobacco prevention despite the fact that the state is receiving more tobacco-generated revenue than ever before because of a 38-cent cigarette tax increase enacted in 2011, bringing the state rate to \$2.62 a pack. The tax rates on other tobacco products were last increased in 2010, when the cigarette tax rate was increased as well.

In addition, Vermont is receiving \$1.2 million in federal funds dedicated to tobacco prevention and control:

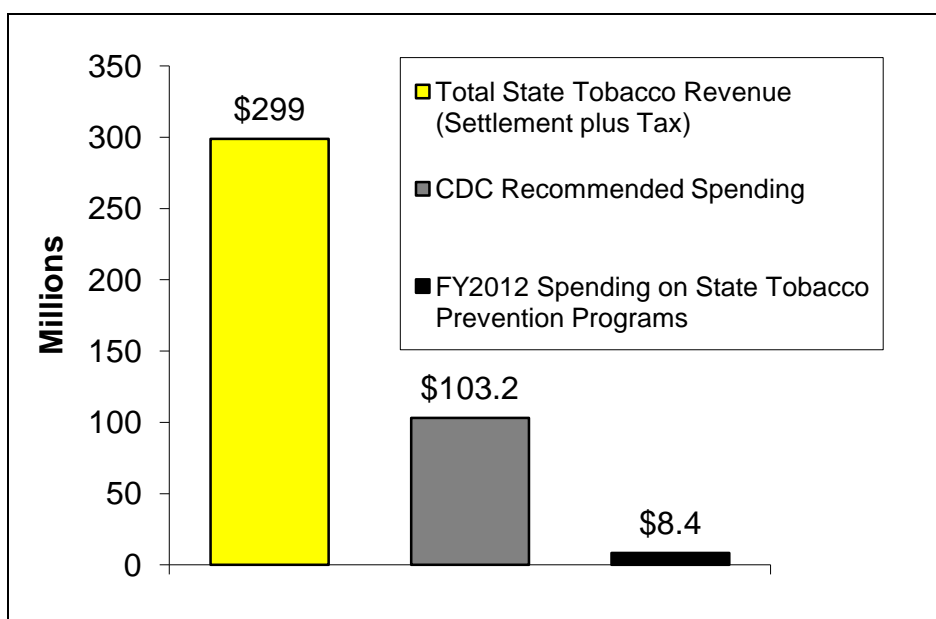
- \$1.1 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2011 (from annual appropriations).
- \$75,365 from the Prevention and Public Health Fund in the new health care reform law.

<b>Tobacco's Toll in Vermont</b>	
Adults who smoke	15.4%
High school students who smoke	13.0%
Deaths caused by smoking each year	800
Annual health care costs directly caused by smoking	\$233 million
Residents' state & federal tax burden from smoking-caused government expenditures	\$613 per household
Annual tobacco company marketing in state	\$19.0 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	5.7 to 1

## Virginia

	FY2012	FY2011
<b>State Ranking</b>	30	31
<b>STATE SPENDING ON TOBACCO PREVENTION</b>	\$8.4 million	\$9.4 million
<b>% of CDC Recommended Spending (\$103.2 million)</b>	8.1%	9.1%

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that Virginia spend \$103.2 million a year to have an effective, comprehensive tobacco prevention program. Virginia currently allocates \$8.4 million a year for tobacco prevention and cessation. This is 8.1% of the CDC's recommendation and ranks Virginia 30th among the states in the funding of tobacco prevention programs. Virginia's spending on tobacco prevention amounts to 2.8% of the estimated \$299 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** Over the past several years, Virginia's commitment to tobacco prevention funding has decreased. For several years, the state allocated 50 percent of its tobacco settlement funds to a trust fund for economic assistance for tobacco farmers and their communities, 10 percent to the Virginia Tobacco Settlement Foundation (VTSF) for youth tobacco prevention and cessation and the remaining 40 percent to the General Fund. In 2004, the state began allocating that 40% to the Virginia Healthcare Trust Fund for the state's Medicaid program instead of to the General Fund.

In 2009, the VTSF was changed to the Virginia Foundation for Healthy Youth (VFHY) and was charged with combating childhood obesity as well as tobacco prevention. Starting in FY 2011, the VFHF is *required* to spend \$1 million of its funding on obesity prevention. Furthermore, the legislature reduced the Foundation's allocation by 1.5 percentage points last year, moving those funds to the Virginia Health Care Trust Fund. As a result, while funding for the Health Care Trust Fund has increased to 41.5 percent and funding for tobacco farmers and their communities has remained level at 50 percent, the VFHY is required to address both tobacco and obesity prevention with less money. As a result of these policy changes, total state funding for tobacco prevention in Virginia will be \$8.4 million in FY2012.

In addition, Virginia is receiving \$2.5 million in federal funds dedicated to tobacco prevention and control:

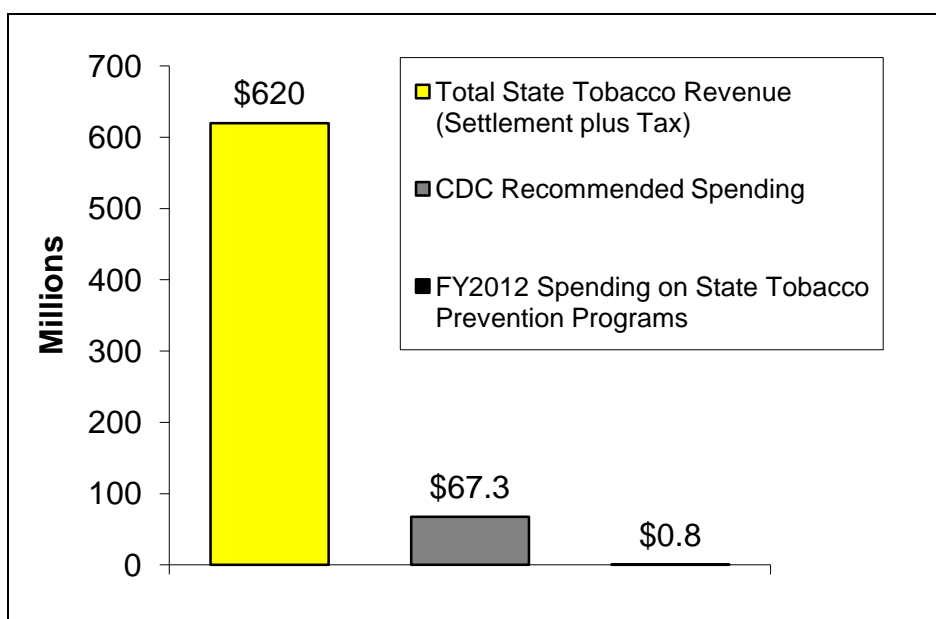
- \$1.0 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2011 (from annual appropriations).
- \$128,289 from the Prevention and Public Health Fund in the new health care reform law.
- \$1.4 from the Food and Drug Administration for enforcement of the Family Smoking Prevention and Tobacco Control Act, including the provision regarding tobacco sales to minors.

<b>Tobacco's Toll in Virginia</b>	
Adults who smoke	18.5%
High school students who smoke	19.7%
Deaths caused by smoking each year	9,200
Annual health care costs directly caused by smoking	\$2.08 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$558 per household
Annual tobacco company marketing in state	\$336.4 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	40.2 to 1

## Washington

	FY2012	FY2011
<b>State Ranking</b>	42	21
<b>STATE SPENDING ON TOBACCO PREVENTION</b>	\$750,000	\$13.4 million
<b>% of CDC Recommended Spending (\$67.3 million)</b>	1.1%	19.8%

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that Washington spend \$67.3 million a year to have an effective, comprehensive tobacco prevention program. Washington currently allocates \$750,000 a year for tobacco prevention and cessation. This is 1.1% of the CDC's recommendation and ranks Washington 42nd among the states in the funding of tobacco prevention programs. Washington's spending on tobacco prevention amounts to 0.1% of the estimated \$620 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** Historically, Washington funded tobacco prevention largely through the Tobacco Prevention and Control Account, which included a portion of the revenue raised by a 2001 voter-approved 60-cent per pack cigarette tax increase. The ballot initiative dedicated the new revenue to the state's Basic Health Plan, to tobacco prevention and cessation, and other existing programs that were already funded with tobacco tax revenue. The initiative required the state to spend at least \$26.24 million a year on tobacco prevention and cessation beginning July 1, 2002. In the 2009 legislative session, the Washington State Legislature changed this law and diverted tobacco tax money to the general fund. After June 30, 2011, the Tobacco Prevention and Control Account had no remaining funds to sustain the program.

In FY2012, the state's tobacco prevention program was essentially eliminated as the state will spend only \$750,000 on tobacco prevention efforts. These funds will be spent on compliance checks and retailer education. Also in FY2012, the state will spend about \$1.9 million to cover tobacco cessation quitline treatment for Medicaid enrollees.

As a result of the dramatic funding cut, Washington will no longer fund anti-tobacco media campaigns or local tobacco prevention and cessation programs in schools or through local governments or community organizations.



The near elimination of the state tobacco prevention program comes as declines in adult smoking have slowed and the most recent data show a slight uptick in the state's adult smoking rate – from 14.9 percent in 2009 to 15.2 percent in 2010.

Washington is spending almost nothing on tobacco prevention despite the fact that the state is receiving more tobacco-generated revenue than ever before as a result of a \$1.00 per pack cigarette tax increase, to \$3.025 per pack, and increases in the tax rates on other tobacco products effective May 2010.

In addition, Washington is receiving \$2.1 million in federal funds dedicated to tobacco prevention and control:

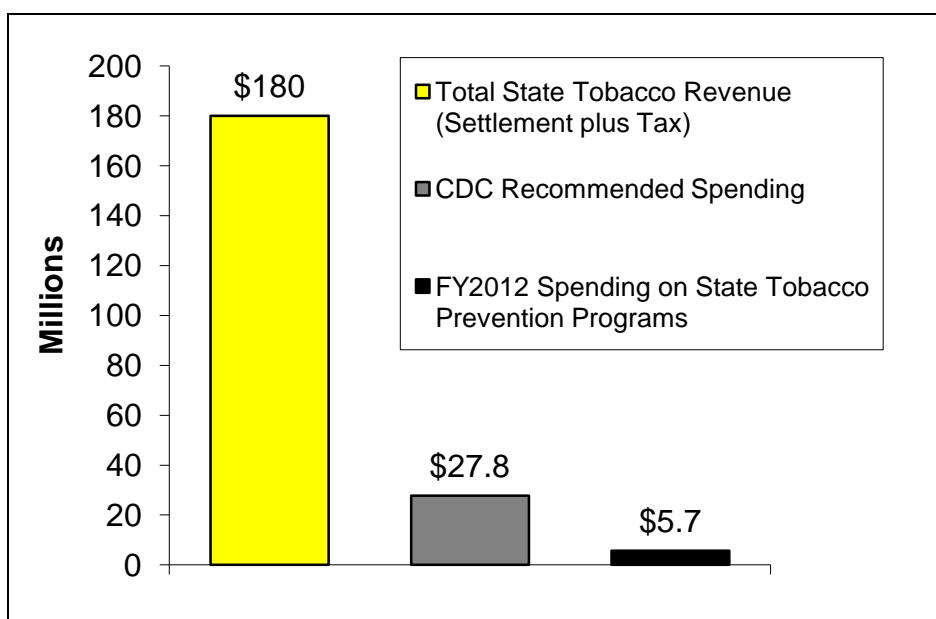
- \$1.4 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2011 (from annual appropriations).
- \$119,408 from the Prevention and Public Health Fund in the new health care reform law.
- \$521,393 from the Food and Drug Administration for enforcement of the Family Smoking Prevention and Tobacco Control Act, including the provision regarding tobacco sales to minors.

