

# A Broken Promise to Our Children

*The 1998 State  
Tobacco Settlement  
11 Years Later*

*December 9, 2009*

# **A Broken Promise to Our Children: The 1998 State Tobacco Settlement Eleven 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 2009 alone, 14 states and the District of Columbia have increased tobacco taxes.

**This year, our report finds that states are collecting more tobacco-generated revenue than ever before, but are spending less of it on programs to prevent kids from smoking and help smokers quit. Overall conclusions of this year's report include:**

- In the current budget year, Fiscal Year 2010, the states will collect \$25.1 billion from the tobacco settlement and tobacco taxes. They will spend just 2.3 percent of it – \$567.5 million – on tobacco prevention and cessation programs.
- In the past year, states have cut funding for tobacco prevention programs by \$103.4 million, or 15.4 percent. Including a new round of cuts approved December 2, New York has made the largest cut to its program – \$25.2 million, or 31 percent. Even as this report is released, several states are considering further cuts to their programs. *NOTE: This executive summary and the chart ranking states (p. vii-viii) have been updated to reflect the latest cuts to New York's program. Other materials in this report went to press November 30.*
- 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). Counting the \$567.5 million in state funds and \$62 million in federal grants, total funding for state tobacco prevention programs this year is \$629.5 million. This amounts to 17 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.

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

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 the remarkable progress the United States has made in reducing smoking has slowed and even stalled.

The CDC recently reported that the adult smoking rate in 2008 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 45 percent from a high of 36.4 percent in 1997, 20 percent of high school students still smoke and declines have slowed in recent years, according to the CDC.

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. 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 in every state 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 the past year. Rather than take these backward steps, states should increase tobacco taxes to help fill budget gaps and use some of the revenue to fund 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, 26 states and the District of Columbia have enacted smoke-free laws that include restaurants and bars (South Dakota has also enacted such a law, but it is on hold pending a November 2010 ballot initiative).
- At the federal level, the pending health care reform legislation presents Congress with an immediate opportunity for action. It is vital that health care reform include robust funding for community-based prevention initiatives, including tobacco prevention and cessation, that prevent costly diseases. Congress should also require health care coverage for smoking cessation medication and counseling, including for everyone in Medicaid. The House-passed health care reform bill achieves these goals, and the Senate bill that is currently being debated should as well. Going forward, Congress and the Administration should also provide funding for a national tobacco prevention and cessation campaign. These steps would build on the important progress that Congress and President Obama made this year by approving a 62-cent increase in the federal cigarette tax and enacting the new law granting the U.S. Food and Drug Administration the authority to regulate tobacco products and marketing.

## Key Findings

Our reports assess and rank 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:

- Only one state – **North Dakota** – currently funds its tobacco prevention program at the CDC-recommended level. This is the result of a ballot initiative approved by North Dakota voters in November 2008 that required such funding.
- Only nine other states are funding tobacco prevention programs at even half the CDC-recommended levels. In order of ranking, these states are **Alaska, Delaware, Montana, Wyoming, Maine, Hawaii, Vermont, Arkansas** and **South Dakota**.
- Nine states are funding tobacco prevention programs at between 25 and 50 percent of CDC-recommended levels.

- 31 states and DC are providing less than a quarter of the CDC-recommended amounts, and 14 of those states are providing less than 10 percent of the CDC-recommended amounts.
- New Hampshire is the only state to provide no state funding for tobacco prevention programs (the state does receive a \$1 million federal grant for tobacco prevention).
- In the past year, 34 states and DC have cut funding for tobacco prevention programs. Only nine states have increased funding. New York has made the largest cut to its tobacco prevention program – \$25.2 million. Other states making large cuts include Colorado (\$15.3 million), Maryland (\$14.1 million), Pennsylvania (\$14.4 million) and Washington (\$11.4 million).
- 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 \$20 to market tobacco products for every one dollar the states spend to prevent kids from smoking and help smokers quit.

### **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 No. 1 cause of preventable death in the United States, claiming more lives every year – more than 400,000 – than AIDS, alcohol, car accidents, murders, suicides, illegal drugs and fires combined. Cigarette smoking costs the nation \$193 billion a year in economic losses, including \$96 billion in health care costs and \$97 billion in productivity losses, according to the CDC. Every day, 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 \$25.1 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 2.3 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. As noted earlier, 14 states and the District of Columbia increased tobacco taxes in 2009. As they grapple with large budget deficits, numerous states are expected to consider tobacco tax increases in 2010.

**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, has reduced smoking by 71 percent among middle school students and by 64 percent among high school students since 1997. Washington state, which had a well-funded prevention program before cutting funding by 42 percent this year, has cut adult smoking by 30 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 Maine Department of Health estimates that the state's smoking declines have prevented more than 26,000 youth from becoming smokers, saving more than 14,000 of them from premature, smoking-caused deaths, and have saved more than \$416 million in future health care costs (savings estimates are based on research showing that smokers, on average, have \$17,500 more in long-term health care costs than non-smokers). The Washington State Department of Health estimates that the state's smoking declines translate into 65,000 fewer youth smokers, 295,000 fewer adult smokers and \$2.8 billion in future health care cost savings.

Studies show that California, which has the nation's longest-running tobacco prevention and cessation program, has saved tens of thousands of lives by reducing smoking-caused birth complications, heart disease, strokes and lung cancer. Between 1988 and 2001, lung and bronchus cancer rates in California declined three times faster than the rest of the United States. A peer-reviewed study published in August 2008 in the medical journal *PLoS Medicine* found that California's tobacco control program saved \$86 billion in health care costs in its first 15 years, compared to \$1.8 billion the state spent on the program, for a return on investment of nearly 50:1.

Our nation has made significant progress in reducing tobacco use with a comprehensive approach that includes well-funded tobacco prevention and cessation programs, tobacco tax increases and smoke-free workplace laws. However, the recent stall in smoking declines is a clear warning to Congress and the states that it is premature to declare victory over tobacco and much more must be done at all levels 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 a level of leadership and resources that match the scope of the problem.

## STATUS OF FUNDING FOR STATE TOBACCO PREVENTION PROGRAMS

**States that are spending 50% or more of CDC recommendation on tobacco prevention programs. (10)**

Alaska	Montana
Arkansas	North Dakota
Delaware	South Dakota
Hawaii	Vermont
Maine	Wyoming

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

Arizona	New Mexico
Florida	New York
Iowa	Oklahoma
Minnesota	Utah
Mississippi	Washington

**States that are spending 10%- 24% of CDC recommendation on tobacco prevention programs. (16 and the District of Columbia)**

California	Nevada
Colorado	North Carolina
Connecticut	Oregon
Dist. of Columbia	Pennsylvania
Idaho	Rhode Island
Indiana	Virginia
Louisiana	Wisconsin
Maryland	West Virginia
Nebraska	

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

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



## FY2010 Rankings of Funding for State Tobacco Prevention Programs

*This chart has been updated to reflect a new round of cuts to New York's program approved December 2.*

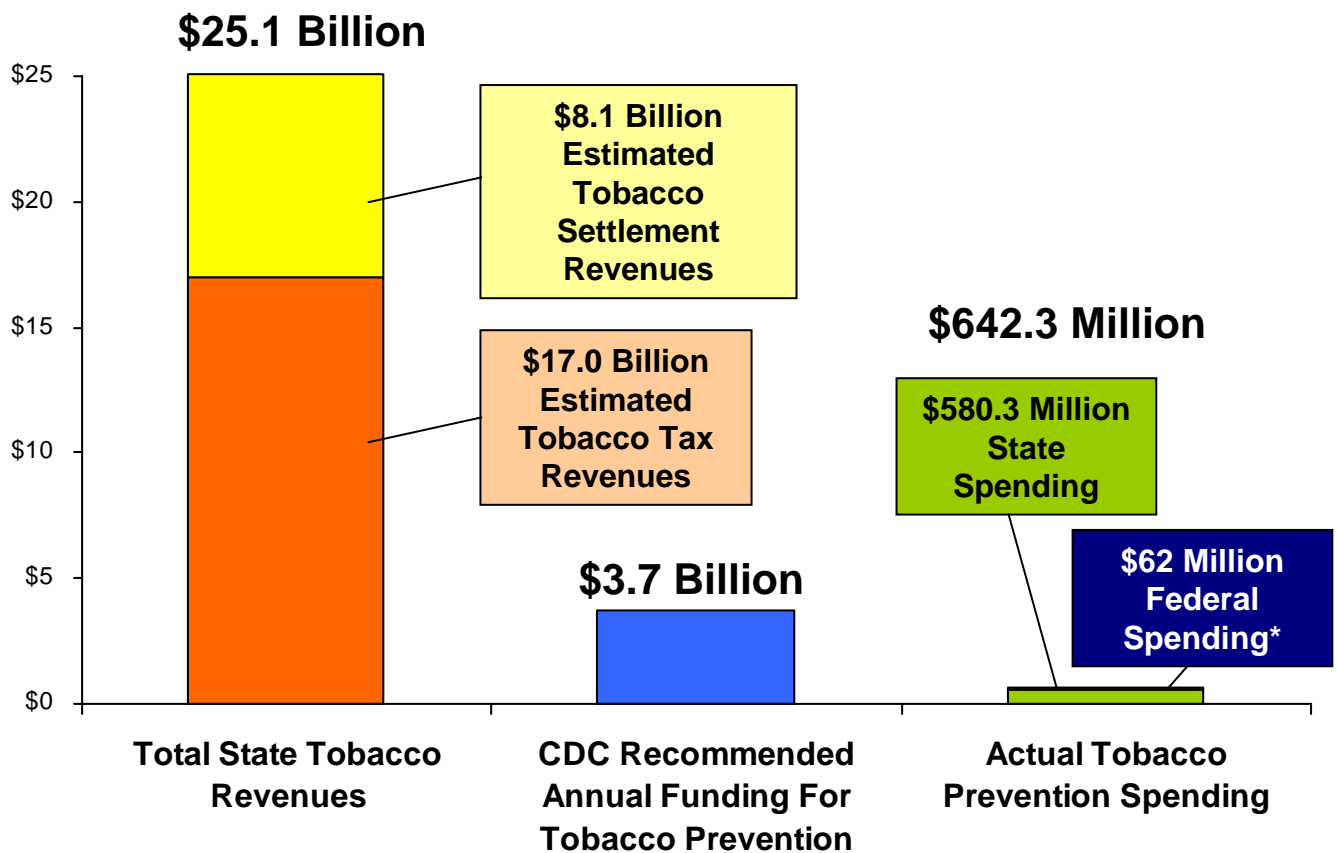
State	FY2010 Current Annual Funding (\$millions)*	CDC Annual Recommendation (millions)	FY2010 Percent of CDC's Recommendation	Current Rank
North Dakota	\$9.4	\$9.3	100.6%	1
Alaska	\$8.6	\$10.7	80.0%	2
Delaware	\$10.8	\$13.9	77.5%	3
Montana	\$9.4	\$13.9	67.3%	4
Wyoming	\$5.8	\$9.0	64.9%	5
Maine	\$11.8	\$18.5	63.6%	6
Hawaii	\$8.8	\$15.2	58.1%	7
Vermont	\$5.9	\$10.4	57.1%	8
Arkansas	\$19.8	\$36.4	54.4%	9
South Dakota	\$6.0	\$11.3	52.7%	10
Oklahoma	\$21.1	\$45.0	47.0%	11
New Mexico	\$10.6	\$23.4	45.5%	12
Minnesota	\$21.5	\$58.4	36.8%	13
Utah	\$8.3	\$23.6	35.3%	14
Arizona	\$23.4	\$68.1	34.3%	15
Florida	\$67.7	\$210.9	32.1%	16
Iowa	\$11.1	\$36.7	30.3%	17
Mississippi	\$11.7	\$39.2	29.8%	18
Washington	\$17.2	\$67.3	25.5%	19
West Virginia	\$6.9	\$27.8	24.7%	20
Colorado	\$12.4	\$54.4	22.8%	21
New York	\$57.0	\$254.3	22.4%	22
Nebraska	\$4.2	\$21.5	19.7%	23
North Carolina	\$20.0	\$106.8	18.7%	24
Oregon	\$7.7	\$43.0	17.9%	25
California	\$79.0	\$441.9	17.9%	25
Louisiana	\$8.9	\$53.5	16.6%	27
Connecticut	\$7.2	\$43.9	16.4%	28
Indiana	\$11.8	\$78.8	15.0%	29
Idaho	\$2.3	\$16.9	13.8%	30
District of Columbia	\$1.4	\$10.5	13.1%	31

<b>State</b>	<b>FY2010 Current Annual Funding (\$millions)*</b>	<b>CDC Annual Recommendation (millions)</b>	<b>FY2010 Percent of CDC's Recommendation</b>	<b>Current Rank</b>
Virginia	\$13.4	\$103.2	13.0%	32
Wisconsin	\$8.1	\$64.3	12.6%	33
Pennsylvania	\$19.0	\$155.5	12.2%	34
Rhode Island	\$1.9	\$15.2	12.2%	34
Nevada	\$3.8	\$32.5	11.6%	36
Maryland	\$6.7	\$63.3	10.6%	37
New Jersey	\$8.9	\$119.8	7.4%	38
Kansas	\$2.3	\$32.1	7.0%	39
Kentucky	\$3.9	\$57.2	6.9%	40
Massachusetts	\$6.1	\$90.0	6.7%	41
Illinois	\$9.7	\$157.0	6.2%	42
New Hampshire	\$1.0	\$19.2	5.4%	43
South Carolina	\$3.2	\$62.2	5.2%	44
Ohio	\$7.4	\$145.0	5.1%	45
Texas	\$13.3	\$266.3	5.0%	46
Alabama	\$2.1	\$56.7	3.7%	47
Michigan	\$4.3	\$121.2	3.5%	48
Missouri	\$2.4	\$73.2	3.2%	49
Georgia	\$3.2	\$116.5	2.7%	50
Tennessee	\$1.5	\$71.7	2.1%	51

\*Current annual funding includes state and federal funds. For FY2010, federal spending refers to a twelve-month grant to the states by the U.S. Centers for Disease Control and Prevention (CDC) for the period beginning April 2009.

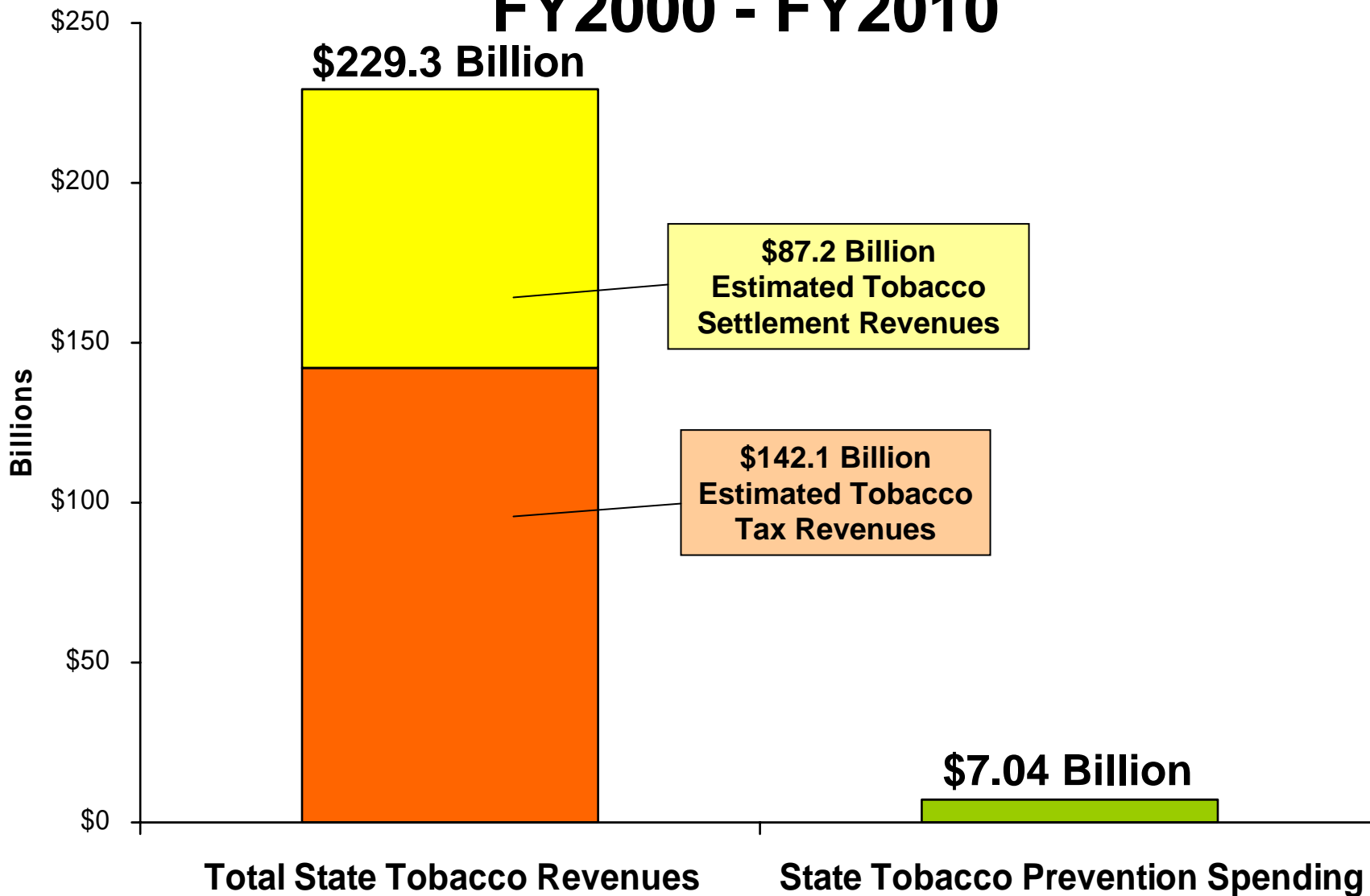
NOTE: The CDC recently updated its recommendation for the amount each state should spend on tobacco prevention programs, taking into account new science, population increases, inflation and other changes since it last issued its recommendations in 1999. In most cases, the new recommendations are higher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

# FY2010 Tobacco Money for Tobacco Prevention

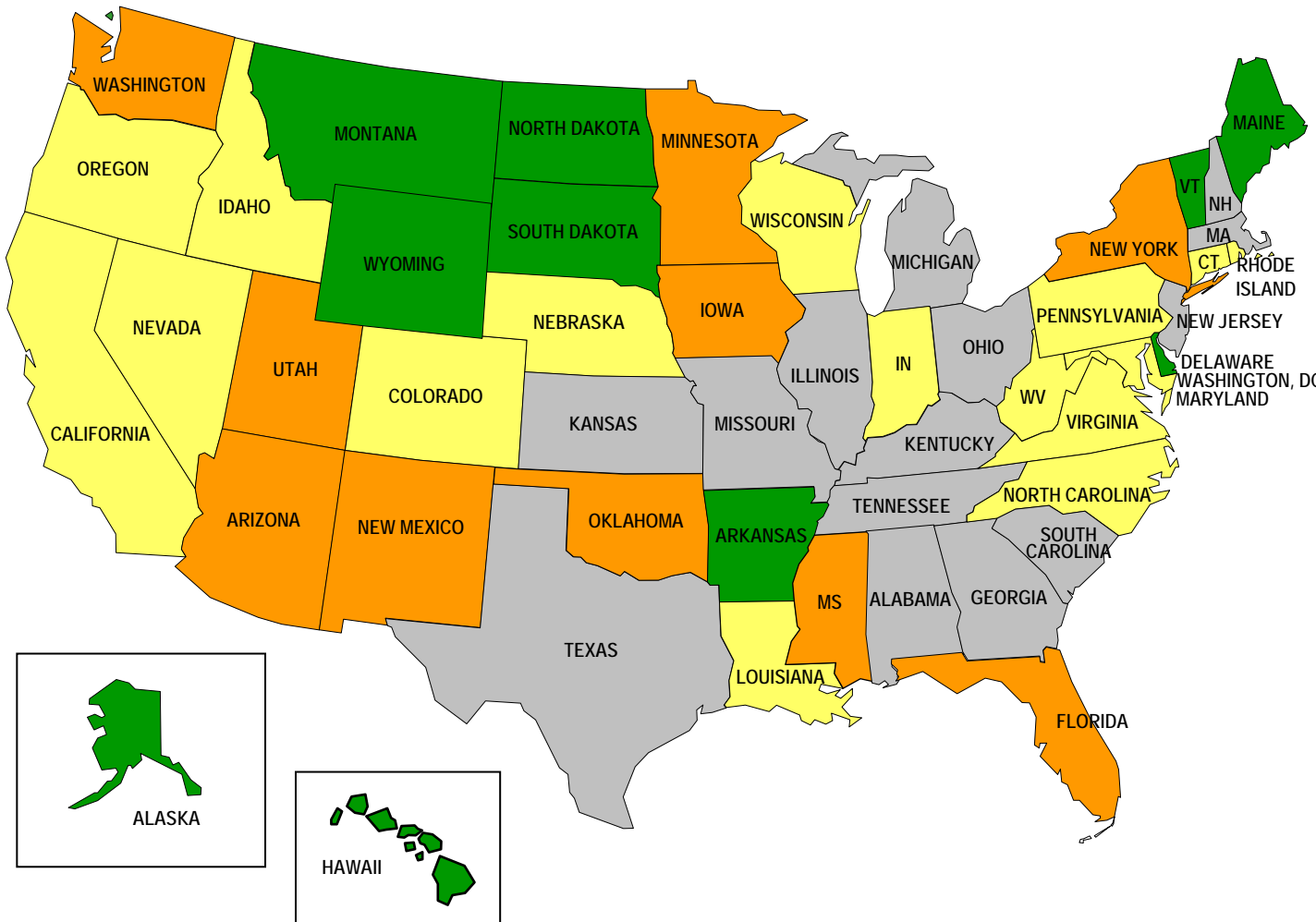


*\*For FY2010, federal spending refers to a twelve-month grant to the states by the U.S. Centers for Disease Control and Prevention (CDC) for the period beginning April 2009.*

# Total State Tobacco Revenue vs. Total State Spending on Tobacco Prevention FY2000 - FY2010



# FY2010 Funding for State Tobacco Prevention Programs



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

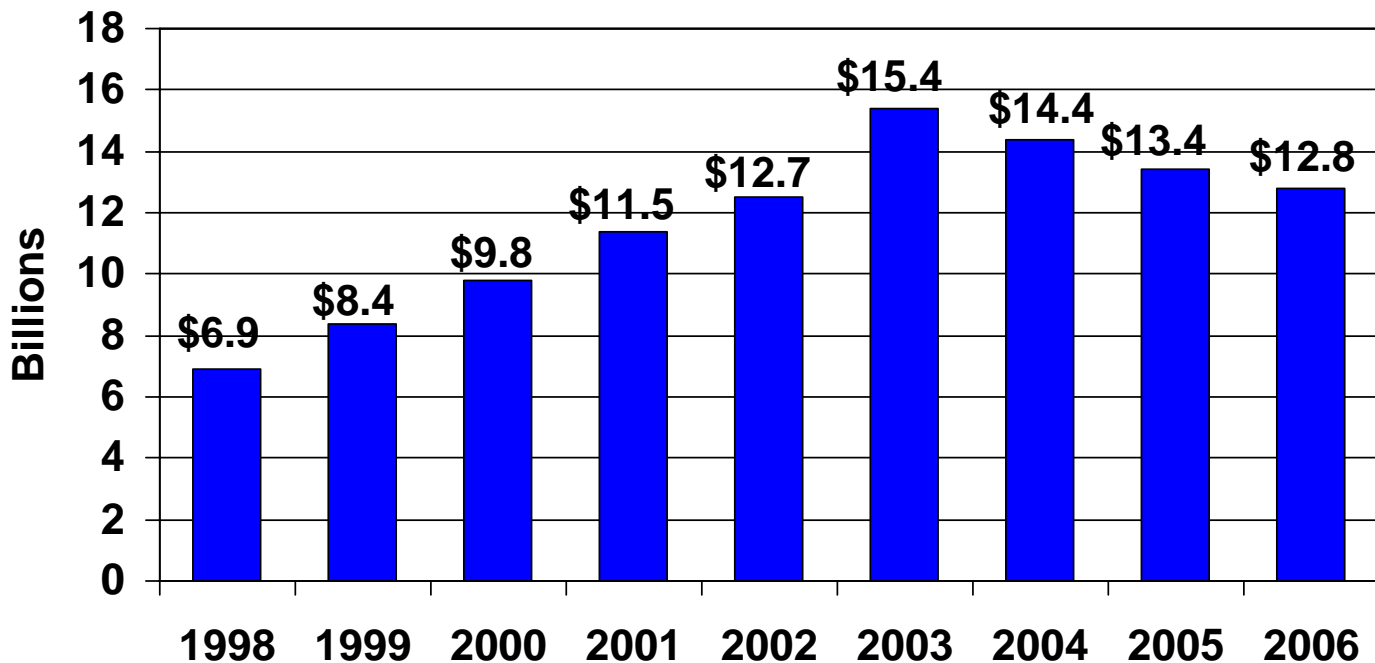
**States that are spending 10% - 24% of CDC recommendation on tobacco prevention programs.**

**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 MARKETING<sup>1</sup>

[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 \$125 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 20 to 1.<sup>1</sup>

State	Annual Smoking Caused Health Costs in State	FY2010 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
<b>Total</b>	<b>\$95.9 bill.</b>	<b>\$642.3</b>	<b>\$12.8 bill.</b>	<b>5.0%</b>	<b>19.9 to 1</b>
Alabama	\$1.49 bill.	\$2.1	\$261.6	0.8%	125.7 to 1
Alaska	\$169	\$8.6	\$24.9	34.3%	2.9 to 1
Arizona	\$1.3 bill.	\$23.4	\$172.8	13.5%	7.4 to 1
Arkansas	\$812	\$19.8	\$155.7	12.7%	7.9 to 1
California	\$9.14 bill.	\$79.0	\$819.5	9.6%	10.4 to 1
Colorado	\$1.31 bill.	\$12.4	\$170.7	7.3%	13.7 to 1
Connecticut	\$1.63 bill.	\$7.2	\$123.0	5.9%	17.1 to 1
Delaware	\$284	\$10.8	\$106.7	10.1%	9.9 to 1
DC	\$243	\$1.4	\$16.0	8.6%	11.6 to 1
Florida	\$6.32 bill.	\$67.7	\$881.4	7.7%	13.0 to 1
Georgia	\$2.25 bill.	\$3.2	\$426.4	0.7%	133.7 to 1
Hawaii	\$336	\$8.8	\$42.1	20.9%	4.8 to 1
Idaho	\$319	\$2.3	\$57.9	4.0%	24.8 to 1
Illinois	\$4.10 bill.	\$9.7	\$452.4	2.1%	46.7 to 1
Indiana	\$2.08 bill.	\$11.8	\$426.2	2.8%	36.0 to 1
Iowa	\$1.01 bill.	\$11.1	\$174.2	6.4%	15.7 to 1
Kansas	\$927	\$2.3	\$104.6	2.2%	46. to 1
Kentucky	\$1.50 bill.	\$3.9	\$417.5	0.9%	106.0 to 1
Louisiana	\$1.47 bill.	\$8.9	\$241.0	3.7%	27.1 to 1
Maine	\$602	\$11.8	\$59.0	20.0%	5.0 to 1
Maryland	\$1.96 bill.	\$6.7	\$188.8	3.6%	28.1 to 1
Massachusetts	\$3.54 bill.	\$6.1	\$194.6	3.1%	32.1 to 1
Michigan	\$3.40 bill.	\$4.3	\$393.6	1.1%	91.8 to 1

<sup>1</sup> These ratios are based on state and federal tobacco prevention expenditures in FY2010 versus tobacco industry marketing expenditures in 2006 (the most recent year for which data is available).

