SHOW US THE MONEY:

A Mid-Year Update
On
The States' Allocation
Of The Tobacco Settlement Dollars

by the
Campaign for Tobacco-Free Kids
American Lung Association
American Cancer Society
American Heart Association

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Update and Overview

Since the November 1998 state tobacco settlement, we have issued regular reports assessing whether the states are keeping their promise to use a significant portion of the settlement funds – expected to total $246 billion over 25 years – to attack the enormous public health problem posed by tobacco use in the United States. We have found that most states have not kept their promise – only a handful of states have funded tobacco prevention programs at the minimum level recommended by the U.S. Centers for Disease Control and Prevention, and the majority of states have failed to fund prevention at even half the CDC minimum.

This year, the states are receiving $8.9 billion in tobacco settlement payments. Facing their first major budget shortfalls since the settlement was reached, many states have turned to settlement money to balance their budgets, further eroding their promise to fund tobacco prevention.

At the same time, several states, including **Indiana, Maine, Maryland and New Jersey,** have emerged as the nation's new leaders in tobacco prevention by maintaining and even increasing significant commitments to tobacco prevention even in these difficult budget times. These states have heeded the evidence that tobacco prevention is both good public health policy that will reduce smoking and save lives and good fiscal policy that will help solve their budgetary challenges by reducing the tremendous amounts they spend to treat smoking-caused disease under Medicaid and other state-funded health care programs.

These states have sent a clear message to legislators and governors across the country as they continue to grapple with budget deficits: **Even in these difficult budget times, tobacco prevention is one of the smartest and most fiscally responsible investments that states can make.**

In the six months since we issued our last report in January, a period during which many state legislatures met, states have taken the following actions with regard to tobacco prevention:

- Based on their latest budgets, the states will spend a total of $666.1 million on tobacco prevention in FY2003, down from $768.4 million in FY2002. This amounts to a cut of $102.3 million, or 13.3 percent. (California, Kentucky and Massachusetts are the only states still finalizing their budgets – the estimates in this report are based on tobacco prevention funding contained in their latest budget proposals).

- Fifteen states have cut or are finalizing cuts to their tobacco prevention programs. These cuts total $167.6 million. Some of the deepest cuts are in states with three of the nation's oldest and most successful tobacco prevention programs – **Arizona**, which has already cut prevention funding in half, and **California** and **Massachusetts**, which are in the process of enacting cuts amounting to 45 percent and 35 percent of their respective tobacco prevention budgets.

- Eighteen states have increased funding for tobacco prevention, but the increases are much smaller than the cuts that other states have made and total $65.3 million. Several of these increases were the result of laws enacted in prior years that dedicate percentages of tobacco settlement payments for tobacco prevention. In several of these states, deepening budget woes are threatening the promised increases in prevention spending.

- At least 15 states and the District of Columbia have sold all or part of their future tobacco settlement payments to investors in return for a much smaller lump-sum payment up front, or have passed laws to enable the state to sell (or "securitize") its future settlement funds. Selling off future settlement funds reduces or eliminates the amount of settlement money available to fund tobacco prevention. Wisconsin, for example, guaranteed that none of its future tobacco settlement money will be used for tobacco prevention by selling all $4 billion in future payments for just $1.6 billion now, enough to partially balance a single budget.

Some will argue that, in these difficult budget times, all programs, including tobacco prevention, must bear some cuts to help balance state budgets. However, there are several powerful counterarguments in support of continued, and even increased, funding for tobacco prevention:

1) The tobacco settlement provides a dedicated revenue source for tobacco prevention programs that is not affected by the economic downturn. The promise of the tobacco settlement was to use these funds for tobacco prevention – temporary state budget shortfalls should not be used as an excuse to break this promise.
2) Given the tremendous costs to Medicaid and other state health care programs of treating smoking-caused disease, tobacco prevention is a critical part of the solution to state budget woes. The evidence is clear that if states invest in tobacco prevention now, these programs will not only reduce smoking and save lives, but will also save far more money than they cost by reducing smoking-caused health care expenditures. A CDC study released in April found that smoking-caused health care costs total $75.5 billion a year in the United States. The longstanding tobacco prevention programs in California and Massachusetts are saving up to $3 in health costs for every dollar spent on prevention.
3) The need for tobacco prevention has never been greater. Since promising as part of the 1998 state tobacco settlement to stop targeting kids, the tobacco companies have increased their marketing by 42 percent to $9.6 billion a year – $26 million a day – much of it in ways effective at reaching kids. State tobacco prevention programs can protect our kids from this barrage of tobacco marketing. Unfortunately, state spending on tobacco prevention in FY2003 will amount to less than seven percent of what the tobacco industry spends to market its deadly products.