<b>Tobacco's Toll in Washington</b>	
Adults who smoke	15.2%
High school students who smoke	12.7%
Deaths caused by smoking each year	7,600
Annual health care costs directly caused by smoking	\$1.95 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$618 per household
Annual tobacco company marketing in state	\$122.5 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	163.3 to 1

## West Virginia

	FY2012	FY2011
<b>State Ranking</b>	18	19
<b>STATE SPENDING ON TOBACCO PREVENTION</b>	\$5.7 million	\$5.7 million
<b>% of CDC Recommended Spending (\$27.8 million)</b>	20.3%	20.4%

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that West Virginia spend \$27.8 million a year to have an effective, comprehensive tobacco prevention program. West Virginia currently allocates \$5.7 million a year for tobacco prevention and cessation. This is 20.3% of the CDC's recommendation and ranks West Virginia 18th among the states in the funding of tobacco prevention programs. West Virginia's spending on tobacco prevention amounts to 3.1% of the estimated \$180 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** Prior to FY2008, West Virginia's settlement payments were governed by a 1999 law that divided the settlement evenly into two funds: the West Virginia Medical Trust Fund Endowment and the West Virginia Tobacco Settlement Fund. Beginning in FY2008, tobacco prevention funds were allocated from the general fund rather than directly from West Virginia's settlement funds. West Virginia's settlement funds were converted into securities that year to retire some of the state's debt. Because of this change, all future tobacco prevention funding depends upon the legislature's willingness to allocate funds in the budget.

West Virginia is spending \$5.7 million in FY2012 towards tobacco prevention and cessation programs. This is about what was spent in FY2011 and FY2010, though still only a little over 20 percent of the amount the CDC recommends. West Virginia currently has the highest adult smoking rate in the country.

In addition, West Virginia is receiving \$2.0 million in federal funds dedicated to tobacco prevention and control:

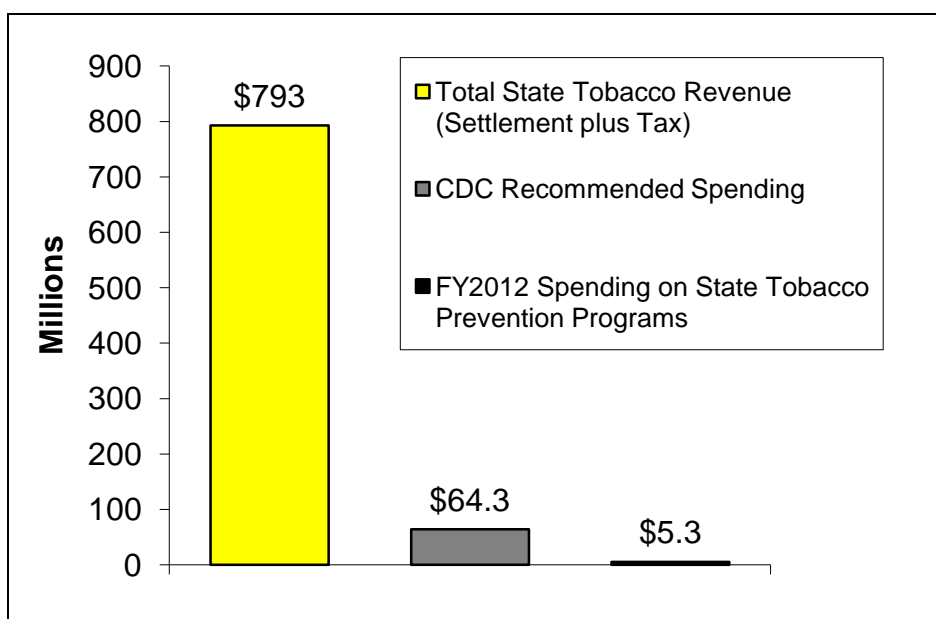
- \$1.2 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2011 (from annual appropriations).
- \$84,098 from the Prevention and Public Health Fund in the new health care reform law.
- \$742,831 from the Food and Drug Administration for enforcement of the Family Smoking Prevention and Tobacco Control Act, including the provision regarding tobacco sales to minors.

<b>Tobacco's Toll in West Virginia</b>	
Adults who smoke	26.8%
High school students who smoke	21.8%
Deaths caused by smoking each year	3,800
Annual health care costs directly caused by smoking	\$690 million
Residents' state & federal tax burden from smoking-caused government expenditures	\$581 per household
Annual tobacco company marketing in state	\$121.2 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	21.5 to 1

## Wisconsin

	FY2012	FY2011
<b>State Ranking</b>	29	29
<b>STATE SPENDING ON TOBACCO PREVENTION</b>	\$5.3 million	\$6.9 million
<b>% of CDC Recommended Spending (\$64.3 million)</b>	8.3%	10.7%

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that Wisconsin spend \$64.3 million a year to have an effective, comprehensive tobacco prevention program. Wisconsin currently allocates \$5.3 million a year for tobacco prevention and cessation. This is 8.3% of the CDC's recommendation and ranks Wisconsin 29th among the states in the funding of tobacco prevention programs. Wisconsin's spending on tobacco prevention amounts to 0.7% of the estimated \$793 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** In FY2010, Wisconsin cut its funding for tobacco prevention by more than 50 percent, from \$15.25 million in FY2009 to \$6.85 million in FY2010. Since the funding cut was part of a biennial budget, the tobacco prevention and control program also had \$6.85 million to spend in FY2011. The FY2012 budget reduces funding for the state's tobacco prevention and cessation program even further, to \$5.3 million.

Wisconsin is spending minimal amounts on tobacco prevention despite the fact that the state is receiving more tobacco-generated revenue than ever before as a result of a 75-cent cigarette tax increase, to \$2.52 a pack, and increases in the taxes on other tobacco products, including a switch from the weight-based tax on moist snuff to a percentage-of-price tax of 100% of the wholesale price, which went into effect on July 1, 2009.

In addition, Wisconsin is receiving \$1.7 million in federal funds dedicated to tobacco prevention and control:

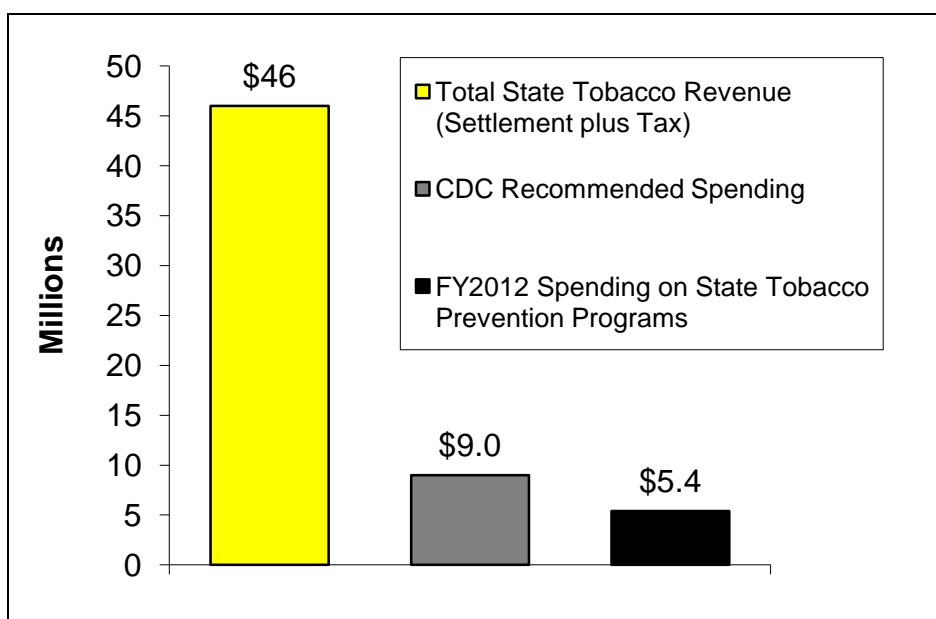
- \$1.2 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2011 (from annual appropriations).
- \$112,051 from the Prevention and Public Health Fund in the new health care reform law.
- \$429,990 from the Food and Drug Administration for enforcement of the Family Smoking Prevention and Tobacco Control Act, including the provision regarding tobacco sales to minors.

<b>Tobacco's Toll in Wisconsin</b>	
Adults who smoke	19.1%
High school students who smoke	17.7%
Deaths caused by smoking each year	7,200
Annual health care costs directly caused by smoking	\$2.02 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$581 per household
Annual tobacco company marketing in state	\$223.0 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	42.0 to 1

## Wyoming

	FY2012	FY2011
<b>State Ranking</b>	5	5
<b>STATE SPENDING ON TOBACCO PREVENTION</b>	\$5.4 million	\$5.4 million
<b>% of CDC Recommended Spending (\$9.0 million)</b>	60.0%	60.0%

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that Wyoming spend \$9.0 million a year to have an effective, comprehensive tobacco prevention program. Wyoming currently allocates \$5.4 million a year for tobacco prevention and cessation. This is 60.0% of the CDC's recommendation and ranks Wyoming 5th among the states in the funding of tobacco prevention programs. Wyoming's spending on tobacco prevention amounts to 11.7% of the estimated \$46 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** The FY2012 budget approved by the legislature and Governor Matt Mead (R) provides \$5.4 million for tobacco prevention and cessation programs, level funding with FY2011. Wyoming's tobacco settlement payments through FY2002 were governed by a 1999 law that placed all of the state's settlement payments into a Tobacco Settlement Trust Fund. From FY2003 forward, the settlement funds were placed into an income account that funded substance abuse programs and other health care services. The state's tobacco prevention program is funded through tobacco settlement funds and state general funds.

In addition, Wyoming is receiving \$1.1 million in federal funds dedicated to tobacco prevention and control:

- \$1.0 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2011 (from annual appropriations).
- \$74,800 from the Prevention and Public Health Fund in the new health care reform law.