State	Annual Smoking Caused Health Costs in State	FY2010 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.	\$21.5	\$196.6	10.9%	9.1 to 1
Mississippi	\$719	\$11.7	\$185.5	6.3%	15.9 to 1
Missouri	\$2.13 bill.	\$2.4	\$419.9	0.6%	177.9 to 1
Montana	\$277	\$9.4	\$33.3	28.1%	3.6 to 1
Nebraska	\$537	\$4.2	\$72.1	5.9%	17.0 to 1
Nevada	\$565	\$3.8	\$113.8	3.3%	30.3 to 1
New Hampshire	\$564	\$1.0	\$122.2	0.9%	117.5 to 1
New Jersey	\$3.17 bill.	\$8.9	\$226.3	3.9%	25.5 to 1
New Mexico	\$461	\$10.6	\$47.0	22.7%	4.4 to 1
New York	\$8.17 bill.	\$69.9	\$429.6	16.3%	6.1 to 1
North Carolina	\$2.46 bill.	\$20.0	\$535.9	3.7%	26.8 to 1
North Dakota	\$247	\$9.4	\$32.3	29.0%	3.5 to 1
Ohio	\$4.37 bill.	\$7.4	\$556.7	1.3%	75.5 to 1
Oklahoma	\$1.16 bill.	\$21.1	\$213.1	9.9%	10.1 to 1
Oregon	\$1.11 bill.	\$7.7	\$137.0	5.6%	17.8 to 1
Pennsylvania	\$5.19 bill.	\$19.0	\$533.9	3.6%	28.1 to 1
Rhode Island	\$506	\$1.9	\$35.1	5.3%	18.9 to 1
South Carolina	\$1.09 bill.	\$3.2	\$282.6	1.1%	87.8 to 1
South Dakota	\$274	\$6.0	\$37.0	16.1%	6.2 to 1
Tennessee	\$2.16 bill.	\$1.5	\$405.5	0.4%	274.0 to 1
Texas	\$5.83 bill.	\$13.3	\$854.2	1.6%	64.4 to 1
Utah	\$345	\$8.3	\$58.7	14.2%	7.1 to 1
Vermont	\$233	\$5.9	\$27.4	21.7%	4.6 to 1
Virginia	\$2.08 bill.	\$13.4	\$411.3	3.3%	30.8 to 1
Washington	\$1.95 bill.	\$17.2	\$146.0	11.8%	8.5 to 1
West Virginia	\$690	\$6.9	\$140.4	4.9%	20.4 to 1
Wisconsin	\$2.02 bill.	\$8.1	\$274.0	3.0%	33.9 to 1
Wyoming	\$136	\$5.8	\$27.6	21.1%	4.7 to 1

*Campaign for Tobacco-Free Kids, November 30, 2009/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 Eleven Years Later*, 2009, <http://www.tobaccofreekids.org/reports/settlements/>.

CDC, *Best Practices for Comprehensive Tobacco Control*, October 2007. [http://www.cdc.gov/tobacco/tobacco\\_control\\_programs/stateandcommunity/best\\_practices/index.htm](http://www.cdc.gov/tobacco/tobacco_control_programs/stateandcommunity/best_practices/index.htm)

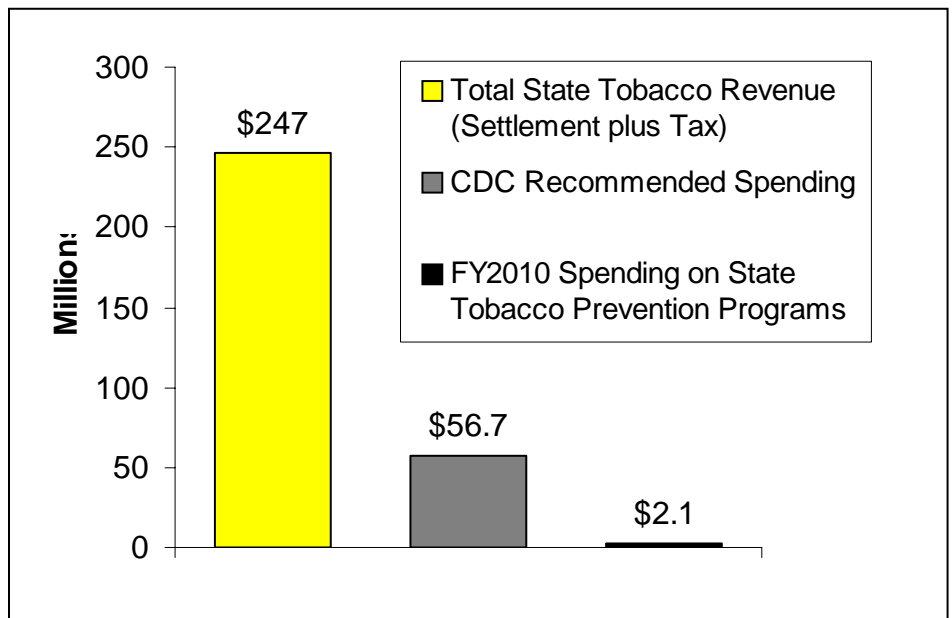
U.S. Federal Trade Commission (FTC), *Cigarette Report for 2006*, 2009, <http://ftc.gov/os/2009/08/090812cigarettereport.pdf>. FTC, *Smokeless Tobacco Report for the Year 2006*, 2009, <http://ftc.gov/os/2009/08/090812smokelesstobaccoreport.pdf>. Data for top 5 manufacturers only.

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

## Alabama

	FY2010	FY2009
<b>State Ranking</b>	<b>47</b>	<b>48</b>
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$2.1 million</b>	<b>\$2.3 million</b>
State Spending	\$750,000	\$1.2 million
Federal Spending*	\$1.33 million	\$1.09 million
<b>% of CDC Recommended Spending (\$56.7 million)</b>	<b>3.7%</b>	<b>4.1%</b>

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that Alabama spend \$56.7 million a year to have an effective, comprehensive tobacco prevention program. Alabama currently receives \$2.1 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 3.7% of the CDC's recommendation and ranks Alabama 47th among the states in the funding of tobacco prevention programs. Alabama's spending on tobacco prevention amounts to 0.8% of the estimated \$247 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.

Combined with funds from the Centers for Disease Control and Prevention, total spending on tobacco prevention and cessation for FY2010 will be \$2.1 million, about equal to what was spent in FY2009.

<b>Tobacco's Toll in Alabama</b>	
Adults who smoke	22.2%
High school students who smoke	26.8%
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	\$544 per household
Annual tobacco company marketing in state	\$261.6 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	125.7 to 1

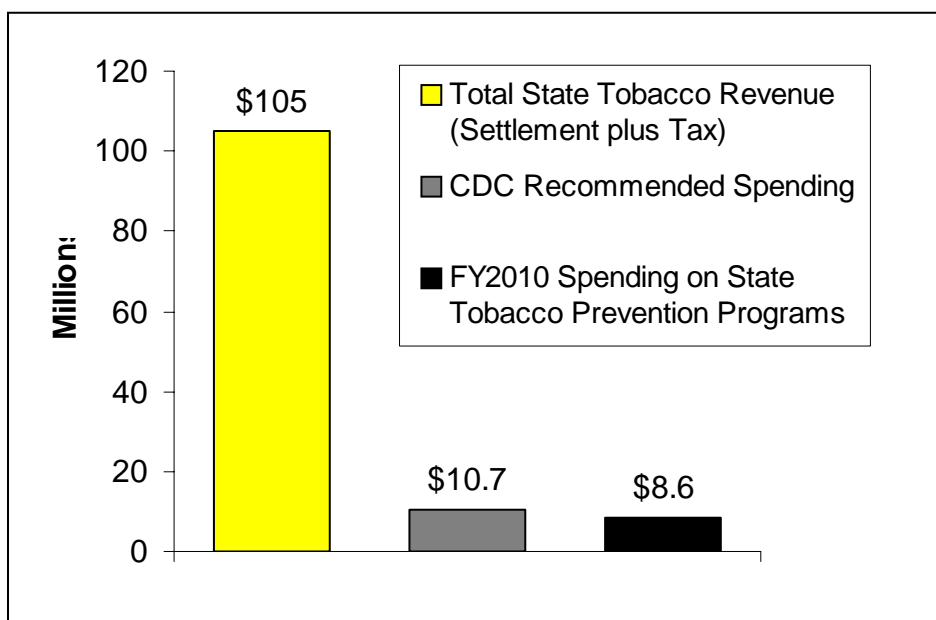
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\* For FY2010, federal spending refers to a twelve-month grant to the states by the U.S. Centers for Disease Control and Prevention for the period beginning April 2009. For FY2009, federal spending refers to a nine-month grant provided to the states by CDC for the period beginning July 2008.

## Alaska

	FY2010	FY2009
<b>State Ranking</b>	<b>2</b>	<b>1</b>
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$8.6 million</b>	<b>\$9.2 million</b>
State Spending	\$7.4 million	\$8.2 million
Federal Spending*	\$1.16 million	\$952,000
<b>% of CDC Recommended Spending (\$10.7 million)</b>	<b>80.0%</b>	<b>86.0%</b>

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that Alaska spend \$10.7 million a year to have an effective, comprehensive tobacco prevention program. Alaska currently receives \$8.6 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 80.0% of the CDC's recommendation and ranks Alaska 2nd among the states in the funding of tobacco prevention programs. Alaska's spending on tobacco prevention amounts to 8.2% of the estimated \$105 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 FY2010, state and federal spending on the state's tobacco prevention and cessation program will be \$8.6 million, slightly less than \$9.2 million spent in FY2009.

<b>Tobacco's Toll in Alaska</b>	
Adults who smoke	21.7%
High school students who smoke	17.8%
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	\$656 per household
Annual tobacco company marketing in state	\$24.9 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	2.9 to 1

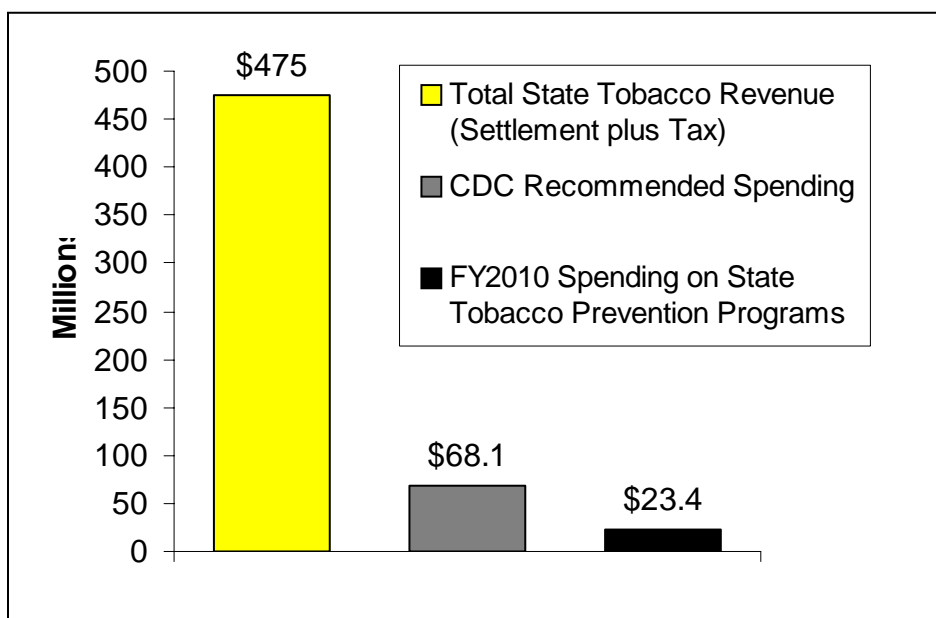
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\* For FY2010, federal spending refers to a twelve-month grant to the states by the U.S. Centers for Disease Control and Prevention for the period beginning April 2009. For FY2009, federal spending refers to a nine-month grant provided to the states by CDC for the period beginning July 2008.

## Arizona

	FY2010	FY2009
<b>State Ranking</b>	<b>15</b>	<b>20</b>
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$23.4 million</b>	<b>\$21.3 million</b>
State Spending	\$22.1 million	\$21.0 million
Federal Spending*	\$1.28 million	\$347,000
<b>% of CDC Recommended Spending (\$68.1 million)</b>	<b>34.3%</b>	<b>31.3%</b>

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that Arizona spend \$68.1 million a year to have an effective, comprehensive tobacco prevention program. Arizona currently receives \$23.4 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 34.3% of the CDC's recommendation and ranks Arizona 15th among the states in the funding of tobacco prevention programs. Arizona's spending on tobacco prevention amounts to 4.9% of the estimated \$475 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 and federal spending on tobacco prevention and cessation for FY2010 will be \$23.4 million, a slight increase from the \$21.3 million spent in FY2009.

<b>Tobacco's Toll in Arizona</b>	
Adults who smoke	15.9%
High school students who smoke	22.2%
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	\$541 per household
Annual tobacco company marketing in state	\$172.8 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	7.4 to 1

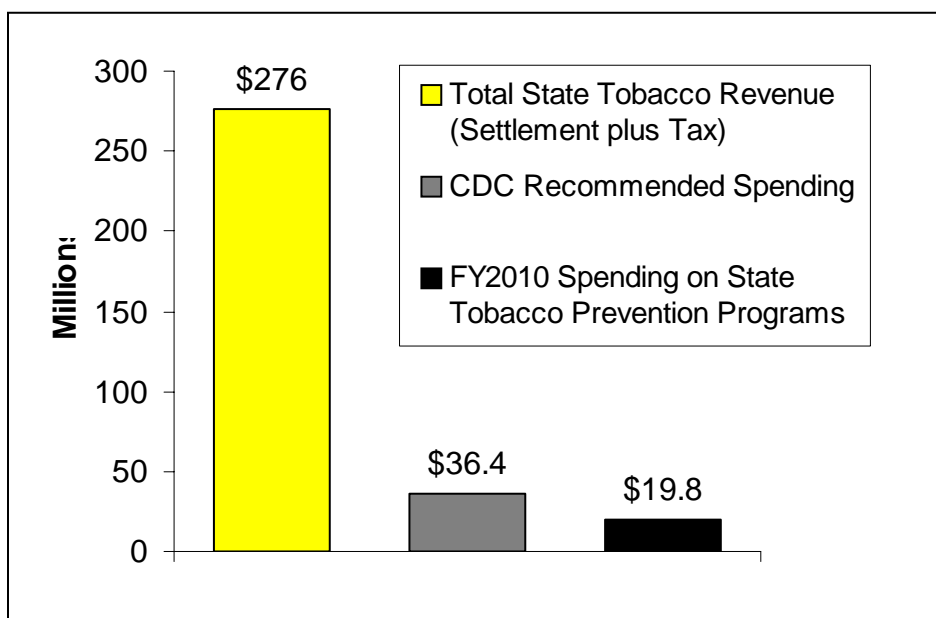
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## Arkansas

	FY2010	FY2009
<b>State Ranking</b>	<b>9</b>	<b>10</b>
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$19.8 million</b>	<b>\$16.9 million</b>
State Spending	\$18.7 million	\$16.0 million
Federal Spending*	\$1.10 million	\$910,000
<b>% of CDC Recommended Spending (\$36.4 million)</b>	<b>54.4%</b>	<b>46.4%</b>

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that Arkansas spend \$36.4 million a year to have an effective, comprehensive tobacco prevention program. Arkansas currently receives \$19.8 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 54.4% of the CDC's recommendation and ranks Arkansas 9th among the states in the funding of tobacco prevention programs. Arkansas's spending on tobacco prevention amounts to 7.2% of the estimated \$276 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.

Combined with funds from the Centers for Disease Control and Prevention, Arkansas's total spending on tobacco prevention and cessation for FY2010 will be \$19.8 million, more than what was spent in FY2009.

<b>Tobacco's Toll in Arkansas</b>	
Adults who smoke	22.4%
High school students who smoke	20.7%
Deaths caused by smoking each year	4,900
Annual health care costs directly caused by smoking	\$812 million
Residents' state & federal tax burden from smoking-caused government expenditures	\$558 per household
Annual tobacco company marketing in state	\$155.7 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	7.9 to 1

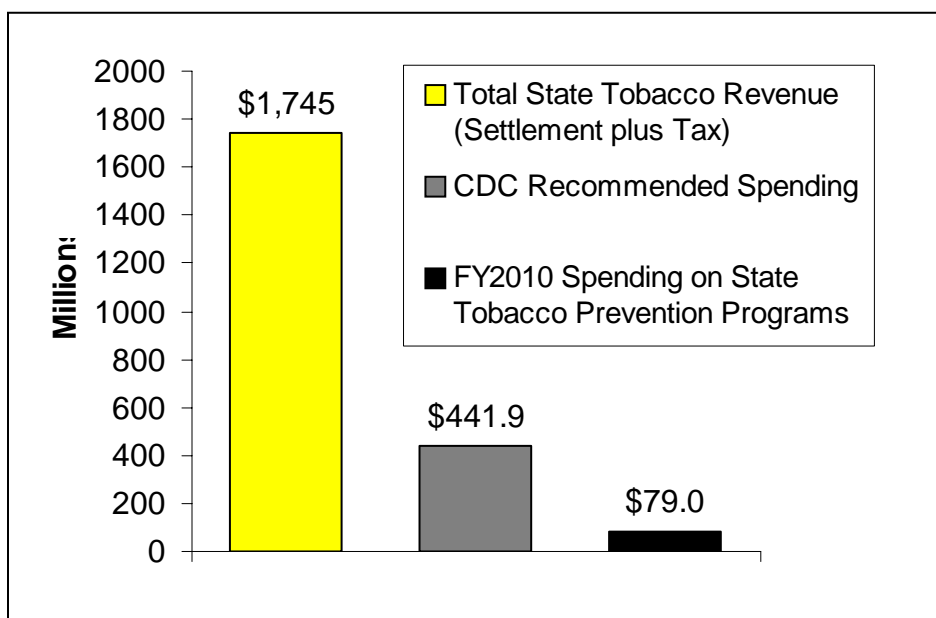
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## California

	FY2010	FY2009
<b>State Ranking</b>	<b>25</b>	<b>31</b>
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$79.0 million</b>	<b>\$78.1 million</b>
State Spending	\$77.1 million	\$77.7 million
Federal Spending*	\$1.87 million	\$409,000
<b>% of CDC Recommended Spending (\$441.9 million)</b>	<b>17.9%</b>	<b>17.7%</b>

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that California spend \$441.9 million a year to have an effective, comprehensive tobacco prevention program. California currently receives \$79.0 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 17.9% of the CDC's recommendation and ranks California 25th among the states in the funding of tobacco prevention programs. California's spending on tobacco prevention amounts to 4.5% of the estimated \$1.75 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 FY2010, state spending on the tobacco control program will be \$77.1 million, about the same amount that was spent in FY2009. Combined with funds from the Centers for Disease Control and Prevention, total spending on tobacco prevention and cessation in FY2010 will be \$79.0 million.

<b>Tobacco's Toll in California</b>	
Adults who smoke	14.0%
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	\$621 per household
Annual tobacco company marketing in state	\$819.5 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	10.4 to 1

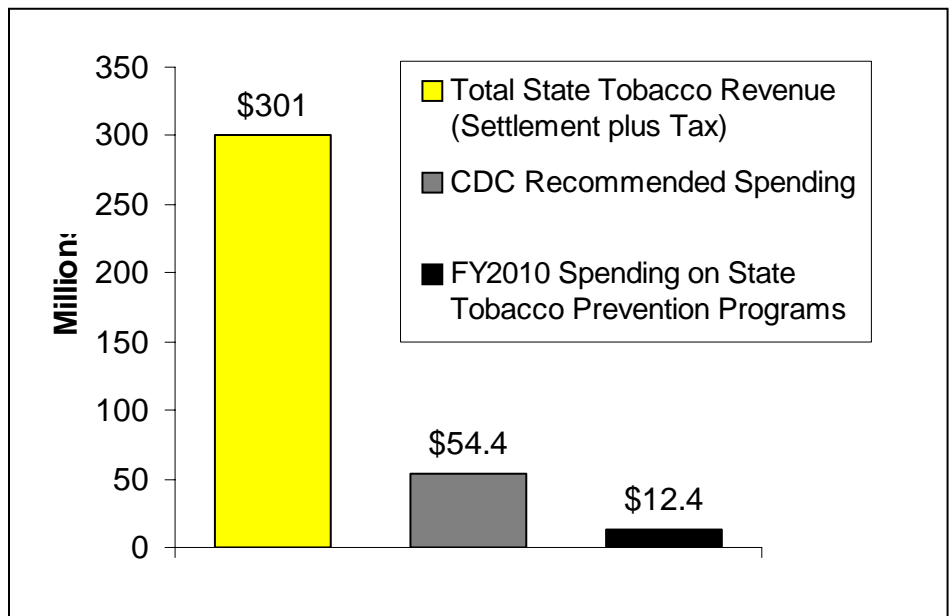
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## Colorado

	FY2010	FY2009
<b>State Ranking</b>	<b>22</b>	<b>9</b>
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$12.4 million</b>	<b>\$27.5 million</b>
State Spending	\$11.1 million	\$26.4 million
Federal Spending*	\$1.33 million	\$1.09 million
<b>% of CDC Recommended Spending (\$54.4 million)</b>	<b>22.8%</b>	<b>50.6%</b>

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that Colorado spend \$54.4 million a year to have an effective, comprehensive tobacco prevention program. Colorado currently receives \$12.4 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 22.8% of the CDC's recommendation and ranks Colorado 22nd among the states in the funding of tobacco prevention programs. Colorado's spending on tobacco prevention amounts to 4.1% of the estimated \$301 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** For FY2010, Colorado is scheduled to spend \$11.1 million in state funds for tobacco prevention and cessation programs. In April 2005, Colorado's elected leaders and the Citizens for Healthier Colorado both championed the 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. For FY 2010, the state legislature passed Senate Bill 271 which reduced the Tobacco Education, Prevention and Cessation Grant Program budget by \$8 million. In August 2009, Governor Ritter issued an Executive Order to further reduce the budget by an additional \$7 million. Correspondingly, a state-wide fiscal emergency has been declared for FY2010, resulting in the opening of Amendment 35, the only citizen based voted on tax measure since TABOR (Tax Payers Bill of Rights). The amendment remains "open" and may be re-appropriated for "any health-related purpose and to serve the children's basic health plan and the Colorado medical assistance

programs” (Article X, Section 21(II)(7)) of the Colorado Constitution). At the same time, the legislature removed the exemption that exists for a sales tax on cigarettes, but didn't appropriate any of those dollars to tobacco control.

Colorado is scheduled to spend a total of \$12.4 million in state and federal funds for tobacco control for FY2010.

<b>Tobacco's Toll in Colorado</b>	
Adults who smoke	17.6%
High school students who smoke	14.6%
Deaths caused by smoking each year	4,300
Annual health care costs directly caused by smoking	\$1.31 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$582 per household
Annual tobacco company marketing in state	\$170.7 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	13.7 to 1

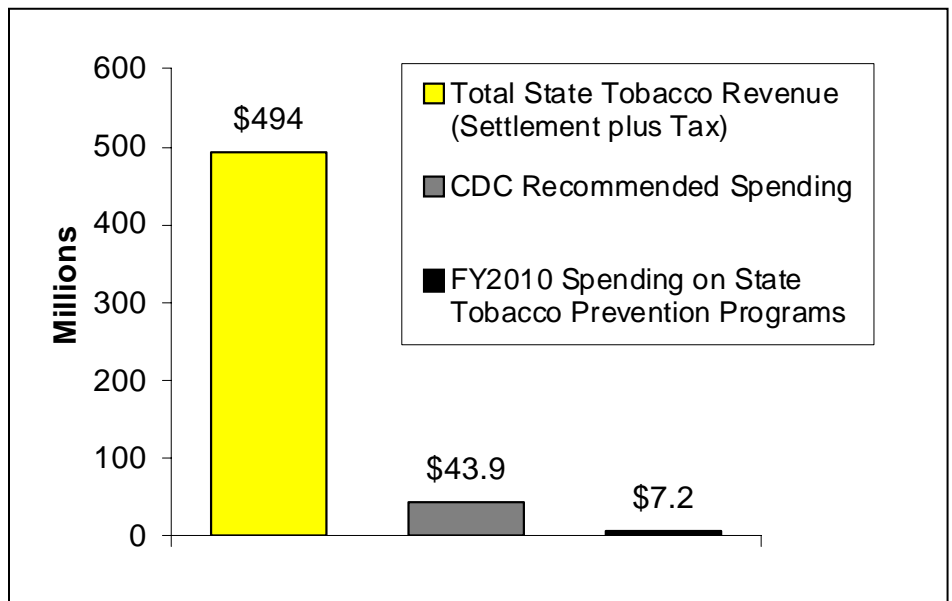
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## Connecticut

	FY2010	FY2009
<b>State Ranking</b>	<b>28</b>	<b>29</b>
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$7.2 million</b>	<b>\$8.3 million</b>
State Spending	\$6.1 million	\$7.4 million
Federal Spending*	\$1.08 million	\$889,000
<b>% of CDC Recommended Spending (\$43.9 million)</b>	<b>16.4%</b>	<b>18.9%</b>

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that Connecticut spend \$43.9 million a year to have an effective, comprehensive tobacco prevention program. Connecticut currently receives \$7.2 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 16.4% of the CDC's recommendation and ranks Connecticut 28th among the states in the funding of tobacco prevention programs. Connecticut's spending on tobacco prevention amounts to 1.5% of the estimated \$494 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. The Trust Fund's Board is now able to spend up to 50 percent of the Fund's principal in addition to any interest that the Fund has accumulated. The Board has recommended that the state spend \$6.1 million of tobacco settlement revenues for tobacco prevention and cessation programs during FY2010, a little less than what was recommended for FY2009. This amount 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.

