

A Broken Promise to Our Children

*The 1998 State
Tobacco Settlement
12 Years Later*

November 17, 2010

A Broken Promise to Our Children: The 1998 State Tobacco Settlement Twelve Years Later

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

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Executive Summary

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

In addition to the billions of dollars they receive every year from the tobacco settlement, the states collect billions more in tobacco taxes. In the current budget year, Fiscal Year 2011, the states will collect a total of \$25.3 billion in revenue from the tobacco settlement and tobacco taxes, near record levels.

This year, our report finds that despite collecting huge sums in tobacco revenue, the states have cut funding for tobacco prevention and cessation programs to the lowest level since 1999, when they first started receiving tobacco settlement payments.

The states are spending only two percent of their tobacco revenue on programs to prevent kids from smoking and help smokers quit, and they have cut funding for such programs by 28 percent in the past three years.

The states' failure to use more of their tobacco money to fight the tobacco problem is especially troubling in light of recent national surveys indicating that smoking declines in the United States have slowed and even stalled. The nation's progress in the battle against tobacco use – the number one cause of preventable death – is at risk unless states quickly increase funding for programs to prevent kids from smoking and help smokers quit. It is also critical that the federal government fund and implement a robust, national tobacco prevention and cessation campaign.

Key Findings

Overall conclusions of this year's report include:

- In Fiscal Year 2011, the states have budgeted \$517.9 million for tobacco prevention and cessation programs, representing the smallest total since they began receiving tobacco settlement payments in 1999. States have cut funding for these programs by 9 percent (\$51.4 million) in the past year and by 28 percent (\$199.3 million) in the past three years.
- The \$517.9 million the states have budgeted for tobacco prevention programs amounts to just two percent of the \$25.3 billion in revenue they are collecting from the tobacco settlement and tobacco taxes.
- States are falling woefully short in meeting recommended funding levels for tobacco prevention programs set by the U.S. Centers for Disease Control and Prevention (CDC). The \$517.9 million the states have budgeted amounts to just 14 percent of the \$3.7 billion the CDC recommends for all the states combined. It would take less than 15 percent of their total tobacco revenue for every state to fund a tobacco prevention program at CDC-recommended amounts.

- In one bright spot, federal grants have helped to cushion the impact of state funding cuts. In the past year, the federal government has provided \$261.6 million in state and community grants to reduce tobacco use, including \$61.6 million in annual state grants provided by the CDC, \$196.4 million from the American Recovery and Reinvestment Act of 2009 (ARRA) and \$3.6 million from the Public Health and Prevention Fund created by the Patient Protection and Affordable Care Act (health care reform). Not all of these funds will be spent in Fiscal Year 2011 as they cover a period extending from February 2010 to September 2012. Also, the ARRA grants are one-time funds that will not be available to the states in the future. (The states also received an additional \$43.3 million in ARRA funds to address physical activity, nutrition and tobacco control, but the exact amount being spent on tobacco control is unclear.)

Additional Findings

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

- Counting both state and federal funding, only two states – **Alaska** and **North Dakota** – currently fund tobacco prevention programs at the CDC-recommended levels.
- Only five other states are funding tobacco prevention programs at even half the CDC-recommended levels. In order of ranking, these states are **Hawaii, Montana, Wyoming, Delaware** and **Maine**.
- Ten states are funding tobacco prevention programs at between 25 and 50 percent of CDC-recommended levels.
- 33 states and DC are providing less than a quarter of the CDC-recommended amounts, and 21 of those states and DC are providing less than 10 percent of the CDC-recommended amounts.
- The three worst states – **Nevada, New Hampshire** and **Ohio** – have allocated no state funds for tobacco prevention programs in FY2011. Other states that provide only minimal amounts – less than one percent of the CDC's recommendation – are **Missouri, Tennessee, New Jersey**, and **Connecticut**.
- The amount states are spending on tobacco prevention programs pales in comparison to the \$12.8 billion a year the tobacco companies spend to market tobacco products, according to the latest tobacco marketing reports of the Federal Trade Commission (for 2006). That means the tobacco companies spend nearly \$25 to market tobacco products for every one dollar the states spend to prevent kids from smoking and help smokers quit.

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

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

The CDC recently reported that the adult smoking rate in 2009 was 20.6 percent – essentially unchanged since 2004 when 20.9 percent smoked. This is a troubling development after decades of progress in reducing adult smoking rates. While smoking among high school students has declined by 46 percent from a high of 36.4 percent in 1997, 19.5 percent of high school students still smoke and declines have slowed in recent years, according to the CDC.

This stall in progress began at the same time that states cut funding for tobacco prevention and cessation programs by 28 percent, or \$211.5 million, between FY2002 and FY2005. After increasing funding to \$717.2 million in FY2008, states have again cut funding for tobacco prevention by 28 percent.

If the nation is to continue reducing smoking and other tobacco use, elected officials at all levels of government must resist complacency and redouble efforts to implement scientifically proven measures to reduce tobacco use. Recent landmark reports by the Institute of Medicine (IOM) and the President's Cancer Panel have agreed on the steps that the federal government and the states must take to win the fight against tobacco.¹ Recommended actions include the following:

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

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

- At the federal level, the deep cuts to state tobacco prevention programs underscore the need for the Obama Administration and Congress to fund and implement a robust, national tobacco prevention and cessation campaign, as proposed in the Tobacco Control Strategic Action Plan announced on November 10, 2010, by the U.S. Department of Health and Human Services.

It is also imperative that the U.S. Food and Drug Administration effectively exercise the authority it received under a landmark 2009 law to regulate the manufacture, marketing and sale of tobacco products. This law is already having an impact as the FDA has banned candy and fruit-flavored cigarettes, imposed new restrictions on tobacco marketing and sales to

¹ 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.

kids, banned use of the deceptive cigarette labels “light” and “low-tar,” and required larger warning labels on smokeless tobacco products. On November 10, the FDA unveiled options for large, graphic cigarette health warnings that will be required beginning in 2012.

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

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

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

The states’ funding of tobacco prevention and cessation is woefully inadequate given the magnitude of the problem: 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 number one cause of preventable death in the United States, claiming more lives every year – more than 400,000 – than AIDS, alcohol, car accidents, murders, suicides, illegal drugs and fires combined.

Cigarette smoking costs the nation \$193 billion a year in economic losses, including \$96 billion in health care costs and \$97 billion in productivity losses, according to the CDC. Every day, another 1,000 kids become new regular smokers and another 1,200 Americans die because of tobacco use.

Despite their budget woes, every state has plenty of tobacco-generated revenue to fund a tobacco prevention program at CDC-recommended levels: The states this year will collect \$25.3 billion from the tobacco settlement and tobacco taxes. It would take less than 15 percent of this total to fund tobacco prevention and cessation programs in every state at levels recommended by the CDC. However, the states are spending just two percent of their tobacco revenue on tobacco prevention and cessation.

In April 2008, the states began receiving even more tobacco settlement revenue that could be used 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. The bonus payments will continue for at least 10 years. 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.

Tobacco tax increases provide the states with another source of revenue to fund tobacco prevention programs – and help balance budgets. In recent years, almost every state has increased tobacco taxes, some more than once. As they grapple with large budget deficits, numerous states are expected to consider tobacco tax increases in 2011.

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

In its May 2007 report, the IOM concluded:

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

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

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

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

than half in the past two years, has reduced adult smoking by 33 percent and overall youth smoking by 50 percent since its program began in 2000.

These smoking declines translate into lives and health care dollars saved. The Washington State Department of Health estimates that the state's smoking declines have prevented 105,000 tobacco-related deaths and saved \$3 billion in future health care costs.

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

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



FY2011 Rankings of Funding for State Tobacco Prevention Programs

State	FY2011 Current Annual Funding (\$millions)	CDC Annual Recommendation (millions)	FY2011 Percent of CDC's Recommendation	Current Rank
Alaska*	\$9.8	\$10.7	92.0%	1
North Dakota*	\$8.2	\$9.3	88.1%	2
Hawaii	\$9.3	\$15.2	61.1%	3
Montana	\$8.4	\$13.9	60.4%	4
Wyoming	\$5.4	\$9.0	60.0%	5
Delaware	\$8.3	\$13.9	59.5%	6
Maine	\$9.9	\$18.5	53.5%	7
Oklahoma	\$21.7	\$45.0	48.2%	8
Vermont	\$4.5	\$10.4	43.4%	9
Minnesota	\$19.6	\$58.4	33.6%	10
Arkansas	\$11.8	\$36.4	32.4%	11
South Dakota	\$3.5	\$11.3	31.0%	12
Utah	\$7.1	\$23.6	30.2%	13
New Mexico	\$7.0	\$23.4	29.8%	14
Florida	\$61.6	\$210.9	29.2%	15
Arizona	\$19.8	\$68.1	29.1%	16
Mississippi	\$9.9	\$39.2	25.3%	17
New York	\$58.4	\$254.3	23.0%	18
West Virginia	\$5.7	\$27.8	20.4%	19
Iowa	\$7.3	\$36.7	20.0%	20
Washington	\$13.4	\$67.3	19.8%	21
North Carolina	\$18.3	\$106.8	17.1%	22
California	\$75.0	\$441.9	17.0%	23
Louisiana	\$9.0	\$53.5	16.9%	24
Oregon	\$7.1	\$43.0	16.6%	25
Nebraska	\$2.9	\$21.5	13.3%	26
Colorado	\$7.0	\$54.4	12.9%	27
Indiana	\$9.2	\$78.8	11.7%	28

State	FY2011 Current Annual Funding (\$millions)	CDC Annual Recommendation (millions)	FY2011 Percent of CDC's Recommendation	Current Rank
Wisconsin	\$6.9	\$64.3	10.7%	29
Pennsylvania	\$14.7	\$155.5	9.5%	30
Virginia	\$9.4	\$103.2	9.1%	31
Idaho	\$1.5	\$16.9	8.9%	32
South Carolina	\$5.0	\$62.2	8.0%	33
Maryland	\$4.3	\$63.3	6.9%	34
Illinois	\$9.5	\$157.0	6.1%	35
District of Columbia	\$569,000	\$10.5	5.4%	36
Massachusetts	\$4.5	\$90.0	5.0%	37
Rhode Island	\$735,095	\$15.2	4.8%	38
Kentucky	\$2.6	\$57.2	4.5%	39
Texas	\$11.4	\$266.3	4.3%	40
Kansas	\$1.0	\$32.1	3.1%	41
Michigan	\$2.6	\$121.2	2.1%	42
Georgia	\$2.0	\$116.5	1.8%	43
Alabama	\$860,000	\$56.7	1.5%	44
Connecticut	\$400,000	\$43.9	0.9%	45
New Jersey	\$600,000	\$119.8	0.5%	46
Tennessee	\$222,268	\$71.7	0.3%	47
Missouri	\$60,000	\$73.2	0.1%	48
Nevada	\$0	\$32.5	0.0%	51
New Hampshire	\$0	\$19.2	0.0%	51
Ohio	\$0	\$145.0	0.0%	51

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

STATUS OF FUNDING FOR STATE TOBACCO PREVENTION PROGRAMS

States that are spending 50% or more of CDC recommendation on tobacco prevention programs. (7)

Alaska	Montana
Delaware	North Dakota
Hawaii	Wyoming
Maine	

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

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

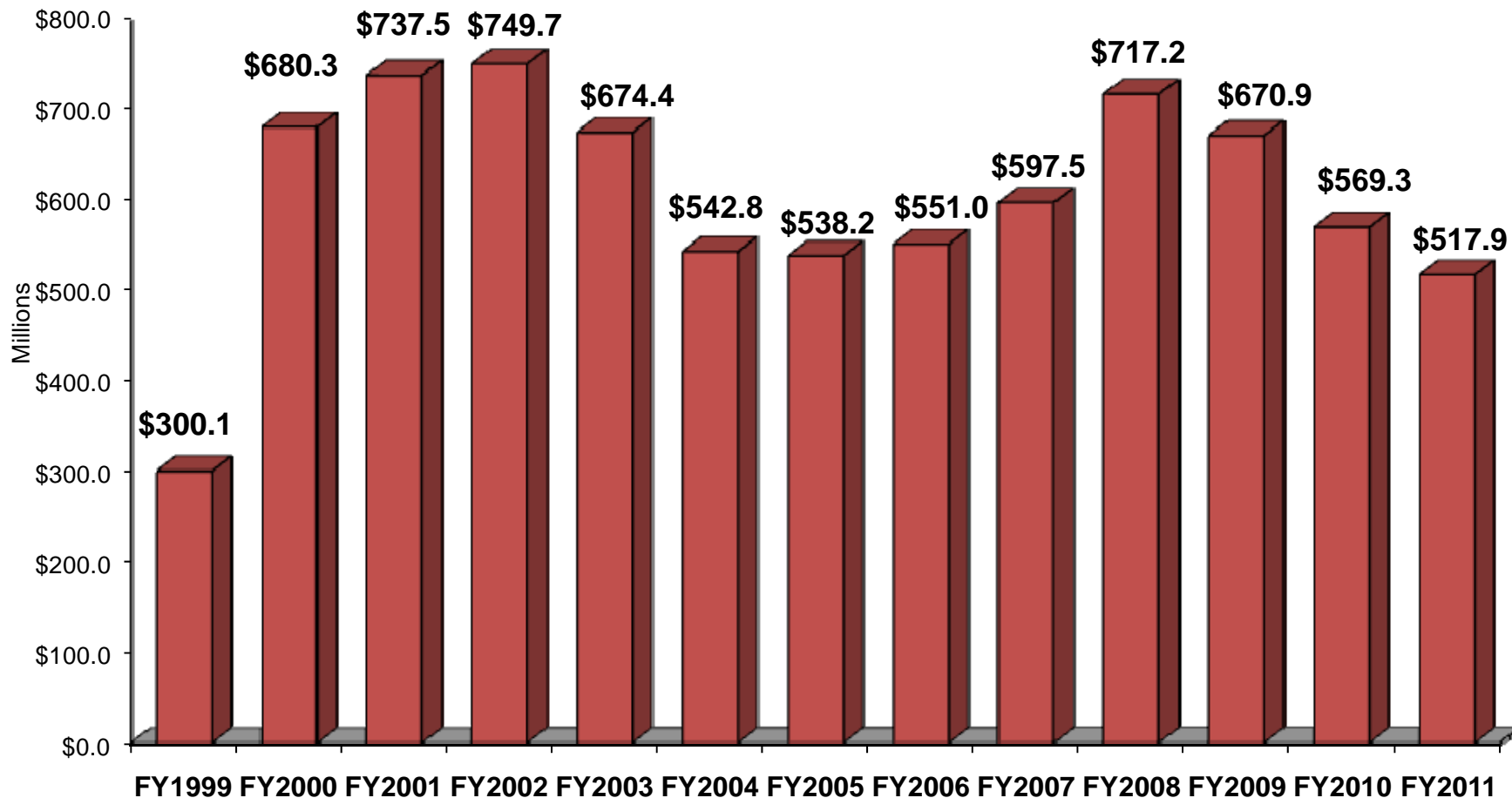
States that are spending 10%- 24% of CDC recommendation on tobacco prevention programs. (12)

California	New York
Colorado	North Carolina
Indiana	Oregon
Iowa	Washington
Louisiana	West Virginia
Nebraska	Wisconsin

States that are spending less than 10% of CDC recommendation on tobacco prevention programs. (21 and the District of Columbia)

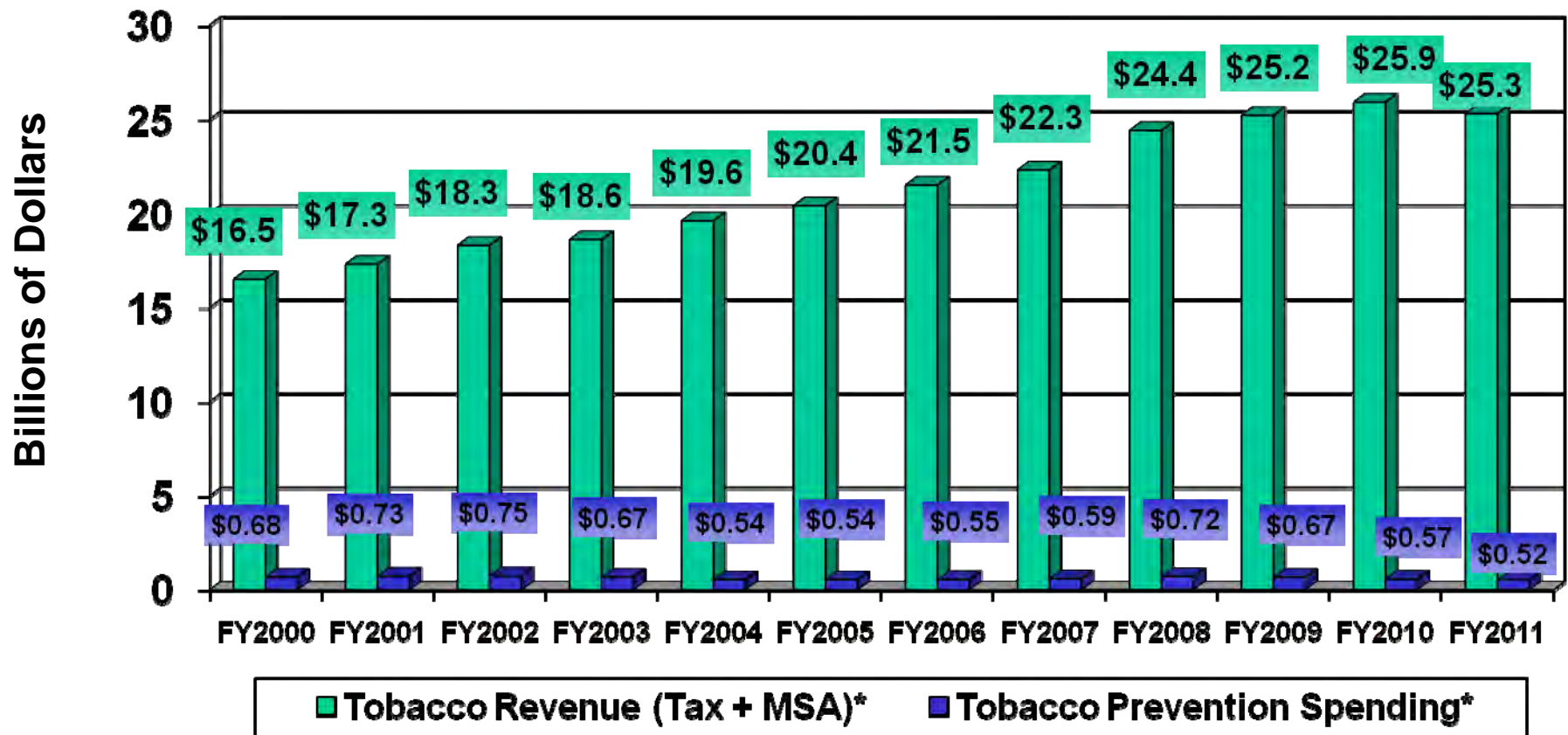
Alabama	Missouri
Connecticut	Nevada
District of Columbia	New Hampshire
Georgia	New Jersey
Idaho	Ohio
Illinois	Pennsylvania
Kansas	Rhode Island
Kentucky	South Carolina
Maryland	Tennessee
Massachusetts	Texas
Michigan	Virginia

State Tobacco Prevention Spending, FY1999 - FY2011

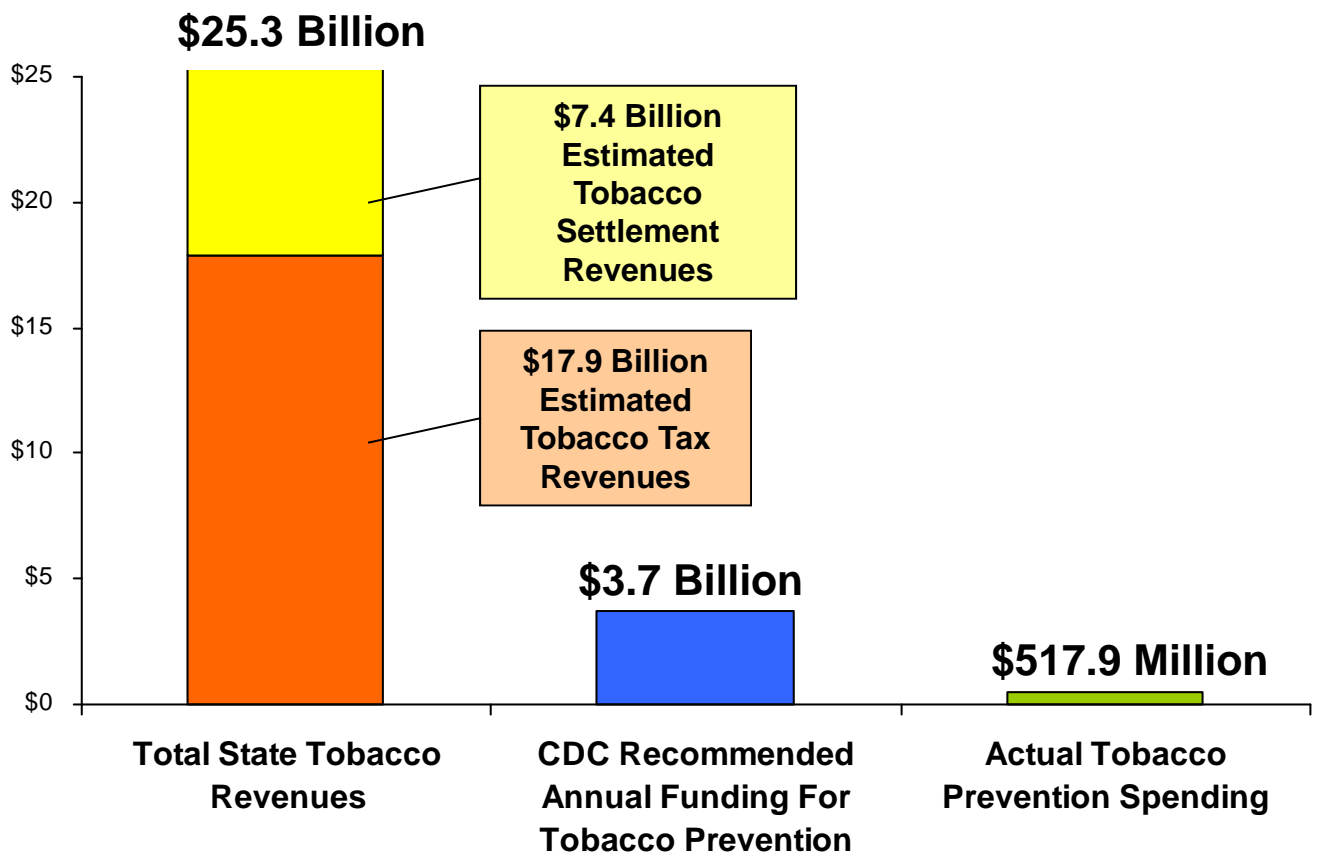


Only 3 states – AZ, CA and MA - spent any money on tobacco prevention prior to 1999. Settlement payments to states began in 1999. All states were receiving payments by 2001.

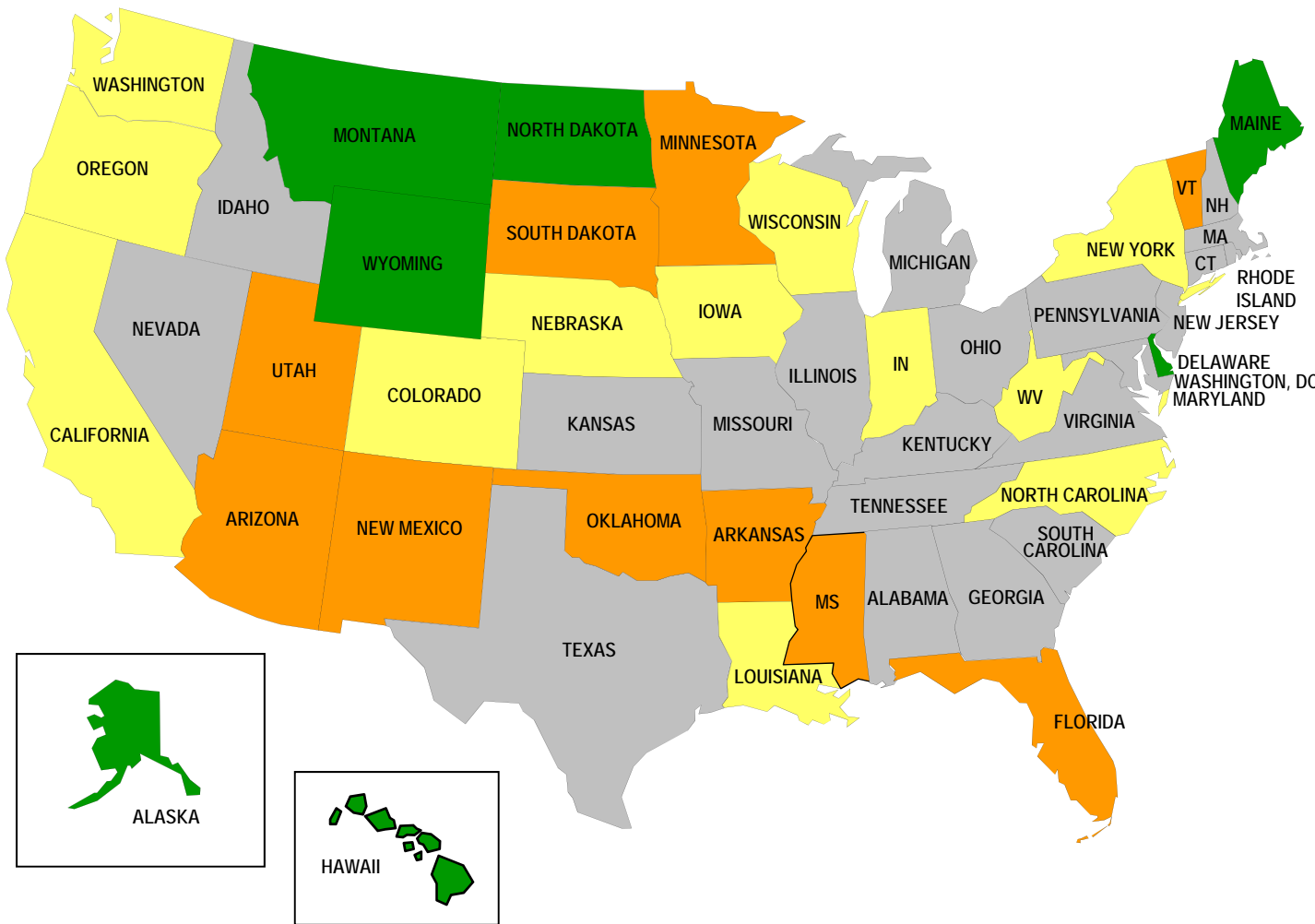
State Tobacco Revenue and Prevention Spending FY2000 - FY2011



FY2011 Tobacco Money for Tobacco Prevention



FY2011 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.



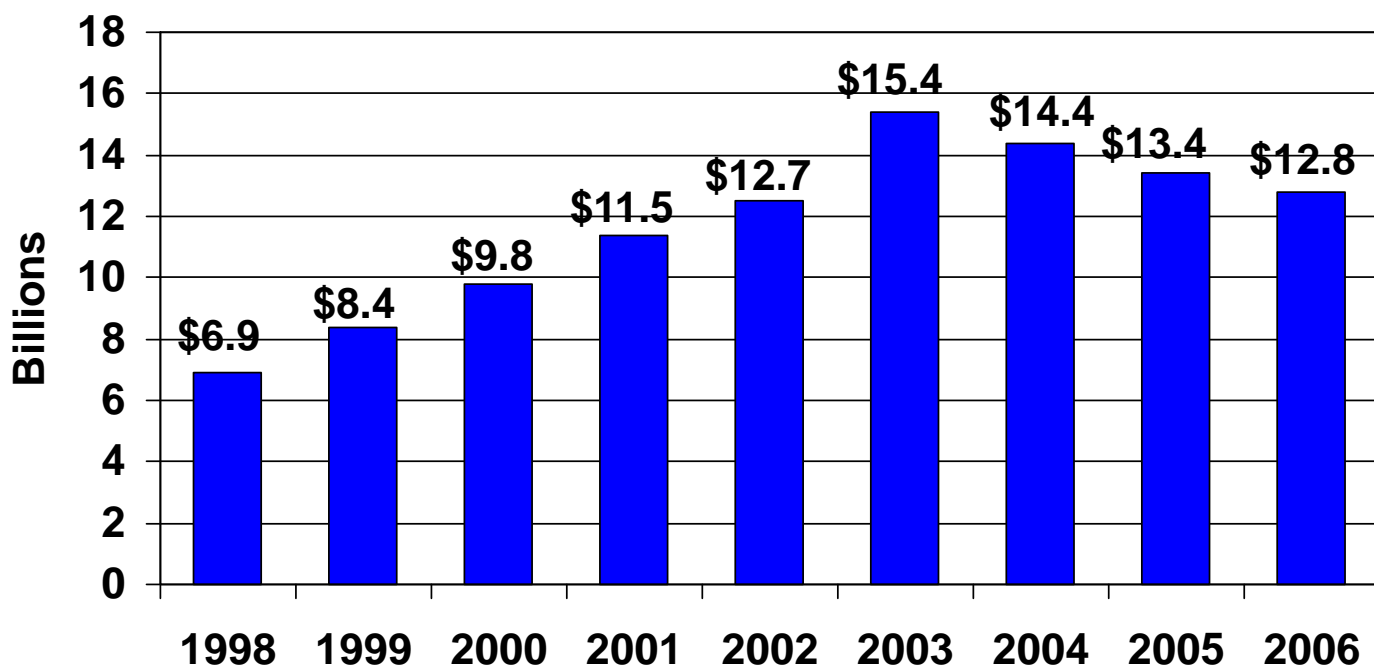
States that are spending 25% - 49% of CDC recommendation on tobacco prevention programs.



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

U.S. Tobacco Industry Marketing Expenditures Since the Settlement

85% Increase 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 comes from the Federal Trade Commission (FTC)'s Cigarette Report for 2006. The most recent available marketing data for smokeless tobacco comes from the FTC's Smokeless Tobacco Report, 2006. Data are for top 5 manufacturers only.



SPENDING vs. TOBACCO COMPANY MARKETING¹

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

With only one exception, 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 2006, the major tobacco companies have increased their spending to promote their deadly products by more than 85 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 \$300 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 less than one percent of the tobacco industry's marketing expenditures in the state.

Nationwide, the tobacco industry is outspending tobacco prevention funding in the states by nearly 25 to 1.¹

State	Annual Smoking Caused Health Costs in State	FY2011 Total Tobacco Prevention Spending	2006 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
Total	\$96.7 bill.	\$517.9	\$12.8 bill.	4.0%	24.8 to 1
Alabama	\$1.49 bill.	\$860,000	\$261.6	0.3%	304.1 to 1
Alaska	\$169	\$9.8	\$24.9	39.5%	2.5 to 1
Arizona	\$1.3 bill.	\$19.8	\$172.8	11.5%	8.7 to 1
Arkansas	\$812	\$11.8	\$155.7	7.6%	13.2 to 1
California	\$9.14 bill.	\$75.0	\$819.5	9.2%	10.9 to 1
Colorado	\$1.31 bill.	\$7.0	\$170.7	4.1%	24.4 to 1
Connecticut	\$1.63 bill.	\$400,000	\$123.0	0.3%	307.5 to 1
Delaware	\$284	\$8.3	\$106.7	7.8%	12.9 to 1
DC	\$243	\$569,000	\$16.0	3.6%	28.1 to 1
Florida	\$6.32 bill.	\$61.6	\$881.4	7.0%	14.3 to 1
Georgia	\$2.25 bill.	\$2.0	\$426.4	0.5%	209.0 to 1
Hawaii	\$336	\$9.3	\$42.1	22.1%	4.5 to 1
Idaho	\$319	\$1.5	\$57.9	2.6%	38.6 to 1
Illinois	\$4.10 bill.	\$9.5	\$452.4	2.1%	47.6 to 1
Indiana	\$2.08 bill.	\$9.2	\$426.2	2.2%	46.3 to 1
Iowa	\$1.01 bill.	\$7.3	\$174.2	4.2%	23.7 to 1
Kansas	\$927	\$1.0	\$104.6	1.0%	104.6 to 1
Kentucky	\$1.50 bill.	\$2.6	\$417.5	0.6%	161.6 to 1
Louisiana	\$1.47 bill.	\$9.0	\$241.0	3.8%	26.7 to 1
Maine	\$602	\$9.9	\$59.0	16.8%	6.0 to 1
Maryland	\$1.96 bill.	\$4.3	\$188.8	2.3%	43.4 to 1
Massachusetts	\$3.54 bill.	\$4.5	\$194.6	2.3%	43.4 to 1
Michigan	\$3.40 bill.	\$2.6	\$393.6	0.7%	151.5 to 1

¹ These ratios are based on state and federal tobacco prevention expenditures in FY2011 versus tobacco industry marketing expenditures in 2006 (the most recent year for which data is available).

State	Annual Smoking Caused Health Costs in State	FY2011 Total Tobacco Prevention Spending	2006 Tobacco Company Marketing in State	Percentage of Tobacco Company Marketing that State Spends on Tobacco Prevention	Ratio of Tobacco Company Marketing to State Tobacco Prevention Spending
Minnesota	\$2.06 bill.	\$19.6	\$196.6	10.0%	10.0 to 1
Mississippi	\$719	\$9.9	\$185.5	5.3%	18.7 to 1
Missouri	\$2.13 bill.	\$60,000	\$419.9	0.0%	6,998.1 to 1
Montana	\$277	\$8.4	\$33.3	25.2%	4.0 to 1
Nebraska	\$537	\$2.9	\$72.1	4.0%	25.2 to 1
Nevada	\$565	\$0	\$113.8	0.0%	NA
New Hampshire	\$564	\$0	\$122.2	0.0%	NA
New Jersey	\$3.17 bill.	\$600,000	\$226.3	0.3%	377.2 to 1
New Mexico	\$461	\$7.0	\$47.0	14.9%	6.7 to 1
New York	\$8.17 bill.	\$58.4	\$429.6	13.6%	7.4 to 1
North Carolina	\$2.46 bill.	\$18.3	\$535.9	3.4%	29.3 to 1
North Dakota	\$247	\$8.2	\$32.3	25.4%	3.9 to 1
Ohio	\$4.37 bill.	\$0	\$556.7	0.0%	NA to 1
Oklahoma	\$1.16 bill.	\$21.7	\$213.1	10.2%	9.8 to 1
Oregon	\$1.11 bill.	\$7.1	\$137.0	5.2%	19.2 to 1
Pennsylvania	\$5.19 bill.	\$14.7	\$533.9	2.8%	36.3 to 1
Rhode Island	\$506	\$735,095	\$35.1	2.1%	47.7 to 1
South Carolina	\$1.09 bill.	\$5.0	\$282.6	1.8%	56.5 to 1
South Dakota	\$274	\$3.5	\$37.0	9.5%	10.6 to 1
Tennessee	\$2.16 bill.	\$222,268	\$405.5	0.1%	1,824.3 to 1
Texas	\$5.83 bill.	\$11.4	\$854.2	1.3%	74.9 to 1
Utah	\$345	\$7.1	\$58.7	12.1%	8.2 to 1
Vermont	\$233	\$4.5	\$27.4	16.5%	6.1 to 1
Virginia	\$2.08 bill.	\$9.4	\$411.3	2.3%	43.9 to 1
Washington	\$1.95 bill.	\$13.4	\$146.0	9.1%	10.9 to 1
West Virginia	\$690	\$5.7	\$140.4	4.0%	24.8 to 1
Wisconsin	\$2.02 bill.	\$6.9	\$274.0	2.5%	40.0 to 1
Wyoming	\$136	\$5.4	\$27.6	19.6%	5.1 to 1

Campaign for Tobacco-Free Kids, November 17, 2010/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 Twelve Years Later*, 2010, <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

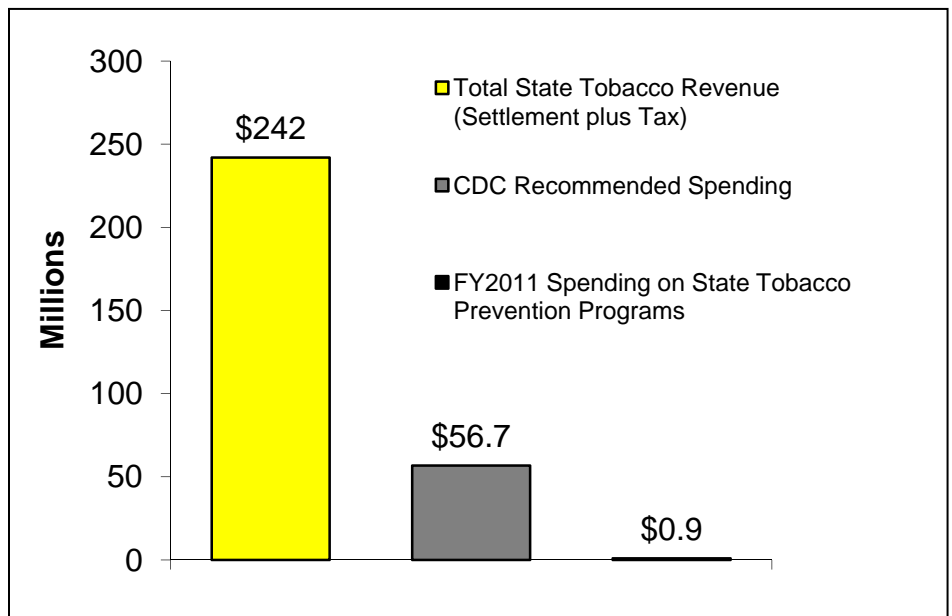
U.S. Federal Trade Commission (FTC), *Cigarette Report for 2006, 2009*, <http://ftc.gov/os/2009/08/090812cigarettereport.pdf>. FTC, *Smokeless Tobacco Report for the Year 2006, 2009*, <http://ftc.gov/os/2009/08/090812smokelesstobaccoreport.pdf>. Data for top 5 manufacturers only.