<b>Tobacco's Toll in Wyoming</b>	
Adults who smoke	19.5%
High school students who smoke	22.1%
Deaths caused by smoking each year	700
Annual health care costs directly caused by smoking	\$136 million
Residents' state & federal tax burden from smoking-caused government expenditures	\$572 per household
Annual tobacco company marketing in state	\$24.5 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	4.5 to 1

## Appendix A



### History of Spending for State Tobacco Prevention Programs FY2007 - FY2012

	FY2012		FY2011		FY2010		FY2009		FY2008		FY2007	
	Spending (\$millions)	Percent of CDC Rec. *	Spending (\$millions)	Percent of CDC Rec. *	Spending (\$millions)	Percent of CDC Rec. *	Spending (\$millions)	Percent of CDC Rec. *	Spending (\$millions)	Percent of CDC Min.	Spending (\$millions)	Percent of CDC Min.
<b>States Total</b>	<b>\$456.7</b>	<b>12.4%</b>	<b>\$517.9</b>	<b>14.0%</b>	<b>\$569.3</b>	<b>15.4%</b>	<b>\$670.9</b>	<b>18.1%</b>	<b>\$717.2</b>	<b>44.8%</b>	<b>\$597.5</b>	<b>37.2%</b>
Alabama**	NA	NA	\$0.9	1.5%	\$0.8	1.3%	\$1.2	2.1%	\$0.8	2.9%	\$0.7	2.6%
Alaska	\$10.8	101.3%	\$9.8	92.0%	\$9.2	86.0%	\$8.2	76.6%	\$7.5	92.5%	\$6.2	76.6%
Arizona	\$18.0	26.4%	\$19.8	29.1%	\$22.1	32.5%	\$21.0	30.8%	\$23.5	84.6%	\$25.5	91.8%
Arkansas	\$7.4	20.5%	\$11.8	32.4%	\$18.7	51.4%	\$16.0	44.0%	\$15.6	87.1%	\$15.1	84.3%
California	\$70.0	15.8%	\$75.0	17.0%	\$77.1	17.4%	\$77.7	17.6%	\$77.4	46.9%	\$84.0	50.9%
Colorado	\$6.5	11.9%	\$7.0	12.9%	\$11.1	20.4%	\$26.4	48.5%	\$26.0	105.9%	\$25.0	101.8%
Connecticut	\$0.0	0.0%	\$0.4	0.9%	\$6.1	13.9%	\$7.4	16.9%	\$0.0	0.0%	\$2.0	9.4%
Delaware	\$9.0	64.9%	\$8.3	59.5%	\$10.1	72.7%	\$10.7	77.0%	\$10.7	123.8%	\$10.3	119.4%
DC	\$0.0	0.0%	\$0.6	5.4%	\$0.9	8.1%	\$3.6	34.3%	\$3.6	48.1%	\$0.5	6.7%
Florida	\$62.3	29.5%	\$61.6	29.2%	\$65.8	31.2%	\$59.5	28.2%	\$58.0	74.0%	\$5.6	7.1%
Georgia	\$2.0	1.7%	\$2.0	1.8%	\$2.1	1.8%	\$2.3	2.0%	\$2.2	5.3%	\$2.3	5.4%
Hawaii	\$10.7	70.3%	\$9.3	61.1%	\$7.9	52.0%	\$10.5	69.1%	\$10.4	96.3%	\$9.1	84.0%
Idaho	\$0.9	5.2%	\$1.5	8.9%	\$1.2	7.1%	\$1.7	10.1%	\$1.4	12.6%	\$0.9	8.2%
Illinois	\$9.5	6.1%	\$9.5	6.1%	\$8.5	5.4%	\$8.5	5.4%	\$8.5	13.1%	\$8.5	13.1%
Indiana	\$10.1	12.8%	\$9.2	11.7%	\$10.8	13.7%	\$15.1	19.2%	\$16.2	46.6%	\$10.9	31.3%
Iowa	\$3.3	8.9%	\$7.3	20.0%	\$10.1	27.5%	\$10.4	28.3%	\$12.3	63.5%	\$6.5	33.6%
Kansas	\$1.0	3.1%	\$1.0	3.1%	\$1.0	3.1%	\$1.0	3.1%	\$1.4	7.8%	\$1.0	5.5%
Kentucky	\$2.2	3.9%	\$2.6	4.5%	\$2.8	4.9%	\$2.8	4.9%	\$2.4	9.4%	\$2.2	8.8%
Louisiana	\$8.4	15.8%	\$9.0	16.9%	\$7.8	14.6%	\$7.6	14.2%	\$7.7	28.3%	\$8.0	29.5%
Maine	\$9.4	50.6%	\$9.9	53.5%	\$10.8	58.4%	\$10.9	58.9%	\$16.9	151.2%	\$14.7	131.3%
Maryland	\$4.3	6.8%	\$4.3	6.9%	\$5.5	8.7%	\$19.6	31.0%	\$18.4	60.7%	\$18.7	61.7%
Massachusetts	\$4.2	4.6%	\$4.5	5.0%	\$4.5	5.0%	\$12.2	13.6%	\$12.8	36.2%	\$8.3	23.4%
Michigan	\$1.8	1.5%	\$2.6	2.1%	\$2.6	2.1%	\$3.7	3.1%	\$3.6	6.6%	\$0.0	0.0%
Minnesota	\$19.5	33.4%	\$19.6	33.6%	\$20.3	34.8%	\$20.5	35.1%	\$22.1	77.2%	\$21.7	75.8%
Mississippi	\$9.9	25.3%	\$9.9	25.3%	\$10.6	27.0%	\$10.3	26.3%	\$8.0	42.6%	\$0.0	0.0%
Missouri	\$0.1	0.1%	\$0.1	0.1%	\$1.2	1.6%	\$1.7	2.3%	\$0.2	0.6%	\$0.0	0.0%



	FY2012		FY2011		FY2010		FY2009		FY2008		FY2007	
	Spending (\$millions)	Percent of CDC Rec. *	Spending (\$millions)	Percent of CDC Rec. *	Spending (\$millions)	Percent of CDC Rec. *	Spending (\$millions)	Percent of CDC Rec. *	Spending (\$millions)	Percent of CDC Min.	Spending (\$millions)	Percent of CDC Min.
Montana	\$4.7	33.8%	\$8.4	60.4%	\$8.4	60.4%	\$8.5	61.2%	\$8.5	90.6%	\$6.9	73.7%
Nebraska	\$2.4	11.0%	\$2.9	13.3%	\$3.0	14.0%	\$3.0	14.0%	\$2.5	18.8%	\$3.0	22.5%
Nevada	\$0.0	0.0%	\$0.0	0.0%	\$2.9	8.9%	\$3.4	10.5%	\$2.0	14.8%	\$3.8	28.2%
New Hampshire	\$0.0	0.0%	\$0.0	0.0%	\$0.0	0.0%	\$0.2	1.0%	\$1.3	12.3%	\$0.0	0.0%
New Jersey	\$1.2	1.0%	\$0.6	0.5%	\$7.6	6.3%	\$9.1	7.6%	\$11.0	24.4%	\$11.0	24.4%
New Mexico	\$5.9	25.3%	\$7.0	29.8%	\$9.5	40.6%	\$9.6	41.0%	\$9.6	70.1%	\$7.7	56.2%
New York	\$41.4	16.3%	\$58.4	23.0%	\$55.2	21.7%	\$80.4	31.6%	\$85.5	89.2%	\$85.5	89.2%
North Carolina	\$17.3	16.2%	\$18.3	17.1%	\$18.3	17.1%	\$17.1	16.0%	\$17.1	40.2%	\$17.1	40.2%
North Dakota	\$8.1	87.0%	\$8.2	88.1%	\$8.2	88.2%	\$3.1	33.3%	\$3.1	38.4%	\$3.1	38.0%
Ohio	\$0.0	0.0%	\$0.0	0.0%	\$6.0	4.1%	\$6.0	4.1%	\$44.7	72.4%	\$45.0	72.9%
Oklahoma	\$21.2	47.1%	\$21.7	48.2%	\$19.8	44.0%	\$18.0	40.0%	\$14.2	65.1%	\$10.0	45.8%
Oregon	\$8.3	19.3%	\$7.1	16.6%	\$6.6	15.3%	\$8.2	19.1%	\$8.2	38.8%	\$3.5	16.3%
Pennsylvania	\$13.9	9.0%	\$14.7	9.5%	\$17.7	11.4%	\$32.1	20.6%	\$31.7	48.3%	\$30.3	46.2%
Rhode Island	\$0.4	2.5%	\$0.7	4.8%	\$0.7	4.6%	\$0.9	6.1%	\$0.9	9.5%	\$1.0	9.6%
South Carolina	\$5.0	8.0%	\$5.0	8.0%	\$2.0	3.2%	\$0.0	0.0%	\$2.0	8.4%	\$2.0	8.4%
South Dakota	\$4.0	35.4%	\$3.5	31.0%	\$5.0	44.2%	\$5.0	44.2%	\$5.0	57.5%	\$0.7	8.1%
Tennessee	\$0.2	0.3%	\$0.2	0.3%	\$0.2	0.3%	\$5.0	7.0%	\$10.0	31.0%	\$0.0	0.0%
Texas	\$5.5	2.0%	\$11.4	4.3%	\$11.4	4.3%	\$11.8	4.4%	\$11.8	11.4%	\$5.2	5.0%
Utah	\$7.2	30.4%	\$7.1	30.2%	\$7.1	30.1%	\$7.2	30.5%	\$7.3	47.7%	\$7.2	47.3%
Vermont	\$3.3	31.8%	\$4.5	43.4%	\$4.8	46.2%	\$5.2	50.0%	\$5.2	66.0%	\$5.1	64.5%
Virginia	\$8.4	8.1%	\$9.4	9.1%	\$12.3	11.9%	\$12.7	12.3%	\$14.5	37.3%	\$13.5	34.7%
Washington	\$0.8	1.1%	\$13.4	19.8%	\$15.8	23.5%	\$27.2	40.4%	\$27.1	81.1%	\$27.1	81.3%
West Virginia	\$5.7	20.3%	\$5.7	20.4%	\$5.7	20.5%	\$5.7	20.5%	\$5.7	40.0%	\$5.4	38.1%
Wisconsin	\$5.3	8.3%	\$6.9	10.7%	\$6.9	10.7%	\$15.3	23.8%	\$15.0	48.1%	\$10.0	32.1%
Wyoming	\$5.4	60.0%	\$5.4	60.0%	\$4.8	53.3%	\$6.0	66.7%	\$5.9	80.1%	\$5.9	79.9%
<b>Total</b>	<b>\$456.7</b>	<b>12.4%</b>	<b>\$517.9</b>	<b>14.0%</b>	<b>\$569.3</b>	<b>15.4%</b>	<b>\$670.9</b>	<b>18.1%</b>	<b>\$717.2</b>	<b>44.8%</b>	<b>\$597.5</b>	<b>37.2%</b>

*Note: Annual funding amounts only include state funds*

\* In 2007, the CDC updated its recommendation for the amount each state should spend on tobacco prevention programs, taking into account new science, population increases, inflation and other changes since it last issued its recommendations in 1999. In most cases, the updated recommendations are higher than previous ones. Starting in FY2009, this report assessed the states based on these new recommendations.

\*\* Alabama's tobacco prevention program budget for FY2012 was not available when this report went to press. In FY2011, Alabama budgeted \$860,000, which is just 1.5 percent of the CDC's recommendation.

