

# A Decade of Broken Promises

The 1998 State Tobacco Settlement  
Ten Years Later

November 18, 2008

# **A Decade of Broken Promises: The 1998 State Tobacco Settlement Ten Years Later**

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

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## Executive Summary

On November 23, 1998, 46 states settled their lawsuits against the nation's major tobacco companies to recover tobacco-related health care costs, joining four states – Mississippi, Texas, Florida and Minnesota – that had reached earlier, individual settlements. These settlements require the tobacco companies to make annual payments to the states in perpetuity, with total payments estimated at \$246 billion over the first 25 years. The multi-state settlement, known as the Master Settlement Agreement (MSA), also imposed limited restrictions on the marketing of tobacco products.

The tobacco settlements presented the states with a historic opportunity and unprecedented sums of money to attack the enormous public health problem posed by tobacco use in the United States. While the multi-state settlement did not dictate how states should spend the money, many state attorneys general and governors pledged that they would use the tobacco companies' own money to protect kids from tobacco and help those already addicted to quit.

Our public health organizations have issued regular reports tracking whether the states are living up to their promise to use their tobacco settlement money to address the tobacco problem.

**Ten years after the November 1998 state tobacco settlement, we find that most states have failed to keep their promise to use a significant portion of the settlement funds to reduce tobacco's terrible toll on America's children, families and communities.**

Key findings of this report include:

- In the last 10 years, the states have spent just 3.2 percent of their total tobacco-generated revenue on tobacco prevention and cessation programs. From Fiscal Year 2000 to the current Fiscal Year 2009, the states have received \$203.5 billion in tobacco revenue – \$79.2 billion from the tobacco settlement and \$124.3 billion from tobacco taxes. During this time, the states have allocated \$6.5 billion to tobacco prevention and cessation programs (states have utilized both tobacco settlement and tobacco tax revenues to fund tobacco prevention programs, and this report includes both sources of funding).
- In the current budget year, Fiscal Year 2009, no state is funding tobacco prevention programs at levels recommended by the U.S. Centers for Disease Control and Prevention (CDC).<sup>1</sup> Only nine states are funding tobacco prevention at even half the CDC's recommended amount. In order of ranking, these states are: Alaska, Delaware, Wyoming, Hawai'i, Montana, Maine, Vermont, South Dakota and Colorado.
- Currently, 41 states and the District of Columbia are funding tobacco prevention programs at less than half the CDC-recommended amount. These include 27 states that are providing less than a quarter of the recommended funding. (As a result of a ballot initiative approved by voters on Nov. 4, 2008, North Dakota will begin funding its tobacco prevention program at the CDC-recommended amount in fiscal year 2010.)
- Total funding for state tobacco prevention programs this year is \$718.1 million, including \$670.9 million in state funds and \$47.2 million in federal grants. This amounts to just 19.4 percent of the \$3.7 billion the CDC recommends for the states combined.
- The states this year will collect \$24.6 billion in revenue from the tobacco settlement and tobacco taxes, but will spend less than 3 percent of it on tobacco prevention programs. It would take just 15 percent of their tobacco money to fund tobacco prevention programs in every state at CDC-recommended levels.

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<sup>1</sup> In October 2007, the CDC updated its recommended funding for state 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 new recommendations are higher than previous ones. This report is the first to assess the states based on these new recommendations.

- Despite the settlement's restrictions on tobacco marketing, annual tobacco marketing expenditures increased by 94 percent from \$6.9 billion in 1998 to \$13.4 billion in 2005, the most recent year for which the Federal Trade Commission has reported such data. The tobacco companies spend nearly \$19 to market tobacco products for every \$1 the states spend to prevent kids from smoking and help smokers quit.
- Several states that once were national leaders in funding tobacco prevention and cessation programs have yet to restore full funding for their programs after substantial budget cuts. These include California, Indiana, Massachusetts, Minnesota and Mississippi. In the latest disappointment, funding for Ohio's successful tobacco prevention program was cut by 85 percent this year as a result of a plan by Governor Ted Strickland and the Legislature to raid the state's tobacco prevention endowment to pay for other programs. A lawsuit to stop this diversion of funds is pending.
- This report warns that the nation faces two significant and immediate challenges in the fight against tobacco use: Complacency and looming state budget shortfalls.
- First, while the nation has made significant progress in reducing smoking among both youth and adults over the last 10 years, smoking declines have slowed and further progress is at risk without aggressive efforts at all levels of government. The states should fully fund tobacco prevention programs at CDC-recommended levels, while continuing to increase tobacco taxes and implement smoke-free workplace laws. Congress should enact legislation granting the U.S. Food and Drug Administration regulatory authority over tobacco products, significantly increase federal tobacco taxes and fund a national public education and smoking cessation campaign.
- Second, the states are expected to face significant budget shortfalls in the coming year as a result of the weak economy. The last time the states faced budget shortfalls, they cut funding for tobacco prevention programs by 28 percent between 2002 and 2005. The cutbacks are a major reason why smoking declines subsequently stalled, and states should not make the same mistake again.

As this report details, 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, killing more than 400,000 people and costing nearly \$100 billion in health care bills each year. Second, despite looming 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 effort to reduce tobacco use that also includes higher tobacco taxes and smoke-free workplace laws. These measures reduce smoking and other tobacco use, save lives and save money by reducing tobacco-caused health care costs.

As some have put it, we have developed the equivalent of a vaccine for lung cancer and other terrible diseases caused by tobacco use, and we have the money to pay for it. What's needed is the political will to apply this vaccine in every state and inoculate every child in this country.

### **Progress Is At Risk Unless Congress and the States Step Up Fight**

The nation has made significant progress in reducing smoking among both youth and adults over the last 10 years, but that progress has slowed in recent years and further progress is at risk without aggressive efforts at all levels of government.

Between 1997 and 2007, the national high school smoking rate declined by 45 percent, from 36.4 percent to 20 percent. During the same time, the national adult smoking rate declined by nearly 20 percent, from 24.7 percent to 19.8 percent. However, there has not been a statistically significant decline in the high school smoking rate since 2003, while the adult smoking rate has declined only 5.3 percent since 2004, according to the CDC.

The CDC has identified clear factors behind these trends: When cigarette prices and funding for tobacco prevention programs increased immediately after the tobacco settlement, smoking rates declined dramatically. When the tobacco companies subsequently discounted cigarette prices and tobacco prevention programs were cut, smoking declines stalled.

On the positive side of the ledger, the following factors have contributed significantly to declines in smoking since the tobacco settlement:

- Tobacco prices increased sharply after the tobacco settlement as a result of the settlement itself and state cigarette tax increases. The settlement led the major cigarette companies to increase prices by more than \$1.10 per pack between 1998 and 2000 (part of these increases were used to pay the states, but about half of the price increases simply bolstered profits). In addition, 44 states and the District of Columbia have raised cigarette tax rates 90 times since the settlement. The average state cigarette tax has increased from 39 cents per pack in 1998 to \$1.19 today.
- Funding for tobacco prevention and cessation programs increased significantly in the immediate aftermath of the tobacco settlement. While still short of CDC-recommended levels in most states, total state funding for these programs reached a high of \$749.7 million in fiscal year 2002. In addition, the settlement provided about \$300 million a year over five years to create a national foundation, the American Legacy Foundation, to conduct national public education campaigns to reduce tobacco use. A substantial body of research has demonstrated the effectiveness of both state tobacco prevention and cessation programs and the American Legacy Foundation's truth<sup>®</sup> national youth smoking prevention campaign.
- A growing number of states and communities have enacted strong smoke-free workplace laws. In 1998, only one state, California, had a smoke-free law that applied to restaurants and bars. Today, 24 states, the District of Columbia and hundreds of communities have such laws, providing protections from harmful secondhand smoke – and incentives to quit smoking – to more than half the U.S. population.

On the negative side, the recent stall in progress coincides with cuts in tobacco prevention programs, huge increases in tobacco marketing and aggressive efforts by tobacco companies to discount cigarette prices:

- Between 2002 and 2005, states cut funding for tobacco prevention and cessation programs by 28 percent (approximately \$200 million). Nationally, the American Legacy Foundation had to reduce its successful truth<sup>®</sup> campaign because most of its tobacco settlement funding ended after 2003. While state funding for tobacco prevention has increased somewhat since 2005, these programs are again at risk as states face new budget shortfalls.
- While states cut funding for tobacco prevention, tobacco companies dramatically increased marketing expenditures. From 1998 to 2005, tobacco marketing nearly doubled from \$6.9 billion to \$13.4 billion, according to the most recent data from the Federal Trade Commission.
- In recent years, the tobacco companies have increasingly concentrated their marketing expenditures on price discounts, undermining efforts to reduce tobacco use through price increases. Price discounts and promotions accounted for more than 80 percent of the \$13.4 billion in tobacco marketing expenditures in 2005. There is a clear correlation between cigarette prices and smoking trends. From 1997 to 2003, when smoking rates declined significantly, the average real (inflation adjusted) retail price of a pack of cigarettes increased by 75 percent as a result of the tobacco settlement and tobacco tax increases. Since 2003, the real price of cigarettes has actually declined slightly despite state cigarette tax increases, and smoking declines have stalled.

The lack of great progress in recent years is a clear warning to elected officials to resist complacency and redouble efforts to reduce tobacco use. Recent landmark reports by the Institute of Medicine (IOM) and

the President's Cancer Panel agreed on the steps that Congress and the states must take to win the fight against tobacco use:

- Congress should enact legislation granting the FDA authority over tobacco products. As the IOM recommended in its May 24, 2007, report, "Congress should confer upon the FDA broad regulatory authority over the manufacture, distribution, marketing and use of tobacco products."<sup>2</sup> On July 30, 2008, the U.S House of Representatives voted 326 to 102 to approve such legislation, and it currently has 60 sponsors in the Senate. Among other things, this legislation would crack down on tobacco marketing and sales to kids; require larger, more effective health warnings on tobacco products; require tobacco companies to disclose the contents of tobacco products; grant the FDA authority to regulate the contents of tobacco products; and stop tobacco companies from making misleading or unproven health claims.
- Congress should also significantly increase the federal cigarette tax and utilize some of the revenue to fund a national public education and smoking cessation campaign.
- The states should fund tobacco prevention programs at CDC-recommended levels, further increase tobacco taxes and enact comprehensive smoke-free workplace laws.

It is time for Congress and the states combat the tobacco epidemic with a level of commitment and resources that matches the scope of the problem.

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

Looming budget shortfalls 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 save money as well by reducing tobacco-related health care costs.

### **The states' funding of tobacco prevention and cessation is woefully inadequate given the magnitude of the 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 pales in comparison to the enormity of the problem. Tobacco use is the No. 1 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, more than 1,000 kids become new regular smokers and another 1,200 Americans die because of tobacco use.

### **Every state has plenty of tobacco-generated revenue to fund a tobacco prevention program at CDC-recommended levels.**

The states this year will collect \$24.6 billion from the tobacco settlement and tobacco taxes. Just 15 percent of this total can fund tobacco prevention and cessation programs in every state at levels recommended by the CDC. However, the states are spending less than 3 percent of their tobacco revenue on tobacco prevention and cessation.

Beginning this year, the states are receiving even more tobacco settlement revenue to fund tobacco prevention programs. This is because of a little known provision of the 1998 multi-state tobacco settlement that calls for the 46 states, the District of Columbia and the U.S. territories that are parties to the settlement to receive "bonus payments" totalling almost \$1 billion dollars per year beginning in April 2008. The bonus payments will continue for at least 10 years.

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<sup>2</sup> Institute of Medicine. 2007. *Ending the Tobacco Problem: A Blueprint for the Nation*. Washington, DC: The National Academies Press.

By allocating these new windfall funds to tobacco prevention and cessation, the states can finally keep the promise of the tobacco settlement to aggressively confront the tobacco problem. Rarely do elected officials get a second chance to keep a promise.

**The evidence is conclusive that state 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 has ranked first in funding tobacco prevention programs from 2002 to 2007, has reduced smoking by 71 percent among middle school students and by 64 percent among high school students since 1997. Washington state, with another well-funded prevention program, has cut smoking by 60 percent among sixth graders, 58 percent among eighth graders, 40 percent among 10<sup>th</sup> graders and 43 percent among 12<sup>th</sup> graders.

These smoking declines translate into lives and health care dollars saved. The Maine Department of Health estimates that the state's smoking declines have prevented more than 26,000 youth from becoming smokers, saving more than 14,000 of them from premature, smoking-caused deaths, and have saved more than \$416 million in future health care costs (savings estimates are based on research showing that smokers, on average, have \$16,000 more in long-term health care costs than non-smokers). The Washington State Department of Health estimates that the state's smoking declines translate into 65,000 fewer youth smokers, 230,000 fewer adult smokers and \$2.1 billion in long-term health care cost savings.

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 2001, lung and bronchus cancer rates in California

declined three 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. Continued progress will not occur, however, unless states step up efforts to implement these proven measures, including using more of their billions of dollars in tobacco revenue to fund tobacco prevention and cessation programs at CDC-recommended levels. It is also imperative that Congress provide much-needed leadership by enacting the legislation granting the FDA authority over tobacco products, significantly increasing the federal cigarette tax and funding a national public education and smoking cessation campaign.

If national and state leaders step up the fight against tobacco use, the 1998 state tobacco settlement could yet mark a historic turning point in the battle to reduce tobacco's terrible toll. If they do not, it will be a tragic missed opportunity for the nation's health.



## **STATUS OF FUNDING FOR STATE TOBACCO PREVENTION PROGRAMS**

**States that are spending 50% or more of CDC recommendation on tobacco prevention programs. (9)**

Alaska	Montana
Colorado	South Dakota
Delaware	Vermont
Hawaii	Wyoming
Maine	

**States that are spending 25%- 49% of CDC recommendation on tobacco prevention programs (14 and the District of Columbia)**

Arizona	New Mexico
Arkansas	New York
Dist. of Columbia	North Dakota
Florida	Oklahoma
Iowa	Utah
Maryland	Washington
Minnesota	Wisconsin
Mississippi	

**States that are spending 10%- 24% of CDC recommendation on tobacco prevention programs. (14)**

California	Nevada
Connecticut	North Carolina
Idaho	Oregon
Indiana	Pennsylvania
Louisiana	Rhode Island
Massachusetts	Virginia
Nebraska	West Virginia

**States that are spending less than 10% of CDC recommendation on tobacco prevention programs. (13)**

Alabama	New Hampshire
Georgia	New Jersey
Illinois	Ohio
Kansas	South Carolina
Kentucky	Tennessee
Michigan	Texas
Missouri	



### FY2009 Rankings of Funding for State Tobacco Prevention Programs

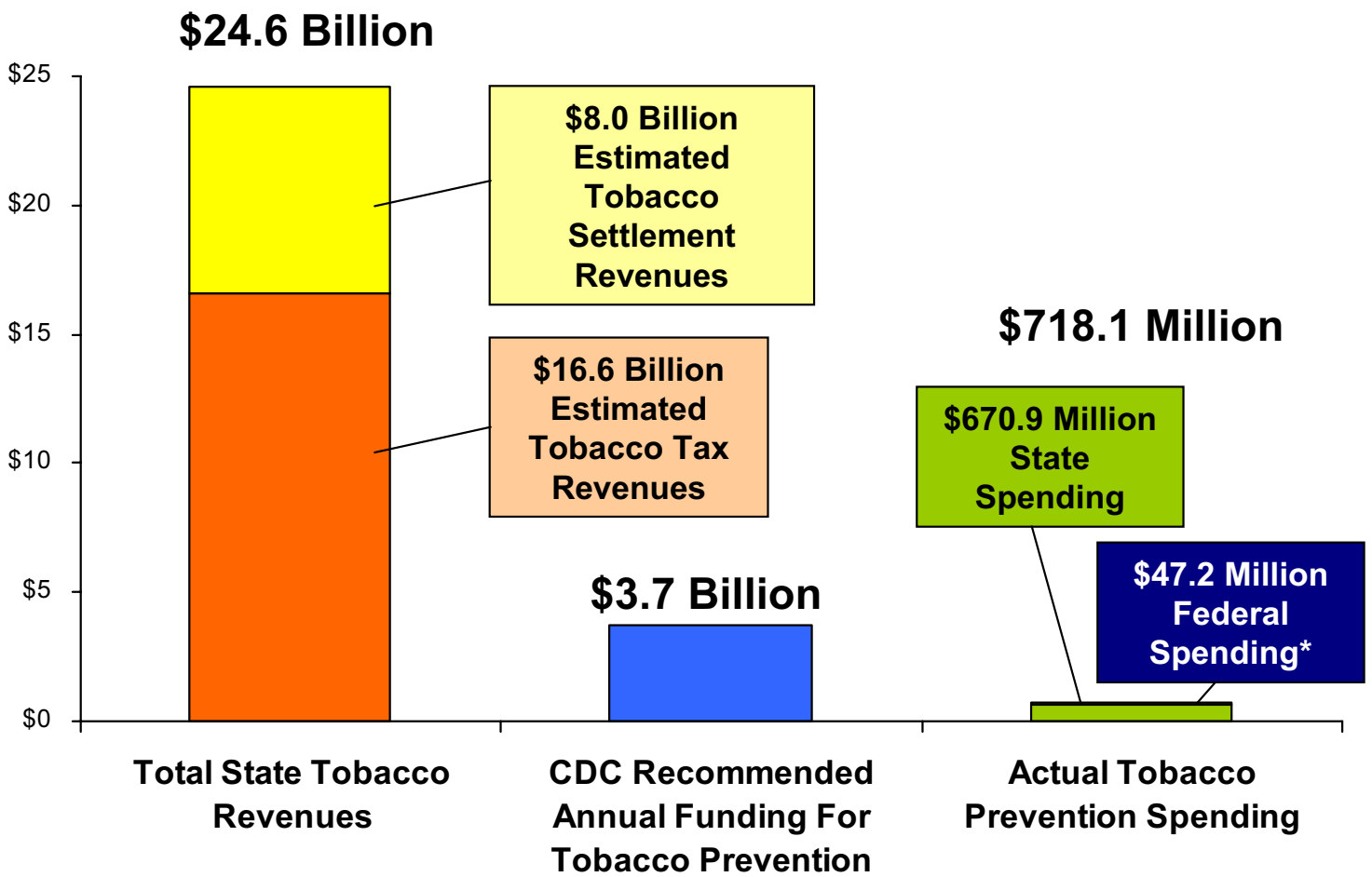
State	FY2009 Current Annual Funding (millions)*	CDC Annual Recommendation (millions)	FY09 Percent of CDC's Recommendation	Current Rank
Alaska	\$9.2	\$10.7	86.0%	1
Delaware	\$11.3	\$13.9	81.3%	2
Wyoming	\$6.9	\$9.0	76.7%	3
Hawaii	\$11.3	\$15.2	74.3%	4
Montana	\$9.3	\$13.9	66.9%	5
Maine	\$11.7	\$18.5	63.2%	6
Vermont	\$6.1	\$10.4	58.7%	7
South Dakota	\$5.8	\$11.3	51.3%	8
Colorado	\$27.5	\$54.4	50.6%	9
Arkansas	\$16.9	\$36.4	46.4%	10
New Mexico	\$10.5	\$23.4	44.9%	11
North Dakota	\$4.1	\$9.3	44.1%	12
Oklahoma	\$19.1	\$45.0	42.4%	13
Washington	\$28.4	\$67.3	42.2%	14
District of Columbia	\$4.0	\$10.5	38.1%	15
Minnesota	\$21.5	\$58.4	36.8%	16
Utah	\$8.2	\$23.6	34.7%	17
Maryland	\$20.6	\$63.3	32.5%	18
New York	\$81.9	\$254.3	32.2%	19
Arizona	\$21.3	\$68.1	31.3%	20
Iowa	\$11.2	\$36.7	30.5%	21
Florida	\$60.2	\$210.9	28.5%	22
Mississippi	\$10.7	\$39.2	27.3%	23
Wisconsin	\$16.3	\$64.3	25.3%	24
West Virginia	\$6.7	\$27.8	24.1%	25
Pennsylvania	\$33.2	\$155.5	21.4%	26
Oregon	\$9.1	\$43.0	21.2%	27
Indiana	\$16.0	\$78.8	20.3%	28
Connecticut	\$8.3	\$43.9	18.9%	29

State	FY2009 Current Annual Funding (millions)*	CDC Annual Recommendation (millions)	FY09 Percent of CDC's Recommendation	Current Rank
Nebraska	\$4.0	\$21.5	18.6%	30
California	\$78.1	\$441.9	17.7%	31
North Carolina	\$18.5	\$106.8	17.3%	32
Louisiana	\$8.5	\$53.5	15.9%	33
Idaho	\$2.6	\$16.9	15.4%	34
Massachusetts	\$13.5	\$90.0	15.0%	35
Virginia	\$13.6	\$103.2	13.2%	36
Nevada	\$4.1	\$32.5	12.6%	37
Rhode Island	\$1.9	\$15.2	12.5%	38
New Jersey	\$10.2	\$119.8	8.5%	39
Tennessee	\$6.1	\$71.7	8.5%	40
Kentucky	\$3.7	\$57.2	6.5%	41
Kansas	\$2.0	\$32.1	6.2%	42
Illinois	\$9.5	\$157.0	6.1%	43
New Hampshire	\$1.1	\$19.2	5.7%	44
Ohio	\$7.1	\$145.0	4.9%	45
Texas	\$12.6	\$266.3	4.7%	46
Michigan	\$5.1	\$121.2	4.2%	47
Alabama	\$2.3	\$56.7	4.1%	48
Missouri	\$2.7	\$73.2	3.7%	49
Georgia	\$3.2	\$116.5	2.7%	50
South Carolina	\$1.0	\$62.2	1.6%	51

\*Current annual funding includes state and federal funds. For FY2009, federal spending refers to a nine-month grant provided to the states by the U.S. Centers for Disease Control and Prevention for the period beginning July 2008. In April 2009, the CDC will transition to a new funding agreement with the states that will provide the usual 12-month grant.

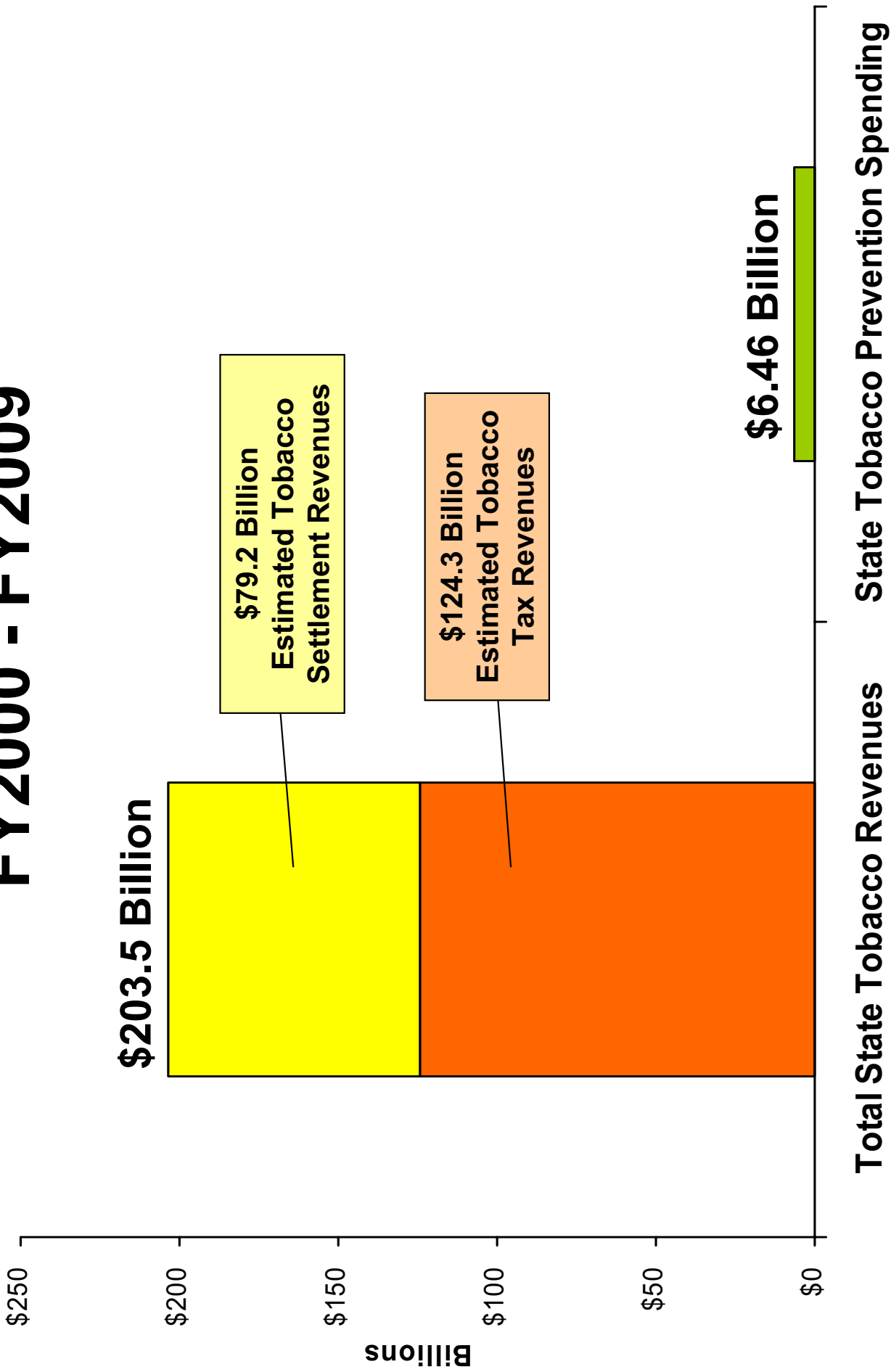
NOTE: The CDC recently updated its recommendation for the amount each state should spend on tobacco prevention programs, taking into account new science, population increases, inflation and other changes since it last issued its recommendations in 1999. In most cases, the new recommendations are higher than previous ones. This year's report assesses the states based on these new recommendations.

# FY2009 Tobacco Money for Tobacco Prevention

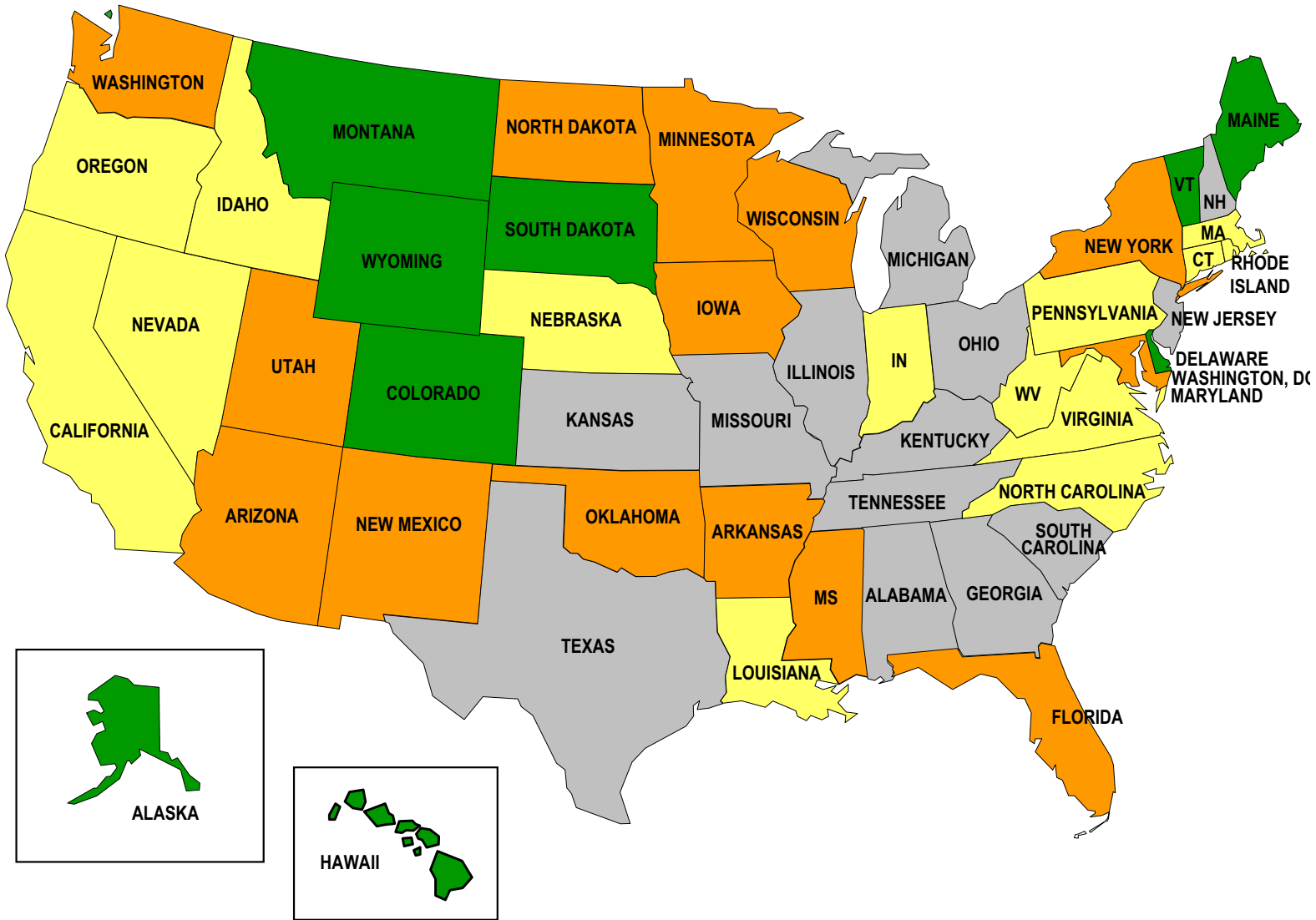


\*For FY2009, federal spending refers to a nine-month grant provided to the states by the U.S. Centers for Disease Control and Prevention for the period beginning July 2008. In April 2009, the CDC will transition to a new funding agreement with the states that will provide the usual 12-month grant.

# Total State Tobacco Revenue vs. Total State Spending on Tobacco Prevention FY2000 - FY2009



# FY2009 Funding for State Tobacco Prevention Programs



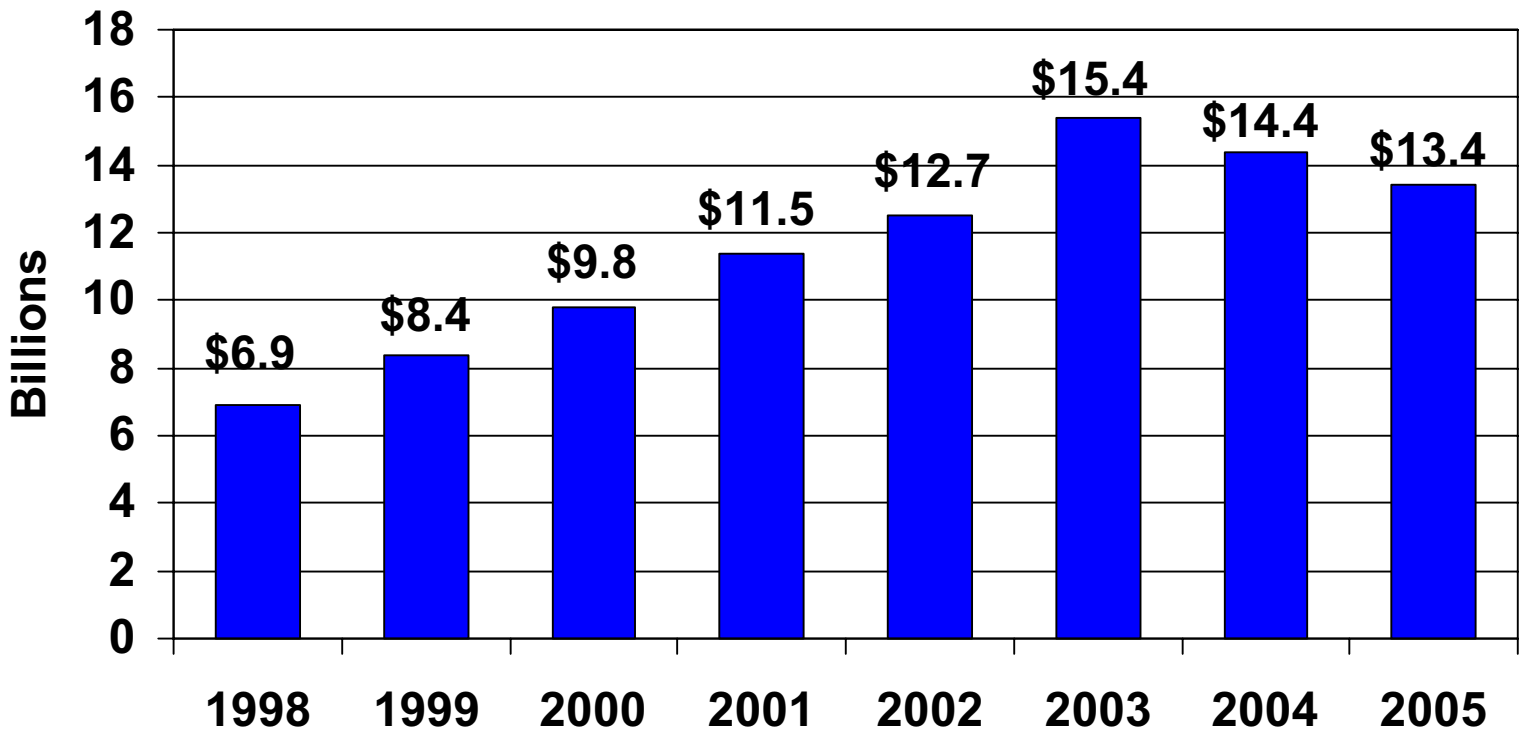
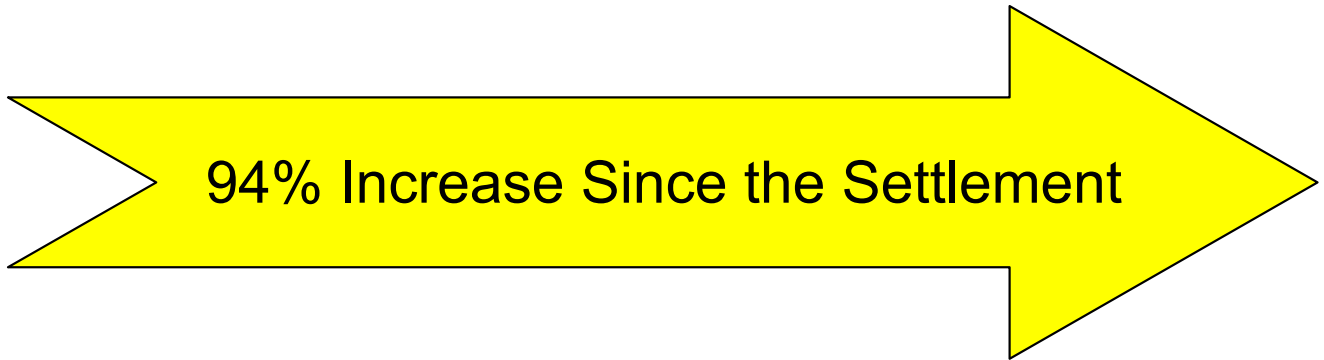
 States that are spending 50% or more of CDC recommendation on tobacco prevention programs.

 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.

# U.S. Tobacco Industry Marketing Expenditures Since the Settlement



*These data are based on the most recent official data available from the federal government. The most recent marketing data for cigarettes is from 2005 and comes from the Federal Trade Commission (FTC)'s Cigarette Report for 2004 and 2005. The most recent available marketing data for smokeless tobacco is for 2005 and comes from the FTC's Smokeless Tobacco Report, 2002-2005.*



## SPENDING vs. TOBACCO COMPANY MARKETING<sup>1</sup>

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

With only a few exceptions, the 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 been cutting back 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 2005, the major tobacco companies have increased their spending to promote their deadly products by more than 90 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 Alabama, for example, the tobacco industry spends more than \$115 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, Alabama's tobacco prevention spending amounts to just 0.9 percent of the tobacco industry's marketing expenditures in the state. Nationwide, the tobacco industry is outspending the states by nearly 19 to 1.<sup>1</sup>

State	Annual Smoking Caused Health Costs in State	FY2009 Total Tobacco Prevention Spending	2005 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>\$95.9 bill.</b>	<b>\$718.1</b>	<b>\$13.4 bill.</b>	<b>5.4%</b>	<b>18.7 to 1</b>
Alabama	\$1.49 bill.	\$2.3	\$265.0	0.9%	115.2 to 1
Alaska	\$169	\$9.2	\$28.1	32.5%	3.1 to 1
Arizona	\$1.3 bill.	\$21.3	\$172.5	12.4%	8.1 to 1
Arkansas	\$812	\$16.9	\$160.5	10.5%	9.5 to 1
California	\$9.14 bill.	\$78.1	\$843.8	9.3%	10.8 to 1
Colorado	\$1.31 bill.	\$27.5	\$189.3	14.5%	6.9 to 1
Connecticut	\$1.63 bill.	\$8.3	\$124.1	6.7%	15.0 to 1
Delaware	\$284	\$11.3	\$105.5	10.7%	9.3 to 1
DC	\$243	\$4.0	\$14.7	27.4%	3.7 to 1
Florida	\$6.32 bill.	\$60.2	\$930.4	6.5%	15.5 to 1
Georgia	\$2.25 bill.	\$3.2	\$444.8	0.7%	139.0 to 1
Hawaii	\$336	\$11.3	\$42.2	26.7%	3.7 to 1
Idaho	\$319	\$2.6	\$57.8	4.6%	22.2 to 1
Illinois	\$4.10 bill.	\$9.5	\$471.4	2.0%	49.6 to 1
Indiana	\$2.08 bill.	\$16.0	\$425.1	3.8%	26.6 to 1
Iowa	\$1.01 bill.	\$11.2	\$176.0	6.4%	15.7 to 1
Kansas	\$927	\$2.0	\$106.7	1.9%	53.4 to 1
Kentucky	\$1.50 bill.	\$3.7	\$535.3	0.7%	144.7 to 1
Louisiana	\$1.47 bill.	\$8.5	\$291.5	2.9%	34.3 to 1
Maine	\$602	\$11.7	\$66.8	17.5%	5.7 to 1
Maryland	\$1.96 bill.	\$20.6	\$192.7	10.7%	9.4 to 1
Massachusetts	\$3.54 bill.	\$13.5	\$194.7	6.9%	14.4 to 1
Michigan	\$3.40 bill.	\$5.1	\$415.9	1.2%	81.5 to 1
Minnesota	\$2.06 bill.	\$21.5	\$237.9	9.0%	11.1 to 1
Mississippi	\$719	\$10.7	\$183.0	5.9%	17.1 to 1
Missouri	\$2.13 bill.	\$2.7	\$423.5	0.6%	156.9
Montana	\$277	\$9.3	\$41.8	22.2%	4.5 to 1
Nebraska	\$537	\$4.0	\$75.8	5.3%	19.0 to 1

<sup>1</sup> These ratios are based on state and federal tobacco prevention expenditures in FY2009 versus tobacco industry marketing expenditures in 2005 (the most recent year for which data is available).