Several states have heeded these arguments and become new national leaders in tobacco prevention. These states include:

- **Maine**, which increased funding for tobacco prevention this year and currently ranks first in the nation in its funding of tobacco prevention based on the CDC guidelines
- **New Jersey**, which increased its cigarette tax by 70 cents – the largest increase among the 17 states that increased cigarette taxes this year – and committed to using some of the new revenue to boost its prevention spending to the CDC minimum level
- **Indiana**, which resisted tremendous budgetary pressures and did not cut funding for its newly launched and highly promising prevention program. Indiana also increased its cigarette tax by 40 cents a pack.
- **Maryland,** which restored funding for tobacco prevention to $30 million, the CDC minimum, after settling a dispute over attorneys' fees related to its settlement. Maryland also increased its cigarette tax by 34 cents.

Several other states, including **Minnesota, Mississippi, Arkansas, Pennsylvania** and **Washington**, maintained commitments to spend significant sums on tobacco prevention that were made as part of their initial tobacco settlements, voter-approved ballot initiatives, or laws passed in previous years.

Each of our reports assesses and ranks the states based on whether they are funding tobacco prevention programs at the minimum levels recommended by CDC, which usually requires only 20 to 25 percent of a state's settlement proceeds. Here's where the states stand:

- Only four states – Maine, Minnesota, Mississippi and Maryland – are currently funding tobacco prevention programs at the minimum level recommended by the CDC. This is down from five in January – Arizona and Massachusetts dropped from the list and Maryland was added.
- Only 16 states (including the four above) have committed even 50 percent of the minimum funding level recommended by the CDC, down from 19 in January.
- Seventeen states – compared to 16 in January – have committed only modest amounts to tobacco prevention (25 to 50 percent of the minimum amount recommended by the CDC).
- Fourteen states – compared to 12 in January – have committed minimal amounts to tobacco prevention (less than 25 percent of the minimum amount recommended by the CDC).
- Three states – Michigan, Missouri and Tennessee – and the District of Columbia currently commit none of their tobacco settlement money or other major funding source, such as cigarette tax revenues, to tobacco prevention.

The Most Disappointing States of 2002

The most alarming developments this year include the deep cuts being made to longstanding, proven tobacco prevention programs in Arizona, California and Massachusetts:

- **Arizona –** Gov. Jane Dee Hull and the Legislature cut funding for that state's tobacco prevention program in half, from $36.6 million in FY2002 to $18.3 million in FY2003. The cut dropped Arizona to 66 percent of the CDC's minimum funding level and overrode a referendum approved by voters in 1994 that increased the state sales tax on tobacco and funded a tobacco prevention program. Arizona voters will have the opportunity to protect future funding for tobacco prevention by supporting an initiative on the November ballot to increase the state cigarette tax by 60 cents a pack, with some of the revenue dedicated to tobacco prevention. The program could face further cuts if the initiative is not approved.

- **California –** Governor Gray Davis and the Legislature are considering a state budget that would cut $61 million from the $134.5 million budget for the state's pioneering tobacco prevention program, a cut of 45 percent. The cut would drop California from 81.5 percent to 44.5 percent of the CDC minimum. Davis has also proposed selling about $4.5 billion in future tobacco settlement payments – about ten years' worth – to investors for a lump-sum payment to help balance the budget this year. Tobacco control advocates are urging the Legislature to use 15 cents of a proposed 63-cent cigarette tax increase to restore funding for tobacco prevention.

- **Massachusetts –** Governor Jane Swift used her budget authority to cut $17 million from the $48 million FY2002 budget approved by the Legislature for the state's highly successful prevention program. The cut dropped Massachusetts to 88 percent of the CDC's minimum funding level. The Legislature is considering an FY2003 budget that would maintain funding at $31 million rather than restoring funding to $48 million, and Gov. Swift has the authority to impose additional cuts if needed to balance the state budget. Massachusetts is also considering selling about 30 percent of its future tobacco settlement payments to investors for an up-front payment this year to help balance the budget, a move that would reduce settlement funds available for tobacco prevention in the future.

Other states that have enacted especially deep cuts in tobacco prevention include:

- **Illinois –** The Illinois Legislature and Gov. George Ryan cut funding for tobacco prevention by 74 percent, from $45.9 million in FY2002 to $12 million in FY2003, dropping the state from 70.7 percent to 18.5 percent of the CDC's minimum recommended funding. They did so even while increasing the state cigarette tax by 40 cents per pack without devoting any of the new revenue to tobacco prevention.

- **Iowa** – Iowa cut funding for its fledgling tobacco prevention program by 46 percent, from $9.4 million in FY2002 to $5 million in FY2003, dropping the state from 48.7 percent to 26.2 percent of the CDC minimum.

- **Missouri –** In 2001, Missouri for the first time allocated tobacco settlement money – $18.7 million, or 57 percent of the CDC minimum recommendation – for tobacco prevention. In 2002, the Missouri Legislature and Gov. Bob Holden not only took back this funding, but provided zero funding in FY2003 for tobacco prevention. These actions left Missouri having used none of its tobacco settlement dollars to date for tobacco prevention and tied for last in the nation in the funding of tobacco prevention.