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

Alabama

	FY2011	FY2010
State Ranking	44	49
STATE SPENDING ON TOBACCO PREVENTION	\$860,000	\$750,000
% of CDC Recommended Spending (\$56.7 million)	1.5%	1.3%

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 allocates \$860,000 a year for tobacco prevention and cessation. This is 1.5% of the CDC's recommendation and ranks Alabama 44th among the states in the funding of tobacco prevention programs. Alabama's spending on tobacco prevention amounts to 0.4% of the estimated \$242 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.

Total state spending on tobacco prevention and cessation for FY2011 will be \$861,292, which is a nearly 60% cut in funding from FY2010 and FY2009.

In addition, Alabama is receiving \$9.2 million in federal funds dedicated to tobacco prevention and control:

- \$1.3 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2010 (from annual appropriations).
- \$7.8 million in dedicated tobacco control funds from the American Recovery and Reinvestment Act (stimulus bill), including \$830,665 for telephone quitlines and \$7 million for community initiatives. These funds were awarded in March 2010 and are to be spent over a 24-month period. (Alabama also

received \$766,182 in stimulus funds to work on physical activity, nutrition and tobacco control, but the exact amount spent on tobacco control is unclear).

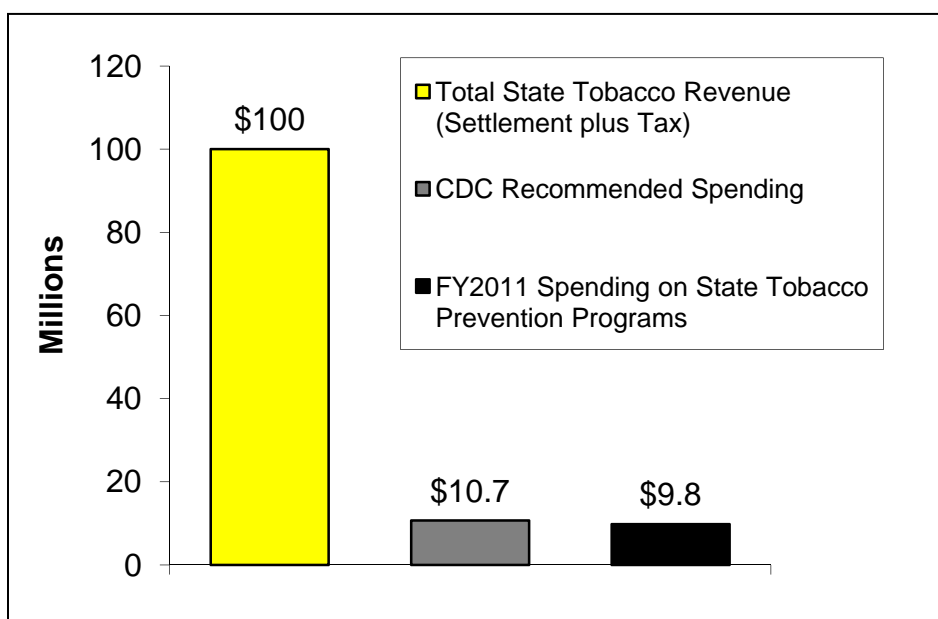
- \$74,227 from the Prevention and Public Health Fund in the new health care reform law. These funds are to be used to motivate smokers to quit.

Tobacco's Toll in Alabama	
Adults who smoke	22.5%
High school students who smoke	20.8%
Deaths caused by smoking each year	7,500
Annual health care costs directly caused by smoking	\$1.49 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$540 per household
Annual tobacco company marketing in state	\$261.6 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	304.1 to 1

Alaska

	FY2011	FY2010
State Ranking	1	3
STATE SPENDING ON TOBACCO PREVENTION	\$9.8 million	\$9.2 million
% of CDC Recommended Spending (\$10.7 million)	92.0%	86%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that Alaska spend \$10.7 million a year to have an effective, comprehensive tobacco prevention program. Alaska currently allocates \$9.8 million a year for tobacco prevention and cessation. This is 92.0% 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 9.8% of the estimated \$100 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



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

In FY2011, the state will spend \$9.8 million on tobacco prevention and cessation, slightly more than the \$9.2 million spent in FY2010.

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

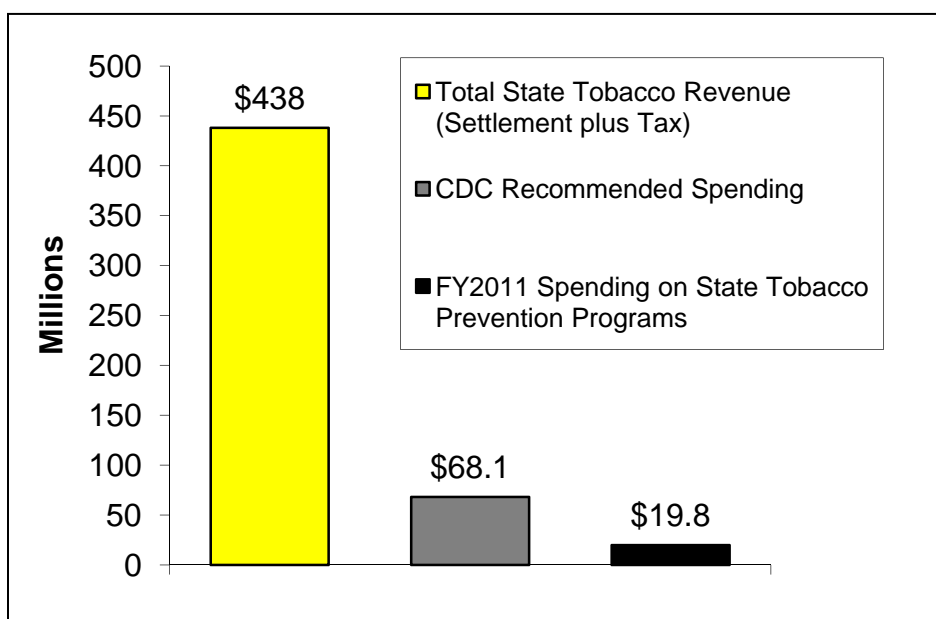
- \$1.2 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2010 (from annual appropriations).
- \$460,221 in dedicated tobacco control funds from the American Recovery and Reinvestment Act (stimulus bill) for telephone quitlines. These funds were awarded in March 2010 and are to be spent over a 24-month period. (Alaska also received \$368,629 in stimulus funds to work on physical activity, nutrition and tobacco control, but the exact amount spent on tobacco control is unclear).

Tobacco's Toll in Alaska	
Adults who smoke	20.6%
High school students who smoke	15.7%
Deaths caused by smoking each year	490
Annual health care costs directly caused by smoking	\$169 million
Residents' state & federal tax burden from smoking-caused government expenditures	\$659 per household
Annual tobacco company marketing in state	\$24.9 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	2.5 to 1

Arizona

	FY2011	FY2010
State Ranking	16	14
STATE SPENDING ON TOBACCO PREVENTION	\$19.8 million	\$22.1 million
% of CDC Recommended Spending (\$68.1 million)	29.1%	32.5%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that Arizona spend \$68.1 million a year to have an effective, comprehensive tobacco prevention program. Arizona currently allocates \$19.8 million a year for tobacco prevention and cessation. This is 29.1% of the CDC's recommendation and ranks Arizona 16th among the states in the funding of tobacco prevention programs. Arizona's spending on tobacco prevention amounts to 4.5% of the estimated \$438 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 and have a portion of the revenue fund a comprehensive Tobacco Education and Prevention Program (TEPP). No settlement funds are used for tobacco prevention.

State spending on tobacco prevention and cessation for FY2011 will be \$19.8 million, a slight decrease from the \$22.1 million spent in FY2010.

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

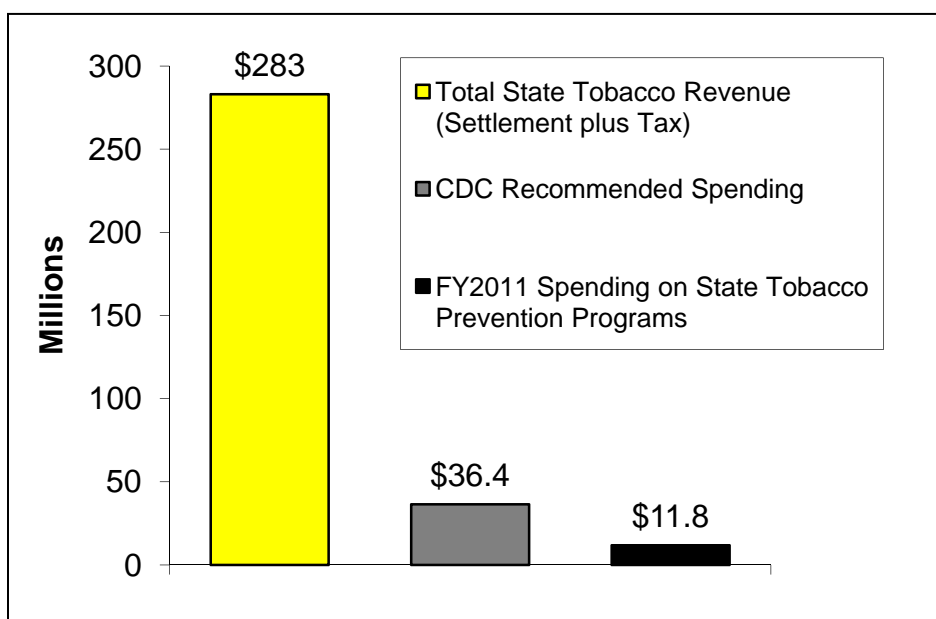
- \$1.3 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2010 (from annual appropriations).
- \$817,621 in dedicated tobacco control funds from the American Recovery and Reinvestment Act (stimulus bill) for telephone quitlines. These funds were awarded in March 2010 and are to be spent over a 24-month period. (Arizona also received \$950,018 in stimulus funds to work on physical activity, nutrition and tobacco control, but the exact amount spent on tobacco control is unclear).
- \$83,936 from the Prevention and Public Health Fund in the new health care reform law. These funds are to be used to motivate smokers to quit.

Tobacco's Toll in Arizona	
Adults who smoke	16.1%
High school students who smoke	19.7%
Deaths caused by smoking each year	6,800
Annual health care costs directly caused by smoking	\$1.3 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$539 per household
Annual tobacco company marketing in state	\$172.8 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	8.7 to 1

Arkansas

	FY2011	FY2010
State Ranking	11	8
STATE SPENDING ON TOBACCO PREVENTION	\$11.8 million	\$18.7 million
% of CDC Recommended Spending (\$36.4 million)	32.4%	51.4%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that Arkansas spend \$36.4 million a year to have an effective, comprehensive tobacco prevention program. Arkansas currently allocates \$11.8 million a year for tobacco prevention and cessation. This is 32.4% of the CDC's recommendation and ranks Arkansas 11th among the states in the funding of tobacco prevention programs. Arkansas' spending on tobacco prevention amounts to 4.2% of the estimated \$283 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



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

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

Arkansas' total state spending on tobacco prevention and cessation for FY2011 is \$11.8 million, a 40% cut in funding from FY2010.

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

- \$1 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2010 (from annual appropriations).
- \$1.2 million in dedicated tobacco control funds from the American Recovery and Reinvestment Act (stimulus bill), including \$664,204 for telephone quitlines and \$500 million for state initiatives. These funds were awarded in March 2010 and are to be spent over a 24-month period. (Arkansas also

received \$584,747 in stimulus funds to work on physical activity, nutrition and tobacco control, but the exact amount spent on tobacco control is unclear).

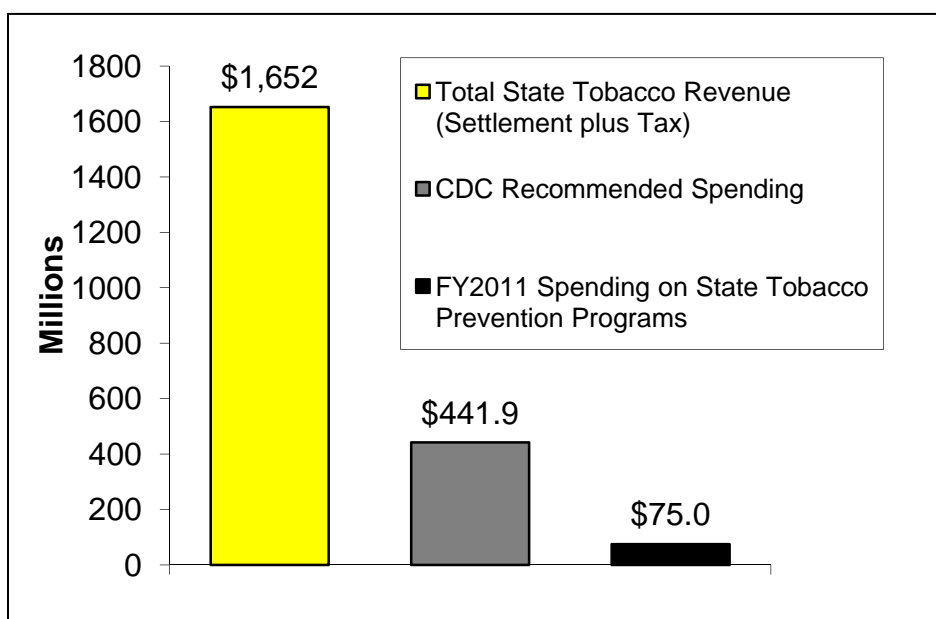
- \$64,867 from the Prevention and Public Health Fund in the new health care reform law. These funds are to be used to motivate smokers to quit.

Tobacco's Toll in Arkansas	
Adults who smoke	21.5%
High school students who smoke	20.3%
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	\$558 per household
Annual tobacco company marketing in state	\$155.7 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	13.2 to 1

California

	FY2011	FY2010
State Ranking	23	23
STATE SPENDING ON TOBACCO PREVENTION	\$75.0 million	\$77.1 million
% of CDC Recommended Spending (\$441.9 million)	17.0%	17.4%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that California spend \$441.9 million a year to have an effective, comprehensive tobacco prevention program. California currently allocates \$75.0 million a year for tobacco prevention and cessation. This is 17.0% of the CDC's recommendation and ranks California 23rd among the states in the funding of tobacco prevention programs. California's spending on tobacco prevention amounts to 4.5% of the estimated \$1.7 billion in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



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

Funding for California's program components changes based on the amount of revenue generated from the state's tobacco tax. In FY2011, state spending on the tobacco control program will be \$75.0 million, slightly less than was spent in FY2010.

In addition, California is receiving \$27.5 million in federal funds dedicated to tobacco prevention and control:

- \$1.6 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2010 (from annual appropriations).
- \$25.6 million in dedicated tobacco control funds from the American Recovery and Reinvestment Act (stimulus bill), including \$2.5 for telephone quitlines and \$23.1 million for community initiatives. These funds were awarded in March 2010 and are to be spent over a 24-month period. (California also received \$2.2 million in stimulus funds to work on physical activity, nutrition and tobacco control, but the exact amount spent on tobacco control is unclear).

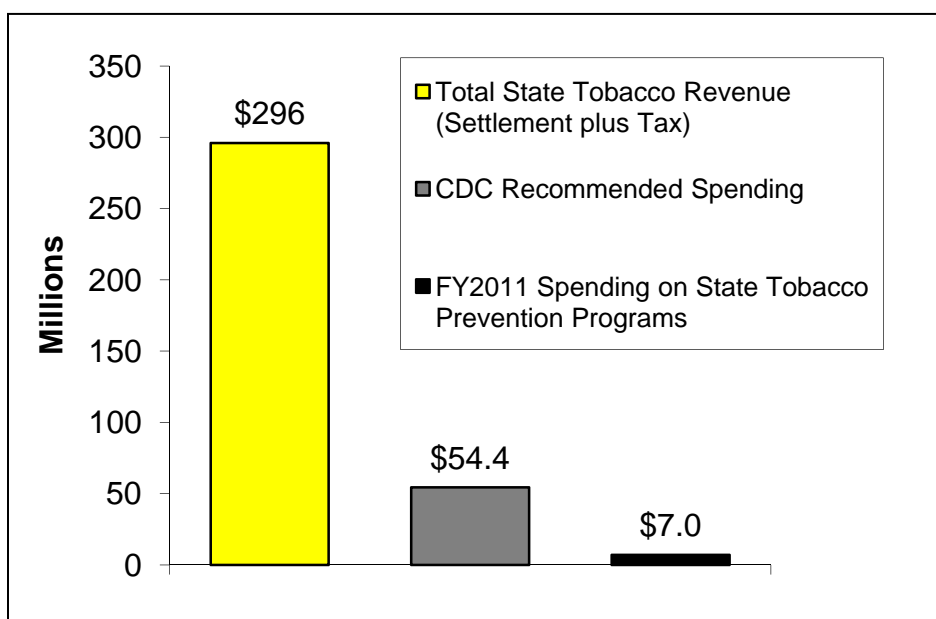
- \$240,173 from the Prevention and Public Health Fund in the new health care reform law. These funds are to be used to motivate smokers to quit.

Tobacco's Toll in California	
Adults who smoke	12.9%
High school students who smoke	15.4%
Deaths caused by smoking each year	36,600
Annual health care costs directly caused by smoking	\$9.14 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$618 per household
Annual tobacco company marketing in state	\$819.5 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	10.9 to 1

Colorado

	FY2011	FY2010
State Ranking	27	22
STATE SPENDING ON TOBACCO PREVENTION	\$7.0 million	\$11.1 million
% of CDC Recommended Spending (\$54.4 million)	12.9%	20.4%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that Colorado spend \$54.4 million a year to have an effective, comprehensive tobacco prevention program. Colorado currently allocates \$7.0 million a year for tobacco prevention and cessation. This is 12.9% of the CDC's recommendation and ranks Colorado 27th among the states in the funding of tobacco prevention programs. Colorado's spending on tobacco prevention amounts to 2.4% of the estimated \$296 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



Recent Developments: For FY2011, Colorado is scheduled to spend \$7.0 million in state funds for tobacco prevention and cessation programs, a \$4.1 million decrease from what was spent in FY2010.

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

In addition, Colorado is receiving \$2.2 million in federal funds dedicated to tobacco prevention and control:

- \$1.3 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2010 (from annual appropriations).
- \$759,976 in dedicated tobacco control funds from the American Recovery and Reinvestment Act (stimulus bill) for telephone quitlines. These funds were awarded in March 2010 and are to be spent over a 24-month period. (Colorado also received \$793,946 in stimulus funds to work on physical activity, nutrition and tobacco control, but the exact amount spent on tobacco control is unclear).

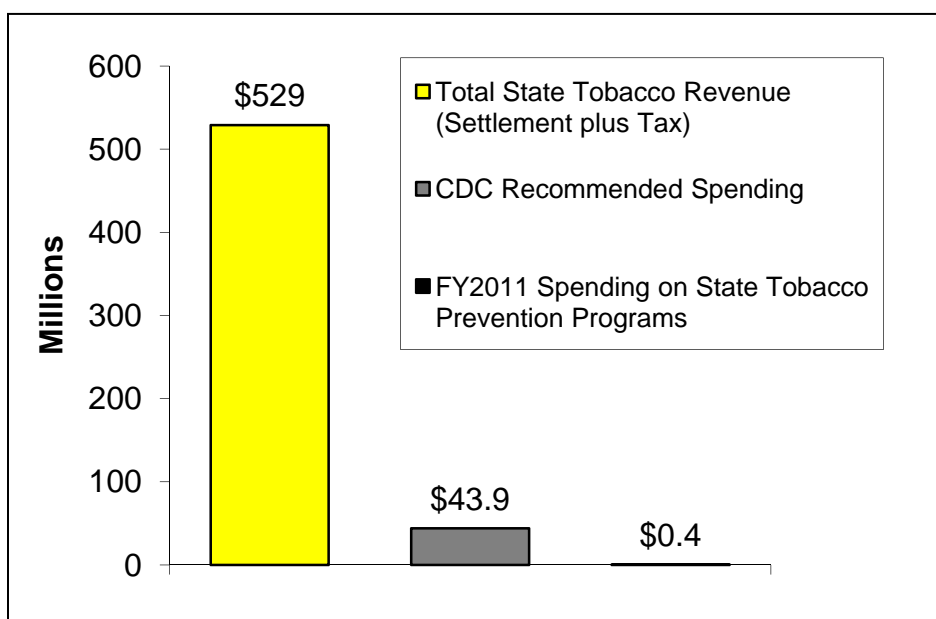
- \$73,927 from the Prevention and Public Health Fund in the new health care reform law. These funds are to be used to motivate smokers to quit.

Tobacco's Toll in Colorado	
Adults who smoke	17.1%
High school students who smoke	17.7%
Deaths caused by smoking each year	4,300
Annual health care costs directly caused by smoking	\$1.31 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$579 per household
Annual tobacco company marketing in state	\$170.7 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	24.4 to 1

Connecticut

	FY2011	FY2010
State Ranking	45	28
STATE SPENDING ON TOBACCO PREVENTION	\$400,000	\$6.1 million
% of CDC Recommended Spending (\$43.9 million)	0.9%	13.9%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that Connecticut spend \$43.9 million a year to have an effective, comprehensive tobacco prevention program. Connecticut currently allocates \$400,000 a year for tobacco prevention and cessation. This is 0.9% of the CDC's recommendation and ranks Connecticut 45th among the states in the funding of tobacco prevention programs. Connecticut's spending on tobacco prevention amounts to 0.1% of the estimated \$529 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



Recent Developments: Connecticut's tobacco settlement payments are folded into the general fund and allocated through the biennial budget process. In FY2009, the Legislature changed the rules governing expenditure of funds from the state's Tobacco and Health Trust Fund (THTF). The Trust Fund's Board is now able to spend up to 50 percent of the amount the legislature adds to the principal Fund balance (if any) in that year, in addition to any interest that the Fund has accumulated. During the 2010 legislative session, the legislature redirected the \$12 million in annual payments from the THTF to General Revenue for FY 11 and FY 12. In addition, the legislature transferred \$5 million from the fund to General Revenue, leaving only \$400,000 in the Fund. In FY2011, that \$400,000 is available to be appropriated for tobacco prevention and cessation programs, which is a significant decrease from the \$6.1 million allocated in FY2010. Once allocated, this will leave the trust fund with a zero balance, endangering the future of tobacco prevention efforts in Connecticut. This expenditure still needs to be approved by the Joint Committee on Appropriations and Public Health.

Connecticut is spending minimal amounts on tobacco prevention despite the fact that the state is receiving more tobacco-generated revenue than ever before as a result of a one dollar cigarette tax increase which went into effect in 2009, bringing Connecticut's total tax to \$3.00 a pack.

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

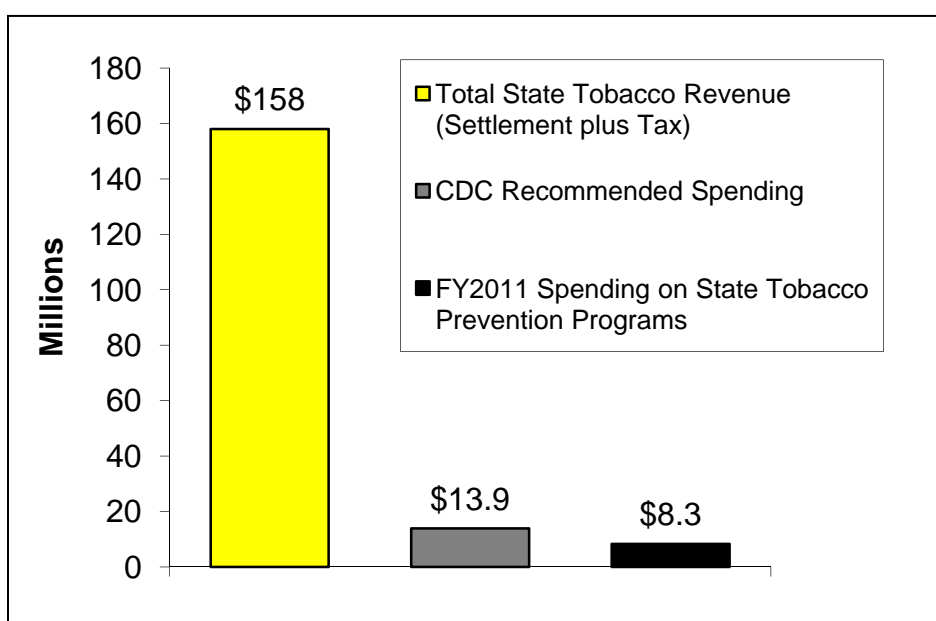
- \$1.1 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2010 (from annual appropriations).
- \$635,768 in dedicated tobacco control funds from the American Recovery and Reinvestment Act (stimulus bill) for telephone quitlines. These funds were awarded in March 2010 and are to be spent over a 24-month period. (Connecticut also received \$650,125 in stimulus funds to work on physical activity, nutrition and tobacco control, but the exact amount spent on tobacco control is unclear).
- \$68,102 from the Prevention and Public Health Fund in the new health care reform law. These funds are to be used to motivate smokers to quit.

Tobacco's Toll in Connecticut	
Adults who smoke	15.4%
High school students who smoke	15.3%
Deaths caused by smoking each year	4,700
Annual health care costs directly caused by smoking	\$1.63 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$674 per household
Annual tobacco company marketing in state	\$123.0 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	307.5 to 1

Delaware

	FY2011	FY2010
State Ranking	6	2
STATE SPENDING ON TOBACCO PREVENTION	\$8.3 million	\$10.0 million
% of CDC Recommended Spending (\$13.9 million)	59.5%	72.7%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that Delaware spend \$13.9 million a year to have an effective, comprehensive tobacco prevention program. Delaware currently allocates \$8.3 million a year for tobacco prevention and cessation. This is 59.5% of the CDC's recommendation and ranks Delaware 6th among the states in the funding of tobacco prevention programs. Delaware's spending on tobacco prevention amounts to 5.2% of the estimated \$158 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



Recent Developments: In the past, funding for Delaware's tobacco prevention programs came from the Delaware Health Fund into which all of the state's tobacco settlement payments were directed. While funding has stayed fairly level, funds for FY 2011 will not come from the Health Fund but instead will be a mix of one time items, one time appropriations and special fund appropriations to the General Fund making tobacco prevention and cessation funding vulnerable and possibly unstable in the future.

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

Total state spending on tobacco prevention and cessation for FY2011 will be \$8.3 million, slightly less than what was spent in FY2010.

In addition, Delaware is receiving \$2.2 million in federal funds dedicated to tobacco prevention and control:

- \$669,373 from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2010 (from annual appropriations).
- \$1.5 million in dedicated tobacco control funds from the American Recovery and Reinvestment Act (stimulus bill), including \$465,049 for telephone quitlines and \$1 million for state initiatives. These

funds were awarded in March 2010 and are to be spent over a 24-month period. (Delaware also received \$387,309 in stimulus funds to work on physical activity, nutrition and tobacco control, but the exact amount spent on tobacco control is unclear).

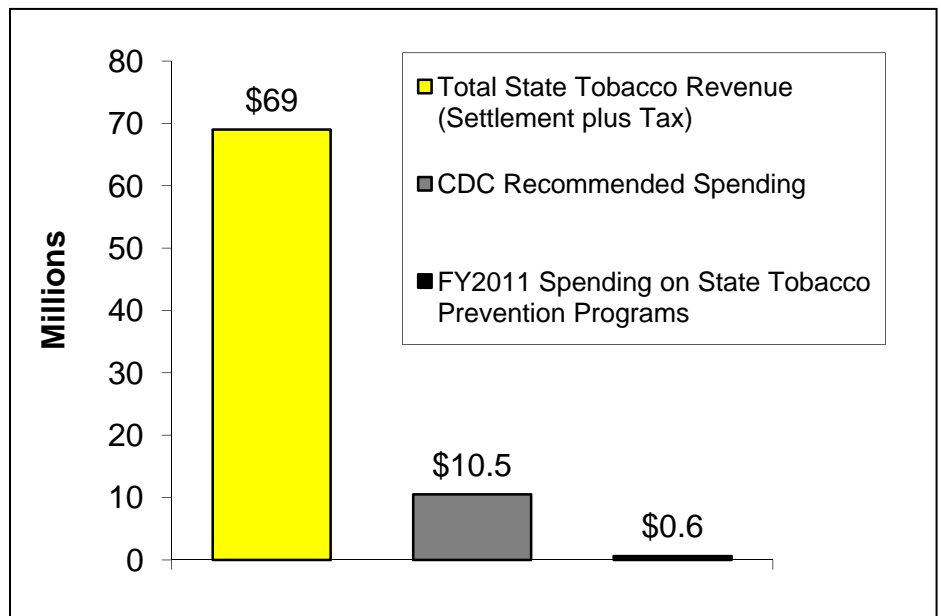
- \$54,554 from the Prevention and Public Health Fund in the new health care reform law. These funds are to be used to motivate smokers to quit.

Tobacco's Toll in Delaware	
Adults who smoke	18.3%
High school students who smoke	19.0%
Deaths caused by smoking each year	1,100
Annual health care costs directly caused by smoking	\$284 million
Residents' state & federal tax burden from smoking-caused government expenditures	\$614 per household
Annual tobacco company marketing in state	\$106.7 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	12.9 to 1

District of Columbia

	FY2011	FY2010
State Ranking	36	35
STATE SPENDING ON TOBACCO PREVENTION	\$569,000	\$850,000
% of CDC Recommended Spending (\$10.5 million)	5.4%	8.1%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that the District spend \$10.5 million a year to have an effective, comprehensive tobacco prevention program. District of Columbia currently allocates \$569,000 a year for tobacco prevention and cessation. This is 5.4% of the CDC's recommendation and ranks District of Columbia 36th among the states in the funding of tobacco prevention programs. The District's spending on tobacco prevention amounts to 0.8% of the estimated \$69 million in tobacco-generated revenue the District collects each year from settlement payments and tobacco taxes.



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

DC is spending less than the CDC recommended amount on tobacco prevention despite the fact that the city is receiving more tobacco-generated revenue than ever before as a result of a 50-cent cigarette tax increase, enacted in 2009, bringing it \$2.50 a pack.

The DC City Council, through the DC Cancer Consortium, has allocated \$569,000 total dollars for tobacco prevention and cessation in FY2011, a decrease from what was allocated in FY2010.

In addition, District of Columbia is receiving \$5.9 million in federal funds dedicated to tobacco prevention and control:

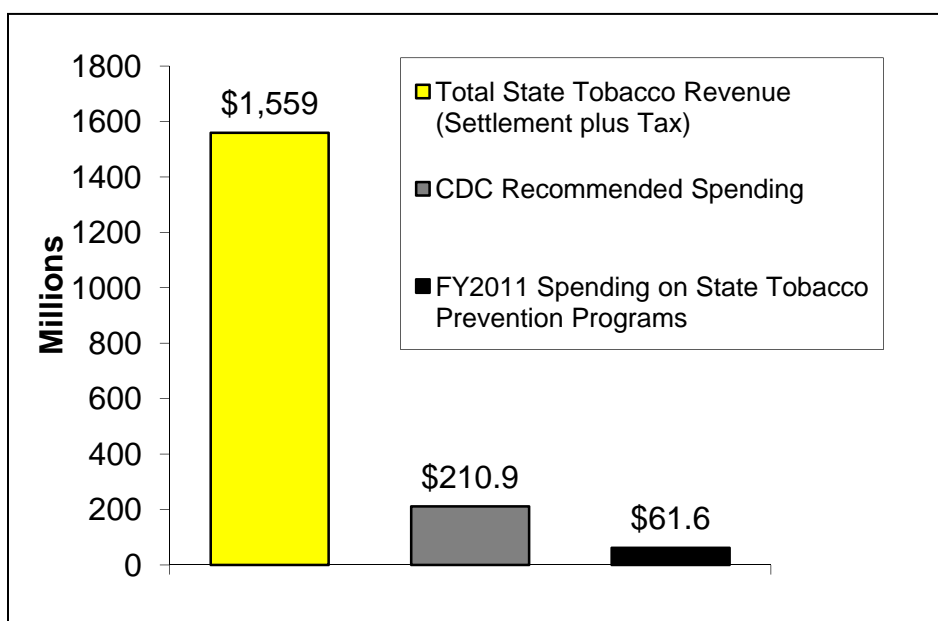
- \$531,753 from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2010 (from annual appropriations).
- \$5.3 million in dedicated tobacco control funds from the American Recovery and Reinvestment Act (stimulus bill), including \$443,122 for telephone quitlines and \$4.9 million for community initiatives. These funds were awarded in March 2010 and are to be spent over a 24-month period. (District of Columbia also received \$359,183 in stimulus funds to work on physical activity, nutrition and tobacco control, but the exact amount spent on tobacco control is unclear).
- \$53,080 from the Prevention and Public Health Fund in the new health care reform law. These funds are to be used to motivate smokers to quit.

Tobacco's Toll in District of Columbia	
Adults who smoke	15.3%
High school students who smoke	10.6%
Deaths caused by smoking each year	720
Annual health care costs directly caused by smoking	\$243 million
Residents' state & federal tax burden from smoking-caused government expenditures	\$598 per household
Annual tobacco company marketing in state	\$16.0 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	28.1 to 1

Florida

	FY2011	FY2010
State Ranking	15	15
STATE SPENDING ON TOBACCO PREVENTION	\$61.6 million	\$65.8 million
% of CDC Recommended Spending (\$210.9 million)	29.2%	31.2%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that Florida spend \$210.9 million a year to have an effective, comprehensive tobacco prevention program. Florida currently allocates \$61.6 million a year for tobacco prevention and cessation. This is 29.2% of the CDC's recommendation and ranks Florida 15th among the states in the funding of tobacco prevention programs. Florida's spending on tobacco prevention amounts to 3.9% of the estimated \$1.6 billion in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



Recent Developments: Florida's tobacco settlement payments were initially governed by a 1999 law, which allocated the payments to several trust funds, the largest being the Lawton Chiles Endowment Fund for Children and the Elderly. During the program's first full year, \$70 million was provided for tobacco prevention under then-Governor Lawton Chiles (D). After the first four years of the program, between 1998 and 2002, Florida reduced youth smoking rates by 50 percent among middle school students and 35 percent among high school students, according to the Florida Department of Health. Despite its success at reducing youth smoking, funding for the tobacco prevention program came under attack every year. The cuts made to the initial program seriously reduced the effectiveness of the Florida Tobacco Control Program, which was once considered a national model. To restore funding for tobacco prevention, a coalition of public health organizations called Floridians for Youth Tobacco Education, gathered signatures to place a state constitutional amendment on the November 2006 ballot. The amendment passed with 61 percent of the vote and requires Florida to spend 15 percent of its annual tobacco settlement revenue on tobacco prevention programs. In FY2011, \$61.6 million was allocated to the state's tobacco prevention and cessation program, slightly less than was allocated in FY2010.