State	Annual Smoking Caused Health Costs in State	FY2009 Total Tobacco Prevention Spending	2005 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
Nevada	\$565	\$4.1	\$115.6	3.6%	28.2 to 1
New Hampshire	\$564	\$1.1	\$128.0	0.8%	116.4 to 1
New Jersey	\$3.17 bill.	\$10.2	\$231.2	4.4%	22.7 to 1
New Mexico	\$461	\$10.5	\$48.0	21.9%	4.6 to 1
New York	\$8.17 bill.	\$81.9	\$443.8	18.5%	5.4 to 1
North Carolina	\$2.46 bill.	\$18.5	\$569.3	3.2%	30.8 to 1
North Dakota	\$247	\$4.1	\$29.9	13.6%	7.3 to 1
Ohio	\$4.37 bill.	\$7.1	\$724.0	1.0%	102.0 to 1
Oklahoma	\$1.16 bill.	\$19.1	\$245.8	7.8%	12.9 to 1
Oregon	\$1.11 bill.	\$9.1	\$135.9	6.7%	14.9 to 1
Pennsylvania	\$5.19 bill.	\$33.2	\$553.5	6.0%	16.7 to 1
Rhode Island	\$506	\$1.9	\$38.0	4.9%	20.0 to 1
South Carolina	\$1.09 bill.	\$1.0	\$280.3	0.4%	280.3 to 1
South Dakota	\$274	\$5.8	\$37.7	15.4%	6.5 to 1
Tennessee	\$2.16 bill.	\$6.1	\$406.3	1.5%	66.6 to 1
Texas	\$5.83 bill.	\$12.6	\$884.7	1.4%	70.2 to 1
Utah	\$345	\$8.2	\$57.9	14.2%	7.1 to 1
Vermont	\$233	\$6.1	\$28.2	21.8%	4.6 to 1
Virginia	\$2.08 bill.	\$13.6	\$438.5	3.1%	32.2 to 1
Washington	\$1.95 bill.	\$28.4	\$164.6	17.2%	5.8 to 1
West Virginia	\$690	\$6.7	\$132.0	5.0%	19.7 to 1
Wisconsin	\$2.02 bill.	\$16.3	\$276.1	5.9%	16.9 to 1
Wyoming	\$136	\$6.9	\$27.4	25.0%	4.0 to 1

*Campaign for Tobacco-Free Kids, November 6, 2008/Meg Riordan*

**For more information on tobacco company marketing see the Campaign's website at:**

<http://tobaccofreekids.org/research/factsheets/index.php?CategoryID=23>

**For more state information relating to tobacco use, see the Campaign's website at:**

<http://tobaccofreekids.org/research/factsheets>

**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 Ten Years Later*, 2008, <http://www.tobaccofreekids.org/reports/settlements/>.

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

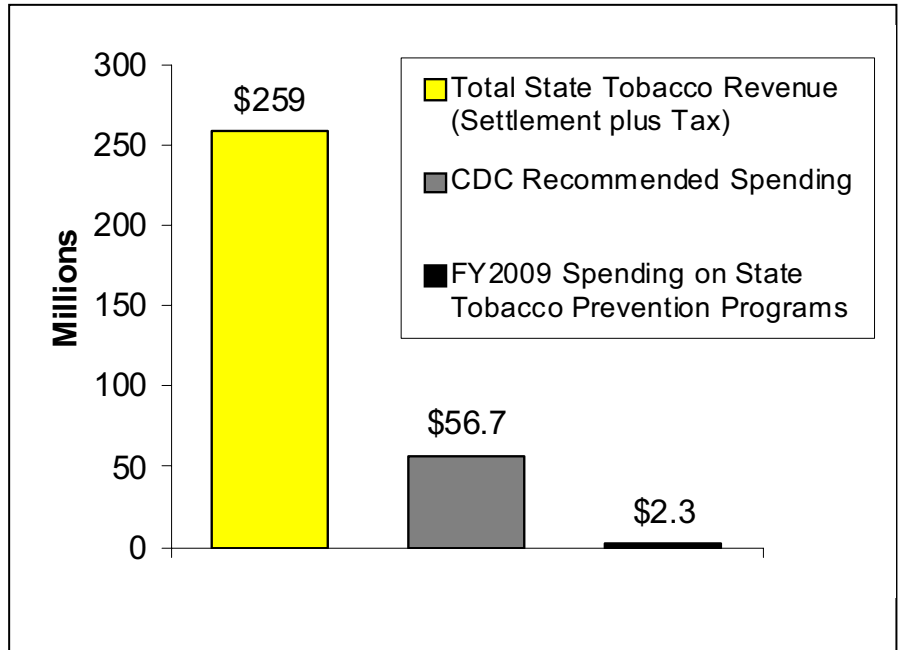
[http://www.cdc.gov/tobacco/tobacco\\_control\\_programs/stateandcommunity/best\\_practices/index.htm](http://www.cdc.gov/tobacco/tobacco_control_programs/stateandcommunity/best_practices/index.htm)

U.S. Federal Trade Commission (FTC), *Cigarette Report for 2004 and 2005*, 2007 [data for top five manufacturers only], <http://www.ftc.gov/reports/tobacco/2007cigarette2004-2005.pdf>; FTC, *Federal Trade Commission Smokeless Tobacco Report for the Years 2004 and 2005*, 2007. [top five manufacturers] <http://www.ftc.gov/reports/tobacco/02-05smokeless0623105.pdf>. State total is a prorated estimate based on cigarette pack sales in the state.

## Alabama

<b>FY2009 State Ranking: 48</b>			
<b>% of CDC Recommended Spending (\$56.7 million): 4.1%</b>			
<b>FY2009</b>		<b>FY2008</b>	
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$2.3 million</b>	<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$2.2 million</b>
State Spending	\$1.2 million	State Spending	\$767,000
Federal Spending	\$1.09 million *	Federal Spending	\$1.46 million

**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 currently receives \$2.3 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 4.1% of the CDC's recommendation and ranks Alabama 48th among the states in the funding of tobacco prevention programs. Alabama's spending on tobacco prevention amounts to 0.9% of the estimated \$259 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**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. Up to \$7 million (10 percent of the fund) is designated to the Department of Public Health for youth programs including tobacco control programs and the Children's Health Insurance Program (CHIP). Additionally, up to \$700,000 is set-aside for the Alcoholic Beverage Control Board (ABC) for education and the enforcement of laws to prohibit access to tobacco products by minors.

For FY2009, Alabama is scheduled to spend \$2.3 million in federal and state funds for tobacco prevention programs, approximately the same amount that was spent in FY2008.

<b>Tobacco's Toll in Alabama</b>	
Adults who smoke	22.5%
High school students who smoke	26.8%
Deaths caused by smoking each year	7,400
Annual health care costs directly caused by smoking	\$1.49 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$547 per household
Annual tobacco company marketing in state	\$265.0 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	115.2 to 1

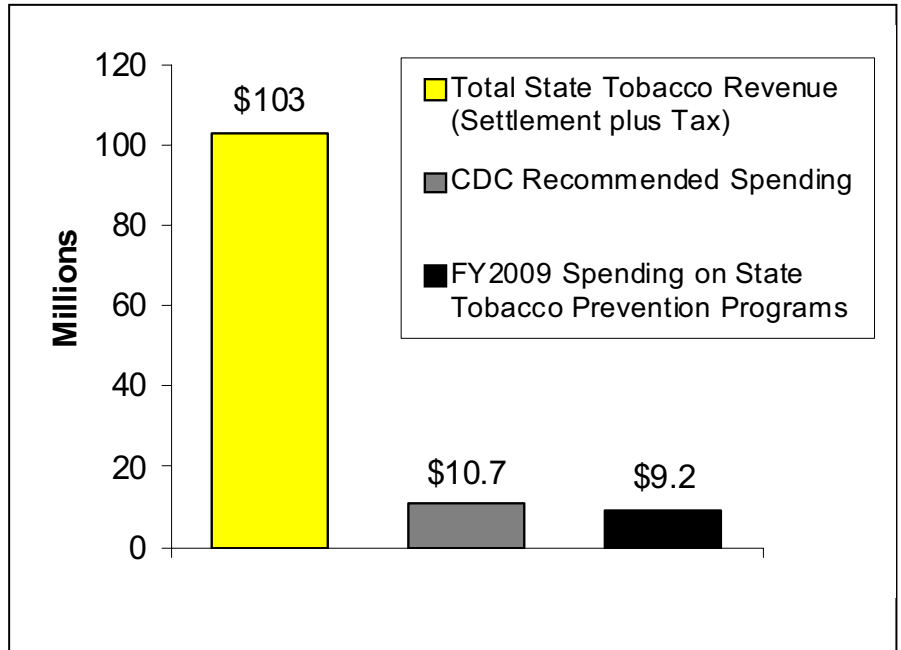
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\* For FY2009, federal spending refers to a nine-month grant provided to the states by the U.S. Centers for Disease Control and Prevention for the period beginning July 2008. In April 2009, the CDC will transition to a new funding agreement with the states that will provide the usual 12-month grant.

## Alaska

<b>FY2009 State Ranking: 1</b>			
<b>% of CDC Recommended Spending (\$10.7 million): 86.0%</b>			
<b>FY2009</b>		<b>FY2008</b>	
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$9.2 million</b>	<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$8.8 million</b>
State Spending	\$8.2 million	State Spending	\$7.5 million
Federal Spending	\$952,000 *	Federal Spending	\$1.27 million

**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 receives \$9.2 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 86.0% 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 8.9% of the estimated \$103 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 FY2009, state and federal spending on the state's tobacco prevention and cessation program will be \$9.2 million, a slight increase from the \$8.8 million spent in FY2008.

<b>Tobacco's Toll in Alaska</b>	
Adults who smoke	22.2%
High school students who smoke	17.8%
Deaths caused by smoking each year	500
Annual health care costs directly caused by smoking	\$169 million
Residents' state & federal tax burden from smoking-caused government expenditures	\$662 per household
Annual tobacco company marketing in state	\$28.1 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	3.1 to 1

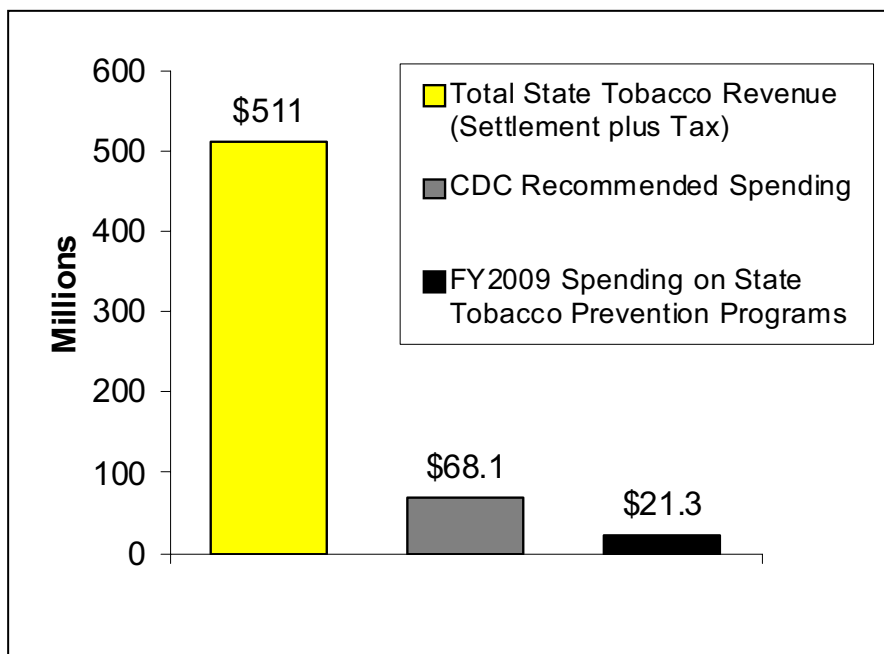
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\* For FY2009, federal spending refers to a nine-month grant provided to the states by the U.S. Centers for Disease Control and Prevention for the period beginning July 2008. In April 2009, the CDC will transition to a new funding agreement with the states that will provide the usual 12-month grant.

## Arizona

<b>FY2009 State Ranking: 20</b>			
<b>% of CDC Recommended Spending (\$68.1 million): 31.3%</b>			
<b>FY2009</b>		<b>FY2008</b>	
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$21.3 million</b>	<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$24.0 million</b>
State Spending	\$21.0 million	State Spending	\$23.5 million
Federal Spending	\$347,000 *	Federal Spending	\$463,000

**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 receives \$21.3 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 31.3% of the CDC's recommendation and ranks Arizona 20th among the states in the funding of tobacco prevention programs. Arizona's spending on tobacco prevention amounts to 4.2% of the estimated \$511 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 cigarette tax a portion of the revenue to fund a comprehensive Tobacco Education and Prevention Program (TEPP). No settlement funds are used for tobacco prevention.

State and federal spending on tobacco prevention and cessation for FY2009 will be \$21.3 million, a slight decrease from the \$24 million spent in FY2008.

<b>Tobacco's Toll in Arizona</b>	
Adults who smoke	19.8%
High school students who smoke	22.2%
Deaths caused by smoking each year	6,300
Annual health care costs directly caused by smoking	\$1.3 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$545 per household
Annual tobacco company marketing in state	\$172.5 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	8.1 to 1

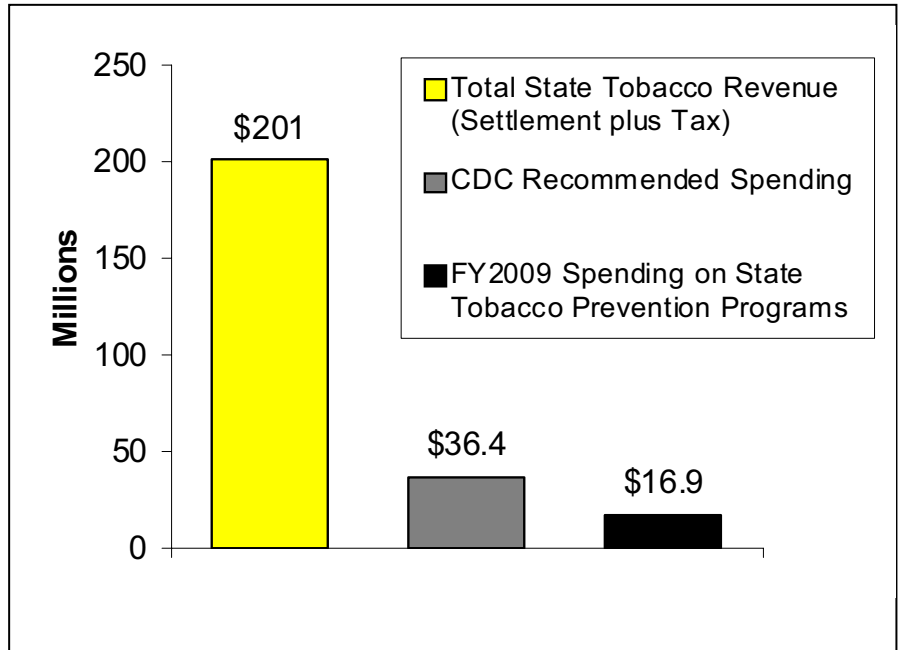
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\* For FY2009, federal spending refers to a nine-month grant provided to the states by the U.S. Centers for Disease Control and Prevention for the period beginning July 2008. In April 2009, the CDC will transition to a new funding agreement with the states that will provide the usual 12-month grant.

## Arkansas

<b>FY2009 State Ranking: 10</b>			
<b>% of CDC Recommended Spending (\$36.4 million): 46.4%</b>			
<b>FY2009</b>		<b>FY2008</b>	
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$16.9 million</b>	<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$17.0 million</b>
State Spending	\$16.0 million	State Spending	\$15.6 million
Federal Spending	\$910,000 *	Federal Spending	\$1.38 million

**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 receives \$16.9 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 46.4% of the CDC's recommendation and ranks Arkansas 10th among the states in the funding of tobacco prevention programs. Arkansas's spending on tobacco prevention amounts to 8.4% of the estimated \$201 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. For FY2009, Arkansas is scheduled to spend \$16.9 million in federal and state funds for tobacco prevention programs.



<b>Tobacco's Toll in Arkansas</b>	
Adults who smoke	22.4%
High school students who smoke	20.7%
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	\$562 per household
Annual tobacco company marketing in state	\$160.5 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	9.5 to 1

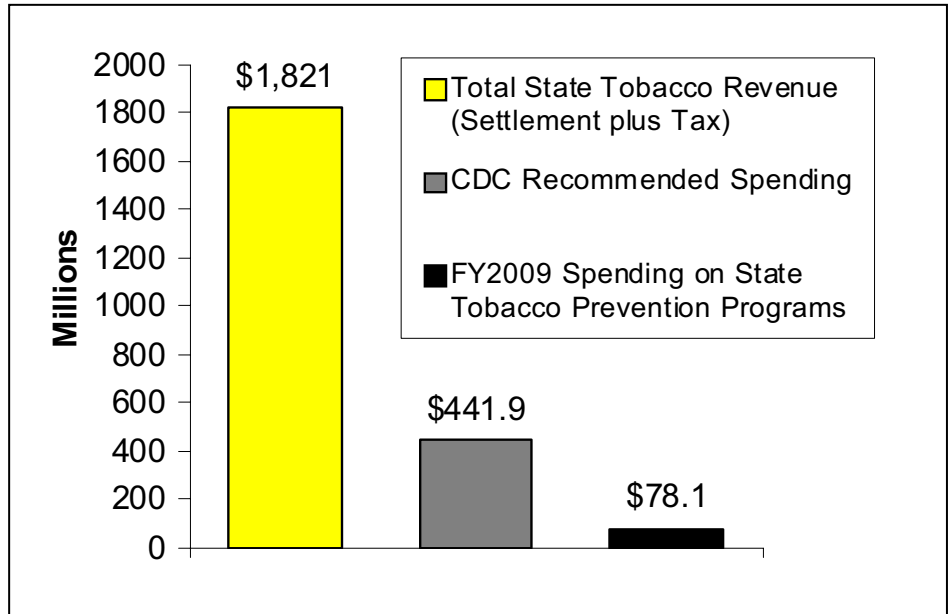
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\* For FY2009, federal spending refers to a nine-month grant provided to the states by the U.S. Centers for Disease Control and Prevention for the period beginning July 2008. In April 2009, the CDC will transition to a new funding agreement with the states that will provide the usual 12-month grant.

## California

<b>FY2009 State Ranking: 31</b>			
<b>% of CDC Recommended Spending (\$441.9 million): 17.7%</b>			
<b>FY2009</b>		<b>FY2008</b>	
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$78.1 million</b>	<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$77.9 million</b>
State Spending	\$77.7 million	State Spending	\$77.4 million
Federal Spending	\$409,000 *	Federal Spending	\$545,000

**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 receives \$78.1 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 17.7% of the CDC's recommendation and ranks California 31st among the states in the funding of tobacco prevention programs. California's spending on tobacco prevention amounts to 4.3% of the estimated \$1.82 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. Combined with funds from the Centers for Disease Control and Prevention, total spending on tobacco prevention and cessation in FY2009 will be \$78.1 million, about the same amount that was spent in FY2008.

<b>Tobacco's Toll in California</b>	
Adults who smoke	14.3%
High school students who smoke	15.4%
Deaths caused by smoking each year	37,800
Annual health care costs directly caused by smoking	\$9.14 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$624 per household
Annual tobacco company marketing in state	\$843.8 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	10.8 to 1

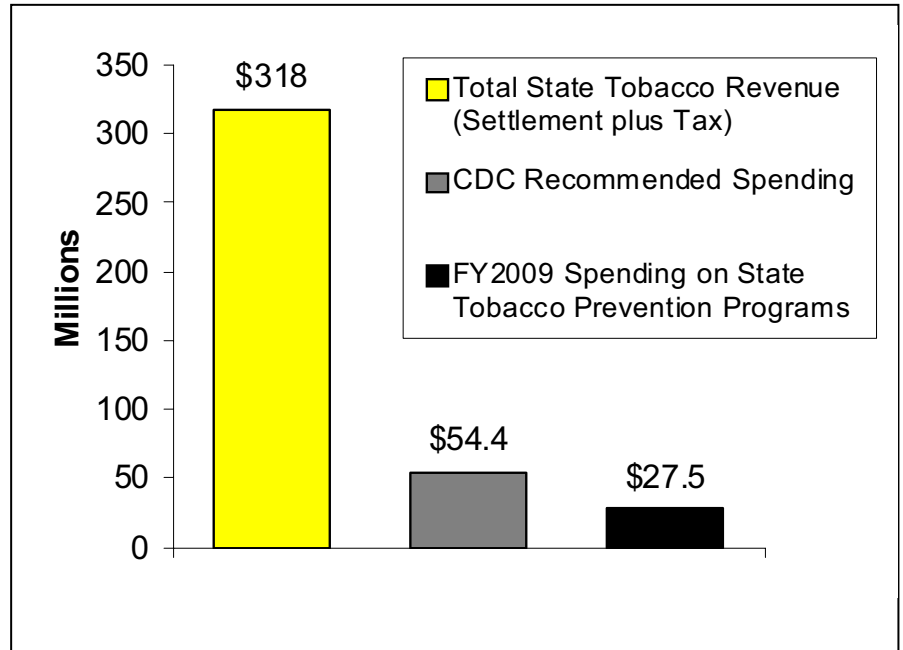
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\* For FY2009, federal spending refers to a nine-month grant provided to the states by the U.S. Centers for Disease Control and Prevention for the period beginning July 2008. In April 2009, the CDC will transition to a new funding agreement with the states that will provide the usual 12-month grant.

## Colorado

<b>FY2009 State Ranking: 9</b>			
<b>% of CDC Recommended Spending (\$54.4 million): 50.6%</b>			
<b>FY2009</b>		<b>FY2008</b>	
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$27.5 million</b>	<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$27.6 million</b>
State Spending	\$26.4 million	State Spending	\$26.0 million
Federal Spending	\$1.09 million*	Federal Spending	\$1.56 million

**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 receives \$27.5 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 50.6% of the CDC's recommendation and ranks Colorado 9th among the states in the funding of tobacco prevention programs. Colorado's spending on tobacco prevention amounts to 8.6% of the estimated \$318 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** For FY2009, Colorado is scheduled to spend \$27.5 million for tobacco prevention and cessation programs. In November 2004, Colorado voters approved a 64-cent per pack increase in the state cigarette tax with the revenue earmarked for health initiatives, of which 16 percent would fund tobacco prevention. In April 2005, Colorado's elected leaders and the Citizens for Healthier Colorado, which championed the cigarette tax increase, reached agreement on its implementation, including \$27 million a year in state funds to fund a comprehensive tobacco prevention and cessation program. As a result of this agreement and the fact that the original tobacco settlement funds were used to fill budget shortfalls and on unrelated programs, the MSA dollars are no longer used to fund tobacco prevention and cessation programs.

<b>Tobacco's Toll in Colorado</b>	
Adults who smoke	18.7%
High school students who smoke	14.6%
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	\$587 per household
Annual tobacco company marketing in state	\$189.3 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	6.9 to 1

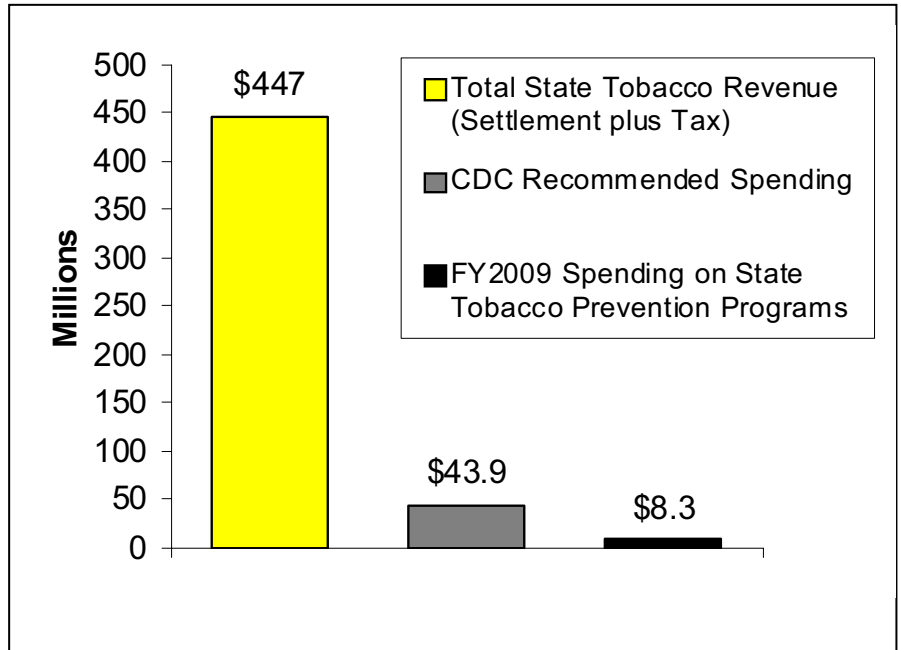
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\* For FY2009, federal spending refers to a nine-month grant provided to the states by the U.S. Centers for Disease Control and Prevention for the period beginning July 2008. In April 2009, the CDC will transition to a new funding agreement with the states that will provide the usual 12-month grant.

## Connecticut

<b>FY2009 State Ranking: 29</b>			
<b>% of CDC Recommended Spending (\$43.9 million): 18.9%</b>			
<b>FY2009</b>		<b>FY2008</b>	
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$8.3 million</b>	<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$1.2 million</b>
State Spending	\$7.4 million	State Spending	\$0
Federal Spending	\$889,000 *	Federal Spending	\$1.19 million

**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 receives \$8.3 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 18.9% of the CDC's recommendation and ranks Connecticut 29th among the states in the funding of tobacco prevention programs. Connecticut's spending on tobacco prevention amounts to 1.9% of the estimated \$447 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 FY2008, the Legislature did not allocate any new funding for a state tobacco prevention and cessation program and was ranked 51st (out of 51) in last year's report on state spending for tobacco prevention. Earlier this year, the Legislature changed the rules governing expenditure of funds from the state's Tobacco and Health Trust Fund. The Trust Fund's Board is now able to spend up to 50 percent of the Fund's principal in addition to any interest that the Fund has accumulated. The Board has recommended that the state spend \$7.4 million of tobacco settlement revenues for tobacco prevention and cessation programs during FY2009. On November 18<sup>th</sup>, the Joint Committee on Appropriations and Public Health will hold a hearing to review and approve the Board's spending recommendations.

Combined with funds from the Centers for Disease Control and Prevention, total spending on tobacco prevention in FY2009 will be \$8.3 million, \$7 million more than was spent in FY2008.

<b>Tobacco's Toll in Connecticut</b>	
Adults who smoke	15.4%
High school students who smoke	21.1%
Deaths caused by smoking each year	4,900
Annual health care costs directly caused by smoking	\$1.63 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$680 per household
Annual tobacco company marketing in state	\$124.1 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	15.0 to 1

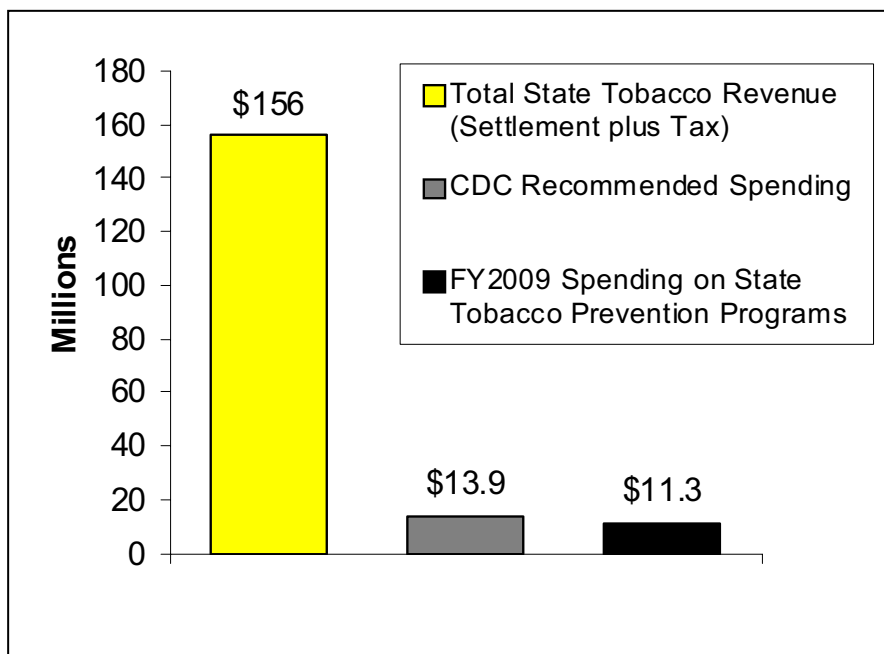
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\* For FY2009, federal spending refers to a nine-month grant provided to the states by the U.S. Centers for Disease Control and Prevention for the period beginning July 2008. In April 2009, the CDC will transition to a new funding agreement with the states that will provide the usual 12-month grant.

## Delaware

<b>FY2009 State Ranking: 2</b>			
<b>% of CDC Recommended Spending (\$13.9 million): 81.3%</b>			
<b>FY2009</b>		<b>FY2008</b>	
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$11.3 million</b>	<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$11.4 million</b>
State Spending	\$10.7 million	State Spending	\$10.7 million
Federal Spending	\$552,000 *	Federal Spending	\$736,000

**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 receives \$11.3 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 81.3% of the CDC's recommendation and ranks Delaware 2nd among the states in the funding of tobacco prevention programs. Delaware's spending on tobacco prevention amounts to 7.2% of the estimated \$156 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** In July 1999, then-Governor Tom Carper (D) signed into law legislation creating the Delaware Health Fund into which all of the state's tobacco settlement payments are directed. The law also designated the Fund's purposes: expand access to healthcare, promote healthy lifestyles, and mitigate the effects of disease. An advisory committee of citizens, health experts and elected officials was formed to make annual recommendations for program expenditures from the Fund. The Legislature must allocate the money within the fund through the state's annual budget process.

For FY2009, Delaware is scheduled to spend \$11.3 million in federal and state funds for tobacco prevention programs, approximately the same amount that was spent in FY2008.



<b>Tobacco's Toll in Delaware</b>	
Adults who smoke	18.9%
High school students who smoke	20.2%
Deaths caused by smoking each year	1,200
Annual health care costs directly caused by smoking	\$284 million
Residents' state & federal tax burden from smoking-caused government expenditures	\$626 per household
Annual tobacco company marketing in state	\$105.5 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	9.3 to 1

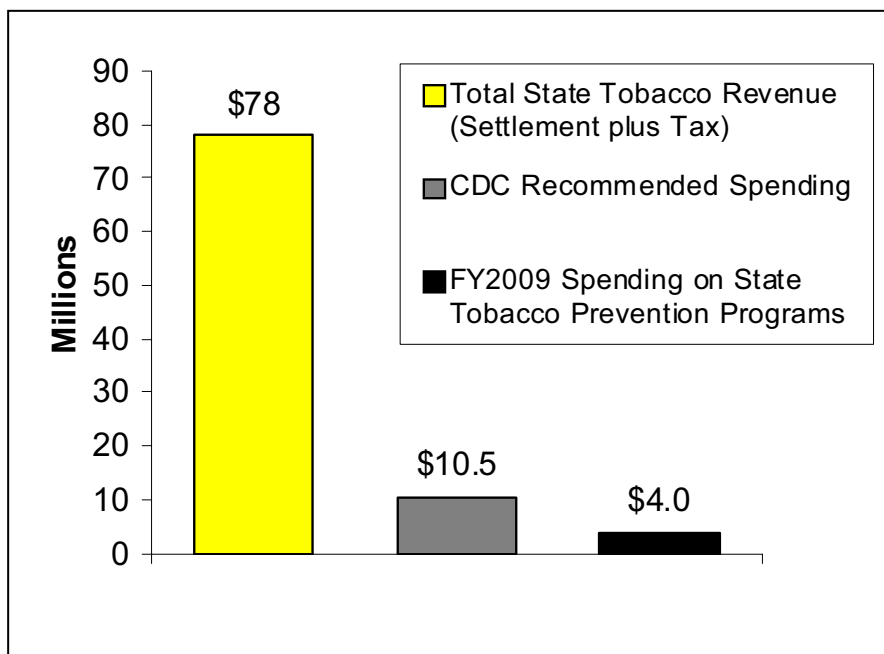
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\* For FY2009, federal spending refers to a nine-month grant provided to the states by the U.S. Centers for Disease Control and Prevention for the period beginning July 2008. In April 2009, the CDC will transition to a new funding agreement with the states that will provide the usual 12-month grant.

## District of Columbia

<b>FY2009 State Ranking: 15</b>			
<b>% of CDC Recommended Spending (\$10.5 million): 38.1%</b>			
<b>FY2009</b>		<b>FY2008</b>	
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$4.0 million</b>	<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$4.2 million</b>
State Spending	\$3.6 million	State Spending	\$3.6 million
Federal Spending	\$438,000 *	Federal Spending	\$584,000

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that DC spend \$10.5 million a year to have an effective, comprehensive tobacco prevention program. DC currently receives \$4.0 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 38.1% of the CDC's recommendation and ranks DC 15th among the states in the funding of tobacco prevention programs. DC's spending on tobacco prevention amounts to 5.1% of the estimated \$78 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' (D) plan to securitize most of the settlement funds by issuing bonds backed by the \$1 billion that city expects to receive over the next 25 years. The money raised was transferred into a trust fund and will be 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 will be held in escrow for three years. Beginning in 2004, any remaining funds are to 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 will 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 fiscal year 2007, the DC City Council allocated \$10 million for a tobacco prevention program over three years. The program and funds are administered by the American Lung Association of DC. In FY2007 DC spent \$2.4 million and allocated \$3.6 million in both FY2008 and FY2009. For FY2009, DC is scheduled to spend \$4.0 million in federal and state funds for tobacco prevention programs.

<b>Tobacco's Toll in District of Columbia</b>	
Adults who smoke	17.2%
High school students who smoke	10.6%
Deaths caused by smoking each year	700
Annual health care costs directly caused by smoking	\$243 million
Residents' state & federal tax burden from smoking-caused government expenditures	\$602 per household
Annual tobacco company marketing in state	\$14.7 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	3.7 to 1

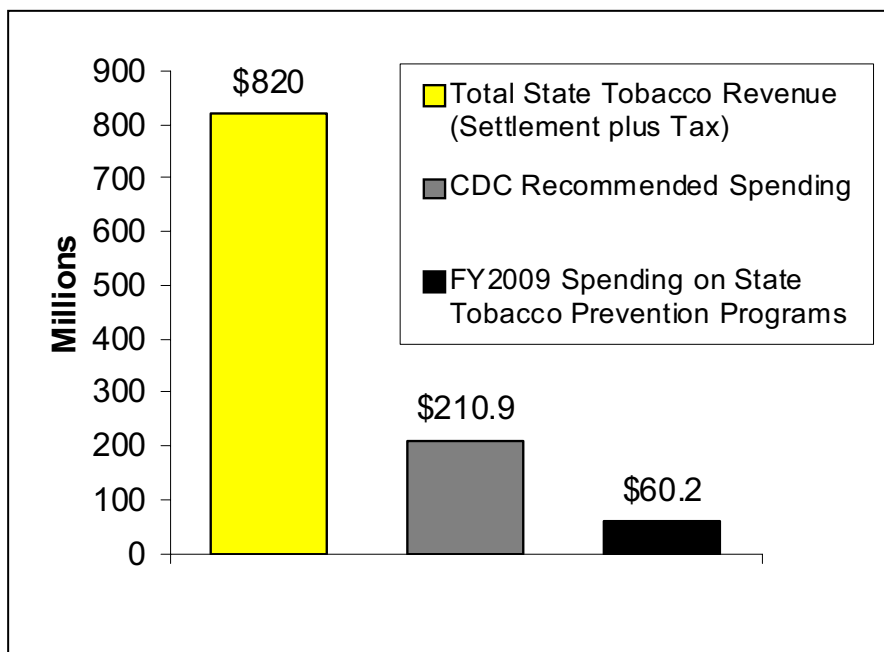
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## Florida

<b>FY2009 State Ranking: 22</b>			
<b>% of CDC Recommended Spending (\$210.9 million): 28.5%</b>			
<b>FY2009</b>		<b>FY2008</b>	
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$60.2 million</b>	<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$58.9 million</b>
State Spending	\$59.5 million	State Spending	\$58.0 million
Federal Spending	\$706,000 *	Federal Spending	\$941,000

**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 receives \$60.2 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 28.5% of the CDC's recommendation and ranks Florida 22nd among the states in the funding of tobacco prevention programs. Florida's spending on tobacco prevention amounts to 7.3% of the estimated \$820 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** Florida's tobacco settlement payments initially were 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 were 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 its annual tobacco settlement revenue on tobacco prevention programs. For FY2009, Florida is scheduled to spend \$60.2 million in federal and state funds for tobacco prevention programs, a slight increase from the amount that was spent in FY2008.