- **Nebraska –** Similar to Illinois, Nebraska drastically cut funding for tobacco prevention even while increasing the cigarette tax by 30 cents per pack. Governor Mike Johanns and the Legislature cut prevention funding by 71 percent, from $7 million in FY2002 to $2 million in FY2003, dropping the state from 52.6 percent to 15 percent of the CDC minimum.

- **Oregon –** Like California and Massachusetts, Oregon has been a pioneer in tobacco prevention, having launched its highly successful program in 1997 using revenue from a tobacco tax increase. This year, the Oregon Legislature cut funding for the program by $2.16 million, or 19 percent, to $9.09 million, which leaves the state at just 43 percent of the CDC minimum. Oregon voters in September will have an opportunity to restore most of the funding when they vote on an initiative to increase the state cigarette tax by 60 cents a pack, with $2 million of the new revenue earmarked for tobacco prevention.

The Best States of 2002

The following states have taken a more farsighted approach of sustaining or increasing significant funding for tobacco prevention even in difficult budget times:

- **Maine –** Maine is the best state in the nation in the funding of tobacco prevention programs after the Legislature and Gov. Angus King increased funding for tobacco prevention from $13.8 million in FY2002 to $15.2 million in FY2003, keeping the state within the CDC's recommended spending guidelines.

- **New Jersey –** New Jersey was the only one of 17 states that have increased cigarette excise taxes this year to commit some of the new revenue to increasing funding for tobacco prevention. Gov. Jim McGreevey and the Legislature increased the cigarette tax by 70 cents a pack and dedicated some of the money to gradually increase funding for tobacco prevention from $30 million a year in FY2002 and FY2003 to $45 million in FY2006, which would put the state at the CDC's minimum funding level. (Utah also used new cigarette tax revenue for tobacco prevention, but to replace rather than supplement existing funding.)

- **Indiana –** Faced with a large budget deficit that was not resolved until a special summer session of the Legislature, Indiana withstood enormous pressure to cut funding for its newly launched and highly promising tobacco prevention program and maintained funding of $32.5 million, 93.4 percent of the CDC minimum. Indiana continues to rank sixth in the nation in its funding of tobacco prevention.

- **Maryland –** Maryland restored funding for tobacco prevention to $30 million, the CDC minimum, after settling a dispute over attorneys' fees related to its settlement. Maryland also increased its cigarette tax by 34 cents.

- **Alaska –** The Legislature and Gov. Tony Knowles increased funding for tobacco prevention by 61.3 percent, from $3.1 million in FY2002 to $5 million in FY2003, putting the state at 61.8 percent of the CDC minimum.

As noted previously, **Minnesota, Mississippi, Arkansas, Pennsylvania,** and **Washington** have also maintained commitments to spend significant sums on tobacco prevention.

Trends in 2002

In addition to the states' use of tobacco settlement funds to balance budgets, often at the expense of funding for tobacco prevention, we want to note several other important trends:

- **Most states that have increased their cigarette taxes have failed to use any of the revenue to increase funding for tobacco prevention.** Seventeen states have increased their cigarette taxes so far this year, providing another source of possible funding for tobacco prevention. As noted above only New Jersey has committed to using some of its cigarette tax revenue to increasing funding for prevention. Washington also increased funding for tobacco prevention as a result of a cigarette tax increase approved by voters in November, with total funding increasing by 50 percent to $26.2 million, or 78.7 percent of the CDC minimum. Illinois and Nebraska set a much more negative example by drastically cutting tobacco prevention funding even while raising new tobacco-related revenue by increasing cigarette taxes.

- **In several states, voters are getting a more direct say in funding tobacco prevention – states with upcoming ballot initiatives on the issue include Arizona, Michigan, Oregon and Montana.** As described previously, the Arizona initiative would use some revenue from a proposed cigarette tax increase to restore funding for the state's tobacco prevention program. Michigan voters will decide whether to dedicate more of the state's settlement money for health care purposes, including $45 million a year for tobacco prevention. Oregon voters will decide whether to increase the state cigarette tax by 60 cents a pack, with $2 million of the new revenue earmarked for tobacco prevention (these funds would restore most of the $2.16 million in cuts made to the program this year). Montana voters will decide whether to earmark 32 percent of the state's settlement funds, or about $8.5 million a year, for tobacco prevention.

- **At least 15 states and the District of Columbia have sold all or part of their future tobacco settlement payments to investors in return for a much smaller lump-sum payment up front, or have passed laws to enable the state to sell (or "securitize") its future settlement funds.** As previously noted, selling off future settlement funds reduces or eliminates the amount of settlement money available to fund tobacco prevention. It's also a bad deal for the states, which have been receiving only about 40 cents for every dollar sold, or less. Through these one-time sales of future settlement revenues to reduce current budget deficits, many states are also failing to address their underlying budget problems -- thereby putting their own bond and credit ratings at risk. In contrast, keeping state settlement funds and investing an adequate portion to prevent and reduce tobacco use will soon more than pay for itself by reducing smoking-caused costs in the state. The only winners when states securitize their settlement payments are the Wall Street firms that manage the deals – and rake in millions of dollars at the expense of state taxpayers.