## History of Spending for State Tobacco Prevention Programs FY2000 - FY2006

	FY2006		FY2005		FY2004		FY2003		FY2002		FY2001		FY2000	
	Spending (\$millions)	Percent of CDC Min.	Spending (\$millions)	Percent of CDC Min.	Spending (\$millions)	Percent of CDC Min.	Spending (\$millions)	Percent of CDC Min.	Spending (\$millions)	Percent of CDC Min.	Spending (\$millions)	Percent of CDC Min.	Spending (\$millions)	Percent of CDC Min.
<b>States Total</b>	<b>\$551.0</b>	<b>34.4%</b>	<b>\$538.2</b>	<b>33.6%</b>	<b>\$542.8</b>	<b>33.9%</b>	<b>\$674.4</b>	<b>42.1%</b>	<b>\$749.7</b>	<b>46.9%</b>	<b>\$737.5</b>	<b>46.1%</b>	<b>\$680.3</b>	<b>42.5%</b>
Alabama	\$0.3	1.2%	\$0.4	1.3%	\$0.4	1.3%	\$0.4	1.3%	\$0.6	2.2%	\$6.0	22.4%	\$6.0	22.4%
Alaska	\$5.7	70.5%	\$4.2	51.5%	\$3.8	47.0%	\$5.0	61.8%	\$3.1	38.3%	\$1.4	17.3%	\$1.4	17.3%
Arizona	\$23.1	83.1%	\$23.1	83.1%	\$23.0	82.8%	\$18.3	65.7%	\$36.6	131.6%	\$34.5	124.1%	\$29.3	105.4%
Arkansas	\$17.5	97.7%	\$17.6	98.3%	\$18.5	103.3%	\$16.4	91.5%	\$16.4	91.5%	\$16.1	89.9%	\$0.0	0.0%
California	\$79.7	48.3%	\$74.0	44.8%	\$90.1	54.6%	\$88.4	53.5%	\$134.5	81.5%	\$114.6	69.4%	\$88.2	53.4%
Colorado	\$27.0	110.0%	\$4.3	17.5%	\$3.8	15.5%	\$7.6	31.0%	\$12.7	51.8%	\$12.7	51.7%	\$13.2	53.8%
Connecticut	\$0.0	0.2%	\$0.1	0.3%	\$0.5	2.4%	\$0.6	2.7%	\$0.6	2.7%	\$1.0	4.7%	\$4.0	18.8%
Delaware	\$9.2	106.6%	\$9.3	107.8%	\$10.1	117.0%	\$5.0	57.9%	\$5.5	63.2%	\$2.8	32.4%	\$0.0	0.0%
DC	\$0.0	0.0%	\$0.0	0.0%	\$0.0	0.0%	\$0.0	0.0%	\$0.0	0.0%	\$0.0	0.0%	\$0.0	0.0%
Florida	\$1.0	1.3%	\$1.0	1.3%	\$1.0	1.3%	\$37.5	47.8%	\$29.8	38.0%	\$44.0	56.1%	\$44.0	56.1%
Georgia	\$3.1	7.3%	\$11.5	27.0%	\$12.6	29.6%	\$19.1	44.8%	\$20.8	48.8%	\$15.8	37.1%	\$15.8	37.1%
Hawaii	\$5.8	53.8%	\$8.9	82.6%	\$8.9	82.6%	\$10.3	95.1%	\$4.2	38.9%	\$9.3	86.3%	\$9.7	89.5%
Idaho	\$0.5	4.9%	\$1.9	17.2%	\$1.6	14.5%	\$1.3	11.5%	\$1.1	10.0%	\$1.2	10.9%	\$1.2	10.9%
Illinois	\$11.0	16.9%	\$11.0	16.9%	\$12.0	18.5%	\$12.0	18.5%	\$45.9	70.7%	\$28.6	44.1%	\$28.6	44.0%
Indiana	\$10.8	31.1%	\$10.8	31.1%	\$10.8	31.1%	\$32.5	93.4%	\$32.5	93.4%	\$35.0	100.6%	\$35.0	100.6%
Iowa	\$5.6	28.9%	\$5.1	26.4%	\$5.1	26.4%	\$5.1	26.3%	\$9.4	48.7%	\$9.4	48.6%	\$9.4	48.3%
Kansas	\$1.0	5.5%	\$0.8	4.1%	\$0.5	2.8%	\$0.5	2.8%	\$0.5	2.8%	\$0.5	2.8%	\$0.5	2.8%
Kentucky	\$2.7	10.8%	\$2.7	10.8%	\$2.6	10.4%	\$3.0	12.0%	\$5.5	21.9%	\$5.8	23.1%	\$5.8	23.1%
Louisiana	\$8.0	29.5%	\$11.3	41.7%	\$10.7	39.4%	\$8.0	29.5%	\$0.5	1.8%	\$4.1	15.1%	\$4.1	15.1%
Maine	\$14.2	126.9%	\$14.2	126.9%	\$14.5	129.6%	\$15.2	135.6%	\$13.8	122.9%	\$18.8	168.0%	\$18.8	168.0%
Maryland	\$9.2	30.4%	\$9.5	31.4%	\$14.8	48.8%	\$30.0	99.0%	\$20.1	66.2%	\$30.0	99.0%	\$30.0	99.0%
Massachusetts	\$4.3	12.1%	\$3.8	10.6%	\$2.5	7.1%	\$4.8	13.6%	\$48.0	136.2%	\$43.1	122.3%	\$43.1	122.3%
Michigan	\$0.0	0.0%	\$0.0	0.0%	\$0.0	0.0%	\$0.0	0.0%	\$0.0	0.0%	\$0.0	0.0%	\$0.0	0.0%
Minnesota	\$22.1	77.2%	\$18.7	65.3%	\$20.4	71.3%	\$32.3	112.9%	\$28.9	101.0%	\$35.0	122.3%	\$35.0	122.3%
Mississippi	\$20.0	106.4%	\$20.0	106.4%	\$20.0	106.4%	\$20.0	106.4%	\$20.0	106.4%	\$31.0	165.0%	\$31.0	165.0%
Missouri	\$0.0	0.0%	\$0.0	0.0%	\$0.0	0.0%	\$0.0	0.0%	\$0.0	0.0%	\$0.0	0.0%	\$0.0	0.0%
Montana	\$6.8	72.6%	\$2.5	26.7%	\$2.5	26.7%	\$0.4	4.1%	\$0.5	5.3%	\$3.5	37.4%	\$3.5	37.4%
Nebraska	\$3.0	22.5%	\$2.9	21.8%	\$0.4	3.1%	\$7.0	52.6%	\$7.0	52.6%	\$7.0	52.6%	\$7.0	52.6%
Nevada	\$4.2	31.2%	\$4.4	32.6%	\$4.3	31.9%	\$4.3	31.8%	\$4.3	31.7%	\$3.0	22.3%	\$3.9	29.0%

	FY2006		FY2005		FY2004		FY2003		FY2002		FY2001		FY2000	
	Spending (\$millions)	Percent of CDC Min.	Spending (\$millions)	Percent of CDC Min.	Spending (\$millions)	Percent of CDC Min.	Spending (\$millions)	Percent of CDC Min.	Spending (\$millions)	Percent of CDC Min.	Spending (\$millions)	Percent of CDC Min.	Spending (\$millions)	Percent of CDC Min.
New Hampshire	\$0.0	0.0%	\$0.0	0.0%	\$0.0	0.0%	\$3.0	27.5%	\$3.0	27.5%	\$3.0	27.5%	\$3.0	27.5%
New Jersey	\$11.5	25.5%	\$11.0	24.4%	\$10.5	23.3%	\$30.0	66.6%	\$30.0	66.6%	\$30.0	66.6%	\$18.6	41.3%
New Mexico	\$6.0	43.8%	\$5.0	36.5%	\$5.0	36.5%	\$5.0	36.5%	\$5.0	36.5%	\$2.3	16.8%	\$2.3	16.4%
New York	\$43.4	45.3%	\$39.5	41.2%	\$37.0	38.6%	\$40.0	41.7%	\$40.0	41.7%	\$30.0	31.3%	\$30.0	31.3%
North Carolina	\$15.0	35.2%	\$15.0	35.2%	\$10.9	25.6%	\$6.2	14.6%	\$0.0	0.0%	\$0.0	0.0%	\$0.0	0.0%
North Dakota	\$3.1	38.0%	\$3.1	38.0%	\$3.0	36.8%	\$2.5	30.6%	\$2.5	30.9%	\$0.0	0.0%	\$0.0	0.0%
Ohio	\$47.2	76.4%	\$53.3	86.3%	\$38.0	61.5%	\$34.0	55.1%	\$21.7	35.1%	\$60.0	97.2%	\$60.0	97.2%
Oklahoma	\$8.9	40.8%	\$4.8	22.0%	\$2.5	11.5%	\$2.5	11.2%	\$1.7	7.9%	\$6.3	28.9%	\$6.3	28.9%
Oregon	\$3.5	16.3%	\$3.5	16.6%	\$2.9	13.5%	\$11.1	52.5%	\$11.3	53.2%	\$8.5	40.2%	\$8.5	40.2%
Pennsylvania	\$32.9	50.2%	\$46.1	70.3%	\$52.6	80.2%	\$52.0	79.3%	\$41.4	63.1%	\$0.0	0.0%	\$0.0	0.0%
Rhode Island	\$2.1	21.2%	\$2.5	25.3%	\$2.7	27.3%	\$3.3	33.4%	\$3.3	33.4%	\$2.3	23.3%	\$2.3	23.3%
South Carolina	\$0.0	0.0%	\$0.0	0.0%	\$0.0	0.0%	\$2.0	8.4%	\$1.6	6.7%	\$1.8	7.5%	\$1.8	7.3%
South Dakota	\$0.7	8.1%	\$1.5	17.3%	\$0.8	8.6%	\$0.8	8.6%	\$2.7	31.1%	\$1.7	19.6%	\$1.7	19.6%
Tennessee	\$0.0	0.0%	\$0.0	0.0%	\$0.0	0.0%	\$0.0	0.0%	\$0.0	0.0%	\$0.0	0.0%	\$0.0	0.0%
Texas	\$7.0	6.8%	\$7.4	7.2%	\$7.4	7.2%	\$12.5	12.1%	\$12.5	12.1%	\$9.3	9.0%	\$9.0	8.7%
Utah	\$7.2	47.3%	\$7.2	47.2%	\$7.2	47.2%	\$7.0	46.0%	\$6.0	39.4%	\$6.0	39.4%	\$6.0	39.4%
Vermont	\$4.9	61.9%	\$4.7	58.9%	\$4.5	56.9%	\$5.2	65.7%	\$5.5	70.0%	\$6.5	82.2%	\$6.5	82.2%
Virginia	\$12.8	32.9%	\$13.0	33.5%	\$17.4	44.8%	\$22.2	57.1%	\$19.2	49.3%	\$12.6	32.4%	\$13.1	33.7%
Washington	\$27.2	81.6%	\$27.2	81.6%	\$26.2	78.6%	\$26.2	78.7%	\$17.5	52.5%	\$15.0	45.0%	\$15.0	45.0%
West Virginia	\$5.9	41.7%	\$5.9	41.3%	\$5.9	41.7%	\$5.9	41.3%	\$5.9	41.3%	\$5.9	41.7%	\$5.9	41.3%
Wisconsin	\$10.0	32.1%	\$10.0	32.1%	\$10.0	32.1%	\$15.5	49.7%	\$15.5	49.7%	\$21.2	68.0%	\$21.2	68.0%
Wyoming	\$5.9	79.9%	\$3.8	51.5%	\$3.0	40.7%	\$3.0	40.7%	\$0.9	12.2%	\$0.9	12.2%	\$0.9	12.2%
<b>Total</b>	<b>\$551.0</b>	<b>34.4%</b>	<b>\$538.2</b>	<b>33.6%</b>	<b>\$542.8</b>	<b>33.9%</b>	<b>\$674.4</b>	<b>42.1%</b>	<b>\$749.7</b>	<b>46.9%</b>	<b>\$737.5</b>	<b>46.1%</b>	<b>\$680.3</b>	<b>42.5%</b>

## Appendix B



### TOBACCO-PREVENTION SPENDING vs. STATE TOBACCO REVENUES

[All amounts are in millions of dollars per year, except where otherwise indicated]

Despite receiving massive amounts of annual revenue from tobacco taxes and the state tobacco lawsuit settlements with the cigarette companies, the vast majority of states are still failing to invest even the minimum amounts recommended by the U.S. Centers for Disease Control and Prevention (CDC) to prevent and reduce tobacco use and minimize related health harms and costs.