Combined with funds from the Centers for Disease Control and Prevention, total spending on tobacco prevention in FY2010 will be \$7.2 million, slightly less than was spent in FY2009, but a substantial increase from what was spent on the program in previous years.

<b>Tobacco's Toll in Connecticut</b>	
Adults who smoke	16.0%
High school students who smoke	21.1%
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	\$675 per household
Annual tobacco company marketing in state	\$123.0 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	17.1 to 1

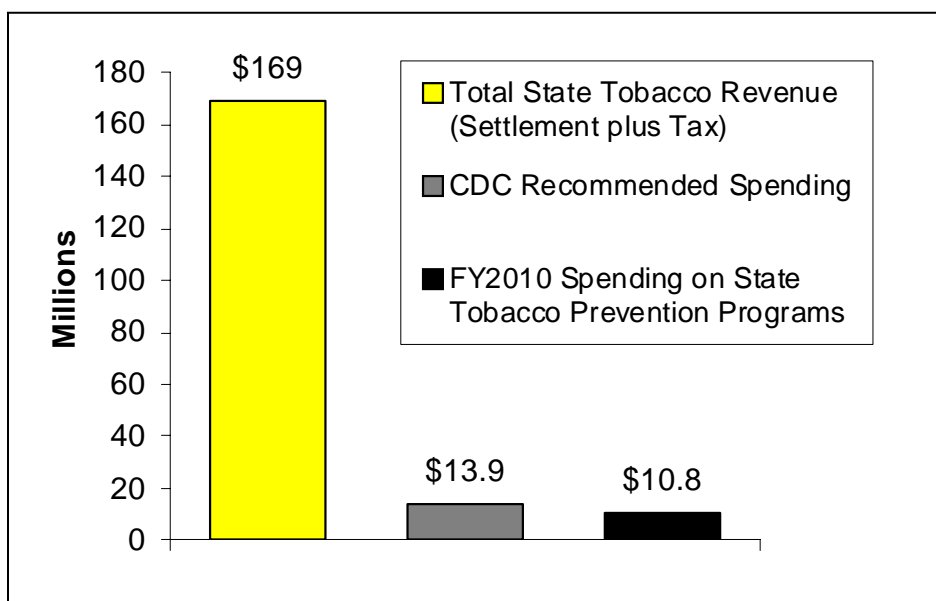
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\* For FY2010, federal spending refers to a twelve-month grant to the states by the U.S. Centers for Disease Control and Prevention for the period beginning April 2009. For FY2009, federal spending refers to a nine-month grant provided to the states by CDC for the period beginning July 2008.

## Delaware

	FY2010	FY2009
<b>State Ranking</b>	<b>3</b>	<b>2</b>
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$10.8 million</b>	<b>\$11.3 million</b>
State Spending	\$10.1 million	\$10.7 million
Federal Spending*	\$670,000	\$552,000
<b>% of CDC Recommended Spending (\$13.9 million)</b>	<b>77.5%</b>	<b>81.3%</b>

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that Delaware spend \$13.9 million a year to have an effective, comprehensive tobacco prevention program. Delaware currently receives \$10.8 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 77.5% of the CDC's recommendation and ranks Delaware 3rd among the states in the funding of tobacco prevention programs. Delaware's spending on tobacco prevention amounts to 6.4% of the estimated \$169 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



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

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, bringing it to \$1.60 a pack, which went into effect in 2009.

Combined with funds from the Centers for Disease Control and Prevention, total spending on tobacco prevention and cessation for FY2010 will be \$10.8 million, slightly less than what was spent in FY2009.

<b>Tobacco's Toll in Delaware</b>	
Adults who smoke	17.8%
High school students who smoke	20.2%
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	\$622 per household
Annual tobacco company marketing in state	\$106.7 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	9.9 to 1

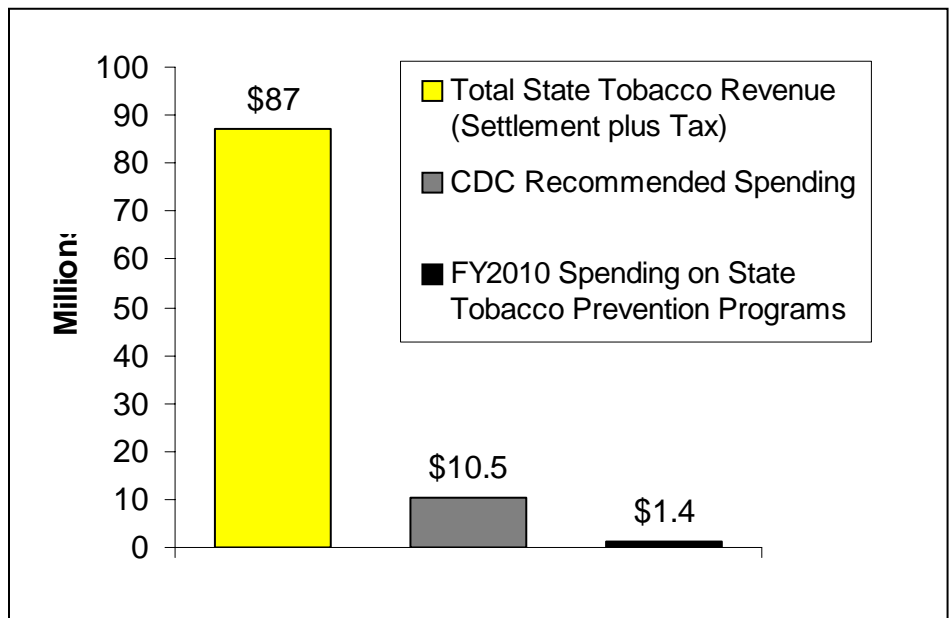
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## District of Columbia

	FY2010	FY2009
<b>State Ranking</b>	<b>31</b>	<b>15</b>
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$1.4 million</b>	<b>\$4.0 million</b>
State Spending	\$850,000	\$3.6 million
Federal Spending*	\$532,000	\$438,000
<b>% of CDC Recommended Spending (\$10.5 million)</b>	<b>13.1%</b>	<b>38.1%</b>

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that District of Columbia spend \$10.5 million a year to have an effective, comprehensive tobacco prevention program. District of Columbia currently receives \$1.4 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 13.1% of the CDC's recommendation and ranks District of Columbia 31st among the states in the funding of tobacco prevention programs. District of Columbia's spending on tobacco prevention amounts to 1.6% of the estimated \$87 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** The District of Columbia was among the last localities to make a decision on how to use its tobacco settlement funds. In 2001, after three years of budget debates with no spending decisions, the City Council agreed to then-Mayor Anthony Williams' (D) plan to securitize most of the settlement funds by issuing bonds backed by the \$1 billion that city expects to receive over the next 25 years. The money raised was transferred into a trust fund and will be used to pay the city's debt. The tobacco settlement payments are used every year to re-pay the bonds. Once the bondholders are paid, any remaining money from the trust will be held in escrow for three years. Beginning in 2004, any remaining funds are to be available for expenditure for other programs. These funds are still subject to appropriation by the City Council and Mayor. A Reserve Fund was also created to cover any residual cost from each year's payment. If the money in the Reserve Fund is not needed for the bond payment in June, a portion will be released in July each year for other expenditures. The Mayor and City Council must then agree on how to spend any residual funds. Beginning in fiscal year

2007, the DC City Council allocated \$10 million for a tobacco prevention program over three years. The program and funds are administered by the American Lung Association of DC. In FYs 2007-2009, DC spent a total of \$10 million spread over three years in state funds for tobacco prevention programs.

DC has allocated minimal funds to tobacco prevention despite the fact that the state is receiving more tobacco-generated revenue than ever before as a result of a 50-cent cigarette tax increase, bringing it \$2.50 a pack, which went into effect in 2009.

The DC City Council, through the DC Cancer Consortium, has allocated \$850,000 for Quitline and free NRT services for FY2010. Combined with funds from the Centers for Disease Control and Prevention, total spending on tobacco prevention and cessation for FY2010 will be \$1.4 million, significantly less than what was spent in FY2009.

<b>Tobacco's Toll in DC</b>	
Adults who smoke	16.4%
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	\$600 per household
Annual tobacco company marketing in state	\$16.0 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	11.6 to 1

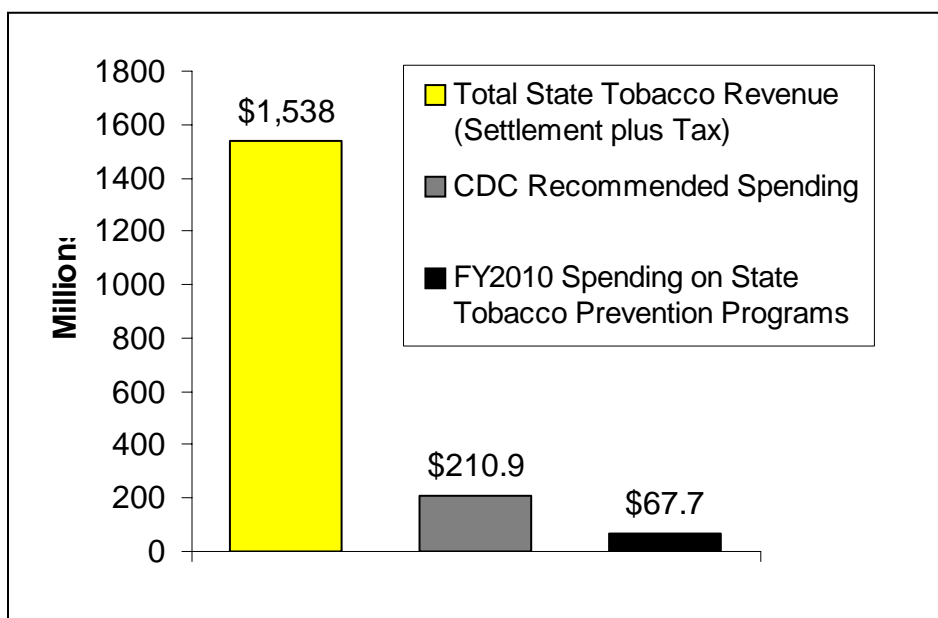
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## Florida

	FY2010	FY2009
<b>State Ranking</b>	<b>16</b>	<b>22</b>
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$67.7 million</b>	<b>\$60.2 million</b>
State Spending	\$65.8 million	\$59.5 million
Federal Spending*	\$1.87 million	\$706,000
<b>% of CDC Recommended Spending (\$210.9 million)</b>	<b>32.1%</b>	<b>28.5%</b>

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that Florida spend \$210.9 million a year to have an effective, comprehensive tobacco prevention program. Florida currently receives \$67.7 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 32.1% of the CDC's recommendation and ranks Florida 16th among the states in the funding of tobacco prevention programs. Florida's spending on tobacco prevention amounts to 4.4% of the estimated \$1.54 billion in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** : Florida's tobacco settlement payments initially were governed by a 1999 law, which allocated the payments to several trust funds, the largest being the Lawton Chiles Endowment Fund for Children and the Elderly. During the program's first full year, \$70 million 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 FY2009, Florida spent \$60.2 million in federal and state funds for tobacco prevention programs.

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.

Combined with funds from the Centers for Disease Control and Prevention, total spending on tobacco prevention and cessation in Florida for FY2010 will be \$67.7 million, more than what was spent in FY2009.

<b>Tobacco's Toll in Florida</b>	
Adults who smoke	17.5%
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	\$583 per household
Annual tobacco company marketing in state	\$881.4 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	13.0 to 1

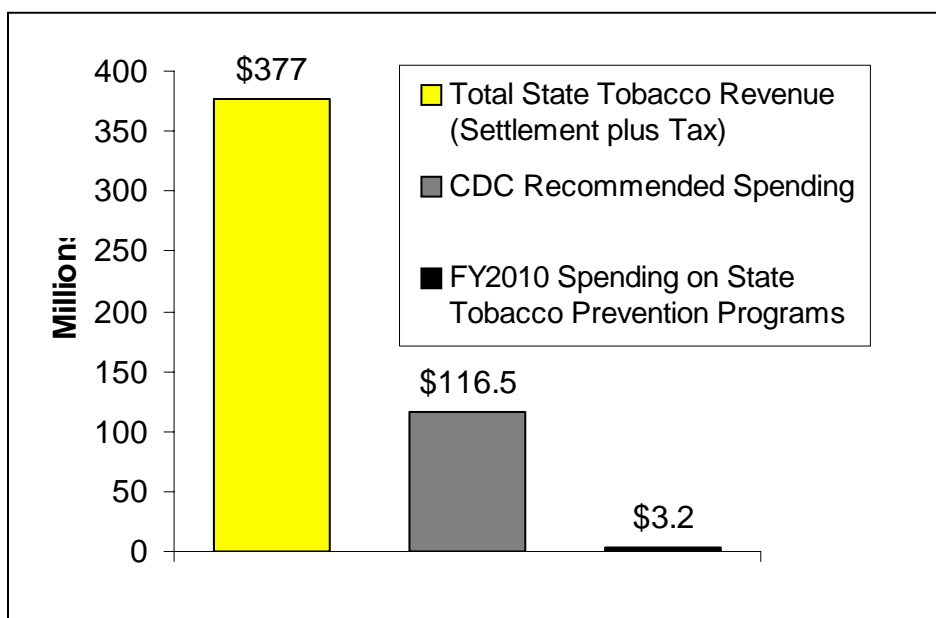
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\* For FY2010, federal spending refers to a twelve-month grant to the states by the U.S. Centers for Disease Control and Prevention for the period beginning April 2009. For FY2009, federal spending refers to a nine-month grant provided to the states by CDC for the period beginning July 2008.

## Georgia

	FY2010	FY2009
<b>State Ranking</b>	<b>50</b>	<b>50</b>
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$3.2 million</b>	<b>\$3.2 million</b>
State Spending	\$2.1 million	\$2.3 million
Federal Spending*	\$1.09 million	\$902,000
<b>% of CDC Recommended Spending (\$116.5 million)</b>	<b>2.7%</b>	<b>2.7%</b>

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that Georgia spend \$116.5 million a year to have an effective, comprehensive tobacco prevention program. Georgia currently receives \$3.2 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 2.7% of the CDC's recommendation and ranks Georgia 50th among the states in the funding of tobacco prevention programs. Georgia's spending on tobacco prevention amounts to 0.8% of the estimated \$377 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.

Combined with funds from the Centers for Disease Control and Prevention, total spending on tobacco prevention and cessation for FY2010 will be \$3.2 million, equal to what was spent in FY2009.

<b>Tobacco's Toll in Georgia</b>	
Adults who smoke	19.5%
High school students who smoke	18.6%
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	\$550 per household
Annual tobacco company marketing in state	\$426.4 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	133.7 to 1

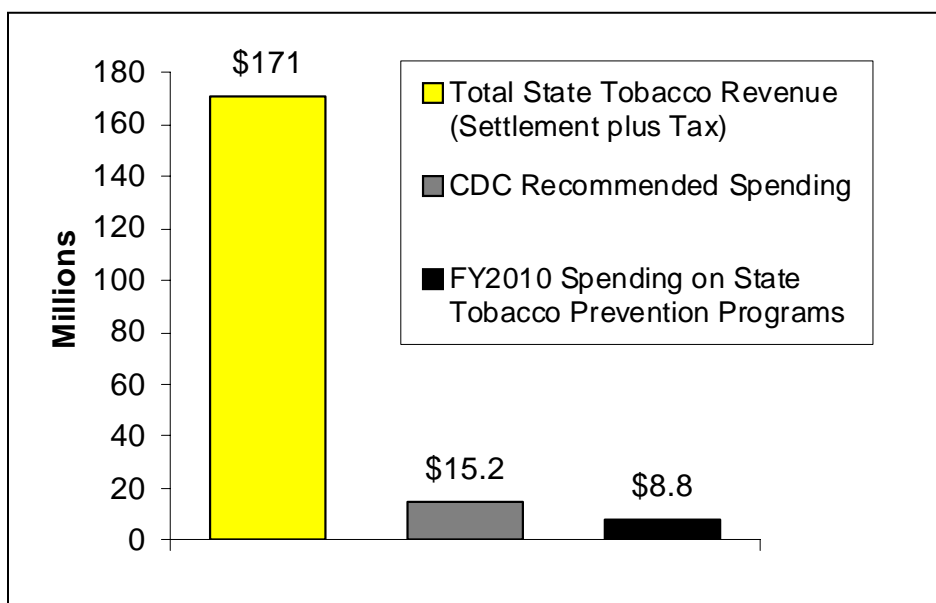
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## Hawaii

	FY2010	FY2009
<b>State Ranking</b>	<b>7</b>	<b>4</b>
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$8.8 million</b>	<b>\$11.3 million</b>
State Spending	\$7.9 million	\$10.5 million
Federal Spending*	\$926,000	\$764,000
<b>% of CDC Recommended Spending (\$15.2 million)</b>	<b>58.1%</b>	<b>74.3%</b>

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that Hawaii spend \$15.2 million a year to have an effective, comprehensive tobacco prevention program. Hawaii currently receives \$8.8 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 58.1% of the CDC's recommendation and ranks Hawaii 7th among the states in the funding of tobacco prevention programs. Hawaii's spending on tobacco prevention amounts to 5.2% of the estimated \$171 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 FY2010 budget enacted includes \$7.9 million for the tobacco program, less than the \$10.5 million that the state spent on tobacco prevention and cessation in FY2009. Combined with funds from the Centers for Disease Control and Prevention, total spending on tobacco prevention and cessation for FY2010 will be \$8.8 million.

<b>Tobacco's Toll in Hawaii</b>	
Adults who smoke	15.4%
High school students who smoke	9.7%
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	\$622 per household
Annual tobacco company marketing in state	\$42.1 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	4.8 to 1

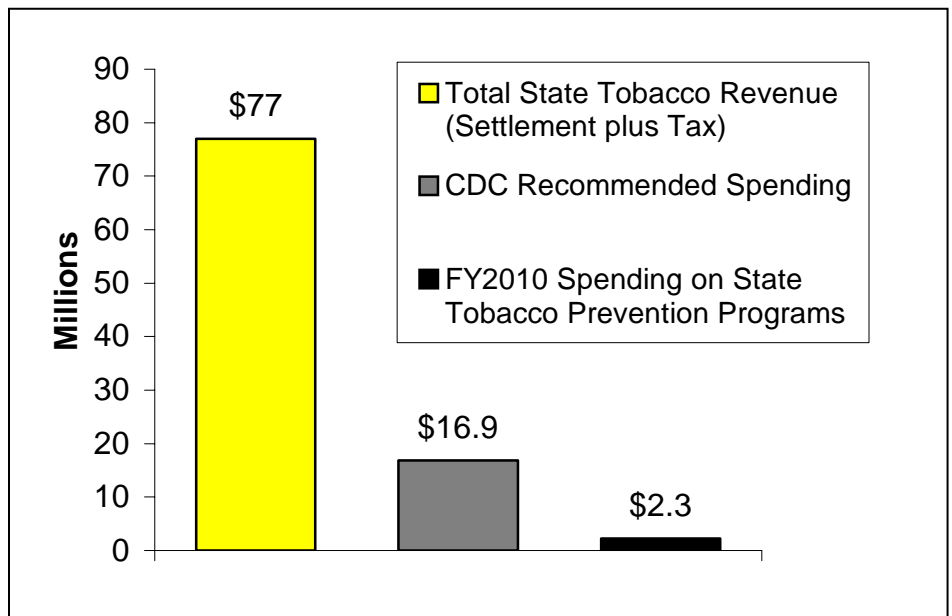
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## Idaho

	FY2010	FY2009
<b>State Ranking</b>	<b>30</b>	<b>34</b>
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$2.3 million</b>	<b>\$2.6 million</b>
State Spending	\$1.2 million	\$1.7 million
Federal Spending*	\$1.14 million	\$941,000
<b>% of CDC Recommended Spending (\$16.9 million)</b>	<b>13.8%</b>	<b>15.4%</b>

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that Idaho spend \$16.9 million a year to have an effective, comprehensive tobacco prevention program. Idaho currently receives \$2.3 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 13.8% of the CDC's recommendation and ranks Idaho 30th among the states in the funding of tobacco prevention programs. Idaho's spending on tobacco prevention amounts to 3.0% of the estimated \$77 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** The FY2010 budget for the state's tobacco prevention and cessation program includes \$1.2 million in state funding, which is a slight decrease from FY2009 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.

For FY2010, Idaho is scheduled to spend \$2.3 million in state and federal funds for tobacco prevention programs.

<b>Tobacco's Toll in Idaho</b>	
Adults who smoke	16.9%
High school students who smoke	20.0%
Deaths caused by smoking each year	1,500
Annual health care costs directly caused by smoking	\$319 million
Residents' state & federal tax burden from smoking-caused government expenditures	\$539 per household
Annual tobacco company marketing in state	\$57.9 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	24.8 to 1

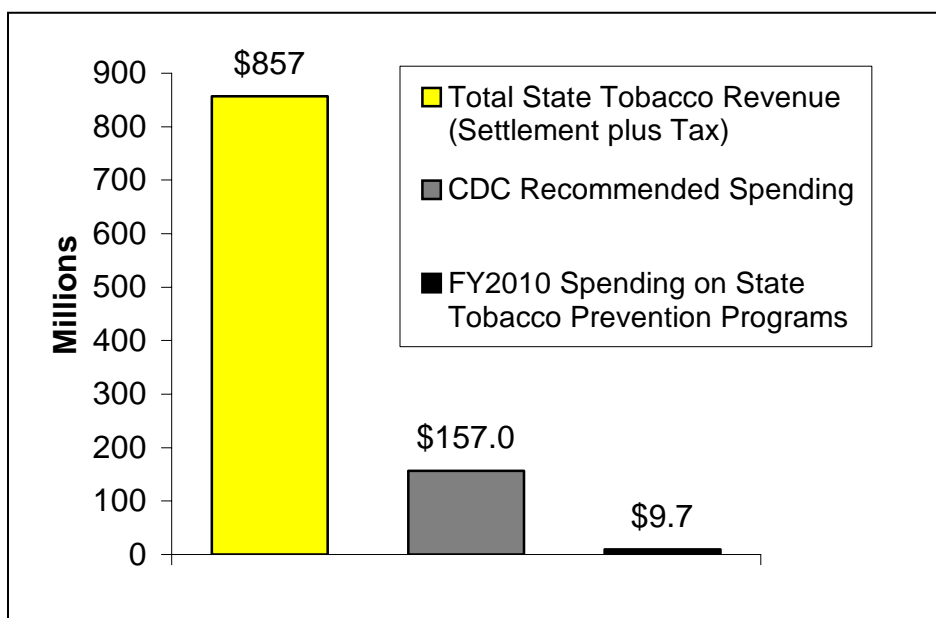
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## Illinois

	FY2010	FY2009
<b>State Ranking</b>	<b>42</b>	<b>43</b>
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$9.7 million</b>	<b>\$9.5 million</b>
State Spending	\$8.5 million	\$8.5 million
Federal Spending *	\$1.18 million	\$973,000
<b>% of CDC Recommended Spending (\$157.0 million)</b>	<b>6.2%</b>	<b>6.1%</b>

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that Illinois spend \$157.0 million a year to have an effective, comprehensive tobacco prevention program. Illinois currently receives \$9.7 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 6.2% of the CDC's recommendation and ranks Illinois 42nd among the states in the funding of tobacco prevention programs. Illinois's spending on tobacco prevention amounts to 1.1% of the estimated \$857 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 FY2010 budget allocates \$8.5 million in state funding for tobacco prevention – an amount unchanged in recent years and just a fraction of what was allocated at the start of the settlement. 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.

For FY2010, Illinois is scheduled to spend \$9.7 million in state and federal funds for tobacco prevention programs.

<b>Tobacco's Toll in Illinois</b>	
Adults who smoke	21.3%
High school students who smoke	19.9%
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	\$667 per household
Annual tobacco company marketing in state	\$452.4 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	46.7 to 1

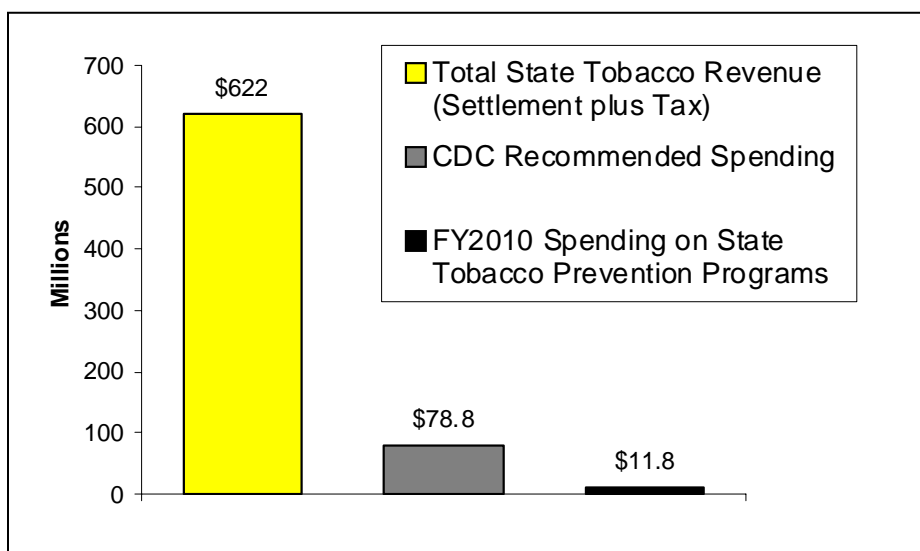
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## Indiana

	FY2010	FY2009
<b>State Ranking</b>	<b>29</b>	<b>28</b>
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$11.8 million</b>	<b>\$16.0 million</b>
State Spending	\$10.8 million	\$15.1 million
Federal Spending*	\$1.04 million	\$855,000
<b>% of CDC Recommended Spending (\$78.8 million)</b>	<b>15.0%</b>	<b>20.3%</b>

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that Indiana spend \$78.8 million a year to have an effective, comprehensive tobacco prevention program. Indiana currently receives \$11.8 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 15.0% of the CDC's recommendation and ranks Indiana 29th among the states in the funding of tobacco prevention programs. Indiana's spending on tobacco prevention amounts to 1.9% of the estimated \$622 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** State spending on tobacco prevention in Indiana took a huge hit in FY2010. The budget was cut by roughly 28% from \$15.1 million dollars in FY2009 to \$10.8 million dollars in FY2010. This returns Indiana to the funding level it was at before the much needed increase over the last two fiscal years. The Healthy Indiana Plan (HIP) legislation, passed in 2007, produced a significant step forward for Indiana – with \$16.2 million in state funds allocated for tobacco prevention and cessation programs each year. HIP increased the state cigarette tax by 44 cents to 99.5 cents per pack. This new revenue funded expanded health care access and childhood immunizations, as well as a small business tax credit and funds for smoking cessation assistance. In FY2008-2009, this program similarly provided an extra \$1.2 million for tobacco prevention through cigarette tax revenue; however, in FY2010 legislators did not appropriate any cigarette tax revenues to tobacco prevention. This action contributed to the significant decrease in state funding in Indiana for FY2010.