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

In addition, Florida is receiving \$10.4 million in federal funds dedicated to tobacco prevention and control:

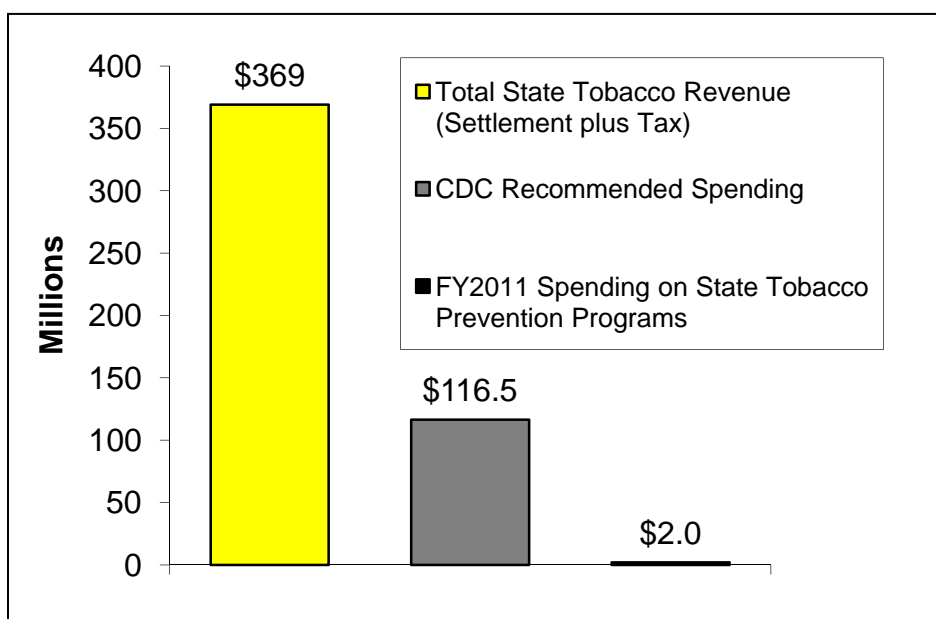
- \$1.9 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2010 (from annual appropriations).
- \$8.4 million in dedicated tobacco control funds from the American Recovery and Reinvestment Act (stimulus bill), including \$1.8 million for telephone quitlines and \$6.6 million for community initiatives. These funds were awarded in March 2010 and are to be spent over a 24-month period. (Florida also received \$2.1 million in stimulus funds to work on physical activity, nutrition and tobacco control, but the exact amount spent on tobacco control is unclear).
- \$145,380 from the Prevention and Public Health Fund in the new health care reform law. These funds are to be used to motivate smokers to quit.

Tobacco's Toll in Florida	
Adults who smoke	17.1%
High school students who smoke	14.3%
Deaths caused by smoking each year	28,600
Annual health care costs directly caused by smoking	\$6.32 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$582 per household
Annual tobacco company marketing in state	\$881.4 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	14.3 to 1

Georgia

	FY2011	FY2010
State Ranking	43	47
STATE SPENDING ON TOBACCO PREVENTION	\$2.0 million	\$2.1 million
% of CDC Recommended Spending (\$116.5 million)	1.8%	1.8%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that Georgia spend \$116.5 million a year to have an effective, comprehensive tobacco prevention program. Georgia currently allocates \$2.0 million a year for tobacco prevention and cessation. This is 1.8% of the CDC's recommendation and ranks Georgia 43rd among the states in the funding of tobacco prevention programs. Georgia's spending on tobacco prevention amounts to 0.6% of the estimated \$369 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



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

Total state spending on tobacco prevention and cessation for FY2011 will be \$2 million, close to what was spent in FY2010 and FY2009.

In addition, Georgia is receiving \$5.6 million in federal funds dedicated to tobacco prevention and control:

- \$1.1 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2010 (from annual appropriations).
- \$4.4 million in dedicated tobacco control funds from the American Recovery and Reinvestment Act (stimulus bill), including \$1.2 for telephone quitlines and \$3.2 million for community initiatives. These funds were awarded in March 2010 and are to be spent over a 24-month period. (Georgia also

received \$1.3 million in stimulus funds to work on physical activity, nutrition and tobacco control, but the exact amount spent on tobacco control is unclear).

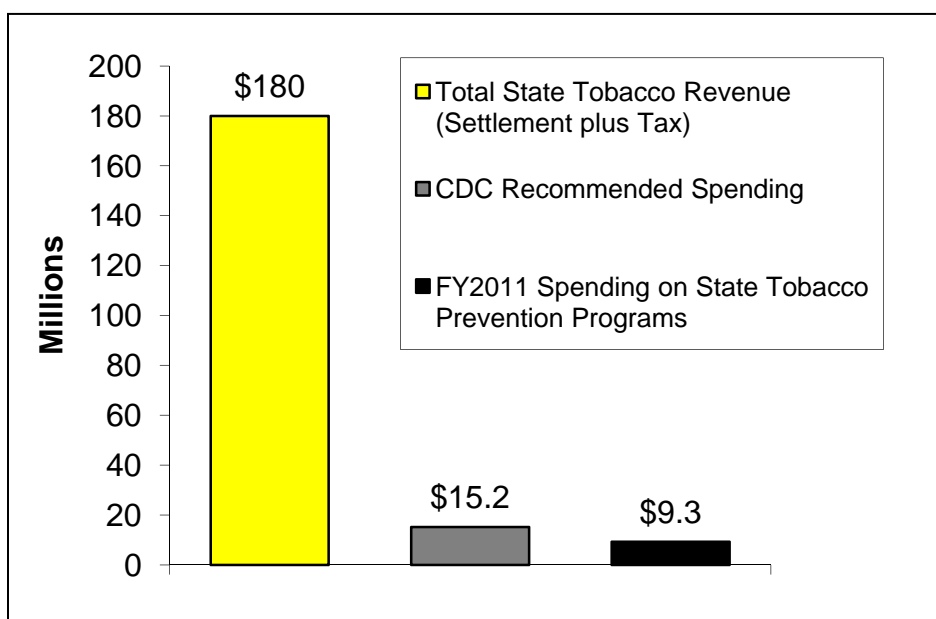
- \$100,573 from the Prevention and Public Health Fund in the new health care reform law. These funds are to be used to motivate smokers to quit.

Tobacco's Toll in Georgia	
Adults who smoke	17.7%
High school students who smoke	16.9%
Deaths caused by smoking each year	10,500
Annual health care costs directly caused by smoking	\$2.25 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$548 per household
Annual tobacco company marketing in state	\$426.4 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	209.0 to 1

Hawaii

	FY2011	FY2010
State Ranking	3	7
STATE SPENDING ON TOBACCO PREVENTION	\$9.3 million	\$7.9 million
% of CDC Recommended Spending (\$15.2 million)	61.1%	52%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that Hawaii spend \$15.2 million a year to have an effective, comprehensive tobacco prevention program. Hawaii currently allocates \$9.3 million a year for tobacco prevention and cessation. This is 61.1% of the CDC's recommendation and ranks Hawaii 3rd among the states in the funding of tobacco prevention programs. Hawaii's spending on tobacco prevention amounts to 5.2% of the estimated \$180 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



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

The FY2011 budget enacted includes \$9.3 million for the tobacco program, seventeen percent more than the state spent on tobacco prevention and cessation in FY2010.

In addition, Hawaii is receiving \$1.4 million in federal funds dedicated to tobacco prevention and control:

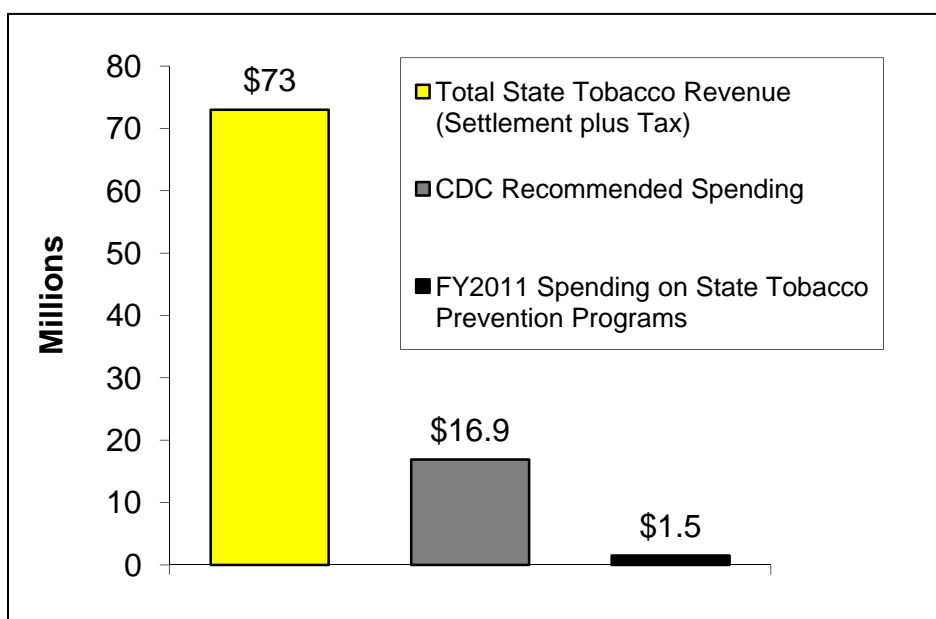
- \$926,456 from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2010 (from annual appropriations).
- \$484,000 in dedicated tobacco control funds from the American Recovery and Reinvestment Act (stimulus bill) for telephone quitlines. These funds were awarded in March 2010 and are to be spent over a 24-month period. (Hawaii also received \$428,713 in stimulus funds to work on physical activity, nutrition and tobacco control, but the exact amount spent on tobacco control is unclear).

Tobacco's Toll in Hawaii	
Adults who smoke	15.4%
High school students who smoke	11.3%
Deaths caused by smoking each year	1,100
Annual health care costs directly caused by smoking	\$336 million
Residents' state & federal tax burden from smoking-caused government expenditures	\$624 per household
Annual tobacco company marketing in state	\$42.1 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	4.5 to 1

Idaho

	FY2011	FY2010
State Ranking	32	36
STATE SPENDING ON TOBACCO PREVENTION	\$1.5 million	\$1.2 million
% of CDC Recommended Spending (\$16.9 million)	8.9%	7.1%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that Idaho spend \$16.9 million a year to have an effective, comprehensive tobacco prevention program. Idaho currently allocates \$1.5 million a year for tobacco prevention and cessation. This is 8.9% of the CDC's recommendation and ranks Idaho 32nd among the states in the funding of tobacco prevention programs. Idaho's spending on tobacco prevention amounts to 2.1% of the estimated \$73 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



Recent Developments: The FY2011 budget for the state's tobacco prevention and cessation program includes \$1.5 million in state funding, which is a slight increase from FY2010 funding.

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

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

- \$1.1 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2010 (from annual appropriations).
- \$495,544 in dedicated tobacco control funds from the American Recovery and Reinvestment Act (stimulus bill) for telephone quitlines. These funds were awarded in March 2010 and are to be spent

over a 24-month period. (Idaho also received \$446,049 in stimulus funds to work on physical activity, nutrition and tobacco control, but the exact amount spent on tobacco control is unclear).

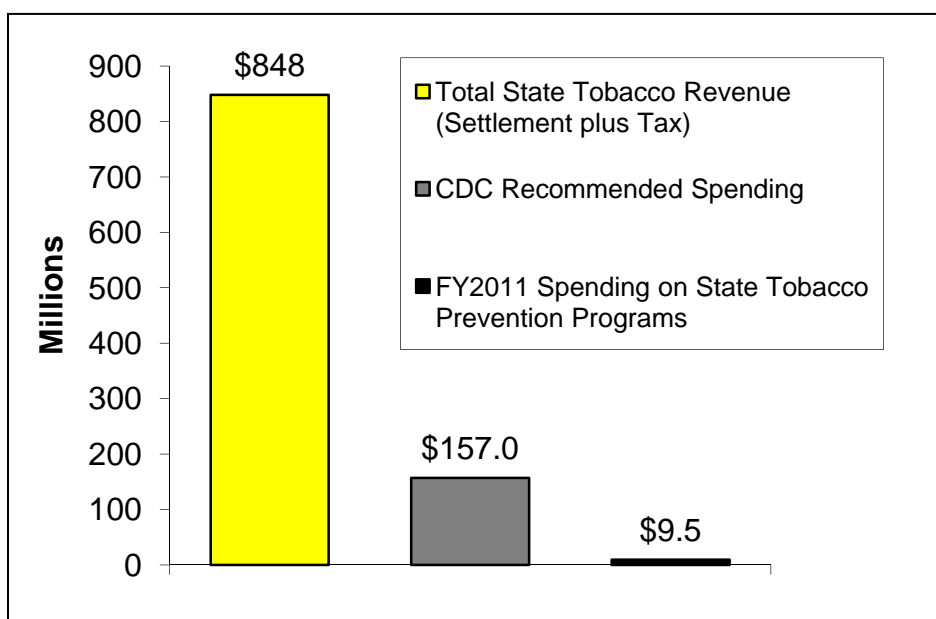
- \$57,953 from the Prevention and Public Health Fund in the new health care reform law. These funds are to be used to motivate smokers to quit.

Tobacco's Toll in Idaho	
Adults who smoke	16.3%
High school students who smoke	14.5%
Deaths caused by smoking each year	1,500
Annual health care costs directly caused by smoking	\$319 million
Residents' state & federal tax burden from smoking-caused government expenditures	\$538 per household
Annual tobacco company marketing in state	\$57.9 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	38.6 to 1

Illinois

	FY2011	FY2010
State Ranking	35	38
STATE SPENDING ON TOBACCO PREVENTION	\$9.5 million	\$8.5 million
% of CDC Recommended Spending (\$157.0 million)	6.1%	5.4%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that Illinois spend \$157.0 million a year to have an effective, comprehensive tobacco prevention program. Illinois currently allocates \$9.5 million a year for tobacco prevention and cessation. This is 6.1% of the CDC's recommendation and ranks Illinois 35th among the states in the funding of tobacco prevention programs. Illinois' spending on tobacco prevention amounts to 1.1% of the estimated \$848 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 FY2011 budget allocated \$9.5 million in state funding for tobacco prevention – a \$1 million dollar increase over FY2010 funding, but just a fraction of what was allocated to the program at the start of the settlement. While Illinois does fund several important tobacco control programs, the state is not pursuing a CDC-based statewide comprehensive program and the use of these funds is not consistent or coordinated. State funds are designated to a state Quitline, to Department of Public Health programs, and to local health departments for prevention and cessation activities. In recent years, tobacco prevention funds were not made available for use until mid-year, which resulted in programs that were either interrupted or ended prematurely, dramatically impacting their effectiveness. Equally disappointing is the lack of direct program funding to the state Department of Public Health IDPH. In previous budgets, the General Assembly has allocated \$5 million in tobacco settlement funding to IDPH. While these funds could be used to coordinate a statewide evaluation campaign or for implementation of the state clean indoor air law and/or surveillance, more than half of this money has been diverted to non-tobacco programs. As a result, opportunities for worthwhile programming were missed and funds were lost.

In addition, Illinois is receiving \$14.4 million in federal funds dedicated to tobacco prevention and control:

- \$1.1 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2010 (from annual appropriations).

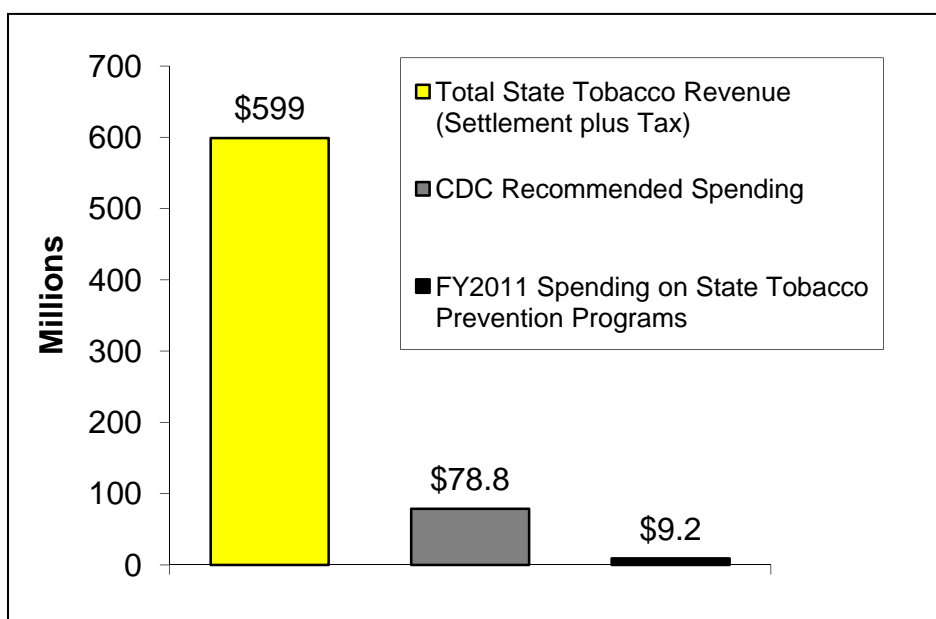
- \$13.1 million in dedicated tobacco control funds from the American Recovery and Reinvestment Act (stimulus bill), including \$1.5 million for telephone quitlines and \$11.6 million for community initiatives. These funds were awarded in March 2010 and are to be spent over a 24-month period. (Illinois also received \$1.6 million in stimulus funds to work on physical activity, nutrition and tobacco control, but the exact amount spent on tobacco control is unclear).
- \$116,426 from the Prevention and Public Health Fund in the new health care reform law. These funds are to be used to motivate smokers to quit.

Tobacco's Toll in Illinois	
Adults who smoke	18.6%
High school students who smoke	18.1%
Deaths caused by smoking each year	16,600
Annual health care costs directly caused by smoking	\$4.10 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$665 per household
Annual tobacco company marketing in state	\$452.4 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	47.6 to 1

Indiana

	FY2011	FY2010
State Ranking	28	29
STATE SPENDING ON TOBACCO PREVENTION	\$9.2 million	\$10.8 million
% of CDC Recommended Spending (\$78.8 million)	11.7%	13.7%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that Indiana spend \$78.8 million a year to have an effective, comprehensive tobacco prevention program. Indiana currently allocates \$9.2 million a year for tobacco prevention and cessation. This is 11.7% 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 1.5% of the estimated \$599 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



Recent Developments: The Healthy Indiana Plan (HIP) legislation, supported by Governor Mitch Daniels (R) and 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. HIP increased the state cigarette tax by 44 cents to 99.5 cents per pack. This new revenue helped fund expanded health care access and childhood immunizations, as well as a small business tax credit and funds for smoking cessation assistance. In FY2008, this program provided an extra \$1.2 million for tobacco prevention through cigarette tax revenue. However, in FY2009 that \$1.2 million was withheld as part of a funding reversion. In FY 2010, tobacco prevention in Indiana took a huge hit when program's budget was cut by roughly 28% to \$10.8 million, down from \$15.0 million in FY2009, and legislators did not appropriate any cigarette tax revenues to tobacco prevention. In FY2011, \$10.8 million was allocated once again to the program; however, Governor Daniels again required a 15 percent reversion, leaving \$9.2 million dollars in state funding for the program, its lowest level ever.

In addition, Indiana is receiving \$2.2 million in federal funds dedicated to tobacco prevention and control:

- \$1.0 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2010 (from annual appropriations).
- \$1.1 million in dedicated tobacco control funds from the American Recovery and Reinvestment Act (stimulus bill) for telephone quitlines. These funds were awarded in March 2010 and are to be spent

over a 24-month period. (Indiana also received \$925,079 in stimulus funds to work on physical activity, nutrition and tobacco control, but the exact amount spent on tobacco control is unclear).

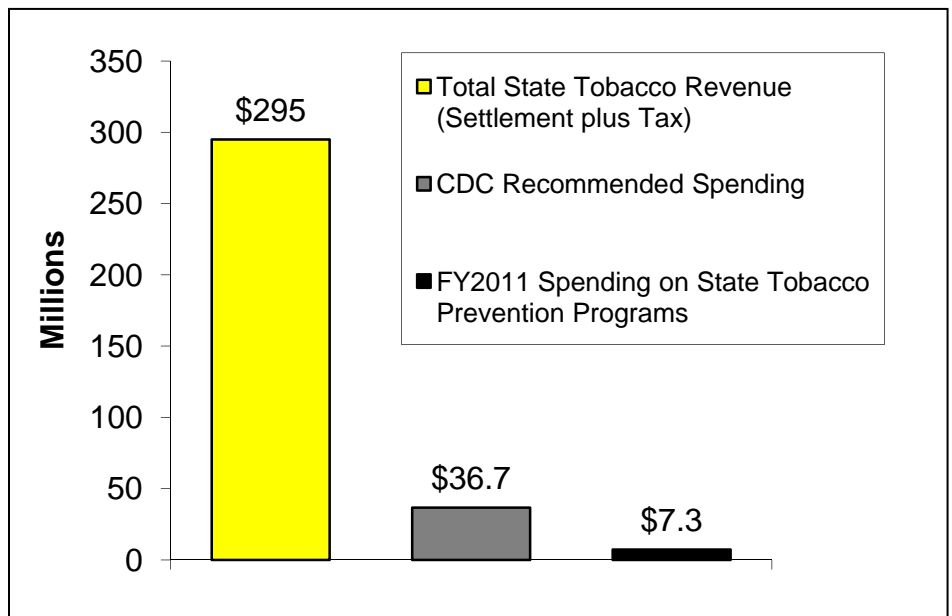
- \$83,048 from the Prevention and Public Health Fund in the new health care reform law. These funds are to be used to motivate smokers to quit.

Tobacco's Toll in Indiana	
Adults who smoke	23.1%
High school students who smoke	23.5%
Deaths caused by smoking each year	9,700
Annual health care costs directly caused by smoking	\$2.08 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$566 per household
Annual tobacco company marketing in state	\$426.2 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	46.3 to 1

Iowa

	FY2011	FY2010
State Ranking	20	17
STATE SPENDING ON TOBACCO PREVENTION	\$7.3 million	\$10.1 million
% of CDC Recommended Spending (\$36.7 million)	20.0%	27.5%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that Iowa spend \$36.7 million a year to have an effective, comprehensive tobacco prevention program. Iowa currently allocates \$7.3 million a year for tobacco prevention and cessation. This is 20.0% of the CDC's recommendation and ranks Iowa 20th among the states in the funding of tobacco prevention programs. Iowa's spending on tobacco prevention amounts to 2.5% of the estimated \$295 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



Recent Developments: The FY2011 budget for Iowa provides \$7.3 million dollars in state funds for tobacco prevention and cessation programs, a decrease from the \$10.1 million allocated in FY2010. While in the past funding for tobacco prevention programs has come from the MSA (Healthy Iowans Tobacco Trust) and the Healthcare Trust Fund (funds from the tobacco tax increase) these funds are now being directed into a general fund where tobacco prevention must compete with many other legislative priorities to secure funding.

The increase in funds in Iowa seen in the past several years is due to the \$1 per pack increase in the cigarette tax 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.

In addition, Iowa is receiving \$5.0 million in federal funds dedicated to tobacco prevention and control:

- \$1.0 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2010 (from annual appropriations).
- \$3.9 million in dedicated tobacco control funds from the American Recovery and Reinvestment Act (stimulus bill), including \$635,919 for telephone quitlines and \$3.3 million for community initiatives. These funds were awarded in March 2010 and are to be spent over a 24-month period. (Iowa also received \$600,256 in stimulus funds to work on physical activity, nutrition and tobacco control, but the exact amount spent on tobacco control is unclear).

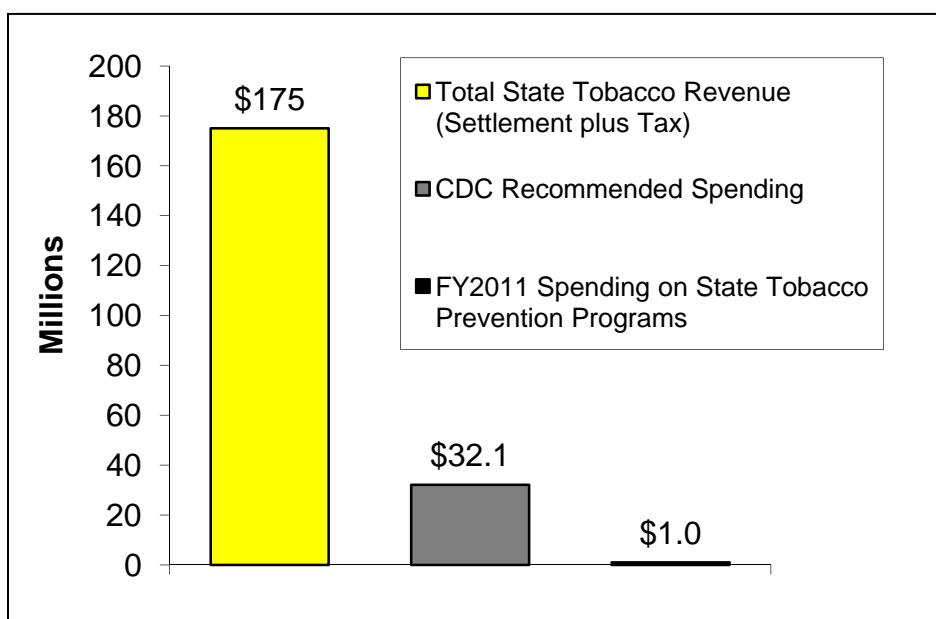
- \$65,476 from the Prevention and Public Health Fund in the new health care reform law. These funds are to be used to motivate smokers to quit.

Tobacco's Toll in Iowa	
Adults who smoke	17.2%
High school students who smoke	18.9%
Deaths caused by smoking each year	4,400
Annual health care costs directly caused by smoking	\$1.01 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$591 per household
Annual tobacco company marketing in state	\$174.2 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	23.7 to 1

Kansas

	FY2011	FY2010
State Ranking	41	45
STATE SPENDING ON TOBACCO PREVENTION	\$1.0 million	\$1.0 million
% of CDC Recommended Spending (\$32.1 million)	3.1%	3.1%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that Kansas spend \$32.1 million a year to have an effective, comprehensive tobacco prevention program. Kansas currently allocates \$1.0 million a year for tobacco prevention and cessation. This is 3.1% of the CDC's recommendation and ranks Kansas 41st among the states in the funding of tobacco prevention programs. Kansas' spending on tobacco prevention amounts to 0.6% of the estimated \$175 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



Recent Developments: Kansas' tobacco settlement funds are governed by a law that directs all of the state's tobacco settlement payments to a trust fund supporting youth programs. The FY2011 budget approved by the Legislature provides just \$1.0 million for tobacco prevention from this fund. Because funding continues to be inadequate for a statewide tobacco prevention program based on CDC recommendations, funding supports countywide prevention programs in selected areas of the state.

Kansas is spending less than the CDC recommended amount on tobacco prevention despite the fact that the state is receiving more tobacco-generated revenue than ever before as a result of a 55-cent cigarette tax increase, enacted in 2002, bringing it to 79 cents a pack.

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

- \$1.3 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2010 (from annual appropriations).
- \$606,129 in dedicated tobacco control funds from the American Recovery and Reinvestment Act (stimulus bill) for telephone quitlines. These funds were awarded in March 2010 and are to be spent over a 24-month period. (Kansas also received \$580,162 in stimulus funds to work on physical activity, nutrition and tobacco control, but the exact amount spent on tobacco control is unclear).

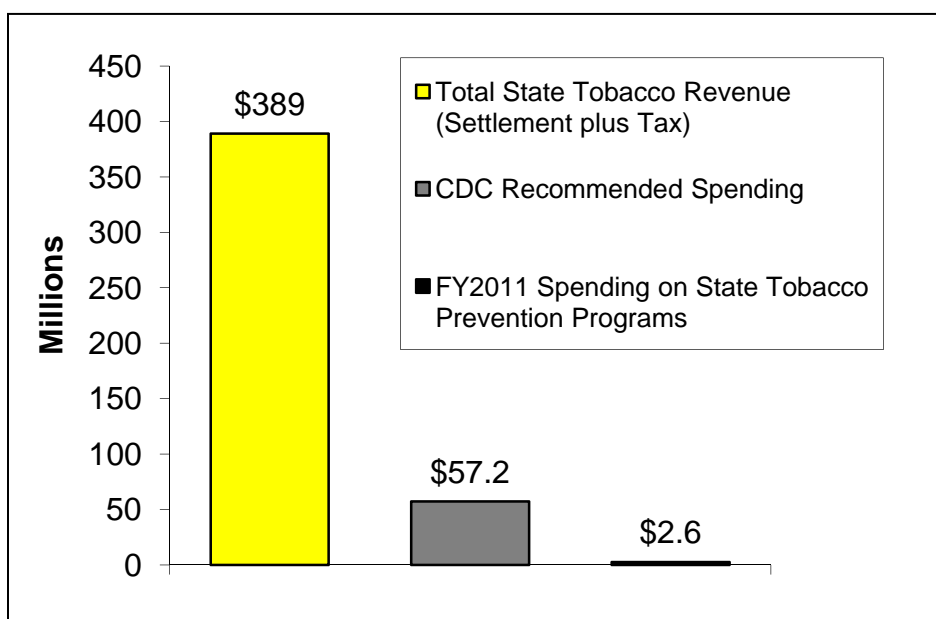
- \$64,045 from the Prevention and Public Health Fund in the new health care reform law. These funds are to be used to motivate smokers to quit.

Tobacco's Toll in Kansas	
Adults who smoke	17.8%
High school students who smoke	16.9%
Deaths caused by smoking each year	3,800
Annual health care costs directly caused by smoking	\$927 million
Residents' state & federal tax burden from smoking-caused government expenditures	\$573 per household
Annual tobacco company marketing in state	\$104.6 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	104.6 to 1

Kentucky

	FY2011	FY2010
State Ranking	39	40
STATE SPENDING ON TOBACCO PREVENTION	\$2.6 million	\$2.8 million
% of CDC Recommended Spending (\$57.2 million)	4.5%	4.9%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that Kentucky spend \$57.2 million a year to have an effective, comprehensive tobacco prevention program. Kentucky currently allocates \$2.6 million a year for tobacco prevention and cessation. This is 4.5% of the CDC's recommendation and ranks Kentucky 39th among the states in the funding of tobacco prevention programs. Kentucky's spending on tobacco prevention amounts to 0.7% of the estimated \$389 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



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

Kentucky is spending less than the CDC recommended amount on tobacco prevention despite the fact that the state is receiving more tobacco-generated revenue than ever before as a result of a 30-cent cigarette tax increase, enacted in 2009, bringing Kentucky's tax to 60 cents a pack.

In total, the state of Kentucky is spending \$2.6 million on tobacco prevention and cessation for FY2011, about equal to what was spent in FY2010.

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

- \$1.1 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2010 (from annual appropriations).
- \$852,144 in dedicated tobacco control funds from the American Recovery and Reinvestment Act (stimulus bill) for telephone quitlines. These funds were awarded in March 2010 and are to be spent

over a 24-month period. (Kentucky also received \$726,925 in stimulus funds to work on physical activity, nutrition and tobacco control, but the exact amount spent on tobacco control is unclear).

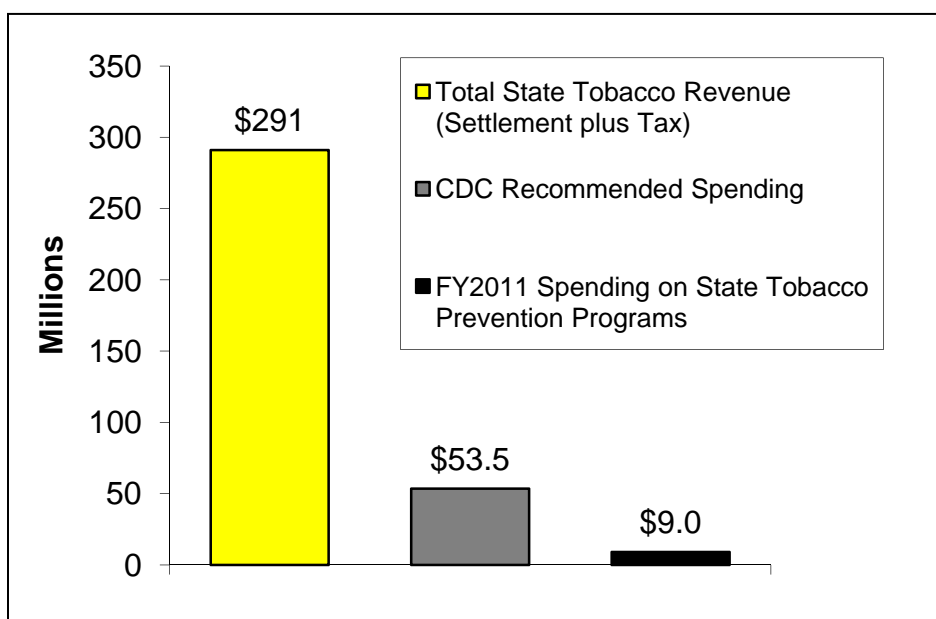
- \$72,033 from the Prevention and Public Health Fund in the new health care reform law. These funds are to be used to motivate smokers to quit.

Tobacco's Toll in Kentucky	
Adults who smoke	25.6%
High school students who smoke	26.1%
Deaths caused by smoking each year	7,800
Annual health care costs directly caused by smoking	\$1.50 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$583 per household
Annual tobacco company marketing in state	\$417.5 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	161.6 to 1

Louisiana

	FY2011	FY2010
State Ranking	24	26
STATE SPENDING ON TOBACCO PREVENTION	\$9.0 million	\$7.8 million
% of CDC Recommended Spending (\$53.5 million)	16.9%	14.6%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that Louisiana spend \$53.5 million a year to have an effective, comprehensive tobacco prevention program. Louisiana currently allocates \$9.0 million a year for tobacco prevention and cessation. This is 16.9% of the CDC's recommendation and ranks Louisiana 24th among the states in the funding of tobacco prevention programs. Louisiana's spending on tobacco prevention amounts to 3.1% of the estimated \$291 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



Recent Developments: In 2002, the Legislature passed and then-Governor Mike Foster (R) signed into law a 12-cent per pack increase in the state cigarette tax, to 36 cents a pack. Each pack also dedicated 2 cents to a Cancer Consortium comprised of Tulane University and Louisiana State University for tobacco prevention and cessation programs. Revenue generated from the tax will automatically flow to the Consortium every year, unless the law is changed by the Legislature.

Total state spending on tobacco prevention and cessation for FY2011 will be \$9 million, about equal to what was spent in FY2010.

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

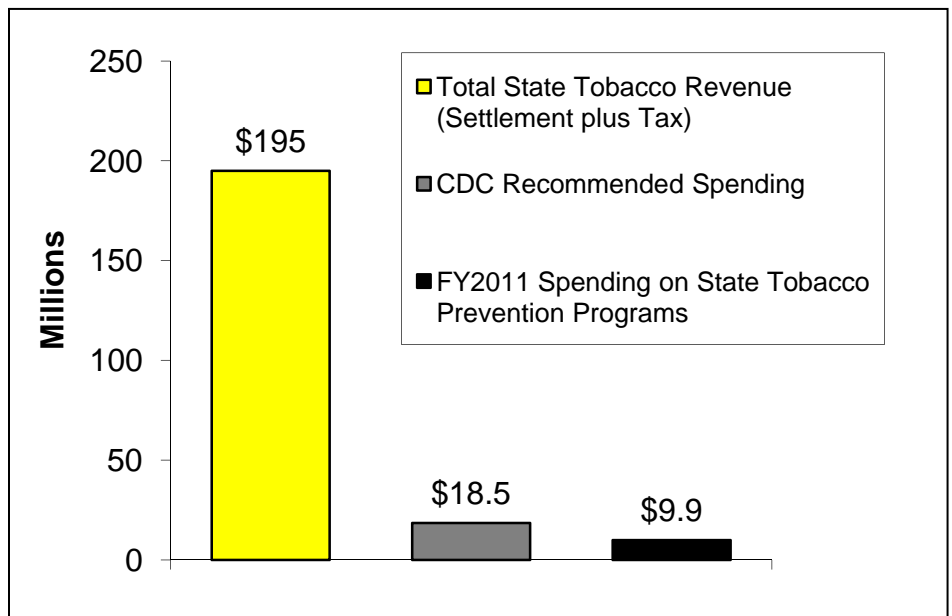
- \$1.1 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2010 (from annual appropriations).
- \$771,040 in dedicated tobacco control funds from the American Recovery and Reinvestment Act (stimulus bill) for telephone quitlines. These funds were awarded in March 2010 and are to be spent over a 24-month period. (Louisiana also received \$741,080 in stimulus funds to work on physical activity, nutrition and tobacco control, but the exact amount spent on tobacco control is unclear).
- \$73,112 from the Prevention and Public Health Fund in the new health care reform law. These funds are to be used to motivate smokers to quit.