<b>Tobacco's Toll in Florida</b>	
Adults who smoke	19.3%
High school students who smoke	14.5%
Deaths caused by smoking each year	28,700
Annual health care costs directly caused by smoking	\$6.32 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$585 per household
Annual tobacco company marketing in state	\$930.4 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	15.5 to 1

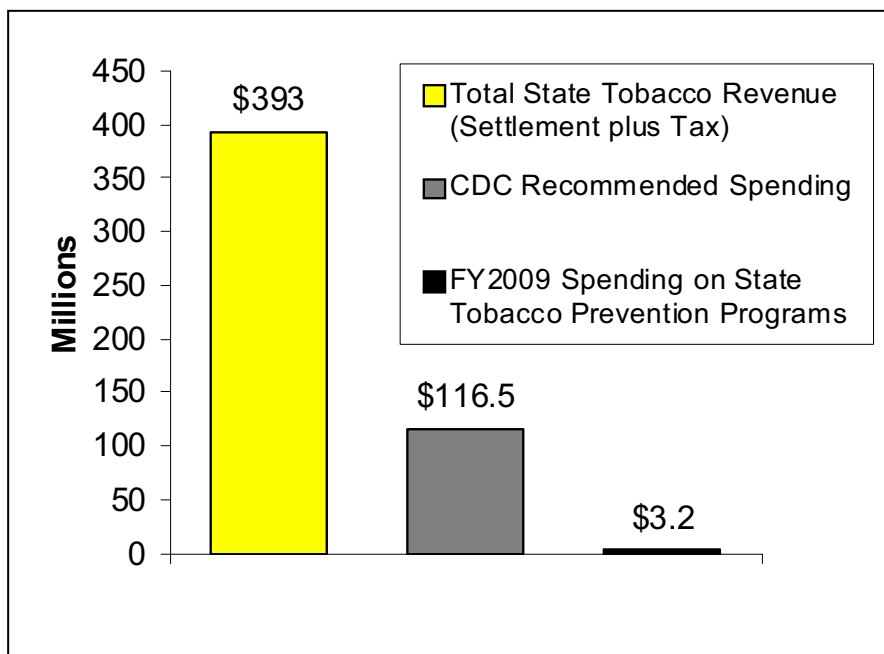
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\* For FY2009, federal spending refers to a nine-month grant provided to the states by the U.S. Centers for Disease Control and Prevention for the period beginning July 2008. In April 2009, the CDC will transition to a new funding agreement with the states that will provide the usual 12-month grant.

## Georgia

<b>FY2009 State Ranking: 50</b>			
<b>% of CDC Recommended Spending (\$116.5 million): 2.7%</b>			
<b>FY2009</b>		<b>FY2008</b>	
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$3.2 million</b>	<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$3.4 million</b>
State Spending	\$2.3 million	State Spending	\$2.2 million
Federal Spending	\$902,000 *	Federal Spending	\$1.20 million

**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 receives \$3.2 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 2.7% of the CDC's recommendation and ranks Georgia 50th among the states in the funding of tobacco prevention programs. Georgia's spending on tobacco prevention amounts to 0.8% of the estimated \$393 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 that helps Georgia communities compete with communities in other states to attract businesses and the Equity Fund that 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.

For FY2009, Georgia is scheduled to spend \$3.2 million in federal and state funds for tobacco prevention programs, about the same amount that was spent in FY2008.

<b>Tobacco's Toll in Georgia</b>	
Adults who smoke	19.4%
High school students who smoke	18.6%
Deaths caused by smoking each year	10,300
Annual health care costs directly caused by smoking	\$2.25 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$555 per household
Annual tobacco company marketing in state	\$444.8 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	139.0 to 1

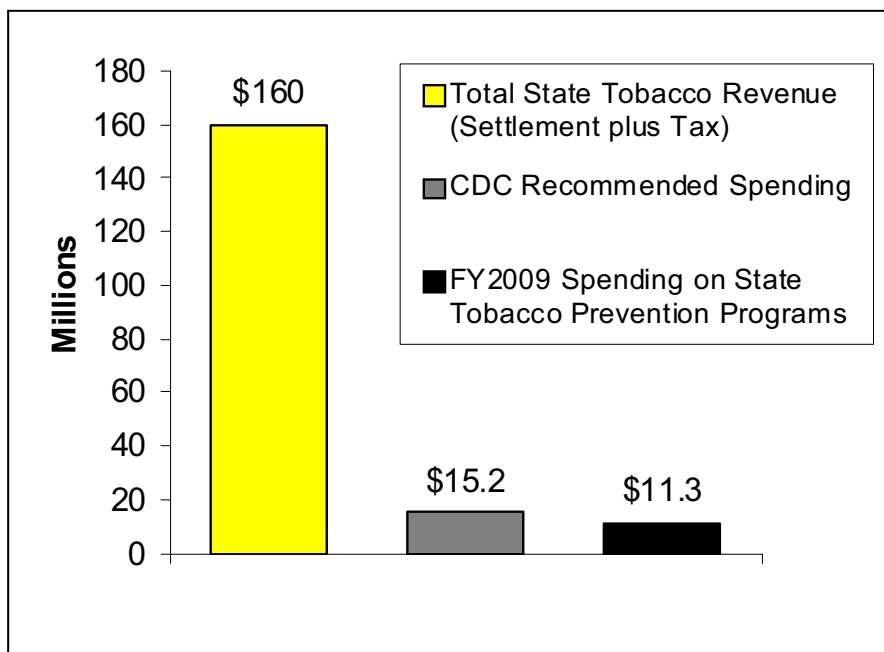
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\* For FY2009, federal spending refers to a nine-month grant provided to the states by the U.S. Centers for Disease Control and Prevention for the period beginning July 2008. In April 2009, the CDC will transition to a new funding agreement with the states that will provide the usual 12-month grant.

## Hawaii

<b>FY2009 State Ranking: 4</b>			
<b>% of CDC Recommended Spending (\$15.2 million): 74.3%</b>			
<b>FY2009</b>		<b>FY2008</b>	
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$11.3 million</b>	<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$11.4 million</b>
State Spending	\$10.5 million	State Spending	\$10.4 million
Federal Spending	\$764,000 *	Federal Spending	\$1.02 million

**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 receives \$11.3 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 74.3% of the CDC's recommendation and ranks Hawaii 4th among the states in the funding of tobacco prevention programs. Hawaii's spending on tobacco prevention amounts to 7.1% of the estimated \$160 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 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.

Combined with funds from the Centers for Disease Control and Prevention, total spending on tobacco prevention and cessation for FY2009 will be \$11.3 million, about the same amount that was spent in FY2008.



<b>Tobacco's Toll in Hawaii</b>	
Adults who smoke	17.0%
High school students who smoke	12.8%
Deaths caused by smoking each year	1,200
Annual health care costs directly caused by smoking	\$336 million
Residents' state & federal tax burden from smoking-caused government expenditures	\$622 per household
Annual tobacco company marketing in state	\$42.2 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	3.7 to 1

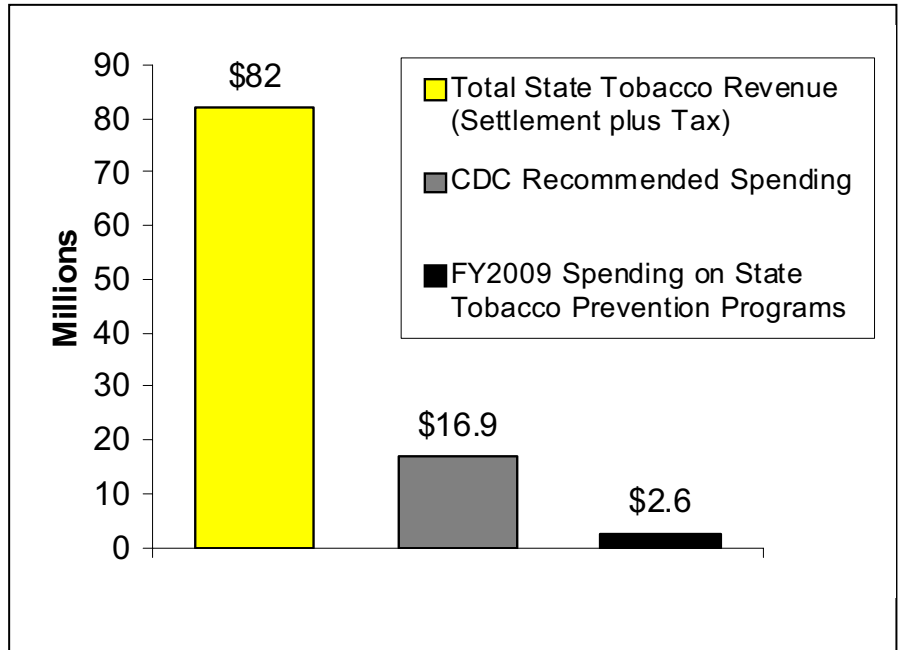
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\* For FY2009, federal spending refers to a nine-month grant provided to the states by the U.S. Centers for Disease Control and Prevention for the period beginning July 2008. In April 2009, the CDC will transition to a new funding agreement with the states that will provide the usual 12-month grant.

## Idaho

<b>FY2009 State Ranking: 34</b>			
<b>% of CDC Recommended Spending (\$16.9 million): 15.4%</b>			
<b>FY2009</b>		<b>FY2008</b>	
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$2.6 million</b>	<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$2.7 million</b>
State Spending	\$1.7 million	State Spending	\$1.4 million
Federal Spending	\$941,000 *	Federal Spending	\$1.25 million

**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 receives \$2.6 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 15.4% 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 3.2% of the estimated \$82 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** The FY2009 budget for the state's tobacco prevention and cessation program includes \$2.6 million in state and federal funding, a slight increase over FY2008 funding. The Idaho Millennium Fund is the repository of funds received by Idaho under the MSA. With establishment of the Millennium 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 Millennium 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 Millennium 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.

<b>Tobacco's Toll in Idaho</b>	
Adults who smoke	19.1%
High school students who smoke	20.0%
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	\$542 per household
Annual tobacco company marketing in state	\$57.8 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	22.2 to 1

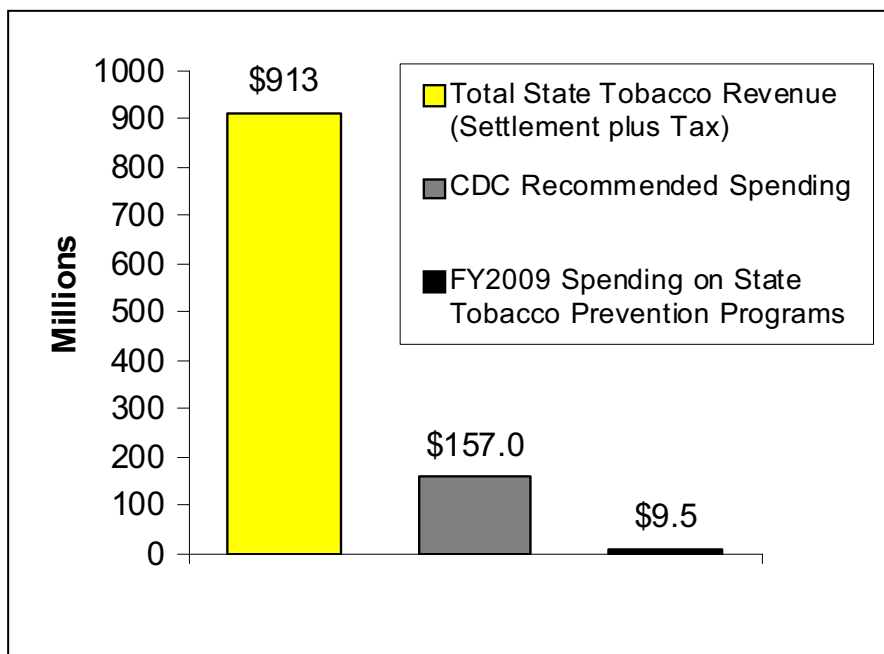
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\* For FY2009, federal spending refers to a nine-month grant provided to the states by the U.S. Centers for Disease Control and Prevention for the period beginning July 2008. In April 2009, the CDC will transition to a new funding agreement with the states that will provide the usual 12-month grant.

## Illinois

<b>FY2009 State Ranking: 43</b>			
<b>% of CDC Recommended Spending (\$157.0 million): 6.1%</b>			
<b>FY2009</b>		<b>FY2008</b>	
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$9.5 million</b>	<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$9.8 million</b>
State Spending	\$8.5 million	State Spending	\$8.5 million
Federal Spending	\$973,000 *	Federal Spending	\$1.30 million

**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 receives \$9.5 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 6.1% of the CDC's recommendation and ranks Illinois 43rd among the states in the funding of tobacco prevention programs. Illinois's spending on tobacco prevention amounts to 1.0% of the estimated \$913 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 FY2009 budget allocates \$8.5 million in state funding for tobacco prevention – an amount unchanged in recent years and just a fraction of what was allocated at the start of the settlement. The bulk of Illinois settlement funds are used for senior prescription drugs and capital projects. While Illinois funds several important tobacco control programs, the state is not pursuing a CDC-based statewide comprehensive program. State funds are designated to a state Quitline, to Department of Public Health programs, and to local health departments for prevention and cessation activities. The use of these funds is not consistent or coordinated. In most recent years, tobacco prevention funds were not made available for use until mid-year, resulting in programs that have been interrupted or ended, dramatically impacting effectiveness. Also, in past years, a portion of the funding reserved for the state Department of Public Health (IDPH) went unspent, including funds for tobacco prevention program evaluation. State government has also made it nearly impossible to track IDPH spending. A significant contributor to these problems is IDPH's multi-year failure to take the basic step of filling vacant tobacco prevention job openings.

<b>Tobacco's Toll in Illinois</b>	
Adults who smoke	20.1%
High school students who smoke	19.9%
Deaths caused by smoking each year	16,900
Annual health care costs directly caused by smoking	\$4.10 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$670 per household
Annual tobacco company marketing in state	\$471.4 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	49.6 to 1

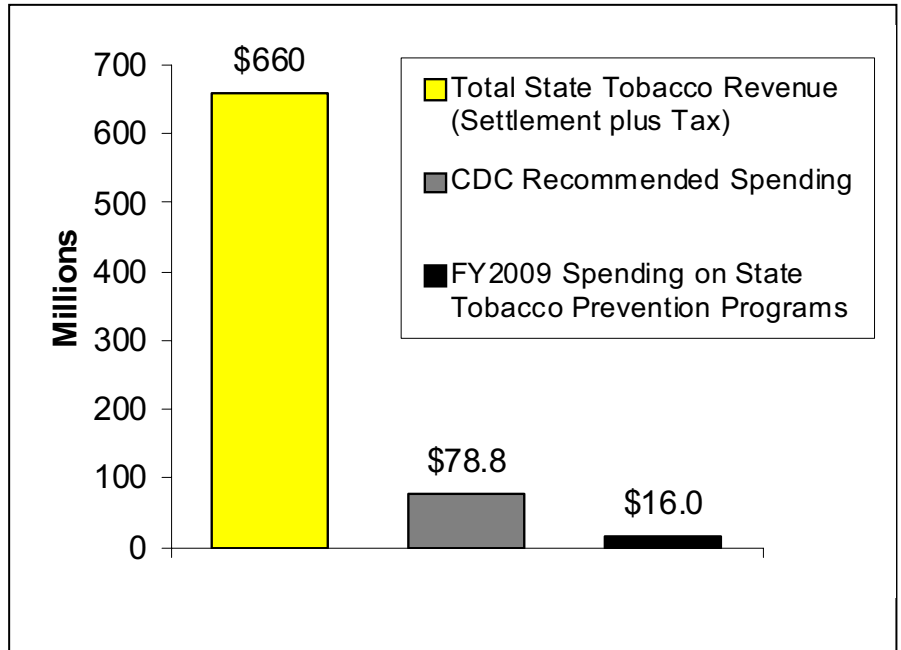
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## Indiana

<b>FY2009 State Ranking: 28</b>			
<b>% of CDC Recommended Spending (\$78.8 million): 20.3%</b>			
<b>FY2009</b>		<b>FY2008</b>	
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$16.0 million</b>	<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$17.3 million</b>
State Spending	\$15.1 million	State Spending	\$16.2 million
Federal Spending	\$855,000 *	Federal Spending	\$1.14 million

**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 receives \$16.0 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 20.3% of the CDC's recommendation and ranks Indiana 28th among the states in the funding of tobacco prevention programs. Indiana's spending on tobacco prevention amounts to 2.4% of the estimated \$660 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** The biennial state budget for FY08-09, combined with Healthy Indiana Plan (HIP) legislation passed in 2007, produced a significant step forward for Indiana – with \$16.2 million in state funds allocated for tobacco prevention and cessation programs each year. However, this year all state agencies were required to put seven percent of their appropriations into a state reserve, meaning actual FY09 state funding will be \$15.1 million. Approved thanks to bipartisan support and the leadership of Governor Mitch Daniels (R), HIP increased the state cigarette tax by 44 cents to 99.5 cents per pack. The new revenue provided \$1.2 million for tobacco prevention, and funded expanded health care access and childhood immunizations. HIP also includes a small business tax credit and funds for smoking cessation assistance. The remaining funding increase came from settlement payments through the state budget. While a major step forward, \$16.2 million a year still represents roughly half the amount allocated at the start of the MSA. Although past funding cuts have hampered the reach of the Indiana Tobacco Prevention and Cessation Agency (ITPC), the agency has shown impressive results particularly in combination with the cigarette tax increase. Cigarette consumption in Indiana decreased by almost a fifth from 2007 to 2008 and was accompanied by a 260 percent increase in calls to the state quitline.

<b>Tobacco's Toll in Indiana</b>	
Adults who smoke	24.1%
High school students who smoke	22.5%
Deaths caused by smoking each year	9,800
Annual health care costs directly caused by smoking	\$2.08 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$576 per household
Annual tobacco company marketing in state	\$425.1 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	26.6 to 1

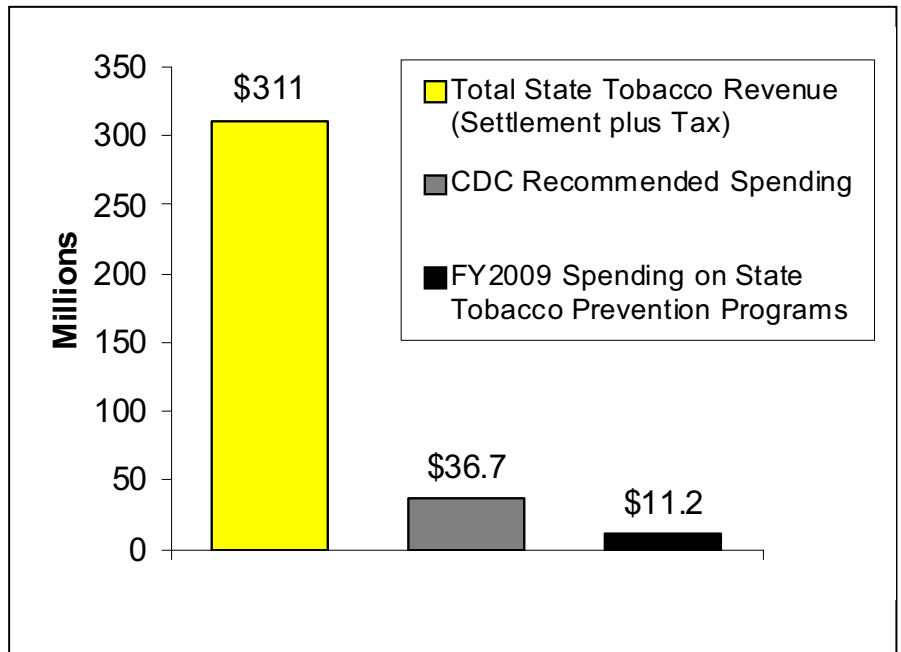
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## Iowa

<b>FY2009 State Ranking: 21</b>			
<b>% of CDC Recommended Spending (\$36.7 million): 30.5%</b>			
<b>FY2009</b>		<b>FY2008</b>	
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$11.2 million</b>	<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$13.4 million</b>
State Spending	\$10.4 million	State Spending	\$12.3 million
Federal Spending	\$834,000 *	Federal Spending	\$1.11 million

**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 receives \$11.2 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 30.5% of the CDC's recommendation and ranks Iowa 21st among the states in the funding of tobacco prevention programs. Iowa's spending on tobacco prevention amounts to 3.6% of the estimated \$311 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** The FY2009 budget approved by the Legislature and Governor Chet Culver (D) provides \$10.4 million in new state funds for tobacco prevention and cessation programs (in addition to some carry-over), a decrease from the \$12.3 million allocated in FY2008 but still a significant increase from FY2007 funding. The recent increase in funds is due to the \$1 per pack increase in the cigarette tax that was approved in March 2007. The tax increase took effect on March 15, 2007, and increased Iowa's cigarette tax from 36 cents per pack to \$1.36 per pack. FY09 funds are provided through three sources: the Healthy Iowans Tobacco Trust Fund, the Health Care Trust Fund, and the general fund. The Healthy Iowans Tobacco Trust Fund was created following the securitization, or selling off, of a portion of the Master Settlement Agreement funds for a one-time lump sum in 2001. As a result of this and subsequent securitization of the remaining MSA funds, settlement payments in Iowa are dedicated entirely to debt service on the securitization bonds. The FY2009 budget appropriated all of the remaining balance of this trust fund, so it will no longer exist. The Health Care Tobacco Trust Fund was created under the tobacco tax increase and is funded on an ongoing basis with some of the tobacco tax revenue. Iowa will receive a total of \$11.2 million in state and federal fund for tobacco prevention programs.



<b>Tobacco's Toll in Iowa</b>	
Adults who smoke	19.8%
High school students who smoke	18.9%
Deaths caused by smoking each year	4,500
Annual health care costs directly caused by smoking	\$1.01 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$598 per household
Annual tobacco company marketing in state	\$176.0 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	15.7 to 1

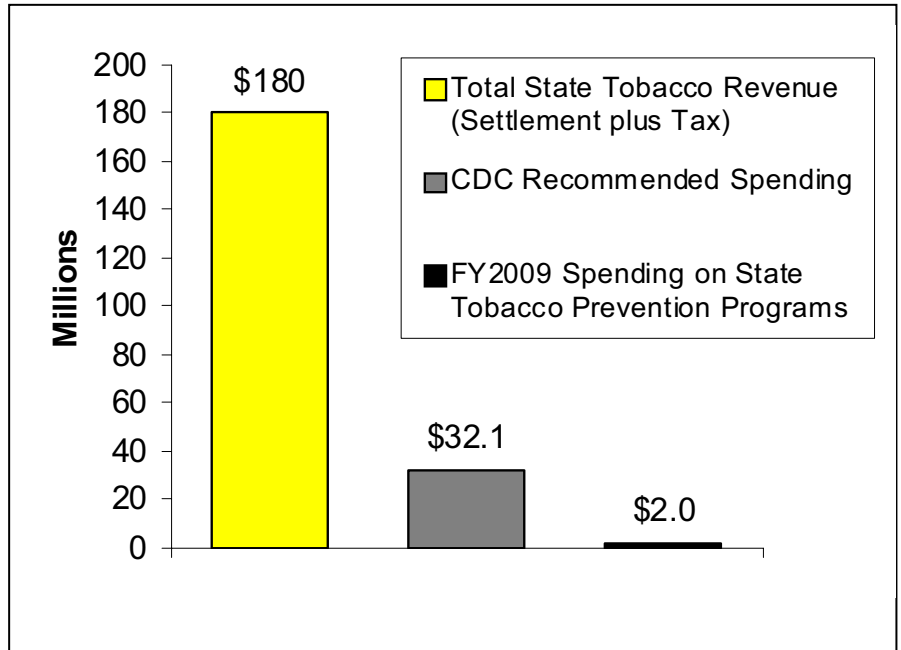
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\* For FY2009, federal spending refers to a nine-month grant provided to the states by the U.S. Centers for Disease Control and Prevention for the period beginning July 2008. In April 2009, the CDC will transition to a new funding agreement with the states that will provide the usual 12-month grant.

## Kansas

<b>FY2009 State Ranking: 42</b>			
<b>% of CDC Recommended Spending (\$32.1 million): 6.2%</b>			
<b>FY2009</b>		<b>FY2008</b>	
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$2.0 million</b>	<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$2.8 million</b>
State Spending	\$1.0 million	State Spending	\$1.4 million
Federal Spending	\$1.03 million*	Federal Spending	\$1.37 million

**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 receives \$2.0 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 6.2% of the CDC's recommendation and ranks Kansas 42nd among the states in the funding of tobacco prevention programs. Kansas's spending on tobacco prevention amounts to 1.1% of the estimated \$180 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 the state's tobacco settlement payments to a trust fund to support youth programs. The FY2009 budget approved by the Legislature and signed by Governor Kathleen Sebelius (D) provides just \$1.0 million for tobacco prevention (of the \$58 million directed into the trust fund this year). Since funding continues to be inadequate for a statewide tobacco prevention program based on CDC recommendations, the funding supports countywide prevention programs in selected areas of the state. Kansas 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 55-cent cigarette tax increase, bringing it to 79 cents a pack, which was approved in 2002.

<b>Tobacco's Toll in Kansas</b>	
Adults who smoke	17.9%
High school students who smoke	20.6%
Deaths caused by smoking each year	3,900
Annual health care costs directly caused by smoking	\$927 million
Residents' state & federal tax burden from smoking-caused government expenditures	\$577 per household
Annual tobacco company marketing in state	\$106.7 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	53.4 to 1

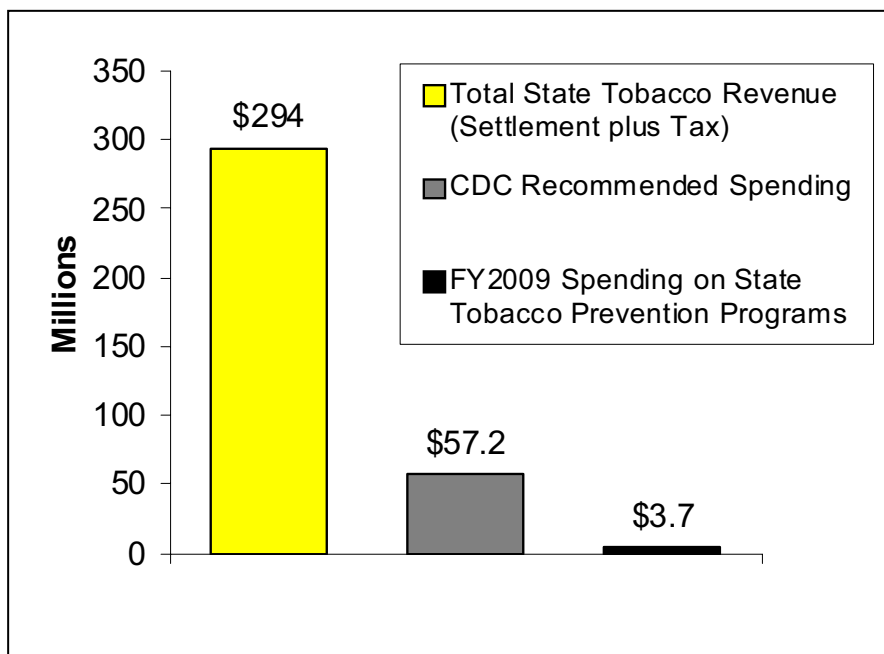
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\* For FY2009, federal spending refers to a nine-month grant provided to the states by the U.S. Centers for Disease Control and Prevention for the period beginning July 2008. In April 2009, the CDC will transition to a new funding agreement with the states that will provide the usual 12-month grant.

## Kentucky

<b>FY2009 State Ranking: 41</b>			
<b>% of CDC Recommended Spending (\$57.2 million): 6.5%</b>			
<b>FY2009</b>		<b>FY2008</b>	
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$3.7 million</b>	<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$3.7 million</b>
State Spending	\$2.8 million	State Spending	\$2.4 million
Federal Spending	\$939,000 *	Federal Spending	\$1.25 million

**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 receives \$3.7 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 6.5% of the CDC's recommendation and ranks Kentucky 41st among the states in the funding of tobacco prevention programs. Kentucky's spending on tobacco prevention amounts to 1.3% of the estimated \$294 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 public health initiatives including tobacco prevention programs and 25 percent for a comprehensive early childhood development program. Oversight boards were created to develop strategic plans for spending the funds and to oversee the resulting programs.

For FY2009, Kentucky is scheduled to spend \$3.7 million in federal and state funds for tobacco prevention programs, the same amount that was spent in FY2008.

<b>Tobacco's Toll in Kentucky</b>	
Adults who smoke	28.2%
High school students who smoke	26.0%
Deaths caused by smoking each year	7,700
Annual health care costs directly caused by smoking	\$1.50 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$595 per household
Annual tobacco company marketing in state	\$535.3 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	144.7 to 1

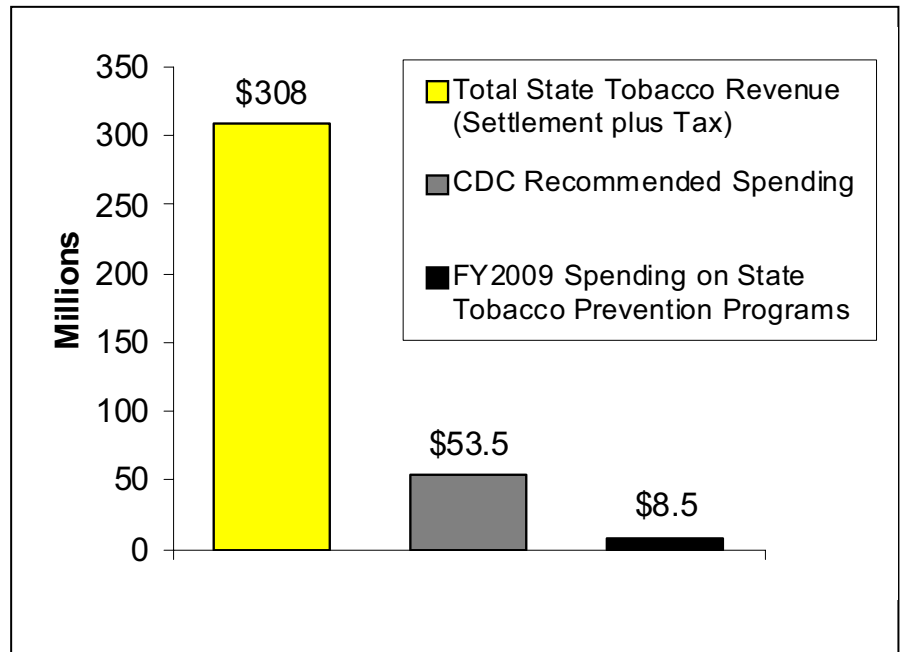
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\* For FY2009, federal spending refers to a nine-month grant provided to the states by the U.S. Centers for Disease Control and Prevention for the period beginning July 2008. In April 2009, the CDC will transition to a new funding agreement with the states that will provide the usual 12-month grant.

## Louisiana

<b>FY2009 State Ranking: 33</b>			
<b>% of CDC Recommended Spending (\$53.5 million): 15.9%</b>			
<b>FY2009</b>		<b>FY2008</b>	
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$8.5 million</b>	<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$9.6 million</b>
State Spending	\$7.6 million	State Spending	\$7.7 million
Federal Spending	\$908,000 *	Federal Spending	\$1.88 million

**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 receives \$8.5 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 15.9% of the CDC's recommendation and ranks Louisiana 33rd among the states in the funding of tobacco prevention programs. Louisiana's spending on tobacco prevention amounts to 2.8% of the estimated \$308 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** For FY2009, Louisiana is scheduled to spend \$8.5 million in federal and state funds for tobacco prevention programs. The Louisiana Legislature allocated the same amount of state funding for FY2009 as it did for FY2008.

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, and dedicated 2 cents per pack 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.

<b>Tobacco's Toll in Louisiana</b>	
Adults who smoke	22.6%
High school students who smoke	25%
Deaths caused by smoking each year	6,400
Annual health care costs directly caused by smoking	\$1.47 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$627 per household
Annual tobacco company marketing in state	\$291.5 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	34.3 to 1

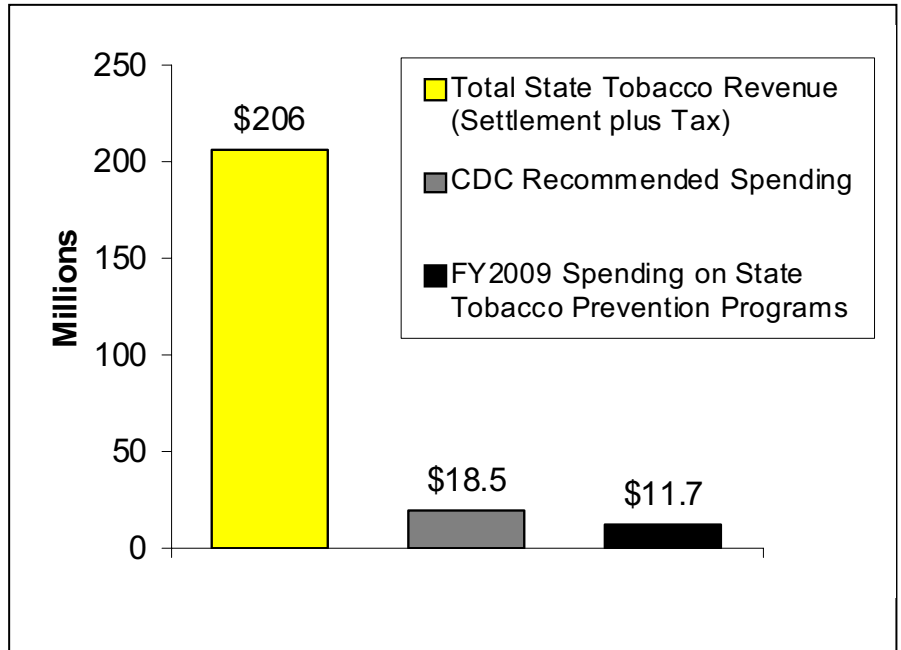
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\* For FY2009, federal spending refers to a nine-month grant provided to the states by the U.S. Centers for Disease Control and Prevention for the period beginning July 2008. In April 2009, the CDC will transition to a new funding agreement with the states that will provide the usual 12-month grant.

## Maine

<b>FY2009 State Ranking: 6</b>			
<b>% of CDC Recommended Spending (\$18.5 million): 63.2%</b>			
<b>FY2009</b>		<b>FY2008</b>	
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$11.7 million</b>	<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$18.0 million</b>
State Spending	\$10.9 million	State Spending	\$16.9 million
Federal Spending	\$795,000 *	Federal Spending	\$1.06 million

**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 receives \$11.7 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 63.2% 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 5.7% of the estimated \$206 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, but with proceeds from the tobacco settlement. The FY2009 budget enacted by the Legislature and Governor John Baldacci (D) included \$10.9 million for the tobacco program. This is about the same amount that the state spent on tobacco-specific work in FY2008. However, this amount represents a reduction from the amounts the state has reported spending on the tobacco program in previous years. This is because the state is now distinguishing between funds specifically spent on tobacco prevention, cessation and control work and funds spent on integrated work that targets the range of factors that drive tobacco-related chronic diseases.

Combined with funds from the Centers for Disease Control and Prevention, total spending on tobacco prevention in FY2009 will be \$11.7 million.