State	Annual Smoking Caused Health Costs	FY 2012 State Tobacco Prevention Spending	CDC Annual Spending Target	Tobacco Prevention Spending % of CDC Target	Tobacco Prevention Spending Rank (1= high)	FY 2012 State Tobacco Settlement Revenues (est.)	FY 2012 State Tobacco Tax Revenues (est.)	Total Annual State Revenues From Tobacco (est.)	Tobacco Prevention Spending % of Tobacco Revenue
<b>States Total</b>	<b>\$96.7 bill.</b>	<b>\$456.7</b>	<b>\$3.7 bill.</b>	<b>12.4%</b>	<b>-</b>	<b>\$7.4 bill.</b>	<b>\$18.2 bill.</b>	<b>\$25.6 bill.</b>	<b>1.8%</b>
Alabama*	\$1.49 bill.	NA	\$56.7	NA	NA	\$96.0	\$141.9	\$237	NA
Alaska	\$169	\$10.8	\$10.7	101.3%	1st	\$31.9	\$69.0	\$100	10.8%
Arizona	\$1.3 bill.	\$18.0	\$68.1	26.4%	14th	\$105.2	\$338.1	\$443	4.1%
Arkansas	\$812	\$7.4	\$36.4	20.5%	17th	\$51.9	\$240.4	\$292	2.6%
California	\$9.14 bill.	\$70.0	\$441.9	15.8%	22nd	\$752.3	\$905.0	\$1.7 bill.	4.2%
Colorado	\$1.31 bill.	\$6.5	\$54.4	11.9%	25th	\$94.2	\$195.9	\$290	2.2%
Connecticut	\$1.63 bill.	\$0.0	\$43.9	0.0%	50th	\$128.5	\$381.1	\$509	0.0%
Delaware	\$284	\$9.0	\$13.9	64.9%	4th	\$27.7	\$126.2	\$153	5.9%
DC	\$243	\$0.0	\$10.5	0.0%	50th	\$39.6	\$36.3	\$75	0.0%
Florida	\$6.32 bill.	\$62.3	\$210.9	29.5%	13th	\$360.9	\$1,309.5	\$1.7 bill.	3.7%
Georgia	\$2.25 bill.	\$2.0	\$116.5	1.7%	40th	\$144.2	\$226.4	\$370	0.5%
Hawaii	\$336	\$10.7	\$15.2	70.3%	3rd	\$51.3	\$136.5	\$187	5.7%
Idaho	\$319	\$0.9	\$16.9	5.2%	34th	\$25.9	\$48.6	\$74	1.2%
Illinois	\$4.10 bill.	\$9.5	\$157.0	6.1%	33rd	\$280.5	\$576.1	\$856	1.1%
Indiana	\$2.08 bill.	\$10.1	\$78.8	12.8%	24th	\$133.8	\$467.2	\$601	1.7%
Iowa	\$1.01 bill.	\$3.3	\$36.7	8.9%	28th	\$68.9	\$225.2	\$294	1.1%
Kansas	\$927	\$1.0	\$32.1	3.1%	37th	\$60.4	\$100.5	\$160	0.6%
Kentucky	\$1.50 bill.	\$2.2	\$57.2	3.9%	36th	\$104.1	\$285.7	\$389	0.6%
Louisiana	\$1.47 bill.	\$8.4	\$53.5	15.8%	22nd	\$145.7	\$149.3	\$295	2.9%
Maine	\$602	\$9.4	\$18.5	50.6%	6th	\$52.9	\$144.4	\$197	4.8%
Maryland	\$1.96 bill.	\$4.3	\$63.3	6.8%	32nd	\$150.9	\$399.2	\$550	0.8%
Massachusetts	\$3.54 bill.	\$4.2	\$90.0	4.6%	35th	\$261.7	\$571.2	\$832	0.5%
Michigan	\$3.40 bill.	\$1.8	\$121.2	1.5%	41st	\$262.6	\$959.3	\$1.2 bill.	0.1%
Minnesota	\$2.06 bill.	\$19.5	\$58.4	33.4%	10th	\$165.1	\$468.7	\$633	3.1%
Mississippi	\$719	\$9.9	\$39.2	25.3%	15th	\$111.6	\$153.9	\$265	3.7%
Missouri	\$2.13 bill.	\$0.1	\$73.2	0.1%	45th	\$138.8	\$105.8	\$244	0.0%
Montana	\$277	\$4.7	\$13.9	33.8%	9th	\$31.5	\$88.1	\$119	3.9%
Nebraska	\$537	\$2.4	\$21.5	11.0%	26th	\$38.9	\$68.6	\$107	2.2%
Nevada	\$565	\$0.0	\$32.5	0.0%	50th	\$41.8	\$105.8	\$147	0.0%
New Hampshire	\$564	\$0.0	\$19.2	0.0%	50th	\$43.9	\$220.4	\$264	0.0%
New Jersey	\$3.17 bill.	\$1.2	\$119.8	1.0%	43rd	\$237.5	\$776.4	\$1.0 bill.	0.1%
New Mexico	\$461	\$5.9	\$23.4	25.3%	15th	\$40.8	\$97.5	\$138	4.3%
New York	\$8.17 bill.	\$41.4	\$254.3	16.3%	20th	\$754.5	\$1,580.7	\$2.3	1.8%

State	Annual Smoking Caused Health Costs	FY 2012 State Tobacco Prevention Spending	CDC Annual Spending Target	Tobacco Prevention Spending % of CDC Target	Tobacco Prevention Spending Rank (1= high)	FY 2012 State Tobacco Settlement Revenues (est.)	FY 2012 State Tobacco Tax Revenues (est.)	Total Annual State Revenues From Tobacco (est.)	Tobacco Prevention Spending % of Tobacco Revenue
North Carolina	\$2.46 bill.	\$17.3	\$106.8	16.2%	21st	\$144.9	\$287.0	\$431	4.0%
North Dakota	\$247	\$8.1	\$9.3	87.0%	2nd	\$33.4	\$24.1	\$57	14.2%
Ohio	\$4.37 bill.	\$0.0	\$145.0	0.0%	50th	\$302.4	\$851.9	\$1.2 bill.	0.0%
Oklahoma	\$1.16 bill.	\$21.2	\$45.0	47.1%	7th	\$81.2	\$275.9	\$357	5.9%
Oregon	\$1.11 bill.	\$8.3	\$43.0	19.3%	19th	\$82.2	\$244.4	\$326	2.5%
Pennsylvania	\$5.19 bill.	\$13.9	\$155.5	9.0%	27th	\$345.6	\$1,122.7	\$1.5 bill.	0.9%
Rhode Island	\$506	\$0.4	\$15.2	2.5%	38th	\$48.4	\$135.4	\$183	0.2%
South Carolina	\$1.09 bill.	\$5.0	\$62.2	8.0%	31st	\$75.7	\$138.1	\$213	2.3%
South Dakota	\$274	\$4.0	\$11.3	35.4%	8th	\$25.1	\$60.7	\$85	4.7%
Tennessee	\$2.16 bill.	\$0.2	\$71.7	0.3%	44th	\$142.1	\$290.1	\$432	0.0%
Texas	\$5.83 bill.	\$5.5	\$266.3	2.0%	39th	\$461.9	\$1,461.6	\$1.9 bill.	0.3%
Utah	\$345	\$7.2	\$23.6	30.4%	12th	\$38.5	\$109.0	\$147	4.9%
Vermont	\$233	\$3.3	\$10.4	31.8%	11th	\$36.5	\$71.8	\$108	3.1%
Virginia	\$2.08 bill.	\$8.4	\$103.2	8.1%	30th	\$120.0	\$179.3	\$299	2.8%
Washington	\$1.95 bill.	\$0.8	\$67.3	1.1%	42nd	\$157.8	\$462.6	\$620	0.1%
West Virginia	\$690	\$5.7	\$27.8	20.3%	18th	\$66.6	\$113.5	\$180	3.1%
Wisconsin	\$2.02 bill.	\$5.3	\$64.3	8.3%	29th	\$135.4	\$657.9	\$793	0.7%
Wyoming	\$136	\$5.4	\$9.0	60.0%	5th	\$19.5	\$26.7	\$46	11.7%

Notes: Annual funding amounts only include state funds. CDC annual spending targets are from CDC, *Best Practices for Comprehensive Tobacco Control*, October 2007. State settlement payments are based on information received from the National Association of Attorneys General (NAAG). Estimated FY2012 state tobacco settlement revenues assume that the cigarette companies will withhold a portion of their payments based on a claimed non-participating manufacturers adjustment, just as they did in 2011. The state settlement revenues include the tobacco settlement bonus payments expected to be included in annual MSA payments made to states in April 2012. Estimated state tobacco tax revenue amounts are based on monthly Tax Burden on Tobacco data, state agencies, and conservative projections using the most recent data available.

\* Alabama's tobacco prevention program budget for FY2012 was not available when this report went to press. In FY2011, Alabama budgeted \$860,000, which is just 1.5 percent of the CDC's recommendation.