<u>Why States Should Increase Funding for Tobacco Prevention</u>

The states' funding of tobacco prevention and cessation is woefully inadequate given the magnitude of the public health problem: When the public health problems posed by tobacco are compared to other health problems, it is clear that the amount the states are spending on tobacco prevention today pales in comparison to the enormity of the problem. Tobacco use is the number one cause of preventable death in the United States, claiming more lives <u>every year</u> – 400,000 – than AIDS, alcohol, car accidents, murders, suicides, illegal drugs and fires combined. The annual cost of treating tobacco-related disease exceeds $75 billion. And, equally startling, every year nearly two million children under 18 try their first cigarette, and over 780,000 become regular everyday smokers, one-third of whom will die prematurely as a result. These children are the tobacco companies' valued "replacement smokers."

The states' failure to fund tobacco prevention is tragic because the evidence is now conclusive that comprehensive state programs work: The Institute of Medicine, in its March 2000 report "State Programs Can Reduce Tobacco Use," the Surgeon General, in his August 2000 report "Reducing Tobacco Use," and the National Cancer Institute, in its November 2001 report "Changing Adolescent Smoking Prevalence," studied all of the available evidence and all concluded that we know how to reduce tobacco use and the harm it causes. The Surgeon General found that the U.S. could make unprecedented progress and reduce tobacco use by 50 percent in one decade through the implementation of currently used comprehensive prevention and cessation programs nationwide. These reports make clear that state funds spent on tobacco prevention and cessation are not experiments or learning opportunities. To the contrary, they are proven strategies that will produce important results for the health of our country.

Based on extensive research and experience in several states, the CDC has established for each state a minimum funding level that will have a significant impact on tobacco use and its deadly consequences. As noted previously, this amount is typically only 20 to 25 percent of the money a state receives from the tobacco settlement.

These recommendations are grounded in solid, real-life experience. The few states that have implemented comprehensive tobacco prevention programs are reducing smoking rates, saving lives and saving money:

Reducing smoking rates: Several states with comprehensive tobacco prevention programs have experienced significant declines in youth smoking. In the three years after starting its program in 1998, Florida cut smoking rates by 47 percent among middle school students and 30 percent among high school students. This decline represents nearly 75,000 fewer Florida youth smokers and more than 24,000 fewer premature smoking deaths, according to the state health department. Between 1996 and 2000, Oregon cut smoking by 41 percent among eight graders and 21 percent among eleventh graders. Maine reduced smoking among high school students by 36 percent from 1997 to 2001, while Mississippi cut smoking among public high school students by 25 percent from 1999 to 2001.

Saving lives: Two recent studies show that California, which started the nation's oldest tobacco prevention program in 1990, has saved tens of thousands of lives by reducing smoking-caused birth complications, heart disease, strokes and lung cancer.

Saving money for taxpayers: Studies have shown that California and Massachusetts, which started their tobacco prevention programs in 1990 and 1993 respectively, are now saving as much as $3 in smoking-caused health care costs for every dollar spent on tobacco prevention.

States have also learned the hard way that cutting tobacco prevention programs does not make sense from a public health or a fiscal viewpoint. In Florida, the latest data on youth smoking rates suggest that, because of budget cuts, the state's once-model program may not be reaching kids as effectively as it did initially. California's progress in reducing smoking rates stopped for a period in the mid-1990s after funding for tobacco prevention was cut. Funding was later partially restored, as was progress in reducing tobacco use. These experiences warn other states that tobacco prevention programs must be adequately funded and sustained over time in order to protect every generation of children and continue reducing smoking rates.

While states are breaking their promise to protect kids from tobacco, tobacco company marketing expenditures that affect children actually increased after the settlement: In the two years after promising as part of the 1998 tobacco settlement to stop targeting kids, the tobacco companies increased their marketing expenditures by 42 percent, reaching a record $9.6 billion a year or $26 million a day in 2000, according to the most recent Federal Trade Commission report on tobacco marketing. Much of the increase was in ways effective at reaching kids, such as price promotions and high-visibility displays in convenience stores frequented by youth.

In contrast to the $9.6 billion in annual tobacco industry marketing expenditures, states have allocated $666.1 million for tobacco prevention in FY2003, which amounts to less than seven percent of what the tobacco industry is spending on marketing. In fact, even if every single state met the CDC minimum spending level for tobacco prevention programs, the tobacco companies would still spend more six times as much on marketing and promotion as all the states combined.

This tobacco marketing works. Almost 90 percent of all adult smokers began smoking when they were 18 or younger. Eighty-six percent of youth smokers smoke the three most heavily advertised brands – Marlboro, Camel and Newport.

The need has never been greater. Youth smoking rates are still far too high: Smoking among teenagers increased dramatically during the 1990s, reaching a 19-year high in 1997. Despite recent declines, teenage smoking remains unacceptably high, with more than 28 percent of high school seniors smoking in 2001.