<b>Tobacco's Toll in Maine</b>	
Adults who smoke	20.2%
High school students who smoke	14.0%
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	\$654 per household
Annual tobacco company marketing in state	\$66.8 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	5.7 to 1

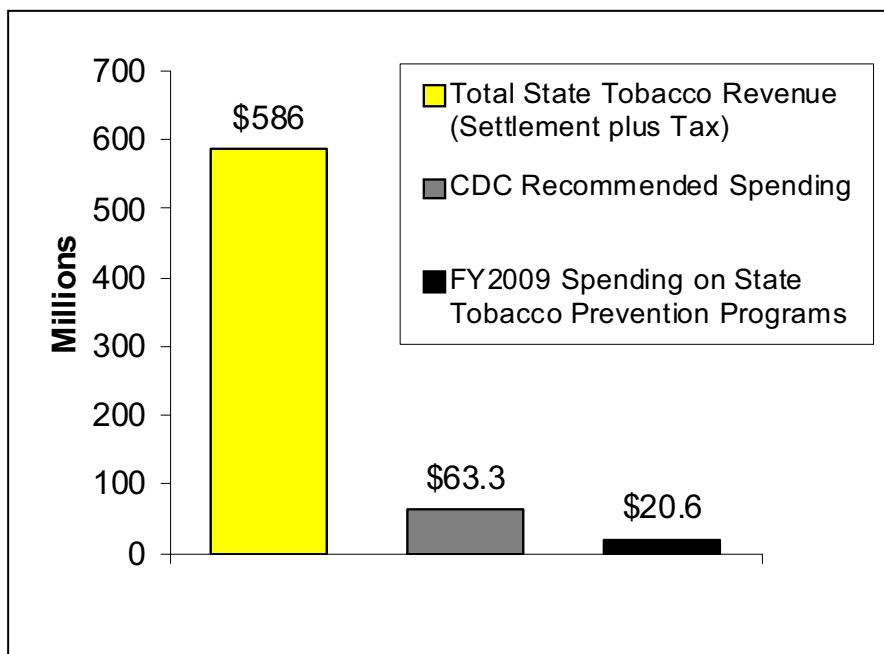
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\* For FY2009, federal spending refers to a nine-month grant provided to the states by the U.S. Centers for Disease Control and Prevention for the period beginning July 2008. In April 2009, the CDC will transition to a new funding agreement with the states that will provide the usual 12-month grant.

## Maryland

<b>FY2009 State Ranking: 18</b>			
<b>% of CDC Recommended Spending (\$63.3 million): 32.5%</b>			
<b>FY2009</b>		<b>FY2008</b>	
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$20.6 million</b>	<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$19.9 million</b>
State Spending	\$19.6 million	State Spending	\$18.4 million
Federal Spending	\$993,000 *	Federal Spending	\$1.53 million

**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 receives \$20.6 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 32.5% of the CDC's recommendation and ranks Maryland 18th among the states in the funding of tobacco prevention programs. Maryland's spending on tobacco prevention amounts to 3.5% of the estimated \$586 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. For FY2009, the Legislature passed a budget that included \$19.6 million for tobacco prevention, an increase from the \$18.4 million budgeted in FY2008. For FY2009, Maryland is scheduled to spend \$20.6 million in federal and state funds for tobacco prevention programs.

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 per pack increase in the cigarette tax, bringing Maryland's cigarette tax to \$2 per pack beginning January 1, 2008. However none of these funds were earmarked for tobacco prevention.

<b>Tobacco's Toll in Maryland</b>	
Adults who smoke	17.1%
High school students who smoke	16.8%
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	\$622 per household
Annual tobacco company marketing in state	\$192.7 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	9.4 to 1

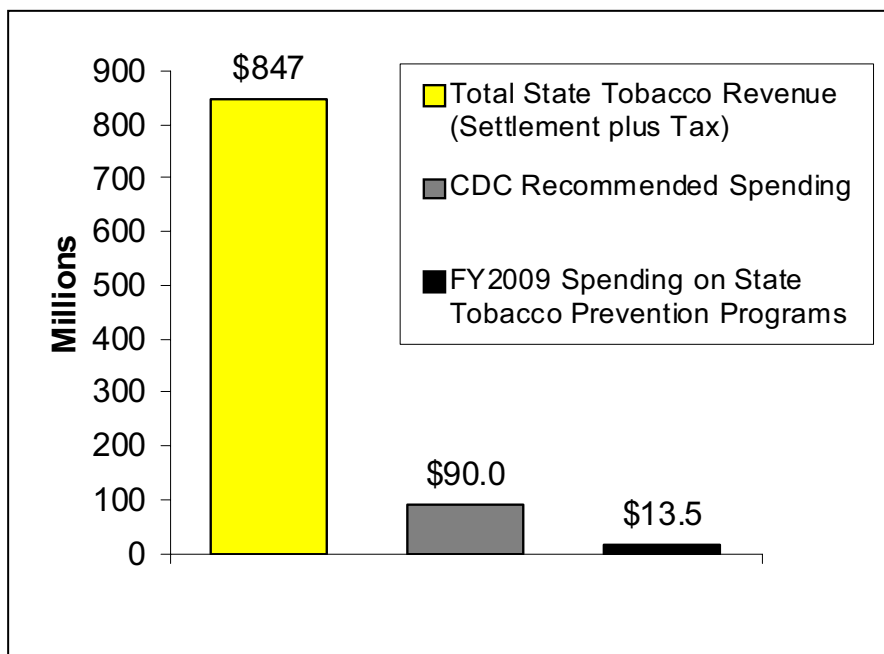
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\* For FY2009, federal spending refers to a nine-month grant provided to the states by the U.S. Centers for Disease Control and Prevention for the period beginning July 2008. In April 2009, the CDC will transition to a new funding agreement with the states that will provide the usual 12-month grant.

## Massachusetts

<b>FY2009 State Ranking: 35</b>			
<b>% of CDC Recommended Spending (\$90.0 million): 15.0%</b>			
<b>FY2009</b>		<b>FY2008</b>	
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$13.5 million</b>	<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$14.7 million</b>
State Spending	\$12.2 million	State Spending	\$12.8 million
Federal Spending	\$1.28 million*	Federal Spending	\$1.85 million

**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 receives \$13.5 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 15.0% 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 1.6% of the estimated \$847 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 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 \$4 million to \$12.75 million. This amount represents the largest funding increase the program has seen in several years.

Combined with funds from the Centers for Disease Control and Prevention, total spending on tobacco prevention and cessation for FY2009 will be \$13.5 million, less than was spent in FY2008. In FY2009, Governor Deval Patrick (D) cut the tobacco control program by 4 percent, or \$525,000. However, the tobacco control program fared much better than other state programs, many of which suffered cuts of 7 percent or more.

<b>Tobacco's Toll in Massachusetts</b>	
Adults who smoke	16.4%
High school students who smoke	17.7%
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	\$737 per household
Annual tobacco company marketing in state	\$194.7 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	14.4 to 1

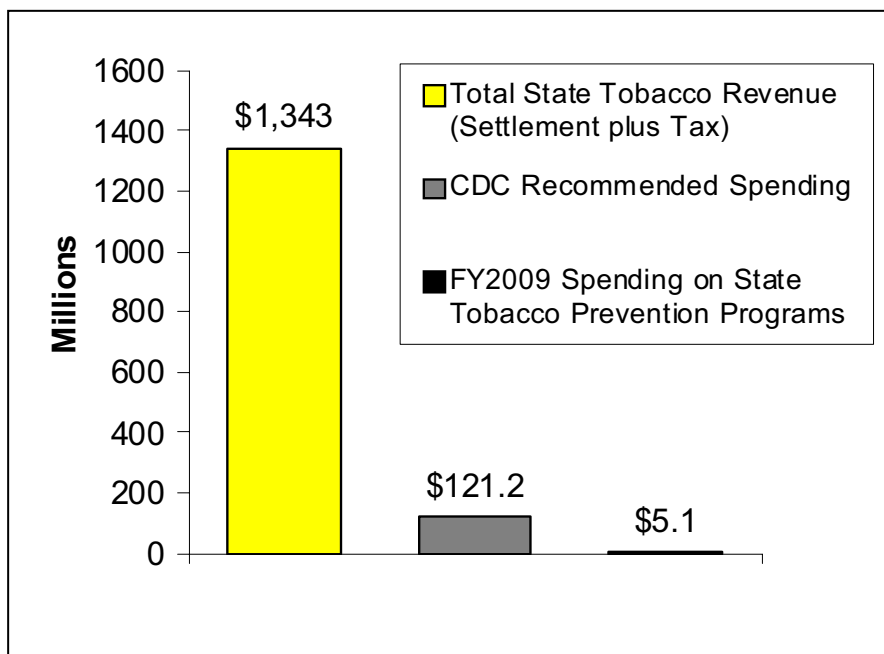
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\* For FY2009, federal spending refers to a nine-month grant provided to the states by the U.S. Centers for Disease Control and Prevention for the period beginning July 2008. In April 2009, the CDC will transition to a new funding agreement with the states that will provide the usual 12-month grant.

## Michigan

<b>FY2009 State Ranking: 47</b>			
<b>% of CDC Recommended Spending (\$121.2 million): 4.2%</b>			
<b>FY2009</b>		<b>FY2008</b>	
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$5.1 million</b>	<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$5.4 million</b>
State Spending	\$3.7 million	State Spending	\$3.6 million
Federal Spending	\$1.37 million *	Federal Spending	\$1.83 million

**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 receives \$5.1 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 4.2% of the CDC's recommendation and ranks Michigan 47th among the states in the funding of tobacco prevention programs. Michigan's spending on tobacco prevention amounts to 0.4% of the estimated \$1.34 billion in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** The Legislature passed and Governor Jennifer Granholm (D) signed the state budget which included \$3.7 million for the Tobacco Section of the Michigan Department of Community Health. The state continues to dedicate no funding from the Master Settlement Agreement to reducing tobacco-caused death and disease, and the other funding it does provide is far short of the amount needed for a comprehensive CDC-based program. Michigan continues to be one of the only states that has never dedicated any Master Settlement Agreement funds for tobacco prevention.

For FY2009, Michigan is scheduled to spend \$5.1 million in state and federal funds for tobacco prevention programs.

<b>Tobacco's Toll in Michigan</b>	
Adults who smoke	21.1%
High school students who smoke	18%
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	\$623 per household
Annual tobacco company marketing in state	\$415.9 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	81.5 to 1

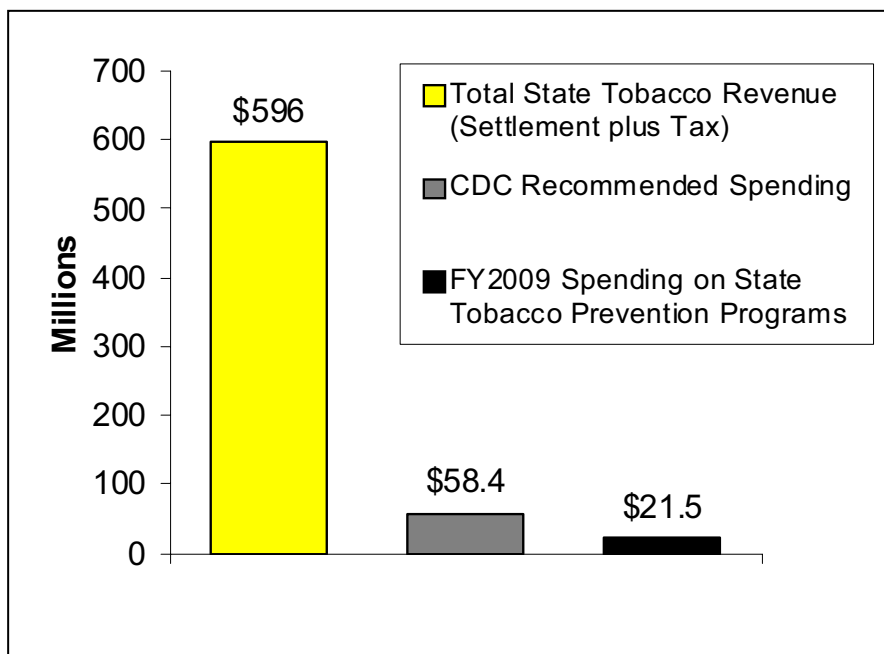
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\* For FY2009, federal spending refers to a nine-month grant provided to the states by the U.S. Centers for Disease Control and Prevention for the period beginning July 2008. In April 2009, the CDC will transition to a new funding agreement with the states that will provide the usual 12-month grant.

## Minnesota

<b>FY2009 State Ranking: 16</b>			
<b>% of CDC Recommended Spending (\$58.4 million): 36.8%</b>			
<b>FY2009</b>		<b>FY2008</b>	
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$21.5 million</b>	<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$23.4 million</b>
State Spending	\$20.5 million	State Spending	\$22.1 million
Federal Spending	\$989,000 *	Federal Spending	\$1.32 million

**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 receives \$21.5 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 36.8% of the CDC's recommendation and ranks Minnesota 16th among the states in the funding of tobacco prevention programs. Minnesota's spending on tobacco prevention amounts to 3.6% of the estimated \$596 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** In FY2009, legislatively-allocated funding for tobacco prevention remains low. However Minnesota's health continues to benefit from the 1998 settlement that the state and Blue Cross and Blue Shield of Minnesota (Blue Cross) reached separately with the tobacco industry. The settlement resulted in the creation of ClearWay Minnesota, an independent non-profit organization that impacts state spending on tobacco prevention separate from legislative action. In FY2009, Minnesota is scheduled to spend \$21.5 million for tobacco prevention and cessation programs—including \$17.3 million approved by ClearWay Minnesota's Board of Directors, \$3.2 million in state funds, and \$989,000 in federal funds. Blue Cross was also a party to the state's individual tobacco settlement. Funded with \$241 million in settlement funds, Blue Cross launched a long-term initiative in 2006 to improve the health of Minnesotans. Blue Cross expenditures on tobacco prevention, while substantial, are not public money and do not meet the criteria for inclusion in the state total for this report. Because of both public policy and program success, Minnesota's adult smoking rate is 16.5 percent, down more than a quarter in five years. However, Minnesota's tobacco prevention strategy is still unbalanced. Some aspects of CDC's best practices, like cessation, are pursued in aggressive and innovative ways, while others are not adequately addressed.



<b>Tobacco's Toll in Minnesota</b>	
Adults who smoke	16.5%
High school students who smoke	22.4%
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	\$623 per household
Annual tobacco company marketing in state	\$237.9 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	11.1 to 1

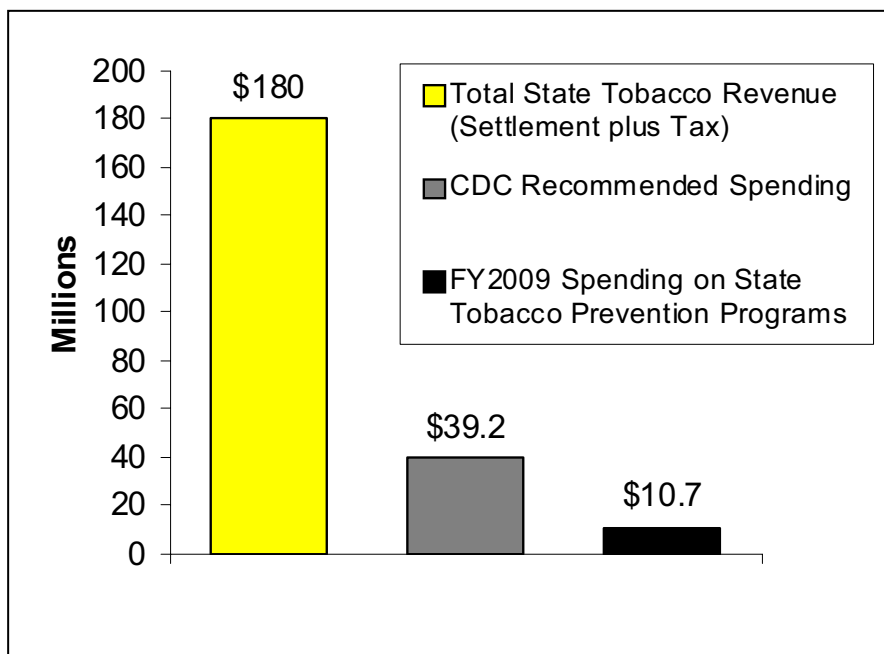
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## Mississippi

<b>FY2009 State Ranking: 23</b>			
<b>% of CDC Recommended Spending (\$39.2 million): 27.3%</b>			
<b>FY2009</b>		<b>FY2008</b>	
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$10.7 million</b>	<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$8.6 million</b>
State Spending	\$10.3 million	State Spending	\$8.0 million
Federal Spending	\$446,000 *	Federal Spending	\$594,000

**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 receives \$10.7 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 27.3% of the CDC's recommendation and ranks Mississippi 23rd among the states in the funding of tobacco prevention programs. Mississippi's spending on tobacco prevention amounts to 5.9% of the estimated \$180 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 the 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. For FY2009, Mississippi is scheduled to spend \$10.7 million in federal and state funds for tobacco prevention programs, an increase from the \$8.6 million received for FY2008.

<b>Tobacco's Toll in Mississippi</b>	
Adults who smoke	23.9%
High school students who smoke	19.2%
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	\$559 per household
Annual tobacco company marketing in state	\$183.0 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	17.1 to 1

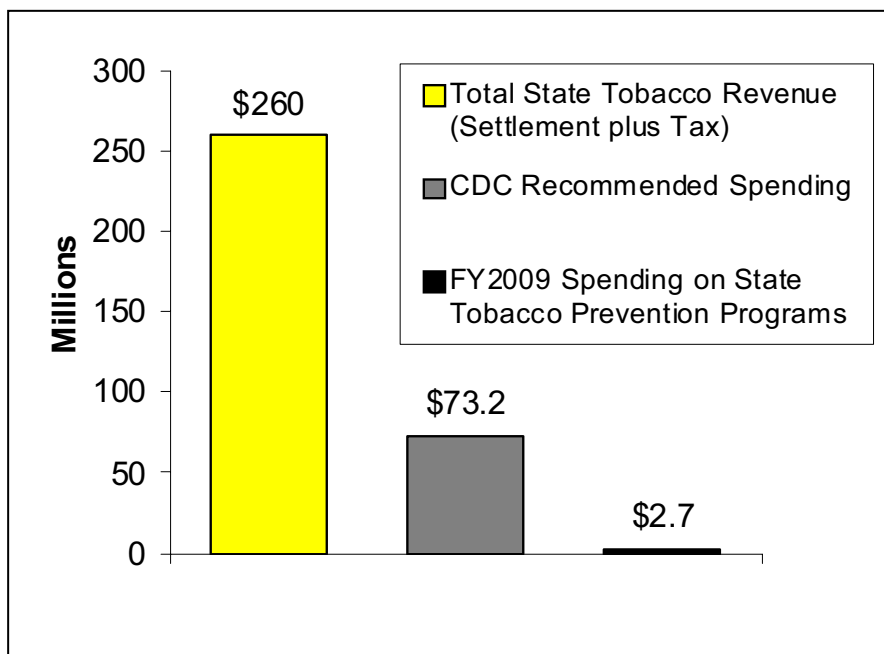
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\* For FY2009, federal spending refers to a nine-month grant provided to the states by the U.S. Centers for Disease Control and Prevention for the period beginning July 2008. In April 2009, the CDC will transition to a new funding agreement with the states that will provide the usual 12-month grant.

## Missouri

<b>FY2009 State Ranking: 49</b>			
<b>% of CDC Recommended Spending (\$73.2 million): 3.7%</b>			
<b>FY2009</b>		<b>FY2008</b>	
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$2.7 million</b>	<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$1.5 million</b>
State Spending	\$1.7 million	State Spending	\$200,000
Federal Spending	\$953,000 *	Federal Spending	\$1.27 million

**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 receives \$2.7 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 3.7% of the CDC's recommendation and ranks Missouri 49th among the states in the funding of tobacco prevention programs. Missouri's spending on tobacco prevention amounts to 1.0% of the estimated \$260 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** Missouri is spending just \$1.7 million in state funds on tobacco prevention for FY2009. While this is an increase from the \$200,000 in state funding that was allocated in FY2008, Missouri still falls well short of providing significant investment in the state's tobacco prevention and cessation program. Current funding is not nearly enough to pursue a comprehensive prevention and cessation program. Additionally, the small funding increase was from one-time funds and will not automatically be considered for renewal in the next state budget. 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 remains among the bottom states in funding tobacco prevention and cessation programs.

<b>Tobacco's Toll in Missouri</b>	
Adults who smoke	24.5%
High school students who smoke	23.8%
Deaths caused by smoking each year	9,800
Annual health care costs directly caused by smoking	\$2.13 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$592 per household
Annual tobacco company marketing in state	\$423.5 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	156.9 to 1

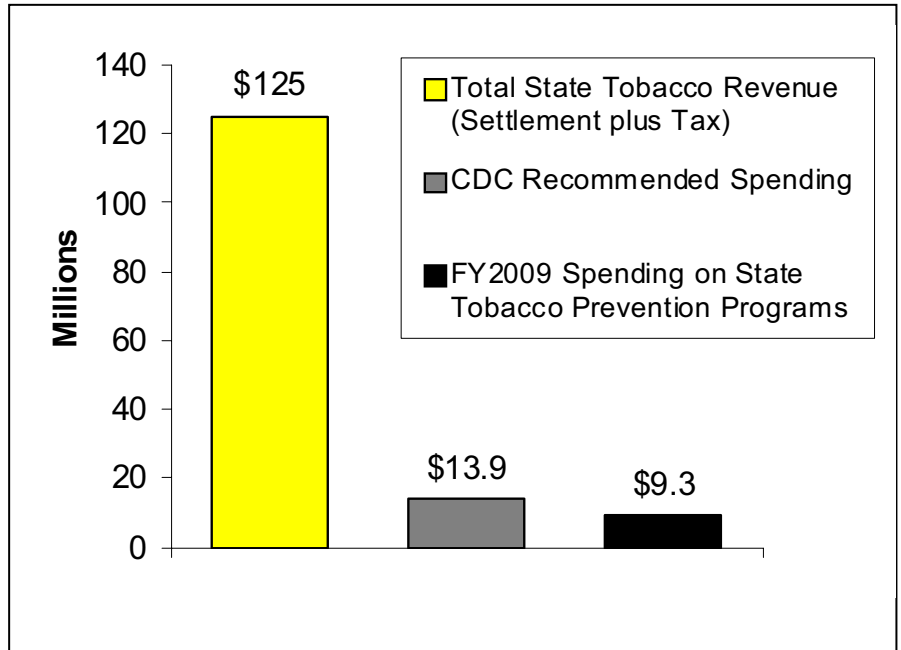
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## Montana

<b>FY2009 State Ranking: 5</b>			
<b>% of CDC Recommended Spending (\$13.9 million): 66.9%</b>			
<b>FY2009</b>		<b>FY2008</b>	
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$9.3 million</b>	<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$9.6 million</b>
State Spending	\$8.5 million	State Spending	\$8.5 million
Federal Spending	\$794,000 *	Federal Spending	\$1.06 million

**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 receives \$9.3 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 66.9% of the CDC's recommendation and ranks Montana 5th among the states in the funding of tobacco prevention programs. Montana's spending on tobacco prevention amounts to 7.4% of the estimated \$125 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** For FY2009, the Legislature and Governor Brian Schweitzer (D) allocated \$8.5 million in state funds for the state's tobacco prevention program, the same amount that was allocated in FY2008. Montana is scheduled to spend a total of \$9.3 million in state and federal funds for tobacco control.

<b>Tobacco's Toll in Montana</b>	
Adults who smoke	19.5%
High school students who smoke	20.0%
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	\$560 per household
Annual tobacco company marketing in state	\$41.8 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	4.5 to 1

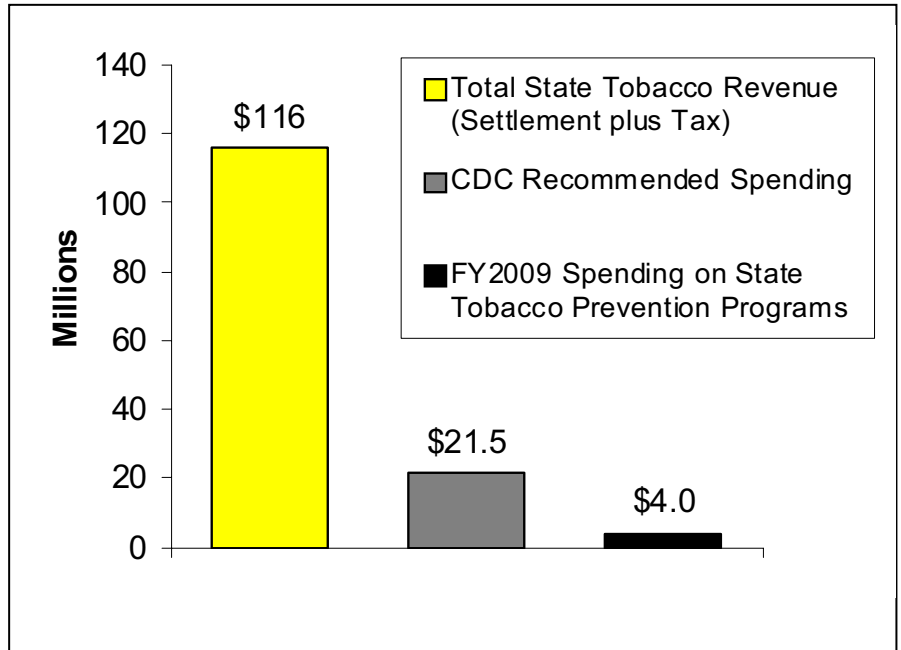
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\* For FY2009, federal spending refers to a nine-month grant provided to the states by the U.S. Centers for Disease Control and Prevention for the period beginning July 2008. In April 2009, the CDC will transition to a new funding agreement with the states that will provide the usual 12-month grant.

## Nebraska

<b>FY2009 State Ranking: 30</b>			
<b>% of CDC Recommended Spending (\$21.5 million): 18.6%</b>			
<b>FY2009</b>		<b>FY2008</b>	
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$4.0 million</b>	<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$3.9 million</b>
State Spending	\$3.0 million	State Spending	\$2.5 million
Federal Spending	\$1.02 million *	Federal Spending	\$1.36 million

**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 receives \$4.0 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 18.6% of the CDC's recommendation and ranks Nebraska 30th among the states in the funding of tobacco prevention programs. Nebraska's spending on tobacco prevention amounts to 3.4% of the estimated \$116 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** For FY2009, Nebraska is funding its tobacco prevention program at \$4.0 million, a slight increase from the \$3.9 million allocated in FY2008. However, funding for this once-promising program remains substantially below the \$7.0 million in state funds allocated in FY2001.



<b>Tobacco's Toll in Nebraska</b>	
Adults who smoke	19.9%
High school students who smoke	19.7%
Deaths caused by smoking each year	2,400
Annual health care costs directly caused by smoking	\$537 million
Residents' state & federal tax burden from smoking-caused government expenditures	\$580 per household
Annual tobacco company marketing in state	\$75.8 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	19.0 to 1

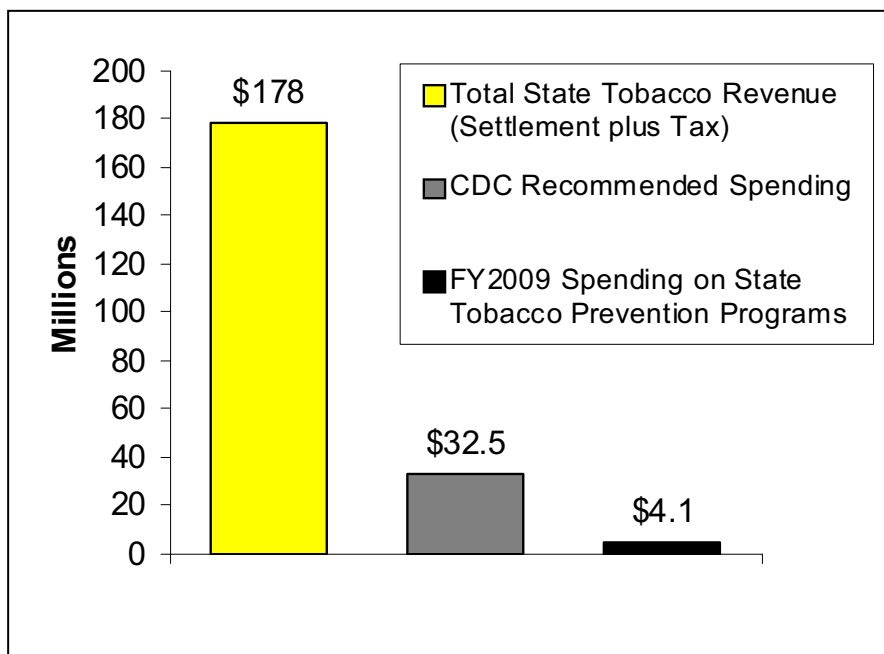
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## Nevada

<b>FY2009 State Ranking: 37</b>			
<b>% of CDC Recommended Spending (\$32.5 million): 12.6%</b>			
<b>FY2009</b>		<b>FY2008</b>	
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$4.1 million</b>	<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$2.9 million</b>
State Spending	\$3.4 million	State Spending	\$2.0 million
Federal Spending	\$707,000 *	Federal Spending	\$943,000

**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 receives \$4.1 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 12.6% of the CDC's recommendation and ranks Nevada 37th among the states in the funding of tobacco prevention programs. Nevada's spending on tobacco prevention amounts to 2.3% of the estimated \$178 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** Nevada's program is funded entirely through settlement payments, so funding levels could change if the actual settlement payments are 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. The Legislature is responsible for appropriating the money available from the funds through the biennial budget process. Initially, twenty percent (10 percent of the total settlement payments) 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 fifteen percent.

Combined with funds from the Centers for Disease Control and Prevention, total spending on tobacco prevention in FY2009 will be \$4.1 million.

<b>Tobacco's Toll in Nevada</b>	
Adults who smoke	21.5%
High school students who smoke	13.6%
Deaths caused by smoking each year	3,100
Annual health care costs directly caused by smoking	\$565 million
Residents' state & federal tax burden from smoking-caused government expenditures	\$562 per household
Annual tobacco company marketing in state	\$115.6 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	28.2 to 1

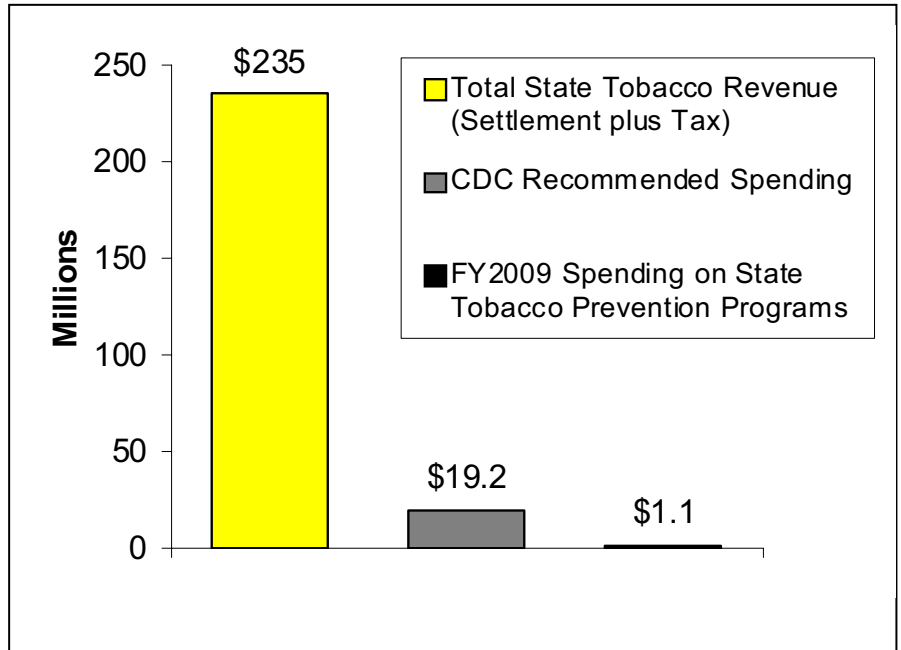
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\* For FY2009, federal spending refers to a nine-month grant provided to the states by the U.S. Centers for Disease Control and Prevention for the period beginning July 2008. In April 2009, the CDC will transition to a new funding agreement with the states that will provide the usual 12-month grant.

## New Hampshire

<b>FY2009 State Ranking: 44</b>			
<b>% of CDC Recommended Spending (\$19.2 million): 5.7%</b>			
<b>FY2009</b>		<b>FY2008</b>	
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$1.1 million</b>	<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$2.4 million</b>
State Spending	\$200,000	State Spending	\$1.3 million
Federal Spending	\$859,000 *	Federal Spending	\$1.14 million

**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 receives \$1.1 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 5.7% of the CDC's recommendation and ranks New Hampshire 44th among the states in the funding of tobacco prevention programs. New Hampshire's spending on tobacco prevention amounts to 0.5% of the estimated \$235 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** The New Hampshire Comprehensive Cancer Plan Fund allocated \$200,000 for the state tobacco prevention and cessation program for FY2009. Combined with funds from the U.S. Centers for Disease Control and Prevention, total spending on tobacco prevention and cessation for FY2009 will be \$1.1 million, which is less than half of the \$2.4 million allocated in FY2008.

<b>Tobacco's Toll in New Hampshire</b>	
Adults who smoke	19.3%
High school students who smoke	19.0%
Deaths caused by smoking each year	1,800
Annual health care costs directly caused by smoking	\$564 million
Residents' state & federal tax burden from smoking-caused government expenditures	\$628 per household
Annual tobacco company marketing in state	\$128.0 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	116.4 to 1

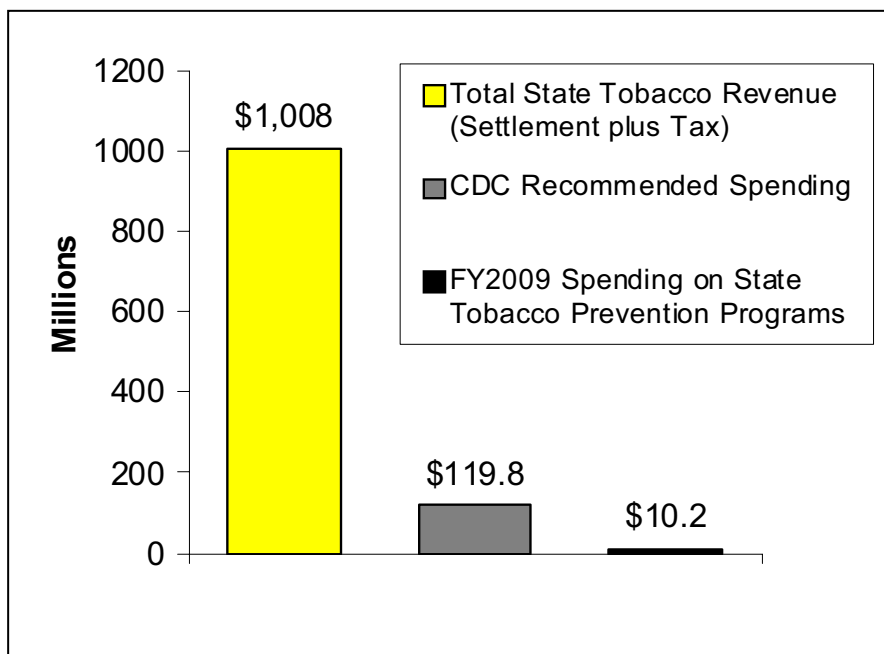
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## New Jersey

<b>FY2009 State Ranking: 39</b>			
<b>% of CDC Recommended Spending (\$119.8 million): 8.5%</b>			
<b>FY2009</b>		<b>FY2008</b>	
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$10.2 million</b>	<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$12.4 million</b>
State Spending	\$9.1 million	State Spending	\$11.0 million
Federal Spending	\$1.05 million *	Federal Spending	\$1.40 million

**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 receives \$10.2 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 8.5% of the CDC's recommendation and ranks New Jersey 39th among the states in the funding of tobacco prevention programs. New Jersey's spending on tobacco prevention amounts to 1.0% of the estimated \$1.01 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. The New Jersey Comprehensive Tobacco Control Program (CTCP) received a 30% cut in funding, losing approximately \$2.4 million from FY2008 levels.

State and federal spending on tobacco prevention and cessation for FY2009 will be \$10.2 million, less than the \$12.4 million that was spent in FY2008.

<b>Tobacco's Toll in New Jersey</b>	
Adults who smoke	17.1%
High school students who smoke	15.8%
Deaths caused by smoking each year	11,300
Annual health care costs directly caused by smoking	\$3.17 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$664 per household
Annual tobacco company marketing in state	\$231.2 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	22.7 to 1

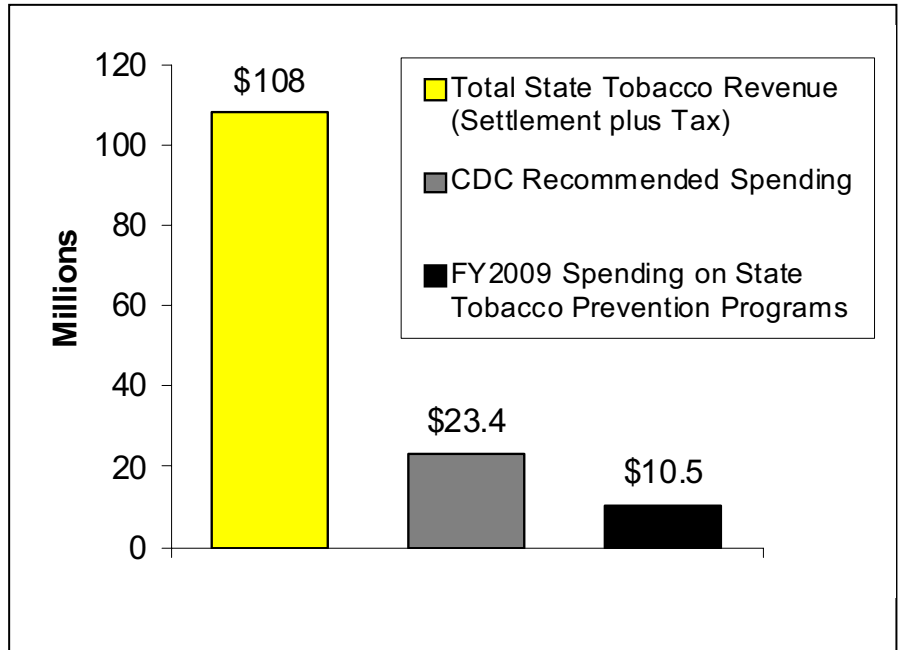
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\* For FY2009, federal spending refers to a nine-month grant provided to the states by the U.S. Centers for Disease Control and Prevention for the period beginning July 2008. In April 2009, the CDC will transition to a new funding agreement with the states that will provide the usual 12-month grant.