## Appendix C



### Cuts to State Tobacco Prevention Programs from FY2008-FY2012

State	FY08 State Spending (\$millions)	FY12 State Spending (\$millions)	Difference in Spending FY08-FY12 (\$millions)	Percent Cut FY08-FY12
Alabama*	\$0.8	NA	NA	NA
Alaska	\$7.5	\$10.8	\$3.36	44.9%
Arizona	\$23.5	\$18.0	-\$5.50	-23.4%
Arkansas	\$15.6	\$7.4	-\$8.15	-52.3%
California	\$77.4	\$70.0	-\$7.37	-9.5%
Colorado	\$26.0	\$6.5	-\$19.53	-75.1%
Connecticut	\$0.0	\$0.0	\$0.00	NA
Delaware	\$10.7	\$9.0	-\$1.66	-15.6%
District of Columbia	\$3.6	\$0.0	-\$3.60	-100.0%
Florida	\$58.0	\$62.3	\$4.30	7.4%
Georgia	\$2.2	\$2.0	-\$0.25	-11.1%
Hawaii	\$10.4	\$10.7	\$0.31	3.0%
Idaho	\$1.4	\$0.9	-\$0.51	-36.7%
Illinois	\$8.5	\$9.5	\$1.00	11.8%
Indiana	\$16.2	\$10.1	-\$6.15	-38.0%
Iowa	\$12.3	\$3.3	-\$9.04	-73.5%
Kansas	\$1.4	\$1.0	-\$0.40	-28.6%
Kentucky	\$2.4	\$2.2	-\$0.11	-4.8%
Louisiana	\$7.7	\$8.4	\$0.77	10.0%
Maine	\$16.9	\$9.4	-\$7.56	-44.7%
Maryland	\$18.4	\$4.3	-\$14.07	-76.5%
Massachusetts	\$12.8	\$4.2	-\$8.60	-67.4%
Michigan	\$3.6	\$1.8	-\$1.77	-49.2%
Minnesota	\$22.1	\$19.5	-\$2.60	-11.8%
Mississippi	\$8.0	\$9.9	\$1.90	23.8%
Missouri	\$0.2	\$0.1	-\$0.14	-70.0%
Montana	\$8.5	\$4.7	-\$3.78	-44.6%
Nebraska	\$2.5	\$2.4	-\$0.13	-5.2%

<b>State</b>	<b>FY08 State Spending (\$millions)</b>	<b>FY12 State Spending (\$millions)</b>	<b>Difference in Spending FY08-FY12 (\$millions)</b>	<b>Percent Cut FY08-FY12</b>
Nevada	\$2.0	\$0.0	-\$2.00	-100.0%
New Hampshire	\$1.3	\$0.0	-\$1.34	-100.0%
New Jersey	\$11.0	\$1.2	-\$9.76	-88.7%
New Mexico	\$9.6	\$5.9	-\$3.68	-38.3%
New York	\$85.5	\$41.4	-\$44.10	-51.6%
North Carolina	\$17.1	\$17.3	\$0.23	1.3%
North Dakota	\$3.1	\$8.1	\$4.97	158.6%
Ohio	\$44.7	\$0.0	-\$44.73	-100.0%
Oklahoma	\$14.2	\$21.2	\$6.99	49.2%
Oregon	\$8.2	\$8.3	\$0.08	1.0%
Pennsylvania	\$31.7	\$13.9	-\$17.73	-56.0%
Rhode Island	\$0.9	\$0.4	-\$0.57	-60.4%
South Carolina	\$2.0	\$5.0	\$3.00	150.0%
South Dakota	\$5.0	\$4.0	-\$1.00	-20.0%
Tennessee	\$10.0	\$0.2	-\$9.80	-98.0%
Texas	\$11.8	\$5.5	-\$6.35	-53.8%
Utah	\$7.3	\$7.2	-\$0.09	-1.2%
Vermont	\$5.2	\$3.3	-\$1.91	-36.6%
Virginia	\$14.5	\$8.4	-\$6.11	-42.2%
Washington	\$27.1	\$0.8	-\$26.30	-97.2%
West Virginia	\$5.7	\$5.7	-\$0.01	-0.2%
Wisconsin	\$15.0	\$5.3	-\$9.69	-64.6%
Wyoming	\$5.9	\$5.4	-\$0.51	-8.6%
<b>Total</b>	<b>\$717.2</b>	<b>\$456.7</b>	<b>-\$260.5</b>	<b>-36.3%</b>

\*Alabama's tobacco prevention program budget for FY2012 was not available when this report went to press. In FY2011, Alabama budgeted \$860,000, which is just 1.5 percent of the CDC's recommendation.



## COMPREHENSIVE TOBACCO PREVENTION AND CESSATION PROGRAMS EFFECTIVELY REDUCE TOBACCO USE

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Tobacco control programs play a crucial role in the prevention of many chronic conditions such as cancer, heart disease, and respiratory illness. Comprehensive tobacco prevention and cessation programs prevent kids from starting to smoke, help adult smokers quit, educate the public, the media and policymakers about policies that reduce tobacco use, address disparities, and serve as a counter to the ever-present tobacco industry.

Recommendations for state tobacco prevention and cessation programs are best summarized in the Center for Disease Control and Prevention's (CDC) *Best Practices for Comprehensive Tobacco Control Programs*. In this guidance document, CDC recommends that states establish tobacco control programs that are comprehensive, sustainable, and accountable and include state and community interventions, public education interventions, cessation programs, surveillance and evaluation and administration and management.<sup>1</sup>

The empirical evidence regarding the effectiveness of comprehensive tobacco prevention and cessation programs is vast and growing. There is more evidence than ever before that tobacco prevention and cessation programs work to reduce smoking, save lives and save money. In 2007, the Institute of Medicine and the President's Cancer Panel issued landmark reports that concluded there is overwhelming evidence that state comprehensive state tobacco control programs substantially reduce tobacco use and recommended that every state fund such programs at CDC-recommended levels.<sup>2</sup>

Data from numerous states that have implemented programs consistent with CDC guidelines show significant reductions in youth and adult smoking. The most powerful evidence, however, comes from national studies that look across states and control for as many of the relevant confounding factors as possible. These rigorous studies consistently show effects of tobacco prevention and cessation programs.

A study published in the *American Journal of Public Health*, examined state tobacco prevention and cessation funding levels from 1995 to 2003 and found that the more states spent on these programs, the larger the declines they achieved in adult smoking, even when controlling for other factors such as increased tobacco prices. The researchers also calculated that if every state had funded their programs at the levels recommended by the CDC during that period, there would have been between 2.2 million and 7.1 million fewer smokers in the United States by 2003.<sup>3</sup> The Campaign for Tobacco-Free Kids estimates that such smoking declines would have saved between 700,000 and 2.2 million lives as well as between \$20 billion and \$67 billion in health care costs.

The study described above adds to earlier research, using similar methods, which demonstrated the same type of relationship between program spending and youth smoking declines. A 2005 study concluded that if every state had spent the minimum amount recommended by the CDC for tobacco prevention, youth smoking rates nationally would have been between three and 14 percent lower during the study period, from 1991 to 2000. Further, if every state funded tobacco prevention at CDC minimum levels, states would prevent nearly two million kids alive today from becoming smokers, save more than 600,000 of them from premature, smoking-caused deaths, and save \$23.4 billion in long-term, smoking-related health care costs.<sup>4</sup>

A 2003 study published in the *Journal of Health Economics* found that states with the best funded and most sustained tobacco prevention programs during the 1990s – Arizona, California, Massachusetts and Oregon – reduced cigarette sales more than twice as much as the country as a whole (43 percent compared to 20 percent). This study, the first to compare cigarette sales data from all the states and to isolate the impact of tobacco control program expenditures from other factors that affect cigarette sales,



demonstrates that the more states spend on tobacco prevention, the greater the reductions in smoking, and the longer states invest in such programs, the larger the impact. The study concludes that cigarette sales would have declined by 18 percent instead of nine percent between 1994 and 2000 had all states fully funded tobacco prevention programs.<sup>5</sup>

A 2006 study published in the *American Journal of Health Promotion* provides further evidence of the effectiveness of comprehensive tobacco control programs and tobacco control policies. The study's findings suggest that well-funded tobacco control programs combined with strong tobacco control policies increase cessation rates. Quit rates in communities that experienced both policy and programmatic interventions were higher than quit rates in communities that had only experienced policy interventions (excise tax increases or secondhand smoke regulations). This finding supports the claim that state-based tobacco control programs can accelerate adult cessation rates in the population and have an effect beyond that predicted by tobacco-control policies alone.<sup>6</sup>

Data from numerous states provide additional evidence of the effectiveness of comprehensive tobacco prevention and cessation programs. States that have implemented comprehensive programs have achieved significant reductions in tobacco use among both adults and youth. The experiences in states from around the country who have invested in comprehensive prevention programs establish the following key points:

- When adequately funded, comprehensive state tobacco prevention programs quickly and substantially reduce tobacco use, save lives, and cut smoking-caused costs.
- State tobacco prevention programs must be insulated against the inevitable attempts by the tobacco industry to reduce program funding and otherwise interfere with the programs' successful operation.
- The programs' funding must be sustained over time both to protect initial tobacco use reductions and to achieve further cuts.
- When program funding is cut, progress in reducing tobacco use erodes, and the state suffers from higher levels of smoking and more smoking-caused deaths, disease, and costs.

Unfortunately, many states faced with budget difficulties have recently made the penny-wise but pound-foolish decision to slash the funding of even the most effective tobacco control programs, which will cost lives and money.

### **Program Success – California**

In 1988, California voters approved Proposition 99, a ballot initiative that increased state cigarette taxes by 25 cents per pack, with 20 percent of the new revenues (over \$100 million per year) earmarked for health education against tobacco use. California launched its new Tobacco Control Program in Spring 1990. Despite increased levels of tobacco marketing and promotion, a major cigarette price cut in 1993, tobacco company interference with the program, and periodic cuts in funding, the program has still reduced tobacco use and its attendant devastation substantially.

- California's comprehensive approach has reduced adult smoking significantly. Adult smoking declined by 47.5 percent from 1988 to 2010, from 22.7 percent to 11.9 percent.<sup>7</sup> If every state had California's current smoking rate, there would be more than 17 million fewer smokers in the United States.
- Between 2000 and 2010, smoking prevalence among high school students decreased by 36 percent, from 21.6 percent to 13.8 percent.<sup>8</sup>

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\* This factsheet focuses on the extensive public health benefits obtained by state tobacco prevention programs. Other Campaign factsheets show that these programs also reduce smoking-caused costs, including those incurred by state Medicaid programs. See, e.g., TFK Factsheet, *Comprehensive Statewide Tobacco-Prevention Programs Save Money*, <http://tobaccofreekids.org/research/factsheets/pdf/0168.pdf>.

- A recent study in the *Journal of the American Medical Association* demonstrates that California reduced overall smoking and high intensity smoking much faster than the rest of the country. Researchers suggest that the Tobacco Control Program's focus on changing social norms has both reduced initiation and increased cessation.<sup>9</sup>
- Between Fiscal Year 1989-90 and Fiscal Year 2006-07, per capita cigarette consumption in California declined by 61 percent, compared to just 41 percent for the country as a whole, during this same time period.<sup>10</sup> Even after the tobacco industry's successful efforts to reduce the state's tobacco prevention funding, cigarette consumption still declined more in California than in the rest of the country.<sup>11</sup>
- In the 10 years following the passage of Proposition 99, adult smoking in California declined at twice the rate it declined in the previous decade.<sup>12</sup>
- Between 1988 and 2004, lung and bronchus cancer rates in California declined nearly four times faster than the rest of the U.S.<sup>13</sup> Researchers have associated the declines in lung cancer rates with the efforts of California's program.<sup>14</sup>
- A study published in the *American Journal of Public Health* found that the California anti-tobacco media campaign reduced sales of cigarettes by 232 million packs between the third quarter of 1990 and the fourth quarter of 1992. This reduction was independent of the decreases in consumption brought about by the tax increase.<sup>15</sup>

The California tobacco control program produced much larger smoking reductions in the early years, when it was funded at its highest levels, than during subsequent years, when the state cut its funding. For example, when California cut the program's funding in the mid 1990s, its progress in reducing adult and youth smoking rates stalled, but it got back on track when program funding was partially restored.<sup>16</sup>

### **Program Success – New York**

New York began implementing a comprehensive state tobacco control program in 2000 with funds from the Master Settlement Agreement and revenue from the state cigarette tax. As the data below demonstrate, New York's comprehensive approach is working. While declines in youth smoking nationally have slowed, New York's rates continue to decline steadily. New York has also seen a decline in adult smoking, some of which is the result of the state's success in preventing youth from starting to smoke.