As this report demonstrates, many states have not responded to the urgency of the current public health crisis of tobacco use. We are now at a critical juncture in the evolution of the settlement issue. States that have not yet allocated significant settlement money to tobacco prevention must act soon. Those states that have allocated the money must put into place the kinds of programs that have been recommended by CDC and been proven to work, and they must resist the pressure to cut these programs because of the current economic and fiscal climate.

Summary of State Actions

This report ranks the states based on current spending on tobacco prevention and cessation programs.

Sixteen (16) states – Maine, Minnesota, Mississippi, Maryland, Arkansas, Indiana, Massachusetts*, Washington*, Pennsylvania, New Jersey*, Arizona*, Vermont, Alaska, Colorado, Delaware and Virginia – have made substantial commitments to fund tobacco prevention and cessation programs – at least 50% of the minimum amount recommended by the CDC for these states.

Of these 16 states, only four – Maine, Minnesota, Mississippi and Maryland – have met the minimum funding levels recommended by the CDC.

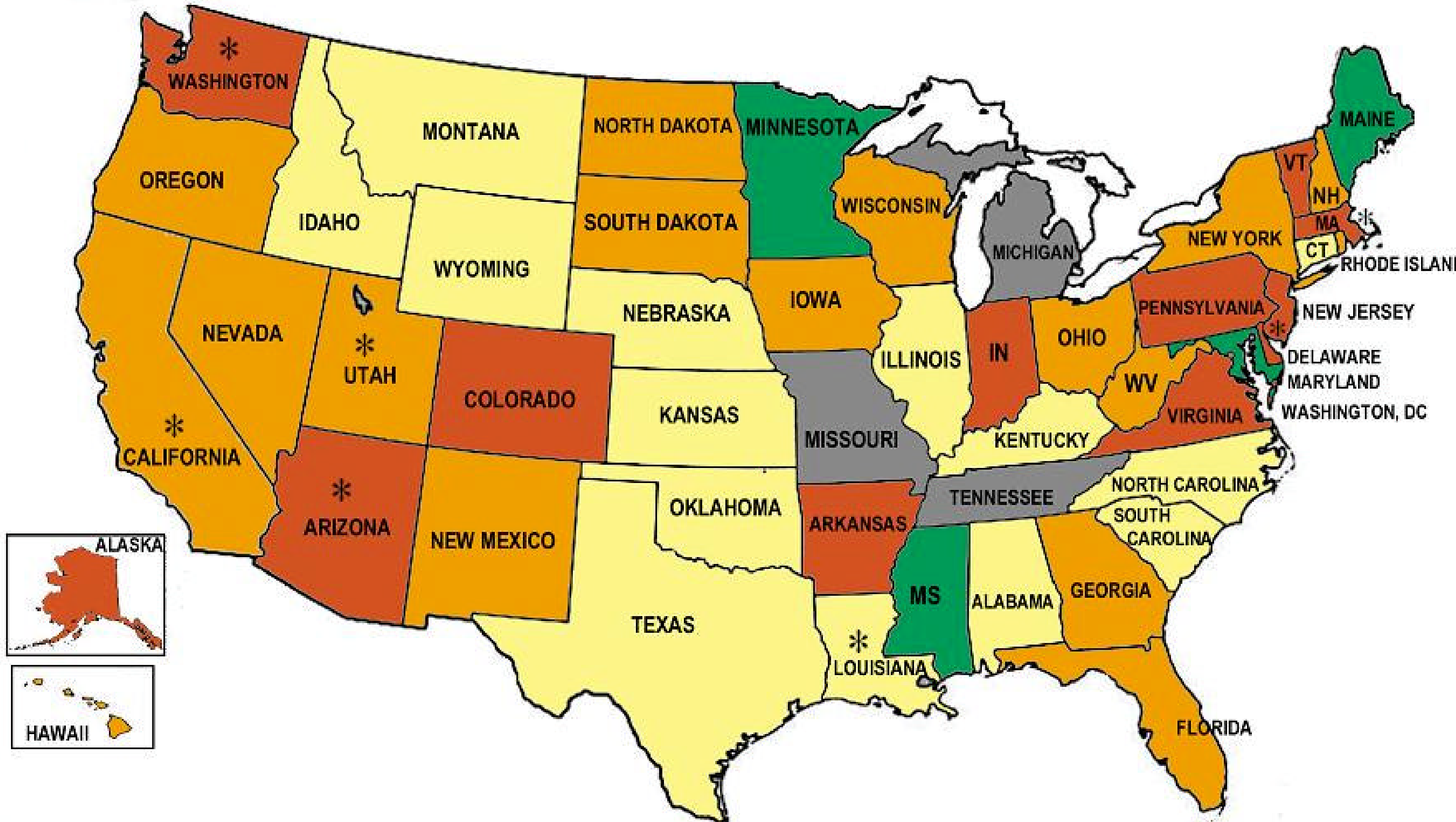
Seventeen (17) states – Wisconsin, Florida, Hawaii, California*, Ohio, New York, Oregon*, West Virginia, Utah*, New Mexico, Georgia, South Dakota, Rhode Island, Nevada, North Dakota, New Hampshire and Iowa – have committed modest amounts to new tobacco prevention and cessation programs – between one-quarter and one-half of the minimum amount recommended by the CDC for these states.