## New Mexico

<b>FY2009 State Ranking: 11</b>			
<b>% of CDC Recommended Spending (\$23.4 million): 44.9%</b>			
<b>FY2009</b>		<b>FY2008</b>	
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$10.5 million</b>	<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$10.9 million</b>
State Spending	\$9.6 million	State Spending	\$9.6 million
Federal Spending	\$941,000 *	Federal Spending	\$1.25 million

**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 receives \$10.5 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 44.9% of the CDC's recommendation and ranks New Mexico 11th among the states in the funding of tobacco prevention programs. New Mexico's spending on tobacco prevention amounts to 9.7% of the estimated \$108 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, and allowed the other half to be placed into a tobacco settlement program fund to be spent on a variety of health-related programs appropriated through the state's annual budget process.

State and federal spending on tobacco prevention for FY2009 will be \$10.5 million, about the same amount that was spent in FY2008, but an increase from what was spent on the program in previous years. The increase includes a \$500,000 appropriation to the Department of Indian Affairs for commercial tobacco prevention and control programs serving Native Americans.



<b>Tobacco's Toll in New Mexico</b>	
Adults who smoke	20.8%
High school students who smoke	24.2%
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	\$572 per household
Annual tobacco company marketing in state	\$48.0 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	4.6 to 1

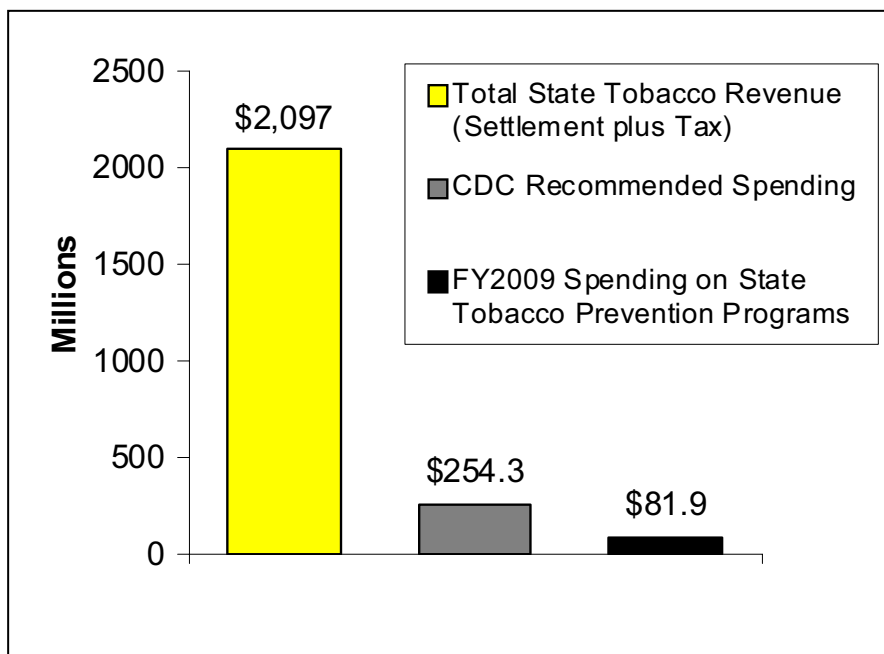
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\* For FY2009, federal spending refers to a nine-month grant provided to the states by the U.S. Centers for Disease Control and Prevention for the period beginning July 2008. In April 2009, the CDC will transition to a new funding agreement with the states that will provide the usual 12-month grant.

## New York

<b>FY2009 State Ranking: 19</b>			
<b>% of CDC Recommended Spending (\$254.3 million): 32.2%</b>			
<b>FY2009</b>		<b>FY2008</b>	
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$81.9 million</b>	<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$87.6 million</b>
State Spending	\$80.4 million	State Spending	\$85.5 million
Federal Spending	\$1.54 million *	Federal Spending	\$2.06 million

**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 receives \$81.9 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 32.2% of the CDC's recommendation and ranks New York 19th among the states in the funding of tobacco prevention programs. New York's spending on tobacco prevention amounts to 3.9% of the estimated \$2.10 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% of the tobacco settlement payments, New York City receives 26.6%, and the 57 counties outside New York City share the remaining 22.2%. 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 FY2009 includes \$11.2 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 2006, funding for tobacco prevention and cessation was nearly doubled by increasing the program's budget from \$43.4 million in FY2006 to \$85.5 million in FY2007. In mid-2008, funding was reduced as part of across the board budget cuts in response to a projected revenue shortfall. Combined with funds from the Centers for Disease Control and Prevention, total spending on tobacco prevention and cessation in FY2009 will be \$81.9 million, more than \$5 million less than the \$87.6 million spent in FY2008.

<b>Tobacco's Toll in New York</b>	
Adults who smoke	18.9%
High school students who smoke	13.8%
Deaths caused by smoking each year	25,500
Annual health care costs directly caused by smoking	\$8.17 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$900 per household
Annual tobacco company marketing in state	\$443.8 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	5.4 to 1

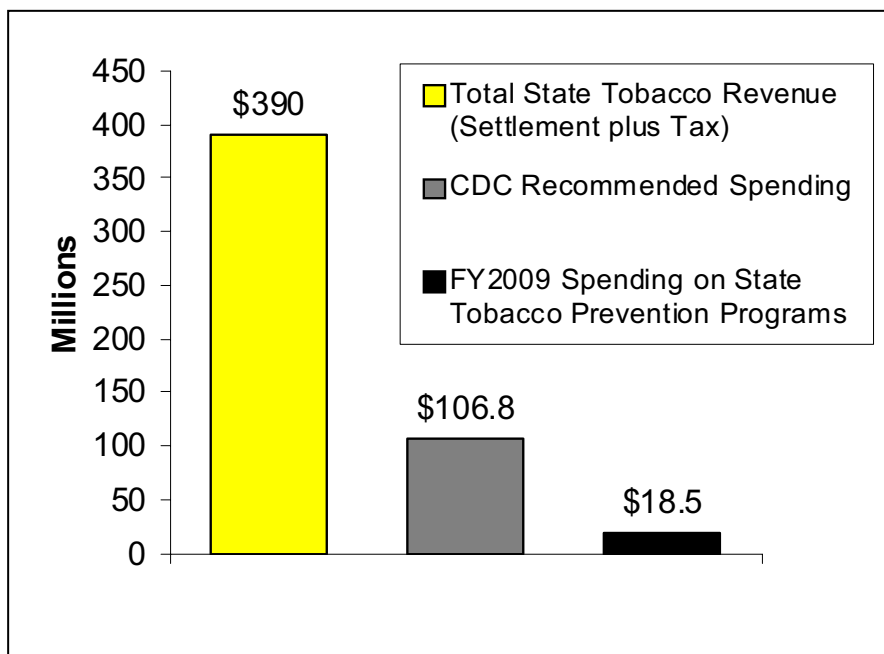
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\* For FY2009, federal spending refers to a nine-month grant provided to the states by the U.S. Centers for Disease Control and Prevention for the period beginning July 2008. In April 2009, the CDC will transition to a new funding agreement with the states that will provide the usual 12-month grant.

## North Carolina

<b>FY2009 State Ranking: 32</b>			
<b>% of CDC Recommended Spending (\$106.8 million): 17.3%</b>			
<b>FY2009</b>		<b>FY2008</b>	
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$18.5 million</b>	<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$18.9 million</b>
State Spending	\$17.1 million	State Spending	\$17.1 million
Federal Spending	\$1.38 million*	Federal Spending	\$1.84 million

**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 receives \$18.5 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 17.3% of the CDC's recommendation and ranks North Carolina 32nd among the states in the funding of tobacco prevention programs. North Carolina's spending on tobacco prevention amounts to 4.7% of the estimated \$390 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



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

For FY2009, North Carolina is scheduled to spend \$18.5 million in federal and state funds for tobacco prevention programs, about the same amount as was spent in FY2008.

<b>Tobacco's Toll in North Carolina</b>	
Adults who smoke	22.9%
High school students who smoke	22.5%
Deaths caused by smoking each year	11,900
Annual health care costs directly caused by smoking	\$2.46 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$578 per household
Annual tobacco company marketing in state	\$569.3 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	30.8 to 1

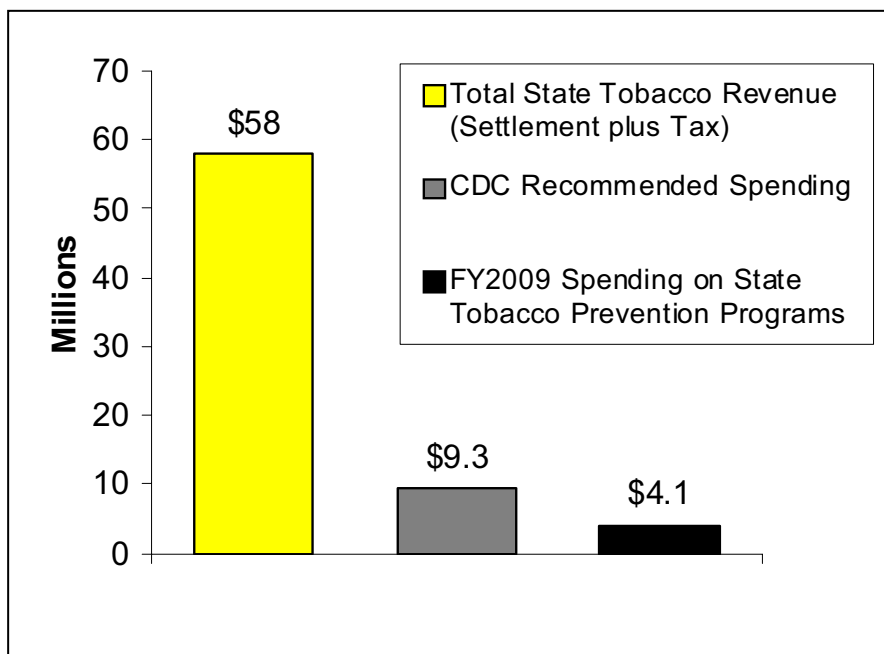
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\* For FY2009, federal spending refers to a nine-month grant provided to the states by the U.S. Centers for Disease Control and Prevention for the period beginning July 2008. In April 2009, the CDC will transition to a new funding agreement with the states that will provide the usual 12-month grant.

## North Dakota

<b>FY2009 State Ranking: 12</b>			
<b>% of CDC Recommended Spending (\$9.3 million): 44.1%</b>			
<b>FY2009</b>		<b>FY2008</b>	
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$4.1 million</b>	<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$4.4 million</b>
State Spending	\$3.1 million	State Spending	\$3.1 million
Federal Spending	\$953,000 *	Federal Spending	\$1.27 million

**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 receives \$4.1 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 44.1% of the CDC's recommendation and ranks North Dakota 12th among the states in the funding of tobacco prevention programs. North Dakota's spending on tobacco prevention amounts to 7.1% of the estimated \$58 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 Resource Trust Fund, 45 percent into an Education Trust Fund, and 10 percent into a Community Trust Fund for health purposes. The FY2008-2009 biennial budget passed by the Legislature and signed by Governor John Hoeven (R) appropriated a combined \$6.3 million for tobacco prevention, meaning \$3.1 million will be appropriated for FY2009. The funds also support the North Dakota Tobacco Quitline; state and local cessation services, and an advisory committee. The biennial North Dakota Legislature was not in session in 2008. On November 4, 2008, North Dakota voters approved a ballot measure to allocate tobacco settlement bonus payments to fund the state's tobacco prevention and cessation program at the CDC-recommended funding level, which is \$9.3 million a year. These new funds will not be available before April 2009 and are not included in this year's report.

<b>Tobacco's Toll in North Dakota</b>	
Adults who smoke	20.9%
High school students who smoke	21.1%
Deaths caused by smoking each year	900
Annual health care costs directly caused by smoking	\$247 million
Residents' state & federal tax burden from smoking-caused government expenditures	\$571 per household
Annual tobacco company marketing in state	\$29.9 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	7.3 to 1

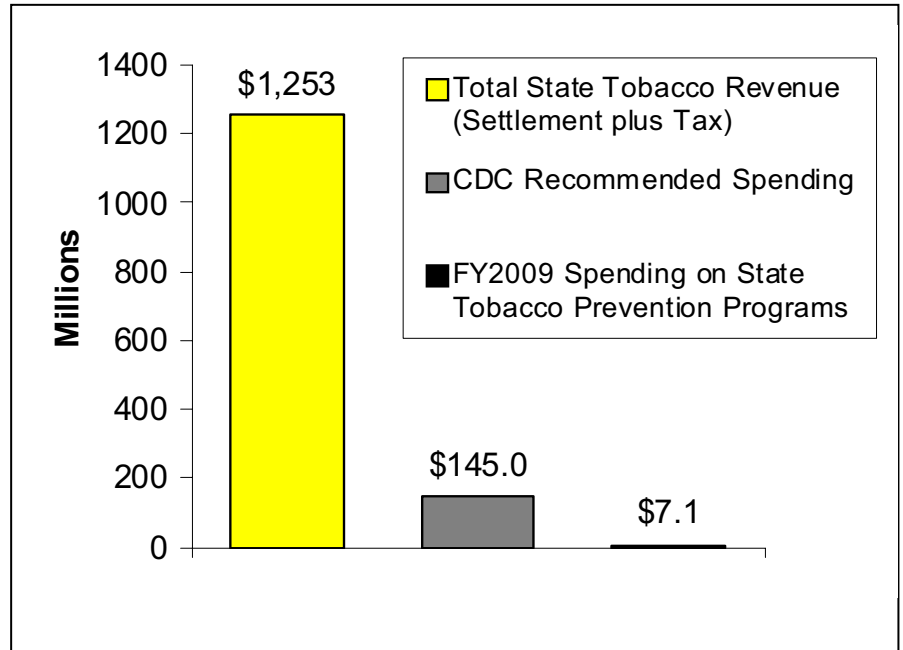
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## Ohio

<b>FY2009 State Ranking: 45</b>			
<b>% of CDC Recommended Spending (\$145.0 million): 4.9%</b>			
<b>FY2009</b>		<b>FY2008</b>	
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$7.1 million</b>	<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$46.3 million</b>
State Spending	\$6.0 million	State Spending	\$44.7 million
Federal Spending	\$1.13 million *	Federal Spending	\$1.56 million

**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 receives \$7.1 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 4.9% of the CDC's recommendation and ranks Ohio 45th among the states in the funding of tobacco prevention programs. Ohio's spending on tobacco prevention amounts to 0.6% of the estimated \$1.25 billion in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** At the time of the 1998 state tobacco settlement, Ohio leaders promised to use a portion of the approximately \$300 million in settlement funds the state receives each year for programs to prevent kids from smoking and help smokers quit. A 2000 state law created the Ohio Tobacco Prevention Foundation (OTPF) to receive a portion of the settlement funds and establish a permanent endowment. In 2008, Governor Strickland and legislative leaders proposed taking \$230 million of the \$270 million endowment to fund an economic stimulus package. Subsequently, in an effort to ensure its funds were used as intended for tobacco prevention programs, the Foundation entered into a contract to transfer \$190 million of its funds to the American Legacy Foundation, which pledged to use these funds for the benefit of Ohio. This contract was executed shortly before the Legislature passed and the Governor signed into law emergency legislation to liquidate the endowment. OTPF filed a lawsuit challenging the constitutionality and legality of the law, and the presiding judge ordered the Foundation's money frozen. The lawsuit is pending. In FY09, Ohio will spend \$6 million on tobacco prevention and cessation. Combined with funds from the CDC, total FY2009 spending on tobacco prevention and cessation will be \$7.1 million, 85 percent less than in FY2008.



<b>Tobacco's Toll in Ohio</b>	
Adults who smoke	23.1%
High school students who smoke	21.6%
Deaths caused by smoking each year	18,600
Annual health care costs directly caused by smoking	\$4.37 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$629 per household
Annual tobacco company marketing in state	\$724.0 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	102.0 to 1

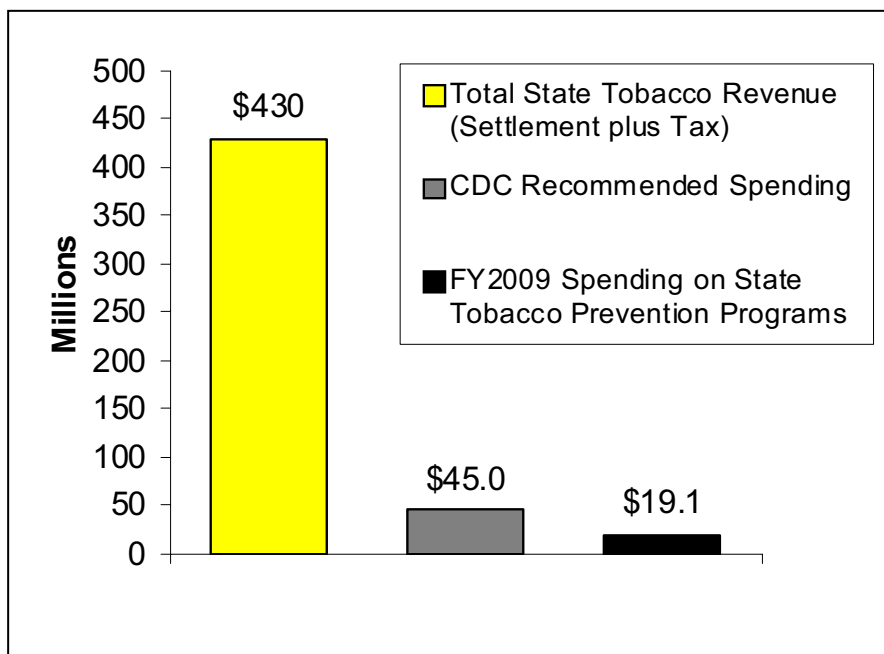
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\* For FY2009, federal spending refers to a nine-month grant provided to the states by the U.S. Centers for Disease Control and Prevention for the period beginning July 2008. In April 2009, the CDC will transition to a new funding agreement with the states that will provide the usual 12-month grant.

## Oklahoma

<b>FY2009 State Ranking: 13</b>			
<b>% of CDC Recommended Spending (\$45.0 million): 42.4%</b>			
<b>FY2009</b>		<b>FY2008</b>	
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$19.1 million</b>	<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$15.7 million</b>
State Spending	\$18.0 million	State Spending	\$14.2 million
Federal Spending	\$1.09 million *	Federal Spending	\$1.46 million

**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 receives \$19.1 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 42.4% of the CDC's recommendation and ranks Oklahoma 13th among the states in the funding of tobacco prevention programs. Oklahoma's spending on tobacco prevention amounts to 4.4% of the estimated \$430 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, passed by Oklahoma voters in 2000, which established 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, has 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 makes appropriation decisions for the remaining 25 percent of settlement payments.

For FY2009, Oklahoma is projected to allocate \$18.0 million in state funds and will receive \$1.09 in federal funds for a total of \$19.1 in dedicated tobacco control funding. These funds will be used for tobacco prevention programs, the Oklahoma Tobacco Helpline, and establishment of the Oklahoma Tobacco Research Center.

<b>Tobacco's Toll in Oklahoma</b>	
Adults who smoke	25.8%
High school students who smoke	23.2%
Deaths caused by smoking each year	5,800
Annual health care costs directly caused by smoking	\$1.16 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$558 per household
Annual tobacco company marketing in state	\$245.8 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	12.9 to 1

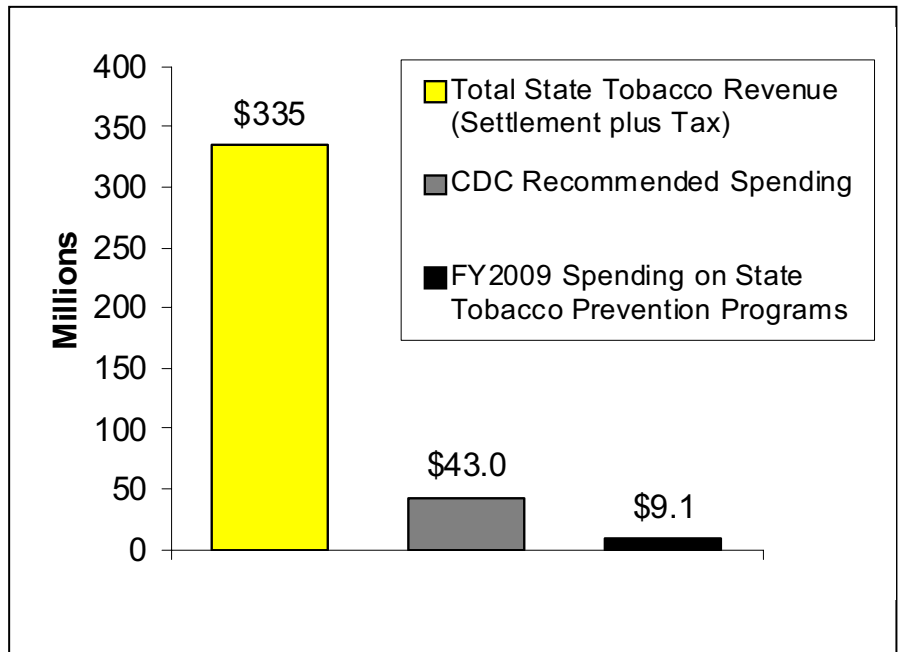
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\* For FY2009, federal spending refers to a nine-month grant provided to the states by the U.S. Centers for Disease Control and Prevention for the period beginning July 2008. In April 2009, the CDC will transition to a new funding agreement with the states that will provide the usual 12-month grant.

## Oregon

<b>FY2009 State Ranking: 27</b>			
<b>% of CDC Recommended Spending (\$43.0 million): 21.2%</b>			
<b>FY2009</b>		<b>FY2008</b>	
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$9.1 million</b>	<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$9.4 million</b>
State Spending	\$8.2 million	State Spending	\$8.2 million
Federal Spending	\$902,000 *	Federal Spending	\$1.20 million

**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 receives \$9.1 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 21.2% of the CDC's recommendation and ranks Oregon 27th among the states in the funding of tobacco prevention programs. Oregon's spending on tobacco prevention amounts to 2.7% of the estimated \$335 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. This increase was due, in part, to the restoration of Measure 44, which provides that the program receive the full 10 percent allocation of the state's 1996 30-cent-per-pack tax increase. In the past, Measure 44 funding was diverted to other state programs while funding for TPEP was reduced.

Combined with funds from the Centers for Disease Control and Prevention, total spending on tobacco prevention and cessation in FY2009 will be \$9.1 million, about the same amount that was spent in FY2008.

<b>Tobacco's Toll in Oregon</b>	
Adults who smoke	16.9%
High school students who smoke	15.4%
Deaths caused by smoking each year	5,000
Annual health care costs directly caused by smoking	\$1.11 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$576 per household
Annual tobacco company marketing in state	\$135.9 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	14.9 to 1

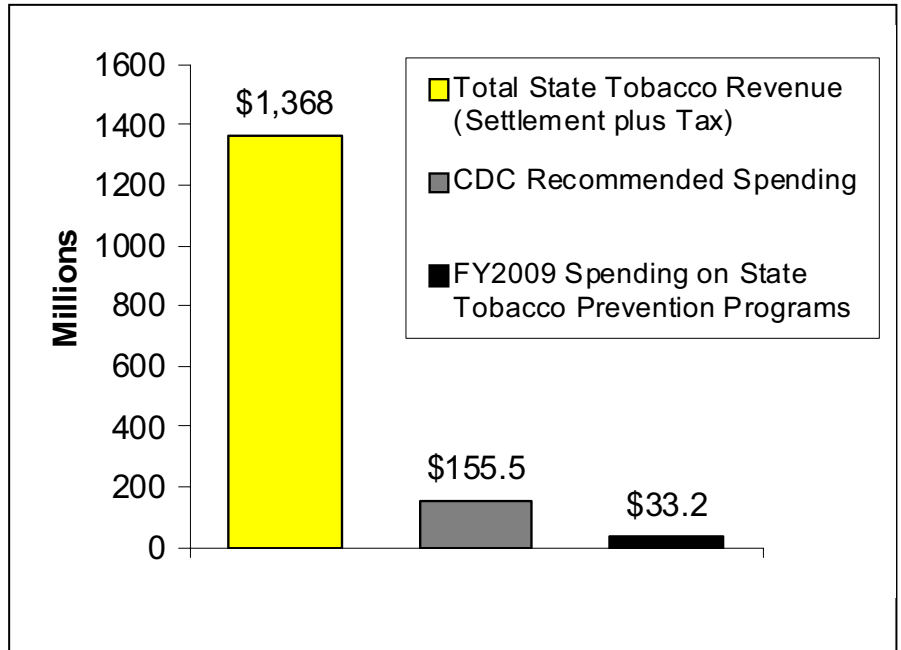
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\* For FY2009, federal spending refers to a nine-month grant provided to the states by the U.S. Centers for Disease Control and Prevention for the period beginning July 2008. In April 2009, the CDC will transition to a new funding agreement with the states that will provide the usual 12-month grant.

## Pennsylvania

<b>FY2009 State Ranking: 26</b>			
<b>% of CDC Recommended Spending (\$155.5 million): 21.4%</b>			
<b>FY2009</b>		<b>FY2008</b>	
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$33.2 million</b>	<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$33.1 million</b>
State Spending	\$32.1 million	State Spending	\$31.7 million
Federal Spending	\$1.06 million*	Federal Spending	\$1.42 million

**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 receives \$33.2 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 21.4% of the CDC's recommendation and ranks Pennsylvania 26th among the states in the funding of tobacco prevention programs. Pennsylvania's spending on tobacco prevention amounts to 2.4% of the estimated \$1.37 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 through the regular budget process 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.

Combined with funds from the Centers for Disease Control and Prevention, total spending on tobacco prevention and cessation for FY2009 will be \$33.2 million, about the same as the \$33.1 million spent in FY2008.

<b>Tobacco's Toll in Pennsylvania</b>	
Adults who smoke	21.0%
High school students who smoke	17.5%
Deaths caused by smoking each year	20,100
Annual health care costs directly caused by smoking	\$5.19 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$671 per household
Annual tobacco company marketing in state	\$553.5 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	16.7 to 1

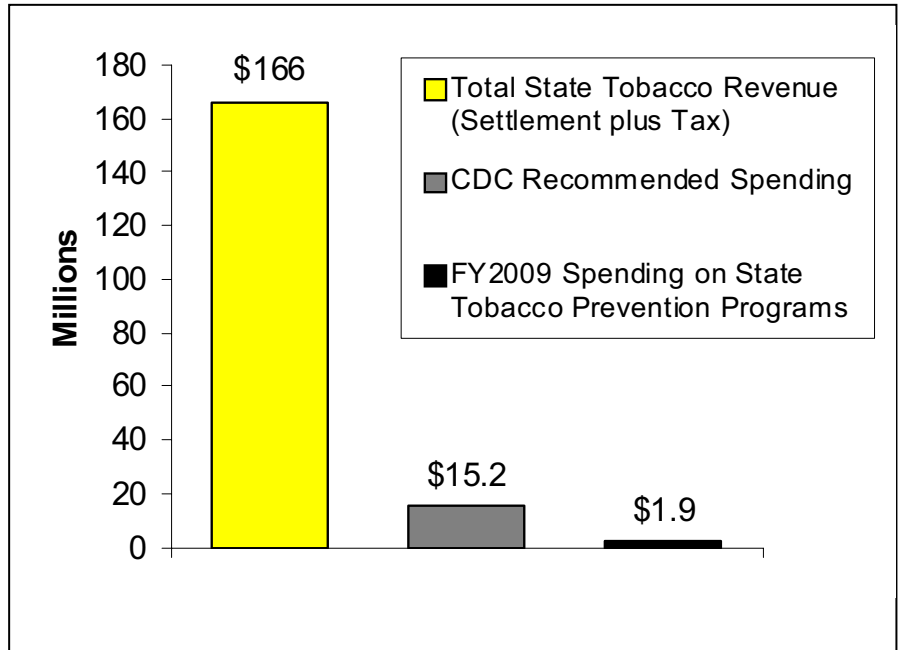
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\* For FY2009, federal spending refers to a nine-month grant provided to the states by the U.S. Centers for Disease Control and Prevention for the period beginning July 2008. In April 2009, the CDC will transition to a new funding agreement with the states that will provide the usual 12-month grant.

## Rhode Island

<b>FY2009 State Ranking: 38</b>			
<b>% of CDC Recommended Spending (\$15.2 million): 12.5%</b>			
<b>FY2009</b>		<b>FY2008</b>	
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$1.9 million</b>	<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$2.3 million</b>
State Spending	\$926,000	State Spending	\$940,000
Federal Spending	\$950,000 *	Federal Spending	\$1.40 million

**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 receives \$1.9 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 12.5% 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 1.1% of the estimated \$166 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.

Combined with funds from the Centers for Disease Control and Prevention, total spending on tobacco prevention and cessation in FY2009 will be \$1.9 million, slightly less than the \$2.3 million spent in FY2008.



<b>Tobacco's Toll in Rhode Island</b>	
Adults who smoke	17.0%
High school students who smoke	15.1%
Deaths caused by smoking each year	1,700
Annual health care costs directly caused by smoking	\$506 million
Residents' state & federal tax burden from smoking-caused government expenditures	\$728 per household
Annual tobacco company marketing in state	\$38.0 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	20.0 to 1

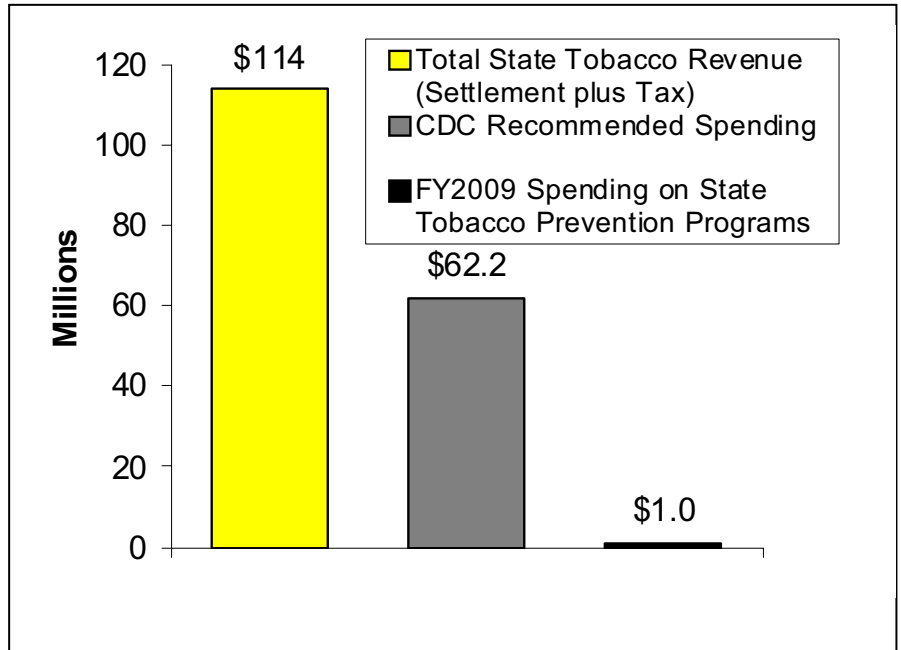
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## South Carolina

<b>FY2009 State Ranking: 51</b>			
<b>% of CDC Recommended Spending (\$62.2 million): 1.6%</b>			
<b>FY2009</b>		<b>FY2008</b>	
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$1.0 million</b>	<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$3.3 million</b>
State Spending	\$0.0 million	State Spending	\$2.0 million
Federal Spending	\$1.00 million*	Federal Spending	\$1.34 million

**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 receives \$1.0 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 1.6% of the CDC's recommendation and ranks South Carolina last among the states in the funding of tobacco prevention programs. South Carolina's spending on tobacco prevention amounts to 0.9% of the estimated \$114 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 is responsible for appropriating the money available from the trust funds annually for programs. No tobacco settlement funds have been dedicated to tobacco prevention since 2003.

For FY2009, South Carolina will receive \$1.0 million in federal funds for tobacco prevention and cessation. The state Legislature allocated no funds for tobacco prevention programs for FY09. The state cut all funding from the \$2.0 million it allocated for FY2008.

<b>Tobacco's Toll in South Carolina</b>	
Adults who smoke	21.9%
High school students who smoke	17.8%
Deaths caused by smoking each year	5,900
Annual health care costs directly caused by smoking	\$1.09 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$568 per household
Annual tobacco company marketing in state	\$280.3 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	280.3 to 1

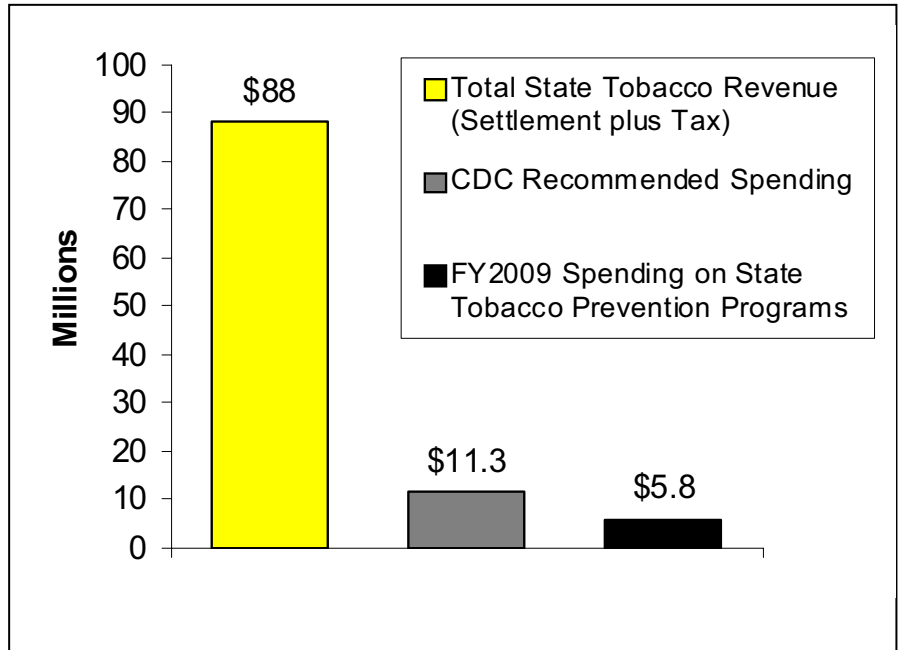
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\* For FY2009, federal spending refers to a nine-month grant provided to the states by the U.S. Centers for Disease Control and Prevention for the period beginning July 2008. In April 2009, the CDC will transition to a new funding agreement with the states that will provide the usual 12-month grant.

## South Dakota

<b>FY2009 State Ranking: 8</b>			
<b>% of CDC Recommended Spending (\$11.3 million): 51.3%</b>			
<b>FY2009</b>		<b>FY2008</b>	
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$5.8 million</b>	<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$6.1 million</b>
State Spending	\$5.0 million	State Spending	\$5.0 million
Federal Spending	\$794,000 *	Federal Spending	\$1.06 million

**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 receives \$5.8 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 51.3% 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 6.6% of the estimated \$88 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** The FY2009 budget passed by the Legislature and signed by Governor M. Michael Rounds (R) appropriated \$5 million to the state's tobacco prevention program. The recent increase in tobacco prevention funding is due to the approval of a November 2006 ballot initiative that increased the state cigarette tax by \$1 per pack and increased the tax on other tobacco products by 35 percent of the wholesale price. This measure is expected to provide approximately \$5 million dollars each year for tobacco prevention and cessation.

<b>Tobacco's Toll in South Dakota</b>	
Adults who smoke	19.8%
High school students who smoke	24.7%
Deaths caused by smoking each year	1,100
Annual health care costs directly caused by smoking	\$274 million
Residents' state & federal tax burden from smoking-caused government expenditures	\$576 per household
Annual tobacco company marketing in state	\$37.7 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	6.5 to 1

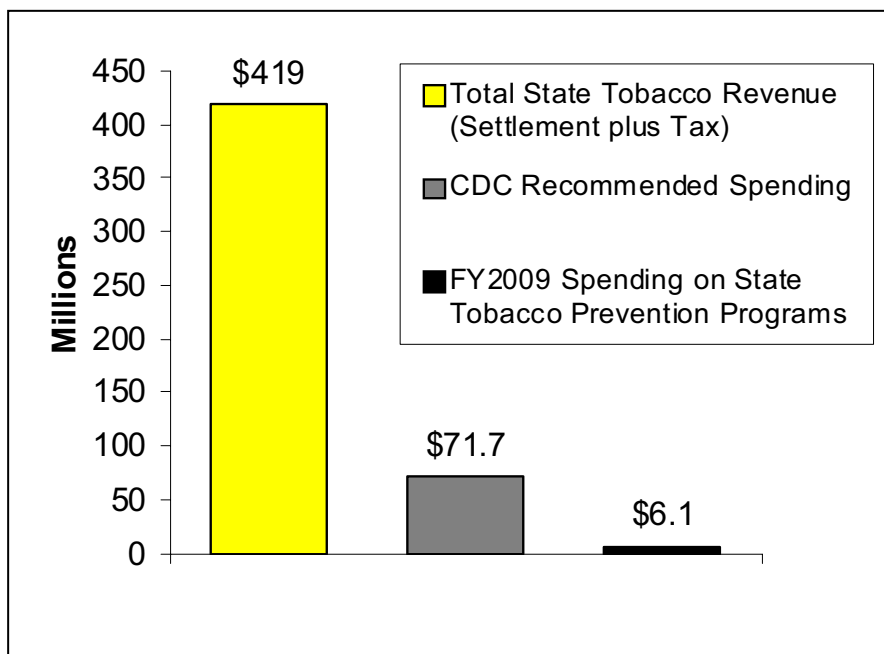
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\* For FY2009, federal spending refers to a nine-month grant provided to the states by the U.S. Centers for Disease Control and Prevention for the period beginning July 2008. In April 2009, the CDC will transition to a new funding agreement with the states that will provide the usual 12-month grant.