- Between 2000 and 2010, smoking among middle school students declined by 68.6 percent, (from 10.2% to 3.2%), and smoking among high school students declined by 53.5 percent, (from 27.1% to 12.6%). These declines translate into more than 168,000 fewer youth smokers in the state.<sup>17</sup>
- Between 2000 and 2009, adult smoking declined by 16 percent among all adults, from 21.6 percent to 18.0 percent, and by 30 percent among young adults, from 33 percent to 23.1 percent. The New York State Department of Health estimates that approximately 35 percent of the total decline in adult smoking is attributable to youth prevention strategies and that the significant reduction in smoking among young adults will reduce future health care costs by approximately \$5 billion.<sup>18</sup>
- More recent data indicate that New York is continuing to make progress in reducing adult smoking rates. According to the Behavioral Risk Factor Surveillance System, in 2010, adult smoking in New York was down to 15.5 percent.<sup>19</sup>

### **Program Success – Washington**

The Washington State Tobacco Prevention and Control program was implemented in 1999 after the state Legislature set aside money from the Master Settlement Agreement to create a Tobacco Prevention and Control Account. Tobacco prevention and control received additional funds in 2001 when the state's

voters passed a cigarette tax increase that dedicated a portion of the new revenue to tobacco prevention and cessation.

- Since the tobacco control program was implemented, Washington has reduced the adult smoking rate by about one-third, from 22.4 percent in 1999 to 15.2 percent in 2010.<sup>20</sup> Washington's tobacco prevention efforts have also reduced youth smoking rates half, saving additional lives and dollars.<sup>21</sup>

According to a recent study, conducted for the Washington State Department of Health, Washington's comprehensive program is working and is responsible for fewer Washingtonians suffering and dying from tobacco-related diseases. According to the new study, the state's comprehensive tobacco prevention and cessation program has prevented 13,000 premature deaths and nearly 36,000 hospitalizations, saving about \$1.5 billion in health care costs. The study found that for every dollar spent by the state on tobacco prevention in the last ten years, the state saved \$5 in reduced hospitalization costs.<sup>22</sup>

An earlier study in CDC's peer-reviewed journal, *Preventing Chronic Disease*, found that although Washington made progress in implementing tobacco control policies between 1990 and 2000, smoking prevalence did not decline significantly until after substantial investment was made in the state's comprehensive tobacco control program.<sup>23</sup>

### **Program Success – Maine**

In 1997, Maine increased its cigarette excise tax and used a portion of those funds to establish a comprehensive tobacco prevention program known as the Partnership for a Tobacco-Free Maine. Maine has subsequently augmented its program with proceeds from the 1998 state tobacco settlement, which also resulted in a further increase in cigarette prices (the state also raised cigarette taxes again in 2001, to \$1.00 per pack, and in 2005 to \$2.00 per pack). Prior to launching this effort, Maine had one of the highest youth smoking rates in the country.

- Smoking among Maine's high school students declined a dramatic 54 percent between 1997 and 2009, falling from 39.2 percent to 18.1 percent. (Nationally, smoking among high school students declined by 46.5% over this same time period.)<sup>24</sup>

### **Program Success – Indiana**

In 2000, Indiana implemented a comprehensive tobacco prevention and cessation program with revenue received from the state's tobacco settlement. Indiana's program is modeled after other comprehensive programs that have been successful in reducing tobacco use. Indiana's program includes public education efforts, a counter-marketing campaign, community and school-based programs, and enforcement initiatives.<sup>25</sup>

- Between 2000 and 2010, smoking among high school students declined by 45 percent (from 31.6% to 17.5%).
- Smoking among middle school students declined by 58 percent, from 9.8 percent to 4.1 percent, over this same time period.

### **Program Success – Massachusetts**

In 1992, Massachusetts voters approved a referendum that increased the state cigarette tax by 25 cents per pack. Part of the new tax revenues was used to fund the Massachusetts Tobacco Control Program (MTCPP), which began in 1993. As in California, the program achieved considerable success until its funding was cut by more than 90 percent in 2003. Data demonstrate that the program was successful in reducing tobacco use among both children and adults.

- Massachusetts cigarette consumption declined by 36 percent between 1992 and 2000, compared to a decrease of just 16 percent in the rest of the country (excluding California).<sup>26</sup>

- From 1995 to 2001, current smoking among Massachusetts high school students dropped by 27 percent (from 35.7 percent to 26 percent), while the nationwide rate dropped by 18 percent (34.8 percent to 28.5 percent).<sup>27</sup>
- Between 1993 and 2000, adult smoking prevalence dropped from 22.6 percent to 17.9 percent, resulting in 228,000 fewer smokers.<sup>28</sup> Nationally, smoking prevalence dropped by just seven percent over this same time period.<sup>29</sup>
- Between 1990 and 1999, smoking among pregnant women in Massachusetts declined by more than 50 percent (from 25 percent to 11 percent). Massachusetts had the greatest percentage decrease of any state over the time period (the District of Columbia had a greater percent decline).<sup>30</sup>

Despite the considerable success achieved in Massachusetts, funding for the state's tobacco prevention and cessation program was cut by 95 percent – from a high of approximately \$54 million per year to just \$2.5 million in FY2004, although funding for the program has increased slightly in recent years. These drastic reductions in the state's investments to prevent and reduce tobacco use will translate directly into higher smoking rates, especially among kids, and more smoking-caused disease, death, and costs. In fact, a study released by the Massachusetts Association of Health Boards shows that the Massachusetts program funding cuts have already been followed by an alarming increase in illegal sales of tobacco products to children.<sup>31</sup>

- Between 2002 and 2003, cigarette sales to minors increased by 74 percent, from eight percent to 13.9 percent in communities that lost a significant portion of their enforcement funding.
- Over the same time period, cigarette sales to minors increased by 98 percent in communities that lost all of their local enforcement funding.
- Between 1992 and 2003, per capita cigarette consumption declined at a higher rate in Massachusetts as it did in the country as a whole (47 percent v. 28 percent). However, from 2003 to 2006, Massachusetts' per capita cigarette consumption declined a mere seven percent (from 47.5 to 44.1 packs per capita), while the U.S. average cigarette consumption declined by ten percent (from 67.9 to 61.1 packs per capita). Most recently, between 2005 and 2006, Massachusetts' per capita cigarette consumption *increased* by 3.2 percent (from 42.7 to 44.1 packs per capita), while nationwide, per capita consumption *declined* by 3.5 percent (from 63.3 to 61.1 packs per capita).<sup>32</sup>

#### **Campaign for Tobacco-Free Kids, November 18, 2011 / Meg Riordan**

<sup>1</sup> U.S. Centers for Disease Control and Prevention (CDC), *Best Practices for Comprehensive Tobacco Control Programs*, Atlanta, GA: U.S. Department of Health and Human Services (HHS), October 2007, [http://www.cdc.gov/tobacco/tobacco\\_control\\_programs/stateandcommunity/best\\_practices](http://www.cdc.gov/tobacco/tobacco_control_programs/stateandcommunity/best_practices).

<sup>2</sup> Institute of Medicine, *Ending the Tobacco Problem: A Blueprint for the Nation*, National Academy of Sciences, 2007; President's Cancer Panel, *Promoting Healthy Lifestyles: Policy, Program and Personal Recommendations for Reducing Cancer Risk*, 2006-2007 Annual Report; See also, Institute of Medicine, *State Programs Can Reduce Tobacco Use*, National Academy of Sciences, 2000; HHS, *Reducing Tobacco Use: A Report of the Surgeon General*, 2000.

<sup>3</sup> Farrelly, MC, et al., "The Impact of Tobacco Control Programs on Adult Smoking," *American Journal of Public Health* 98:304-309, February 2008.

<sup>4</sup> Tauras, JA, et al., "State Tobacco Control Spending and Youth Smoking," *American Journal of Public Health* 95:338-344, February 2005.

<sup>5</sup> Farrelly, MC, et al., "The Impact of Tobacco Control Program Expenditures on Aggregate Cigarette Sales: 1981-2000," *Journal of Health Economics* 22:843-859, 2003.

<sup>6</sup> Hyland, A, et al., "State and Community Tobacco-Control Programs and Smoking – Cessation Rates Among Adult Smokers: What Can We Learn From the COMMIT Intervention Cohort?" *American Journal of Health Promotion* 20(4):272, April/March 2006.

<sup>7</sup> California Department of Public Health press release, California Smoking Rate Reaches Historic Low," July 13, 2011 <http://www.cdph.ca.gov/Pages/NR11-031.aspx>; See also, California Tobacco Control Update, 2009. California Department of Public Health, California Tobacco Control Program, <http://www.cdph.ca.gov/programs/tobacco/Documents/CTCPUpdate2009.pdf>. See also, Overview of Evaluation in the California Tobacco Control Program; Warner, Kenneth E, et al., "Tobacco Control Success vs Demographic

Destiny: Examining the Causes of the Low Smoking Prevalence in California," *Am J Public Health* 98:268-269, February 2008.

<sup>8</sup> California Department of Public Health press release, California Smoking Rate Reaches Historic Low," July 13, 2011 <http://www.cdph.ca.gov/Pages/NR11-031.aspx>.

<sup>9</sup> Pierce, JP, et al., "Prevalence of Heavy Smoking in California and the United States, 1965-2007," *Journal of the American Medical Association* 305(11), March 16, 2011.

<sup>10</sup> California Tobacco Control Update, 2009. California Department of Public Health, California Tobacco Control Program, <http://www.cdph.ca.gov/programs/tobacco/Documents/CTCPUUpdate2009.pdf>.

<sup>11</sup> Pierce, JP, et al., "Has the California Tobacco Control Program Reduced Smoking?," *Journal of the American Medical Association* 280(10), September 9, 1998.

<sup>12</sup> *California's Tobacco Control Program: Preventing Tobacco Related Disease and Death*; Tobacco Control Section, California Department of Health Services, April 3, 1998.

<sup>13</sup> California Department of Health Services, Tobacco Control Section, California Tobacco Control Update, 2009, <http://www.cdph.ca.gov/programs/tobacco/Documents/CTCPUUpdate2009.pdf>; CDC, presentation at the National Conference on Tobacco or Health, 2007, Minneapolis, MN. See also, CDC, "Vital Signs: Current Cigarette Smoking Among Adults Aged  $\geq 18$  Years - United States, 2009," *Morbidity and Mortality Weekly Report (MMWR)* 59, September 7, 2010, [http://www.cdc.gov/mmwr/preview/mmwrhtml/mm5935a3.htm?s\\_cid=mm5935a3\\_w](http://www.cdc.gov/mmwr/preview/mmwrhtml/mm5935a3.htm?s_cid=mm5935a3_w).