Tobacco's Toll in Louisiana	
Adults who smoke	22.1%
High school students who smoke	19.4%
Deaths caused by smoking each year	6,500
Annual health care costs directly caused by smoking	\$1.47 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$644 per household
Annual tobacco company marketing in state	\$241.0 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	26.7 to 1

Maine

	FY2011	FY2010
State Ranking	7	5
STATE SPENDING ON TOBACCO PREVENTION	\$9.9 million	\$10.8 million
% of CDC Recommended Spending (\$18.5 million)	53.5%	58.4%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that Maine spend \$18.5 million a year to have an effective, comprehensive tobacco prevention program. Maine currently allocates \$9.9 million a year for tobacco prevention and cessation. This is 53.5% of the CDC's recommendation and ranks Maine 7th among the states in the funding of tobacco prevention programs. Maine's spending on tobacco prevention amounts to 5.1% of the estimated \$195 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 FY2011 budget enacted by the Legislature and Governor John Baldacci (D) included \$9.9 million for the tobacco program. This is a little less than the state spent on tobacco-specific work in FY2010, but the reduction reflects a decrease in settlement payments from the tobacco companies, not cuts to the program from the legislature or Governor. 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 now distinguishes between funds specifically spent on tobacco control work and funds spent on other activities that target the range of factors that drive tobacco-related chronic diseases.

In addition, Maine is receiving \$1.5 million in federal funds dedicated to tobacco prevention and control:

- \$944,248 from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2010 (from annual appropriations).
- \$503,884 in dedicated tobacco control funds from the American Recovery and Reinvestment Act (stimulus bill) for telephone quitlines. These funds were awarded in March 2010 and are to be spent over a 24-month period. (Maine also received \$431,646 in stimulus funds to work on physical activity, nutrition and tobacco control, but the exact amount spent on tobacco control is unclear).

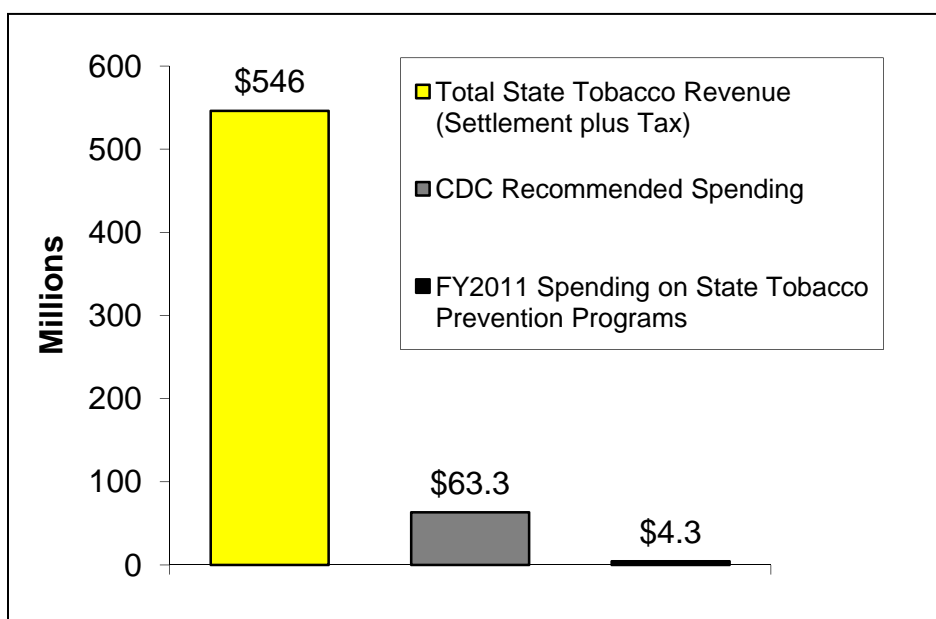
- \$53,098 from the Prevention and Public Health Fund in the new health care reform law. These funds are to be used to motivate smokers to quit.

Tobacco's Toll in Maine	
Adults who smoke	17.3%
High school students who smoke	18.1%
Deaths caused by smoking each year	2,200
Annual health care costs directly caused by smoking	\$602 million
Residents' state & federal tax burden from smoking-caused government expenditures	\$651 per household
Annual tobacco company marketing in state	\$59.0 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	6.0 to 1

Maryland

	FY2011	FY2010
State Ranking	34	34
STATE SPENDING ON TOBACCO PREVENTION	\$4.3 million	\$5.5 million
% of CDC Recommended Spending (\$63.3 million)	6.9%	8.7%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that Maryland spend \$63.3 million a year to have an effective, comprehensive tobacco prevention program. Maryland currently allocates \$4.3 million a year for tobacco prevention and cessation. This is 6.9% of the CDC's recommendation and ranks Maryland 34th among the states in the funding of tobacco prevention programs. Maryland's spending on tobacco prevention amounts to 0.8% of the estimated \$546 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



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

In November 2007, during a special legislative session called by Governor O'Malley to resolve the state's budget deficit, the legislature approved and the governor signed into law a \$1 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.

Previously, state law required that a minimum of \$21 million be spent annually from state and federal funds on tobacco prevention and cessation. In 2010, the governor proposed and the legislature approved budget language eliminating the requirement for a minimum level of tobacco prevention funding.

There have been significant cuts to the tobacco prevention and cessation program for FY2011. State funding has dropped to \$4.3 million from the \$5.5 million that was allocated in the previous year. The \$4.3 million in funding is a substantial decrease when compared to the \$19.6 million that was allocated in FY2009. Unless this program funding is substantially increased, Maryland's historic 32 percent drop in smoking over the past twelve years (double the national average) could be reversed.

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

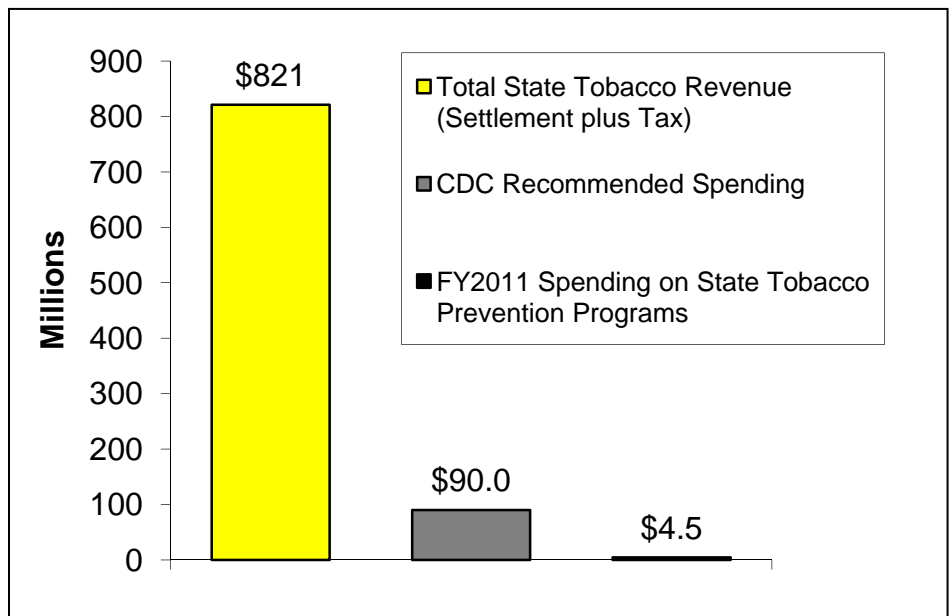
- \$1.2 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2010 (from annual appropriations).
- \$750,534 in dedicated tobacco control funds from the American Recovery and Reinvestment Act (stimulus bill) for telephone quitlines. These funds were awarded in March 2010 and are to be spent over a 24-month period. (Maryland also received \$863,360 in stimulus funds to work on physical activity, nutrition and tobacco control, but the exact amount spent on tobacco control is unclear).
- \$79,325 from the Prevention and Public Health Fund in the new health care reform law. These funds are to be used to motivate smokers to quit.

Tobacco's Toll in Maryland	
Adults who smoke	15.2%
High school students who smoke	11.9%
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	\$616 per household
Annual tobacco company marketing in state	\$188.8 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	43.4 to 1

Massachusetts

	FY2011	FY2010
State Ranking	37	39
STATE SPENDING ON TOBACCO PREVENTION	\$4.5 million	\$4.5 million
% of CDC Recommended Spending (\$90.0 million)	5.0%	5.0%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that Massachusetts spend \$90.0 million a year to have an effective, comprehensive tobacco prevention program. Massachusetts currently allocates \$4.5 million a year for tobacco prevention and cessation. This is 5.0% of the CDC's recommendation and ranks Massachusetts 37th among the states in the funding of tobacco prevention programs. Massachusetts' spending on tobacco prevention amounts to 0.5% of the estimated \$821 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



Recent Developments: Massachusetts launched its program in 1993 with funding from a voter-approved cigarette tax of 25 cents a pack. In December 1999, the legislature voted to supplement the Massachusetts Tobacco Control Program (MTCP) cigarette tax funding with tobacco settlement money. By 2002-2003, fiscal emergencies and other factors led to funding cuts that nearly eliminated the program. Since then, the legislature has increased funding, most notably in FY2008, when funding was increased from \$8.25 million to \$12.75 million. However, in FY2010, the state legislature and Governor Deval Patrick (D) cut the MTCP from \$12.2 million to \$4.5 million. The FY2011 budget enacted by the legislature and Governor Patrick maintained tobacco control program funding at \$4.5 million. In total, the MA program has been cut by 65% since FY2008.

In addition, Massachusetts is receiving \$9.8 million in federal funds dedicated to tobacco prevention and control:

- \$1.6 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2010 (from annual appropriations).
- \$8.1 million in dedicated tobacco control funds from the American Recovery and Reinvestment Act (stimulus bill), including \$847,398 for telephone quitlines, \$1.2 million for state initiatives and \$6.1 million for community initiatives. These funds were awarded in March 2010 and are to be spent over a

24-month period. (Massachusetts also received \$949,797 in stimulus funds to work on physical activity, nutrition and tobacco control, but the exact amount spent on tobacco control is unclear).

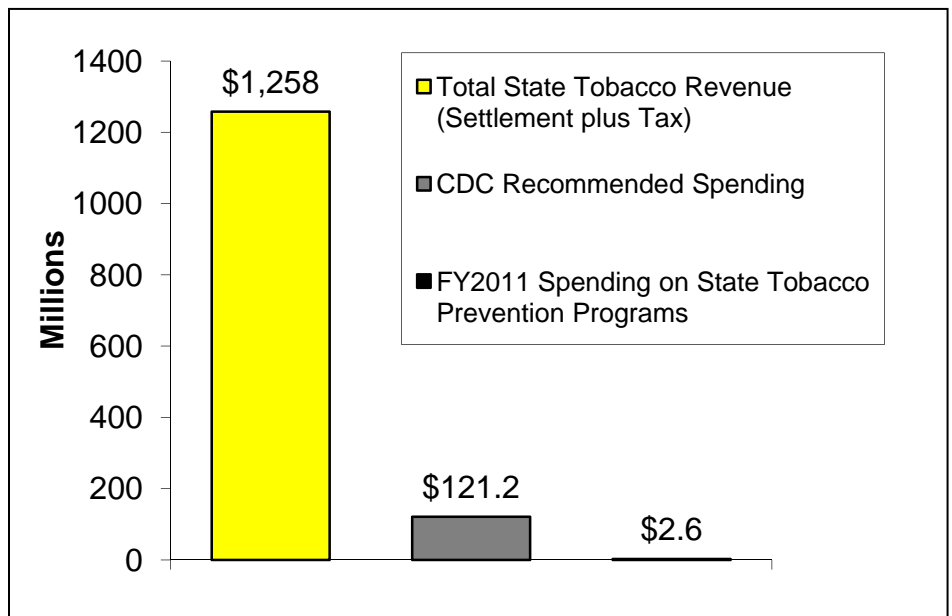
- \$83,924 from the Prevention and Public Health Fund in the new health care reform law. These funds are to be used to motivate smokers to quit.

Tobacco's Toll in STATE	
Adults who smoke	15.0%
High school students who smoke	16.0%
Deaths caused by smoking each year	9,000
Annual health care costs directly caused by smoking	\$3.54 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$729 per household
Annual tobacco company marketing in state	\$194.6 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	43.4 to 1

Michigan

	FY2011	FY2010
State Ranking	42	46
STATE SPENDING ON TOBACCO PREVENTION	\$2.6 million	\$2.6 million
% of CDC Recommended Spending (\$121.2 million)	2.1%	2.1%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that Michigan spend \$121.2 million a year to have an effective, comprehensive tobacco prevention program. Michigan currently allocates \$2.6 million a year for tobacco prevention and cessation. This is 2.1% of the CDC's recommendation and ranks Michigan 42nd among the states in the funding of tobacco prevention programs. Michigan's spending on tobacco prevention amounts to 0.2% of the estimated \$1.3 billion in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



Recent Developments: Michigan's budget for FY2011 allocates \$2.6 million to the Tobacco Section of the Michigan Department of Community Health, level funding with FY2010. The state continues to dedicate no funding from the Master Settlement Agreement toward reducing tobacco-caused death and disease, and the little funding it does provide falls far short of the amount needed for a comprehensive CDC-based program. Michigan continues to be one of the only states that has never dedicated any Master Settlement Agreement funds for tobacco prevention.

In addition, Michigan is receiving \$4.5 million in federal funds dedicated to tobacco prevention and control:

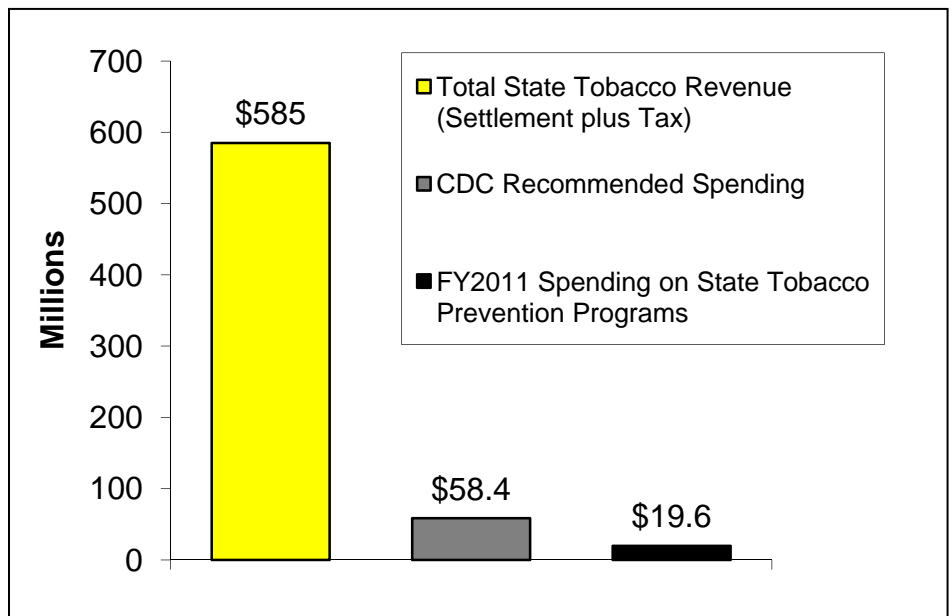
- \$1.6 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2010 (from annual appropriations).
- \$2.8 million in dedicated tobacco control funds from the American Recovery and Reinvestment Act (stimulus bill), including \$1.3 million for telephone quitlines and \$1.5 million for state initiatives. These funds were awarded in March 2010 and are to be spent over a 24-month period. (Michigan also received \$1.3 million in stimulus funds to work on physical activity, nutrition and tobacco control, but the exact amount spent on tobacco control is unclear).
- \$101,296 from the Prevention and Public Health Fund in the new health care reform law. These funds are to be used to motivate smokers to quit.

Tobacco's Toll in Michigan	
Adults who smoke	19.6%
High school students who smoke	18.8%
Deaths caused by smoking each year	14,500
Annual health care costs directly caused by smoking	\$3.40 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$602 per household
Annual tobacco company marketing in state	\$393.6 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	151.5 to 1

Minnesota

	FY2011	FY2010
State Ranking	10	13
STATE SPENDING ON TOBACCO PREVENTION	\$19.6 million	\$20.3 million
% of CDC Recommended Spending (\$58.4 million)	33.6%	34.8%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that Minnesota spend \$58.4 million a year to have an effective, comprehensive tobacco prevention program. Minnesota currently allocates \$19.6 million a year for tobacco prevention and cessation. This is 33.6% of the CDC's recommendation and ranks Minnesota 10th among the states in the funding of tobacco prevention programs. Minnesota's spending on tobacco prevention amounts to 3.4% of the estimated \$585 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



Recent Developments: In FY2011, legislatively-allocated funding for tobacco prevention remains low, though Minnesota continues to benefit from the 1998 settlement reached between the tobacco industry and both the state and Blue Cross/Blue Shield of Minnesota. This settlement resulted in the creation of ClearWay Minnesota, an independent non-profit organization that allocates funds for tobacco prevention free from legislative action. Authorized for 25 years, Clearway Minnesota will close its doors in 2023. In FY2011, Minnesota is scheduled to spend \$19.6 million for tobacco prevention and cessation programs - including \$16.4 million approved by ClearWay Minnesota's Board of Directors and \$3.2 million in state funds. Also party to the state's individual tobacco settlement, Blue Cross/Blue Shield was allocated \$241 million in settlement funds, aiding the launch of a long-term initiative in 2006 to improve the health of Minnesotans. Although Blue Cross expenditures on tobacco prevention are substantial, they are not public funds, and therefore do not meet the criteria for inclusion in the state total of this report.

Minnesota will also receive \$27 million from the Statewide Health Improvement Program (SHIP) in FY2011. SHIP is the result of the 2007 Minnesota Legislature's request to develop a plan for statewide health promotion in order to control the rising cost of health care in the state. SHIP funding for FY2011 will focus on tobacco control and obesity, but since it is not possible to quantify the exact amount to be spent in relation to tobacco control, the \$27 million is not counted in Minnesota's total state spending. In addition, when it was created, SHIP was only funded through FY2011 and not attached to a base budget.

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

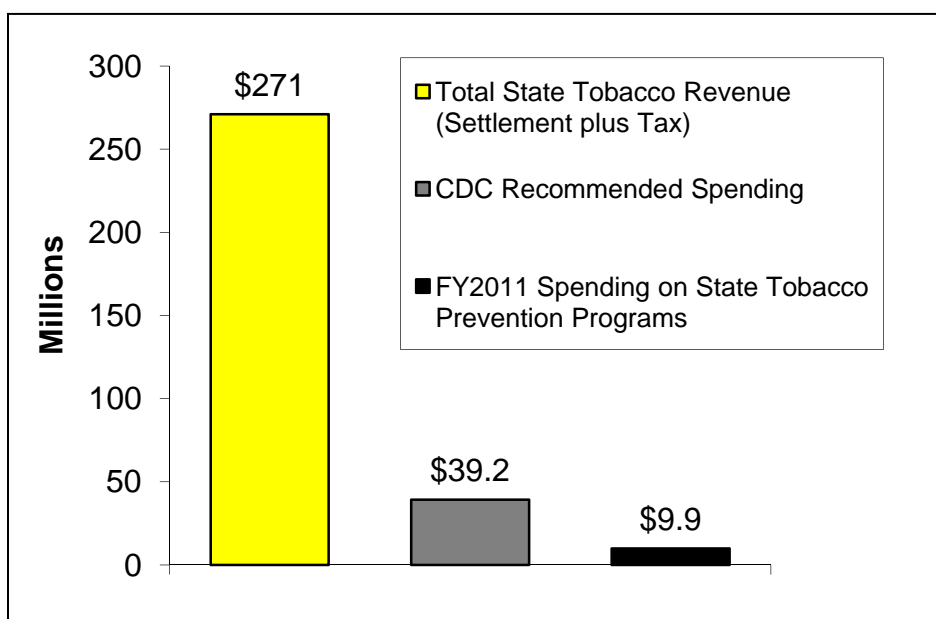
- \$1.2 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2010 (from annual appropriations).
- \$782,479 in dedicated tobacco control funds from the American Recovery and Reinvestment Act (stimulus bill) for telephone quitlines. These funds were awarded in March 2010 and are to be spent over a 24-month period. (Minnesota also received \$822,038 in stimulus funds to work on physical activity, nutrition and tobacco control, but the exact amount spent on tobacco control is unclear).
- \$77,095 from the Prevention and Public Health Fund in the new health care reform law. These funds are to be used to motivate smokers to quit.

Tobacco's Toll in Minnesota	
Adults who smoke	16.8%
High school students who smoke	19.1%
Deaths caused by smoking each year	5,500
Annual health care costs directly caused by smoking	\$2.06 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$616 per household
Annual tobacco company marketing in state	\$196.6 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	10.0 to 1

Mississippi

	FY2011	FY2010
State Ranking	17	18
STATE SPENDING ON TOBACCO PREVENTION	\$9.9 million	\$10.6 million
% of CDC Recommended Spending (\$39.2 million)	25.3%	27%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that Mississippi spend \$39.2 million a year to have an effective, comprehensive tobacco prevention program. Mississippi currently allocates \$9.9 million a year for tobacco prevention and cessation. This is 25.3% of the CDC's recommendation and ranks Mississippi 17th among the states in the funding of tobacco prevention programs. Mississippi's spending on tobacco prevention amounts to 3.7% of the estimated \$271 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



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

In FY2011, Mississippi will spend \$9.9 million in state tobacco prevention, slightly less than what was spent last year. This is just 25% of the CDC recommended funding.

In addition, Mississippi is receiving \$4.8 million in federal funds dedicated to tobacco prevention and control:

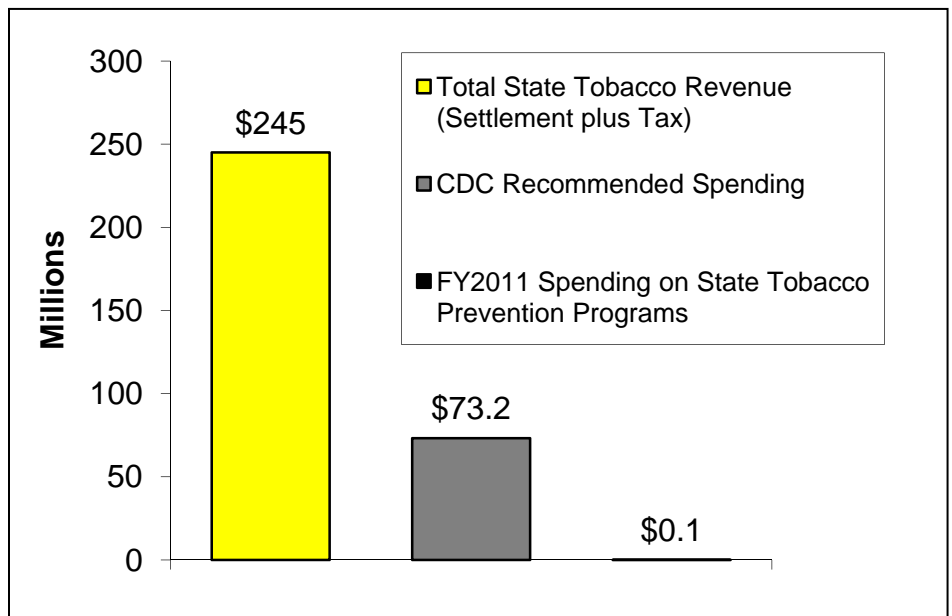
- \$1.1 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2010 (from annual appropriations).
- \$3.7 million in dedicated tobacco control funds from the American Recovery and Reinvestment Act (stimulus bill), including \$670,176 for telephone quitlines and \$3.0 million for state initiatives. These funds were awarded in March 2010 and are to be spent over a 24-month period. (Mississippi also received \$593,862 in stimulus funds to work on physical activity, nutrition and tobacco control, but the exact amount spent on tobacco control is unclear).

Tobacco's Toll in Mississippi	
Adults who smoke	23.3%
High school students who smoke	19.6%
Deaths caused by smoking each year	4,700
Annual health care costs directly caused by smoking	\$719 million
Residents' state & federal tax burden from smoking-caused government expenditures	\$555 per household
Annual tobacco company marketing in state	\$185.5 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	18.7 to 1

Missouri

	FY2011	FY2010
State Ranking	48	48
STATE SPENDING ON TOBACCO PREVENTION	\$60,000	\$1.2 million
% of CDC Recommended Spending (\$73.2 million)	0.1%	1.6%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that Missouri spend \$73.2 million a year to have an effective, comprehensive tobacco prevention program. Missouri currently allocates \$60,000 a year for tobacco prevention and cessation. This is 0.1% of the CDC's recommendation and ranks Missouri 48th among the states in the funding of tobacco prevention programs. Missouri's spending on tobacco prevention amounts to 0% of the estimated \$245 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



Recent Developments: Missouri is spending just \$58,693 in state funds on tobacco prevention in FY2011. This is a substantial decrease from the \$1.2 million allocated to tobacco prevention in FY2010. Current funding is not nearly enough to pursue a comprehensive prevention and cessation program. From FY2003 through FY2007, the legislature dedicated no funding for tobacco prevention. In 2006, Missouri voters narrowly rejected a ballot initiative to increase the state cigarette tax by 80 cents a pack and double the tax on other tobacco products. The initiative would have given Missouri one of the best-funded prevention programs in the country. Instead, Missouri's cigarette tax remains at 17 cents per pack which is significantly lower than the \$1.34 per pack average across the United States. Missouri remains among the bottom states in funding tobacco prevention and cessation programs.

In addition, Missouri is receiving \$9.9 million in federal funds dedicated to tobacco prevention and control:

- \$1.2 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2010 (from annual appropriations).
- \$8.6 million in dedicated tobacco control funds from the American Recovery and Reinvestment Act (stimulus bill), including \$1.0 million for telephone quitlines and \$7.6 million for community initiatives. These funds were awarded in March 2010 and are to be spent over a 24-month period. (Missouri also received \$891,160 in stimulus funds to work on physical activity, nutrition and tobacco control, but the exact amount spent on tobacco control is unclear).

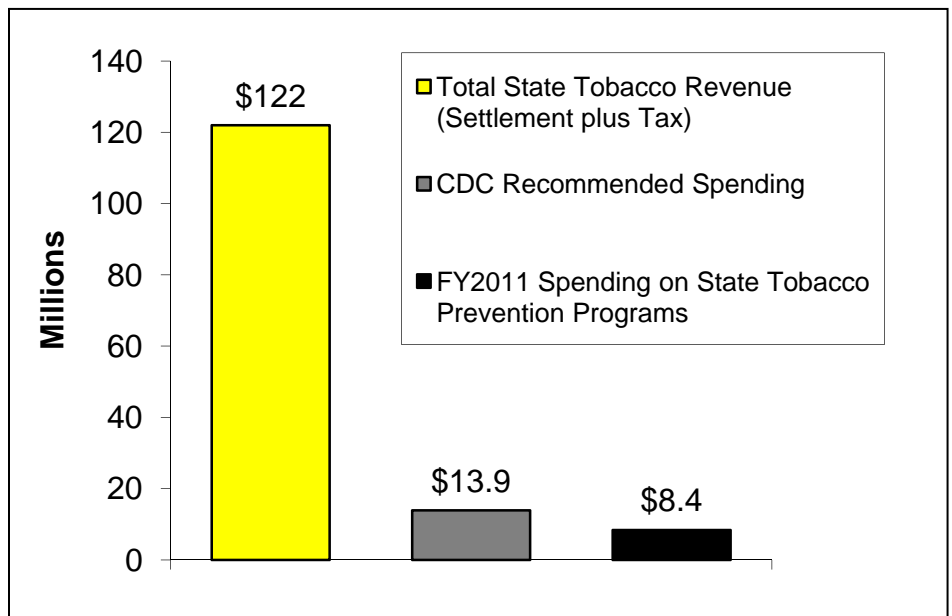
- \$80,807 from the Prevention and Public Health Fund in the new health care reform law. These funds are to be used to motivate smokers to quit.

Tobacco's Toll in Missouri	
Adults who smoke	23.1%
High school students who smoke	18.9%
Deaths caused by smoking each year	9,500
Annual health care costs directly caused by smoking	\$2.13 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$586 per household
Annual tobacco company marketing in state	\$419.9 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	6,998.1 to 1

Montana

	FY2011	FY2010
State Ranking	4	4
STATE SPENDING ON TOBACCO PREVENTION	\$8.4 million	\$8.4 million
% of CDC Recommended Spending (\$13.9 million)	60.4%	60.4%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that Montana spend \$13.9 million a year to have an effective, comprehensive tobacco prevention program. Montana currently allocates \$8.4 million a year for tobacco prevention and cessation. This is 60.4% of the CDC's recommendation and ranks Montana 4th among the states in the funding of tobacco prevention programs. Montana's spending on tobacco prevention amounts to 6.9% of the estimated \$122 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



Recent Developments: For FY2011, the Legislature and Governor Brian Schweitzer (D) allocated \$8.4 million in state funds for the state's tobacco prevention program. This is the same amount allocated in FY2010 but still below the CDC's recommended level of spending for tobacco prevention and control.

In addition, Montana is receiving \$1.4 million in federal funds dedicated to tobacco prevention and control:

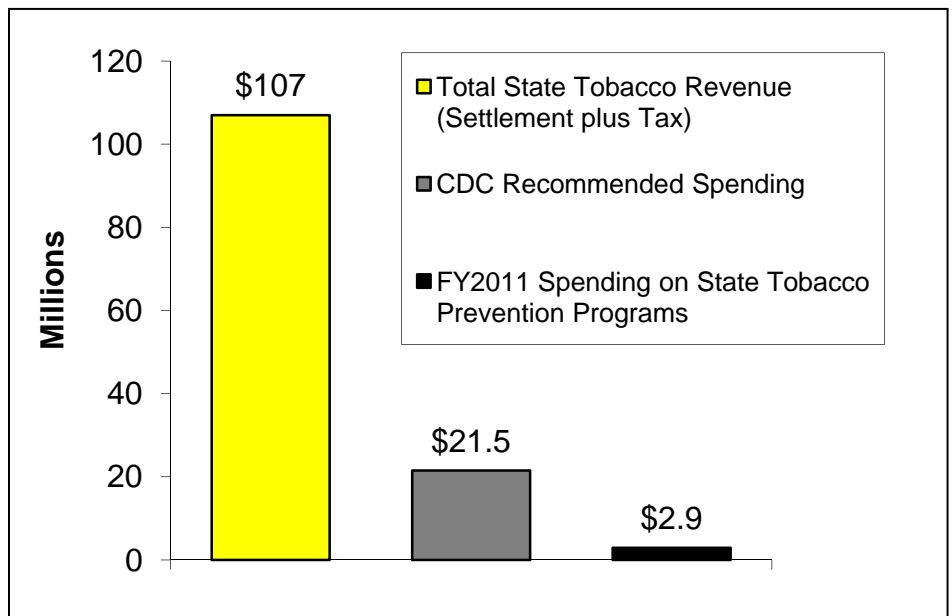
- \$961,792 from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2010 (from annual appropriations).
- \$475,721 in dedicated tobacco control funds from the American Recovery and Reinvestment Act (stimulus bill) for telephone quitlines. These funds were awarded in March 2010 and are to be spent over a 24-month period. (Montana also received \$396,744 in stimulus funds to work on physical activity, nutrition and tobacco control, but the exact amount spent on tobacco control is unclear).

Tobacco's Toll in Montana	
Adults who smoke	16.8%
High school students who smoke	18.7%
Deaths caused by smoking each year	1,400
Annual health care costs directly caused by smoking	\$277 million
Residents' state & federal tax burden from smoking-caused government expenditures	\$556 per household
Annual tobacco company marketing in state	\$33.3 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	4.0 to 1

Nebraska

	FY2011	FY2010
State Ranking	26	27
STATE SPENDING ON TOBACCO PREVENTION	\$2.9 million	\$3.0 million
% of CDC Recommended Spending (\$21.5 million)	13.3%	14%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that Nebraska spend \$21.5 million a year to have an effective, comprehensive tobacco prevention program. Nebraska currently allocates \$2.9 million a year for tobacco prevention and cessation. This is 13.3% of the CDC's recommendation and ranks Nebraska 26th among the states in the funding of tobacco prevention programs. Nebraska's spending on tobacco prevention amounts to 2.7% of the estimated \$107 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



Recent Developments: For FY2011, Nebraska has allocated \$2.9 million in state funds for the state's tobacco prevention and cessation program, about the same amount that was allocated in FY2010. Still, funding for this promising program remains substantially below the \$7.0 million in state funds allocated in FY2001.

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

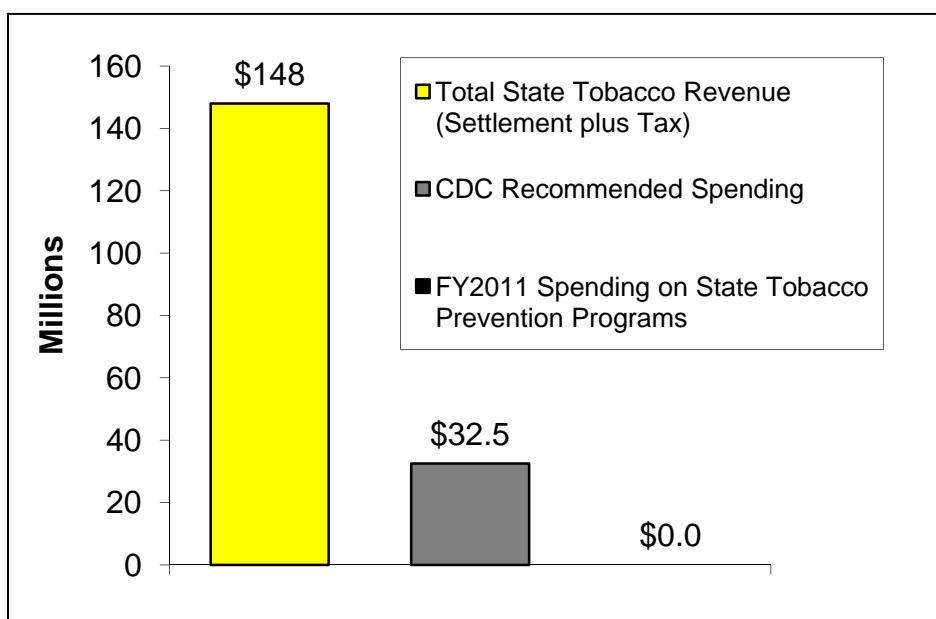
- \$1.2 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2010 (from annual appropriations).
- \$534,756 in dedicated tobacco control funds from the American Recovery and Reinvestment Act (stimulus bill) for telephone quitlines. These funds were awarded in March 2010 and are to be spent over a 24-month period. (Nebraska also received \$478,336 in stimulus funds to work on physical activity, nutrition and tobacco control, but the exact amount spent on tobacco control is unclear).
- \$59,244 from the Prevention and Public Health Fund in the new health care reform law. These funds are to be used to motivate smokers to quit.