## Tennessee

<b>FY2009 State Ranking: 40</b>			
<b>% of CDC Recommended Spending (\$71.7 million): 8.5%</b>			
<b>FY2009</b>		<b>FY2008</b>	
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$6.1 million</b>	<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$11.4 million</b>
State Spending	\$5.0 million	State Spending	\$10.0 million
Federal Spending	\$1.06 million *	Federal Spending	\$1.41 million

**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 receives \$6.1 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 8.5% of the CDC's recommendation and ranks Tennessee 40th among the states in the funding of tobacco prevention programs. Tennessee's spending on tobacco prevention amounts to 1.5% of the estimated \$419 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** Prior to FY2008, Tennessee had no history of dedicating state funds to tobacco prevention. The FY2008 budget passed by the Legislature and signed by Governor Phil Bredesen (D) allocated \$10 million for tobacco prevention programs. Due to a statewide budget crisis, state funding for tobacco prevention was cut in half to \$5 million for FY2009. In FY09, Tennessee is scheduled to spend \$6.1 million in federal and state funds for tobacco prevention programs.

In June 2007, prior to the passage of the prevention funding proposal, the Legislature approved and the Governor signed into law a 42-cent per pack increase in the cigarette tax, bringing Tennessee's cigarette tax to 62 cents per pack. The Legislature earmarked these funds for K-12 education.

<b>Tobacco's Toll in Tennessee</b>	
Adults who smoke	24.3%
High school students who smoke	25.5%
Deaths caused by smoking each year	9,500
Annual health care costs directly caused by smoking	\$2.16 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$608 per household
Annual tobacco company marketing in state	\$406.3 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	66.6 to 1

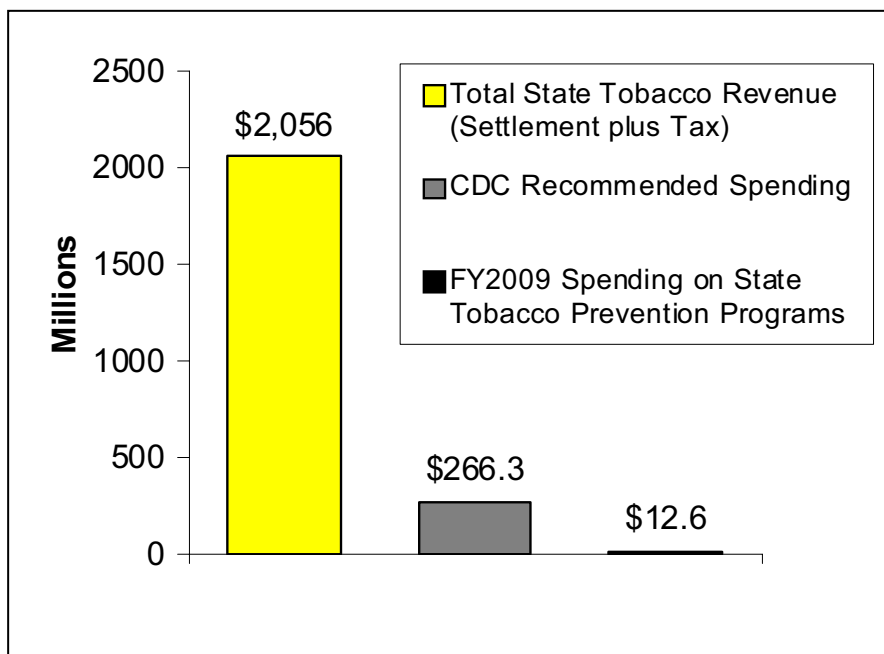
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\* For FY2009, federal spending refers to a nine-month grant provided to the states by the U.S. Centers for Disease Control and Prevention for the period beginning July 2008. In April 2009, the CDC will transition to a new funding agreement with the states that will provide the usual 12-month grant.

## Texas

<b>FY2009 State Ranking: 46</b>			
<b>% of CDC Recommended Spending (\$266.3 million): 4.7%</b>			
<b>FY2009</b>		<b>FY2008</b>	
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$12.6 million</b>	<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$12.9 million</b>
State Spending	\$11.8 million	State Spending	\$11.8 million
Federal Spending	\$802,000 *	Federal Spending	\$1.07 million

**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 receives \$12.6 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 4.7% of the CDC's recommendation and ranks Texas 46th among the states in the funding of tobacco prevention programs. Texas's spending on tobacco prevention amounts to 0.6% of the estimated \$2.06 billion in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** The initial tobacco settlement funds received by Texas are governed by a 1999 law which placed all the tobacco settlement payments into several permanent endowments earmarked for the following purposes: higher education, children and public health, emergency medical services and trauma care, a higher education nursing and allied health fund, minority health research and education, rural health facility capital improvement, community hospital capital improvement, and individual endowments for 13 medical schools. As Texas receives new funds as part of their settlement with the tobacco industry, they are appropriated by the legislature on a biennial basis.

The biannual state budget for FY2008 and FY2009 approved by the Legislature and signed by Governor Rick Perry (R) appropriated \$23.6 million, or \$11.8 million per year to tobacco prevention. The budget allocates \$7.8 million for comprehensive tobacco programs, \$3.0 million for school-based programs, and \$1.0 million for spit tobacco programs per year. For FY2009, Texas is scheduled to spend a total of \$12.6 million in federal and state funds for tobacco prevention programs.



<b>Tobacco's Toll in Texas</b>	
Adults who smoke	19.3%
High school students who smoke	21.1%
Deaths caused by smoking each year	24,200
Annual health care costs directly caused by smoking	\$5.83 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$581 per household
Annual tobacco company marketing in state	\$884.7 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	70.2 to 1

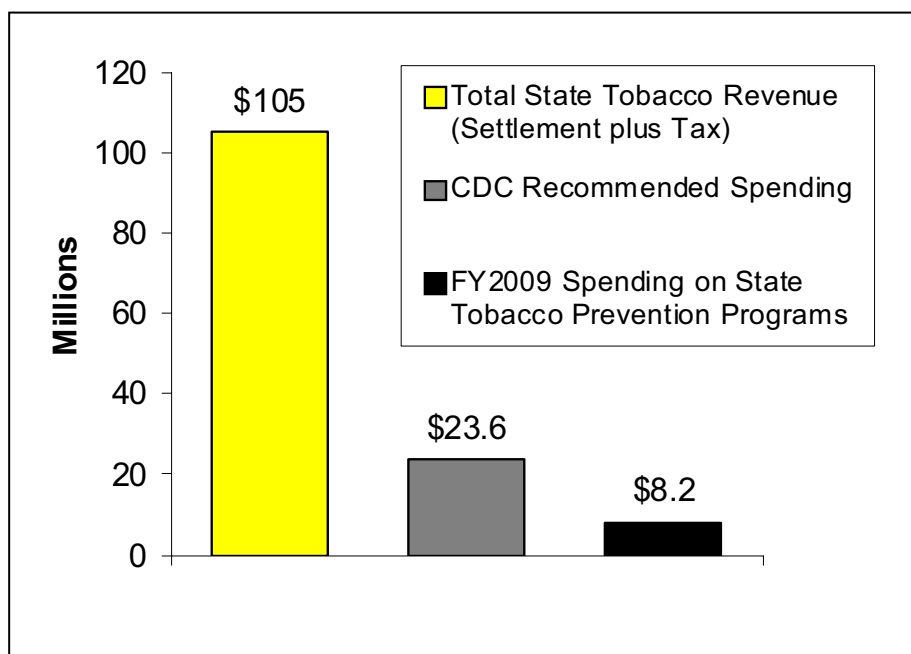
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\* For FY2009, federal spending refers to a nine-month grant provided to the states by the U.S. Centers for Disease Control and Prevention for the period beginning July 2008. In April 2009, the CDC will transition to a new funding agreement with the states that will provide the usual 12-month grant.

## Utah

<b>FY2009 State Ranking: 17</b>			
<b>% of CDC Recommended Spending (\$23.6 million): 34.7%</b>			
<b>FY2009</b>		<b>FY2008</b>	
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$8.2 million</b>	<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$8.6 million</b>
State Spending	\$7.2 million	State Spending	\$7.3 million
Federal Spending	\$1.00 million *	Federal Spending	\$1.34 million

**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 receives \$8.2 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 34.7% of the CDC's recommendation and ranks Utah 17th among the states in the funding of tobacco prevention programs. Utah's spending on tobacco prevention amounts to 7.8% of the estimated \$105 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 called the Permanent Trust Fund and gave the legislature the authority to appropriate the remaining half through the annual budget process. The law also called for a referendum in which voters would decide how to spend interest earned from the endowment. In November 2000, by a margin of 61-39 percent, voters approved a measure that reinvested half the interest generated by the endowment and earmarked the remainder for health care programs.

Combined with funds from the Centers for Disease Control and Prevention, total spending on tobacco prevention and cessation for FY2009 will be \$8.2 million, about the same amount that was spent in FY2008.

<b>Tobacco's Toll in Utah</b>	
Adults who smoke	11.7%
High school students who smoke	7.9%
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	\$529 per household
Annual tobacco company marketing in state	\$57.9 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	7.1 to 1

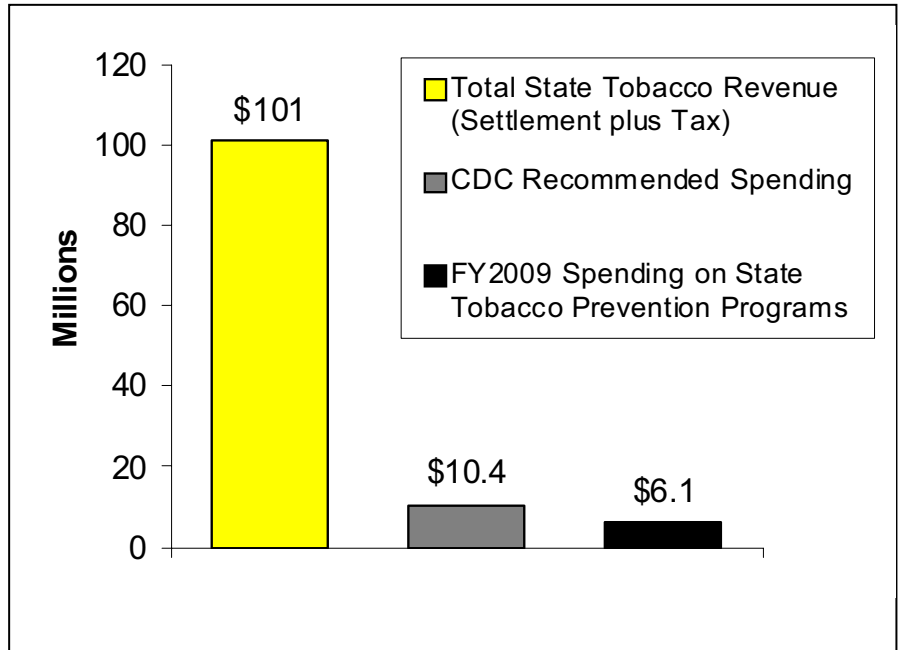
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\* For FY2009, federal spending refers to a nine-month grant provided to the states by the U.S. Centers for Disease Control and Prevention for the period beginning July 2008. In April 2009, the CDC will transition to a new funding agreement with the states that will provide the usual 12-month grant.

## Vermont

<b>FY2009 State Ranking: 7</b>			
<b>% of CDC Recommended Spending (\$10.4 million): 58.7%</b>			
<b>FY2009</b>		<b>FY2008</b>	
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$6.1 million</b>	<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$6.5 million</b>
State Spending	\$5.2 million	State Spending	\$5.2 million
Federal Spending	\$940,000 *	Federal Spending	\$1.25 million

**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 receives \$6.1 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 58.7% of the CDC's recommendation and ranks Vermont 7th among the states in the funding of tobacco prevention programs. Vermont's spending on tobacco prevention amounts to 6.0% of the estimated \$101 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** Vermont's tobacco prevention and cessation program is funded with dollars from the Master Settlement Agreement. Combined with funds from the Centers for Disease Control and Prevention, total spending on tobacco prevention and cessation in FY2009 will be \$6.1 million, about the same amount that was spent in FY2008.

<b>Tobacco's Toll in Vermont</b>	
Adults who smoke	17.6%
High school students who smoke	18.2%
Deaths caused by smoking each year	900
Annual health care costs directly caused by smoking	\$233 million
Residents' state & federal tax burden from smoking-caused government expenditures	\$623 per household
Annual tobacco company marketing in state	\$28.2 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	4.6 to 1

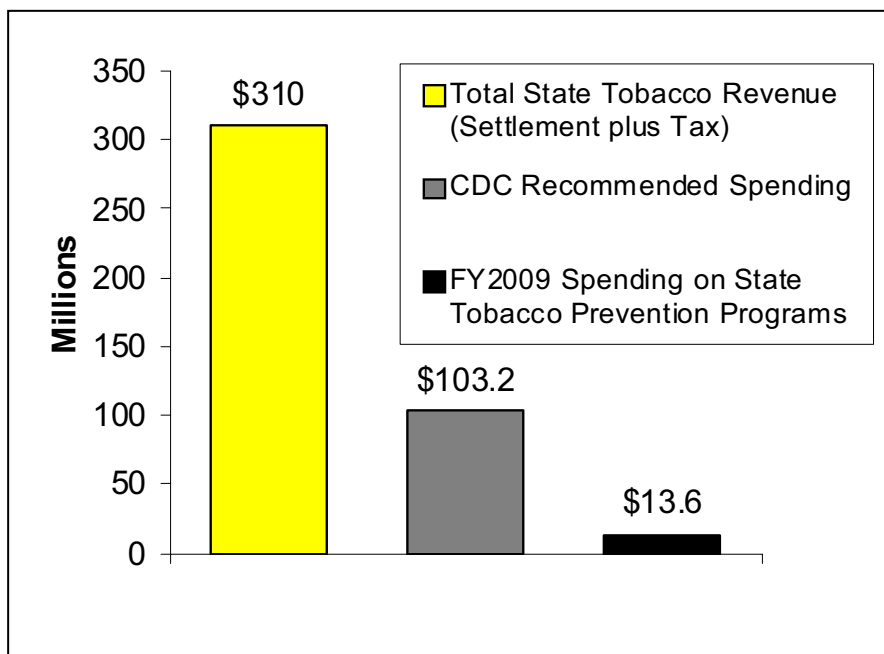
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\* For FY2009, federal spending refers to a nine-month grant provided to the states by the U.S. Centers for Disease Control and Prevention for the period beginning July 2008. In April 2009, the CDC will transition to a new funding agreement with the states that will provide the usual 12-month grant.

## Virginia

<b>FY2009 State Ranking: 36</b>			
<b>% of CDC Recommended Spending (\$103.2 million): 13.2%</b>			
<b>FY2009</b>		<b>FY2008</b>	
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$13.6 million</b>	<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$15.7 million</b>
State Spending	\$12.7 million	State Spending	\$14.5 million
Federal Spending	\$880,000 *	Federal Spending	\$1.17 million

**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 receives \$13.6 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 13.2% of the CDC's recommendation and ranks Virginia 36th among the states in the funding of tobacco prevention programs. Virginia's spending on tobacco prevention amounts to 4.4% of the estimated \$310 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** In 1999, the Virginia Legislature passed and then-Governor Jim Gilmore (R) enacted the law that allocated the state's tobacco settlement payments into three separate funds: 50 percent to the Tobacco Indemnification and Community Revitalization Trust Fund for programs aimed at economic assistance for tobacco growers and to revitalize tobacco dependent communities; 40 percent to the state's general fund for appropriation at the discretion of the Legislature; and 10 percent to the Virginia Tobacco Settlement Fund for tobacco prevention and cessation programs for youth.

For FY2009, Virginia is scheduled to spend \$13.6 million in federal and state funds for tobacco prevention. In FY2008, Virginia spent less than was allocated due to money withheld because of an escrow payment dispute as well as \$625,000 that was redirected to the Virginia Healthcare Trust Fund in April of 2008. Thus, the state will be spending about the same amount in FY2009 as it was in FY2008.

<b>Tobacco's Toll in Virginia</b>	
Adults who smoke	18.5%
High school students who smoke	15.5%
Deaths caused by smoking each year	9,300
Annual health care costs directly caused by smoking	\$2.08 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$570 per household
Annual tobacco company marketing in state	\$438.5 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	32.2 to 1

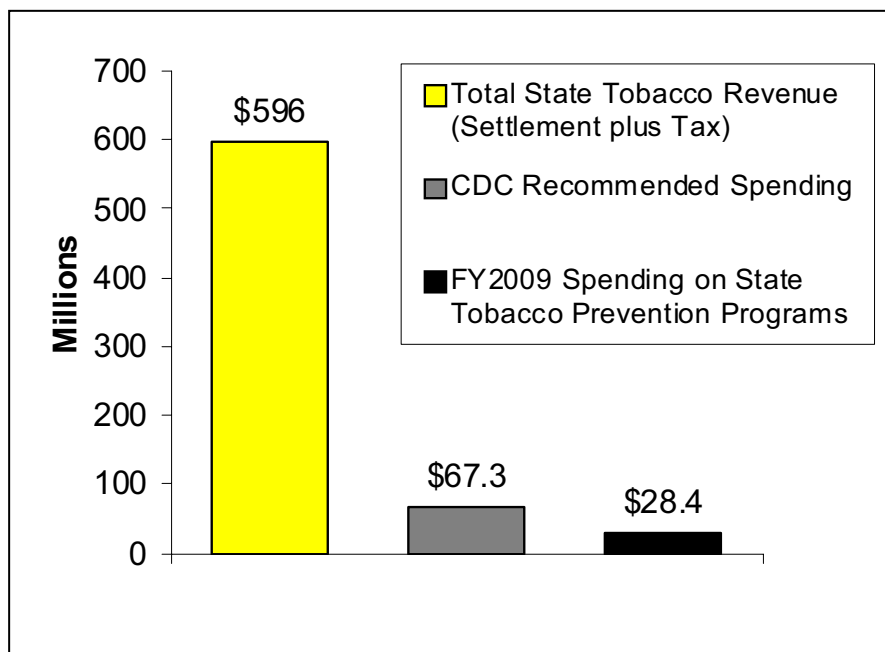
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\* For FY2009, federal spending refers to a nine-month grant provided to the states by the U.S. Centers for Disease Control and Prevention for the period beginning July 2008. In April 2009, the CDC will transition to a new funding agreement with the states that will provide the usual 12-month grant.

## Washington

<b>FY2009 State Ranking: 14</b>			
<b>% of CDC Recommended Spending (\$67.3 million): 42.2%</b>			
<b>FY2009</b>		<b>FY2008</b>	
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$28.4 million</b>	<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$28.7 million</b>
State Spending	\$27.2 million	State Spending	\$27.1 million
Federal Spending	\$1.16 million *	Federal Spending	\$1.55 million

**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 receives \$28.4 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 42.2% of the CDC's recommendation and ranks Washington 14th among the states in the funding of tobacco prevention programs. Washington's spending on tobacco prevention amounts to 4.8% of the estimated \$596 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** Washington funds tobacco prevention through the Tobacco Prevention and Control Account, which includes tobacco settlement money and 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.

Also in 2007, \$50 million from the state's supplemental budget was directed to the Tobacco Prevention and Control Account. Combined with other funds already in the account and the tax revenue deposited annually, these funds will maintain program funding at its current level through FY2011.

Combined with funds from the Centers for Disease Control and Prevention, total spending on tobacco prevention and cessation in FY2009 will be \$28.4 million, about the same amount that was spent in FY2008.



<b>Tobacco's Toll in Washington</b>	
Adults who smoke	16.5%
High school students who smoke	15%
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	\$631 per household
Annual tobacco company marketing in state	\$164.6 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	5.8 to 1

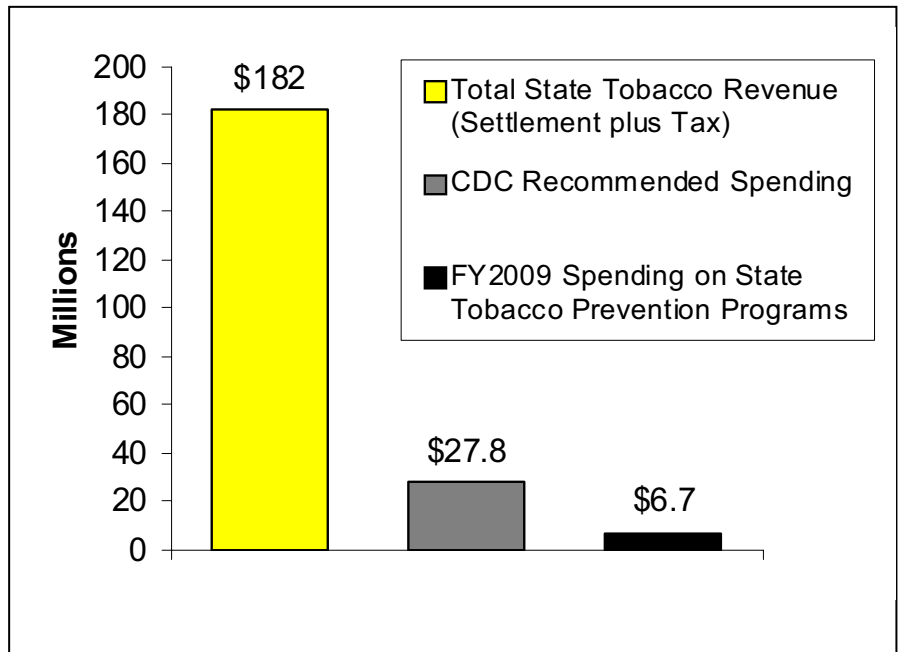
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\* For FY2009, federal spending refers to a nine-month grant provided to the states by the U.S. Centers for Disease Control and Prevention for the period beginning July 2008. In April 2009, the CDC will transition to a new funding agreement with the states that will provide the usual 12-month grant.

## West Virginia

<b>FY2009 State Ranking: 25</b>			
<b>% of CDC Recommended Spending (\$27.8 million): 24.1%</b>			
<b>FY2009</b>		<b>FY2008</b>	
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$6.7 million</b>	<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$7.0 million</b>
State Spending	\$5.7 million	State Spending	\$5.7 million
Federal Spending	\$965,000 *	Federal Spending	\$1.30 million

**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 receives \$6.7 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 24.1% of the CDC's recommendation and ranks West Virginia 25th among the states in the funding of tobacco prevention programs. West Virginia's spending on tobacco prevention amounts to 3.7% of the estimated \$182 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. However, FY2008 marked the first time tobacco prevention funds were allocated from the general fund rather than directly from West Virginia's MSA funds. West Virginia's MSA funds were securitized last year to retire some of the state's debt. Because of that, all future tobacco prevention funding will depend upon the Legislature's willingness to allocate funds in the budget.

For FY2009, West Virginia is scheduled to spend \$6.7 million in federal and state funds for tobacco prevention programs, approximately the same amount that was spent in FY2008.

<b>Tobacco's Toll in West Virginia</b>	
Adults who smoke	26.9%
High school students who smoke	27.6%
Deaths caused by smoking each year	3,900
Annual health care costs directly caused by smoking	\$690 million
Residents' state & federal tax burden from smoking-caused government expenditures	\$590 per household
Annual tobacco company marketing in state	\$132.0 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	19.7 to 1

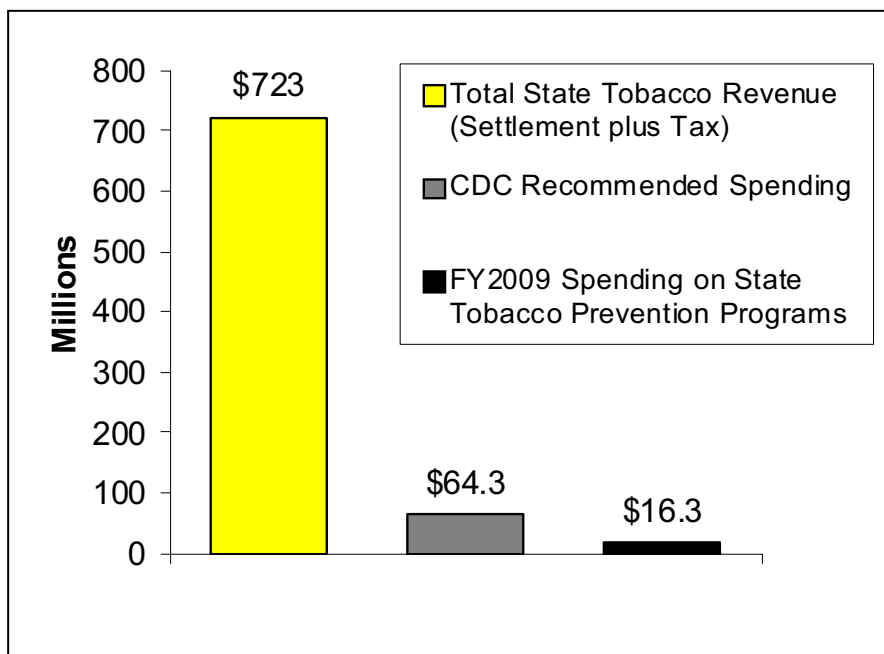
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\* For FY2009, federal spending refers to a nine-month grant provided to the states by the U.S. Centers for Disease Control and Prevention for the period beginning July 2008. In April 2009, the CDC will transition to a new funding agreement with the states that will provide the usual 12-month grant.

## Wisconsin

<b>FY2009 State Ranking: 24</b>			
<b>% of CDC Recommended Spending (\$64.3 million): 25.3%</b>			
<b>FY2009</b>		<b>FY2008</b>	
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$16.3 million</b>	<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$16.3 million</b>
State Spending	\$15.3 million	State Spending	\$15.0 million
Federal Spending	\$982,000 *	Federal Spending	\$1.31 million

**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 receives \$16.3 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 25.3% of the CDC's recommendation and ranks Wisconsin 24th among the states in the funding of tobacco prevention programs. Wisconsin's spending on tobacco prevention amounts to 2.3% of the estimated \$723 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** The FY2008-09 biennial budget increased the state's tobacco tax by \$1 per pack and allocated \$15.0 million per year for tobacco prevention, a 50 percent increase over the \$10 million allocated in the previous budget. This progress was made with bipartisan legislative support and Gov. Jim Doyle's leadership. An additional amount of funding (\$250,000) was included in subsequent budget repair legislation, bringing the total state allocation for FY2009 to \$15.3 million. The tax increase makes Wisconsin's cigarette tax the 15<sup>th</sup> highest in the nation at \$1.77. Wisconsin's tobacco prevention funding comes from the state's general fund because in 2001 all of the current and much of the future settlement proceeds were securitized for a smaller up-front payment. Under the direction of former Gov. Scott McCallum and the legislature, the securitization revenue was squandered to fill a hole in a single biennial budget. Wisconsin has seen positive results from its tobacco prevention program. Adult smoking prevalence in Wisconsin has decreased by almost a fifth since 2000. Youth results have been even better, dropping more than a third in the same time. Calls to the state quitline increased from about 8,000 annually to more than 20,000 in a several month period around the implementation of the cigarette tax increase on January 1, 2008.

<b>Tobacco's Toll in Wisconsin</b>	
Adults who smoke	19.6%
High school students who smoke	20.5%
Deaths caused by smoking each year	7,300
Annual health care costs directly caused by smoking	\$2.02 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$594 per household
Annual tobacco company marketing in state	\$276.1 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	16.9 to 1

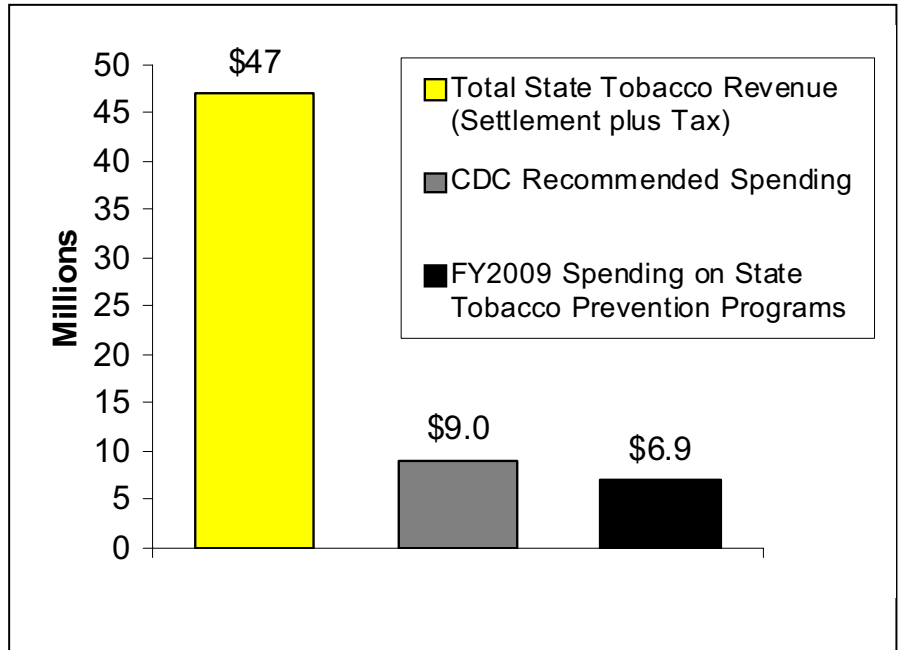
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\* For FY2009, federal spending refers to a nine-month grant provided to the states by the U.S. Centers for Disease Control and Prevention for the period beginning July 2008. In April 2009, the CDC will transition to a new funding agreement with the states that will provide the usual 12-month grant.

## Wyoming

<b>FY2009 State Ranking: 3</b>			
<b>% of CDC Recommended Spending (\$9.0 million): 76.7%</b>			
<b>FY2009</b>		<b>FY2008</b>	
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$6.9 million</b>	<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$7.0 million</b>
State Spending	\$6.0 million	State Spending	\$5.9 million
Federal Spending	\$855,000 *	Federal Spending	\$1.14 million

**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 receives \$6.9 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 76.7% of the CDC's recommendation and ranks Wyoming 3rd among the states in the funding of tobacco prevention programs. Wyoming's spending on tobacco prevention amounts to 14.7% of the estimated \$47 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** The FY2009 budget approved by the Legislature and Governor Dave Freudenthal (D) provides \$6.9 million for tobacco prevention and cessation programs, a slight decrease from the \$7.0 million that was allocated last year. Wyoming's tobacco settlement payments through FY2002 were governed by a 1999 law that placed all the state's settlement payments in a Tobacco Settlement Trust Fund. From FY2003 forward, the settlement funds were placed into an income account that funded substance abuse and other health care issues. Tobacco prevention funding has primarily come from the interest generated by the original trust fund.

<b>Tobacco's Toll in Wyoming</b>	
Adults who smoke	22.1%
High school students who smoke	20.8%
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	\$589 per household
Annual tobacco company marketing in state	\$27.4 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	4.0 to 1

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\* For FY2009, federal spending refers to a nine-month grant provided to the states by the U.S. Centers for Disease Control and Prevention for the period beginning July 2008. In April 2009, the CDC will transition to a new funding agreement with the states that will provide the usual 12-month grant.

## Appendix A



### History of Spending for State Tobacco Prevention Programs FY2005 - FY2009

	FY2009*		FY2008*		FY2007		FY2006		FY2005	
	Spending (\$millions)	Percent of CDC Rec. **	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>\$718.1</b>	<b>19.4%</b>	<b>\$781.6</b>	<b>48.9%</b>	<b>\$597.5</b>	<b>37.2%</b>	<b>\$551.0</b>	<b>34.4%</b>	<b>\$538.2</b>	<b>33.6%</b>
Alabama	\$2.3	4.1%	\$2.2	8.2%	\$0.7	2.6%	\$0.3	1.2%	\$0.4	1.3%
Alaska	\$9.2	86.0%	\$8.8	108.8%	\$6.2	76.6%	\$5.7	70.5%	\$4.2	51.5%
Arizona	\$21.3	31.3%	\$24.0	86.4%	\$25.5	91.8%	\$23.1	83.1%	\$23.1	83.1%
Arkansas	\$16.9	46.4%	\$17.0	94.9%	\$15.1	84.3%	\$17.5	97.7%	\$17.6	98.3%
California	\$78.1	17.7%	\$77.9	47.2%	\$84.0	50.9%	\$79.7	48.3%	\$74.0	44.8%
Colorado	\$27.5	50.6%	\$27.6	112.4%	\$25.0	101.8%	\$27.0	110.0%	\$4.3	17.5%
Connecticut	\$8.3	18.9%	\$1.2	5.6%	\$2.0	9.4%	\$0.0	0.2%	\$0.1	0.3%
Delaware	\$11.3	81.3%	\$11.4	132.1%	\$10.3	119.4%	\$9.2	106.6%	\$9.3	107.8%
DC	\$4.0	38.1%	\$4.2	56.1%	\$0.5	6.7%	\$0.0	0.0%	\$0.0	0.0%
Florida	\$60.2	28.5%	\$58.9	75.1%	\$5.6	7.1%	\$1.0	1.3%	\$1.0	1.3%
Georgia	\$3.2	2.7%	\$3.4	8.0%	\$2.3	5.4%	\$3.1	7.3%	\$11.5	27.0%
Hawaii	\$11.3	74.3%	\$11.4	105.8%	\$9.1	84.0%	\$5.8	53.8%	\$8.9	82.6%
Idaho	\$2.6	15.4%	\$2.7	24.5%	\$0.9	8.2%	\$0.5	4.9%	\$1.9	17.2%
Illinois	\$9.5	6.1%	\$9.8	15.1%	\$8.5	13.1%	\$11.0	16.9%	\$11.0	16.9%
Indiana	\$16.0	20.3%	\$17.3	49.7%	\$10.9	31.3%	\$10.8	31.1%	\$10.8	31.1%
Iowa	\$11.2	30.5%	\$13.4	69.3%	\$6.5	33.6%	\$5.6	28.9%	\$5.1	26.4%
Kansas	\$2.0	6.2%	\$2.8	15.5%	\$1.0	5.5%	\$1.0	5.5%	\$0.8	4.1%
Kentucky	\$3.7	6.5%	\$3.7	14.7%	\$2.2	8.8%	\$2.7	10.8%	\$2.7	10.8%
Louisiana	\$8.5	15.9%	\$9.6	35.4%	\$8.0	29.5%	\$8.0	29.5%	\$11.3	41.7%
Maine	\$11.7	63.2%	\$18.0	160.9%	\$14.7	131.3%	\$14.2	126.9%	\$14.2	126.9%
Maryland	\$20.6	32.5%	\$19.9	65.7%	\$18.7	61.7%	\$9.2	30.4%	\$9.5	31.4%
Massachusetts	\$13.5	15.0%	\$14.7	41.7%	\$8.3	23.4%	\$4.3	12.1%	\$3.8	10.6%
Michigan	\$5.1	4.2%	\$5.4	9.9%	\$0.0	0.0%	\$0.0	0.0%	\$0.0	0.0%
Minnesota	\$21.5	36.8%	\$23.4	81.8%	\$21.7	75.8%	\$22.1	77.2%	\$18.7	65.3%
Mississippi	\$10.7	27.3%	\$8.6	45.8%	\$0.0	0.0%	\$20.0	106.4%	\$20.0	106.4%
Missouri	\$2.7	3.7%	\$1.5	4.6%	\$0.0	0.0%	\$0.0	0.0%	\$0.0	0.0%



	FY2009*		FY2008*		FY2007		FY2006		FY2005	
	Spending (\$millions)	Percent of CDC Rec. **	Spending (\$millions)	Percent of CDC Min.	Spending (\$millions)	Percent of CDC Min.	Spending (\$millions)	Percent of CDC Min.	Spending (\$millions)	Percent of CDC Min.
Montana	\$9.3	66.9%	\$9.6	102.6%	\$6.9	73.7%	\$6.8	72.6%	\$2.5	26.7%
Nebraska	\$4.0	18.6%	\$3.9	29.3%	\$3.0	22.5%	\$3.0	22.5%	\$2.9	21.8%
Nevada	\$4.1	12.6%	\$2.9	21.5%	\$3.8	28.2%	\$4.2	31.2%	\$4.4	32.6%
New Hampshire	\$1.1	5.7%	\$2.4	22.0%	\$0.0	0.0%	\$0.0	0.0%	\$0.0	0.0%
New Jersey	\$10.2	8.5%	\$12.4	27.5%	\$11.0	24.4%	\$11.5	25.5%	\$11.0	24.4%
New Mexico	\$10.5	44.9%	\$10.9	79.5%	\$7.7	56.2%	\$6.0	43.8%	\$5.0	36.5%
New York	\$81.9	32.2%	\$87.6	91.4%	\$85.5	89.2%	\$43.4	45.3%	\$39.5	41.2%
North Carolina	\$18.5	17.3%	\$18.9	44.4%	\$17.1	40.2%	\$15.0	35.2%	\$15.0	35.2%
North Dakota	\$4.1	44.1%	\$4.4	53.9%	\$3.1	38.0%	\$3.1	38.0%	\$3.1	38.0%
Ohio	\$7.1	4.9%	\$46.3	75.0%	\$45.0	72.9%	\$47.2	76.4%	\$53.3	86.3%
Oklahoma	\$19.1	42.4%	\$15.7	71.9%	\$10.0	45.8%	\$8.9	40.8%	\$4.8	22.0%
Oregon	\$9.1	21.2%	\$9.4	44.5%	\$3.5	16.3%	\$3.5	16.3%	\$3.5	16.6%
Pennsylvania	\$33.2	21.4%	\$33.1	50.5%	\$30.3	46.2%	\$32.9	50.2%	\$46.1	70.3%
Rhode Island	\$1.9	12.5%	\$2.3	23.3%	\$1.0	9.6%	\$2.1	21.2%	\$2.5	25.3%
South Carolina	\$1.0	1.6%	\$3.3	13.8%	\$2.0	8.4%	\$0.0	0.0%	\$0.0	0.0%
South Dakota	\$5.8	51.3%	\$6.1	70.2%	\$0.7	8.1%	\$0.7	8.1%	\$1.5	17.3%
Tennessee	\$6.1	8.5%	\$11.4	35.4%	\$0.0	0.0%	\$0.0	0.0%	\$0.0	0.0%
Texas	\$12.6	4.7%	\$12.9	12.5%	\$5.2	5.0%	\$7.0	6.8%	\$7.4	7.2%
Utah	\$8.2	34.7%	\$8.6	56.5%	\$7.2	47.3%	\$7.2	47.3%	\$7.2	47.2%
Vermont	\$6.1	58.7%	\$6.5	82.2%	\$5.1	64.5%	\$4.9	61.9%	\$4.7	58.9%
Virginia	\$13.6	13.2%	\$15.7	40.4%	\$13.5	34.7%	\$12.8	32.9%	\$13.0	33.5%
Washington	\$28.4	42.2%	\$28.7	86.1%	\$27.1	81.3%	\$27.2	81.6%	\$27.2	81.6%
West Virginia	\$6.7	24.1%	\$7.0	49.4%	\$5.4	38.1%	\$5.9	41.7%	\$5.9	41.3%
Wisconsin	\$16.3	25.3%	\$16.3	52.3%	\$10.0	32.1%	\$10.0	32.1%	\$10.0	32.1%
Wyoming	\$6.9	76.7%	\$7.0	94.9%	\$5.9	79.9%	\$5.9	79.9%	\$3.8	51.5%
<b>Total</b>	<b>\$718.1</b>	<b>19.4%</b>	<b>\$781.6</b>	<b>48.9%</b>	<b>\$597.5</b>	<b>37.2%</b>	<b>\$551.0</b>	<b>34.4%</b>	<b>\$538.2</b>	<b>33.6%</b>

\* 2008 and 2009 annual spending include state and federal funds. For FY2009, federal spending refers to a nine-month grant provided to the states by the U.S. Centers for Disease Control and Prevention for the period beginning July 2008. In April 2009, the CDC will transition to a new funding agreement with the states that will provide the usual 12-month grant.