Fourteen (14) states -- Kentucky, Illinois, Nebraska, North Carolina, Wyoming, Texas, Idaho, South Carolina, Oklahoma, Connecticut, Montana, Kansas, Louisiana* and Alabama -- have made only a minimal financial commitment to tobacco prevention and cessation – less than 25 percent of the minimum amount recommended by the CDC.

Three states – Michigan, Missouri and Tennessee – and the District of Columbia have made no commitment to provide funding for tobacco prevention and cessation from the tobacco settlement funds.

**These states, in whole or in part, fund their tobacco prevention programs from state tobacco excise taxes: Arizona, California, Louisiana, Massachusetts, New Jersey, Oregon, Washington and Utah.*

Funding for Tobacco Prevention from Settlement Dollars



- States that have funded tobacco prevention programs at a level that meets the CDC's minimum recommendation.
- States that have committed substantial funding for tobacco prevention programs.
- States that have committed modest amounts of tobacco settlement money for tobacco prevention programs.
- States that have committed minimal amounts of tobacco settlement money for tobacco prevention programs.
- States that have committed none of their tobacco settlement money for tobacco prevention programs.

* *These states, in whole or in part, fund their tobacco prevention programs from state tobacco excise taxes: Arizona, California, Louisiana, Massachusetts, New Jersey, Oregon, Washington and Utah.*

CAMPAIGN for TOBACCO-FREE Kids

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Rankings of State Funding for Tobacco Prevention

State	Current Annual bacco Prevention unding (FY2003)	CDC's Annual Funding Recommendation ($millions)	Percent of CDC's Minimum Recommendation	Source of Funding	Current Rank	Jan 02 Report Rank
Maine	$15.17 million	11.19 – 25.35	Within CDC Guidelines	MSA	1	3
Minnesota	$36.3 million	28.62 – 74.01	Within CDC Guidelines	State Settlement	2	5
Mississippi	$20 million	18.79 – 46.80	Within CDC Guidelines	State Settlement	3	4
Maryland	$30 million	30.30 – 78.60	99.0%	MSA	4	12
Arkansas	$17.63 million	17.91 – 46.45	98.5%	MSA	5	7
Indiana	$32.5 million	34.78 – 95.80	93.4%	MSA	6	6
Massachusetts	$31.2 million*	35.24 – 92.76	88.5%	MSA & State Excise Tax	7	1
Washington	$26.24 million	33.34 – 89.38	78.7%	MSA & State Excise Tax	8	18
Pennsylvania	$49.75 million	65.57 – 184.76	75.9%	MSA	9	14
New Jersey	$30 million	45.07 – 121.33	66.6%	MSA & State Excise Tax	10	11
Arizona	$18.27 million	27.79 – 71.10	65.7%	State Excise Tax	11	2
Vermont	$5.13 million	7.91 – 15.94	64.9%	MSA	12	10
Alaska	$5 million	8.09 – 16.51	61.8%	MSA	13	28
Colorado	$15 million	24.55 – 63.26	61.1%	MSA	14	19
Delaware	$5 million	8.63 – 18.46	57.9%	MSA	15	13
Virginia	$22.2 million	38.87 – 106.85	57.1%	MSA	16	21
Wisconsin	$15.3 million	31.16 – 82.38	49.1%	MSA	17	20
Florida	$37.48 million	78.38 – 221.26	47.8%	State Settlement	18	29
Hawaii	$4.84 million	10.78 – 23.45	44.9%	MSA	19	27
California	$73.54 million*	165.10 – 442.40	44.5%	State Excise Tax	20	8
Ohio	$27 million	61.74 – 173.68	43.7%	MSA	21	31
New York	$40 million	95.83 – 269.30	43.0%	MSA	22	24
Oregon	$8.75 million	21.13 – 52.84	41.7%	State Excise Tax	23	16
West Virginia	$5.85 million	14.16 – 35.37	41.3%	MSA	24	25
Utah	$6 million	15.23 – 33.38	39.4%	MSA & State Excise Tax	25	26
New Mexico	$5 million	13.71 – 31.95	36.5%	MSA	26	30
Georgia	$15.17 million	42.59 – 114.34	35.6%	MSA	27	22
South Dakota	$2.93 million	8.69 – 18.21	33.7%	MSA	28	34
Rhode Island	$3.3 million	9.89 – 21.91	33.4%	MSA	29	32
Nevada	$4.28 million	13.48 – 32.99	31.7%	MSA	30	33
North Dakota	$2.35 million	8.16 – 16.55	28.8%	MSA	31	35
New Hampshire	$3 million	10.89 – 24.77	27.5%	MSA	32	37
Iowa	$5.08 million	19.35 – 48.71	26.2%	MSA	33	22
Kentucky	$5.5 million*	25.09 – 69.90	21.9%	MSA	34	36
Illinois	$12 million	64.91 – 179.05	18.5%	MSA	35	9
Nebraska	$2 million	13.31 – 31.04	15.0%	MSA	36	17
North Carolina	$6.2 million	42.59 – 118.63	14.6%	MSA	37	51
Wyoming	$900,000	7.38 – 14.40	12.2%	MSA	38	38
Texas	$12.5 million	103.29 – 284.74	12.1%	State Settlement	39	39
Idaho	$1.27 million	11.04 – 24.09	11.5%	MSA	40	40
South Carolina	$2 million	23.91 – 62.01	8.4%	MSA	41	42
Oklahoma	$1.75 million	21.83 – 56.31	8.0%	MSA	42	41
Connecticut	$900,000	21.24 – 53.90	4.2%	MSA	43	45