<sup>14</sup> Pierce, J. et al., "Forty Years of Faster Decline in Cigarette Smoking in California Explains Current Lower Lung Cancer Rates," *Cancer Epidemiology, Biomarkers and Prevention*, September 2010. See also, California Department of Health Services, Tobacco Control Section, California Tobacco Control Update, 2009.

<sup>15</sup> Hu, TW, et al., "Reducing Cigarette Consumption in California: Tobacco Taxes vs an Anti-Smoking Media Campaign," *American Journal of Public Health* 85(9):1218-1222, 1995.

<sup>16</sup> Pierce, JP, et al., "Has the California Tobacco Control Program Reduced Smoking?," *Journal of the American Medical Association* 280(10):893-899, September 9, 1998.

<sup>17</sup> NY State Department of Health, Youth Prevention and Adult Smoking in New York, March 2011.

[http://www.health.state.ny.us/prevention/tobacco\\_control/docs/2011-03-11\\_ny\\_state\\_brief\\_report\\_prevention.pdf](http://www.health.state.ny.us/prevention/tobacco_control/docs/2011-03-11_ny_state_brief_report_prevention.pdf)

<sup>18</sup> NY State Department of Health, Youth Prevention and Adult Smoking in New York, March 2011. [http://www.health.state.ny.us/prevention/tobacco\\_control/docs/2011-03-11\\_ny\\_state\\_brief\\_report\\_prevention.pdf](http://www.health.state.ny.us/prevention/tobacco_control/docs/2011-03-11_ny_state_brief_report_prevention.pdf).

<sup>19</sup> CDC, *Behavioral Risk Factor Surveillance System (BRFSS)*.

<sup>20</sup> Washington State Department of Health, Tobacco Prevention and Control Program, <http://www.doh.wa.gov/tobacco/>. Data are from the CDC, *Behavioral Risk Factor Surveillance System (BRFSS)*.

<sup>21</sup> Washington State Department of Health, Tobacco Prevention and Control Program, Washington Tobacco Facts 2011 <http://www.doh.wa.gov/tobacco/other/TobFacts-Public.pdf>. See also, Washington State Department of Health, Tobacco Prevention and Control Program, Progress Report, March 2011, <http://www.doh.wa.gov/tobacco/program/reports/2011ProgReport.pdf>.

<sup>22</sup> Washington State Department of Health, Tobacco Prevention and Control Program, Progress Report, March 2011, <http://www.doh.wa.gov/tobacco/program/reports/2011ProgReport.pdf>. See also, Washington State Department of Health, Tobacco Prevention and Control Program, News Release, "Thousands of lives saved due to tobacco prevention and control program," November 17, 2010, [http://www.doh.wa.gov/Publicat/2010\\_news/10-183.htm](http://www.doh.wa.gov/Publicat/2010_news/10-183.htm).

<sup>23</sup> Dilley JA, et al., "Effective tobacco control in Washington State: A smart investment for healthy futures," *Preventing Chronic Disease* 4(3), July 3, 2007, [http://www.cdc.gov/pcd/issues/2007/jul/06\\_0109.htm](http://www.cdc.gov/pcd/issues/2007/jul/06_0109.htm).

<sup>24</sup> National Youth Risk Behavior Survey, 1997 and 2009.

<sup>25</sup> Indiana Youth Tobacco Survey, 2000 and 2010.

<sup>26</sup> Abt Associates Inc, *Independent Evaluation of the Massachusetts Tobacco Control Program, Seventh Annual Report, January 1994 to June 2000*.

<sup>27</sup> *Massachusetts Youth Risk Behavior Survey 2001; National Youth Risk Behavior Survey*.

<sup>28</sup> Abt Associates Inc, *Seventh Annual Report - January 1994 to June 2000*.

<sup>29</sup> National Health Interview Survey, 1993 and 2000.

<sup>30</sup> Abt Associates Inc, *Seventh Annual Report - January 1994 to June 2000*.

<sup>31</sup> Sbarra, C, Massachusetts Association of Health Boards, Abstract, March 2004. <http://www.mahb.org/tobacco/sales%20to%20minors%20study%20abstract.pdf>

<sup>32</sup> Data from Orzechowski & Walker, *Tax Burden on Tobacco 2006* [an industry-funded report]. Per capita cigarette consumption is measured as per capita cigarette pack sales.



## STATE CIGARETTE EXCISE TAX RATES & RANKINGS

Overall All States' Average: \$1.46 per pack  
Major Tobacco States' Average: 48.5 cents per pack  
Other States' Average: \$1.59 per pack

State	Tax	Rank
Alabama	\$0.425	47th
Alaska	\$2.00	11th
Arizona	\$2.00	11th
Arkansas	\$1.15	29th
<b>California</b>	<b>\$0.87</b>	33rd
Colorado	\$0.84	34th
Connecticut	\$3.40	3rd
Delaware	\$1.60	20th
DC	\$2.50	10th
Florida	\$1.339	26th
Georgia	\$0.37	48th
Hawaii	\$3.20	4th
Idaho	\$0.57	42nd
Illinois	\$0.98	32nd
Indiana	\$0.995	31st
Iowa	\$1.36	25th
Kansas	\$0.79	36th
Kentucky	\$0.60	40th

State	Tax	Rank
Louisiana	\$0.36	49th
Maine	\$2.00	11th
Maryland	\$2.00	11th
Massachusetts	\$2.51	9th
Michigan	\$2.00	11th
Minnesota	\$1.586	22nd
Mississippi	\$0.68	37th
<b>Missouri</b>	<b>\$0.17</b>	51st
Montana	\$1.70	16th
Nebraska	\$0.64	38th
Nevada	\$0.80	35th
New Hampshire	\$1.68	18th
New Jersey	\$2.70	6th
New Mexico	\$1.66	19th
New York	\$4.35	1st
North Carolina	\$0.45	45th
<b>North Dakota</b>	<b>\$0.44</b>	46th
Ohio	\$1.25	27th

State	Tax	Rank
Oklahoma	\$1.03	30th
Oregon	\$1.18	28th
Pennsylvania	\$1.60	20th
Rhode Island	\$3.46	2nd
South Carolina	\$0.57	42nd
South Dakota	\$1.53	23rd
Tennessee	\$0.62	39th
Texas	\$1.41	24th
Utah	\$1.70	16th
Vermont	\$2.62	7th
Virginia	\$0.30	50th
Washington	\$3.025	5th
West Virginia	\$0.55	44th
Wisconsin	\$2.52	8th
Wyoming	\$0.60	40th
Puerto Rico	\$2.23	NA
Guam	\$3.00	NA
Northern Marianas	\$1.75	NA

\* Tax stamp includes 75¢ health impact fee & 35.6¢ cigarette sales tax (Commissioner of Revenue sets sales tax rate each August)

Table shows all cigarette tax rates in effect or will be in effect by August 1, 2011. Since 2002, 47 states, DC, and several U.S. territories have increased their cigarette tax rates 105 times. The three states in **bold type** have not increased their cigarette tax since 1999 or earlier. Currently, 29 states, DC, Puerto Rico, the Northern Marianas, and Guam have cigarette tax rates of \$1.00 per pack or higher; 14 states, DC, and Guam have cigarette tax rates of \$2.00 per pack or higher; five states and Guam have cigarette tax rates of \$3.00 per pack or higher; and one state (NY) has a cigarette tax rate more than \$4.00 per pack. Tobacco states are KY, VA, NC, SC, GA, and TN. States' average includes DC, but not Puerto Rico, other U.S. territories, or local cigarette taxes. The median tax rate is \$1.339 per pack. AK, MI, MN, MS, UT also have special taxes or fees on brands of manufacturers not participating in the state tobacco lawsuit settlements (NPMs).

**The highest combined state-local tax rate is \$5.85 in New York City, with Chicago, IL second at \$3.66 per pack.** Other high state-local rates include Evanston, IL at \$3.48 and Anchorage, AK at \$3.452 per pack. For more on local cigarette taxes, see: <http://tobaccofreekids.org/research/factsheets/pdf/0267.pdf>.

Federal cigarette tax is \$1.01 per pack. From the beginning of 1998 through 2002, the major cigarette companies increased the prices they charge by more than \$1.25 per pack (but also instituted aggressive retail-level discounting for competitive purposes and to reduce related consumption declines). In January 2003, Philip Morris instituted a 65-cent per pack price cut for four of its major brands, to replace its retail-level discounting and fight sales losses to discount brands, and R.J. Reynolds followed suit. In the last several years, Philip Morris, Reynolds American, and Lorillard have increased their product prices by almost \$1.00 per pack. **The U.S. Centers for Disease Control & Prevention estimates that smoking-caused health costs total \$10.47 per pack sold and consumed in the U.S.**

The average price for a pack of cigarettes nationwide is roughly \$5.58 (including statewide sales taxes but not local cigarette or sales taxes, other than NYC's \$1.50 per pack cigarette tax), with considerable state-to-state differences because of different state tax rates, and different manufacturer, wholesaler, and retailer pricing and discounting practices. AK, DE, MT, NH & OR have no state retail sales tax at all; MN & OK have a state sales tax but do not apply it to cigarettes; and AL, GA & MO (unlike the rest of the states) do not apply their state sales tax to that portion of retail cigarette prices that represents the state's cigarette excise tax.

*Campaign for Tobacco-Free Kids, June 28, 2011 / Ann Boonn*

For additional information see the Campaign's website at [http://www.tobaccofreekids.org/what\\_we\\_do/state\\_local/taxes/](http://www.tobaccofreekids.org/what_we_do/state_local/taxes/).

Sources: Orzechowski & Walker, *Tax Burden on Tobacco*, 2010; media reports.

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## STATEWIDE SMOKE-FREE LAWS

State	Smoke-free Restaurants	Smoke-free Freestanding Bars	Smoke-free Workplaces	State	Smoke-free Restaurants	Smoke-free Freestanding Bars	Smoke-free Workplaces
Alabama				Montana	X	X	X
Alaska				Nebraska	X	X	X
Arizona	X	X	X	Nevada	X		X
Arkansas				New Hampshire	X	X	
California	X	X		New Jersey	X	X	X
Colorado	X	X		New Mexico	X	X	
Connecticut	X	X		New York	X	X	X
Delaware	X	X	X	North Carolina	X	X	
Dist. of Columbia	X	X	X	North Dakota			X
Florida	X		X	Ohio	X	X	X
Georgia				Oklahoma			
Hawaii	X	X	X	Oregon	X	X	X
Idaho	X			Pennsylvania			X
Illinois	X	X	X	Rhode Island	X	X	X
Indiana				South Carolina			
Iowa	X	X	X	South Dakota	X	X	X
Kansas	X	X	X	Tennessee			
Kentucky				Texas			
Louisiana	X		X	Utah	X	X	X
Maine	X	X	X	Vermont	X	X	X
Maryland	X	X	X	Virginia			
Massachusetts	X	X	X	Washington	X	X	X
Michigan	X	X	X	West Virginia			
Minnesota	X	X	X	Wisconsin	X	X	X
Mississippi				Wyoming			
Missouri							

All data courtesy of The American Nonsmokers' Rights Foundation. (<http://www.no-smoke.org/>). This list includes states where the law requires 100% smoke-free places in restaurants, bars or non-hospitality workplaces without exemptions.