\*\* The CDC recently 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 new recommendations are higher than previous ones. This year's report assesses the states based on these new recommendations.

**History of Spending for State Tobacco Prevention Programs FY2000 - FY2004**

	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.
<b>States Total</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	\$0.4	1.3%	\$0.4	1.3%	\$0.6	2.2%	\$6.0	22.4%	\$6.0	22.4%
Alaska	\$3.8	47.0%	\$5.0	61.8%	\$3.1	38.3%	\$1.4	17.3%	\$1.4	17.3%
Arizona	\$23.0	82.8%	\$18.3	65.7%	\$36.6	131.6%	\$34.5	124.1%	\$29.3	105.4%
Arkansas	\$18.5	103.3%	\$16.4	91.5%	\$16.4	91.5%	\$16.1	89.9%	\$0.0	0.0%
California	\$90.1	54.6%	\$88.4	53.5%	\$134.5	81.5%	\$114.6	69.4%	\$88.2	53.4%
Colorado	\$3.8	15.5%	\$7.6	31.0%	\$12.7	51.8%	\$12.7	51.7%	\$13.2	53.8%
Connecticut	\$0.5	2.4%	\$0.6	2.7%	\$0.6	2.7%	\$1.0	4.7%	\$4.0	18.8%
Delaware	\$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%
Florida	\$1.0	1.3%	\$37.5	47.8%	\$29.8	38.0%	\$44.0	56.1%	\$44.0	56.1%
Georgia	\$12.6	29.6%	\$19.1	44.8%	\$20.8	48.8%	\$15.8	37.1%	\$15.8	37.1%
Hawaii	\$8.9	82.6%	\$10.3	95.1%	\$4.2	38.9%	\$9.3	86.3%	\$9.7	89.5%
Idaho	\$1.6	14.5%	\$1.3	11.5%	\$1.1	10.0%	\$1.2	10.9%	\$1.2	10.9%
Illinois	\$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%	\$32.5	93.4%	\$32.5	93.4%	\$35.0	100.6%	\$35.0	100.6%
Iowa	\$5.1	26.4%	\$5.1	26.3%	\$9.4	48.7%	\$9.4	48.6%	\$9.4	48.3%
Kansas	\$0.5	2.8%	\$0.5	2.8%	\$0.5	2.8%	\$0.5	2.8%	\$0.5	2.8%
Kentucky	\$2.6	10.4%	\$3.0	12.0%	\$5.5	21.9%	\$5.8	23.1%	\$5.8	23.1%
Louisiana	\$10.7	39.4%	\$8.0	29.5%	\$0.5	1.8%	\$4.1	15.1%	\$4.1	15.1%
Maine	\$14.5	129.6%	\$15.2	135.6%	\$13.8	122.9%	\$18.8	168.0%	\$18.8	168.0%
Maryland	\$14.8	48.8%	\$30.0	99.0%	\$20.1	66.2%	\$30.0	99.0%	\$30.0	99.0%
Massachusetts	\$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%
Minnesota	\$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%	\$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%
Montana	\$2.5	26.7%	\$0.4	4.1%	\$0.5	5.3%	\$3.5	37.4%	\$3.5	37.4%
Nebraska	\$0.4	3.1%	\$7.0	52.6%	\$7.0	52.6%	\$7.0	52.6%	\$7.0	52.6%
Nevada	\$4.3	31.9%	\$4.3	31.8%	\$4.3	31.7%	\$3.0	22.3%	\$3.9	29.0%
New Hampshire	\$0.0	0.0%	\$3.0	27.5%	\$3.0	27.5%	\$3.0	27.5%	\$3.0	27.5%
New Jersey	\$10.5	23.3%	\$30.0	66.6%	\$30.0	66.6%	\$30.0	66.6%	\$18.6	41.3%
New Mexico	\$5.0	36.5%	\$5.0	36.5%	\$5.0	36.5%	\$2.3	16.8%	\$2.3	16.4%
New York	\$37.0	38.6%	\$40.0	41.7%	\$40.0	41.7%	\$30.0	31.3%	\$30.0	31.3%
North Carolina	\$10.9	25.6%	\$6.2	14.6%	\$0.0	0.0%	\$0.0	0.0%	\$0.0	0.0%

	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.
North Dakota	\$3.0	36.8%	\$2.5	30.6%	\$2.5	30.9%	\$0.0	0.0%	\$0.0	0.0%
Ohio	\$38.0	61.5%	\$34.0	55.1%	\$21.7	35.1%	\$60.0	97.2%	\$60.0	97.2%
Oklahoma	\$2.5	11.5%	\$2.5	11.2%	\$1.7	7.9%	\$6.3	28.9%	\$6.3	28.9%
Oregon	\$2.9	13.5%	\$11.1	52.5%	\$11.3	53.2%	\$8.5	40.2%	\$8.5	40.2%
Pennsylvania	\$52.6	80.2%	\$52.0	79.3%	\$41.4	63.1%	\$0.0	0.0%	\$0.0	0.0%
Rhode Island	\$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%	\$2.0	8.4%	\$1.6	6.7%	\$1.8	7.5%	\$1.8	7.3%
South Dakota	\$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%
Texas	\$7.4	7.2%	\$12.5	12.1%	\$12.5	12.1%	\$9.3	9.0%	\$9.0	8.7%
Utah	\$7.2	47.2%	\$7.0	46.0%	\$6.0	39.4%	\$6.0	39.4%	\$6.0	39.4%
Vermont	\$4.5	56.9%	\$5.2	65.7%	\$5.5	70.0%	\$6.5	82.2%	\$6.5	82.2%
Virginia	\$17.4	44.8%	\$22.2	57.1%	\$19.2	49.3%	\$12.6	32.4%	\$13.1	33.7%
Washington	\$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	41.3%	\$5.9	41.7%	\$5.9	41.3%
Wisconsin	\$10.0	32.1%	\$15.5	49.7%	\$15.5	49.7%	\$21.2	68.0%	\$21.2	68.0%
Wyoming	\$3.0	40.7%	\$3.0	40.7%	\$0.9	12.2%	\$0.9	12.2%	\$0.9	12.2%
<b>Total</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 2009 Tobacco Prevention Spending*	CDC Annual Spending Target	Tobacco Prevention Spending % of CDC Target	Tobacco Prevention Spending Rank (1= high)	FY 2009 State Tobacco Settlement Revenues (est.)	FY 2009 State Tobacco Tax Revenues (est.)	Total Annual State Revenues From Tobacco (est.)	Tobacco Prevention Spending % of Tobacco Revenue
<b>States Total</b>	<b>\$95.9 bill.</b>	<b>\$718.1</b>	<b>\$3.7 bill.</b>	<b>19.4%</b>	<b>-</b>	<b>\$8.0 bill.</b>	<b>\$16.6 bill.</b>	<b>\$24.6 bill.</b>	<b>2.9%</b>
Alabama	\$1.49 bill.	\$2.3	\$56.7	4.1%	48	\$105	\$154	\$259	0.9%
Alaska	\$169	\$9.2	\$10.7	86.0%	1	\$34	\$69	\$103	8.9%
Arizona	\$1.3 bill.	\$21.3	\$68.1	31.3%	20	\$115	\$396	\$511	4.2%
Arkansas	\$812	\$16.9	\$36.4	46.4%	10	\$57	\$144	\$201	8.4%
California	\$9.14 bill.	\$78.1	\$441.9	17.7%	31	\$827	\$994	\$1,821	4.3%
Colorado	\$1.31 bill.	\$27.5	\$54.4	50.6%	9	\$103	\$215	\$318	8.6%
Connecticut	\$1.63 bill.	\$8.3	\$43.9	18.9%	29	\$141	\$306	\$447	1.9%
Delaware	\$284	\$11.3	\$13.9	81.3%	2	\$30	\$126	\$156	7.2%
DC	\$243	\$4.0	\$10.5	38.1%	15	\$43	\$35	\$78	5.1%
Florida	\$6.32 bill.	\$60.2	\$210.9	28.5%	22	\$389	\$431	\$820	7.3%
Georgia	\$2.25 bill.	\$3.2	\$116.5	2.7%	50	\$158	\$235	\$393	0.8%
Hawaii	\$336	\$11.3	\$15.2	74.3%	4	\$56	\$104	\$160	7.1%
Idaho	\$319	\$2.6	\$16.9	15.4%	34	\$28	\$54	\$82	3.2%
Illinois	\$4.10 bill.	\$9.5	\$157.0	6.1%	43	\$308	\$605	\$913	1.0%
Indiana	\$2.08 bill.	\$16.0	\$78.8	20.3%	28	\$147	\$513	\$660	2.4%
Iowa	\$1.01 bill.	\$11.2	\$36.7	30.5%	21	\$75	\$236	\$311	3.6%
Kansas	\$927	\$2.0	\$32.1	6.2%	42	\$66	\$114	\$180	1.1%
Kentucky	\$1.50 bill.	\$3.7	\$57.2	6.5%	41	\$114	\$180	\$294	1.3%
Louisiana	\$1.47 bill.	\$8.5	\$53.5	15.9%	33	\$160	\$148	\$308	2.8%
Maine	\$602	\$11.7	\$18.5	63.2%	6	\$58	\$148	\$206	5.7%
Maryland	\$1.96 bill.	\$20.6	\$63.3	32.5%	18	\$165	\$421	\$586	3.5%
Massachusetts	\$3.54 bill.	\$13.5	\$90.0	15.0%	35	\$287	\$560	\$847	1.6%
Michigan	\$3.40 bill.	\$5.1	\$121.2	4.2%	47	\$288	\$1,055	\$1,343	0.4%
Minnesota	\$2.06 bill.	\$21.5	\$58.4	36.8%	16	\$180	\$416	\$596	3.6%
Mississippi	\$719	\$10.7	\$39.2	27.3%	23	\$121	\$59	\$180	5.9%
Missouri	\$2.13 bill.	\$2.7	\$73.2	3.7%	49	\$152	\$108	\$260	1.0%
Montana	\$277	\$9.3	\$13.9	66.9%	5	\$34	\$91	\$125	7.4%
Nebraska	\$537	\$4.0	\$21.5	18.6%	30	\$42	\$74	\$116	3.4%
Nevada	\$565	\$4.1	\$32.5	12.6%	37	\$45	\$133	\$178	2.3%
New Hampshire	\$564	\$1.1	\$19.2	5.7%	44	\$48	\$187	\$235	0.5%
New Jersey	\$3.17 bill.	\$10.2	\$119.8	8.5%	39	\$261	\$747	\$1,008	1.0%
New Mexico	\$461	\$10.5	\$23.4	44.9%	11	\$44	\$64	\$108	9.7%
New York	\$8.17 bill.	\$81.9	\$254.3	32.2%	19	\$830	\$1,267	\$2,097	3.9%
North Carolina	\$2.46 bill.	\$18.5	\$106.8	17.3%	32	\$159	\$231	\$390	4.7%
North Dakota	\$247	\$4.1	\$9.3	44.1%	12	\$36	\$22	\$58	7.1%
Ohio	\$4.37 bill.	\$7.1	\$145.0	4.9%	45	\$332	\$921	\$1,253	0.6%
Oklahoma	\$1.16 bill.	\$19.1	\$45.0	42.4%	13	\$89	\$341	\$430	4.4%
Oregon	\$1.11 bill.	\$9.1	\$43.0	21.2%	27	\$90	\$245	\$335	2.7%
Pennsylvania	\$5.19 bill.	\$33.2	\$155.5	21.4%	26	\$380	\$988	\$1,368	2.4%
Rhode Island	\$506	\$1.9	\$15.2	12.5%	38	\$53	\$113	\$166	1.1%

State	Annual Smoking Caused Health Costs	FY 2009 Tobacco Prevention Spending*	CDC Annual Spending Target	Tobacco Prevention Spending % of CDC Target	Tobacco Prevention Spending Rank (1= high)	FY 2009 State Tobacco Settlement Revenues (est.)	FY 2009 State Tobacco Tax Revenues (est.)	Total Annual State Revenues From Tobacco (est.)	Tobacco Prevention Spending % of Tobacco Revenue
South Carolina	\$1.09 bill.	\$1.0	\$62.2	1.6%	51	\$83	\$31	\$114	0.9%
South Dakota	\$274	\$5.8	\$11.3	51.3%	8	\$27	\$61	\$88	6.6%
Tennessee	\$2.16 bill.	\$6.1	\$71.7	8.5%	40	\$156	\$263	\$419	1.5%
Texas	\$5.83	\$12.6	\$266.3	4.7%	46	\$505	\$1,551	\$2,056	0.6%
Utah	\$345	\$8.2	\$23.6	34.7%	17	\$42	\$63	\$105	7.8%
Vermont	\$233	\$6.1	\$10.4	58.7%	7	\$39	\$62	\$101	6.0%
Virginia	\$2.08 bill.	\$13.6	\$103.2	13.2%	36	\$132	\$178	\$310	4.4%
Washington	\$1.95 bill.	\$28.4	\$67.3	42.2%	14	\$173	\$423	\$596	4.8%
West Virginia	\$690	\$6.7	\$27.8	24.1%	25	\$72	\$110	\$182	3.7%
Wisconsin	\$2.02 bill.	\$16.3	\$64.3	25.3%	24	\$148	\$575	\$723	2.3%
Wyoming	\$136	\$6.9	\$9.0	76.7%	3	\$21	\$26	\$47	14.7%

Notes: FY2009 tobacco prevention spending includes state and federal 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 FY2009 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 2008. The state settlement revenues include the tobacco settlement bonus payments expected to be included in annual MSA payments made to states in April 2009. 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.

## Appendix C



### TRENDS IN STATE TOBACCO PREVENTION SPENDING vs. STATE TOBACCO REVENUES

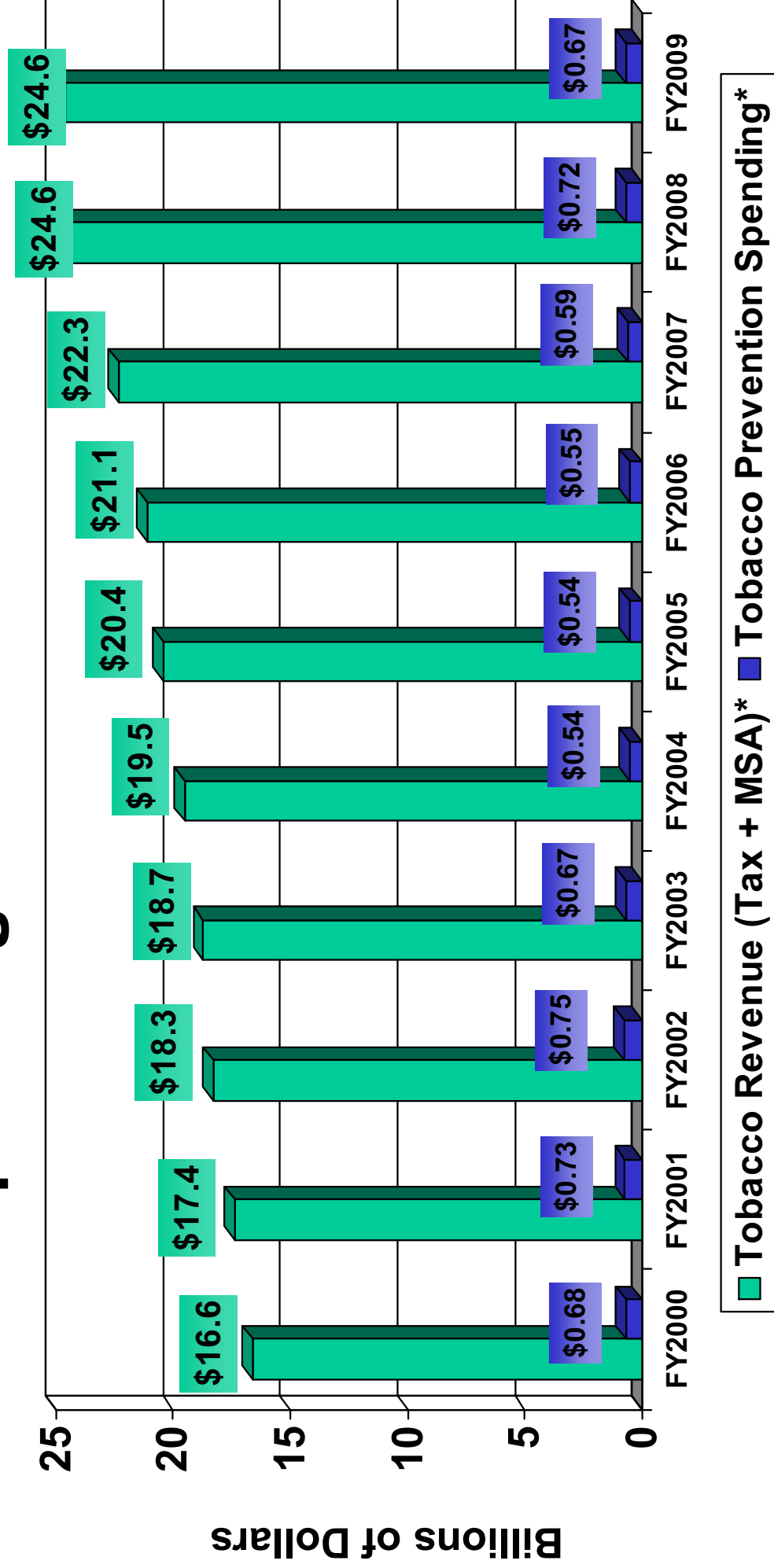
All amounts are in millions of dollars per year unless otherwise specified

	Tobacco Prev. Spending FY2009	Tobacco Prev. Spending FY2008	Tobacco Prev. Spending FY2007	Tobacco Prev. Spending FY2006	Tobacco Prev. Spending FY2005	Total Annual State Rev. From Tobacco FY2009 (est.)	Total Annual State Rev. From Tobacco FY2008 (est.)	Total Annual State Rev. From Tobacco FY2007	Total Annual State Rev. From Tobacco FY2006	Total Annual State Rev. From Tobacco FY2005	Prev. Spending as % of Tobacco Revenue FY2009	Prev. Spending as % of Tobacco Revenue FY2008	Prev. Spending as % of Tobacco Revenue FY2007	Prev. Spending as % of Tobacco Revenue FY2006	Prev. Spending as % of Tobacco Revenue FY2005
<b>States Total</b>	\$718.1	\$781.6	\$597.5	\$551.0	\$538.2	\$24.6 bill.	\$24.6 bill.	\$22.3 bill.	\$21.1 bill.	\$20.4 bill.	2.9%	3.2%	2.7%	2.6%	2.6%
Alabama	\$2.3	\$2.2	\$0.7	\$0.3	\$0.4	\$259.0	\$266.7	\$248.7	\$250.4	\$258.4	0.9%	0.8%	0.3%	0.1%	0.2%
Alaska	\$9.2	\$8.8	\$6.2	\$5.7	\$4.2	\$103.0	\$106.6	\$92.7	\$85.1	\$77.8	8.9%	8.3%	6.7%	6.7%	5.4%
Arizona	\$21.3	\$24.0	\$25.5	\$23.1	\$23.1	\$511.0	\$526.9	\$453.5	\$388.5	\$384.8	4.2%	4.6%	5.6%	5.9%	6.0%
Arkansas	\$16.9	\$17.0	\$15.1	\$17.5	\$17.6	\$201.0	\$206.1	\$192.9	\$197.1	\$200.3	8.4%	8.2%	7.8%	8.9%	8.8%
California	\$78.1	\$77.9	\$84.0	\$79.7	\$74.0	\$1,821.0	\$1,865.6	\$1,844.3	\$1,828.8	\$1,891.6	4.3%	4.2%	4.6%	4.4%	3.9%
Colorado	\$27.5	\$27.6	\$25.0	\$27.0	\$4.3	\$318.0	\$326.9	\$310.9	\$309.1	\$217.5	8.6%	8.4%	8.0%	8.7%	2.0%
Connecticut	\$8.3	\$1.2	\$2.0	\$0.0	\$0.1	\$447.0	\$460.7	\$372.0	\$380.5	\$376.2	1.9%	0.3%	0.5%	0.0%	0.0%
Delaware	\$11.3	\$11.4	\$10.3	\$9.2	\$9.3	\$166.0	\$152.3	\$112.0	\$109.2	\$107.6	7.2%	7.5%	9.2%	8.4%	8.6%
Dist. Columbia	\$4.0	\$4.2	\$0.5	\$0.0	\$0.0	\$78.0	\$65.9	\$58.6	\$58.2	\$59.0	5.1%	6.4%	0.9%	0.0%	0.0%
Florida	\$60.2	\$58.9	\$5.6	\$1.0	\$1.0	\$820.0	\$839.0	\$948.9	\$841.5	\$845.0	7.3%	7.0%	0.7%	0.1%	0.1%
Georgia	\$3.2	\$3.4	\$2.3	\$3.1	\$11.5	\$393.0	\$404.3	\$393.3	\$391.1	\$408.0	0.8%	0.8%	0.6%	0.8%	2.8%
Hawaii	\$11.3	\$11.4	\$9.1	\$5.8	\$8.9	\$160.0	\$163.3	\$130.9	\$123.4	\$123.6	7.1%	7.0%	7.0%	4.7%	7.2%
Idaho	\$2.6	\$2.7	\$0.9	\$0.5	\$1.9	\$82.0	\$83.9	\$76.9	\$74.6	\$74.8	3.2%	3.2%	1.2%	0.7%	2.5%
Illinois	\$9.5	\$9.8	\$8.5	\$11.0	\$11.0	\$913.0	\$932.8	\$905.9	\$924.5	\$953.4	1.0%	1.1%	0.9%	1.2%	1.2%
Indiana	\$16.0	\$17.3	\$10.9	\$10.8	\$10.8	\$660.0	\$681.0	\$495.7	\$475.0	\$474.5	2.4%	2.5%	2.2%	2.3%	2.3%
Iowa	\$11.2	\$13.4	\$6.5	\$5.6	\$5.1	\$311.0	\$321.3	\$186.7	\$149.4	\$151.6	3.6%	4.2%	3.5%	3.7%	3.4%
Kansas	\$2.0	\$2.8	\$1.0	\$1.0	\$0.8	\$180.0	\$184.7	\$170.9	\$172.7	\$175.8	1.1%	1.5%	0.6%	0.6%	0.5%
Kentucky	\$3.7	\$3.7	\$2.2	\$2.7	\$2.7	\$294.0	\$303.8	\$292.3	\$267.9	\$162.2	1.3%	1.2%	0.8%	1.0%	1.7%
Louisiana	\$8.5	\$9.6	\$8.0	\$8.0	\$11.3	\$308.0	\$314.5	\$281.1	\$267.7	\$299.6	2.8%	3.1%	2.8%	3.0%	3.8%
Maine	\$11.7	\$18.0	\$14.7	\$14.2	\$14.2	\$206.0	\$212.9	\$205.7	\$201.8	\$145.4	5.7%	8.5%	7.1%	7.0%	9.8%
Maryland	\$20.6	\$19.9	\$18.7	\$9.2	\$9.5	\$586.0	\$518.7	\$414.6	\$411.6	\$419.7	3.5%	3.8%	4.5%	2.2%	2.3%

	Tobacco Prev. Spending FY2009	Tobacco Prev. Spending FY2008	Tobacco Prev. Spending FY2007	Tobacco Prev. Spending FY2006	Tobacco Prev. Spending FY2005	Total Annual State Rev. From Tobacco FY2009 (est.)	Total Annual State Rev. From Tobacco FY2008 (est.)	Total Annual State Rev. From Tobacco FY2007	Total Annual State Rev. From Tobacco FY2006	Total Annual State Rev. From Tobacco FY2005	Prev. Spending as % of Tobacco Revenue FY2009	Prev. Spending as % of Tobacco Revenue FY2008	Prev. Spending as % of Tobacco Revenue FY2007	Prev. Spending as % of Tobacco Revenue FY2006	Prev. Spending as % of Tobacco Revenue FY2005
Massachusetts	\$13.5	\$14.7	\$8.3	\$4.3	\$3.8	\$847.0	\$727.9	\$676.6	\$672.5	\$680.8	1.6%	2.0%	1.2%	0.6%	0.6%
Michigan	\$5.1	\$5.4	\$0.0	\$0.0	\$0.0	\$1,343.0	\$1,381.0	\$1,401.3	\$1,420.0	\$1,404.7	0.4%	0.4%	0.0%	0.0%	0.0%
Minnesota	\$21.5	\$23.4	\$21.7	\$22.1	\$18.7	\$596.0	\$612.6	\$629.8	\$606.5	\$356.8	3.6%	3.8%	3.4%	3.6%	5.2%
Mississippi	\$10.7	\$8.6	\$0.0	\$20.0	\$20.0	\$180.0	\$182.2	\$178.1	\$178.6	\$172.9	5.9%	4.7%	0.0%	11.2%	11.6%
Missouri	\$2.7	\$1.5	\$0.0	\$0.0	\$0.0	\$260.0	\$265.6	\$247.0	\$244.0	\$255.3	1.0%	0.6%	0.0%	0.0%	0.0%
Montana	\$9.3	\$9.6	\$6.9	\$6.8	\$2.5	\$125.0	\$129.7	\$117.7	\$115.6	\$89.8	7.4%	7.4%	5.9%	5.9%	2.8%
Nebraska	\$4.0	\$3.9	\$3.0	\$3.0	\$2.9	\$116.0	\$120.5	\$108.6	\$105.8	\$110.1	3.4%	3.2%	2.8%	2.8%	2.6%
Nevada	\$4.1	\$2.9	\$3.8	\$4.2	\$4.4	\$178.0	\$184.9	\$175.3	\$173.8	\$175.5	2.3%	1.6%	2.2%	2.4%	2.5%
New Hamp.	\$1.1	\$2.4	\$0.0	\$0.0	\$0.0	\$235.0	\$211.3	\$180.6	\$182.2	\$137.1	0.5%	1.1%	0.0%	0.0%	0.0%
New Jersey	\$10.2	\$12.4	\$11.0	\$11.5	\$11.0	\$1,008.0	\$1,038.9	\$1,011.1	\$1,027.9	\$1,039.4	1.0%	1.2%	1.1%	1.1%	1.1%
New Mexico	\$10.5	\$10.9	\$7.7	\$6.0	\$5.0	\$108.0	\$112.0	\$102.7	\$100.6	\$103.0	9.7%	9.7%	7.5%	6.0%	4.9%
New York	\$81.9	\$87.6	\$85.5	\$43.4	\$39.5	\$2,097.0	\$1,824.7	\$1,755.3	\$1,725.4	\$1,788.5	3.9%	4.8%	4.9%	2.5%	2.2%
North Carolina	\$18.5	\$18.9	\$17.1	\$15.0	\$15.0	\$390.0	\$400.3	\$383.5	\$308.3	\$192.1	4.7%	4.7%	4.5%	4.9%	7.8%
North Dakota	\$4.1	\$4.4	\$3.1	\$3.1	\$3.1	\$58.0	\$60.2	\$46.3	\$44.7	\$44.0	7.1%	7.3%	6.7%	6.9%	7.1%
Ohio	\$7.1	\$46.3	\$45.0	\$47.2	\$53.3	\$1,253.0	\$1,293.2	\$1,292.0	\$1,315.9	\$903.5	0.6%	3.6%	3.5%	3.6%	5.9%
Oklahoma	\$19.1	\$15.7	\$10.0	\$8.9	\$4.8	\$430.0	\$345.0	\$295.5	\$284.9	\$192.8	4.4%	4.6%	3.4%	3.1%	2.5%
Oregon	\$9.1	\$9.4	\$3.5	\$3.5	\$3.5	\$335.0	\$344.7	\$340.8	\$330.8	\$316.9	2.7%	2.7%	1.0%	1.1%	1.1%
Pennsylvania	\$33.2	\$33.1	\$30.3	\$32.9	\$46.1	\$1,368.0	\$1,414.4	\$1,362.2	\$1,369.2	\$1,395.3	2.4%	2.3%	2.2%	2.4%	3.3%
Rhode Island	\$1.9	\$2.3	\$1.0	\$2.1	\$2.5	\$166.0	\$171.8	\$163.5	\$167.8	\$177.4	1.1%	1.3%	0.6%	1.3%	1.4%
South Carolina	\$1.0	\$3.3	\$2.0	\$0.0	\$0.0	\$114.0	\$116.5	\$103.3	\$101.0	\$106.1	0.9%	2.8%	1.9%	0.0%	0.0%
South Dakota	\$5.8	\$6.1	\$0.7	\$0.7	\$1.5	\$88.0	\$91.2	\$67.9	\$48.5	\$50.0	6.6%	6.7%	1.0%	1.4%	3.0%
Tennessee	\$6.1	\$11.4	\$0.0	\$0.0	\$0.0	\$419.0	\$431.4	\$283.5	\$266.9	\$276.4	1.5%	2.6%	0.0%	0.0%	0.0%
Texas	\$12.6	\$12.9	\$5.2	\$7.0	\$7.4	\$2,056.0	\$2,103.2	\$1,594.7	\$1,086.3	\$1,071.2	0.6%	0.6%	0.3%	0.6%	0.7%
Utah	\$8.2	\$8.6	\$7.2	\$7.2	\$7.2	\$105.0	\$108.1	\$90.3	\$90.7	\$89.6	7.8%	8.0%	8.0%	7.9%	8.0%
Vermont	\$6.1	\$6.5	\$5.1	\$4.9	\$4.7	\$101.0	\$98.6	\$88.2	\$72.9	\$75.0	6.0%	6.6%	5.8%	6.7%	6.3%
Virginia	\$13.6	\$15.7	\$13.5	\$12.8	\$13.0	\$310.0	\$317.9	\$310.1	\$306.4	\$245.6	4.4%	4.9%	4.4%	4.2%	5.3%
Washington	\$28.4	\$28.7	\$27.1	\$27.2	\$27.2	\$596.0	\$612.6	\$663.7	\$573.1	\$484.9	4.8%	4.7%	4.8%	4.7%	5.6%
West Virginia	\$6.7	\$7.0	\$5.4	\$5.9	\$5.9	\$182.0	\$187.4	\$164.7	\$164.2	\$160.2	3.7%	3.7%	3.3%	3.6%	3.7%
Wisconsin	\$16.3	\$16.3	\$10.0	\$10.0	\$10.0	\$723.0	\$627.1	\$439.4	\$438.8	\$442.2	2.3%	2.6%	2.3%	2.3%	2.3%
Wyoming	\$6.9	\$7.0	\$5.9	\$5.9	\$3.8	\$47.0	\$48.9	\$42.0	\$39.7	\$39.9	14.7%	14.3%	14.0%	14.9%	9.5%

\* 2008 and 2009 annual spending include state and federal funds. For FY2009, federal spending refers to a nine-month grant provided to the states by the U.S. Centers for Disease Control and Prevention for the period beginning July 2008. In April 2009, the CDC will transition to a new funding agreement with the states that will provide the usual 12-month grant.

# State Tobacco Revenue and Prevention Spending FY2000 - FY2009







## 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 smoking, 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 *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 all 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 new 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 U.S. Centers for Disease Control (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 new 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 43 percent from 1988 to 2007, from 24.2 percent to 13.8 percent.<sup>7</sup> If every state had California's current smoking rate, there would be more than 16 million fewer smokers in the United States.
- Since the passage of Proposition 99, between 1988 and 2003, cigarette consumption in California declined by 60 percent, compared to just 38 percent for the country as a whole.<sup>8</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>9</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>10</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>.

- Between 1988 and 2001, lung and bronchus cancer rates in California declined at three times the rate of decline as the rest of the U.S.<sup>11</sup> Surveillance, Epidemiology, and End Results (SEER) data associated lower lung cancer incidence with California's program.<sup>12</sup>
- In California, from 1996 to 2006, smoking declined by 45 percent among eighth grade students and by 46 percent among tenth grade students. From 2000 to 2006, smoking prevalence decreased by more than 20 percent among twelfth grade students.<sup>13</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>14</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. According to a recent study in CDC's peer-reviewed journal, *Preventing Chronic Disease*, 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>15</sup> As the data below demonstrate, Washington's comprehensive program is working.

- Since the program began, Washington's tobacco prevention efforts have cut smoking by 60 percent among sixth graders, 58 percent among eighth graders, 40 percent among tenth graders, and 43 percent among twelfth graders. Because of these declines, there are 65,000 fewer youth smokers in Washington.<sup>16</sup>
- Since the tobacco control program was implemented, adult smoking has declined by 24 percent, from 22.4 percent in 1999 to 16.5 percent in 2007, one of the lowest smoking rates in the country.<sup>17</sup> Washington's dramatic decline in adult smoking translates to more than 240,000 fewer smokers in the state, saving about \$2.1 billion in future health care costs.<sup>18</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.

- Between 2000 and 2006, smoking among middle school students declined by 61 percent, (from 10.5 percent to 4.1 percent), and smoking among high school students declined by 40 percent, (from 27.1 percent to 16.3 percent).<sup>19</sup>
- Between 2000 and 2006, adult smoking declined by 15 percent, from 21.6 percent to 18.3 percent.<sup>20</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. Now, it has one of the lowest.

- Smoking among Maine's high school students declined a dramatic 64 percent between 1997 and 2007, falling from 39.2 percent to 14 percent. Smoking among Maine's middle school students declined by 71 percent, from 21 percent to 6 percent, over the same time period.<sup>21</sup> The Maine Department of Health (DOH) has calculated that, as a result of these declines, there are now more than 26,000 fewer youth smokers in Maine and more than 14,000 youth will be saved from premature, smoking-caused deaths. Based on estimates that smokers, on average, have \$16,000 more in lifetime health care costs than non-smokers, the DOH calculated that these declines will save Maine more than \$416 million in long-term health care costs.

### **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>22</sup>

- Between 2000 and 2006, smoking among high school students declined by 25 percent, (from 32.0 percent to 23.9 percent).
- Smoking among middle school students declined by 22 percent, from 10 percent to 7.8 percent, over this same time period.