Tobacco's Toll in Nebraska	
Adults who smoke	16.7%
High school students who smoke	22.3%
Deaths caused by smoking each year	2,200
Annual health care costs directly caused by smoking	\$537 million
Residents' state & federal tax burden from smoking-caused government expenditures	\$576 per household
Annual tobacco company marketing in state	\$72.1 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	25.2 to 1

Nevada

	FY2011	FY2010
State Ranking	51	33
STATE SPENDING ON TOBACCO PREVENTION	\$0	\$2.9 million
% of CDC Recommended Spending (\$32.5 million)	0.0%	8.9%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that Nevada spend \$32.5 million a year to have an effective, comprehensive tobacco prevention program. Nevada currently allocates \$0 a year for tobacco prevention and cessation. This is 0.0% of the CDC's recommendation and ranks Nevada 51st among the states in the funding of tobacco prevention programs. Nevada's spending on tobacco prevention amounts to 0% of the estimated \$148 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



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

In FY2011, due to revenue shortfalls, state funding for tobacco prevention and cessation programs was completely eliminated. The state tobacco prevention and cessation program is surviving on dollars from the Centers for Disease Control and Prevention, although many grantees, including local health districts, are no longer receiving funding from the state. The tobacco programs at the Southern Nevada Health District received federal stimulus funds through the Communities Putting Prevention to Work grant, but this is a one-time appropriation.

In addition, Nevada is receiving \$16.2 million in federal funds dedicated to tobacco prevention and control:

- \$857,535 from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2010 (from annual appropriations).

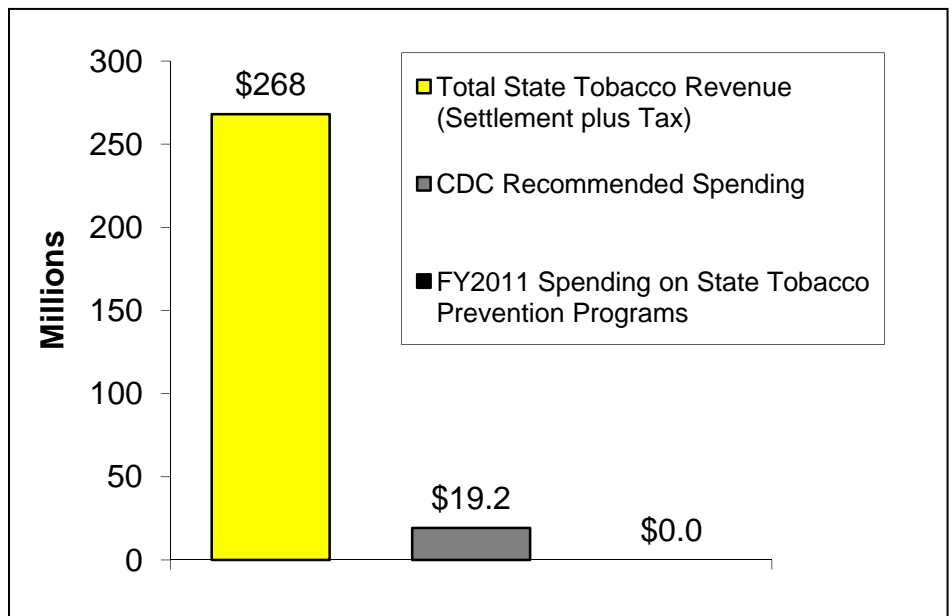
- \$15.2 million in dedicated tobacco control funds from the American Recovery and Reinvestment Act (stimulus bill), including \$636,000 for telephone quitlines and \$14.6 million for community initiatives. These funds were awarded in March 2010 and are to be spent over a 24-month period. (Nevada also received \$559,057 in stimulus funds to work on physical activity, nutrition and tobacco control, but the exact amount spent on tobacco control is unclear).
- \$63,169 from the Prevention and Public Health Fund in the new health care reform law. These funds are to be used to motivate smokers to quit.

Tobacco's Toll in Nevada	
Adults who smoke	22.0%
High school students who smoke	17.0%
Deaths caused by smoking each year	3,300
Annual health care costs directly caused by smoking	\$565 million
Residents' state & federal tax burden from smoking-caused government expenditures	\$554 per household
Annual tobacco company marketing in state	\$113.8 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	NA

New Hampshire

	FY2011	FY2010
State Ranking	51	51
STATE SPENDING ON TOBACCO PREVENTION	\$0	\$0
% of CDC Recommended Spending (\$19.2 million)	0.0%	0.0%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that New Hampshire spend \$19.2 million a year to have an effective, comprehensive tobacco prevention program. New Hampshire currently allocates \$0 a year for tobacco prevention and cessation. This is 0.0% of the CDC's recommendation and ranks New Hampshire 51st among the states in the funding of tobacco prevention programs. New Hampshire's spending on tobacco prevention amounts to 0% of the estimated \$268 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



Recent Developments: Instead of allocating funds for tobacco prevention programs for FY2011, the legislature allocated one dollar to the state's cancer plan for the next two years. New Hampshire's lack of funding for tobacco prevention comes as the state receives more tobacco-generated revenue than ever before because of a 45-cent cigarette tax increase, bringing the tax to \$1.78 a pack. The higher tax went into effect in 2009.

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

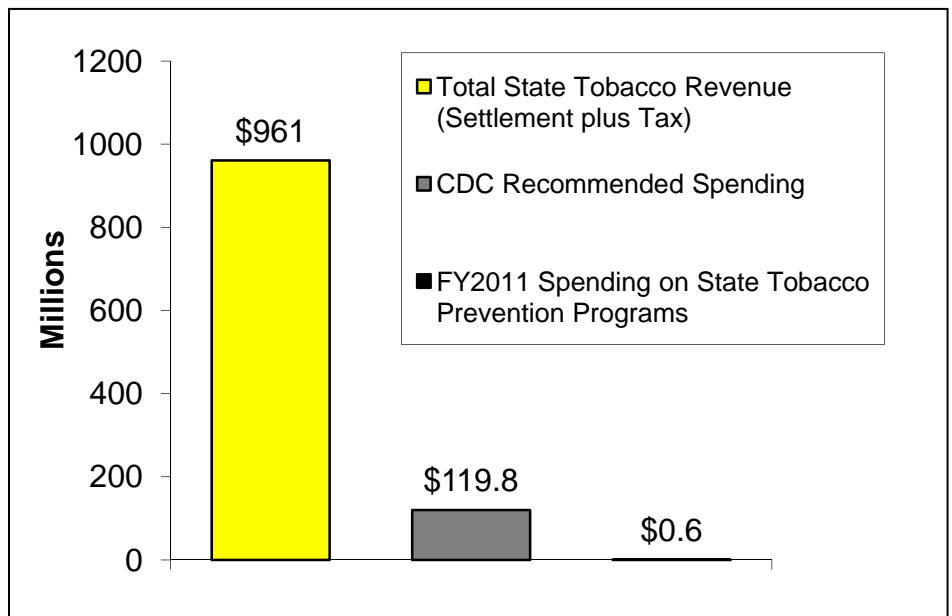
- \$1.0 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2010 (from annual appropriations).
- \$495,252 in dedicated tobacco control funds from the American Recovery and Reinvestment Act (stimulus bill) for telephone quitlines. These funds were awarded in March 2010 and are to be spent over a 24-month period. (New Hampshire also received \$431,581 in stimulus funds to work on physical activity, nutrition and tobacco control, but the exact amount spent on tobacco control is unclear).
- \$56,815 from the Prevention and Public Health Fund in the new health care reform law. These funds are to be used to motivate smokers to quit.

Tobacco's Toll in New Hampshire	
Adults who smoke	15.8%
High school students who smoke	20.8%
Deaths caused by smoking each year	1,700
Annual health care costs directly caused by smoking	\$564 million
Residents' state & federal tax burden from smoking-caused government expenditures	\$622 per household
Annual tobacco company marketing in state	\$122.2 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	NA

New Jersey

	FY2011	FY2010
State Ranking	46	37
STATE SPENDING ON TOBACCO PREVENTION	\$600,000	\$7.6 million
% of CDC Recommended Spending (\$119.8 million)	0.5%	6.3%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that New Jersey spend \$119.8 million a year to have an effective, comprehensive tobacco prevention program. New Jersey currently allocates \$600,000 a year for tobacco prevention and cessation. This is 0.5% of the CDC's recommendation and ranks New Jersey 46th among the states in the funding of tobacco prevention programs. New Jersey's spending on tobacco prevention amounts to 0.1% of the estimated \$961 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



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

New Jersey is spending a minimal amount on tobacco prevention even though the state is receiving more tobacco-generated revenue than ever before as a result of a 12.5-cent cigarette tax increase. The tax hike took effect in 2009 and brought the price of a pack to \$2.70.

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

- \$1.3 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2010 (from annual appropriations).
- \$938,132 in dedicated tobacco control funds from the American Recovery and Reinvestment Act (stimulus bill) for telephone quitlines. These funds were awarded in March 2010 and are to be spent over a 24-month period. (New Jersey also received \$1.2 million in stimulus funds to work on physical activity, nutrition and tobacco control, but the exact amount spent on tobacco control is unclear).

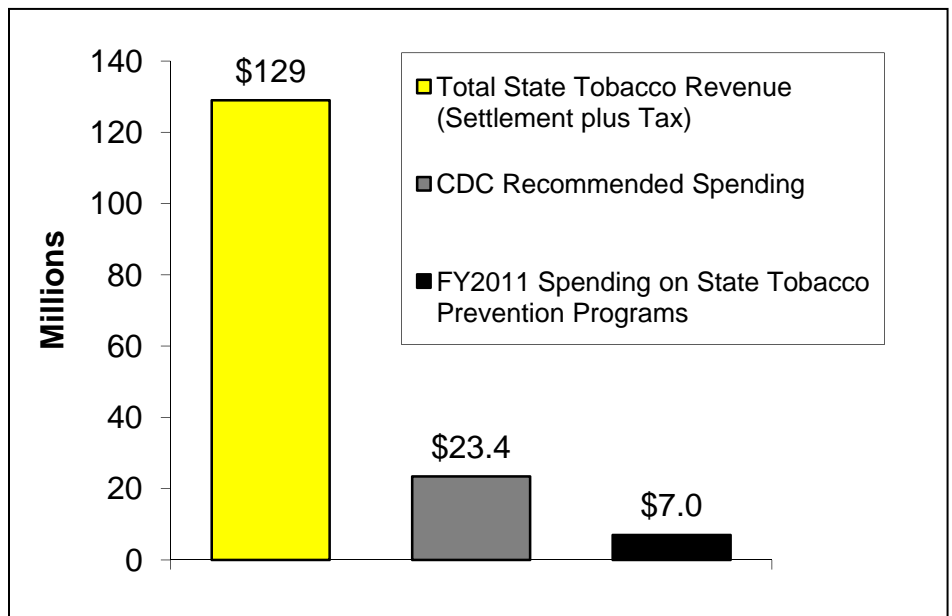
- \$94,802 from the Prevention and Public Health Fund in the new health care reform law. These funds are to be used to motivate smokers to quit.

Tobacco's Toll in New Jersey	
Adults who smoke	15.8%
High school students who smoke	17.0%
Deaths caused by smoking each year	11,200
Annual health care costs directly caused by smoking	\$3.17 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$658 per household
Annual tobacco company marketing in state	\$226.3 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	377.2 to 1

New Mexico

	FY2011	FY2010
State Ranking	14	12
STATE SPENDING ON TOBACCO PREVENTION	\$7.0 million	\$9.5 million
% of CDC Recommended Spending (\$23.4 million)	29.8%	40.6%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that New Mexico spend \$23.4 million a year to have an effective, comprehensive tobacco prevention program. New Mexico currently allocates \$7.0 million a year for tobacco prevention and cessation. This is 29.8% of the CDC's recommendation and ranks New Mexico 14th among the states in the funding of tobacco prevention programs. New Mexico's spending on tobacco prevention amounts to 5.4% of the estimated \$129 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 that placed 50 percent of the state's tobacco settlement payments in a permanent trust fund. Under the law, the other half of settlement payments are placed into a program fund that can be spent on a variety of health-related programs appropriated through the state's annual budget process.

State spending on tobacco prevention for FY2011 will be \$6.98 million, which is more than a 30% cut from what was spent in FY2010 and FY2009. This amount includes a \$293,000 appropriation to the Department of Indian Affairs for commercial tobacco prevention and control programs serving Native Americans.

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

- \$1.1 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2010 (from annual appropriations).
- \$557,545 in dedicated tobacco control funds from the American Recovery and Reinvestment Act (stimulus bill) for telephone quitlines. These funds were awarded in March 2010 and are to be spent over a 24-month period. (New Mexico also received \$498,436 in stimulus funds to work on physical activity, nutrition and tobacco control, but the exact amount spent on tobacco control is unclear).

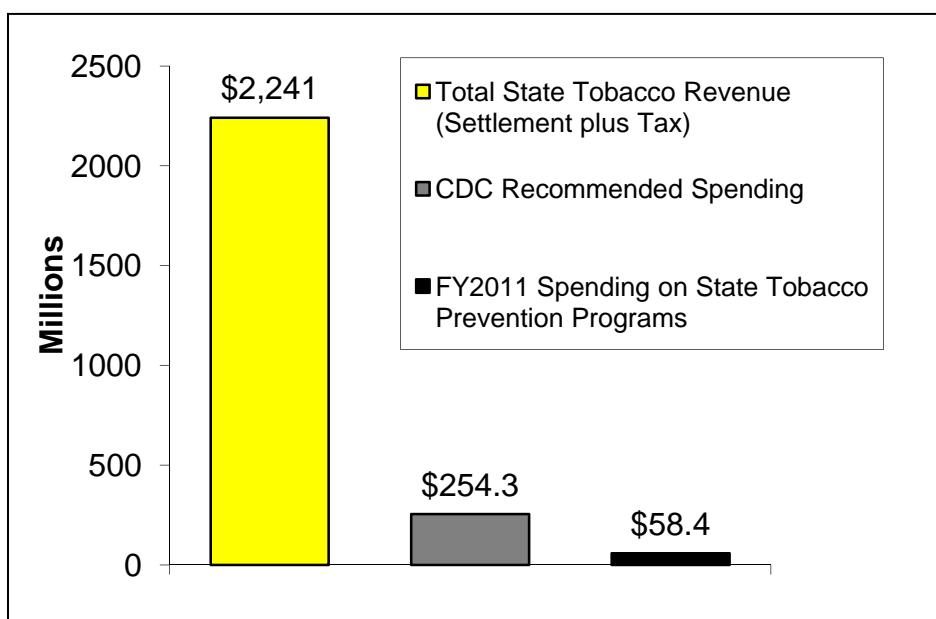
- \$60,340 from the Prevention and Public Health Fund in the new health care reform law. These funds are to be used to motivate smokers to quit.

Tobacco's Toll in New Mexico	
Adults who smoke	17.9%
High school students who smoke	24.0%
Deaths caused by smoking each year	2,100
Annual health care costs directly caused by smoking	\$461 million
Residents' state & federal tax burden from smoking-caused government expenditures	\$568 per household
Annual tobacco company marketing in state	\$47.0 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	6.7 to 1

New York

	FY2011	FY2010
State Ranking	18	20
STATE SPENDING ON TOBACCO PREVENTION	\$58.4 million	\$55.2 million
% of CDC Recommended Spending (\$254.3 million)	23.0%	21.7%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that New York spend \$254.3 million a year to have an effective, comprehensive tobacco prevention program. New York currently allocates \$58.4 million a year for tobacco prevention and cessation. This is 23.0% of the CDC's recommendation and ranks New York 18th among the states in the funding of tobacco prevention programs. New York's spending on tobacco prevention amounts to 2.6% of the estimated \$2.2 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; with New York City receiving 26.6% and the counties outside New York City sharing 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 FY2011 includes \$10 million for tobacco prevention and cessation programming.

New York's tobacco settlement funds are folded into the state's general fund and allocated through the annual budget process. In FY2010, due to revenue shortfalls, funding for tobacco prevention and cessation was cut by thirty percent, from approximately \$80 million to \$55.2 million. While the state's fiscal crisis caused budget cuts across state programs, the tobacco control program experienced disproportionately larger cuts than those endured by most. The FY2011 budget enacted by the Legislature and Governor Paterson (D) allocated \$58.4 million to the tobacco control program, representing a slight increase in funding from FY2010. New York is spending less than the CDC recommended amount on tobacco prevention despite the fact that the state is receiving more tobacco-generated revenue than ever before as a result of a \$1.60 per pack cigarette tax increase, bringing the state tax to \$4.35 per pack, which went into effect in July, 2010.

In addition, New York is receiving \$19.4 million in federal funds dedicated to tobacco prevention and control:

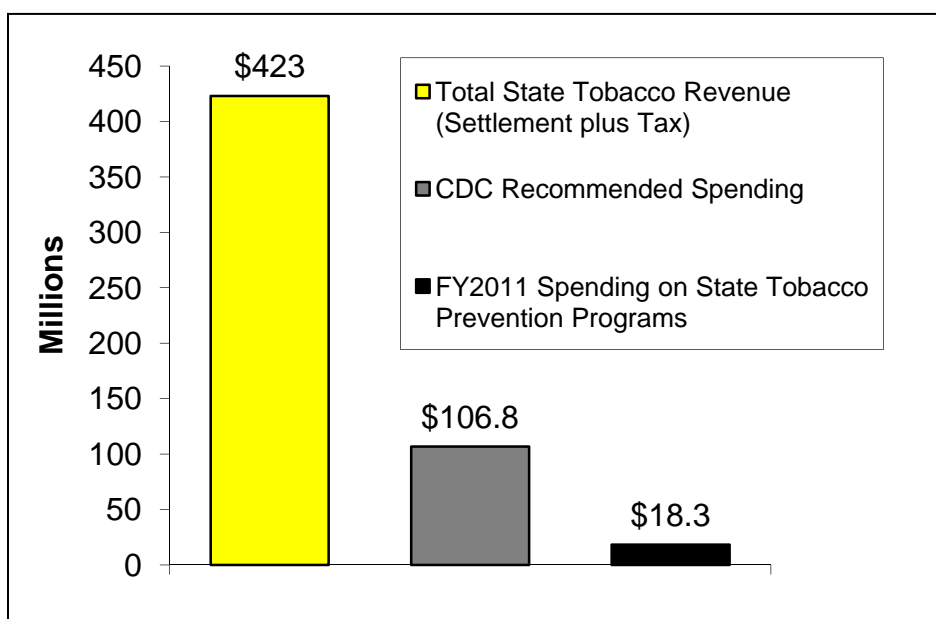
- \$1.9 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2010 (from annual appropriations).
- \$17.4 million in dedicated tobacco control funds from the American Recovery and Reinvestment Act (stimulus bill), including \$1.8 million for telephone quitlines and \$15.6 million for community initiatives. These funds were awarded in March 2010 and are to be spent over a 24-month period. (New York also received \$2.2 million in stimulus funds to work on physical activity, nutrition and tobacco control, but the exact amount spent on tobacco control is unclear).
- \$150,543 from the Prevention and Public Health Fund in the new health care reform law. These funds are to be used to motivate smokers to quit.

Tobacco's Toll in New York	
Adults who smoke	18.0%
High school students who smoke	14.8%
Deaths caused by smoking each year	25,400
Annual health care costs directly caused by smoking	\$8.17 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$889 per household
Annual tobacco company marketing in state	\$429.6 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	7.4 to 1

North Carolina

	FY2011	FY2010
State Ranking	22	24
STATE SPENDING ON TOBACCO PREVENTION	\$18.3 million	\$18.3 million
% of CDC Recommended Spending (\$106.8 million)	17.1%	17.1%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that North Carolina spend \$106.8 million a year to have an effective, comprehensive tobacco prevention program. North Carolina currently allocates \$18.3 million a year for tobacco prevention and cessation. This is 17.1% of the CDC's recommendation and ranks North Carolina 22nd among the states in the funding of tobacco prevention programs. North Carolina's spending on tobacco prevention amounts to 4.3% of the estimated \$423 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 funds 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 funds are placed in a Health and Wellness Trust Fund (HWTF), which is administered by the North Carolina Health and Wellness Trust Fund Commission.

In FY 2010, HWTF was scheduled to receive \$36.6 million. However, the North Carolina General Assembly transferred \$5 million from HWTF to help address budget shortfalls. In 2004, the General Assembly also enacted legislation requiring HWTF to pay more than \$352 million from FY2005-FY2030 in debt service for University of North Carolina construction projects under the State Capital Facilities Act of 2004. In FY2010, \$15.3 million was transferred from HWTF for the debt service and the FY2011 payment is projected to be \$26.1 million. In spite of these fund diversions, HWTF has allocated \$18.3 million for tobacco prevention efforts in FY 2011.

North Carolina is spending minimal amounts on tobacco prevention even though the state is receiving more tobacco-generated revenue than ever before as a result of a 10-cent cigarette tax increase in 2009. The tax hike brought North Carolina's tax to 45 cents a pack.

In addition, North Carolina is receiving \$3.0 million in federal funds dedicated to tobacco prevention and control:

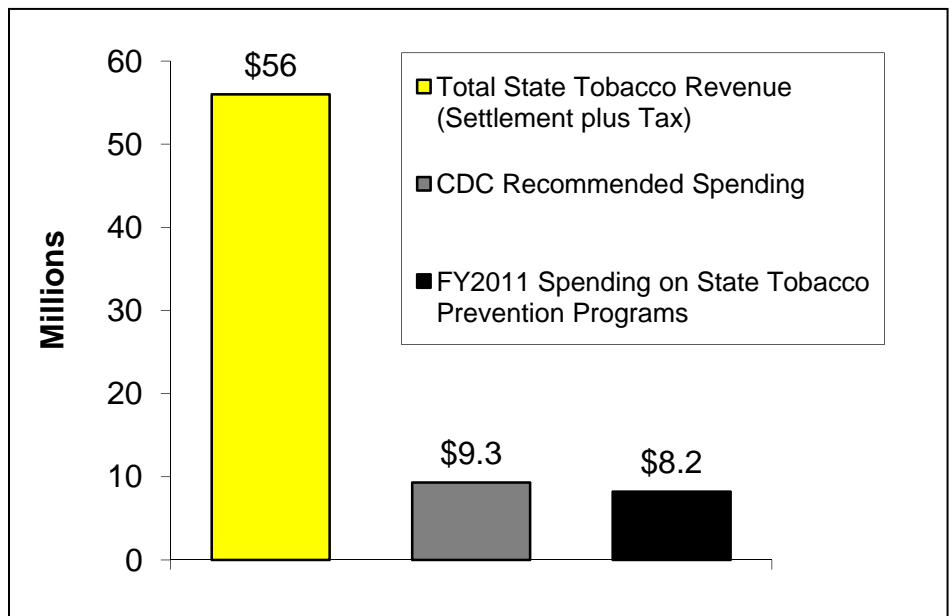
- \$1.7 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2010 (from annual appropriations).
- \$1.2 million in dedicated tobacco control funds from the American Recovery and Reinvestment Act (stimulus bill) for telephone quitlines. These funds were awarded in March 2010 and are to be spent over a 24-month period. (North Carolina also received \$1.2 million in stimulus funds to work on physical activity, nutrition and tobacco control, but the exact amount spent on tobacco control is unclear).
- \$98,266 from the Prevention and Public Health Fund in the new health care reform law. These funds are to be used to motivate smokers to quit.

Tobacco's Toll in North Carolina	
Adults who smoke	20.3%
High school students who smoke	16.7%
Deaths caused by smoking each year	12,200
Annual health care costs directly caused by smoking	\$2.46 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$569 per household
Annual tobacco company marketing in state	\$535.9 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	29.3 to 1

North Dakota

	FY2011	FY2010
State Ranking	2	1
STATE SPENDING ON TOBACCO PREVENTION	\$8.2 million	\$8.2 million
% of CDC Recommended Spending (\$9.3 million)	88.1%	88.1%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that North Dakota spend \$9.3 million a year to have an effective, comprehensive tobacco prevention program. North Dakota currently allocates \$8.2 million a year for tobacco prevention and cessation. This is 88.1% of the CDC's recommendation and ranks North Dakota 2nd among the states in the funding of tobacco prevention programs. North Dakota's spending on tobacco prevention amounts to 14.6% of the estimated \$56 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



Recent Developments: North Dakota's tobacco settlement payments have been governed by a 1999 law that placed 45 percent of the money into a Water Development Trust Fund, 45 percent into a Common Schools Trust Fund, and 10 percent into a Community Health Trust Fund. On November 4, 2008, North Dakota voters approved a ballot measure to allocate the tobacco settlement strategic contribution funds to the state's tobacco prevention and cessation program at the CDC-recommended level, which is \$9.3 million a year. North Dakota has held their state spending in FY2011 level with that of FY2010 at \$8.2 million. When federal funds are added, North Dakota's tobacco control program is funded at CDC-recommended levels.

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

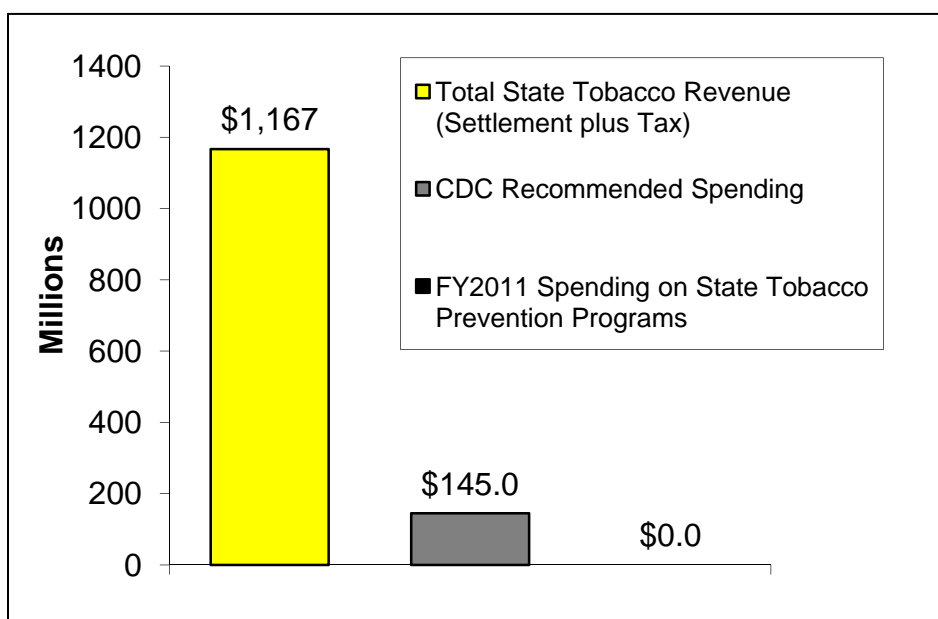
- \$1.2 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2010 (from annual appropriations).
- \$364,148 in stimulus funds to work on physical activity, nutrition and tobacco control, but the exact amount spent on tobacco control is unclear. These funds were awarded in March 2010 and are to be spent over a 24-month period.

Tobacco's Toll in North Dakota	
Adults who smoke	18.6%
High school students who smoke	22.4%
Deaths caused by smoking each year	800
Annual health care costs directly caused by smoking	\$247 million
Residents' state & federal tax burden from smoking-caused government expenditures	\$564 per household
Annual tobacco company marketing in state	\$32.3 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	3.9 to 1

Ohio

	FY2011	FY2010
State Ranking	51	43
STATE SPENDING ON TOBACCO PREVENTION	\$0	\$6.0 million
% of CDC Recommended Spending (\$145.0 million)	0.0%	4.1%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that Ohio spend \$145.0 million a year to have an effective, comprehensive tobacco prevention program. Ohio currently allocates \$0 a year for tobacco prevention and cessation. This is 0.0% of the CDC's recommendation and ranks Ohio 51st among the states in the funding of tobacco prevention programs. Ohio's spending on tobacco prevention amounts to 0% of the estimated \$1.2 billion in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



Recent Developments: In 1998, Ohio leaders promised to use a portion of the approximately \$300 million in settlement funds the state receives each year to support tobacco prevention and cessation programs. 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 out of to fund. 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. 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. In August, 2009, Judge David Fais of the Franklin County, Ohio, Court of Common Pleas ruled that Governor Ted Strickland and the legislature acted illegally when they sought to take back \$230 million in tobacco settlement funds and issued a permanent injunction on the diversion of funds and ordered that they must be used to fund programs to prevent kids from smoking and help smokers quit. In December 2009, the 10th District Ohio Court of Appeals reversed this decision. Legacy appealed the District Court decision and the case was heard before the Ohio Supreme Court in July 2010.

In FY2011, Ohio will spend \$3.5 million in carryover from last year on tobacco prevention and cessation.

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

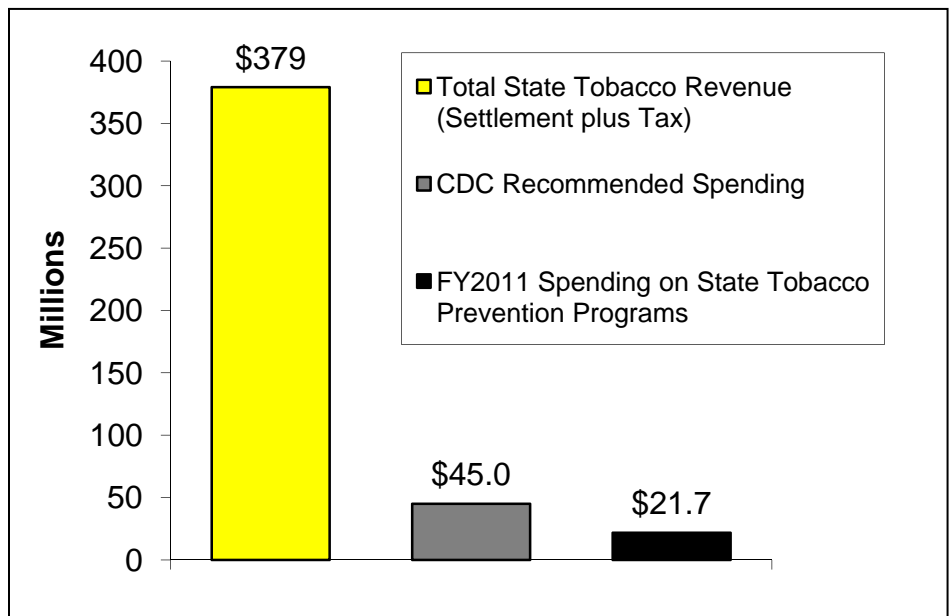
- \$1.4 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2010 (from annual appropriations).
- \$1.4 million in dedicated tobacco control funds from the American Recovery and Reinvestment Act (stimulus bill) for telephone quitlines. These funds were awarded in March 2010 and are to be spent over a 24-month period. (Ohio also received \$1.4 million in stimulus funds to work on physical activity, nutrition and tobacco control, but the exact amount spent on tobacco control is unclear).
- \$109,388 from the Prevention and Public Health Fund in the new health care reform law. These funds are to be used to motivate smokers to quit.

Tobacco's Toll in Ohio	
Adults who smoke	20.3%
High school students who smoke	19.4%
Deaths caused by smoking each year	18,500
Annual health care costs directly caused by smoking	\$4.37 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$618 per household
Annual tobacco company marketing in state	\$556.7 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	NA

Oklahoma

	FY2011	FY2010
State Ranking	8	11
STATE SPENDING ON TOBACCO PREVENTION	\$21.7 million	\$19.8 million
% of CDC Recommended Spending (\$45.0 million)	48.2%	44%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that Oklahoma spend \$45.0 million a year to have an effective, comprehensive tobacco prevention program. Oklahoma currently allocates \$21.7 million a year for tobacco prevention and cessation. This is 48.2% of the CDC's recommendation and ranks Oklahoma 8th among the states in the funding of tobacco prevention programs. Oklahoma's spending on tobacco prevention amounts to 5.7% of the estimated \$379 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



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

Total state spending on tobacco prevention and cessation for FY2011 will be \$21.7 million. The total includes \$19.6 million from the Oklahoma Settlement Endowment Trust, \$1.6 million in state tobacco excise taxes, and \$483,000 from the general fund.

In addition, Oklahoma is receiving \$3.3 million in federal funds dedicated to tobacco prevention and control:

- \$1.3 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2010 (from annual appropriations).
- \$1.9 million in dedicated tobacco control funds from the American Recovery and Reinvestment Act (stimulus bill), including \$771,878 for telephone quitlines and \$1.1 million for community initiatives.

These funds were awarded in March 2010 and are to be spent over a 24-month period. (Oklahoma also received \$664,236 in stimulus funds to work on physical activity, nutrition and tobacco control, but the exact amount spent on tobacco control is unclear).

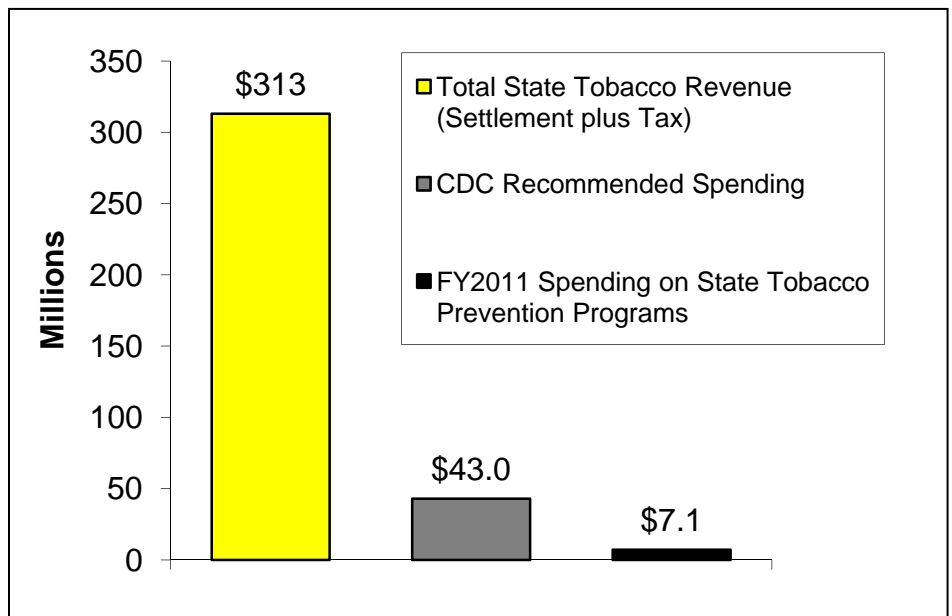
- \$68,970 from the Prevention and Public Health Fund in the new health care reform law. These funds are to be used to motivate smokers to quit.

Tobacco's Toll in Oklahoma	
Adults who smoke	25.5%
High school students who smoke	20.2%
Deaths caused by smoking each year	6,200
Annual health care costs directly caused by smoking	\$1.16 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$553 per household
Annual tobacco company marketing in state	\$213.1 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	9.8 to 1

Oregon

	FY2011	FY2010
State Ranking	25	25
STATE SPENDING ON TOBACCO PREVENTION	\$7.1 million	\$6.6 million
% of CDC Recommended Spending (\$43.0 million)	16.6%	15.3%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that Oregon spend \$43.0 million a year to have an effective, comprehensive tobacco prevention program. Oregon currently allocates \$7.1 million a year for tobacco prevention and cessation. This is 16.6% of the CDC's recommendation and ranks Oregon 25th among the states in the funding of tobacco prevention programs. Oregon's spending on tobacco prevention amounts to 2.3% of the estimated \$313 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 10 percent 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.

In FY2011, state funding for TPEP is \$7.1 million, about the same as was spent in FY2010, but down from \$8.2 million in FY2009. As a result of this funding reduction, funding for each component of the comprehensive program is likely to be reduced, including community-funded programs, cessation services, anti-tobacco media campaigns, and state administration and accountability support.

In addition, Oregon is receiving \$4.8 million in federal funds dedicated to tobacco prevention and control:

- \$1.1 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2010 (from annual appropriations).
- \$3.7 million in dedicated tobacco control funds from the American Recovery and Reinvestment Act (stimulus bill), including \$661,049 for telephone quitlines and \$3 million for state initiatives. These funds were awarded in March 2010 and are to be spent over a 24-month period. (Oregon also received

\$679,006 in stimulus funds to work on physical activity, nutrition and tobacco control, but the exact amount spent on tobacco control is unclear).