For FY2010, Indiana is scheduled to spend \$11.8 million in state and federal funds for tobacco prevention programs.

<b>Tobacco's Toll in Indiana</b>	
Adults who smoke	26.1%
High school students who smoke	18.3%
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	\$569 per household
Annual tobacco company marketing in state	\$426.2 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	36.0 to 1

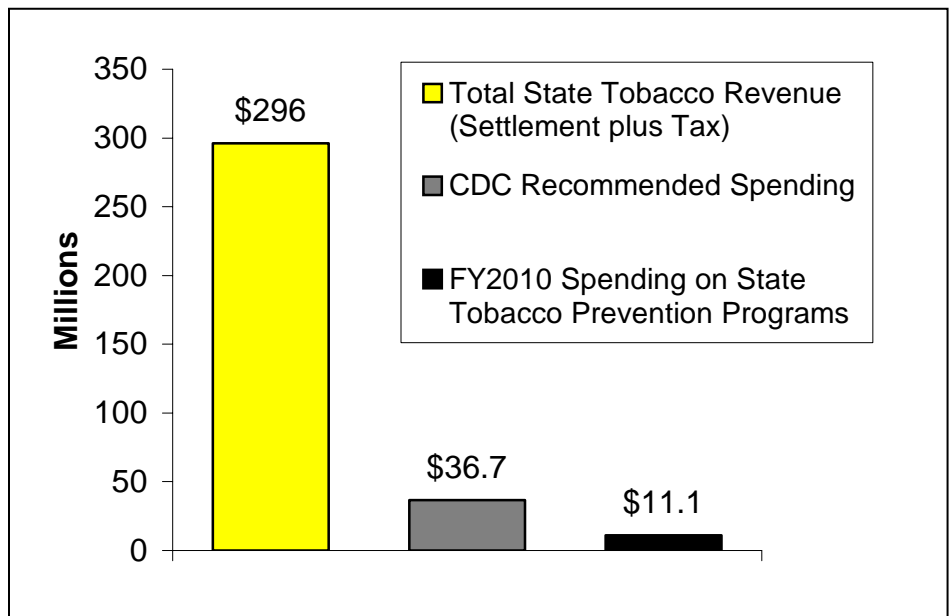
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## Iowa

	FY2010	FY2009
<b>State Ranking</b>	<b>17</b>	<b>21</b>
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$11.1 million</b>	<b>\$11.2 million</b>
State Spending	\$10.1 million	\$10.4 million
Federal Spending*	\$1.01 million	\$834,000
<b>% of CDC Recommended Spending (\$36.7 million)</b>	<b>30.3%</b>	<b>30.5%</b>

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that Iowa spend \$36.7 million a year to have an effective, comprehensive tobacco prevention program. Iowa currently receives \$11.1 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 30.3% of the CDC's recommendation and ranks Iowa 17th among the states in the funding of tobacco prevention programs. Iowa's spending on tobacco prevention amounts to 3.7% of the estimated \$296 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** The FY2010 budget for Iowa provides \$10.1 million dollars in state funds for tobacco prevention and cessation programs, a decrease from the \$10.4 million allocated in FY2009. About \$1.6 million of the \$9.6 million total comes from The Healthy Iowans Tobacco Trust Fund, created following the securitization of a portion of the Master Settlement Agreement funds for a one-time lump sum in 2001. As a result of both this initial securitization, and the subsequent securitization of the remaining MSA funds, settlement payments in Iowa are dedicated entirely to debt service on the securitization bonds. It was anticipated that these bonds would be sold in FY2009, but because of the conditions in the economic market, the sale was held off securing some unexpected funds for tobacco control. 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. The Iowa Department of Health is also receiving \$3 million per the federal stimulus. Of that \$3 million, \$500,000 will be directly allocated to the Division of Tobacco Use Prevention and Control.

For FY2010, Iowa is scheduled to spend \$11.1 million in state and federal funds for tobacco prevention programs.

<b>Tobacco's Toll in Iowa</b>	
Adults who smoke	18.8%
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	\$592 per household
Annual tobacco company marketing in state	\$174.2 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	15.7 to 1

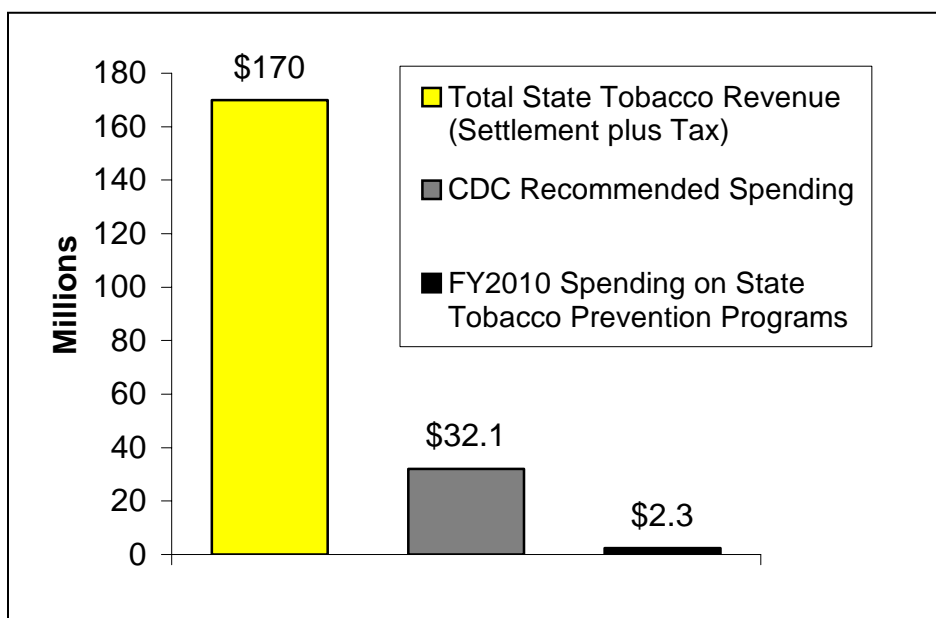
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## Kansas

	FY2010	FY2009
<b>State Ranking</b>	<b>39</b>	<b>42</b>
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$2.3 million</b>	<b>\$2.0 million</b>
State Spending	\$1.0 million	\$1.0 million
Federal Spending*	\$1.25 million	\$1.03 million
<b>% of CDC Recommended Spending (\$32.1 million)</b>	<b>7.0%</b>	<b>6.2%</b>

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that Kansas spend \$32.1 million a year to have an effective, comprehensive tobacco prevention program. Kansas currently receives \$2.3 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 7.0% of the CDC's recommendation and ranks Kansas 39th among the states in the funding of tobacco prevention programs. Kansas's spending on tobacco prevention amounts to 1.3% of the estimated \$170 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 FY2010 budget approved by the Legislature provides just \$1.0 million for tobacco prevention. Because funding continues to be inadequate for statewide tobacco prevention program based on CDC recommendations, funding supports countywide prevention programs in selected areas of the state instead. Kansas is spending minimal amounts on tobacco prevention despite the fact that the state is receiving more tobacco-generated revenue than ever before as a result of a 55-cent cigarette tax increase, bringing it to 79 cents a pack, which was approved in 2002.

For FY2010, Kansas is scheduled to spend \$2.3 million in state and federal funds for tobacco prevention programs.

<b>Tobacco's Toll in Kansas</b>	
Adults who smoke	17.9%
High school students who smoke	20.6%
Deaths caused by smoking each year	3,800
Annual health care costs directly caused by smoking	\$927 million
Residents' state & federal tax burden from smoking-caused government expenditures	\$572 per household
Annual tobacco company marketing in state	\$104.6 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	46.5 to 1

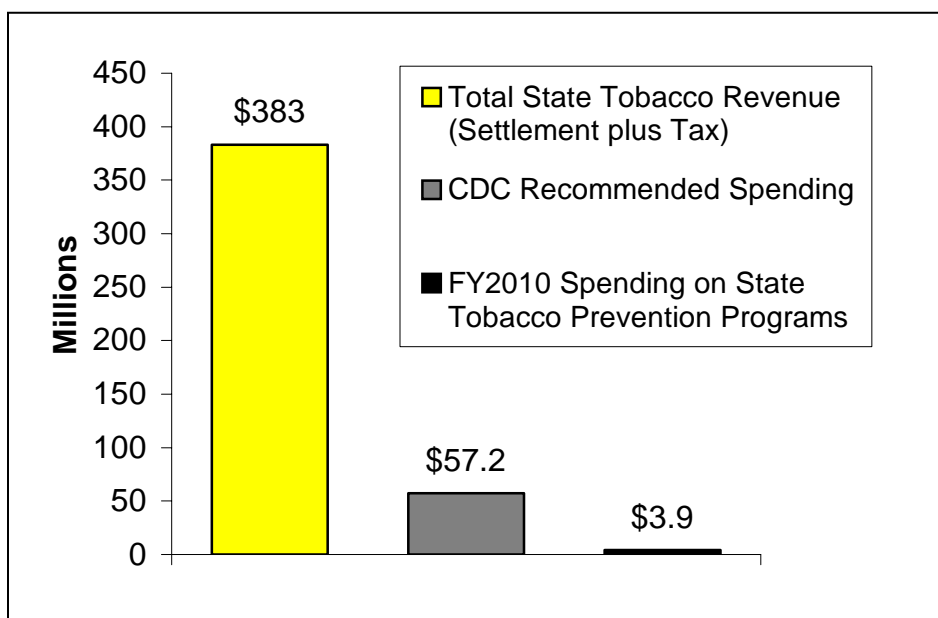
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## Kentucky

	FY2010	FY2009
<b>State Ranking</b>	<b>40</b>	<b>41</b>
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$3.9 million</b>	<b>\$3.7 million</b>
State Spending	\$2.8 million	\$2.8 million
Federal Spending*	\$1.14 million	\$939,000
<b>% of CDC Recommended Spending (\$57.2 million)</b>	<b>6.9%</b>	<b>6.5%</b>

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that Kentucky spend \$57.2 million a year to have an effective, comprehensive tobacco prevention program. Kentucky currently receives \$3.9 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 6.9% of the CDC's recommendation and ranks Kentucky 40th among the states in the funding of tobacco prevention programs. Kentucky's spending on tobacco prevention amounts to 1.0% of the estimated \$383 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 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 30-cent cigarette tax increase in 2009, bringing Kentucky's tax to 60 cents a pack.

Combined with funds from the Centers for Disease Control and Prevention, total spending on tobacco prevention and cessation for FY2010 will be \$3.9 million, about equal to what was spent in FY2009.

<b>Tobacco's Toll in Kentucky</b>	
Adults who smoke	25.3%
High school students who smoke	26.0%
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	\$587 per household
Annual tobacco company marketing in state	\$417.5 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	106.0 to 1

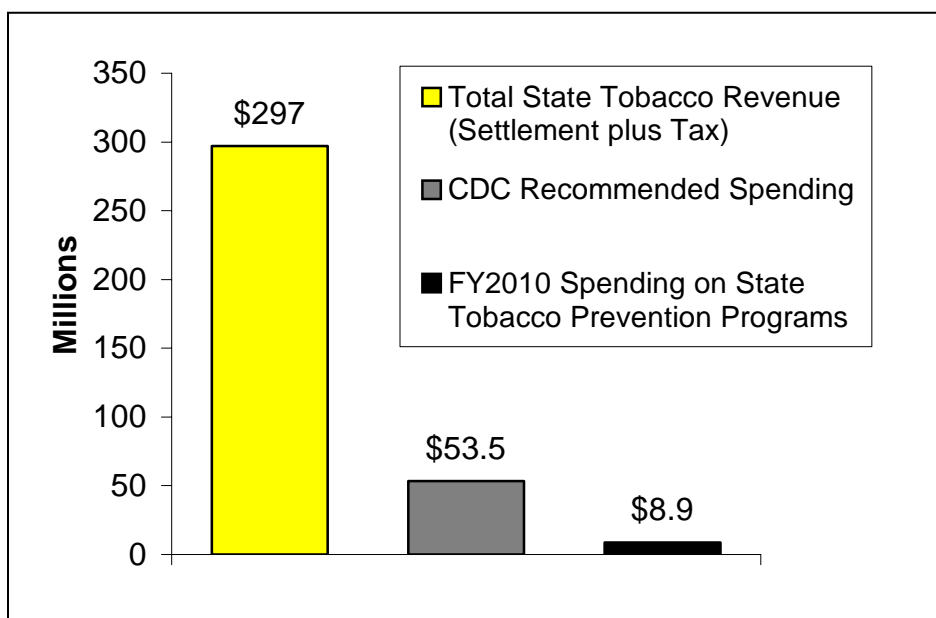
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## Louisiana

	FY2010	FY2009
<b>State Ranking</b>	<b>27</b>	<b>33</b>
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$8.9 million</b>	<b>\$8.5 million</b>
State Spending	\$7.8 million	\$7.6 million
Federal Spending*	\$1.10 million	\$908,000
<b>% of CDC Recommended Spending (\$53.5 million)</b>	<b>16.6%</b>	<b>15.9%</b>

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that Louisiana spend \$53.5 million a year to have an effective, comprehensive tobacco prevention program. Louisiana currently receives \$8.9 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 16.6% of the CDC's recommendation and ranks Louisiana 27th among the states in the funding of tobacco prevention programs. Louisiana's spending on tobacco prevention amounts to 3.0% of the estimated \$297 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, and dedicated 2 cents per pack to a Cancer Consortium comprised of Tulane University and Louisiana State University for tobacco prevention and cessation programs. Revenue generated from the tax will automatically flow to the Consortium every year, unless the law is changed by the Legislature.

Combined with funds from the Centers for Disease Control and Prevention, total spending on tobacco prevention and cessation for FY2010 will be \$8.9 million, about equal to what was spent in FY2009.

<b>Tobacco's Toll in Louisiana</b>	
Adults who smoke	20.5%
High school students who smoke	18.8%
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	\$636 per household
Annual tobacco company marketing in state	\$241.0 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	27.1 to 1

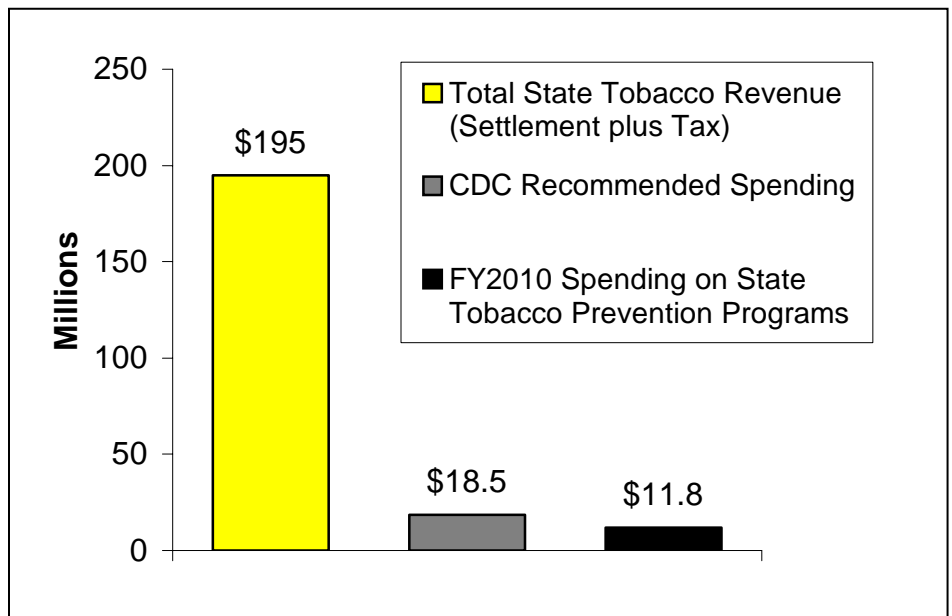
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## Maine

	FY2010	FY2009
<b>State Ranking</b>	<b>6</b>	<b>6</b>
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$11.8 million</b>	<b>\$11.7 million</b>
State Spending	\$10.8 million	\$10.9 million
Federal Spending*	\$965,000	\$795,000
<b>% of CDC Recommended Spending (\$18.5 million)</b>	<b>63.6%</b>	<b>63.2%</b>

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that Maine spend \$18.5 million a year to have an effective, comprehensive tobacco prevention program. Maine currently receives \$11.8 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 63.6% of the CDC's recommendation and ranks Maine 6th among the states in the funding of tobacco prevention programs. Maine's spending on tobacco prevention amounts to 6.0% 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 FY2010 budget enacted by the Legislature and Governor John Baldacci (D) included \$10.8 million for the tobacco program. This is about the same amount that the state spent on tobacco-specific work in FY2009. 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.

Combined with funds from the Centers for Disease Control and Prevention, total spending on tobacco prevention in FY2010 will be \$11.8 million.

<b>Tobacco's Toll in Maine</b>	
Adults who smoke	18.2%
High school students who smoke	14.0%
Deaths caused by smoking each year	2,200
Annual health care costs directly caused by smoking	\$602 million
Residents' state & federal tax burden from smoking-caused government expenditures	\$650 per household
Annual tobacco company marketing in state	\$59.0 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	5.0 to 1

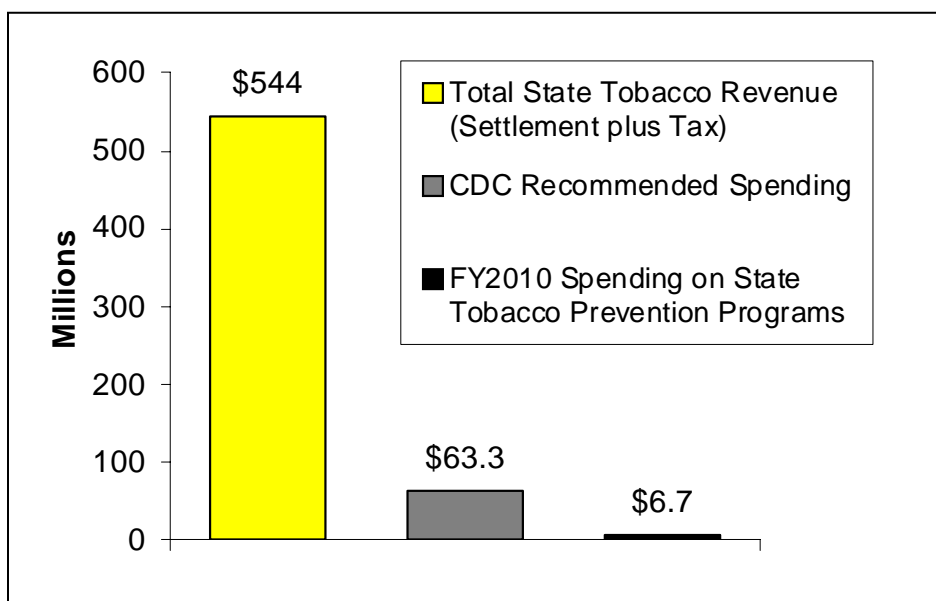
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## Maryland

	FY2010	FY2009
<b>State Ranking</b>	<b>37</b>	<b>18</b>
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$6.7 million</b>	<b>\$20.6 million</b>
State Spending	\$5.5 million	\$19.6 million
Federal Spending*	\$1.21 million	\$993,000
<b>% of CDC Recommended Spending (\$63.3 million)</b>	<b>10.6%</b>	<b>32.5%</b>

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that Maryland spend \$63.3 million a year to have an effective, comprehensive tobacco prevention program. Maryland currently receives \$6.7 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 10.6% of the CDC's recommendation and ranks Maryland 37th among the states in the funding of tobacco prevention programs. Maryland's spending on tobacco prevention amounts to 1.2% of the estimated \$544 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.

Combined with funds from the Centers for Disease Control and Prevention, total spending on tobacco prevention and cessation for FY2010 will be \$6.7 million, significantly less to what was spent in FY2009.

<b>Tobacco's Toll in Maryland</b>	
Adults who smoke	14.9%
High school students who smoke	16.8%
Deaths caused by smoking each year	6,800
Annual health care costs directly caused by smoking	\$1.96 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$619 per household
Annual tobacco company marketing in state	\$188.8 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	28.1 to 1

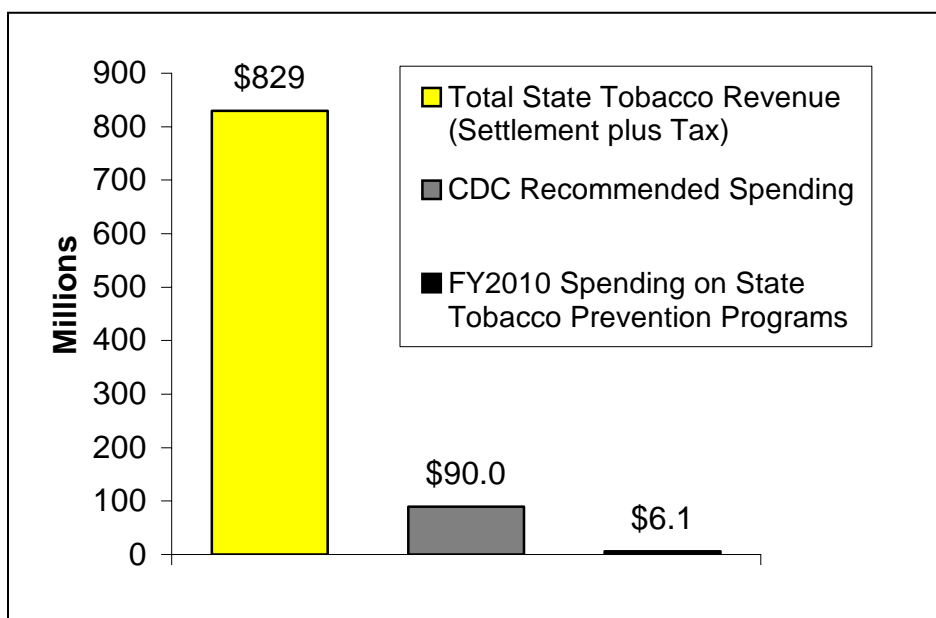
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\* For FY2010, federal spending refers to a twelve-month grant to the states by the U.S. Centers for Disease Control and Prevention for the period beginning April 2009. For FY2009, federal spending refers to a nine-month grant provided to the states by CDC for the period beginning July 2008.

## Massachusetts

	FY2010	FY2009
<b>State Ranking</b>	<b>41</b>	<b>35</b>
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$6.1 million</b>	<b>\$13.5 million</b>
State Spending	\$4.5 million	\$12.2 million
Federal Spending*	\$1.56 million	\$1.28 million
<b>% of CDC Recommended Spending (\$90.0 million)</b>	<b>6.7%</b>	<b>15.0%</b>

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that Massachusetts spend \$90.0 million a year to have an effective, comprehensive tobacco prevention program. Massachusetts currently receives \$6.1 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 6.7% of the CDC's recommendation and ranks Massachusetts 41st among the states in the funding of tobacco prevention programs. Massachusetts's spending on tobacco prevention amounts to 0.7% of the estimated \$829 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** Massachusetts launched its program in 1993 with funding from a voter-approved cigarette tax of 25 cents a pack. In December 1999, the Legislature voted to supplement the MTCP cigarette tax funding with tobacco settlement money. By 2002-2003, fiscal emergencies and other factors led to funding cuts that nearly eliminated the program. Since then, the legislature has increased funding, most notably in FY2008, when funding was increased from \$8.25 million to \$12.75 million. However, in FY2010, the state Legislature and Governor Deval Patrick (D) cut the tobacco control program from \$12.2 million to \$5 million, and Governor Patrick reduced funding even further as a result of mid-year budget cuts in late October. The tobacco control program was cut by an additional \$500,000, leaving the total program budget at \$4.5 million for FY2010. In total, the MA program has been cut by 65% since FY2008.

Combined with funds from the Centers for Disease Control and Prevention, total spending on tobacco prevention and cessation for FY2010 will be \$6.1 million.