### **Program Success – An Experiment in Texas**

Rather than using settlement money to fund a comprehensive statewide tobacco prevention program, the state of Texas decided to use a small portion of its tobacco settlement money to test tobacco prevention interventions of varying intensity and comprehensiveness in selected parts of the state. Not surprisingly, this experiment found that the largest effects on both youth smoking rates occurred in those areas where comprehensive programs were implemented and sustained. Data show that youth smoking in the comprehensive program area decreased at more than four times the state rate of decline.<sup>23</sup>

- Between 2000 and 2005, smoking among high school students dropped by 46 percent, from 34.2 percent to 18.3 percent, in the Beaumont/Port Arthur comprehensive program area. Statewide, youth smoking only declined by 9.3 percent, from 24.7 percent in 2001 to 22.4 percent in 2004.
- From 2000 to 2005, current cigarette use among middle school students decreased by 34 percent (from 17 percent to 11.2 percent) in the Beaumont/Port Arthur comprehensive program area. Statewide, smoking among middle school students actually increased by 2 percent, from 10.2 percent to 10.4 percent, between 2001 and 2004.

### **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 (MTCP), which began in 1993. As in California, despite some reductions in funding encouraged by the tobacco industry, the program achieved considerable success until its funding was cut by more than 90 percent in 2003. Data from 2000 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>24</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>25</sup>

- Between 1993 and 2000, adult smoking prevalence dropped from 22.6 percent to 17.9 percent, resulting in 228,000 fewer smokers.<sup>26</sup> Nationally, smoking prevalence dropped by just seven percent over this same time period.<sup>27</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>28</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>29</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>30</sup>

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## STATE HARMS & COSTS FROM EACH ONE PERCENTAGE POINT INCREASE IN STATE SMOKING RATES [CAUSED BY STATE TOBACCO PREVENTION PROGRAM FUNDING CUTS OR OTHER FACTORS]

(All Dollar Amounts in Millions of 2004 Dollars Except Where Otherwise Indicated)

Cuts to state tobacco prevention and cessation programs translate directly into higher smoking rates, especially among kids, and more smoking-caused disease, death, and costs. The following projections show some of the harmful impacts from each one percentage point increase in adult and youth smoking rates in each state. These harms and costs could come from smoking rate increases caused by state tobacco prevention funding cuts or just from state program cuts causing smoking rates to stagnate rather than continuing to decline. Switched around, these projections show the benefits and savings each state would accrue from each one percentage point decrease to its smoking rates from new state investments in tobacco prevention or increased tobacco tax rates.

State	More Adult and Youth Smokers				More Public Health Harms				Higher Healthcare Costs			
	More Adult Smokers	More Pregnant Women Smokers	More High School Smokers	More Kids Becoming Addicted Adults	More Adult Smoking Deaths	More Youth Growing Up to Die From Smoking	More Smoking Affected Births	More Smoking Caused Heart Attacks	More Smoking Caused Strokes	Increased 5-Yr Health Costs From More Smoking Affected Births	Increased 5-Yr Health Costs From More Heart Attacks & Strokes	Increased Long-Term Health Costs From Higher Smoking Rates
<b>States Total</b>	<b>2.3 mill</b>	<b>43,000</b>	<b>174,000</b>	<b>749,000</b>	<b>611,000</b>	<b>240,000</b>	<b>43,000</b>	<b>1,181</b>	<b>688</b>	<b>\$367.1</b>	<b>\$1.1 bill.</b>	<b>\$35.0 bill</b>
Alabama	35,000	630	2,600	11,200	9,300	3,600	630	20	12	\$5.4	\$18.6	\$528.5
Alaska	5,000	110	420	1,800	1,300	580	110	3	2	\$0.9	\$2.8	\$79.0
Arizona	46,600	1,020	3,500	16,600	12,300	5,300	1,020	23	13	\$8.7	\$21.0	\$733.2
Arkansas	21,300	410	1,600	7,000	5,600	2,200	410	12	7	\$3.5	\$11.1	\$324.9
California	271,600	5,600	22,100	93,800	72,000	30,000	5,600	99	58	\$47.8	\$91.2	\$4.2
Colorado	36,600	710	2,600	11,900	9,700	3,800	710	18	11	\$6.0	\$16.8	\$556.0
Connecticut	26,800	420	2,000	8,200	7,100	2,600	420	11	7	\$3.6	\$10.3	\$398.1
Delaware	6,500	120	490	2,000	1,700	640	120	3	2	\$1.0	\$3.0	\$96.8
DC	4,700	90	320	1,100	1,200	350	90	2	1	\$0.7	\$1.7	\$63.9
Florida	142,000	2,400	9,300	40,400	37,600	12,900	2,400	69	40	\$20.1	\$63.1	\$708.3
Georgia	70,100	1,500	5,400	25,300	18,600	8,100	1,500	36	21	\$12.6	\$33.2	\$1,108.7
Hawaii	9,900	190	660	2,800	2,600	900	190	4	2	\$1.6	\$3.9	\$143.1
Idaho	10,900	240	890	4,000	2,900	1,300	240	5	3	\$2.1	\$4.8	\$173.6
Illinois	96,500	1,800	7,400	31,900	25,600	10,200	1,800	50	29	\$15.3	\$45.8	\$1,475.0
Indiana	47,500	890	3,600	15,800	12,600	5,100	890	30	17	\$7.5	\$27.3	\$727.8
Iowa	22,700	410	1,700	7,100	6,000	2,300	410	11	7	\$3.5	\$10.5	\$339.9
Kansas	20,700	410	1,600	6,900	5,500	2,200	410	9	5	\$3.5	\$8.6	\$317.4
Kentucky	32,300	580	2,300	10,000	8,600	3,200	580	24	14	\$5.0	\$21.9	\$481.9
Louisiana	32,100	630	2,600	10,700	8,500	3,400	630	18	11	\$5.4	\$16.9	\$492.2
Maine	10,300	140	710	2,700	2,700	900	140	6	3	\$1.2	\$5.3	\$145.1

Harms and Costs From Each Single Percentage Point Increase to State Smoking Rates / 2

State	More Adult and Youth Smokers				More Public Health Harms						Higher Healthcare Costs		
	More Adult Smokers	More Pregnant Women Smokers	More High School Smokers	More Kids Becoming Addicted Adults	More Adult Smoking Deaths	More Youth Growing Up to Die From Smoking	More Smoking Affected Births	More Smoking Caused Heart Attacks	More Smoking Caused Strokes	Increased 5-Yr Health Costs From More Smoking Affected births	Increased 5-Yr Health Costs From More Heart Attacks & Strokes	Increased Long-Term Health Costs From Higher Smoking Rates	
Maryland	42,500	770	3,300	13,500	11,300	4,300	770	20	11	\$6.6	\$18.1	\$640.0	
Massachusetts	50,100	780	3,600	14,300	13,300	4,600	780	22	13	\$6.6	\$20.0	\$726.2	
Michigan	76,200	1,300	6,000	24,400	20,200	7,800	1,300	43	25	\$10.8	\$39.2	\$1,150.9	
Minnesota	39,300	740	3,000	12,600	10,400	4,000	740	17	10	\$6.3	\$15.7	\$593.9	
Mississippi	21,500	460	1,800	7,600	5,700	2,400	460	13	8	\$3.9	\$11.9	\$337.3	
Missouri	44,500	810	3,300	14,200	11,800	4,500	810	28	16	\$6.9	\$25.8	\$671.3	
Montana	7,300	130	540	2,100	1,900	670	130	4	2	\$1.1	\$3.5	\$106.1	
Nebraska	13,200	270	1,000	4,400	3,500	1,400	270	7	4	\$2.3	\$6.1	\$202.4	
Nevada	19,000	400	1,300	6,600	5,000	2,100	400	11	6	\$3.4	\$10.0	\$296.0	
New Hampshire	10,100	140	750	2,900	2,700	900	140	6	3	\$1.2	\$5.1	\$146.7	
New Jersey	66,200	1,200	4,700	20,600	17,500	6,600	1,200	31	18	\$9.8	\$28.2	\$989.4	
New Mexico	14,600	300	1,200	5,000	3,900	1,600	300	8	4	\$2.5	\$7.1	\$226.2	
New York	148,800	2,500	11,200	44,100	39,400	14,100	2,500	73	42	\$21.3	\$67.0	\$773.2	
North Carolina	68,400	1,300	5,000	22,100	18,100	7,100	1,300	41	24	\$10.9	\$38.0	\$1,036.6	
North Dakota	4,900	90	400	1,400	1,300	450	90	2	1	\$0.7	\$2.3	\$71.1	
Ohio	87,100	1,500	6,500	27,500	23,100	8,800	1,500	53	31	\$12.8	\$48.4	\$1,308.7	
Oklahoma	27,100	540	2,000	8,900	7,200	2,800	540	17	10	\$4.6	\$16.0	\$413.2	
Oregon	28,800	490	2,000	8,600	7,600	2,800	490	13	7	\$4.1	\$11.7	\$424.1	
Pennsylvania	96,400	1,500	7,200	27,800	25,500	8,900	1,500	53	31	\$12.7	\$48.5	\$1,402.3	
Rhode Island	8,200	120	640	2,300	2,200	740	120	4	2	\$1.1	\$3.3	\$118.2	
South Carolina	33,400	620	2,500	10,500	8,900	3,400	620	19	11	\$5.3	\$17.5	\$501.1	
South Dakota	5,900	120	500	1,900	1,600	610	120	3	2	\$1.0	\$2.7	\$89.3	
Tennessee	46,800	840	3,300	14,700	12,400	4,700	840	30	17	\$7.2	\$27.4	\$701.9	
Texas	172,800	4,000	14,000	66,200	45,800	21,200	4,000	85	49	\$34.0	\$77.9	\$2.8	
Utah	18,200	530	1,700	8,100	4,800	2,600	530	5	3	\$4.5	\$4.4	\$314.7	
Vermont	4,800	70	370	1,300	1,300	420	70	2	1	\$0.6	\$2.2	\$68.4	
Virginia	58,800	1,080	4,300	18,200	15,600	5,800	1,080	29	17	\$9.2	\$26.5	\$877.1	
Washington	49,300	870	3,500	15,300	13,100	4,900	870	22	13	\$7.4	\$19.9	\$736.1	
West Virginia	14,200	210	900	3,800	3,800	1,200	210	10	6	\$1.8	\$9.2	\$201.4	
Wisconsin	42,800	720	3,200	13,200	11,300	4,200	720	22	13	\$6.1	\$20.2	\$637.6	



**Harms and Costs From Each Single Percentage Point Increase to State Smoking Rates / 3**

State	More Adult and Youth Smokers				More Public Health Harms				Higher Healthcare Costs			
	More Adult Smokers	More Pregnant Women Smokers	More High School Smokers	More Kids Becoming Addicted Adults	More Adult Smoking Deaths	More Youth Growing Up to Die From Smoking	More Smoking Affected Births	More Smoking Caused Heart Attacks	More Smoking Caused Strokes	Increased 5-Yr Health Costs From More Smoking Affected births	Increased 5-Yr Health Costs From More Heart Attacks & Strokes	Increased Long-Term Health Costs From Higher Smoking Rates
Wyoming	3,900	80	300	1,200	1,000	380	80	2	1	\$0.7	\$2.1	\$58.1
<b>States Total</b>	<b>2.3 mill</b>	<b>43,000</b>	<b>174,000</b>	<b>749,000</b>	<b>611,000</b>	<b>240,000</b>	<b>43,000</b>	<b>1,181</b>	<b>688</b>	<b>\$367.1</b>	<b>\$1.1 bill.</b>	<b>\$35.0 bill.</b>

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**State Tobacco Prevention Programs Reduce Tobacco Use Levels and Related Health Harms:** See, e.g., Institute of Medicine, *Ending the Tobacco Problem: A Blueprint for the Nation*, National Academy of Sciences, 2007. *Promoting Healthy Lifestyles: Policy, Program and Personal Recommendations for Reducing Cancer Risk*, 2006-2007 Annual Report, President's Cancer Panel. 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. Farrelly, MC, et al., "The Impact of Tobacco Control Programs on Adult Smoking," *American Journal of Public Health* 98:304-309, February 2008. Tauras, JA, et al., "State Tobacco Control Spending and Youth Smoking," *American Journal of Public Health* 95:338-344, February 2005. 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. 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. 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. Dilley JA, et al., "Effective tobacco control in Washington State: A smart investment for healthy futures," *Preventing Chronic Disease* 4(3), July 3, 2007.

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**Related Campaign for Tobacco-Free Kids Factsheets (available at: <http://tobaccofreekids.org/research/factsheets>)**

- **State Tobacco-Related Costs and Revenues (Table of State-Specific Data)**
- **Key State-Specific Tobacco-Related Data (Table of State-Specific Data)**
- **Comprehensive Statewide Tobacco Prevention Programs Effectively Reduce Tobacco Use**
- **Comprehensive State Tobacco-Control Programs Save Money**
- **State Cigarette Tax Rates and Projected Benefits from Increasing Them (Table of State-Specific Data)**



## USING STATE TOBACCO TAX INCREASES TO FUND COMPREHENSIVE TOBACCO PREVENTION PROGRAMS — TO SAVE LIVES AND SAVE MONEY —

By investing adequate amounts to prevent and reduce tobacco use, states can better protect the health of state citizens, reduce government and private sector healthcare costs in the state, and increase worker productivity. Yet most states grossly underfund their tobacco prevention programs. This is especially shortsighted given the fact that every state could substantially reduce tobacco use and its attendant harms and costs by increasing its tobacco tax rates and using some of the new revenues to establish an adequately funded tobacco prevention program. By itself, a significant increase to a state's tobacco tax rates would directly reduce smoking, especially among youth. But combining tobacco tax increases with expanded state tobacco prevention efforts would increase and expand the tobacco use declines in the state, thereby saving even more lives and more money.

The table below shows how much each state would need to raise its cigarette tax rate to bring in enough new revenue each year to fully fund its tobacco prevention efforts at the amount recommended for the state by the U.S. Centers for Disease Control and Prevention (CDC). It also shows the direct public health benefits and cost savings the state would obtain just from the cigarette tax increase, alone. Allocating the new revenues from the cigarette tax increase to fully fund the state's tobacco prevention program would produce much larger smoking declines, benefits and cost savings than those in the table.<sup>1</sup> Making parallel increases to the state's tax rates on other tobacco products would produce additional public health benefits and cost savings, and bring in even more new state revenues.

State	Using State Tobacco Tax Increases to Fund Tobacco Prevention Programs					Public Health Benefits and Cost Savings from Tobacco Tax Increase <sup>2</sup>					
	FY 2009 Tobacco Prevention Spending <sup>3</sup> (millions)	CDC Tobacco Prevention Spending Target <sup>4</sup> (millions)	Funding Increase to Reach CDC Target (millions)	Current Cigarette Tax Rate (per pack)	Cigarette Tax Increase Needed to Reach CDC Target	Fewer Future Kid Smokers	Fewer Adult Smokers	Total Future Smoking- Caused Deaths Avoided	Five-Year Heart-Stroke Health Savings (millions)	Five-Year Pregnancy & Birth Savings (millions)	Long-Term Health Savings (millions)
Alabama	\$2.3	\$56.7	\$54.40	\$0.425	\$0.22	22,600	7,500	9,200	\$4.0	\$2.9	\$466.8
Alaska	\$9.2	\$10.7	\$1.50	\$2.00	\$0.23	1,400	600	600	\$0.4	\$0.4	\$30.2
Arizona	\$21.3	\$68.1	\$46.80	\$2.00	\$0.71	31,700	20,600	15,600	\$9.3	\$5.7	\$750.5
Arkansas	\$16.9	\$36.4	\$19.50	\$0.59	\$0.16	5,800	3,200	2,700	\$1.7	\$2.0	\$131.9
California	\$78.1	\$441.9	\$363.80	\$0.87	\$0.63	197,100	94,900	88,200	\$31.9	\$33.0	\$4,350.8
Colorado	\$27.5	\$54.4	\$26.90	\$0.84	\$0.22	10,600	5,800	4,900	\$2.7	\$2.0	\$240.6
Connecticut	\$8.3	\$43.9	\$35.60	\$2.00	\$0.72	22,500	9,000	9,500	\$3.5	\$2.6	\$479.3
Delaware	\$11.3	\$13.9	\$2.60	\$1.15	\$0.13	1,200	600	500	\$0.3	\$0.3	\$26.7
DC	\$4.0	\$10.5	\$6.50	\$2.00	\$0.85	2,700	2,000	1,300	\$0.8	\$0.3	\$66.3
Florida	\$60.2	\$210.9	\$150.70	\$0.339	\$0.18	40,400	22,100	18,700	\$9.9	\$6.5	\$917.0
Georgia	\$3.2	\$116.5	\$113.30	\$0.37	\$0.28	31,100	16,900	14,400	\$8.0	\$5.8	\$704.8
Hawaii	\$11.3	\$15.2	\$3.90	\$2.00	\$0.27	2,700	1,200	1,100	\$0.5	\$0.4	\$58.7
Idaho	\$2.6	\$16.9	\$14.30	\$0.57	\$0.29	4,000	2,500	1,900	\$1.1	\$1.2	\$93.8
Illinois	\$9.5	\$157.0	\$147.50	\$0.98	\$0.42	59,100	26,700	25,900	\$12.7	\$9.9	\$1,287.9
Indiana	\$16.0	\$78.8	\$62.80	\$0.995	\$0.27	22,900	12,100	10,500	\$7.0	\$7.1	\$515.7

State	Using State Tobacco Tax Increases to Fund Tobacco Prevention Programs						Public Health Benefits and Cost Savings from Tobacco Tax Increase <sup>2</sup>					
	FY 2009 Tobacco Prevention Spending <sup>3</sup> (millions)	CDC Tobacco Prevention Spending Target <sup>4</sup> (millions)	Funding Increase to Reach CDC Target (millions)	Current Cigarette Tax Rate (per pack)	Cigarette Tax Increase Needed to Reach CDC Target	Fewer Future Kid Smokers	Fewer Adult Smokers	Total Future Smoking- Caused Deaths Avoided	Five-Year Heart-Stroke Health Savings (millions)	Five-Year Pregnancy & Birth Savings (millions)	Long-Term Health Savings (millions)	
Iowa	\$11.2	\$36.7	\$25.50	\$1.36	\$0.39	12,500	6,300	5,600	\$2.9	\$3.7	\$278.6	
Kansas	\$2.0	\$32.1	\$30.10	\$0.79	\$0.37	10,700	5,400	4,800	\$2.3	\$3.1	\$238.6	
Kentucky	\$3.7	\$57.2	\$53.50	\$0.30	\$0.14	11,000	6,900	5,300	\$4.7	\$4.3	\$258.1	
Louisiana	\$8.5	\$53.5	\$45.00	\$0.36	\$0.18	11,900	5,800	5,300	\$3.1	\$2.0	\$263.4	
Maine	\$11.7	\$18.5	\$6.80	\$2.00	\$0.33	3,600	2,000	1,600	\$1.0	\$0.9	\$82.0	
Maryland	\$20.6	\$63.3	\$42.70	\$2.00	\$0.53	23,500	11,700	10,600	\$5.0	\$4.0	\$522.4	
Massachusetts	\$13.5	\$90.0	\$76.50	\$2.51	\$0.88	36,600	19,000	16,700	\$7.6	\$5.7	\$821.0	
Michigan	\$5.1	\$121.2	\$116.10	\$2.00	\$0.65	80,100	31,900	34,000	\$16.4	\$15.1	\$1,704.8	
Minnesota	\$21.5	\$58.4	\$36.90	\$1.504	\$0.37	20,800	8,500	8,900	\$3.4	\$4.0	\$444.8	
Mississippi	\$10.7	\$39.2	\$28.50	\$0.18	\$0.14	6,100	3,300	2,800	\$1.9	\$1.4	\$138.1	
Missouri	\$2.7	\$73.2	\$70.50	\$0.17	\$0.20	17,400	10,000	8,200	\$5.8	\$5.4	\$399.5	
Montana	\$9.3	\$13.9	\$4.60	\$1.70	\$0.30	2,400	1,400	1,100	\$0.7	\$0.9	\$55.3	
Nebraska	\$4.0	\$21.5	\$17.50	\$0.64	\$0.27	5,600	3,000	2,500	\$1.4	\$1.7	\$126.5	
Nevada	\$4.1	\$32.5	\$28.40	\$0.80	\$0.32	8,100	5,200	3,900	\$2.8	\$2.0	\$191.2	
New Hampshire	\$1.1	\$19.2	\$18.10	\$1.33	\$0.32	4,800	2,200	2,100	\$1.1	\$0.9	\$104.9	
New Jersey	\$10.2	\$119.8	\$109.60	\$2.575	\$1.50	91,900	45,700	41,500	\$19.5	\$15.6	\$2,042.4	
New Mexico	\$10.5	\$23.4	\$12.90	\$0.91	\$0.37	7,500	4,500	3,500	\$2.2	\$1.8	\$174.0	
New York	\$81.9	\$254.3	\$172.40	\$2.75	\$0.98	123,600	66,000	57,000	\$29.7	\$18.8	\$2,790.0	
North Carolina	\$18.5	\$106.8	\$88.30	\$0.35	\$0.19	23,300	13,900	11,100	\$7.8	\$6.0	\$539.8	
North Dakota	\$4.1	\$9.3	\$5.20	\$0.44	\$0.18	1,200	800	500	\$0.4	\$0.5	\$28.6	
Ohio	\$7.1	\$145.0	\$137.90	\$1.25	\$0.42	61,400	31,200	27,900	\$17.3	\$16.6	\$1,370.9	
Oklahoma	\$19.1	\$45.0	\$25.90	\$1.03	\$0.20	9,300	5,500	4,400	\$3.3	\$3.1	\$215.0	
Oregon	\$9.1	\$43.0	\$33.90	\$1.18	\$0.390	14,800	7,200	6,600	\$2.9	\$3.5	\$327.4	
Pennsylvania	\$33.2	\$155.5	\$122.30	\$1.35	\$0.40	60,100	28,800	26,800	\$15.1	\$13.7	\$1,325.4	
Rhode Island	\$1.9	\$15.2	\$13.30	\$2.46	\$1.03	9,200	4,000	4,000	\$1.7	\$1.6	\$199.0	
South Carolina	\$1.0	\$62.2	\$61.20	\$0.07	\$0.25	17,200	9,000	7,800	\$4.8	\$3.9	\$386.5	
South Dakota	\$5.8	\$11.3	\$5.50	\$1.53	\$0.39	3,500	1,700	1,500	\$0.8	\$1.3	\$77.4	
Tennessee	\$6.1	\$71.7	\$65.60	\$0.62	\$0.26	20,100	12,800	9,800	\$7.5	\$6.5	\$473.4	
Texas	\$12.6	\$266.3	\$253.70	\$1.41	\$0.56	139,600	68,300	62,700	\$30.8	\$20.4	\$3,091.9	
Utah	\$8.2	\$23.6	\$15.40	\$0.695	\$0.32	4,700	2,800	2,200	\$0.7	\$2.0	\$108.9	
Vermont	\$6.1	\$10.4	\$4.30	\$1.99	\$0.44	2,200	1,100	900	\$0.5	\$0.7	\$49.0	

State	Using State Tobacco Tax Increases to Fund Tobacco Prevention Programs					Public Health Benefits and Cost Savings from Tobacco Tax Increase <sup>2</sup>					
	FY 2009 Tobacco Prevention Spending <sup>3</sup> (millions)	CDC Tobacco Prevention Spending Target <sup>4</sup> (millions)	Funding Increase to Reach CDC Target (millions)	Current Cigarette Tax Rate (per pack)	Cigarette Tax Increase Needed to Reach CDC Target	Fewer Future Kid Smokers	Fewer Adult Smokers	Total Future Smoking- Caused Deaths Avoided	Five-Year Heart-Stroke Health Savings (millions)	Five-Year Pregnancy & Birth Savings (millions)	Long-Term Health Savings (millions)
Virginia	\$13.6	\$103.2	\$89.60	\$0.30	\$0.23	21,300	11,200	9,700	\$5.1	\$3.3	\$479.2
Washington	\$28.4	\$67.3	\$38.90	\$2.025	\$0.56	27,800	13,500	12,400	\$5.5	\$6.9	\$614.8
West Virginia	\$6.7	\$27.8	\$21.10	\$0.55	\$0.19	5,300	3,300	2,500	\$2.1	\$1.9	\$124.1
Wisconsin	\$16.3	\$64.3	\$48.00	\$1.77	\$0.39	21,300	10,200	9,500	\$4.9	\$5.2	\$469.7
Wyoming	\$6.9	\$9.0	\$2.10	\$0.60	\$0.11	700	400	300	\$0.2	\$0.3	\$16.1

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For more information on state tobacco taxes, see <http://www.tobaccofreekids.org/research/factsheets/index.php?CategoryID=18>. For more information on comprehensive tobacco prevention programs, see <http://www.tobaccofreekids.org/research/factsheets/index.php?CategoryID=6>.

<sup>1</sup> See, e.g., the following Campaign for Tobacco-Free Kids (CTFK) factsheets and the sources cited therein, *Raising Cigarette Taxes Reduces Smoking, Especially Among Kids (and the Cigarette Companies Know It)*, <http://www.tobaccofreekids.org/research/factsheets/pdf/0146.pdf>; *Comprehensive Statewide Tobacco Prevention Programs Effectively Reduce Tobacco Use*, <http://www.tobaccofreekids.org/research/factsheets/pdf/0045.pdf>; and *Comprehensive State Tobacco-Control Programs Save Money*, <http://tobaccofreekids.org/research/factsheets/pdf/0168.pdf>.

<sup>2</sup> Projections are based on research findings that each 10% cigarette price increase reduces youth smoking rates by 6.5%, adult rates by 2%, and total consumption by 4% (but adjusted down to account for tax evasion effects). Revenues still rise after tobacco tax increases because the higher tax rate per pack brings in more new revenue than is lost from the tax-related drops in total pack sales. These projections are fiscally conservative because they include a generous adjustment for lost state pack sales (and lower net new revenues) from new smuggling and tax evasion after the rate increase. Kids stopped from smoking and dying are from all kids alive today. Long-term savings accrue over the lifetimes of persons who stop smoking or never start because of the rate increase. All cost and savings amounts are in 2004 dollars. For more information and citations to underlying sources, see the TFK factsheet *Explanations & Sources for TFK Projections of New Revenues & Benefits from State Cigarette Tax Increases*, <http://tobaccofreekids.org/research/factsheets/index.php?CategoryID=18>.

<sup>3</sup> Campaign for Tobacco-Free Kids, et al., *A Decade of Broken Promises: The 1998 State Tobacco Settlement Ten Years Later*, 2008, <http://tobaccofreekids.org/reports/settlements>. Tobacco prevention spending includes existing state funding and supplemental funding from CDC.

<sup>4</sup> U.S. Centers for Disease Control and Prevention (CDC), *Best Practices for Comprehensive Tobacco Control Programs*, 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).



**BIG INCREASES TO STATE MSA PAYMENTS STARTED IN 2008  
– NEW ANNUAL FUNDING SHOULD BE INVESTED IN TOBACCO PREVENTION –**

Total Master Settlement Agreement (MSA) tobacco settlement payments to the 46 states, DC, and the U.S. territories that are a part of the MSA increased by more than \$920 million from 2007 to 2008 and will remain at the much higher levels from now on.<sup>1</sup> This increase occurred despite the fact that most of the MSA cigarette companies did not make their full payments to the states because they claimed a downward nonparticipating manufacturers (NPM) adjustment. That dispute is currently being resolved through arbitration and in the courts and could provide even more additional funds to the states once it is resolved.<sup>2</sup>

The larger payments that started in 2008 came, in part, from small increases to the regular unadjusted base payments owed to the states each year under the MSA, but were primarily the result of the MSA cigarette companies having to make special new “Strategic Contribution Fund” payments from 2008 to 2017. These new payments were to be allocated among the MSA states based on “each Settling State’s contribution to the litigation or resolution of the state tobacco litigation,” and a special state attorneys general Allocation Committee made the final decisions on how much each state would receive soon after the 1998 MSA execution date.<sup>3</sup> After 2017, when the extra Strategic Contribution Fund payments end, the MSA calls for a significant boost to the ongoing, regular base payment amounts, which will keep the total payments to the states at roughly the same substantially higher levels.

Despite this large, sustained increase to their already enormous annual tobacco settlement revenues, the vast majority of the states are still failing to fund state tobacco prevention efforts adequately – spending, on average, well under half of the funding levels recommended by the U.S. Centers for Disease Control and Prevention (CDC) for state tobacco prevention programs. By allocating the MSA payment increases to expand their tobacco prevention efforts, the states could largely eliminate this imbalance and begin reducing smoking-caused suffering, disease, and death much more effectively. New state investments in tobacco prevention would also improve each state’s economic health by improving worker productivity and sharply reducing public and private sector smoking-caused costs.

**Increases to State MSA Payments from 2007 to 2008 (all amounts in millions of dollars except where noted)**

States	Unadjusted Base Payments 2007	Unadjusted Base Payments 2008	Actual Payments 2007	Actual Payments 2008	New Funds Available 2008 <sup>4</sup>	Tobacco Control Funding 2009 <sup>5</sup>	CDC Recommended Tobacco Control Funding
Alabama	\$113.2	\$121.9	\$98.1	\$106.1	\$8.0	\$2.3	\$56.7
Alaska	\$23.9	\$39.1	\$20.7	\$34.7	\$14.0	\$9.2	\$10.7
Arizona	\$103.2	\$131.6	\$89.5	\$115.6	\$26.1	\$21.3	\$68.1
Arkansas	\$58.0	\$65.6	\$50.3	\$57.3	\$7.0	\$16.9	\$36.4
California	\$894.0	\$956.3	\$774.8	\$832.1	\$57.3	\$78.1	\$441.9
Colorado	\$96.0	\$118.2	\$83.2	\$103.6	\$20.4	\$27.5	\$54.4
Connecticut	\$130.0	\$161.1	\$112.7	\$141.3	\$28.7	\$8.3	\$43.9
Delaware	\$27.7	\$34.7	\$24.0	\$30.5	\$6.5	\$11.3	\$13.9
Washington, DC	\$42.5	\$49.9	\$36.9	\$43.6	\$6.8	\$4.0	\$10.5
Florida	Not in MSA					\$60.2	210.9
Georgia	\$171.9	\$183.4	\$149.0	\$159.5	\$10.6	\$3.2	\$116.5
Hawaii	\$42.2	\$63.3	\$36.5	\$56.1	\$19.5	\$11.3	\$15.2
Idaho	\$25.4	\$32.4	\$22.1	\$28.5	\$6.5	\$2.6	\$16.9
Illinois	\$326.0	\$355.8	\$282.5	\$310.0	\$27.5	\$9.5	\$157.0
Indiana	\$142.9	\$168.5	\$123.8	\$147.4	\$23.6	\$16.0	\$78.8
Iowa	\$60.9	\$85.5	\$52.8	\$75.5	\$22.7	\$11.2	\$36.7
Kansas	\$58.4	\$75.5	\$50.6	\$66.3	\$15.7	\$2.0	\$32.1

<sup>1</sup> Mississippi, Florida, Texas & Minnesota have individual tobacco settlement agreements and are not part of the MSA.

<sup>2</sup> For more on the NPM withholding issue, see <http://tobaccofreekids.org/research/factsheets/index.php?CategoryID=32>.

<sup>3</sup> See Section IX(c)(2) and Exhibit U of the MSA, <http://www.naag.org/backpages/naag/tobacco/msa>.

<sup>4</sup> Comparable amounts will be available in 2009 and all years following.

<sup>5</sup> Tobacco control funding includes state and federal funds.

States	Unadjusted Base Payments 2007	Unadjusted Base Payments 2008	Actual Payments 2007	Actual Payments 2008	New Funds Available 2008 <sup>4</sup>	Tobacco Control Funding 2009 <sup>5</sup>	CDC Recommended Tobacco Control Funding
Kentucky	\$123.4	\$132.3	\$106.9	\$115.1	\$8.2	\$3.7	\$57.2
Louisiana	\$158.0	\$183.7	\$136.9	\$160.6	\$23.7	\$8.5	\$53.5
Maine	\$53.9	\$66.4	\$46.7	\$58.2	\$11.5	\$11.7	\$18.5
Maryland	\$158.3	\$189.8	\$137.2	\$166.2	\$29.0	\$20.6	\$63.3
Massachusetts	\$282.9	\$329.9	\$245.2	\$288.5	\$43.3	\$13.5	\$90.0
Michigan	\$304.8	\$333.0	\$264.2	\$290.2	\$26.0	\$5.1	\$121.2
Minnesota	Not in MSA					\$21.5	\$58.4
Mississippi	Not in MSA					\$10.7	\$39.2
Missouri	\$159.3	\$175.8	\$138.1	\$153.3	\$15.2	\$2.7	\$73.2
Montana	\$29.8	\$39.3	\$25.8	\$34.6	\$8.8	\$9.3	\$13.9
Nebraska	\$41.7	\$49.0	\$36.1	\$42.9	\$6.7	\$4.0	\$21.5
Nevada	\$42.7	\$52.4	\$37.0	\$46.0	\$9.0	\$4.1	\$32.5
New Hampshire	\$46.6	\$55.3	\$40.4	\$48.4	\$8.0	\$1.1	\$19.2
New Jersey	\$270.8	\$300.7	\$234.7	\$262.2	\$27.5	\$10.2	\$119.8
New Mexico	\$41.8	\$51.2	\$36.2	\$44.9	\$8.7	\$10.5	\$23.4
New York	\$893.9	\$958.8	\$774.7	\$834.5	\$59.8	\$81.9	\$254.3
North Carolina	\$163.4	\$183.3	\$141.6	\$160.0	\$18.4	\$18.5	\$106.8
North Dakota	\$25.6	\$41.1	\$22.2	\$36.5	\$14.3	\$4.1	\$9.3
Ohio	\$352.8	\$383.8	\$305.8	\$334.3	\$28.5	\$7.1	\$145.0
Oklahoma	\$72.6	\$100.9	\$62.9	\$89.0	\$26.1	\$19.1	\$45.0
Oregon	\$80.4	\$102.8	\$69.7	\$90.3	\$20.6	\$9.1	\$43.0
Pennsylvania	\$402.5	\$438.5	\$348.8	\$382.0	\$33.2	\$33.2	\$155.5
Rhode Island	\$50.4	\$60.8	\$43.6	\$53.2	\$9.6	\$1.9	\$15.2
South Carolina	\$82.4	\$95.5	\$71.4	\$83.5	\$12.1	\$1.0	\$62.2
South Dakota	\$24.4	\$31.4	\$21.2	\$27.6	\$6.4	\$5.8	\$11.3
Tennessee	\$171.0	\$180.9	\$148.2	\$157.3	\$9.1	\$6.1	\$71.7
Texas	Not in MSA					\$12.6	\$266.3
Utah	\$31.2	\$47.5	\$27.0	\$42.1	\$15.1	\$8.2	\$23.6
Vermont	\$28.8	\$45.0	\$25.0	\$39.9	\$14.9	\$6.1	\$10.4
Virginia	\$143.2	\$152.6	\$124.1	\$132.7	\$8.6	\$13.6	\$103.2
Washington	\$143.8	\$196.3	\$124.6	\$173.0	\$48.4	\$28.4	\$67.3
West Virginia	\$62.1	\$82.9	\$53.8	\$73.0	\$19.2	\$6.7	\$27.8
Wisconsin	\$145.1	\$170.5	\$125.8	\$149.2	\$23.4	\$16.3	\$64.3
Wyoming	\$17.4	\$24.2	\$15.1	\$21.4	\$6.3	\$6.9	\$9.0
Am. Samoa	\$1.07	\$1.1	\$0.92	\$2.4	\$1.4	NA	NA
Guam	\$1.54	\$1.6	\$1.33	\$2.8	\$1.5	NA	NA
No. Mariana	\$0.59	\$0.6	\$0.51	\$2.0	\$1.4	NA	NA
Puerto Rico	\$78.5	\$80.1	\$68.1	\$82.6	\$14.5	NA	NA
Virgin Islands	\$1.22	\$1.2	\$1.05	\$2.5	\$1.5	NA	NA
<b>All MSA States</b>	<b>\$7.0 bill.</b>	<b>\$8.0 bill.</b>	<b>\$6.07 bill.</b>	<b>\$6.99 bill.</b>	<b>\$921 mill.</b>	<b>\$718.1 mill.</b>	<b>\$3.7 billion</b>

To determine the actual amounts owed each year, the unadjusted base payments are adjusted upward to account for inflation and downward to account for declines in the major cigarette companies' U.S. pack sales (the volume adjustment). Starting in 2006, the MSA cigarette companies have been claiming a Non-Participating Manufacturer (NPM) adjustment and most have withheld a corresponding portion of their payments to the MSA states or paid them into special disputed payments escrow accounts (prompting legal action by the states to recoup the withheld funds, which is still pending). The additional settlement payments for states that are available starting in 2008 will continue in 2009 and after.

#### **Additional Information**

MSA says that payments should be used for tobacco control, <http://tobaccofreekids.org/research/factsheets/pdf/0203.pdf>.

More on settlement payments to the states, <http://tobaccofreekids.org/research/factsheets/index.php?CategoryID=32>.

Effectiveness of state tobacco prevention investments in reducing tobacco use and related harms and costs, <http://tobaccofreekids.org/research/factsheets/index.php?CategoryID=6>. Current state tobacco prevention efforts, <http://tobaccofreekids.org/research/factsheets/index.php?CategoryID=7> & <http://tobaccofreekids.org/reports/settlements>.

The NPM Adjustment Threat to State MSA Payments, <http://tobaccofreekids.org/research/factsheets/pdf/0293.pdf>.

***Campaign for Tobacco-Free Kids, November 11, 2008 / Eric Lindblom***