Rankings of State Funding for Tobacco Prevention

State	Current Annual Tobacco Prevention Funding (FY2003)	CDC's Annual Funding Recommendation ($millions)	Percent of CDC's Minimum Recommendation	Source of Funding	Current Rank	Jan 02 Report Rank
Montana	$380,000	9.36 – 19.68	4.1%	MSA	44	43
Kansas	$500,000	18.05 – 44.69	2.8%	MSA	45	44
Louisiana	$500,000	27.13 – 71.43	1.8%	MSA	46	47
Alabama	$360,000	26.74 – 71.24	1.3%	MSA	47	46
Michigan		54.80 – 154.56	0.0%	MSA	51	51
Missouri		32.77 – 91.36	0.0%	MSA	51	15
Tennessee		32.23 – 89.08	0.0%	MSA	51	51
Washington, DC		7.48 – 14.57	0.0%	MSA	51	51

All funding levels are based on most current allocation of the state's tobacco prevention spending information available.

Master State Settlement Agreement (MSA)

** These states had not yet made spending decisions regarding their tobacco settlement funds at the time of printing; the spending amounts listed represent the most current spending proposal.*

History of State Settlement Spending for Tobacco Prevention

States	FY2000 Spending Level ($millions)	FY2000 % of CDC's Minimum Annual Recommendation	FY2001 Spending Level ($millions)	FY2001 % of CDC's Minimum Annual Recommendation	FY2002 Spending Level ($millions)	FY2002 % of CDC's Minimum Annual Recommendation	FY2003 Spending Level ($millions)	FY2003 % of CDC's Minimum Annual Recommendation	CDC Annual Recommendation ($millions)
Alabama	6.00	22.4%	6.00	22.4%	0.60	2.2%	0.36	1.3%	26.74 - 71.24
Alaska	1.40	17.3%	1.40	17.3%	3.10	38.3%	5.00	61.8%	8.09 - 16.51
Arizona	29.30	105.4%	34.52	124.2%	36.56	131.6%	18.27[†]	65.7%	27.79 – 71.10
Arkansas	0.00	0.0%	16.11	89.9%	16.39	91.5%	17.63	98.5%	17.91 – 46.45
California	88.20	53.4%	114.58	69.4%	134.54	81.5%	73.54*[†]	44.5%	165.10 – 442.40
Colorado	13.20	53.8%	12.66	51.6%	12.72	51.8%	15.00	61.1%	24.55 – 63.26
Connecticut	4.00	18.8%	1.00	4.7%	0.58	2.7%	0.90	4.2%	21.24 - 53.90
Delaware	0.00	0.0%	2.83	32.8%	5.45	63.2%	5.00	57.9%	8.63 - 18.46
Florida	44.00	56.1%	44.00	56.1%	29.80	38.0%	37.48	47.8%	78.38 – 221.26
Georgia	15.80	37.1%	15.80	37.1%	20.77	48.8%	15.17	35.6%	42.59 - 114.34
Hawaii	9.65	89.5%	9.26	85.9%	4.19	38.9%	4.84	44.9%	10.78 – 23.45
Idaho	1.20	10.9%	1.20	10.9%	1.10	10.0%	1.27	11.5%	11.04 - 24.09
Illinois	28.55	44.0%	28.55	44.0%	45.90	70.7%	12.00	18.5%	64.91 – 179.05
Indiana	35.00	100.6%	35.00	100.6%	32.50	93.4%	32.50	93.4%	34.78 – 95.80
Iowa	9.35	48.3%	9.35	48.3%	9.42	48.7%	5.08	26.2%	19.35 – 48.71
Kansas	0.50	2.8%	0.50	2.8%	0.50	2.8%	0.50	2.8%	18.05 - 44.69
Kentucky	5.80	23.1%	5.80	23.1%	5.50	21.9%	5.50*	21.9%	25.09 - 69.90
Louisiana	4.10	15.1%	4.10	15.1%	0.50	1.8%	0.50[†]	1.8%	27.13 - 71.43
Maine	18.80	168.0%	18.80	168.0%	13.76	122.9%	15.17	135.6%	11.19 – 25.35
Maryland	30.00	99.0%	30.00	99.0%	20.05	66.2%	30.00	99.0%	30.30 – 78.60
Massachusetts	43.10	122.3%	43.10	122.3%	48.00	136.2%	31.2*[†]	88.5%	35.24 – 92.76
Michigan	0.00	0.0%	0.00	0.0%	0.00	0.0%	0.00	0.0%	54.80 - 154.56
Minnesota	35.00	122.3%	35.00	122.3%	28.90	101.0%	36.30	126.8%	28.62 – 74.01
Mississippi	31.00	165.0%	31.00	165.0%	20.00	106.4%	20.00	106.4%	18.79 – 46.80
Missouri	0.00	0.0%	0.00	0.0%	18.70	57.1%	0.00	0.0%	32.77 - 91.36
Montana	3.50	37.4%	3.50	37.4%	0.50	5.3%	0.38	4.1%	9.36 - 19.68
Nebraska	7.00	52.6%	7.00	52.6%	7.00	52.6%	2.00	15.0%	13.31 – 31.04
Nevada	3.91	29.0%	3.03	22.5%	4.28	31.7%	4.28	31.7%	13.48 - 32.99
New Hampshire	3.00	27.5%	3.00	27.5%	3.00	27.5%	3.00	27.5%	10.89 - 24.77
New Jersey	18.60	41.3%	30.00	66.6%	30.00	66.6%	30.00[†]	66.6%	45.07 – 121.33
New Mexico	2.25	16.4%	2.25	16.4%	5.00	36.5%	5.00	36.5%	13.71 - 31.95
New York	30.00	31.3%	30.00	31.3%	40.00	41.7%	40.00	41.7%	95.83 - 269.30
North Carolina	0.00	0.0%	0.00	0.0%	0.00	0.0%	6.20	14.6%	42.59 - 118.63
North Dakota	0.00	0.0%	0.00	0.0%	2.53	30.9%	2.35	28.8%	8.16 - 16.55