<b>Tobacco's Toll in Massachusetts</b>	
Adults who smoke	16.1%
High school students who smoke	17.7%
Deaths caused by smoking each year	9,000
Annual health care costs directly caused by smoking	\$3.54 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$732 per household
Annual tobacco company marketing in state	\$194.6 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	32.1 to 1

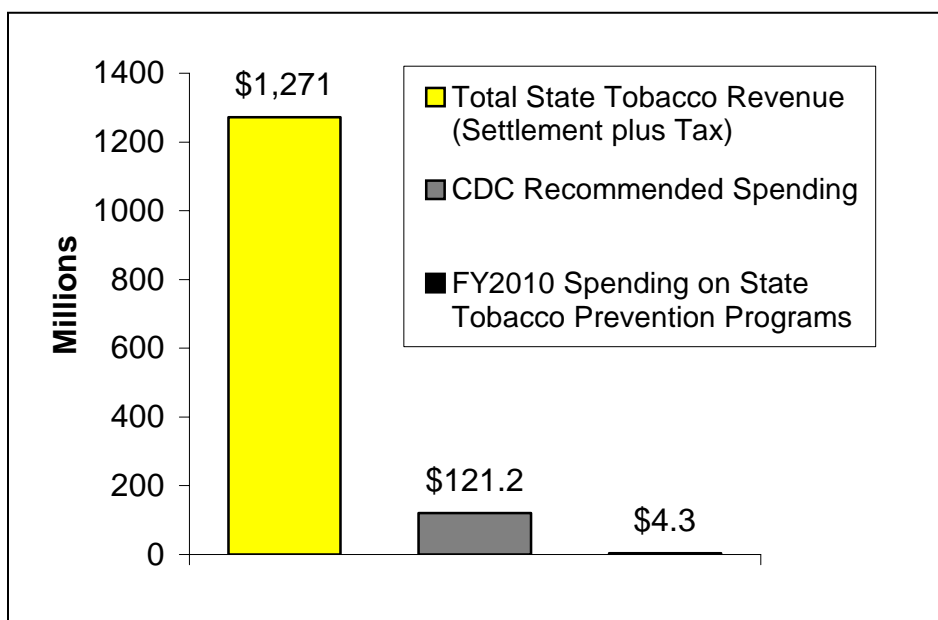
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## Michigan

	FY2010	FY2009
<b>State Ranking</b>	<b>48</b>	<b>47</b>
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$4.3 million</b>	<b>\$5.1 million</b>
State Spending	\$2.6 million	\$3.7 million
Federal Spending*	\$1.69 million	\$1.37 million
<b>% of CDC Recommended Spending (\$121.2 million)</b>	<b>3.5%</b>	<b>4.2%</b>

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that Michigan spend \$121.2 million a year to have an effective, comprehensive tobacco prevention program. Michigan currently receives \$4.3 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 3.5% of the CDC's recommendation and ranks Michigan 48th among the states in the funding of tobacco prevention programs. Michigan's spending on tobacco prevention amounts to 0.3% of the estimated \$1.27 billion in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** In 2009, Governor Jennifer Granholm (D) signed the state budget which allocated \$2.6 million to the Tobacco Section of the Michigan Department of Community Health, a 30% cut from the previous year. The state continues to dedicate no funding from the Master Settlement Agreement to reducing tobacco-caused death and disease, and the little funding it does provide falls short of the amount needed for a comprehensive CDC-based program. Michigan continues to be one of the only states that has never dedicated any Master Settlement Agreement funds for tobacco prevention.

For FY2010, Michigan is scheduled to spend \$4.3 million in state and federal funds for tobacco prevention programs.

<b>Tobacco's Toll in Michigan</b>	
Adults who smoke	20.4%
High school students who smoke	18.0%
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	\$613 per household
Annual tobacco company marketing in state	\$393.6 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	91.8 to 1

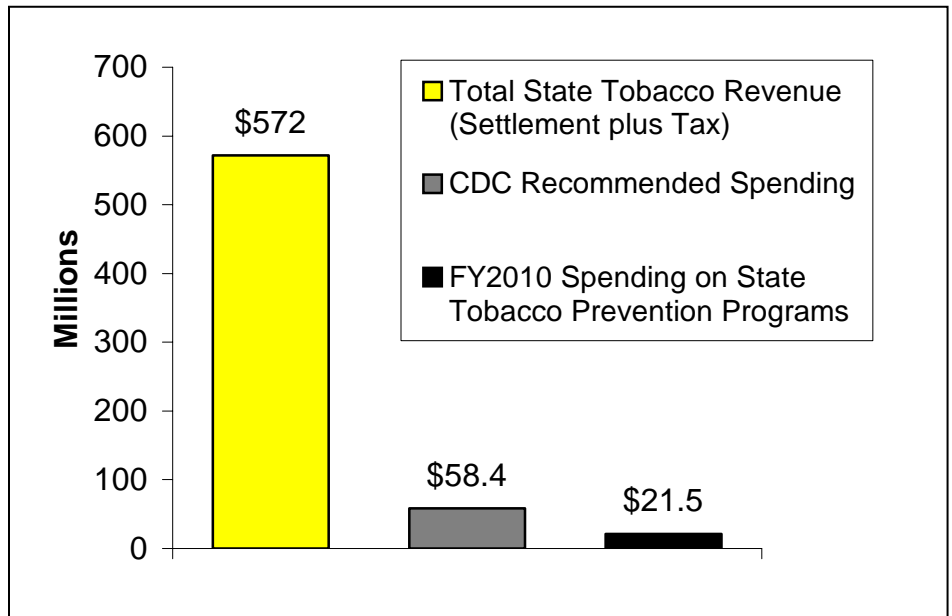
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## Minnesota

	FY2010	FY2009
<b>State Ranking</b>	<b>13</b>	<b>16</b>
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$21.5 million</b>	<b>\$21.5 million</b>
State Spending	\$20.3 million	\$20.5 million
Federal Spending*	\$1.20 million	\$989,000
<b>% of CDC Recommended Spending (\$58.4 million)</b>	<b>36.8%</b>	<b>36.8%</b>

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that Minnesota spend \$58.4 million a year to have an effective, comprehensive tobacco prevention program. Minnesota currently receives \$21.5 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 36.8% of the CDC's recommendation and ranks Minnesota 13th among the states in the funding of tobacco prevention programs. Minnesota's spending on tobacco prevention amounts to 3.8% of the estimated \$572 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** In FY2010, 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 impacts state spending on tobacco prevention, free from legislative action. Limited to a 25-year lifespan, Clearway Minnesota will close its doors in 2023. In FY2010, Minnesota is scheduled to spend \$21.5 million for tobacco prevention and cessation programs - including \$17.1 million approved by ClearWay Minnesota's Board of Directors, \$3.2 million in state funds, and \$1.2 in federal 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 \$20 million from the Statewide Health Improvement Program (SHIP) in FY2010. SHIP was

developed in response to the 2007 Minnesota Legislature's request to develop a plan for statewide health promotion for the rising cost of health and health care in the state. SHIP funding for FY2010 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 \$20 million is not counted in Minnesota's total state spending.

Due to both public policy and program successes, Minnesota's adult smoking rate is down to 17 percent which means it has declined by almost one-fifth in the past five years. Despite this, Minnesota's tobacco prevention strategy remains unbalanced. Some aspects of CDC's best practices, like cessation, are pursued in aggressive and innovative ways, while others are not adequately addressed.

For FY2010, Minnesota is scheduled to spend \$21.5 million in state and federal funds for tobacco prevention programs.

<b>Tobacco's Toll in Minnesota</b>	
Adults who smoke	17.0%
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	\$618 per household
Annual tobacco company marketing in state	\$196.6 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	9.1 to 1

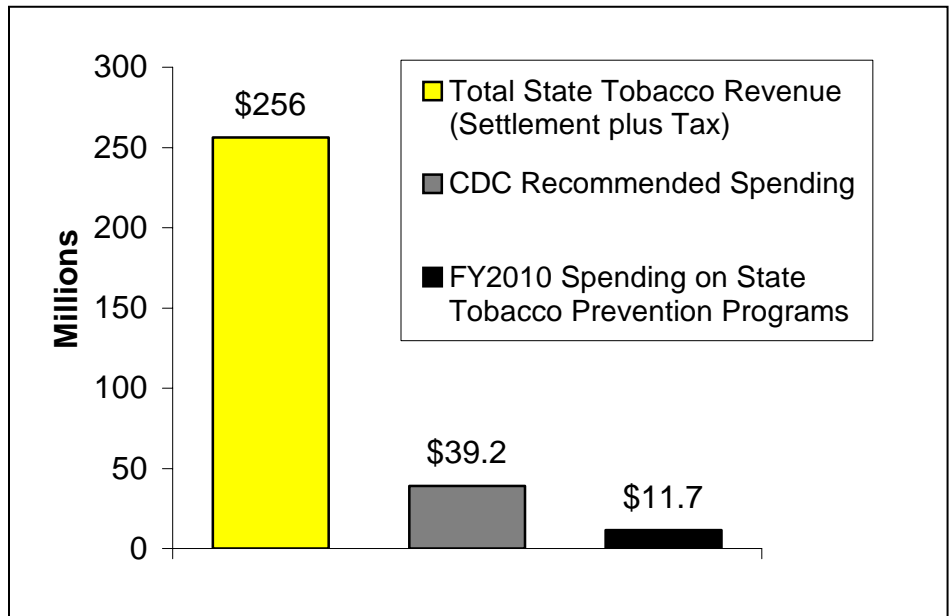
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## Mississippi

	FY2010	FY2009
<b>State Ranking</b>	<b>18</b>	<b>23</b>
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$11.7 million</b>	<b>\$10.7 million</b>
State Spending	\$10.6 million	\$10.3 million
Federal Spending*	\$1.10 million	\$446,000
<b>% of CDC Recommended Spending (\$39.2 million)</b>	<b>29.8%</b>	<b>27.3%</b>

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that Mississippi spend \$39.2 million a year to have an effective, comprehensive tobacco prevention program. Mississippi currently receives \$11.7 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 29.8% of the CDC's recommendation and ranks Mississippi 18th among the states in the funding of tobacco prevention programs. Mississippi's spending on tobacco prevention amounts to 4.6% of the estimated \$256 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 FY2009, Mississippi spent \$10.7 million in federal and state funds for tobacco prevention programs.

Mississippi 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 50-cent cigarette tax increase in 2009, bringing Mississippi's tax to 68 cents a pack.

Combined with funds from the Centers for Disease Control and Prevention, total spending on tobacco prevention and cessation for FY2010 will be \$11.7 million, slightly more than what was spent in FY2009.

<b>Tobacco's Toll in Mississippi</b>	
Adults who smoke	22.7%
High school students who smoke	19.2%
Deaths caused by smoking each year	4,700
Annual health care costs directly caused by smoking	\$719 million
Residents' state & federal tax burden from smoking-caused government expenditures	\$555 per household
Annual tobacco company marketing in state	\$185.5 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	15.9 to 1

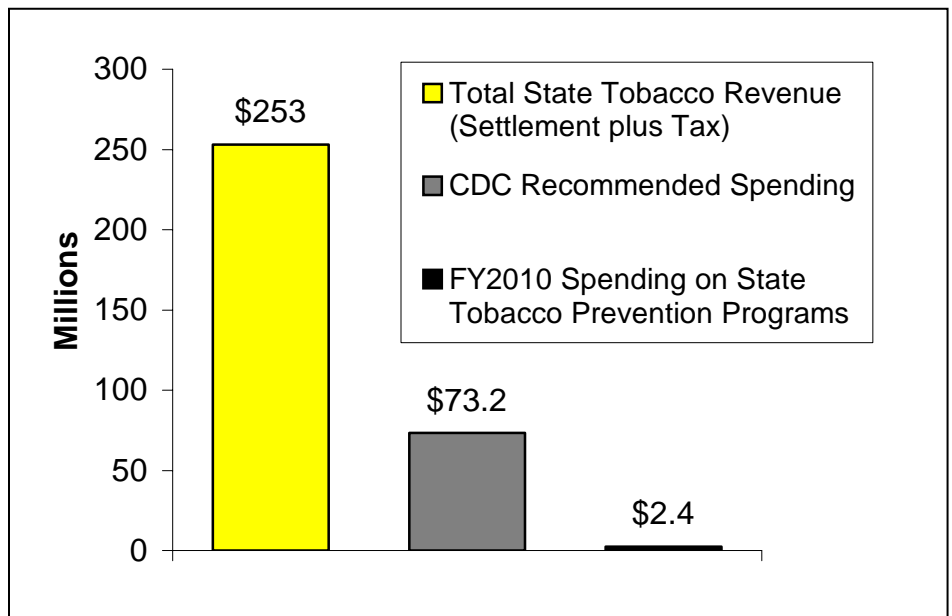
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## Missouri

	FY2010	FY2009
<b>State Ranking</b>	<b>49</b>	<b>49</b>
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$2.4 million</b>	<b>\$2.7 million</b>
State Spending	\$1.2 million	\$1.7 million
Federal Spending*	\$1.16 million	\$953,000
<b>% of CDC Recommended Spending (\$73.2 million)</b>	<b>3.2%</b>	<b>3.7%</b>

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that Missouri spend \$73.2 million a year to have an effective, comprehensive tobacco prevention program. Missouri currently receives \$2.4 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 3.2% of the CDC's recommendation and ranks Missouri 49th among the states in the funding of tobacco prevention programs. Missouri's spending on tobacco prevention amounts to 0.9% of the estimated \$253 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** Missouri is spending just \$1.2 million in state funds on tobacco prevention for FY2010. This is a decrease from the \$1.7 million allocated to tobacco prevention in FY2009. 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.

For FY2010, Missouri is scheduled to spend \$2.4 million in state and federal funds for tobacco prevention programs.

<b>Tobacco's Toll in Missouri</b>	
Adults who smoke	25.0%
High school students who smoke	23.8%
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	\$585 per household
Annual tobacco company marketing in state	\$419.9 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	177.9 to 1

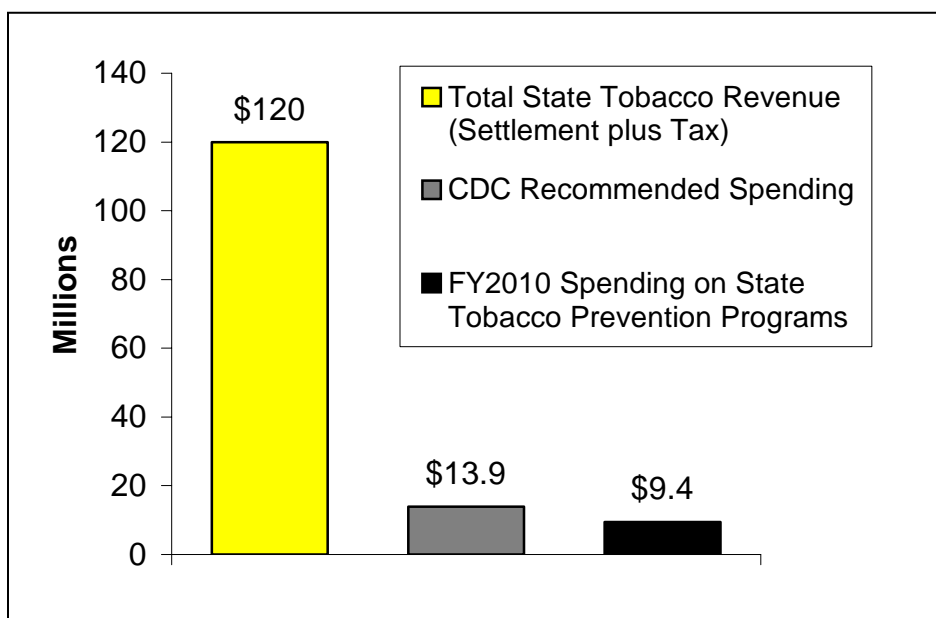
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## Montana

	FY2010	FY2009
<b>State Ranking</b>	<b>4</b>	<b>5</b>
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$9.4 million</b>	<b>\$9.3 million</b>
State Spending	\$8.4 million	\$8.5 million
Federal Spending*	\$963,000	\$794,000
<b>% of CDC Recommended Spending (\$13.9 million)</b>	<b>67.3%</b>	<b>66.9%</b>

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that Montana spend \$13.9 million a year to have an effective, comprehensive tobacco prevention program. Montana currently receives \$9.4 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 67.3% 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 7.8% of the estimated \$120 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** For FY2010, the Legislature and Governor Brian Schweitzer (D) allocated \$8.4 million in state funds for the state's tobacco prevention program. This is a \$175,000 decrease from what was funded by the state in FY2009.

For FY2010, Montana is scheduled to spend \$9.4 million in state and federal funds for tobacco prevention programs.

<b>Tobacco's Toll in Montana</b>	
Adults who smoke	18.5%
High school students who smoke	20.0%
Deaths caused by smoking each year	1,400
Annual health care costs directly caused by smoking	\$277 million
Residents' state & federal tax burden from smoking-caused government expenditures	\$557 per household
Annual tobacco company marketing in state	\$33.3 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	3.6 to 1

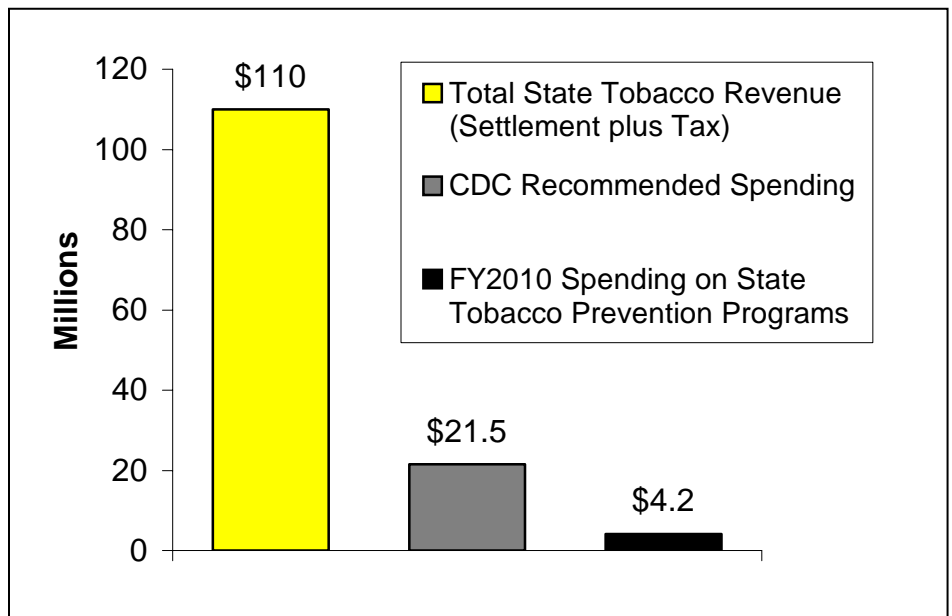
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## Nebraska

	FY2010	FY2009
<b>State Ranking</b>	<b>23</b>	<b>30</b>
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$4.2 million</b>	<b>\$4.0 million</b>
State Spending	\$3.0 million	\$3.0 million
Federal Spending*	\$1.24 million	\$1.02 million
<b>% of CDC Recommended Spending (\$21.5 million)</b>	<b>19.7%</b>	<b>18.6%</b>

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that Nebraska spend \$21.5 million a year to have an effective, comprehensive tobacco prevention program. Nebraska currently receives \$4.2 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 19.7% of the CDC's recommendation and ranks Nebraska 23rd among the states in the funding of tobacco prevention programs. Nebraska's spending on tobacco prevention amounts to 3.9% of the estimated \$110 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** For FY2010, Nebraska has allocated \$3.0 million in state funds for the state's tobacco prevention program. This is the same amount that was allocated in FY2009. Still, funding for this once-promising program remains substantially below the \$7.0 million in state funds allocated in FY2001.

For FY2010, Nebraska is scheduled to spend \$4.2 million in state and federal funds for tobacco prevention programs.

<b>Tobacco's Toll in Nebraska</b>	
Adults who smoke	18.4%
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	\$575 per household
Annual tobacco company marketing in state	\$72.1 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	17.0 to 1

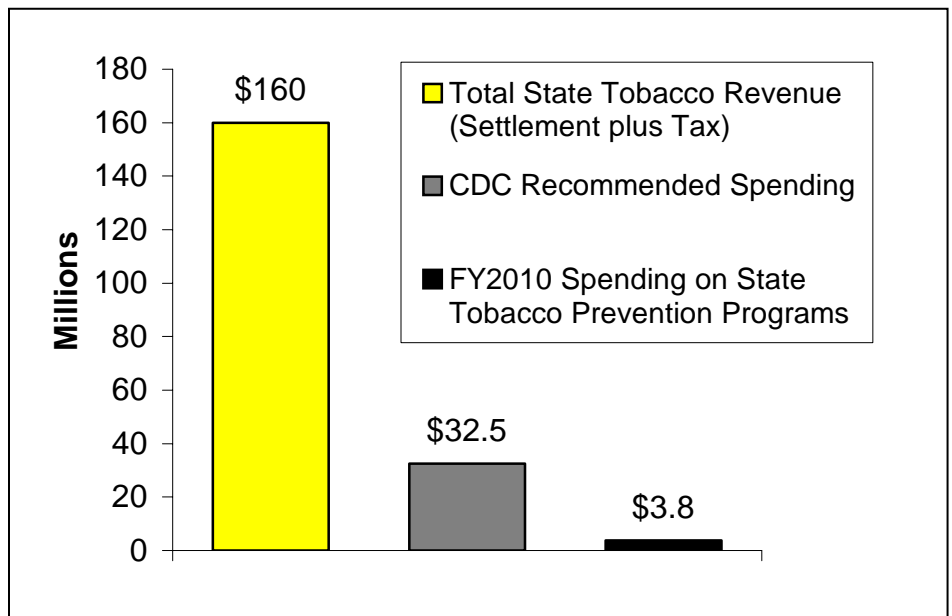
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## Nevada

	FY2010	FY2009
<b>State Ranking</b>	<b>36</b>	<b>37</b>
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$3.8 million</b>	<b>\$4.1 million</b>
State Spending	\$2.9 million	\$3.4 million
Federal Spending*	\$858,000	\$707,000
<b>% of CDC Recommended Spending (\$32.5 million)</b>	<b>11.6%</b>	<b>12.6%</b>

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that Nevada spend \$32.5 million a year to have an effective, comprehensive tobacco prevention program. Nevada currently receives \$3.8 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 11.6% of the CDC's recommendation and ranks Nevada 36th among the states in the funding of tobacco prevention programs. Nevada's spending on tobacco prevention amounts to 2.4% of the estimated \$160 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** Nevada's program is funded entirely through settlement payments, so funding levels could change if the actual settlement payments are different than projected. A 1999 state law divided Nevada's settlement money into three trust funds: 40 percent to the Millennium Trust Fund for college scholarships; 10 percent to the Trust Fund for Public Health; and 50 percent to the Fund for a Healthy Nevada. The Legislature is responsible for appropriating the money available from the funds through the biennial budget process. Initially, twenty percent (10 percent of the total settlement payments) of the money directed to the Fund for a Healthy Nevada was distributed to the tobacco prevention and cessation program; however, in 2007, this allocation was reduced to fifteen percent.

In FY2010, state funding for the tobacco prevention and cessation program was cut by more than 15 percent, from \$3.4 million to \$2.9 million, as a result of revenue shortfalls. The program could also face additional cuts

in the future as revenue shortfalls continue to exist. Combined with funds from the Centers for Disease Control and Prevention, total spending on tobacco prevention in FY2010 will be \$3.8 million.

<b>Tobacco's Toll in Nevada</b>	
Adults who smoke	22.3%
High school students who smoke	13.6%
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	\$559 per household
Annual tobacco company marketing in state	\$113.8 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	30.3 to 1

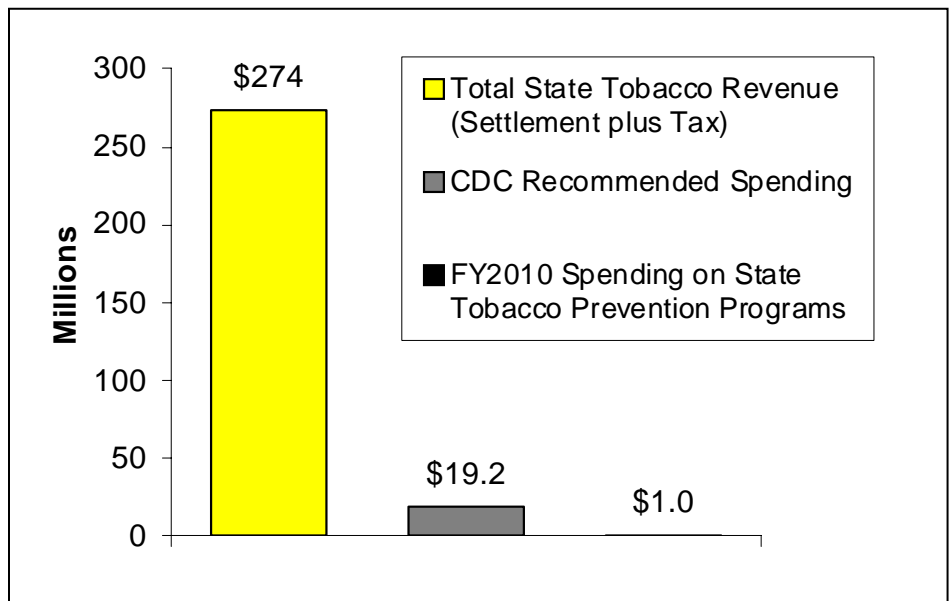
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## New Hampshire

	FY2010	FY2009
<b>State Ranking</b>	<b>43</b>	<b>44</b>
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$1.0 million</b>	<b>\$1.1 million</b>
State Spending	\$0.0 million	\$200,000
Federal Spending*	\$1.04 million	\$859,000
<b>% of CDC Recommended Spending (\$19.2 million)</b>	<b>5.4%</b>	<b>5.7%</b>

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that New Hampshire spend \$19.2 million a year to have an effective, comprehensive tobacco prevention program. New Hampshire currently receives \$1.0 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 5.4% of the CDC's recommendation and ranks New Hampshire 43rd among the states in the funding of tobacco prevention programs. New Hampshire's spending on tobacco prevention amounts to 0.4% of the estimated 274 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** For FY2010, New Hampshire will receive \$1.0 million in federal funds for tobacco prevention and cessation. The state Legislature allocated no funds for tobacco prevention programs for FY10. Instead, the Legislature allocated one dollar to the state's cancer plan for the biennium. New Hampshire has not made any real commitment to tobacco prevention and cessation over the past several years.

New Hampshire has allocated nothing to 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, bringing it to \$1.78 a pack, which went into effect in 2009.