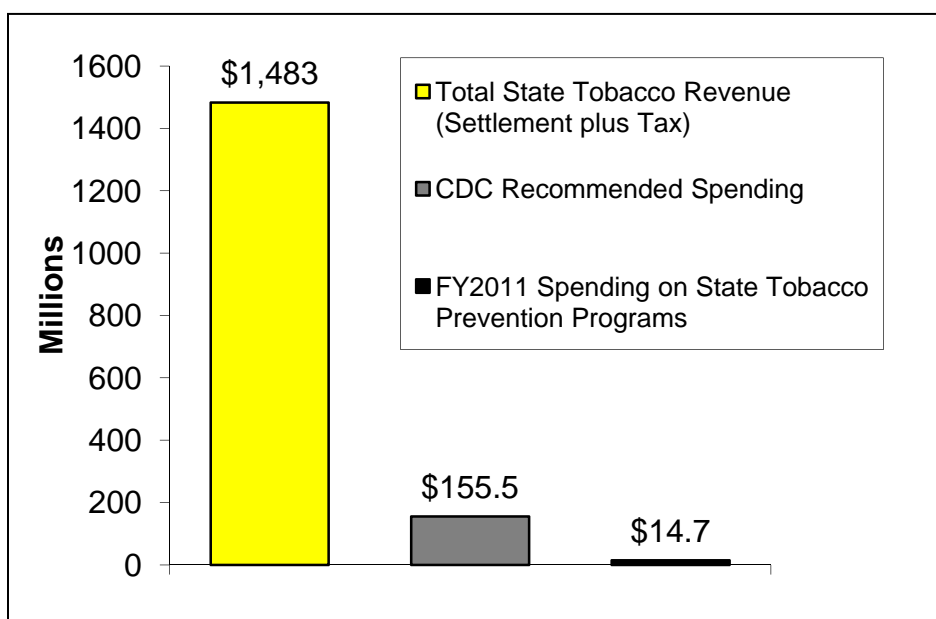
- \$69,683 from the Prevention and Public Health Fund in the new health care reform law. These funds are to be used to motivate smokers to quit.

Tobacco's Toll in Oregon	
Adults who smoke	17.9%
High school students who smoke	16.0%
Deaths caused by smoking each year	4,900
Annual health care costs directly caused by smoking	\$1.11 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$569 per household
Annual tobacco company marketing in state	\$137.0 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	19.2 to 1

Pennsylvania

	FY2011	FY2010
State Ranking	30	31
STATE SPENDING ON TOBACCO PREVENTION	\$14.7 million	\$17.7 million
% of CDC Recommended Spending (\$155.5 million)	9.5%	11.4%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that Pennsylvania spend \$155.5 million a year to have an effective, comprehensive tobacco prevention program. Pennsylvania currently allocates \$14.7 million a year for tobacco prevention and cessation. This is 9.5% of the CDC's recommendation and ranks Pennsylvania 30th among the states in the funding of tobacco prevention programs. Pennsylvania's spending on tobacco prevention amounts to 1% of the estimated \$1.5 billion in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



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

Pennsylvania decreased its state spending on tobacco prevention from \$17.7 million dollars in FY2010 to \$14.7 million dollars in FY2011. Unfortunately, funding was also cut by 45% between FY2009 and FY2010, which means state spending over the past 3 fiscal years has been reduced by more than 50%.

In addition, Pennsylvania is receiving \$13.3 million in federal funds dedicated to tobacco prevention and control:

- \$1.3 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2010 (from annual appropriations).
- \$11.9 million in dedicated tobacco control funds from the American Recovery and Reinvestment Act (stimulus bill), including \$1.5 for telephone quitlines and \$10.4 million for community initiatives. These funds were awarded in March 2010 and are to be spent over a 24-month period. (Pennsylvania also

received \$1.5 million in stimulus funds to work on physical activity, nutrition and tobacco control, but the exact amount spent on tobacco control is unclear).

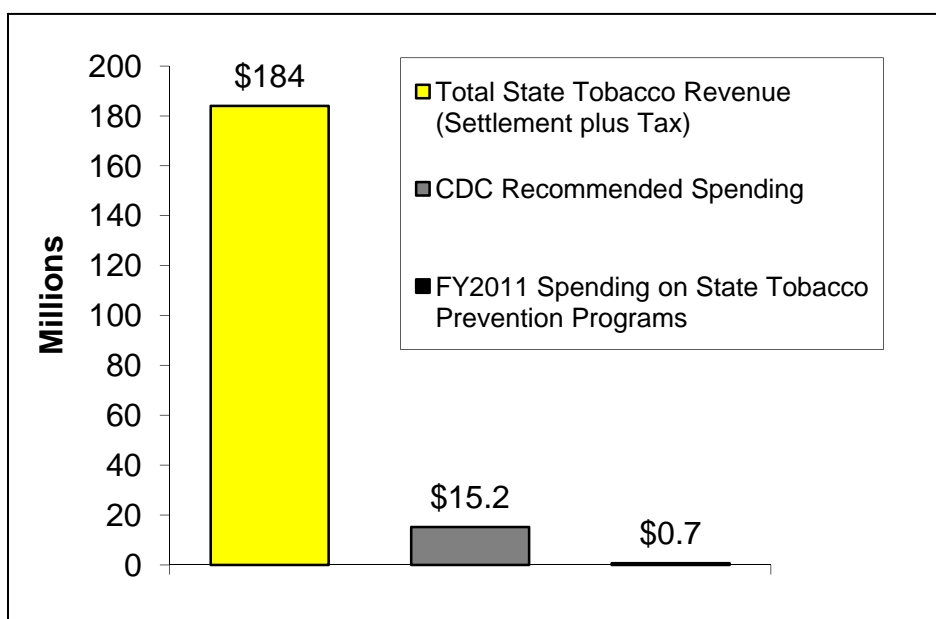
- \$114,853 from the Prevention and Public Health Fund in the new health care reform law. These funds are to be used to motivate smokers to quit.

Tobacco's Toll in Pennsylvania	
Adults who smoke	20.2%
High school students who smoke	18.4%
Deaths caused by smoking each year	20,000
Annual health care costs directly caused by smoking	\$5.19 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$661 per household
Annual tobacco company marketing in state	\$533.9 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	36.3 to 1

Rhode Island

	FY2011	FY2010
State Ranking	38	41
STATE SPENDING ON TOBACCO PREVENTION	\$735,095	\$703,000
% of CDC Recommended Spending (\$15.2 million)	4.8%	4.6%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that Rhode Island spend \$15.2 million a year to have an effective, comprehensive tobacco prevention program. Rhode Island currently allocates \$735,095 a year for tobacco prevention and cessation. This is 4.8% of the CDC's recommendation and ranks Rhode Island 38th among the states in the funding of tobacco prevention programs. Rhode Island's spending on tobacco prevention amounts to 0.4% of the estimated \$184 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



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

In FY2011, the state allocated \$735,095 for the state tobacco prevention and cessation program, about the same amount that was allocated in FY2010.

Rhode Island is spending less than the CDC recommended amount on tobacco prevention, despite the fact that the state is receiving more tobacco-generated revenue than ever before as a result of a \$1.00 cigarette tax increase enacted in 2009, bringing the state's cigarette tax to \$3.46 a pack.

In addition, Rhode Island is receiving \$4.9 million in federal funds dedicated to tobacco prevention and control:

- \$1.1 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2010 (from annual appropriations).

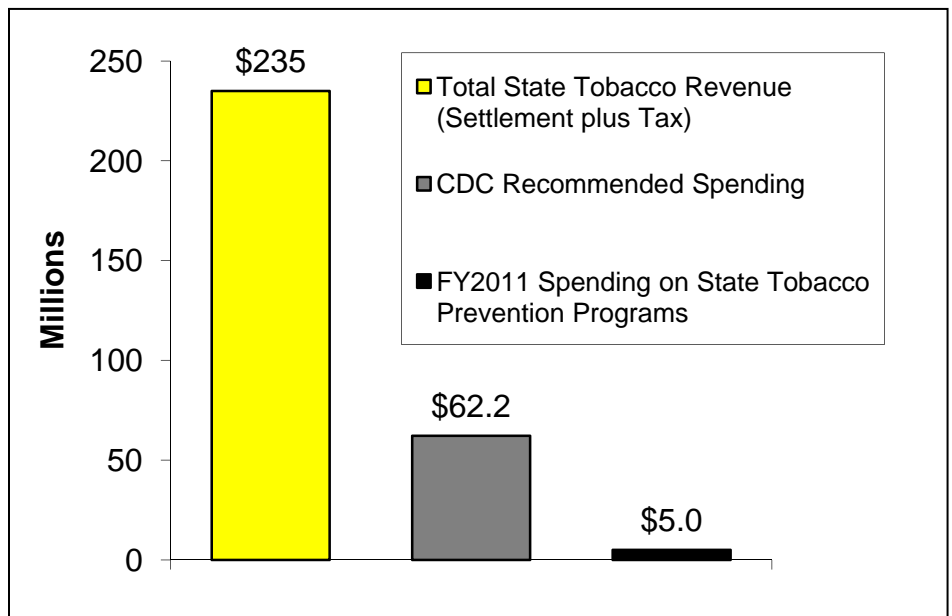
- \$3.8 million in dedicated tobacco control funds from the American Recovery and Reinvestment Act (stimulus bill), including \$478,403 for telephone quitlines and \$3.3 million for community initiatives. These funds were awarded in March 2010 and are to be spent over a 24-month period. (Rhode Island also received \$405,079 in stimulus funds to work on physical activity, nutrition and tobacco control, but the exact amount spent on tobacco control is unclear).

Tobacco's Toll in Rhode Island	
Adults who smoke	15.1%
High school students who smoke	13.3%
Deaths caused by smoking each year	1,600
Annual health care costs directly caused by smoking	\$506 million
Residents' state & federal tax burden from smoking-caused government expenditures	\$719 per household
Annual tobacco company marketing in state	\$35.1 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	47.7 to 1

South Carolina

	FY2011	FY2010
State Ranking	33	44
STATE SPENDING ON TOBACCO PREVENTION	\$5.0 million	\$2.0 million
% of CDC Recommended Spending (\$62.2 million)	8.0%	3.2%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that South Carolina spend \$62.2 million a year to have an effective, comprehensive tobacco prevention program. South Carolina currently allocates \$5.0 million a year for tobacco prevention and cessation. This is 8.0% of the CDC's recommendation and ranks South Carolina 33rd among the states in the funding of tobacco prevention programs. South Carolina's spending on tobacco prevention amounts to 2.1% of the estimated \$235 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



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

South Carolina will be spending \$5.0 million on state tobacco prevention programs in FY2011, a \$3.0 million increase from FY2010. All of these funds come from the .50- cent cigarette tax hike that went into effect on July 1, 2010 bringing South Carolina's cigarette tax up to .57cents.

In addition, South Carolina is receiving \$8.1 million in federal funds dedicated to tobacco prevention and control:

- \$1.2 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2010 (from annual appropriations).
- \$6.8 million in dedicated tobacco control funds from the American Recovery and Reinvestment Act (stimulus bill), including \$775,999 for telephone quitlines and \$6 million for community initiatives. These funds were awarded in March 2010 and are to be spent over a 24-month period. (South

Carolina also received \$747,980 in stimulus funds to work on physical activity, nutrition and tobacco control, but the exact amount spent on tobacco control is unclear).

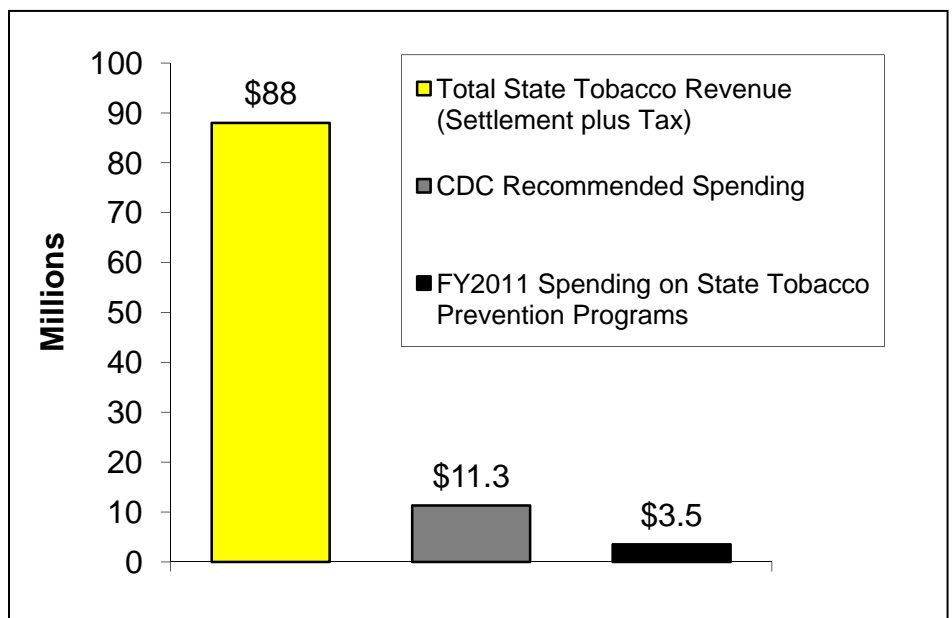
- \$73,468 from the Prevention and Public Health Fund in the new health care reform law. These funds are to be used to motivate smokers to quit.

Tobacco's Toll in South Carolina	
Adults who smoke	20.4%
High school students who smoke	20.5%
Deaths caused by smoking each year	6,100
Annual health care costs directly caused by smoking	\$1.09 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$562 per household
Annual tobacco company marketing in state	\$282.6 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	56.5 to 1

South Dakota

	FY2011	FY2010
State Ranking	12	10
STATE SPENDING ON TOBACCO PREVENTION	\$3.5 million	\$5.0 million
% of CDC Recommended Spending (\$11.3 million)	31.0%	44.2%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that South Dakota spend \$11.3 million a year to have an effective, comprehensive tobacco prevention program. South Dakota currently allocates \$3.5 million a year for tobacco prevention and cessation. This is 31.0% of the CDC's recommendation and ranks South Dakota 12th among the states in the funding of tobacco prevention programs. South Dakota's spending on tobacco prevention amounts to 4% of the estimated \$88 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



Recent Developments: The FY2011 budget passed by the Legislature and signed by Governor M. Michael Rounds (R) appropriated \$3.5 million to tobacco prevention, a \$1.5 million decrease from what was appropriated in FY2010.

A November 2006 ballot initiative 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 was expected to provide approximately \$5 million dollars per year for tobacco prevention and cessation, but during the 2010 legislative session the legislature decided to reduce spending tobacco prevention and cessation to \$3.5 million for FY2011.

In addition, South Dakota is receiving \$1.5 million in federal funds dedicated to tobacco prevention and control:

- \$963,055 from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2010 (from annual appropriations).
- \$458,437 in dedicated tobacco control funds from the American Recovery and Reinvestment Act (stimulus bill) for telephone quitlines. These funds were awarded in March 2010 and are to be spent over a 24-month period. (South Dakota also received \$380,419 in stimulus funds to work on physical activity, nutrition and tobacco control, but the exact amount spent on tobacco control is unclear).

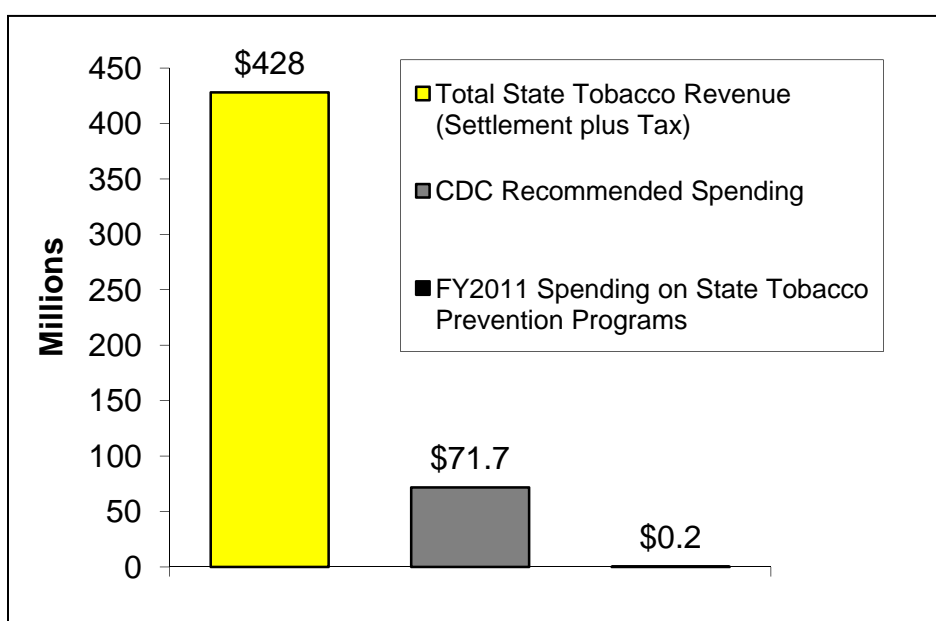
- \$54,180 from the Prevention and Public Health Fund in the new health care reform law. These funds are to be used to motivate smokers to quit.

Tobacco's Toll in South Dakota	
Adults who smoke	17.5%
High school students who smoke	23.2%
Deaths caused by smoking each year	1,000
Annual health care costs directly caused by smoking	\$274 million
Residents' state & federal tax burden from smoking-caused government expenditures	\$572 per household
Annual tobacco company marketing in state	\$37.0 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	10.6 to 1

Tennessee

	FY2011	FY2010
State Ranking	47	50
STATE SPENDING ON TOBACCO PREVENTION	\$222,268	\$200,000
% of CDC Recommended Spending (\$71.7 million)	0.3%	0.3%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that Tennessee spend \$71.7 million a year to have an effective, comprehensive tobacco prevention program. Tennessee currently allocates \$222,268 a year for tobacco prevention and cessation. This is 0.3% of the CDC's recommendation and ranks Tennessee 47th among the states in the funding of tobacco prevention programs. Tennessee's spending on tobacco prevention amounts to 0.1% of the estimated \$428 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. However, due to a statewide budget crisis, state funding for tobacco prevention was cut in half to \$5 million for FY2009. In FY2011 only \$222,268 will be spent on tobacco control, and it will go toward funding for the Tennessee Tobacco Quitline.

Tennessee is spending minimal amounts on tobacco prevention despite receiving more tobacco-generated revenue than ever before as a result of a 42-cent cigarette tax increase in 2007, which brought Tennessee's tax to 62 cents a pack.

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

- \$1.3 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2010 (from annual appropriations).
- \$1.0 million in dedicated tobacco control funds from the American Recovery and Reinvestment Act (stimulus bill) for telephone quitlines. These funds were awarded in March 2010 and are to be spent over a 24-month period. (Tennessee also received \$921,489 in stimulus funds to work on physical activity, nutrition and tobacco control, but the exact amount spent on tobacco control is unclear).

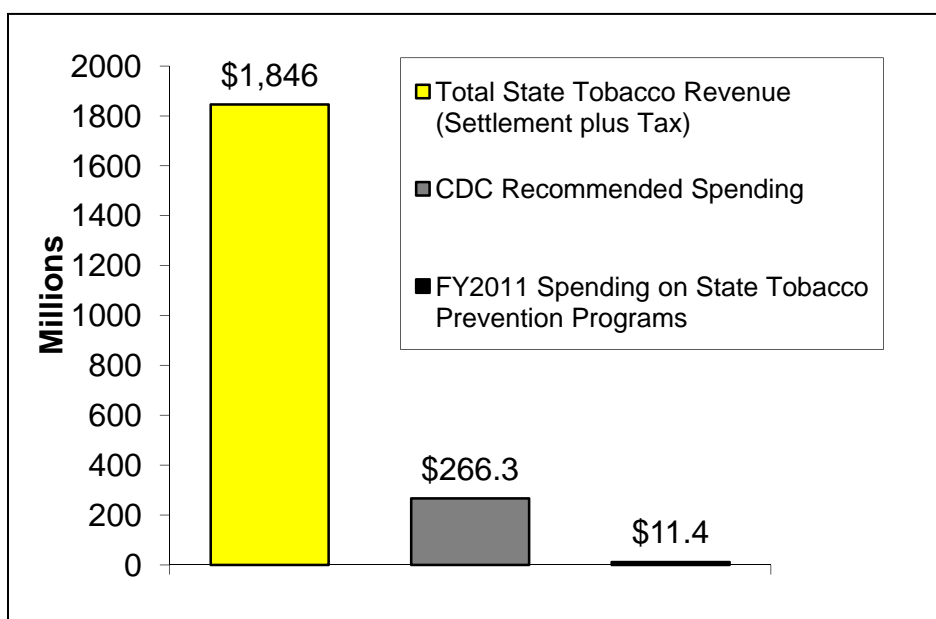
- \$82,395 from the Prevention and Public Health Fund in the new health care reform law. These funds are to be used to motivate smokers to quit.

Tobacco's Toll in Tennessee	
Adults who smoke	22.0%
High school students who smoke	20.9%
Deaths caused by smoking each year	9,700
Annual health care costs directly caused by smoking	\$2.16 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$596 per household
Annual tobacco company marketing in state	\$405.5 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	1,824.3 to 1

Texas

	FY2011	FY2010
State Ranking	40	42
STATE SPENDING ON TOBACCO PREVENTION	\$11.4 million	\$11.4 million
% of CDC Recommended Spending (\$266.3 million)	4.3%	4.3%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that Texas spend \$266.3 million a year to have an effective, comprehensive tobacco prevention program. Texas currently allocates \$11.4 million a year for tobacco prevention and cessation. This is 4.3% of the CDC's recommendation and ranks Texas 40th among the states in the funding of tobacco prevention programs. Texas' spending on tobacco prevention amounts to 0.6% of the estimated \$1.8 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.

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

The biannual state budget for FY2010 and FY2011 appropriated \$22.7 million, or \$11.4 million per year to tobacco prevention. Therefore, state funding for tobacco prevention is identical to last year as well as a fraction of the CDC recommended spending.

In addition, Texas is receiving \$11.7 million in federal funds dedicated to tobacco prevention and control:

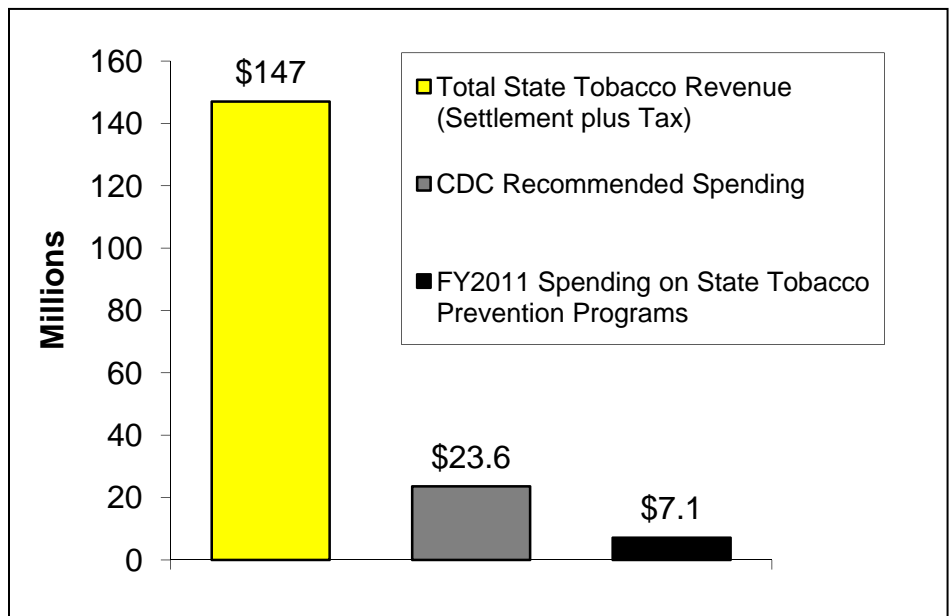
- \$1.9 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2010 (from annual appropriations).
- \$9.7 million in dedicated tobacco control funds from the American Recovery and Reinvestment Act (stimulus bill), including \$2.2 million for telephone quitlines and \$7.5 million for community initiatives. These funds were awarded in March 2010 and are to be spent over a 24-month period. (Texas also received \$2.2 million in stimulus funds to work on physical activity, nutrition and tobacco control, but the exact amount spent on tobacco control is unclear).
- \$100,000 from the Prevention and Public Health Fund in the new health care reform law. These funds are to be used to motivate smokers to quit.

Tobacco's Toll in Texas	
Adults who smoke	17.9%
High school students who smoke	21.2%
Deaths caused by smoking each year	24,500
Annual health care costs directly caused by smoking	\$5.83 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$570 per household
Annual tobacco company marketing in state	\$854.2 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	74.9 to 1

Utah

	FY2011	FY2010
State Ranking	13	16
STATE SPENDING ON TOBACCO PREVENTION	\$7.1 million	\$7.1 million
% of CDC Recommended Spending (\$23.6 million)	30.2%	30.2%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that Utah spend \$23.6 million a year to have an effective, comprehensive tobacco prevention program. Utah currently allocates \$7.1 million a year for tobacco prevention and cessation. This is 30.2% of the CDC's recommendation and ranks Utah 13th among the states in the funding of tobacco prevention programs. Utah's spending on tobacco prevention amounts to 4.9% of the estimated \$147 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



Recent Developments: Utah's tobacco settlement money is governed by a 2000 law that placed a portion of the state's annual payments into an endowment 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.

In FY2011, the Legislature and Governor Gary Herbert (R) allocated \$7.1 million in state funds for the state's tobacco prevention program, the same amount that was allocated in FY2010.

Utah is spending less than the CDC recommended amount on tobacco prevention despite the fact that the state is receiving more tobacco-generated revenue than ever before as a result of a \$1.00 per pack cigarette tax increase, enacted in July, 2010, bringing the state tax to \$1.70 per pack.

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

- \$1.2 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2010 (from annual appropriations).

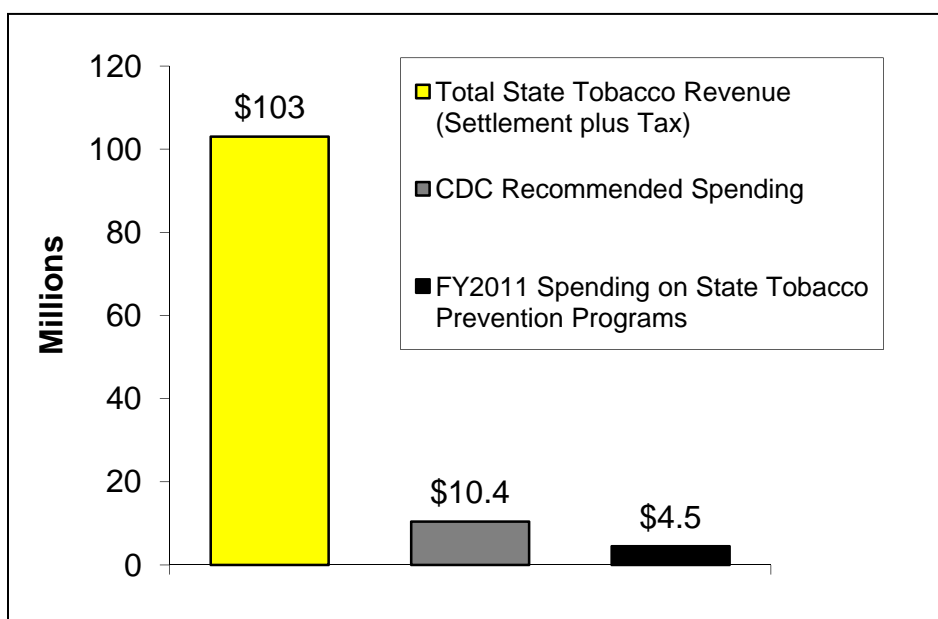
- \$495,125 in dedicated tobacco control funds from the American Recovery and Reinvestment Act (stimulus bill) for telephone quitlines. These funds were awarded in March 2010 and are to be spent over a 24-month period. (Utah also received \$573,642 in stimulus funds to work on physical activity, nutrition and tobacco control, but the exact amount spent on tobacco control is unclear).
- \$63,874 from the Prevention and Public Health Fund in the new health care reform law. These funds are to be used to motivate smokers to quit.

Tobacco's Toll in Utah	
Adults who smoke	9.8%
High school students who smoke	8.5%
Deaths caused by smoking each year	1,100
Annual health care costs directly caused by smoking	\$345 million
Residents' state & federal tax burden from smoking-caused government expenditures	\$522 per household
Annual tobacco company marketing in state	\$58.7 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	8.2 to 1

Vermont

	FY2011	FY2010
State Ranking	9	9
STATE SPENDING ON TOBACCO PREVENTION	\$4.5 million	\$4.8 million
% of CDC Recommended Spending (\$10.4 million)	43.4%	46.2%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that Vermont spend \$10.4 million a year to have an effective, comprehensive tobacco prevention program. Vermont currently allocates \$4.5 million a year for tobacco prevention and cessation. This is 43.4% of the CDC's recommendation and ranks Vermont 9th among the states in the funding of tobacco prevention programs. Vermont's spending on tobacco prevention amounts to 4.4% of the estimated \$103 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 has historically been funded with dollars from the Master Settlement Agreement. In FY2010, to prevent most of a significant program funding cut proposed by Governor Jim Douglas (R), the legislature included a \$1.5 million appropriation from the state's Tobacco Trust Fund. When the Governor proposed an overall reduction of 31 percent for the FY2011 program budget, the legislature opted to close the gap by including \$1.2 million from the general fund for a total of \$4.5 million. \$4.5 million is slightly less than the state spent on tobacco prevention and cessation in FY2010. \$700,000 has been cut from the program in the last two years.

Vermont is spending less than the CDC recommended amount on tobacco prevention despite the fact that the state is receiving more tobacco-generated revenue than ever before because of a 25-cent cigarette tax enacted in 2009, bringing the state tax to \$2.24 a pack.

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

- \$1.1 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2010 (from annual appropriations).

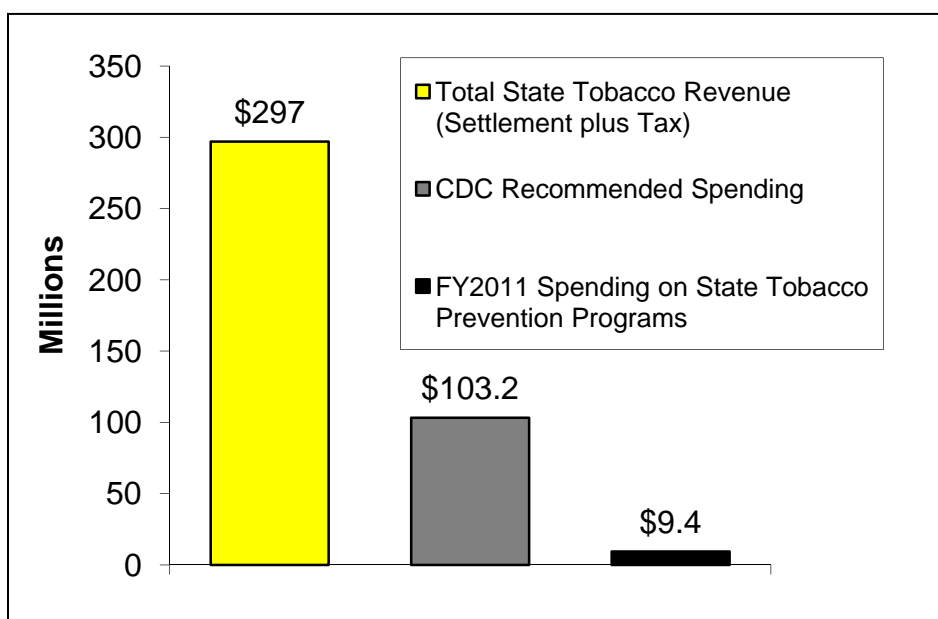
- \$445,327 in dedicated tobacco control funds from the American Recovery and Reinvestment Act (stimulus bill) for telephone quitlines. These funds were awarded in March 2010 and are to be spent over a 24-month period. (Vermont also received \$362,127 in stimulus funds to work on physical activity, nutrition and tobacco control, but the exact amount spent on tobacco control is unclear).

Tobacco's Toll in Vermont	
Adults who smoke	17.1%
High school students who smoke	17.6%
Deaths caused by smoking each year	800
Annual health care costs directly caused by smoking	\$233 million
Residents' state & federal tax burden from smoking-caused government expenditures	\$621 per household
Annual tobacco company marketing in state	\$27.4 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	6.1 to 1

Virginia

	FY2011	FY2010
State Ranking	31	30
STATE SPENDING ON TOBACCO PREVENTION	\$9.4 million	\$12.3 million
% of CDC Recommended Spending (\$103.2 million)	9.1%	11.9%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that Virginia spend \$103.2 million a year to have an effective, comprehensive tobacco prevention program. Virginia currently allocates \$9.4 million a year for tobacco prevention and cessation. This is 9.1% of the CDC's recommendation and ranks Virginia 31st among the states in the funding of tobacco prevention programs. Virginia's spending on tobacco prevention amounts to 3.2% of the estimated \$297 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



Recent Developments: In 1999, Virginia enacted a 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 Foundation. This later became the Foundation for Healthy Youth (VFHY), and it was charged with combating childhood obesity as well as youth tobacco use. Initially, tobacco settlement funds were not to be used for obesity prevention by the newly-established VFHY.

However, in FY11 and FY12 VFHY's allocation of the MSA was reduced from 10% to 8.5%. The additional 1.5% MSA allocation was added to the 40% that goes to the state's general fund (totaling 41.5%). Also, from the allocation, VFHY are now *required* to spend \$1 million on obesity prevention. These actions have caused a decrease in state tobacco prevention funds of \$2.9 million from FY2010. Total state funding for tobacco prevention in Virginia will be \$9.4 million in FY2011.

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

- \$1.1 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2010 (from annual appropriations).

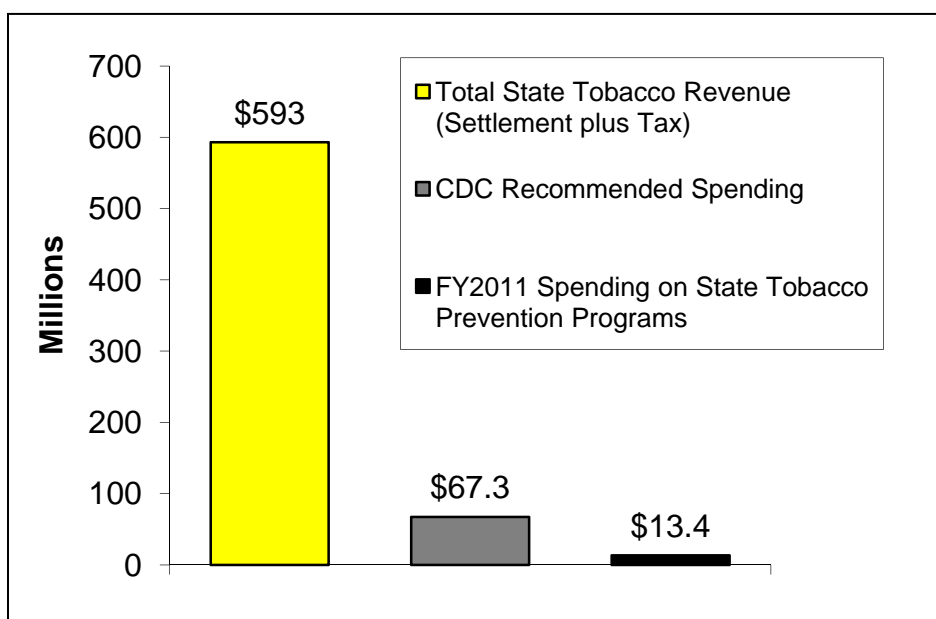
- \$937,625 in dedicated tobacco control funds from the American Recovery and Reinvestment Act (stimulus bill) for telephone quitlines. These funds were awarded in March 2010 and are to be spent over a 24-month period. (Virginia also received \$1.1 million in stimulus funds to work on physical activity, nutrition and tobacco control, but the exact amount spent on tobacco control is unclear).
- \$90,557 from the Prevention and Public Health Fund in the new health care reform law. These funds are to be used to motivate smokers to quit.