History of State Settlement Spending for Tobacco Prevention

States	FY2000 Spending Level ($millions)	FY2000 % of CDC's Minimum Annual Recommendation	FY2001 Spending Level ($millions)	FY2001 % of CDC's Minimum Annual Recommendation	FY2002 Spending Level ($millions)	FY2002 % of CDC's Minimum Annual Recommendation	FY2003 Spending Level ($millions)	FY2003 % of CDC's Minimum Annual Recommendation	CDC Annual Recommendation ($millions)
Ohio	60.00	97.2%	60.00	97.2%	21.70	35.1%	27.00	43.7%	61.74 – 173.68
Oklahoma	6.30	28.9%	6.30	28.9%	1.73	7.9%	1.75	8.0%	21.83 - 56.31
Oregon	8.50	40.2%	8.50	40.2%	11.25	53.2%	9.09*	43.0%	21.13 – 52.84
Pennsylvania	0.00	0.0%	0.00	0.0%	41.37	63.1%	49.75	75.9%	65.57 - 184.76
Rhode Island	2.30	23.3%	2.30	23.3%	3.30	33.4%	3.30	33.4%	9.89 - 21.91
South Carolina	1.75	7.3%	1.75	7.3%	1.60	6.7%	2.00	8.4%	23.91 - 62.01
South Dakota	1.70	19.6%	1.70	19.6%	2.70	31.1%	2.93	33.7%	8.69 - 18.21
Tennessee	0.00	0.0%	0.00	0.0%	0.00	0.0%	0.00	0.0%	32.23 - 89.08
Texas	9.00	8.7%	9.30	9.0%	12.50	12.1%	12.50	12.1%	103.29 - 284.74
Utah	6.00	39.4%	6.00	39.4%	6.00	39.4%	6.00 †	39.4%	15.23 - 33.38
Vermont	6.50	82.2%	6.50	82.2%	5.53	70.0%	5.13	64.9%	7.91 - 15.94
Virginia	13.11	33.7%	12.59	32.4%	19.18	49.3%	22.20	57.1%	38.87 - 106.85
Washington, DC	0.00	0.0%	0.00	0.0%	0.00	0.0%	0.00	0.0%	7.48 – 14.57
Washington	15.00	45.0%	15.00	45.0%	17.50	52.5%	26.24 †	78.7%	33.34 - 89.38
West Virginia	5.85	41.3%	5.85	41.3%	5.85	41.3%	5.85	41.3%	14.16 – 35.37
Wisconsin	21.20	68.0%	21.20	68.0%	15.50	49.7%	15.30	49.1%	31.16 – 82.38
Wyoming	0.90	12.2%	0.90	12.2%	0.90	12.2%	0.90	12.2%	7.38 - 14.40

** These states had not yet made spending decisions regarding their tobacco settlement funds at the time of printing; the spending amounts listed represent the most current spending proposal.*

† These states, in whole or in part, fund their tobacco prevention programs from state tobacco excise taxes: Arizona, California, Louisiana, Massachusetts, New Jersey, Oregon, Washington and Utah.