<b>Tobacco's Toll in New Hampshire</b>	
Adults who smoke	17.0%
High school students who smoke	19.0%
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	\$624 per household
Annual tobacco company marketing in state	\$122.2 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	117.5 to 1

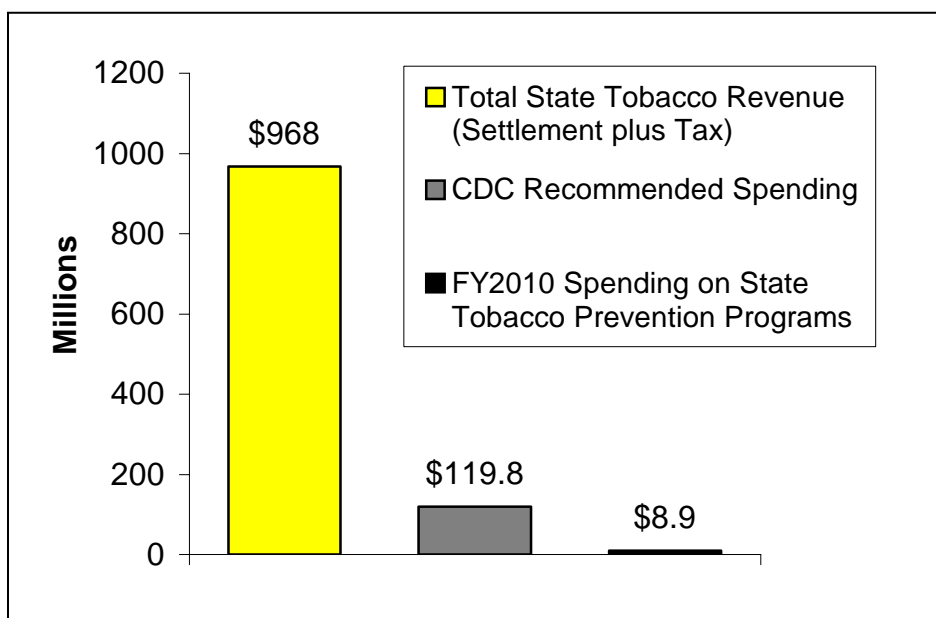
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## New Jersey

	FY2010	FY2009
<b>State Ranking</b>	<b>38</b>	<b>39</b>
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$8.9 million</b>	<b>\$10.2 million</b>
State Spending	\$7.6 million	\$9.1 million
Federal Spending*	\$1.27 million	\$1.05 million
<b>% of CDC Recommended Spending (\$119.8 million)</b>	<b>7.4%</b>	<b>8.5%</b>

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that New Jersey spend \$119.8 million a year to have an effective, comprehensive tobacco prevention program. New Jersey currently receives \$8.9 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 7.4% of the CDC's recommendation and ranks New Jersey 38th among the states in the funding of tobacco prevention programs. New Jersey's spending on tobacco prevention amounts to 0.9% of the estimated \$968 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 FY2010, state funding for the New Jersey Comprehensive Tobacco Control Program (CTCP) will be \$7.6 million, more than \$1 million less than was spent in FY2009 and 30 percent less than FY2008 levels.

New Jersey is spending a minimal amount on tobacco prevention despite the fact that the state is receiving more tobacco-generated revenue than ever before as a result of a 12.5-cent cigarette tax increase, bringing it to \$2.70 a pack, which went into effect in 2009.

State and federal spending on tobacco prevention and cessation for FY2010 will be \$8.9 million, less than the \$10.2 million that was spent in FY2009.

<b>Tobacco's Toll in New Jersey</b>	
Adults who smoke	14.8%
High school students who smoke	15.8%
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	\$660 per household
Annual tobacco company marketing in state	\$226.3 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	25.5 to 1

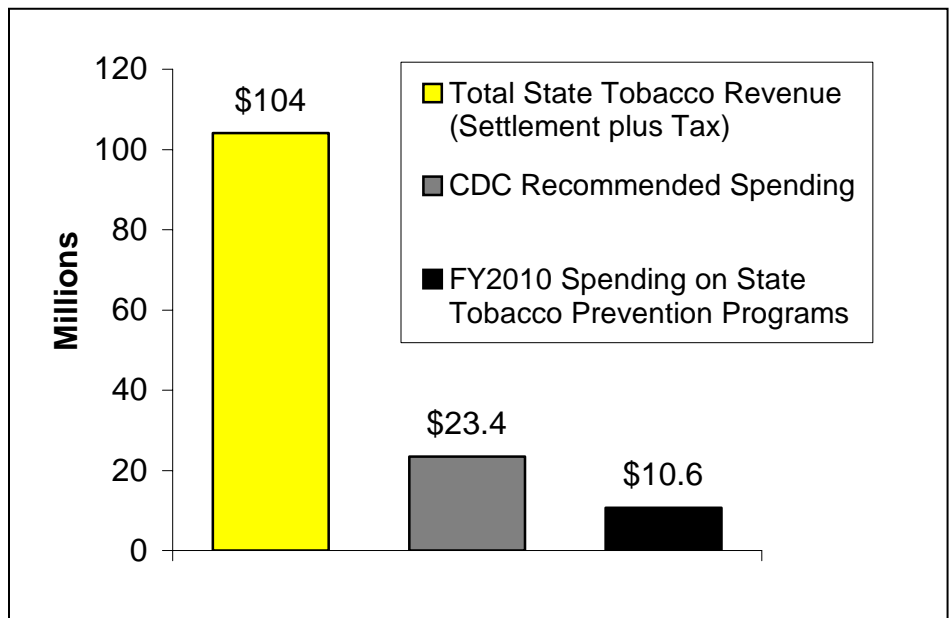
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\* For FY2010, federal spending refers to a twelve-month grant to the states by the U.S. Centers for Disease Control and Prevention for the period beginning April 2009. For FY2009, federal spending refers to a nine-month grant provided to the states by CDC for the period beginning July 2008.

## New Mexico

	FY2010	FY2009
<b>State Ranking</b>	<b>12</b>	<b>11</b>
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$10.6 million</b>	<b>\$10.5 million</b>
State Spending	\$9.5 million	\$9.6 million
Federal Spending*	\$1.14 million	\$941,000
<b>% of CDC Recommended Spending (\$23.4 million)</b>	<b>45.5%</b>	<b>44.9%</b>

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that New Mexico spend \$23.4 million a year to have an effective, comprehensive tobacco prevention program. New Mexico currently receives \$10.6 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 45.5% of the CDC's recommendation and ranks New Mexico 12th among the states in the funding of tobacco prevention programs. New Mexico's spending on tobacco prevention amounts to 10.2% of the estimated \$104 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



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

State and federal spending on tobacco prevention for FY2010 will be \$10.6 million, about the same amount that was spent in FY2008 and FY2009. This amount includes a \$400,000 appropriation to the Department of Indian Affairs for commercial tobacco prevention and control programs serving Native Americans.

<b>Tobacco's Toll in New Mexico</b>	
Adults who smoke	19.4%
High school students who smoke	24.2%
Deaths caused by smoking each year	2,100
Annual health care costs directly caused by smoking	\$461 million
Residents' state & federal tax burden from smoking-caused government expenditures	\$567 per household
Annual tobacco company marketing in state	\$47.0 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	4.4 to 1

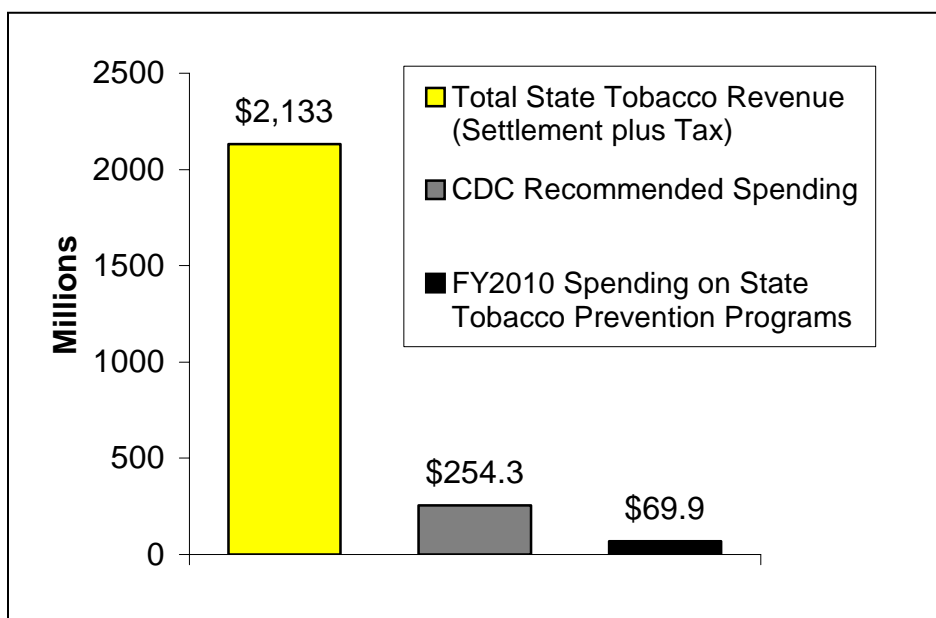
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## New York

	FY2010	FY2009
<b>State Ranking</b>	<b>19</b>	<b>19</b>
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$69.9 million</b>	<b>\$81.9 million</b>
State Spending	\$68.0 million	\$80.4 million
Federal Spending*	\$1.87 million	\$1.54 million
<b>% of CDC Recommended Spending (\$254.3 million)</b>	<b>27.5%</b>	<b>32.2%</b>

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that New York spend \$254.3 million a year to have an effective, comprehensive tobacco prevention program. New York currently receives \$69.9 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 27.5% of the CDC's recommendation and ranks New York 19th among the states in the funding of tobacco prevention programs. New York's spending on tobacco prevention amounts to 3.3% of the estimated \$2.13 billion in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** The 1998 settlement stipulated that the state of New York receives 51.2% of the tobacco settlement payments, New York City receives 26.6%, and the 57 counties outside New York City share the remaining 22.2%. The formula for disbursing payments to New York City and the counties is based on the localities' mandatory contributions to Medicaid costs. New York City's base-lined budget for FY2010 includes \$11.2 million for tobacco prevention and cessation programming.

New York's tobacco settlement funds are folded into the state's general fund and allocated through the annual budget process. In FY2010, due to revenue shortfalls, funding for tobacco prevention and cessation was cut by fifteen percent, from approximately \$80 million to \$68 million. State revenue shortfalls led to budget cuts across state programs, however, the tobacco control program experienced proportionately larger cuts than those endured by most other state programs.

Combined with funds from the Centers for Disease Control and Prevention, total spending on tobacco prevention and cessation in FY2010 will be \$69.9 million.

<b>Tobacco's Toll in New York</b>	
Adults who smoke	16.8%
High school students who smoke	13.8%
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	\$894 per household
Annual tobacco company marketing in state	\$429.6 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	6.1 to 1

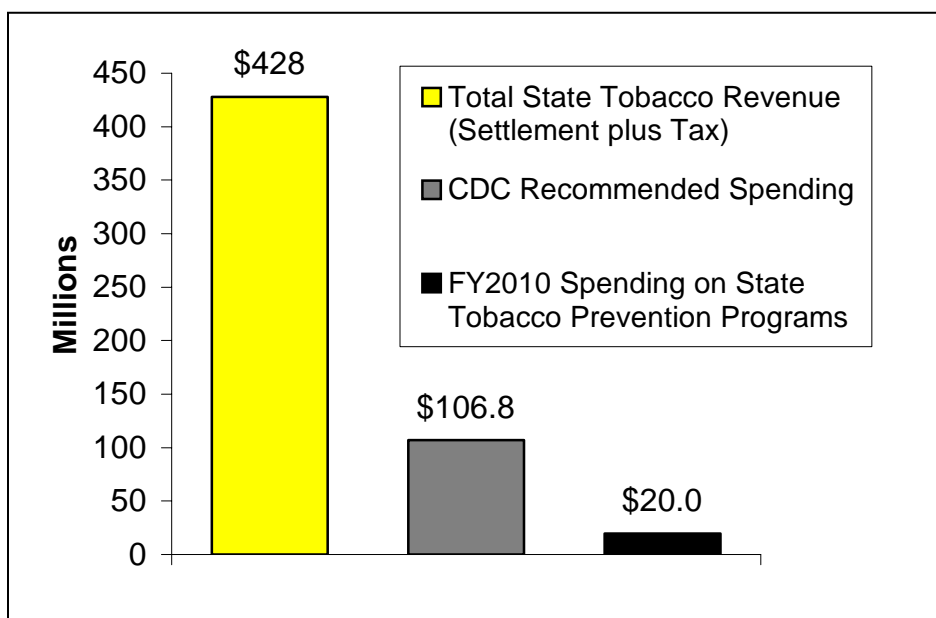
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## North Carolina

	FY2010	FY2009
<b>State Ranking</b>	<b>24</b>	<b>32</b>
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$20.0 million</b>	<b>\$18.5 million</b>
State Spending	\$18.3 million	\$17.1 million
Federal Spending*	\$1.67 million	\$1.38 million
<b>% of CDC Recommended Spending (\$106.8 million)</b>	<b>18.7%</b>	<b>17.3%</b>

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that North Carolina spend \$106.8 million a year to have an effective, comprehensive tobacco prevention program. North Carolina currently receives \$20.0 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 18.7% of the CDC's recommendation and ranks North Carolina 24th among the states in the funding of tobacco prevention programs. North Carolina's spending on tobacco prevention amounts to 4.7% of the estimated \$428 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



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

North Carolina 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 10-cent cigarette tax increase in 2009, bringing North Carolina's tax to 45 cents a pack.

In FY 2009, HWTF was scheduled to receive \$43.8 million. However, the North Carolina General Assembly enacted legislation to transfer \$24.4 million from HWTF to help address budget shortfalls. Another \$5 million will be transferred in FYs 2010 and 2011 from HWTF to the State's general fund. In 2004, the General Assembly also enacted legislation requiring HWTF to pay over \$352 million from FY2005-FY2030 in debt service for University of North Carolina construction projects under the State Capital Facilities Act of 2004. In FY2009, \$10.7 million was transferred from HWTF for the debt service and the FY2010 payment is projected to be \$21.7 million. In spite of all these fund diversions, HWTF has allocated \$18 million for tobacco prevention efforts in FY 2010.

Combined with funds from the Centers for Disease Control and Prevention, total spending on tobacco prevention and cessation for FY2010 will be \$20.0 million, more than what was spent in FY2009.

<b>Tobacco's Toll in North Carolina</b>	
Adults who smoke	20.9%
High school students who smoke	19.0%
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	\$572 per household
Annual tobacco company marketing in state	\$535.9 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	26.8 to 1

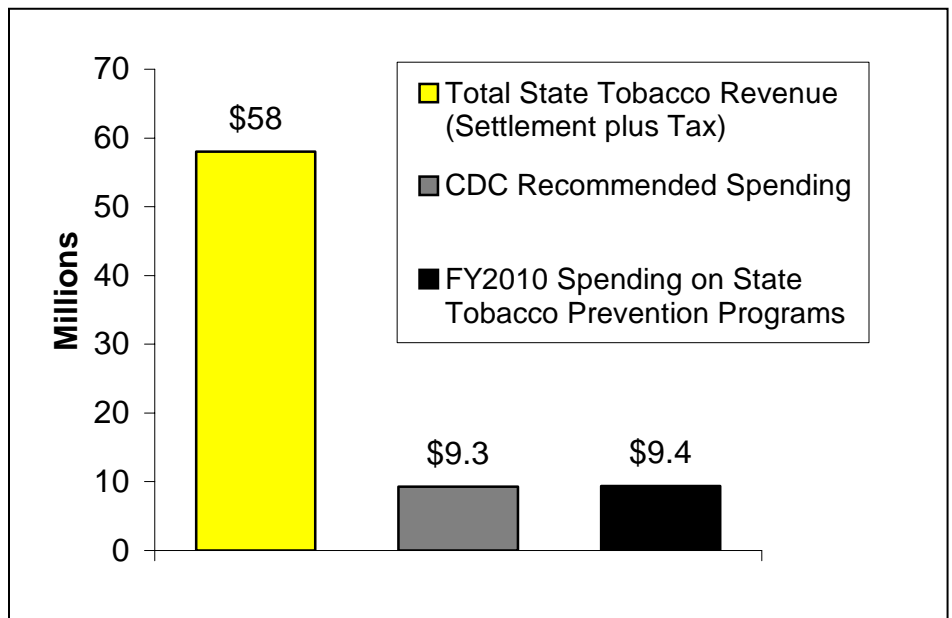
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## North Dakota

	<b>FY2010</b>	<b>FY2009</b>
<b>State Ranking</b>	<b>1</b>	<b>12</b>
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$9.4 million</b>	<b>\$4.1 million</b>
State Spending	\$8.2 million	\$3.1 million
Federal Spending*	\$1.16 million	\$953,000
<b>% of CDC Recommended Spending (\$9.3 million)</b>	<b>100.6%</b>	<b>44.1%</b>

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that North Dakota spend \$9.3 million a year to have an effective, comprehensive tobacco prevention program. North Dakota currently receives \$9.4 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 100.6% of the CDC's recommendation and ranks North Dakota 1st among the states in the funding of tobacco prevention programs. North Dakota's spending on tobacco prevention amounts to 16.1% of the estimated \$58 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** North Dakota's tobacco settlement payments have been governed by a 1999 law that placed 45 percent of the money into a Water 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. Because of this, state spending for FY2010 increased to \$8.2 million, a significant raise from the \$3.1 million allocated in FY2009. Combined with federal spending of \$1.16 million, the total FY2010 spending will reach the necessary \$9.4 million.

<b>Tobacco's Toll in North Dakota</b>	
Adults who smoke	18.2%
High school students who smoke	21.1%
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	\$567 per household
Annual tobacco company marketing in state	\$32.3 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	3.5 to 1

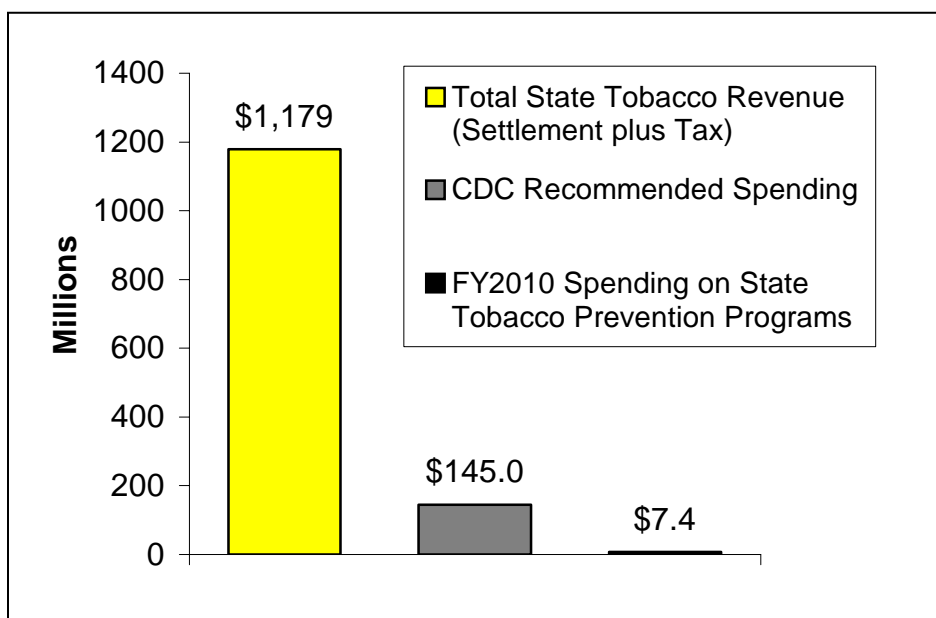
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## Ohio

	FY2010	FY2009
<b>State Ranking</b>	<b>45</b>	<b>45</b>
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$7.4 million</b>	<b>\$7.1 million</b>
State Spending	\$6.0 million	\$6.0 million
Federal Spending*	\$1.37 million	\$1.13 million
<b>% of CDC Recommended Spending (\$145.0 million)</b>	<b>5.1%</b>	<b>4.9%</b>

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that Ohio spend \$145.0 million a year to have an effective, comprehensive tobacco prevention program. Ohio currently receives \$7.4 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 5.1% of the CDC's recommendation and ranks Ohio 45th among the states in the funding of tobacco prevention programs. Ohio's spending on tobacco prevention amounts to 0.6% of the estimated \$1.18 billion in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



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

In FY2010, Ohio will spend \$6 million on tobacco prevention and cessation, the same amount spent in FY2009, but 85 percent less than what was spent in FY2008. Combined with funds from the CDC, total FY2010 spending on tobacco prevention and cessation will be \$7.4 million.

<b>Tobacco's Toll in Ohio</b>	
Adults who smoke	20.2%
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	\$622 per household
Annual tobacco company marketing in state	\$556.7 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	75.5 to 1

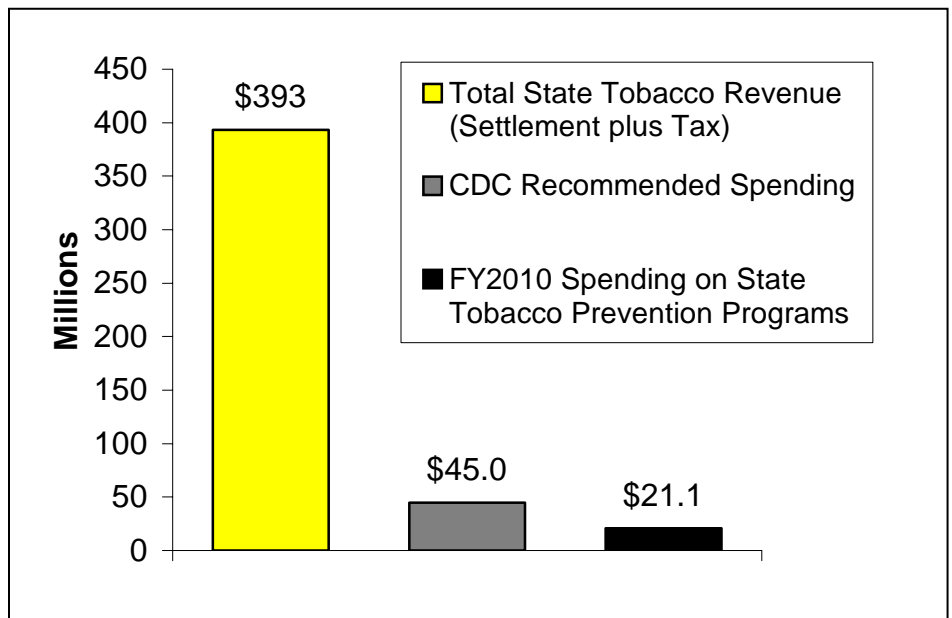
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## Oklahoma

	FY2010	FY2009
<b>State Ranking</b>	<b>11</b>	<b>13</b>
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$21.1 million</b>	<b>\$19.1 million</b>
State Spending	\$19.8 million	\$18.0 million
Federal Spending*	\$1.33 million	\$1.09 million
<b>% of CDC Recommended Spending (\$45.0 million)</b>	<b>47.0%</b>	<b>42.4%</b>

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that Oklahoma spend \$45.0 million a year to have an effective, comprehensive tobacco prevention program. Oklahoma currently receives \$21.1 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 47.0% of the CDC's recommendation and ranks Oklahoma 11th among the states in the funding of tobacco prevention programs. Oklahoma's spending on tobacco prevention amounts to 5.4% of the estimated \$393 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** Oklahoma's tobacco settlement funds are governed by a constitutional amendment passed by Oklahoma voters in 2000, which established a Tobacco Settlement Endowment Trust (TSET). Under the measure, the amount of tobacco settlement payments deposited into the endowment, from which only interest can be spent on certain broadly specified programs including health, education and tobacco prevention, has increased from 50 percent in 2001 to 75 percent in 2007 and each year thereafter. The TSET Board of Directors determines how to allocate all earnings from the endowment. The Legislature makes appropriation decisions for the remaining 25 percent of settlement payments.

Combined with funds from the Centers for Disease Control and Prevention, total spending on tobacco prevention and cessation for FY2010 will be \$21.1 million, slightly more than what was spent in FY2009.

<b>Tobacco's Toll in Oklahoma</b>	
Adults who smoke	24.8%
High school students who smoke	23.2%
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	\$557 per household
Annual tobacco company marketing in state	\$213.1 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	10.1 to 1

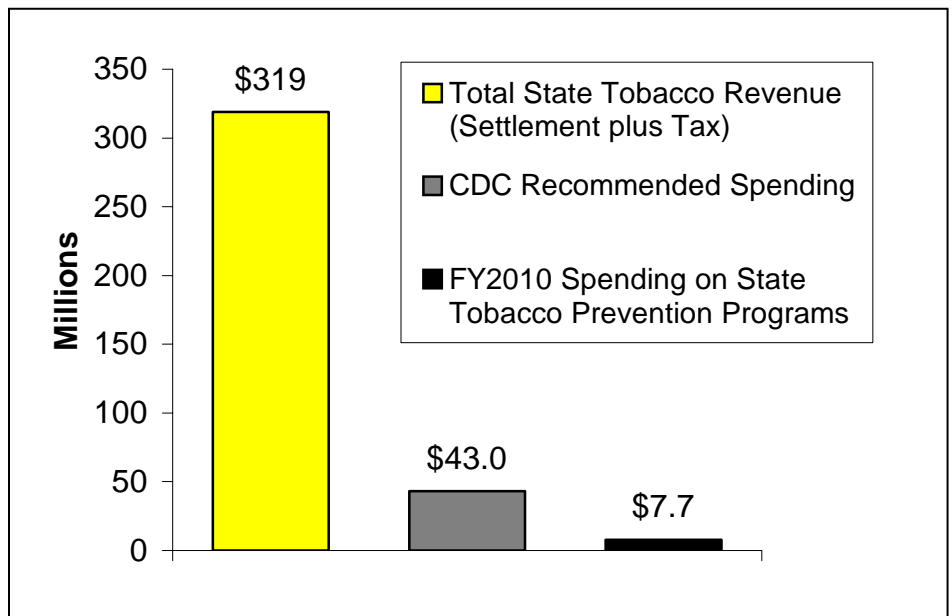
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## Oregon

	FY2010	FY2009
<b>State Ranking</b>	<b>25</b>	<b>27</b>
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$7.7 million</b>	<b>\$9.1 million</b>
State Spending	\$6.6 million	\$8.2 million
Federal Spending*	\$1.09 million	\$902,000
<b>% of CDC Recommended Spending (\$43.0 million)</b>	<b>17.9%</b>	<b>21.2%</b>

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that Oregon spend \$43.0 million a year to have an effective, comprehensive tobacco prevention program. Oregon currently receives \$7.7 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 17.9% 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 2.4% of the estimated \$319 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** Oregon's tobacco prevention and education program (TPEP) continues to be funded with tobacco tax revenues. In 2008, the program experienced its first significant funding increase since a drastic reduction in FY2004. This increase was due, in part, to the restoration of Measure 44, which provides that the program receive the full 10 percent allocation of the state's 1996 30-cent-per-pack tax increase. In the past, Measure 44 funding was diverted to other state programs while funding for TPEP was reduced.

In FY2010, state funding for TPEP was reduced to \$6.6 million, from \$8.2 million in FY2009. As a result of this funding cut, 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.

Combined with funds from the Centers for Disease Control and Prevention, total spending on tobacco prevention and cessation in FY2010 will be \$7.7 million.