Tobacco's Toll in Virginia	
Adults who smoke	19.0%
High school students who smoke	15.5%
Deaths caused by smoking each year	9,200
Annual health care costs directly caused by smoking	\$2.08 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$563 per household
Annual tobacco company marketing in state	\$411.3 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	43.9 to 1

Washington

	FY2011	FY2010
State Ranking	21	19
STATE SPENDING ON TOBACCO PREVENTION	\$13.4 million	\$15.8 million
% of CDC Recommended Spending (\$67.3 million)	19.8%	23.5%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that Washington spend \$67.3 million a year to have an effective, comprehensive tobacco prevention program. Washington currently allocates \$13.4 million a year for tobacco prevention and cessation. This is 19.8% of the CDC's recommendation and ranks Washington 21st among the states in the funding of tobacco prevention programs. Washington's spending on tobacco prevention amounts to 2.3% of the estimated \$593 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



Recent Developments: Washington significantly decreased its state spending on tobacco prevention in FY2011 to \$13.4 million dollars. Funding for the state's program has been cut by more than 50 percent over the past two years. As a result of these cuts, Washington has far less money going to schools, local governments and community organizations for local tobacco programs. Anti-tobacco media within the state has also taken a hit with no new ads being produced, and no money allocated to air the ads that have already been created. The state's successful quitline program has also been forced to reduce their services.

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

Washington is spending less than the CDC recommended amount on tobacco prevention despite the fact that the state is receiving more tobacco-generated revenue than ever before as a result of a \$1.00 per pack cigarette tax increase in May 2010, bringing the state tax to \$3.025 per pack.

In addition, Washington is receiving \$12.3 million in federal funds dedicated to tobacco prevention and control:

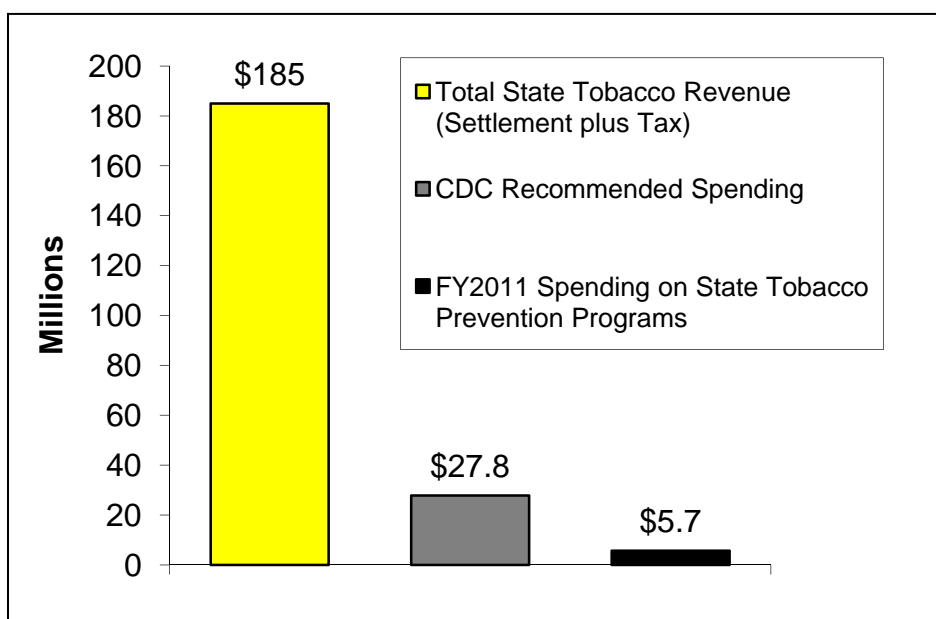
- \$1.4 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2010 (from annual appropriations).
- \$10.8 million in dedicated tobacco control funds from the American Recovery and Reinvestment Act (stimulus bill), including \$830,873 for telephone quitlines and \$10 million for community initiatives. These funds were awarded in March 2010 and are to be spent over a 24-month period. (Washington also received \$954,922 in stimulus funds to work on physical activity, nutrition and tobacco control, but the exact amount spent on tobacco control is unclear).
- \$84,288 from the Prevention and Public Health Fund in the new health care reform law. These funds are to be used to motivate smokers to quit.

Tobacco's Toll in Washington	
Adults who smoke	14.8%
High school students who smoke	14.4%
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	\$625 per household
Annual tobacco company marketing in state	\$146.0 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	10.9 to 1

West Virginia

	FY2011	FY2010
State Ranking	19	21
STATE SPENDING ON TOBACCO PREVENTION	\$5.7 million	\$5.7 million
% of CDC Recommended Spending (\$27.8 million)	20.4%	20.4%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that West Virginia spend \$27.8 million a year to have an effective, comprehensive tobacco prevention program. West Virginia currently allocates \$5.7 million a year for tobacco prevention and cessation. This is 20.4% of the CDC's recommendation and ranks West Virginia 19th among the states in the funding of tobacco prevention programs. West Virginia's spending on tobacco prevention amounts to 3.1% of the estimated \$185 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 in FY2008 to retire some of the state's debt. Because of that, all future tobacco prevention funding depends upon the Legislature's willingness to allocate funds in the budget.

While West Virginia faced a substantial budget cut to tobacco prevention programs in FY2011, mobilization of local advocates and state program staff allowed them to keep program funding stable. In FY2011 state spending for tobacco prevention and cessation programs in West Virginia will be \$5.7 million, level funding from that which was allocated in FY2010.

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

- \$1.2 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2010 (from annual appropriations).
- \$608,202 in dedicated tobacco control funds from the American Recovery and Reinvestment Act (stimulus bill) for telephone quitlines. These funds were awarded in March 2010 and are to be spent

over a 24-month period. (West Virginia also received \$481,447 in stimulus funds to work on physical activity, nutrition and tobacco control, but the exact amount spent on tobacco control is unclear).

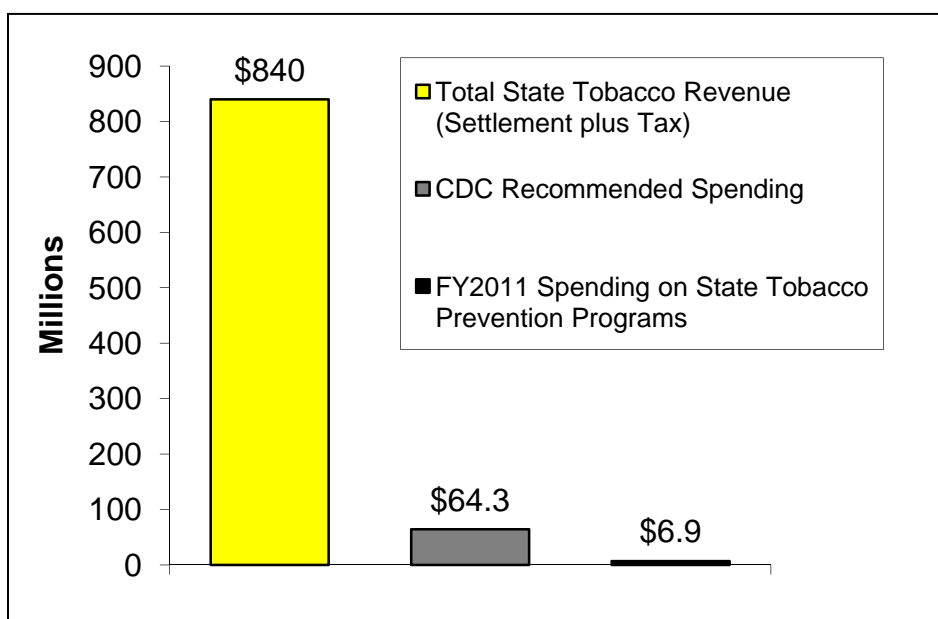
- \$59,363 from the Prevention and Public Health Fund in the new health care reform law. These funds are to be used to motivate smokers to quit.

Tobacco's Toll in West Virginia	
Adults who smoke	25.6%
High school students who smoke	21.8%
Deaths caused by smoking each year	3,800
Annual health care costs directly caused by smoking	\$690 million
Residents' state & federal tax burden from smoking-caused government expenditures	\$584 per household
Annual tobacco company marketing in state	\$140.4 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	24.8 to 1

Wisconsin

	FY2011	FY2010
State Ranking	29	32
STATE SPENDING ON TOBACCO PREVENTION	\$6.9 million	\$6.9 million
% of CDC Recommended Spending (\$64.3 million)	10.7%	10.7%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that Wisconsin spend \$64.3 million a year to have an effective, comprehensive tobacco prevention program. Wisconsin currently allocates \$6.9 million a year for tobacco prevention and cessation. This is 10.7% of the CDC's recommendation and ranks Wisconsin 29th among the states in the funding of tobacco prevention programs. Wisconsin's spending on tobacco prevention amounts to 0.8% of the estimated \$840 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



Recent Developments: Wisconsin cut its state funding for tobacco prevention by more than 50% in FY2010 from \$15.25 million in FY2009 to \$6.85 million in FY2010. Since the funding cut was part of a biennial budget, the tobacco prevention and cessation program will also have \$6.85 million to spend in FY2011. Despite severely cutting state funding, Wisconsin did increase their state wide cigarette tax in 2009 by 75 cents to \$2.52 and increased the moist snuff tax to 100% of wholesale which switched the tax from weight based to price. Wisconsin's tobacco prevention program has shown positive results. Adult smoking prevalence has decreased by almost a fifth since 2000, and youth smoking has dropped by more than a third over the same timeframe.

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

- \$1.2 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2010 (from annual appropriations).
- \$1.9 million in dedicated tobacco control funds from the American Recovery and Reinvestment Act (stimulus bill), including \$870,403 for telephone quitlines and \$1 million for community initiatives. These funds were awarded in March 2010 and are to be spent over a 24-month period. (Wisconsin also received \$862,797 in stimulus funds to work on physical activity, nutrition and tobacco control, but the exact amount spent on tobacco control is unclear).

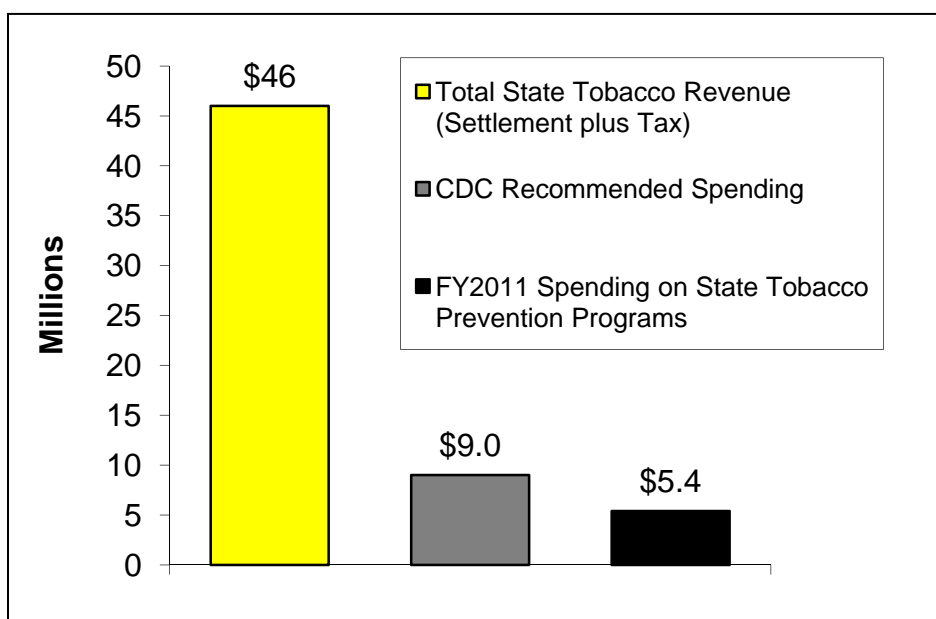
- \$79,095 from the Prevention and Public Health Fund in the new health care reform law. These funds are to be used to motivate smokers to quit.

Tobacco's Toll in Wisconsin	
Adults who smoke	18.8%
High school students who smoke	17.7%
Deaths caused by smoking each year	7,200
Annual health care costs directly caused by smoking	\$2.02 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$586 per household
Annual tobacco company marketing in state	\$274.0 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	40.0 to 1

Wyoming

	FY2011	FY2010
State Ranking	5	6
STATE SPENDING ON TOBACCO PREVENTION	\$5.4 million	\$4.8 million
% of CDC Recommended Spending (\$9.0 million)	60.0%	53.3%

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



Recent Developments: The FY2011 budget approved by the Legislature and Governor Dave Freudenthal (D) provides \$5.4 million for tobacco prevention and cessation programs, an increase from the \$4.8 million that was allocated last year. Wyoming's tobacco settlement payments through FY2002 were governed by a 1999 law that placed all of the state's settlement payments into a Tobacco Settlement Trust Fund. From FY2003 forward, the settlement funds were placed into an income account that funded substance abuse programs and other health care services. Tobacco prevention funding has primarily come from the interest generated by the original trust fund.

In addition, Wyoming is receiving \$1.5 million in federal funds dedicated to tobacco prevention and control:

- \$1.0 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2010 (from annual appropriations).
- \$442,973 in dedicated tobacco control funds from the American Recovery and Reinvestment Act (stimulus bill) for telephone quitlines. These funds were awarded in March 2010 and are to be spent over a 24-month period. (Wyoming also received \$335,801 in stimulus funds to work on physical activity, nutrition and tobacco control, but the exact amount spent on tobacco control is unclear).
- \$52,800 from the Prevention and Public Health Fund in the new health care reform law. These funds are to be used to motivate smokers to quit.

Tobacco's Toll in Wyoming	
Adults who smoke	19.9%
High school students who smoke	22.1%
Deaths caused by smoking each year	700
Annual health care costs directly caused by smoking	\$136 million
Residents' state & federal tax burden from smoking-caused government expenditures	\$580 per household
Annual tobacco company marketing in state	\$27.6 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	5.1 to 1

Appendix A



History of Spending for State Tobacco Prevention Programs FY2006 - FY2011

	FY2011		FY2010		FY2009		FY2008		FY2007		FY2006	
	Spending (\$millions)	Percent of CDC Rec. *	Spending (\$millions)	Percent of CDC Rec. *	Spending (\$millions)	Percent of CDC Rec. *	Spending (\$millions)	Percent of CDC Min.	Spending (\$millions)	Percent of CDC Min.	Spending (\$millions)	Percent of CDC Min.
States Total	\$517.9	14.0%	\$569.3	15.4%	\$670.9	18.1%	\$717.2	44.8%	\$597.5	37.2%	\$551.0	34.4%
Alabama	\$0.9	1.5%	\$0.8	1.3%	\$1.2	2.1%	\$0.8	2.9%	\$0.7	2.6%	\$0.3	1.2%
Alaska	\$9.8	92.0%	\$9.2	86.0%	\$8.2	76.6%	\$7.5	92.5%	\$6.2	76.6%	\$5.7	70.5%
Arizona	\$19.8	29.1%	\$22.1	32.5%	\$21.0	30.8%	\$23.5	84.6%	\$25.5	91.8%	\$23.1	83.1%
Arkansas	\$11.8	32.4%	\$18.7	51.4%	\$16.0	44.0%	\$15.6	87.1%	\$15.1	84.3%	\$17.5	97.7%
California	\$75.0	17.0%	\$77.1	17.4%	\$77.7	17.6%	\$77.4	46.9%	\$84.0	50.9%	\$79.7	48.3%
Colorado	\$7.0	12.9%	\$11.1	20.4%	\$26.4	48.5%	\$26.0	105.9%	\$25.0	101.8%	\$27.0	110.0%
Connecticut	\$0.4	0.9%	\$6.1	13.9%	\$7.4	16.9%	\$0.0	0.0%	\$2.0	9.4%	\$0.0	0.2%
Delaware	\$8.3	59.5%	\$10.1	72.7%	\$10.7	77.0%	\$10.7	123.8%	\$10.3	119.4%	\$9.2	106.6%
DC	\$0.6	5.4%	\$0.9	8.1%	\$3.6	34.3%	\$3.6	48.1%	\$0.5	6.7%	\$0.0	0.0%
Florida	\$61.6	29.2%	\$65.8	31.2%	\$59.5	28.2%	\$58.0	74.0%	\$5.6	7.1%	\$1.0	1.3%
Georgia	\$2.0	1.8%	\$2.1	1.8%	\$2.3	2.0%	\$2.2	5.3%	\$2.3	5.4%	\$3.1	7.3%
Hawaii	\$9.3	61.1%	\$7.9	52.0%	\$10.5	69.1%	\$10.4	96.3%	\$9.1	84.0%	\$5.8	53.8%
Idaho	\$1.5	8.9%	\$1.2	7.1%	\$1.7	10.1%	\$1.4	12.6%	\$0.9	8.2%	\$0.5	4.9%
Illinois	\$9.5	6.1%	\$8.5	5.4%	\$8.5	5.4%	\$8.5	13.1%	\$8.5	13.1%	\$11.0	16.9%
Indiana	\$9.2	11.7%	\$10.8	13.7%	\$15.1	19.2%	\$16.2	46.6%	\$10.9	31.3%	\$10.8	31.1%
Iowa	\$7.3	20.0%	\$10.1	27.5%	\$10.4	28.3%	\$12.3	63.5%	\$6.5	33.6%	\$5.6	28.9%
Kansas	\$1.0	3.1%	\$1.0	3.1%	\$1.0	3.1%	\$1.4	7.8%	\$1.0	5.5%	\$1.0	5.5%
Kentucky	\$2.6	4.5%	\$2.8	4.9%	\$2.8	4.9%	\$2.4	9.4%	\$2.2	8.8%	\$2.7	10.8%
Louisiana	\$9.0	16.9%	\$7.8	14.6%	\$7.6	14.2%	\$7.7	28.3%	\$8.0	29.5%	\$8.0	29.5%
Maine	\$9.9	53.5%	\$10.8	58.4%	\$10.9	58.9%	\$16.9	151.2%	\$14.7	131.3%	\$14.2	126.9%
Maryland	\$4.3	6.9%	\$5.5	8.7%	\$19.6	31.0%	\$18.4	60.7%	\$18.7	61.7%	\$9.2	30.4%
Massachusetts	\$4.5	5.0%	\$4.5	5.0%	\$12.2	13.6%	\$12.8	36.2%	\$8.3	23.4%	\$4.3	12.1%
Michigan	\$2.6	2.1%	\$2.6	2.1%	\$3.7	3.1%	\$3.6	6.6%	\$0.0	0.0%	\$0.0	0.0%
Minnesota	\$19.6	33.6%	\$20.3	34.8%	\$20.5	35.1%	\$22.1	77.2%	\$21.7	75.8%	\$22.1	77.2%
Mississippi	\$9.9	25.3%	\$10.6	27.0%	\$10.3	26.3%	\$8.0	42.6%	\$0.0	0.0%	\$20.0	106.4%
Missouri	\$0.1	0.1%	\$1.2	1.6%	\$1.7	2.3%	\$0.2	0.6%	\$0.0	0.0%	\$0.0	0.0%

	FY2011		FY2010		FY2009		FY2008		FY2007		FY2006	
	Spending (\$millions)	Percent of CDC Rec. *	Spending (\$millions)	Percent of CDC Rec. *	Spending (\$millions)	Percent of CDC Rec. *	Spending (\$millions)	Percent of CDC Min.	Spending (\$millions)	Percent of CDC Min.	Spending (\$millions)	Percent of CDC Min.
Montana	\$8.4	60.4%	\$8.4	60.4%	\$8.5	61.2%	\$8.5	90.6%	\$6.9	73.7%	\$6.8	72.6%
Nebraska	\$2.9	13.3%	\$3.0	14.0%	\$3.0	14.0%	\$2.5	18.8%	\$3.0	22.5%	\$3.0	22.5%
Nevada	\$0.0	0.0%	\$2.9	8.9%	\$3.4	10.5%	\$2.0	14.8%	\$3.8	28.2%	\$4.2	31.2%
New Hampshire	\$0.0	0.0%	\$0.0	0.0%	\$0.2	1.0%	\$1.3	12.3%	\$0.0	0.0%	\$0.0	0.0%
New Jersey	\$0.6	0.5%	\$7.6	6.3%	\$9.1	7.6%	\$11.0	24.4%	\$11.0	24.4%	\$11.5	25.5%
New Mexico	\$7.0	29.8%	\$9.5	40.6%	\$9.6	41.0%	\$9.6	70.1%	\$7.7	56.2%	\$6.0	43.8%
New York	\$58.4	23.0%	\$55.2	21.7%	\$80.4	31.6%	\$85.5	89.2%	\$85.5	89.2%	\$43.4	45.3%
North Carolina	\$18.3	17.1%	\$18.3	17.1%	\$17.1	16.0%	\$17.1	40.2%	\$17.1	40.2%	\$15.0	35.2%
North Dakota	\$8.2	88.1%	\$8.2	88.2%	\$3.1	33.3%	\$3.1	38.4%	\$3.1	38.0%	\$3.1	38.0%
Ohio	\$0.0	0.0%	\$6.0	4.1%	\$6.0	4.1%	\$44.7	72.4%	\$45.0	72.9%	\$47.2	76.4%
Oklahoma	\$21.7	48.2%	\$19.8	44.0%	\$18.0	40.0%	\$14.2	65.1%	\$10.0	45.8%	\$8.9	40.8%
Oregon	\$7.1	16.6%	\$6.6	15.3%	\$8.2	19.1%	\$8.2	38.8%	\$3.5	16.3%	\$3.5	16.3%
Pennsylvania	\$14.7	9.5%	\$17.7	11.4%	\$32.1	20.6%	\$31.7	48.3%	\$30.3	46.2%	\$32.9	50.2%
Rhode Island	\$0.7	4.8%	\$0.7	4.6%	\$0.9	6.1%	\$0.9	9.5%	\$1.0	9.6%	\$2.1	21.2%
South Carolina	\$5.0	8.0%	\$2.0	3.2%	\$0.0	0.0%	\$2.0	8.4%	\$2.0	8.4%	\$0.0	0.0%
South Dakota	\$3.5	31.0%	\$5.0	44.2%	\$5.0	44.2%	\$5.0	57.5%	\$0.7	8.1%	\$0.7	8.1%
Tennessee	\$0.2	0.3%	\$0.2	0.3%	\$5.0	7.0%	\$10.0	31.0%	\$0.0	0.0%	\$0.0	0.0%
Texas	\$11.4	4.3%	\$11.4	4.3%	\$11.8	4.4%	\$11.8	11.4%	\$5.2	5.0%	\$7.0	6.8%
Utah	\$7.1	30.2%	\$7.1	30.1%	\$7.2	30.5%	\$7.3	47.7%	\$7.2	47.3%	\$7.2	47.3%
Vermont	\$4.5	43.4%	\$4.8	46.2%	\$5.2	50.0%	\$5.2	66.0%	\$5.1	64.5%	\$4.9	61.9%
Virginia	\$9.4	9.1%	\$12.3	11.9%	\$12.7	12.3%	\$14.5	37.3%	\$13.5	34.7%	\$12.8	32.9%
Washington	\$13.4	19.8%	\$15.8	23.5%	\$27.2	40.4%	\$27.1	81.1%	\$27.1	81.3%	\$27.2	81.6%
West Virginia	\$5.7	20.4%	\$5.7	20.5%	\$5.7	20.5%	\$5.7	40.0%	\$5.4	38.1%	\$5.9	41.7%
Wisconsin	\$6.9	10.7%	\$6.9	10.7%	\$15.3	23.8%	\$15.0	48.1%	\$10.0	32.1%	\$10.0	32.1%
Wyoming	\$5.4	60.0%	\$4.8	53.3%	\$6.0	66.7%	\$5.9	80.1%	\$5.9	79.9%	\$5.9	79.9%
Total	\$517.9	14.0%	\$569.3	15.4%	\$670.9	18.1%	\$717.2	44.8%	\$597.5	37.2%	\$551.0	34.4%

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

History of Spending for State Tobacco Prevention Programs FY2000 - FY2005

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

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

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 2011 State Tobacco Prevention Spending	CDC Annual Spending Target	Tobacco Prevention Spending % of CDC Target	Tobacco Prevention Spending Rank (1= high)	FY 2011 State Tobacco Settlement Revenues (est.)	FY 2011 State Tobacco Tax Revenues (est.)	Total Annual State Revenues From Tobacco (est.)	Tobacco Prevention Spending % of Tobacco Revenue
States Total	\$96.7 bill.	\$517.9	\$3.7 bill.	14.0%	-	\$7.4 bill.	\$17.9 bill.	\$25.3 bill.	2.0%
Alabama	\$1.49 bill.	\$0.9	\$56.7	1.5%	44	\$97.0	\$145.2	\$242	0.4%
Alaska	\$169	\$9.8	\$10.7	92.0%	1	\$32.2	\$68.4	\$100	9.8%
Arizona	\$1.3 bill.	\$19.8	\$68.1	29.1%	16	\$106.3	\$331.8	\$438	4.5%
Arkansas	\$812	\$11.8	\$36.4	32.4%	11	\$52.5	\$230.7	\$283	4.2%
California	\$9.14 bill.	\$75.0	\$441.9	17.0%	23	\$760.1	\$892.3	\$1.7 bill.	4.5%
Colorado	\$1.31 bill.	\$7.0	\$54.4	12.9%	27	\$95.2	\$200.8	\$296	2.4%
Connecticut	\$1.63 bill.	\$0.4	\$43.9	0.9%	45	\$129.8	\$399.5	\$529	0.1%
Delaware	\$284	\$8.3	\$13.9	59.5%	6	\$28.0	\$130.2	\$158	5.2%
DC	\$243	\$0.6	\$10.5	5.4%	36	\$40.0	\$29.8	\$69	0.8%
Florida	\$6.32 bill.	\$61.6	\$210.9	29.2%	15	\$364.3	\$1.2 bill.	\$1.6 bill.	3.9%
Georgia	\$2.25 bill.	\$2.0	\$116.5	1.8%	43	\$145.7	\$223.7	\$369	0.6%
Hawaii	\$336	\$9.3	\$15.2	61.1%	3	\$51.8	\$128.2	\$180	5.2%
Idaho	\$319	\$1.5	\$16.9	8.9%	32	\$26.2	\$47.7	\$73	2.1%
Illinois	\$4.10 bill.	\$9.5	\$157.0	6.1%	35	\$283.4	\$564.9	\$848	1.1%
Indiana	\$2.08 bill.	\$9.2	\$78.8	11.7%	28	\$135.2	\$464.7	\$599	1.5%
Iowa	\$1.01 bill.	\$7.3	\$36.7	20.0%	20	\$69.6	\$225.8	\$295	2.5%
Kansas	\$927	\$1.0	\$32.1	3.1%	41	\$61.0	\$114.3	\$175	0.6%
Kentucky	\$1.50 bill.	\$2.6	\$57.2	4.5%	39	\$105.2	\$284.8	\$389	0.7%
Louisiana	\$1.47 bill.	\$9.0	\$53.5	16.9%	24	\$147.2	\$144.6	\$291	3.1%
Maine	\$602	\$9.9	\$18.5	53.5%	7	\$53.5	\$142.4	\$195	5.1%
Maryland	\$1.96 bill.	\$4.3	\$63.3	6.9%	34	\$152.5	\$394.1	\$546	0.8%
Massachusetts	\$3.54 bill.	\$4.5	\$90.0	5.0%	37	\$264.4	\$556.8	\$821	0.5%
Michigan	\$3.40 bill.	\$2.6	\$121.2	2.1%	42	\$265.3	\$993.0	\$1.3 bill.	0.2%
Minnesota	\$2.06 bill.	\$19.6	\$58.4	33.6%	10	\$166.5	\$419.1	\$585	3.4%
Mississippi	\$719	\$9.9	\$39.2	25.3%	17	\$112.6	\$158.8	\$271	3.7%
Missouri	\$2.13 bill.	\$0.1	\$73.2	0.1%	48	\$140.2	\$105.2	\$245	0.0%
Montana	\$277	\$8.4	\$13.9	60.4%	4	\$31.9	\$90.6	\$122	6.9%
Nebraska	\$537	\$2.9	\$21.5	13.3%	26	\$39.3	\$68.6	\$107	2.7%
Nevada	\$565	\$0.0	\$32.5	0.0%	51	\$42.2	\$106.8	\$148	0.0%
New Hampshire	\$564	\$0.0	\$19.2	0.0%	51	\$44.4	\$223.7	\$268	0.0%
New Jersey	\$3.17 bill.	\$0.6	\$119.8	0.5%	46	\$239.9	\$722.0	\$961	0.1%
New Mexico	\$461	\$7.0	\$23.4	29.8%	14	\$41.2	\$88.6	\$129	5.4%
New York	\$8.17 bill.	\$58.4	\$254.3	23.0%	18	\$762.3	\$1.5 bill.	\$2.2 bill.	2.6%
North Carolina	\$2.46 bill.	\$18.3	\$106.8	17.1%	22	\$146.4	\$277.5	\$423	4.3%
North Dakota	\$247	\$8.2	\$9.3	88.1%	2	\$33.8	\$23.0	\$56	14.6%

State	Annual Smoking Caused Health Costs	FY 2011 State Tobacco Prevention Spending	CDC Annual Spending Target	Tobacco Prevention Spending % of CDC Target	Tobacco Prevention Spending Rank (1= high)	FY 2011 State Tobacco Settlement Revenues (est.)	FY 2011 State Tobacco Tax Revenues (est.)	Total Annual State Revenues From Tobacco (est.)	Tobacco Prevention Spending % of Tobacco Revenue
Ohio	\$4.37 bill.	\$0.0	\$145.0	0.0%	51	\$305.5	\$862.3	\$1.2 bill.	0.0%
Oklahoma	\$1.16 bill.	\$21.7	\$45.0	48.2%	8	\$82.0	\$297.5	\$379	5.7%
Oregon	\$1.11 bill.	\$7.1	\$43.0	16.6%	25	\$83.0	\$230.9	\$313	2.3%
Pennsylvania	\$5.19 bill.	\$14.7	\$155.5	9.5%	30	\$349.2	\$1.1 bill.	\$1.5 bill.	1.0%
Rhode Island	\$506	\$0.7	\$15.2	4.8%	38	\$48.9	\$135.7	\$184	0.4%
South Carolina	\$1.09 bill.	\$5.0	\$62.2	8.0%	33	\$76.5	\$158.6	\$235	2.1%
South Dakota	\$274	\$3.5	\$11.3	31.0%	12	\$25.4	\$63.3	\$88	4.0%
Tennessee	\$2.16 bill.	\$0.2	\$71.7	0.3%	47	\$143.6	\$285.0	\$428	0.1%
Texas	\$5.83 bill.	\$11.4	\$266.3	4.3%	40	\$466.2	\$1.4 bill.	\$1.8 bill.	0.6%
Utah	\$345	\$7.1	\$23.6	30.2%	13	\$38.9	\$109.1	\$147	4.9%
Vermont	\$233	\$4.5	\$10.4	43.4%	9	\$36.9	\$67.0	\$103	4.4%
Virginia	\$2.08 bill.	\$9.4	\$103.2	9.1%	31	\$121.2	\$176.4	\$297	3.2%
Washington	\$1.95 bill.	\$13.4	\$67.3	19.8%	21	\$159.4	\$433.7	\$593	2.3%
West Virginia	\$690	\$5.7	\$27.8	20.4%	19	\$67.2	\$117.9	\$185	3.1%
Wisconsin	\$2.02 bill.	\$6.9	\$64.3	10.7%	29	\$136.8	\$704.0	\$840	0.8%
Wyoming	\$136	\$5.4	\$9.0	60.0%	5	\$19.7	\$26.4	\$46	11.7%

Notes: 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 FY2011 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 2010. The state settlement revenues include the tobacco settlement bonus payments expected to be included in annual MSA payments made to states in April 2011. 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 FY2011	Tobacco Prev. Spending FY2010	Tobacco Prev. Spending FY2009	Tobacco Prev. Spending FY2008	Tobacco Prev. Spending FY2007	Total Annual State Rev. From Tobacco FY2011 (est.)	Total Annual State Rev. From Tobacco FY2010 (est.)	Total Annual State Rev. From Tobacco FY2009	Total Annual State Rev. From Tobacco FY2008	Total Annual State Rev. From Tobacco FY2007	Prev. Spending as % of Tobacco Revenue FY2011	Prev. Spending as % of Tobacco Revenue FY2010	Prev. Spending as % of Tobacco Revenue FY2009	Prev. Spending as % of Tobacco Revenue FY2008	Prev. Spending as % of Tobacco Revenue FY2007
States Total	\$517.9	\$569.3	\$670.9	\$717.2	\$597.5	\$25.3 bill	\$25.9 bill.	\$25.2 bill.	\$24.4 bill.	\$22.3 bill.	2.0%	2.2%	2.7%	2.9%	2.7%
Alabama	\$0.9	\$0.8	\$1.2	\$0.8	\$0.7	\$242	\$245.7	\$258.2	\$253.3	\$248.7	0.4%	0.3%	0.5%	0.3%	0.3%
Alaska	\$9.8	\$9.2	\$8.2	\$7.5	\$6.2	\$100	\$101.9	\$109.9	\$107.8	\$92.7	9.8%	9.0%	7.5%	6.8%	6.7%
Arizona	\$19.8	\$22.1	\$21.0	\$23.5	\$25.5	\$438	\$450.3	\$506.2	\$521.4	\$453.5	4.5%	4.9%	4.1%	4.5%	5.6%
Arkansas	\$11.8	\$18.7	\$16.0	\$15.6	\$15.1	\$283	\$283.2	\$236.1	\$205.0	\$192.9	4.2%	6.6%	6.8%	7.6%	7.8%
California	\$75.0	\$77.1	\$77.7	\$77.4	\$84.0	\$1,652	\$1,686.5	\$1,904.4	\$1,860.4	\$1,844.3	4.5%	4.6%	4.1%	4.1%	4.6%
Colorado	\$7.0	\$11.1	\$26.4	\$26.0	\$25.0	\$296	\$300.6	\$330.0	\$324.4	\$310.9	2.4%	3.7%	8.0%	7.9%	8.0%
Connecticut	\$0.4	\$6.1	\$7.4	\$0.0	\$2.0	\$529	\$505.5	\$467.7	\$476.6	\$372.0	0.1%	1.2%	1.6%	0.0%	0.5%
Delaware	\$8.3	\$10.1	\$10.7	\$10.7	\$10.3	\$158	\$158.4	\$158.6	\$149.2	\$112.0	5.2%	6.4%	6.7%	6.0%	9.2%
Dist. Columbia	\$0.6	\$0.9	\$3.6	\$3.6	\$0.5	\$69	\$68.4	\$80.5	\$66.0	\$58.6	0.8%	1.2%	4.5%	5.5%	0.9%
Florida	\$61.6	\$65.8	\$59.5	\$58.0	\$5.6	\$1,599	\$1,647.4	\$837.9	\$833.0	\$848.9	3.9%	4.0%	7.1%	6.6%	0.7%
Georgia	\$2.1	\$2.1	\$2.3	\$2.2	\$2.3	\$369	\$374.8	\$407.6	\$397.6	\$393.3	0.6%	0.6%	0.6%	0.6%	0.6%
Hawaii	\$9.3	\$7.9	\$10.5	\$10.4	\$9.1	\$180	\$174.2	\$168.5	\$160.7	\$130.9	5.2%	4.5%	6.2%	6.8%	7.0%
Idaho	\$1.5	\$1.2	\$1.7	\$1.4	\$0.9	\$73	\$74.9	\$82.9	\$82.6	\$76.9	2.1%	1.6%	2.1%	1.7%	1.2%
Illinois	\$9.5	\$8.5	\$8.5	\$8.5	\$8.5	\$848	\$863.6	\$924.1	\$926.0	\$905.9	1.1%	1.0%	0.9%	0.9%	0.9%
Indiana	\$9.2	\$10.8	\$15.1	\$16.2	\$10.9	\$599	\$621.8	\$680.2	\$676.1	\$495.7	1.5%	1.7%	2.2%	2.2%	2.2%
Iowa	\$7.3	\$10.1	\$10.4	\$12.3	\$6.5	\$295	\$303.0	\$320.4	\$326.2	\$186.7	2.5%	3.3%	3.2%	3.4%	3.5%
Kansas	\$1.0	\$1.0	\$1.0	\$1.4	\$1.0	\$175	\$176.4	\$185.5	\$184.3	\$170.9	0.6%	0.6%	0.5%	0.7%	0.6%
Kentucky	\$2.6	\$2.8	\$2.8	\$2.4	\$2.2	\$389	\$399.8	\$332.7	\$301.4	\$292.3	0.7%	0.7%	0.8%	0.8%	0.8%
Louisiana	\$9.0	\$7.8	\$7.6	\$7.7	\$8.0	\$291	\$292.1	\$322.1	\$308.0	\$281.1	3.1%	2.7%	2.4%	2.5%	2.8%
Maine	\$9.9	\$10.8	\$10.9	\$16.9	\$14.7	\$195	\$200.5	\$207.8	\$208.7	\$205.7	5.1%	5.4%	5.2%	7.4%	7.1%
Maryland	\$4.3	\$5.5	\$19.6	\$18.4	\$18.7	\$546	\$561.9	\$586.3	\$516.4	\$414.6	0.8%	1.0%	3.3%	3.4%	4.5%