<b>Tobacco's Toll in Oregon</b>	
Adults who smoke	16.3%
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	\$572 per household
Annual tobacco company marketing in state	\$137.0 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	17.8 to 1

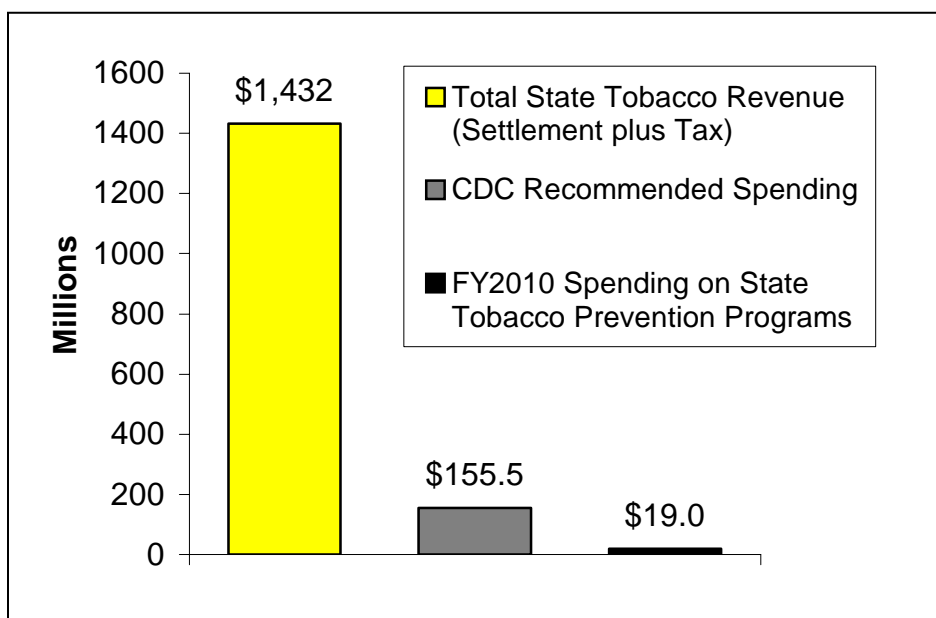
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## Pennsylvania

	FY2010	FY2009
<b>State Ranking</b>	<b>34</b>	<b>26</b>
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$19.0 million</b>	<b>\$33.2 million</b>
State Spending	\$17.7 million	\$32.1 million
Federal Spending*	\$1.29 million	\$1.06 million
<b>% of CDC Recommended Spending (\$155.5 million)</b>	<b>12.2%</b>	<b>21.4%</b>

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that Pennsylvania spend \$155.5 million a year to have an effective, comprehensive tobacco prevention program. Pennsylvania currently receives \$19.0 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 12.2% of the CDC's recommendation and ranks Pennsylvania 34th among the states in the funding of tobacco prevention programs. Pennsylvania's spending on tobacco prevention amounts to 1.3% of the estimated \$1.43 billion in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



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

Pennsylvania significantly decreased its state spending on tobacco prevention in FY2010 to \$17.7 million dollars. This is a drop from the \$32.1 million dollars in state spending that was allocated in FY2009, a 45% cut. Combined with funds from the Centers for Disease Control and Prevention, total spending on tobacco prevention and cessation for FY2010 will be \$19.0 million, far less than the \$33.2 million spent in FY2009.

<b>Tobacco's Toll in Pennsylvania</b>	
Adults who smoke	21.4%
High school students who smoke	17.5%
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	\$666 per household
Annual tobacco company marketing in state	\$533.9 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	28.1 to 1

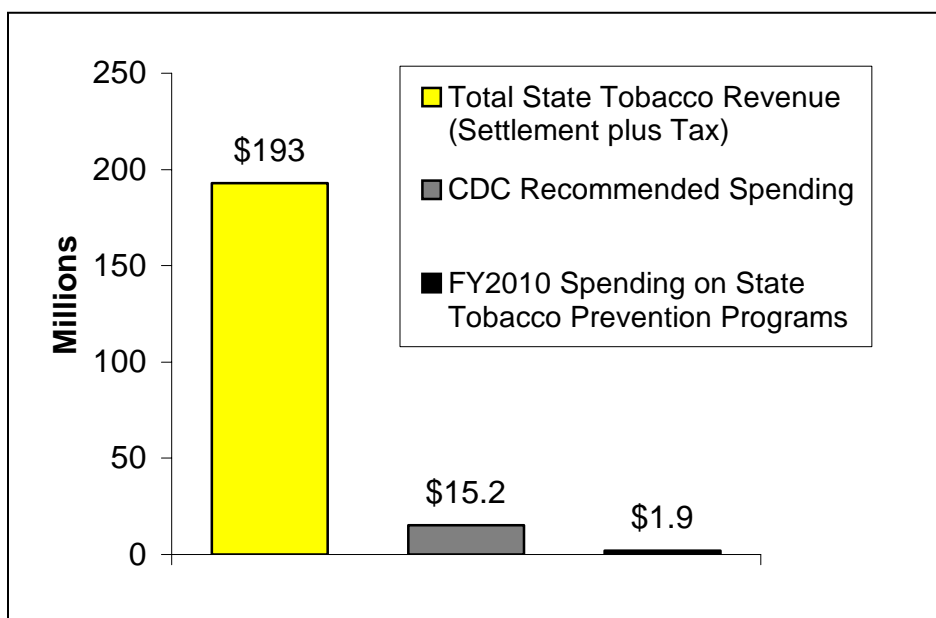
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## Rhode Island

	FY2010	FY2009
<b>State Ranking</b>	<b>34</b>	<b>38</b>
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$1.9 million</b>	<b>\$1.9 million</b>
State Spending	\$703,000	\$926,000
Federal Spending*	\$1.15 million	\$950,000
<b>% of CDC Recommended Spending (\$15.2 million)</b>	<b>12.2%</b>	<b>12.5%</b>

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that Rhode Island spend \$15.2 million a year to have an effective, comprehensive tobacco prevention program. Rhode Island currently receives \$1.9 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 12.2% of the CDC's recommendation and ranks Rhode Island 34th among the states in the funding of tobacco prevention programs. Rhode Island's spending on tobacco prevention amounts to 1.0% of the estimated \$193 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 FY2010, the state allocated \$703,000 for the state tobacco prevention and cessation program, almost a quarter less than the amount that was allocated in FY2009. Combined with funds from the Centers for Disease Control and Prevention, total spending on tobacco prevention and cessation in FY2010 will be \$1.9 million.

Rhode Island is spending minimal 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 in 2009, bringing the state's cigarette tax to \$3.46 a pack.

<b>Tobacco's Toll in Rhode Island</b>	
Adults who smoke	17.4%
High school students who smoke	15.1%
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	\$727 per household
Annual tobacco company marketing in state	\$35.1 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	18.9 to 1

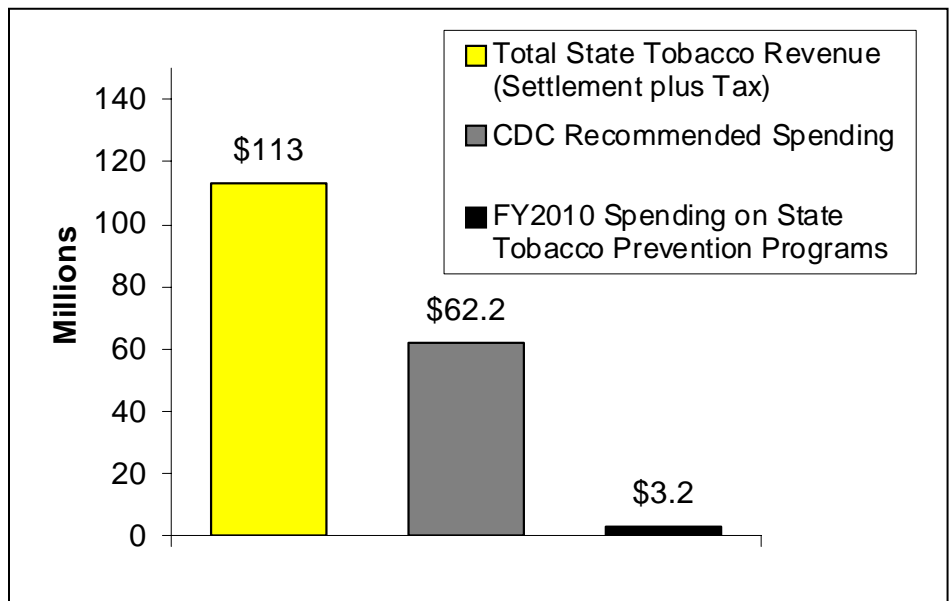
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## South Carolina

	FY2010	FY2009
<b>State Ranking</b>	<b>44</b>	<b>51</b>
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$3.2 million</b>	<b>\$1.0 million</b>
State Spending	\$2.0 million	\$0.0 million
Federal Spending*	\$1.22 million	\$1.00 million
<b>% of CDC Recommended Spending (\$62.2 million)</b>	<b>5.2%</b>	<b>1.6%</b>

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that South Carolina spend \$62.2 million a year to have an effective, comprehensive tobacco prevention program. South Carolina currently receives \$3.2 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 5.2% of the CDC's recommendation and ranks South Carolina 44th among the states in the funding of tobacco prevention programs. South Carolina's spending on tobacco prevention amounts to 2.8% of the estimated \$113 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** Under a 2000 agreement between the Legislature and then-Governor Jim Hodges (D), South Carolina securitized its future tobacco settlement proceeds by selling them to investors in exchange for a smaller lump sum payment. The \$910 million raised was transferred into four trust funds. The Legislature is responsible for appropriating the money available from the trust funds annually for programs. No tobacco settlement funds have been dedicated to tobacco prevention since 2003. In FY2009, South Carolina received \$1.0 million in federal funds for tobacco prevention and cessation. The state Legislature allocated \$2 million for tobacco prevention programs for FY09.

Combined with funds from the Centers for Disease Control and Prevention, total spending on tobacco prevention and cessation for FY2010 will be \$3.2 million.

<b>Tobacco's Toll in South Carolina</b>	
Adults who smoke	20.1%
High school students who smoke	17.8%
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	\$565 per household
Annual tobacco company marketing in state	\$282.6 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	87.8 to 1

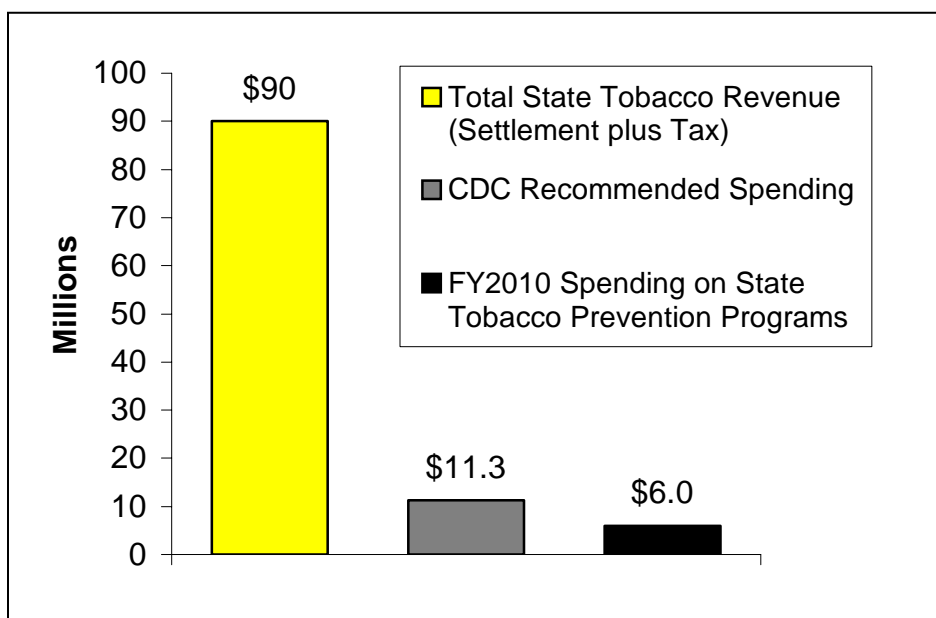
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## South Dakota

	FY2010	FY2009
<b>State Ranking</b>	<b>10</b>	<b>8</b>
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$6.0 million</b>	<b>\$5.8 million</b>
State Spending	\$5.0 million	\$5.0 million
Federal Spending*	\$963,000	\$794,000
<b>% of CDC Recommended Spending (\$11.3 million)</b>	<b>52.8%</b>	<b>51.3%</b>

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that South Dakota spend \$11.3 million a year to have an effective, comprehensive tobacco prevention program. South Dakota currently receives \$6.0 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 52.8% of the CDC's recommendation and ranks South Dakota 10th among the states in the funding of tobacco prevention programs. South Dakota's spending on tobacco prevention amounts to 6.6% of the estimated \$90 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** The FY2010 budget passed by the Legislature and signed by Governor M. Michael Rounds (R) appropriated \$5 million to the state's tobacco prevention program which is the same amount appropriated in FY2009. The recent increase in tobacco prevention funding is due to the approval of a November 2006 ballot initiative that increased the state cigarette tax by \$1 per pack and increased the tax on other tobacco products by 35 percent of the wholesale price. This measure is expected to provide approximately \$5 million dollars per year for tobacco prevention and cessation.

For FY2010, South Dakota is scheduled to spend \$6.0 million in state and federal funds for tobacco prevention programs.

<b>Tobacco's Toll in South Dakota</b>	
Adults who smoke	17.6%
High school students who smoke	24.7%
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	\$570 per household
Annual tobacco company marketing in state	\$37.0 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	6.2 to 1

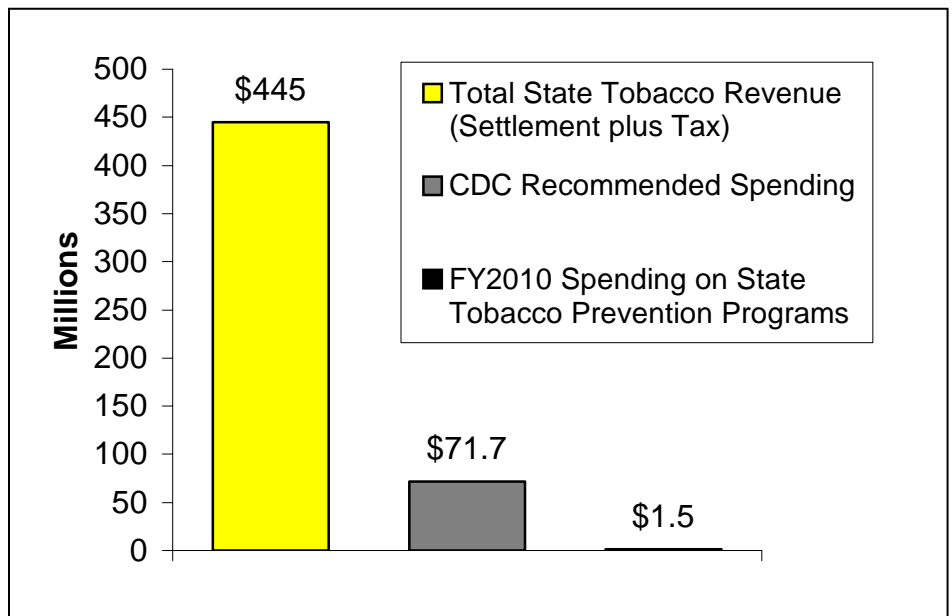
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\* For FY2010, federal spending refers to a twelve-month grant to the states by the U.S. Centers for Disease Control and Prevention for the period beginning April 2009. For FY2009, federal spending refers to a nine-month grant provided to the states by CDC for the period beginning July 2008.

## Tennessee

	FY2010	FY2009
<b>State Ranking</b>	<b>51</b>	<b>40</b>
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$1.5 million</b>	<b>\$6.1 million</b>
State Spending	\$200,000	\$5.0 million
Federal Spending*	\$1.28 million	\$1.06 million
<b>% of CDC Recommended Spending (\$71.7 million)</b>	<b>2.1%</b>	<b>8.5%</b>

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that Tennessee spend \$71.7 million a year to have an effective, comprehensive tobacco prevention program. Tennessee currently receives \$1.5 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 2.1% of the CDC's recommendation and ranks Tennessee last among the states in the funding of tobacco prevention programs. Tennessee's spending on tobacco prevention amounts to 0.3% of the estimated \$445 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



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

Tennessee 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 42-cent cigarette tax increase in 2007, bringing Tennessee's tax to 62 cents a pack.

Combined with funds from the Centers for Disease Control and Prevention, total spending on tobacco prevention and cessation for FY2010 will be \$1.5 million, less than what was spent in FY2009.

<b>Tobacco's Toll in Tennessee</b>	
Adults who smoke	23.2%
High school students who smoke	25.5%
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	\$600 per household
Annual tobacco company marketing in state	\$405.5 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	274.0 to 1

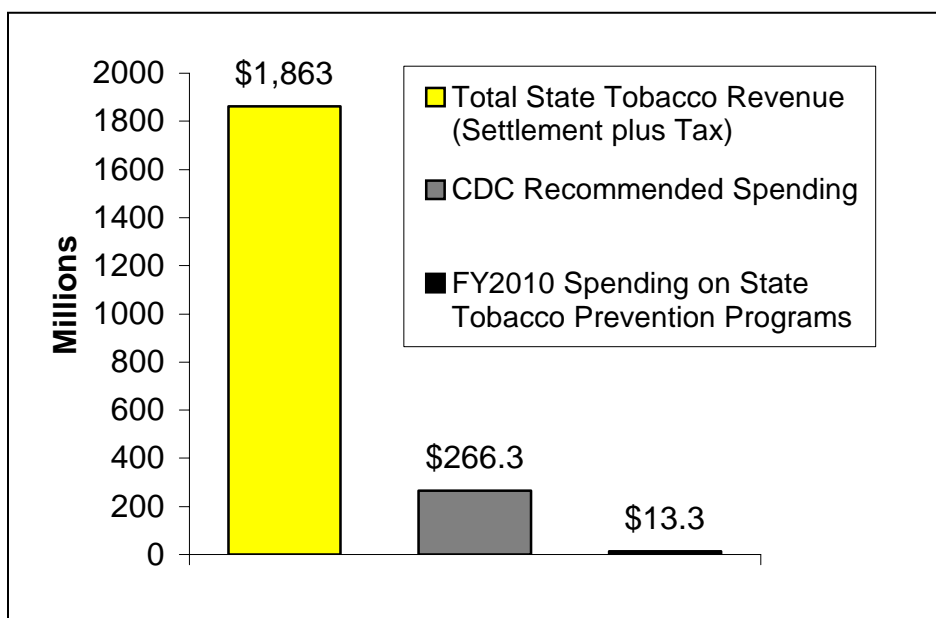
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\* For FY2010, federal spending refers to a twelve-month grant to the states by the U.S. Centers for Disease Control and Prevention for the period beginning April 2009. For FY2009, federal spending refers to a nine-month grant provided to the states by CDC for the period beginning July 2008.

## Texas

	FY2010	FY2009
<b>State Ranking</b>	<b>46</b>	<b>46</b>
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$13.3 million</b>	<b>\$12.6 million</b>
State Spending	\$11.4 million	\$11.8 million
Federal Spending*	\$1.87 million	\$802,000
<b>% of CDC Recommended Spending (\$266.3 million)</b>	<b>5.0%</b>	<b>4.7%</b>

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that Texas spend \$266.3 million a year to have an effective, comprehensive tobacco prevention program. Texas currently receives \$13.3 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 5.0% of the CDC's recommendation and ranks Texas 46th among the states in the funding of tobacco prevention programs. Texas's spending on tobacco prevention amounts to 0.7% of the estimated \$1.86 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. Combined with funds from the Centers for Disease Control and Prevention, total spending on tobacco prevention and cessation for FY2010 will be \$13.3 million, about equal to what was spent in FY2009.

<b>Tobacco's Toll in Texas</b>	
Adults who smoke	18.6%
High school students who smoke	21.1%
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	\$577 per household
Annual tobacco company marketing in state	\$854.2 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	64.4 to 1

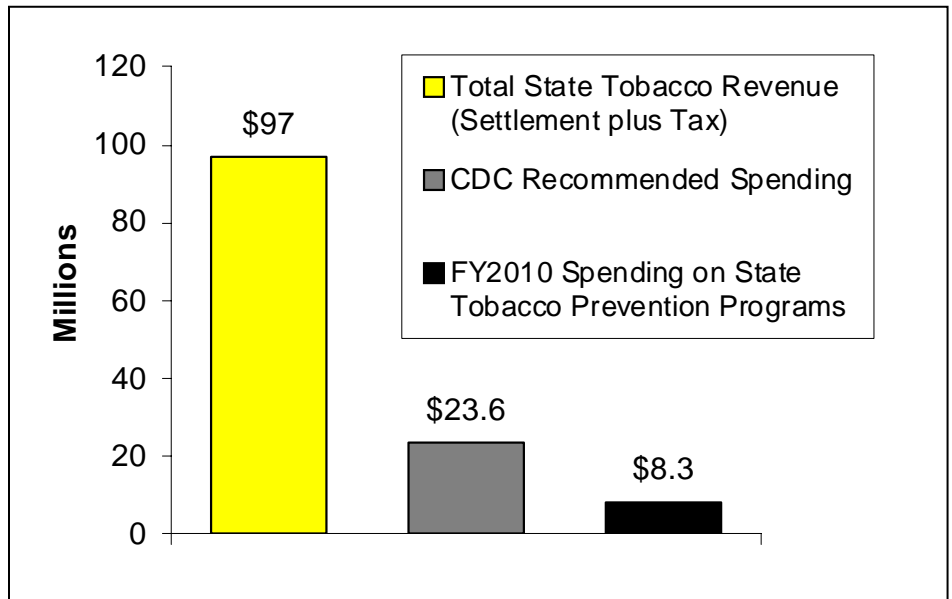
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\* For FY2010, federal spending refers to a twelve-month grant to the states by the U.S. Centers for Disease Control and Prevention for the period beginning April 2009. For FY2009, federal spending refers to a nine-month grant provided to the states by CDC for the period beginning July 2008.

## Utah

	FY2010	FY2009
<b>State Ranking</b>	<b>14</b>	<b>17</b>
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$8.3 million</b>	<b>\$8.2 million</b>
State Spending	\$7.1 million	\$7.2 million
Federal Spending*	\$1.22 million	\$1.00 million
<b>% of CDC Recommended Spending (\$23.6 million)</b>	<b>35.3%</b>	<b>34.7%</b>

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that Utah spend \$23.6 million a year to have an effective, comprehensive tobacco prevention program. Utah currently receives \$8.3 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 35.3% of the CDC's recommendation and ranks Utah 14th among the states in the funding of tobacco prevention programs. Utah's spending on tobacco prevention amounts to 8.6% of the estimated \$97 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 FY2010, the Legislature and Governor Gary Herbert (R) allocated \$7.1 million in state funds for the state's tobacco prevention program, about the same amount that was allocated in FY2009. Combined with funds from the Centers for Disease Control and Prevention, total spending on tobacco prevention and cessation for FY2010 will be \$8.3 million.

<b>Tobacco's Toll in Utah</b>	
Adults who smoke	9.2%
High school students who smoke	7.9%
Deaths caused by smoking each year	1,100
Annual health care costs directly caused by smoking	\$345 million
Residents' state & federal tax burden from smoking-caused government expenditures	\$523 per household
Annual tobacco company marketing in state	\$58.7 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	7.1 to 1

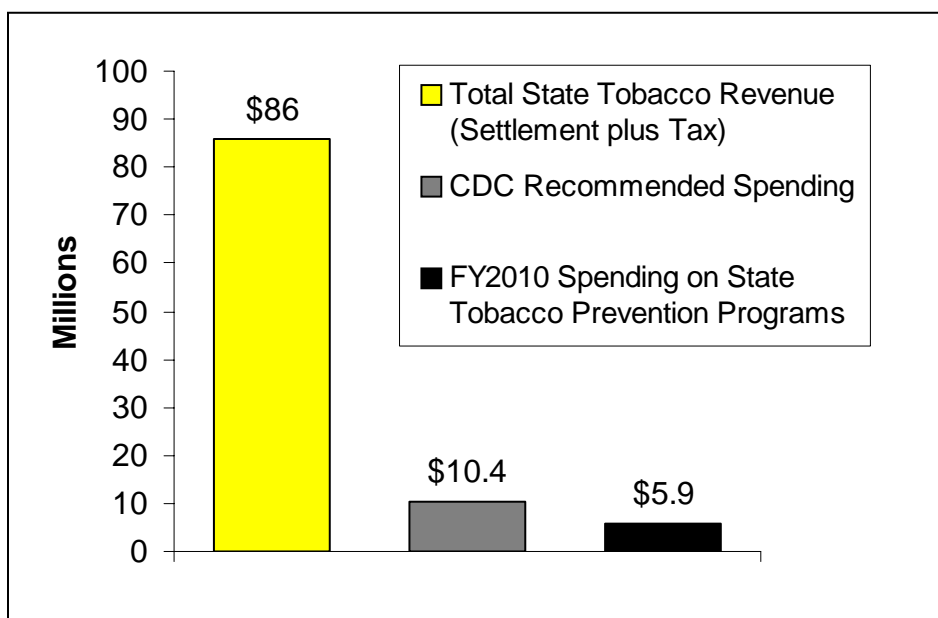
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\* For FY2010, federal spending refers to a twelve-month grant to the states by the U.S. Centers for Disease Control and Prevention for the period beginning April 2009. For FY2009, federal spending refers to a nine-month grant provided to the states by CDC for the period beginning July 2008.

## Vermont

	FY2010	FY2009
<b>State Ranking</b>	<b>8</b>	<b>7</b>
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$5.9 million</b>	<b>\$6.1 million</b>
State Spending	\$4.8 million	\$5.2 million
Federal Spending*	\$1.14 million	\$940,000
<b>% of CDC Recommended Spending (\$10.4 million)</b>	<b>57.1%</b>	<b>58.7%</b>

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that Vermont spend \$10.4 million a year to have an effective, comprehensive tobacco prevention program. Vermont currently receives \$5.9 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 57.1% of the CDC's recommendation and ranks Vermont 8th among the states in the funding of tobacco prevention programs. Vermont's spending on tobacco prevention amounts to 6.9% of the estimated \$86 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** Vermont's tobacco prevention and cessation program is funded with dollars from the Master Settlement Agreement and the state's Tobacco Trust Fund, established in 1999 to provide a stable, long-term source of funding for the Tobacco Control Program. The FY2010 budget enacted by the legislature and Governor Jim Douglas (R) totaled \$4.8 million for the tobacco program, including \$1.5 million from the Tobacco Trust Fund. Trust fund dollars were used to replace cuts to the program. \$4.8 million is slightly less than the state spent on tobacco prevention and cessation in FY2009.