	Tobacco Prev. Spending FY2011	Tobacco Prev. Spending FY2010	Tobacco Prev. Spending FY2009	Tobacco Prev. Spending FY2008	Tobacco Prev. Spending FY2007	Total Annual State Rev. From Tobacco FY2011 (est.)	Total Annual State Rev. From Tobacco FY2010 (est.)	Total Annual State Rev. From Tobacco FY2009	Total Annual State Rev. From Tobacco FY2008	Total Annual State Rev. From Tobacco FY2007	Prev. Spending as % of Tobacco Revenue FY2011	Prev. Spending as % of Tobacco Revenue FY2010	Prev. Spending as % of Tobacco Revenue FY2009	Prev. Spending as % of Tobacco Revenue FY2008	Prev. Spending as % of Tobacco Revenue FY2007
Massachusetts	\$4.5	\$4.5	\$12.2	\$12.8	\$8.3	\$821	\$835.7	\$894.1	\$721.7	\$676.6	0.5%	0.5%	1.4%	1.8%	1.2%
Michigan	\$2.6	\$2.6	\$3.7	\$3.6	\$0.0	\$1,258	\$1,276.4	\$1,364.8	\$1,376.5	\$1,401.3	0.2%	0.2%	0.3%	0.3%	0.0%
Minnesota	\$19.6	\$20.3	\$20.5	\$22.1	\$21.7	\$585	\$586.5	\$602.8	\$614.0	\$629.8	3.4%	3.5%	3.4%	3.5%	3.4%
Mississippi	\$9.9	\$10.6	\$10.3	\$8.0	\$0.0	\$271	\$276.9	\$203.7	\$179.6	\$178.1	3.7%	3.8%	5.1%	4.3%	0.0%
Missouri	\$0.1	\$1.2	\$1.7	\$0.2	\$0.0	\$245	\$247.4	\$275.8	\$262.6	\$247.0	0.0%	0.5%	0.6%	0.1%	0.0%
Montana	\$8.4	\$8.4	\$8.5	\$8.5	\$6.9	\$122	\$121.5	\$127.5	\$128.7	\$117.7	6.9%	6.9%	6.7%	6.9%	5.9%
Nebraska	\$2.9	\$3.0	\$3.0	\$2.5	\$3.0	\$107	\$108.5	\$119.9	\$119.2	\$108.6	2.7%	2.8%	2.5%	2.2%	2.8%
Nevada	\$0.0	\$2.9	\$3.4	\$2.0	\$3.8	\$148	\$153.0	\$169.2	\$181.4	\$175.3	0.0%	1.9%	2.0%	1.1%	2.2%
New Hamp.	\$0.0	\$0.0	\$0.2	\$1.3	\$0.0	\$268	\$277.4	\$245.8	\$230.2	\$180.6	0.0%	0.0%	0.1%	0.6%	0.0%
New Jersey	\$0.6	\$7.6	\$9.1	\$11.0	\$11.0	\$961	\$987.5	\$1,029.7	\$1,040.4	\$1,011.1	0.1%	0.8%	0.9%	1.0%	1.1%
New Mexico	\$7.0	\$9.5	\$9.6	\$9.6	\$7.7	\$129	\$103.4	\$114.5	\$111.6	\$102.7	5.4%	9.2%	8.4%	8.7%	7.5%
New York	\$58.4	\$55.2	\$80.4	\$85.5	\$85.5	\$2,241	\$2,115.9	\$2,296.9	\$1,838.5	\$1,755.3	2.6%	2.6%	3.5%	4.8%	4.9%
North Carolina	\$18.3	\$18.3	\$17.1	\$17.1	\$17.1	\$423	\$419.1	\$418.4	\$408.1	\$383.5	4.3%	4.4%	4.1%	4.0%	4.5%
North Dakota	\$8.2	\$8.2	\$3.1	\$3.1	\$3.1	\$56	\$56.3	\$63.1	\$60.5	\$46.3	14.6%	14.6%	4.9%	5.2%	6.7%
Ohio	\$0.0	\$6.0	\$6.0	\$44.7	\$45.0	\$1,167	\$1,215.9	\$1,280.9	\$1,283.1	\$1,292.0	0.0%	0.5%	0.5%	3.3%	3.5%
Oklahoma	\$21.7	\$19.8	\$18.0	\$14.2	\$10.0	\$379	\$351.5	\$369.0	\$345.4	\$295.5	5.7%	5.6%	4.9%	3.3%	3.4%
Oregon	\$7.1	\$6.6	\$8.2	\$8.2	\$3.5	\$313	\$318.1	\$346.3	\$345.3	\$340.8	2.3%	2.1%	2.4%	2.4%	1.0%
Pennsylvania	\$14.7	\$17.7	\$32.1	\$31.7	\$30.3	\$1,483	\$1,437.7	\$1,403.4	\$1,396.8	\$1,362.2	1.0%	1.2%	2.3%	2.3%	2.2%
Rhode Island	\$0.7	\$0.7	\$0.9	\$0.9	\$1.0	\$184	\$187.9	\$182.0	\$167.9	\$163.5	0.4%	0.4%	0.5%	0.5%	0.6%
South Carolina	\$5.0	\$2.0	\$0.0	\$2.0	\$2.0	\$235	\$108.4	\$121.8	\$114.9	\$103.3	2.1%	1.8%	0.0%	1.7%	1.9%
South Dakota	\$3.5	\$5.0	\$5.0	\$5.0	\$0.7	\$88	\$90.9	\$95.3	\$90.1	\$67.9	4.0%	5.5%	5.2%	5.0%	1.0%
Tennessee	\$0.2	\$0.2	\$5.0	\$10.0	\$0.0	\$428	\$440.3	\$473.5	\$429.3	\$283.5	0.1%	0.0%	1.1%	2.0%	0.0%
Texas	\$11.4	\$11.4	\$11.8	\$11.8	\$5.2	\$1,846	\$1,894.0	\$1,783.9	\$2,067.6	\$1,594.7	0.6%	0.6%	0.7%	0.6%	0.3%
Utah	\$7.1	\$7.1	\$7.2	\$7.3	\$7.2	\$147	\$101.6	\$103.6	\$105.2	\$90.3	4.9%	7.0%	6.9%	7.7%	8.0%
Vermont	\$4.5	\$4.8	\$5.2	\$5.2	\$5.1	\$103	\$105.9	\$106.7	\$99.1	\$88.2	4.4%	4.5%	4.9%	5.0%	5.8%
Virginia	\$9.4	\$12.3	\$12.7	\$14.5	\$13.5	\$297	\$300.9	\$331.5	\$314.9	\$310.1	3.2%	4.1%	3.8%	4.5%	4.4%
Washington	\$13.4	\$15.8	\$27.2	\$27.1	\$27.1	\$593	\$557.4	\$609.9	\$621.1	\$563.7	2.3%	2.8%	4.5%	4.4%	4.8%
West Virginia	\$5.7	\$5.7	\$5.7	\$5.7	\$5.4	\$185	\$184.4	\$195.6	\$186.0	\$164.7	3.1%	3.1%	2.9%	3.0%	3.3%
Wisconsin	\$6.9	\$6.9	\$15.3	\$15.0	\$10.0	\$840	\$827.4	\$756.5	\$634.7	\$439.4	0.8%	0.8%	2.0%	2.5%	2.3%
Wyoming	\$5.4	\$4.8	\$6.0	\$5.9	\$5.9	\$46	\$46.0	\$49.3	\$47.7	\$42.0	11.7%	10.4%	12.2%	12.5%	14.0%

Appendix D



Cuts to State Tobacco Prevention Programs from FY2008-FY2011

State	FY08 State Spending (\$millions)	FY11 State Spending (\$millions)	Difference in Spending FY08-FY11 (\$millions)	Percent Cut FY09-FY11
Alabama	\$0.8	\$0.9	+\$0.1	+12.1%
Alaska	\$7.5	\$9.8	+\$2.4	+31.5%
Arizona	\$23.5	\$19.8	-\$3.7	-15.7%
Arkansas	\$15.6	\$11.8	-\$3.8	-24.4%
California	\$77.4	\$75.0	-\$2.4	-3.0%
Colorado	\$26.0	\$7.0	-\$19.0	-73.1%
Connecticut	\$0.0	\$0.4	+\$0.4	NA
Delaware	\$10.7	\$8.3	-\$2.4	-22.5%
District of Columbia	\$3.6	\$0.6	-\$3.0	-84.2%
Florida	\$58.0	\$61.6	+\$3.6	+6.3%
Georgia	\$2.2	\$2.0	-\$0.2	-9.3%
Hawaii	\$10.4	\$9.3	-\$1.1	-10.5%
Idaho	\$1.4	\$1.5	+\$0.1	+7.9%
Illinois	\$8.5	\$9.5	+\$1.0	+11.8%
Indiana	\$16.2	\$9.2	-\$7.0	-43.2%
Iowa	\$12.3	\$7.3	-\$5.0	-40.3%
Kansas	\$1.4	\$1.0	-\$0.4	-28.6%
Kentucky	\$2.4	\$2.6	+\$0.2	+9.7%
Louisiana	\$7.7	\$9.0	+\$1.4	+17.9%
Maine	\$16.9	\$9.9	-\$7.0	-41.5%
Maryland	\$18.4	\$4.3	-\$14.0	-76.3%
Massachusetts	\$12.8	\$4.5	-\$8.3	-64.8%
Michigan	\$3.6	\$2.6	-\$1.0	-27.8%
Minnesota	\$22.1	\$19.6	-\$2.5	-11.3%
Mississippi	\$8.0	\$9.9	+\$1.9	+23.8%
Missouri	\$0.2	\$0.1	-\$0.1	-70.0%
Montana	\$8.5	\$8.4	-\$0.1	-1.0%
Nebraska	\$2.5	\$2.9	+\$0.4	+14.2%
Nevada	\$2.0	\$0.0	-\$2.0	-100.0%
New Hampshire	\$1.3	\$0.0	-\$1.3	-100.0%
New Jersey	\$11.0	\$0.6	-\$10.4	-94.5%

New Mexico	\$9.6	\$7.0	-\$2.6	-27.4%
New York	\$85.5	\$58.4	-\$27.1	-31.7%
North Carolina	\$17.1	\$18.3	+\$1.2	+7.0%
North Dakota	\$3.1	\$8.2	+\$5.1	+161.9%
Ohio	\$44.7	\$0.0	-\$44.7	-100.0%
Oklahoma	\$14.2	\$21.7	+\$7.5	+52.6%
Oregon	\$8.2	\$7.1	-\$1.1	-13.0%
Pennsylvania	\$31.7	\$14.7	-\$17.0	-53.6%
Rhode Island	\$0.9	\$0.7	-\$0.2	-21.8%
South Carolina	\$2.0	\$5.0	+\$3.0	+150.0%
South Dakota	\$5.0	\$3.5	-\$1.5	-30.0%
Tennessee	\$10.0	\$0.2	-\$9.8	-97.8%
Texas	\$11.8	\$11.4	-\$0.4	-3.4%
Utah	\$7.3	\$7.1	-\$0.1	-1.8%
Vermont	\$5.2	\$4.5	-\$0.7	-13.5%
Virginia	\$14.5	\$9.4	-\$5.1	-35.3%
Washington	\$27.1	\$13.4	-\$13.7	-50.6%
West Virginia	\$5.7	\$5.7	\$0.0	+0.1%
Wisconsin	\$15.0	\$6.9	-\$8.2	-54.3%
Wyoming	\$5.9	\$5.4	-\$0.5	-8.6%
Total	\$717.2	\$517.9	-\$199.3	-27.8%



COMPREHENSIVE TOBACCO PREVENTION AND CESSATION PROGRAMS EFFECTIVELY REDUCE TOBACCO USE

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

Recommendations for state tobacco prevention and cessation programs are best summarized in the Center for Disease Control and Prevention's *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.¹

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.²

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

A study published in the *American Journal of Public Health*, examined state tobacco prevention and cessation funding levels from 1995 to 2003 and found that the more states spent on these programs, the larger the declines they achieved in adult smoking, even when controlling for other factors such as increased tobacco prices. The researchers also calculated that if every state had funded their programs at the levels recommended by the 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 2003.³ The Campaign for Tobacco-Free Kids estimates that such smoking declines would have saved between 700,000 and 2.2 million lives as well as between \$20 billion and \$67 billion in health care costs.

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

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.⁵

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.⁶

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 2009, from 22.7 percent to 12.9 percent.⁷ If every state had California's current smoking rate, there would be more than 16 million fewer smokers in the United States.
- Between 2000 and 2008, smoking prevalence among high school students decreased by 32 percent, from 21.6 percent to 14.6 percent.⁸
- Between Fiscal Year 1989-90 and Fiscal Year 2006-07, per capita cigarette consumption in California declined by 61 percent, compared to just 41 percent for the country as a whole, during this same time period.⁹ Even after the tobacco industry's successful efforts to reduce the state's tobacco

* 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>.

prevention funding, cigarette consumption still declined more in California than in the rest of the country.¹⁰

- 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.¹¹
- Between 1988 and 2004, lung and bronchus cancer rates in California declined at 3.8 times the rate of decline as the rest of the U.S.¹² Researchers have associated the declines in lung cancer rates with the efforts of California's program.¹³
- A study published in the *American Journal of Public Health* found that the California anti-tobacco media campaign reduced sales of cigarettes by 232 million packs between the third quarter of 1990 and the fourth quarter of 1992. This reduction was independent of the decreases in consumption brought about by the tax increase.¹⁴

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.¹⁵

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.¹⁶ Washington's comprehensive program is working – the state's declines in youth and adult smoking surpass national trends.

- Since the tobacco control program was implemented, Washington has reduced the adult smoking rate by one-third, from 22.4 percent in 1999 to 14.8 percent in 2009.¹⁷ According to the Department of Health, this decline translates to 105,000 people spared from premature, tobacco-related deaths and \$3 billion in future health care savings.¹⁸
- Washington's tobacco prevention efforts have also reduced youth smoking rates by more than half, saving additional lives and dollars.¹⁹

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 2008, smoking among middle school students declined by 63.8 percent, (from 10.5 percent to 3.8 percent), and smoking among high school students declined by 46 percent, (from 27.1 percent to 14.6 percent).²⁰
- Between 2000 and 2009, adult smoking declined by 16.6 percent, from 21.6 percent to 18.0 percent.²¹

Program Success – Maine

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

- Smoking among Maine's high school students declined a dramatic 54 percent between 1997 and 2009, falling from 39.2 percent to 18.1 percent. (Nationally, smoking among high school students declined by 46.5 percent over this same time period.)²²

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.²³

- Between 2000 and 2008, smoking among high school students declined by 42 percent, (from 31.6 percent to 18.3 percent).
- Smoking among middle school students declined by 58 percent, from 9.8 percent to 4.1 percent, over this same time period.

Program Success -- Massachusetts

In 1992, Massachusetts voters approved a referendum that increased the state cigarette tax by 25 cents per pack. Part of the new tax revenues was used to fund the Massachusetts Tobacco Control Program (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).²⁴
- 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)²⁵
- Between 1993 and 2000, adult smoking prevalence dropped from 22.6 percent to 17.9 percent, resulting in 228,000 fewer smokers.²⁶ Nationally, smoking prevalence dropped by just seven percent over this same time period.²⁷
- 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).²⁸

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.²⁹

- 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).³⁰

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¹¹ *California's Tobacco Control Program: Preventing Tobacco Related Disease and Death*; Tobacco Control Section, California Department of Health Services, April 3, 1998.

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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
States Total	2.3 mill	41,000	172,000	742,000	615,000	237,000	41,000	1,178	686	\$351.5	\$991.3	\$35.0 bill
Alabama	35,700	620	2,600	11,200	9,500	3,600	620	23	13	\$5.3	\$20.8	\$535.2
Alaska	5,100	110	420	1,800	1,400	580	110	3	2	\$1.0	\$2.8	\$80.0
Arizona	48,600	930	3,600	17,300	12,900	5,500	930	21	12	\$7.9	\$19.6	\$764.5
Arkansas	21,700	400	1,600	7,000	5,800	2,200	400	13	8	\$3.4	\$11.9	\$328.7
California	275,200	5,300	21,600	94,300	72,900	30,200	5,300	100	58	\$45.1	\$91.9	\$4,264.7
Colorado	37,900	690	2,700	12,200	10,000	3,900	690	19	11	\$5.8	\$17.4	\$573.6
Connecticut	27,100	390	2,000	8,000	7,200	2,600	390	12	7	\$3.3	\$11.3	\$397.5
Delaware	6,700	110	490	2,000	1,800	640	110	4	2	\$1.0	\$3.2	\$98.7
DC	4,800	80	330	1,100	1,300	350	80	2	1	\$0.7	\$1.8	\$64.9
Florida	144,800	2,200	9,300	40,500	38,400	13,000	2,200	68	39	\$18.8	\$62.1	\$2,084.4
Georgia	72,400	1,400	5,700	25,800	19,200	8,300	1,400	37	22	\$12.0	\$34.2	\$1,139.3
Hawaii	10,000	190	640	2,900	2,700	930	190	4	2	\$1.6	\$3.9	\$145.8
Idaho	11,200	240	920	4,100	3,000	1,300	240	5	3	\$2.0	\$4.6	\$178.2
Illinois	97,300	1,700	7,400	31,700	25,800	10,100	1,700	51	30	\$14.6	\$47.1	\$1,479.1
Indiana	48,300	870	3,700	15,800	12,800	5,100	870	32	18	\$7.4	\$29.2	\$735.4
Iowa	22,900	400	1,700	7,100	6,100	2,300	400	11	6	\$3.4	\$10.0	\$341.8
Kansas	21,100	420	1,600	7,000	5,600	2,200	420	10	6	\$3.5	\$9.5	\$323.0
Kentucky	32,900	570	2,300	10,100	8,700	3,200	570	24	14	\$4.9	\$22.2	\$489.3
Louisiana	33,600	650	2,600	11,200	8,900	3,600	650	21	12	\$5.5	\$18.9	\$515.2
Maine	10,400	140	710	2,700	2,800	900	140	5	3	\$1.1	\$5.0	\$146.1

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	43,400	760	3,200	13,500	11,500	4,300	760	19	11	\$6.5	\$17.9	\$648.6
Massachusetts	51,600	750	3,700	14,300	13,700	4,600	750	22	13	\$6.3	\$20.6	\$740.5
Michigan	76,100	1,200	5,900	23,400	20,200	7,500	1,200	44	25	\$10.0	\$40.0	\$1,132.5
Minnesota	40,000	700	2,900	12,600	10,600	4,000	700	19	11	\$6.0	\$17.7	\$600.5
Mississippi	21,800	430	1,800	7,600	5,800	2,400	430	14	8	\$3.7	\$12.8	\$340.1
Missouri	45,500	790	3,300	14,300	12,100	4,600	790	30	17	\$6.7	\$27.2	\$682.5
Montana	7,500	120	540	2,100	2,000	670	120	4	2	\$1.0	\$3.3	\$108.0
Nebraska	13,400	270	1,000	4,500	3,600	1,400	270	6	4	\$2.3	\$5.6	\$206.1
Nevada	19,600	390	1,400	6,800	5,200	2,200	390	12	7	\$3.3	\$11.4	\$305.2
New Hampshire	10,300	140	760	2,800	2,700	900	140	5	3	\$1.2	\$4.6	\$146.9
New Jersey	66,600	1,100	4,600	20,400	17,600	6,500	1,100	31	18	\$9.3	\$28.6	\$989.7
New Mexico	14,900	290	1,100	5,100	3,900	1,600	290	7	4	\$2.5	\$6.8	\$230.8
New York	151,100	2,600	10,900	44,200	40,000	14,100	2,600	78	45	\$21.7	\$71.4	\$2,209.0
North Carolina	71,000	1,300	5,200	22,700	18,800	7,300	1,300	41	24	\$10.8	\$37.9	\$1,071.8
North Dakota	5,000	90	390	1,400	1,300	450	90	2	1	\$0.8	\$2.2	\$72.0
Ohio	88,200	1,400	6,500	27,100	23,400	8,700	1,400	52	30	\$12.3	\$47.3	\$1,312.2
Oklahoma	27,600	540	2,100	9,100	7,300	2,900	540	19	11	\$4.6	\$17.6	\$421.5
Oregon	29,500	470	2,000	8,700	7,800	2,800	470	15	9	\$4.0	\$13.8	\$432.5
Pennsylvania	98,200	1,500	7,100	27,700	26,000	8,900	1,500	56	33	\$12.5	\$51.8	\$1,417.7
Rhode Island	8,200	110	630	2,200	2,200	700	110	4	2	\$1.0	\$3.3	\$116.4
South Carolina	34,800	600	2,600	10,800	9,200	3,500	600	20	12	\$5.1	\$18.4	\$519.6
South Dakota	6,100	120	500	1,900	1,600	610	120	3	2	\$1.0	\$2.7	\$91.2
Tennessee	48,000	820	3,400	14,900	12,700	4,800	820	30	18	\$7.0	\$27.8	\$716.8
Texas	178,800	4,000	14,300	68,900	47,400	22,000	4,000	89	52	\$33.7	\$82.2	\$2,904.4
Utah	19,100	540	1,700	8,600	5,100	2,800	540	5	3	\$4.6	\$4.3	\$332.0
Vermont	4,900	60	370	1,200	1,300	380	60	2	1	\$0.5	\$2.3	\$67.6
Virginia	60,300	1,050	4,300	18,400	16,000	5,900	1,050	33	19	\$8.9	\$30.2	\$894.9
Washington	50,900	890	3,600	15,600	13,500	5,000	890	22	13	\$7.6	\$20.1	\$756.6
West Virginia	14,300	210	900	3,800	3,800	1,200	210	10	6	\$1.8	\$9.6	\$202.4
Wisconsin	43,400	710	3,200	13,100	11,500	4,200	710	23	14	\$6.1	\$21.5	\$641.6

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	4,100	80	310	1,300	1,100	420	80	2	1	\$0.7	\$2.1	\$61.7
States Total	2.3 mill	41,000	172,000	742,000	615,000	237,000	41,000	1,178	686	\$351.5	\$991.3	\$35.0 bill.

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Campaign for Tobacco-Free Kids, November 17, 2010 / Ann Boonn

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 its 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.¹ 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 ²					
	FY 2011 Tobacco Prevention Spending ³ (millions)	CDC Tobacco Prevention Spending Target ⁴ (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	\$0.860	\$56.7	\$55.8	\$0.425	\$0.22	16,000	6,000	6,700	\$3.6	\$2.0	\$337.0
Alaska	\$9.8	\$10.7	\$0.9	\$2.00	\$0.15	700	300	300	\$0.2	\$0.2	\$15.1
Arizona	\$19.8	\$68.1	\$48.3	\$2.00	\$0.76	25,400	14,900	12,000	\$6.2	\$4.1	\$586.1
Arkansas	\$11.8	\$36.4	\$24.6	\$1.15	\$0.27	6,300	3,700	2,900	\$2.1	\$1.8	\$145.4
California	\$75.0	\$441.9	\$366.9	\$0.87	\$0.63	144,000	68,800	64,300	\$23.6	\$23.8	\$3,173.6
Colorado	\$7.0	\$54.4	\$47.4	\$0.84	\$0.35	12,300	7,000	5,700	\$3.3	\$2.3	\$281.8
Connecticut	\$0.400	\$43.9	\$43.5	\$3.00	\$1.17	23,900	10,400	10,400	\$4.4	\$2.5	\$517.1
Delaware	\$8.3	\$13.9	\$5.6	\$1.60	\$0.22	1,400	800	600	\$0.4	\$0.3	\$32.1
DC	\$0.569	\$10.5	\$9.9	\$2.50	\$1.50+*	3,600	2,600	1,800	\$1.0	\$0.3	\$87.7
Florida	\$61.6	\$210.9	\$149.3	\$1.339	\$0.33	42,700	23,300	19,800	\$10.3	\$5.4	\$968.6
Georgia	\$2.0	\$116.5	\$114.5	\$0.37	\$0.28	21,800	12,300	10,200	\$6.0	\$3.0	\$498.4
Hawaii	\$9.3	\$15.2	\$5.9	\$3.00	\$0.50	3,500	1,500	1,500	\$0.6	\$0.4	\$75.5
Idaho	\$1.5	\$16.9	\$15.4	\$0.57	\$0.31	3,100	1,900	1,400	\$0.8	\$0.9	\$72.3
Illinois	\$9.5	\$157.0	\$147.5	\$0.98	\$0.41	45,900	20,700	20,100	\$10.3	\$5.0	\$999.9
Indiana	\$9.2	\$78.8	\$69.6	\$0.995	\$0.29	18,700	10,500	8,700	\$6.5	\$5.6	\$427.0

State	Using State Tobacco Tax Increases to Fund Tobacco Prevention Programs					Public Health Benefits and Cost Savings from Tobacco Tax Increase ²					
	FY 2011 Tobacco Prevention Spending ³ (millions)	CDC Tobacco Prevention Spending Target ⁴ (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	\$7.3	\$36.7	\$29.4	\$1.36	\$0.41	9,900	4,700	4,400	\$2.1	\$2.9	\$217.9
Kansas	\$1.0	\$32.1	\$31.1	\$0.79	\$0.33	7,300	4,000	3,300	\$1.9	\$2.0	\$165.8
Kentucky	\$2.6	\$57.2	\$54.6	\$0.60	\$0.19	8,200	5,400	4,000	\$3.8	\$3.1	\$194.8
Louisiana	\$9.0	\$53.5	\$44.5	\$0.36	\$0.16	7,300	4,100	3,400	\$2.4	\$1.3	\$166.7
Maine	\$9.9	\$18.5	\$8.6	\$2.00	\$0.35	3,000	1,600	1,300	\$0.8	\$0.6	\$67.7
Maryland	\$4.3	\$63.3	\$59.0	\$2.00	\$0.73	25,500	12,200	11,300	\$5.2	\$3.1	\$562.2
Massachusetts	\$4.5	\$90.0	\$85.5	\$2.51	\$1.03	33,900	17,500	15,400	\$7.1	\$5.0	\$759.5
Michigan	\$2.6	\$121.2	\$118.6	\$2.00	\$0.58	56,500	22,300	23,900	\$12.0	\$8.5	\$1,200.6
Minnesota	\$19.6	\$58.4	\$38.8	\$1.576	\$0.34	13,900	6,300	6,100	\$2.9	\$2.2	\$303.1
Mississippi	\$9.9	\$39.2	\$29.3	\$0.68	\$0.23	6,600	4,000	3,100	\$2.4	\$1.4	\$153.5
Missouri	\$0.060	\$73.2	\$73.1	\$0.17	\$0.20	12,400	7,700	6,000	\$4.7	\$3.7	\$290.2
Montana	\$8.4	\$13.9	\$5.5	\$1.70	\$0.19	1,100	600	500	\$0.3	\$0.4	\$25.0
Nebraska	\$2.9	\$21.5	\$18.6	\$0.64	\$0.25	3,600	1,800	1,600	\$0.8	\$1.2	\$80.1
Nevada	\$0.0	\$32.5	\$32.5	\$0.80	\$0.42	7,600	5,700	3,900	\$3.4	\$1.8	\$187.2
New Hampshire	\$0.0	\$19.2	\$19.2	\$1.78	\$0.39	3,900	1,700	1,600	\$0.8	\$0.7	\$84.4
New Jersey	\$0.600	\$119.8	\$119.2	\$2.70	\$1.50+*	72,000	35,200	32,300	\$15.4	\$10.4	\$1,594.4
New Mexico	\$7.0	\$23.4	\$16.4	\$1.66	\$0.67	8,200	4,700	3,800	\$2.2	\$1.3	\$188.2
New York	\$58.4	\$254.3	\$195.9	\$4.35	\$1.50+*	128,600	69,900	59,600	\$33.5	\$19.9	\$2,914.6
North Carolina	\$18.3	\$106.8	\$88.5	\$0.45	\$0.22	17,800	10,900	8,500	\$6.0	\$3.2	\$415.1
North Dakota	\$8.2	\$9.3	\$1.1	\$0.44	\$0.05	200	100	0	\$0.1	\$0.1	\$4.5
Ohio	\$0.0	\$145.0	\$145.0	\$1.25	\$0.40	42,800	20,900	19,200	\$11.5	\$11.4	\$947.6
Oklahoma	\$21.7	\$45.0	\$23.3	\$1.03	\$0.17	5,500	3,600	2,700	\$2.4	\$1.5	\$130.5
Oregon	\$7.1	\$43.0	\$35.9	\$1.18	\$0.400	11,300	6,500	5,300	\$3.1	\$2.6	\$259.5
Pennsylvania	\$14.7	\$155.5	\$140.8	\$1.60	\$0.36	38,700	20,600	17,800	\$11.1	\$8.6	\$873.0
Rhode Island	\$0.735	\$15.2	\$14.5	\$3.46	\$1.50+*	9,100	3,800	3,900	\$1.6	\$1.1	\$195.4
South Carolina	\$5.0	\$62.2	\$57.2	\$0.57	\$0.28	11,900	6,800	5,600	\$3.7	\$3.2	\$272.9
South Dakota	\$3.5	\$11.3	\$7.8	\$1.53	\$0.44	2,800	1,300	1,200	\$0.6	\$1.0	\$61.4
Tennessee	\$0.222	\$71.7	\$71.5	\$0.62	\$0.24	13,000	8,400	6,300	\$5.1	\$4.0	\$307.3
Texas	\$11.4	\$266.3	\$254.9	\$1.41	\$0.57	102,200	51,900	46,400	\$24.4	\$14.6	\$2,281.6
Utah	\$7.1	\$23.6	\$16.5	\$1.70	\$0.49	4,300	2,400	2,000	\$0.6	\$1.2	\$98.1
Vermont	\$4.5	\$10.4	\$5.9	\$2.24	\$0.57	2,100	1,100	900	\$0.5	\$0.4	\$47.2

State	Using State Tobacco Tax Increases to Fund Tobacco Prevention Programs					Public Health Benefits and Cost Savings from Tobacco Tax Increase ²					
	FY 2011 Tobacco Prevention Spending ³ (millions)	CDC Tobacco Prevention Spending Target ⁴ (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	\$9.4	\$103.2	\$93.8	\$0.30	\$0.22	14,100	8,700	6,800	\$4.5	\$2.0	\$329.4
Washington	\$13.4	\$67.3	\$53.9	\$3.025	\$1.50+*	48,800	23,600	21,800	\$9.5	\$8.9	\$1,078.2
West Virginia	\$5.7	\$27.8	\$22.1	\$0.55	\$0.13	2,400	1,600	1,100	\$1.1	\$1.0	\$57.2
Wisconsin	\$6.9	\$64.3	\$57.4	\$2.52	\$0.60	22,400	11,200	10,100	\$5.7	\$5.4	\$498.4
Wyoming	\$5.4	\$9.0	\$3.6	\$0.60	\$0.12	500	300	200	\$0.2	\$0.3	\$11.6

* Due to various state factors, a rate increase greater than \$1.50 per pack is needed in this state to generate enough revenue to reach the CDC tobacco prevention spending target, however our model cannot accurately estimate revenue generated from tax increases greater than \$1.50.

Campaign for Tobacco-Free Kids, November 17, 2010 / Ann Boonn

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>.

¹ 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>.

² These projections incorporate the impact of both background smoking declines and the unprecedented 61.66-cent federal cigarette tax rate increase (effective April 1, 2009) on state smoking levels, pack sales, and pack prices. 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>.

³ Campaign for Tobacco-Free Kids, et al., *A Decade of Broken Promises: The 1998 State Tobacco Settlement Twelve Years Later*, 2010, <http://tobaccofreekids.org/reports/settlements>. Tobacco prevention spending includes state funds appropriated for tobacco control for FY2011.

⁴ 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.



STATE CIGARETTE EXCISE TAX RATES & RANKINGS

Overall All States' Average: \$1.45 per pack
Major Tobacco States' Average: 48.5 cents per pack
Other States' Average: \$1.57 per pack

State	Tax	Rank
Alabama	\$0.425	47th
Alaska	\$2.00	11th
Arizona	\$2.00	11th
Arkansas	\$1.15	29th
California	\$0.87	33rd
Colorado	\$0.84	34th
Connecticut	\$3.00	4th
Delaware	\$1.60	20th
DC	\$2.50	9th
Florida	\$1.339	26th
Georgia	\$0.37	48th
Hawaii	\$3.00	4th
Idaho	\$0.57	42nd
Illinois	\$0.98	32nd
Indiana	\$0.995	31st
Iowa	\$1.36	25th
Kansas	\$0.79	36th
Kentucky	\$0.60	40th

State	Tax	Rank
Louisiana	\$0.36	49th
Maine	\$2.00	11th
Maryland	\$2.00	11th
Massachusetts	\$2.51	8th
Michigan	\$2.00	11th
Minnesota	\$1.576	22nd
Mississippi	\$0.68	37th
Missouri	\$0.17	51st
Montana	\$1.70	17th
Nebraska	\$0.64	38th
Nevada	\$0.80	35th
New Hampshire	\$1.78	16th
New Jersey	\$2.70	6th
New Mexico	\$1.66	19th
New York	\$4.35	1st
North Carolina	\$0.45	45th
North Dakota	\$0.44	46th
Ohio	\$1.25	27th

State	Tax	Rank
Oklahoma	\$1.03	30th
Oregon	\$1.18	28th
Pennsylvania	\$1.60	20th
Rhode Island	\$3.46	2nd
South Carolina	\$0.57	42nd
South Dakota	\$1.53	23rd
Tennessee	\$0.62	39th
Texas	\$1.41	24th
Utah	\$1.70	17th
Vermont	\$2.24	10th
Virginia	\$0.30	50th
Washington	\$3.025	3rd
West Virginia	\$0.55	44th
Wisconsin	\$2.52	7th
Wyoming	\$0.60	40th
Puerto Rico	\$2.23	NA
Guam	\$3.00	NA
Northern Marianas	\$1.75	NA

Tax stamp includes 75¢ health impact fee & 34.6¢ cigarette sales tax (Commissioner of Revenue sets sales tax rate each year)

Table shows all cigarette tax rates in effect now. Since 2002, 47 states, DC, and several U.S. territories have increased their cigarette tax rates more than 100 times. The three states in **bold type** have not increased their cigarette tax since 1999 or earlier. Currently, 29 states, DC, Puerto Rico, the Northern Marianas, and Guam have cigarette tax rates of \$1.00 per pack or higher; 14 states, DC, and Guam have cigarette tax rates of \$2.00 per pack or higher; five states and Guam have cigarette tax rates of \$3.00 per pack or higher; and one state (NY) has a cigarette tax rate more than \$4.00 per pack. Tobacco states are KY, VA, NC, SC, GA, and TN. States' average includes DC, but not Puerto Rico, other U.S. territories, or local cigarette taxes. The median tax rate is \$1.339 per pack. AK, MI, MN, MS, UT also have special taxes or fees on brands of manufacturers not participating in the state tobacco lawsuit settlements (NPMs).

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

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

The average price for a pack of cigarettes nationwide is roughly \$5.51 (including statewide sales taxes but not local cigarette or sales taxes, other than NYC's \$1.50 per pack cigarette tax), with considerable state-to-state differences because of different state tax rates, and different manufacturer, wholesaler, and retailer pricing and discounting practices. AK, DE, MT, NH & OR have no state retail sales tax at all; MN & OK have a state sales tax but do not apply it to cigarettes; and AL, GA & MO (unlike the rest of the states) do not apply their state sales tax to that portion of retail cigarette prices that represents the state's cigarette excise tax.

Campaign for Tobacco-Free Kids, August 3, 2010 / Eric Lindblom

For additional information see the Campaign's website at <http://tobaccofreekids.org/reports/prices>.

Sources: Orzechowski & Walker, *Tax Burden on Tobacco*, 2009; media reports.



STATEWIDE SMOKE-FREE LAWS

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

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