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 as a result of a 25-cent cigarette tax increase, bringing the state tax to \$2.24 a pack, which went into effect in 2009.

Combined with funds from the Centers for Disease Control and Prevention, total spending on tobacco prevention and cessation in FY2010 will be \$5.9 million.

<b>Tobacco's Toll in Vermont</b>	
Adults who smoke	16.8%
High school students who smoke	18.2%
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	\$624 per household
Annual tobacco company marketing in state	\$27.4 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	4.6 to 1

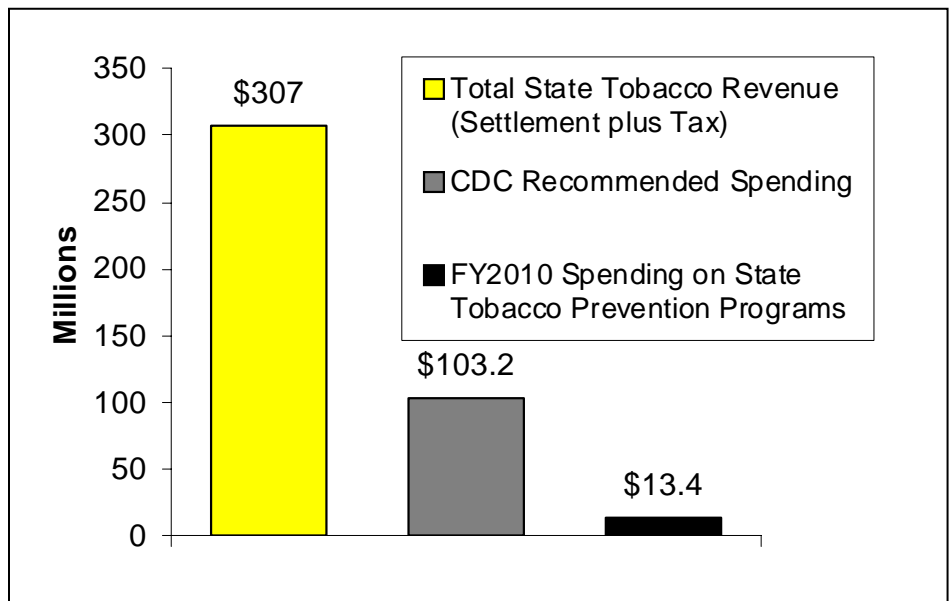
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## Virginia

	FY2010	FY2009
<b>State Ranking</b>	<b>32</b>	<b>36</b>
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$13.4 million</b>	<b>\$13.6 million</b>
State Spending	\$12.3 million	\$12.7 million
Federal Spending*	\$1.07 million	\$880,000
<b>% of CDC Recommended Spending (\$103.2 million)</b>	<b>13.0%</b>	<b>13.2%</b>

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that Virginia spend \$103.2 million a year to have an effective, comprehensive tobacco prevention program. Virginia currently receives \$13.4 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 13.0% of the CDC's recommendation and ranks Virginia 32nd among the states in the funding of tobacco prevention programs. Virginia's spending on tobacco prevention amounts to 4.3% of the estimated \$307 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



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

Combined with funds from the Centers for Disease Control and Prevention, total spending on tobacco prevention and cessation for FY2010 will be \$13.4 million, about equal to what was spent in FY2009.

<b>Tobacco's Toll in Virginia</b>	
Adults who smoke	16.5%
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	\$566 per household
Annual tobacco company marketing in state	\$411.3 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	30.8 to 1

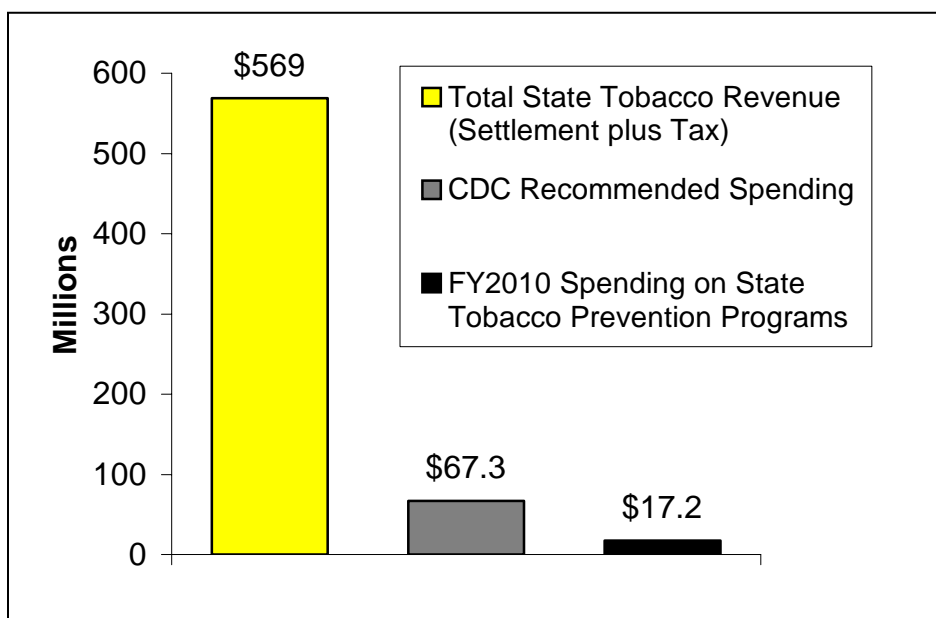
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## Washington

	FY2010	FY2009
<b>State Ranking</b>	<b>20</b>	<b>14</b>
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$17.2 million</b>	<b>\$28.4 million</b>
State Spending	\$15.8 million	\$27.2 million
Federal Spending*	\$1.41 million	\$1.16 million
<b>% of CDC Recommended Spending (\$67.3 million)</b>	<b>25.5%</b>	<b>42.2%</b>

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that Washington spend \$67.3 million a year to have an effective, comprehensive tobacco prevention program. Washington currently receives \$17.2 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 25.6% of the CDC's recommendation and ranks Washington 20th among the states in the funding of tobacco prevention programs. Washington's spending on tobacco prevention amounts to 3.0% of the estimated \$569 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** Washington has significantly decreased its state spending on tobacco prevention in FY2010 to \$15.75 million dollars. This is a drop from the \$27.2 million dollars in state spending that was allocated in FY2009, a 42% cut. With these cuts, Washington will have far less money going to schools, local governments and community organizations for local tobacco programs. Media within the state also takes 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 will also be forced to reduce their services.

Washington funds tobacco prevention through the Tobacco Prevention and Control Account, which includes tobacco settlement money and a portion of the revenue raised by a 2001 voter-approved 60-cent per pack cigarette tax increase. The ballot initiative dedicated the new revenue to the state's Basic Health Plan, to tobacco prevention and cessation, and other existing programs that were already funded with tobacco tax

revenue. The initiative required the state to spend at least \$26.24 million a year on tobacco prevention and cessation beginning July 1, 2002.

For FY2010, Washington is scheduled to spend \$17.2 million in state and federal funds for tobacco prevention programs.

<b>Tobacco's Toll in Washington</b>	
Adults who smoke	15.7%
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	\$627 per household
Annual tobacco company marketing in state	\$146.0 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	8.5 to 1

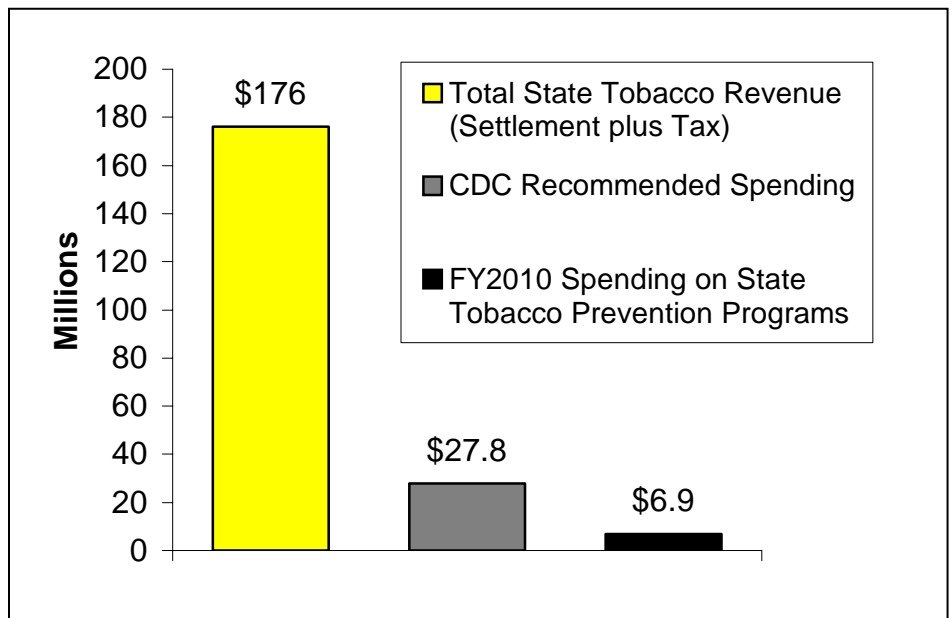
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## West Virginia

	FY2010	FY2009
<b>State Ranking</b>	<b>21</b>	<b>25</b>
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$6.9 million</b>	<b>\$6.7 million</b>
State Spending	\$5.7 million	\$5.7 million
Federal Spending*	\$1.17 million	\$965,000
<b>% of CDC Recommended Spending (\$27.8 million)</b>	<b>24.7%</b>	<b>24.1%</b>

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that West Virginia spend \$27.8 million a year to have an effective, comprehensive tobacco prevention program. West Virginia currently receives \$6.9 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 24.7% of the CDC's recommendation and ranks West Virginia 21st among the states in the funding of tobacco prevention programs. West Virginia's spending on tobacco prevention amounts to 3.9% of the estimated \$176 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.

Combined with funds from the Centers for Disease Control and Prevention, total spending on tobacco prevention and cessation for FY2010 will be \$6.9 million, about equal to what was spent in FY2009.

<b>Tobacco's Toll in West Virginia</b>	
Adults who smoke	26.6%
High school students who smoke	27.6%
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	20.4 to 1

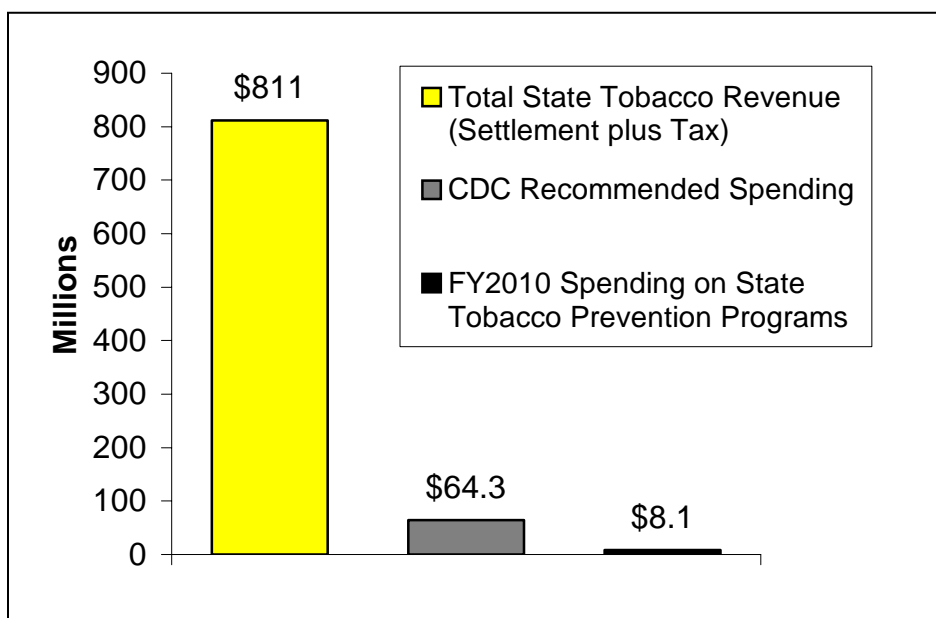
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\* For FY2010, federal spending refers to a twelve-month grant to the states by the U.S. Centers for Disease Control and Prevention for the period beginning April 2009. For FY2009, federal spending refers to a nine-month grant provided to the states by CDC for the period beginning July 2008.

## Wisconsin

	FY2010	FY2009
<b>State Ranking</b>	<b>33</b>	<b>24</b>
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$8.1 million</b>	<b>\$16.3 million</b>
State Spending	\$6.9 million	\$15.3 million
Federal Spending*	\$1.19 million	\$982,000
<b>% of CDC Recommended Spending (\$64.3 million)</b>	<b>12.6%</b>	<b>25.3%</b>

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that Wisconsin spend \$64.3 million a year to have an effective, comprehensive tobacco prevention program. Wisconsin currently receives \$8.1 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 12.6% of the CDC's recommendation and ranks Wisconsin 33rd among the states in the funding of tobacco prevention programs. Wisconsin's spending on tobacco prevention amounts to 1.0% of the estimated \$811 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** Wisconsin has cut their state funding for tobacco prevention by more than 50% in FY2010. The budgeted \$6.9 million dollars for FY2010 is a drastic decrease from FY2009 when funding was at \$15.3 million dollars. This brings Wisconsin to just one-tenth of the \$64.3 million that the U.S. Centers for Disease Control and Prevention recommends the state spend each year on such programs. Despite severely cutting state funding, Wisconsin did increase their state wide cigarette tax by 75 cents and increased the moist snuff tax to 100% of wholesale which switched the tax from weight based to price. This increase went into effect September 1, 2009 and puts the current cigarette tax rate in Wisconsin at \$2.52 per pack. Regarding its tobacco prevention program, Wisconsin has seen 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.

For FY2010, Wisconsin is scheduled to spend \$8.1 million in state and federal funds for tobacco prevention programs.

<b>Tobacco's Toll in Wisconsin</b>	
Adults who smoke	19.9%
High school students who smoke	20.5%
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	\$589 per household
Annual tobacco company marketing in state	\$274.0 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	33.9 to 1

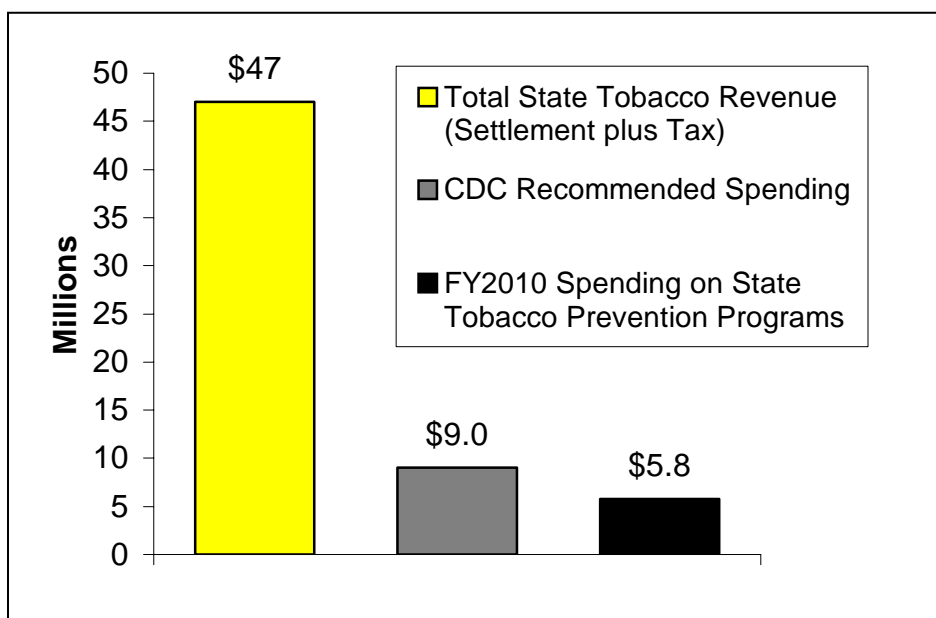
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## Wyoming

	FY2010	FY2009
<b>State Ranking</b>	<b>5</b>	<b>3</b>
<b>TOTAL SPENDING ON TOBACCO PREVENTION</b>	<b>\$5.8 million</b>	<b>\$6.9 million</b>
State Spending	\$4.8 million	\$6.0 million
Federal Spending*	\$1.04 million	\$855,000
<b>% of CDC Recommended Spending (\$9.0 million)</b>	<b>64.9%</b>	<b>76.7%</b>

**Summary:** The U.S. Centers for Disease Control and Prevention (CDC) recommends that Wyoming spend \$9.0 million a year to have an effective, comprehensive tobacco prevention program. Wyoming currently receives \$5.8 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 64.9% 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 12.5% of the estimated \$47 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



**Recent Developments:** The FY2010 budget approved by the Legislature and Governor Dave Freudenthal (D) provides \$4.8 million for tobacco prevention and cessation programs, a decrease from the \$6.9 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 and other health care issues. Tobacco prevention funding has primarily come from the interest generated by the original trust fund.

For FY2010, Wyoming is scheduled to spend \$5.8 million in state and federal funds for tobacco prevention programs.

<b>Tobacco's Toll in Wyoming</b>	
Adults who smoke	19.4%
High school students who smoke	20.8%
Deaths caused by smoking each year	700
Annual health care costs directly caused by smoking	\$136 million
Residents' state & federal tax burden from smoking-caused government expenditures	\$585 per household
Annual tobacco company marketing in state	\$27.6 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	4.7 to 1

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\* For FY2010, federal spending refers to a twelve-month grant to the states by the U.S. Centers for Disease Control and Prevention for the period beginning April 2009. For FY2009, federal spending refers to a nine-month grant provided to the states by CDC for the period beginning July 2008.

## Appendix A



### History of Spending for State Tobacco Prevention Programs FY2006 - FY2010

	FY 2010*		FY2009*		FY2008*		FY2007		FY2006	
	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.
<b>States Total</b>	<b>\$642.3</b>	<b>17.4%</b>	<b>\$718.1</b>	<b>19.4%</b>	<b>\$781.6</b>	<b>48.9%</b>	<b>\$597.5</b>	<b>37.2%</b>	<b>\$551.0</b>	<b>34.4%</b>
Alabama	\$2.1	3.7%	\$2.3	4.1%	\$2.2	8.2%	\$0.7	2.6%	\$0.3	1.2%
Alaska	\$8.6	80.0%	\$9.2	86.0%	\$8.8	108.8%	\$6.2	76.6%	\$5.7	70.5%
Arizona	\$23.4	34.3%	\$21.3	31.3%	\$24.0	86.4%	\$25.5	91.8%	\$23.1	83.1%
Arkansas	\$19.8	54.4%	\$16.9	46.4%	\$17.0	94.9%	\$15.1	84.3%	\$17.5	97.7%
California	\$78.9	17.9%	\$78.1	17.7%	\$77.9	47.2%	\$84.0	50.9%	\$79.7	48.3%
Colorado	\$12.4	22.8%	\$27.5	50.6%	\$27.6	112.4%	\$25.0	101.8%	\$27.0	110.0%
Connecticut	\$7.2	16.4%	\$8.3	18.9%	\$1.2	5.6%	\$2.0	9.4%	\$0.0	0.2%
Delaware	\$10.8	77.7%	\$11.3	81.3%	\$11.4	132.1%	\$10.3	119.4%	\$9.2	106.6%
DC	\$1.4	13.2%	\$4.0	38.1%	\$4.2	56.1%	\$0.5	6.7%	\$0.0	0.0%
Florida	\$67.7	32.1%	\$60.2	28.5%	\$58.9	75.1%	\$5.6	7.1%	\$1.0	1.3%
Georgia	\$3.2	2.7%	\$3.2	2.7%	\$3.4	8.0%	\$2.3	5.4%	\$3.1	7.3%
Hawaii	\$8.8	58.1%	\$11.3	74.3%	\$11.4	105.8%	\$9.1	84.0%	\$5.8	53.8%
Idaho	\$2.3	13.8%	\$2.6	15.4%	\$2.7	24.5%	\$0.9	8.2%	\$0.5	4.9%
Illinois	\$9.7	6.2%	\$9.5	6.1%	\$9.8	15.1%	\$8.5	13.1%	\$11.0	16.9%
Indiana	\$11.8	15.0%	\$16.0	20.3%	\$17.3	49.7%	\$10.9	31.3%	\$10.8	31.1%
Iowa	\$11.1	30.3%	\$11.2	30.5%	\$13.4	69.3%	\$6.5	33.6%	\$5.6	28.9%
Kansas	\$2.3	7.0%	\$2.0	6.2%	\$2.8	15.5%	\$1.0	5.5%	\$1.0	5.5%
Kentucky	\$3.9	6.9%	\$3.7	6.5%	\$3.7	14.7%	\$2.2	8.8%	\$2.7	10.8%
Louisiana	\$8.9	16.6%	\$8.5	15.9%	\$9.6	35.4%	\$8.0	29.5%	\$8.0	29.5%
Maine	\$11.8	63.6%	\$11.7	63.2%	\$18.0	160.9%	\$14.7	131.3%	\$14.2	126.9%
Maryland	\$6.7	10.6%	\$20.6	32.5%	\$19.9	65.7%	\$18.7	61.7%	\$9.2	30.4%
Massachusetts	\$6.1	6.7%	\$13.5	15.0%	\$14.7	41.7%	\$8.3	23.4%	\$4.3	12.1%
Michigan	\$4.3	3.5%	\$5.1	4.2%	\$5.4	9.9%	\$0.0	0.0%	\$0.0	0.0%
Minnesota	\$21.5	36.8%	\$21.5	36.8%	\$23.4	81.8%	\$21.7	75.8%	\$22.1	77.2%
Mississippi	\$11.7	29.8%	\$10.7	27.3%	\$8.6	45.8%	\$0.0	0.0%	\$20.0	106.4%
Missouri	\$2.4	3.2%	\$2.7	3.7%	\$1.5	4.6%	\$0.0	0.0%	\$0.0	0.0%

	FY 2010*		FY2009*		FY2008*		FY2007		FY2006	
	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	\$9.4	67.4%	\$9.3	66.9%	\$9.6	102.6%	\$6.9	73.7%	\$6.8	72.6%
Nebraska	\$4.2	19.7%	\$4.0	18.6%	\$3.9	29.3%	\$3.0	22.5%	\$3.0	22.5%
Nevada	\$3.8	11.6%	\$4.1	12.6%	\$2.9	21.5%	\$3.8	28.2%	\$4.2	31.2%
New Hampshire	\$1.0	5.4%	\$1.1	5.7%	\$2.4	22.0%	\$0.0	0.0%	\$0.0	0.0%
New Jersey	\$8.9	7.4%	\$10.2	8.5%	\$12.4	27.5%	\$11.0	24.4%	\$11.5	25.5%
New Mexico	\$10.6	45.5%	\$10.5	44.9%	\$10.9	79.5%	\$7.7	56.2%	\$6.0	43.8%
New York	\$69.9	27.5%	\$81.9	32.2%	\$87.6	91.4%	\$85.5	89.2%	\$43.4	45.3%
North Carolina	\$20.0	18.7%	\$18.5	17.3%	\$18.9	44.4%	\$17.1	40.2%	\$15.0	35.2%
North Dakota	\$9.4	100.6%	\$4.1	44.1%	\$4.4	53.9%	\$3.1	38.0%	\$3.1	38.0%
Ohio	\$7.4	5.1%	\$7.1	4.9%	\$46.3	75.0%	\$45.0	72.9%	\$47.2	76.4%
Oklahoma	\$21.1	47.0%	\$19.1	42.4%	\$15.7	71.9%	\$10.0	45.8%	\$8.9	40.8%
Oregon	\$7.7	17.9%	\$9.1	21.2%	\$9.4	44.5%	\$3.5	16.3%	\$3.5	16.3%
Pennsylvania	\$19.0	12.2%	\$33.2	21.4%	\$33.1	50.5%	\$30.3	46.2%	\$32.9	50.2%
Rhode Island	\$1.9	12.2%	\$1.9	12.5%	\$2.3	23.3%	\$1.0	9.6%	\$2.1	21.2%
South Carolina	\$3.2	5.2%	\$1.0	1.6%	\$3.3	13.8%	\$2.0	8.4%	\$0.0	0.0%
South Dakota	\$6.0	52.8%	\$5.8	51.3%	\$6.1	70.2%	\$0.7	8.1%	\$0.7	8.1%
Tennessee	\$1.5	2.1%	\$6.1	8.5%	\$11.4	35.4%	\$0.0	0.0%	\$0.0	0.0%
Texas	\$13.3	5.0%	\$12.6	4.7%	\$12.9	12.5%	\$5.2	5.0%	\$7.0	6.8%
Utah	\$8.3	35.3%	\$8.2	34.7%	\$8.6	56.5%	\$7.2	47.3%	\$7.2	47.3%
Vermont	\$5.9	57.1%	\$6.1	58.7%	\$6.5	82.2%	\$5.1	64.5%	\$4.9	61.9%
Virginia	\$13.4	13.0%	\$13.6	13.2%	\$15.7	40.4%	\$13.5	34.7%	\$12.8	32.9%
Washington	\$17.2	25.6%	\$28.4	42.2%	\$28.7	86.1%	\$27.1	81.3%	\$27.2	81.6%
West Virginia	\$6.9	24.7%	\$6.7	24.1%	\$7.0	49.4%	\$5.4	38.1%	\$5.9	41.7%
Wisconsin	\$8.1	12.6%	\$16.3	25.3%	\$16.3	52.3%	\$10.0	32.1%	\$10.0	32.1%
Wyoming	\$5.8	64.9%	\$6.9	76.7%	\$7.0	94.9%	\$5.9	79.9%	\$5.9	79.9%
<b>Total</b>	<b>\$642.3</b>	<b>17.4%</b>	<b>\$718.1</b>	<b>19.4%</b>	<b>\$781.6</b>	<b>48.9%</b>	<b>\$597.5</b>	<b>37.2%</b>	<b>\$551.0</b>	<b>34.4%</b>

\* 2008, 2009, & 2010 annual spending include state and federal funds. For FY2010, federal spending refers to a twelve-month grant to the states by the U.S. Centers for Disease Control and Prevention (CDC) for the period beginning April 2009. For FY2009, federal spending refers to a nine-month grant provided to the states by CDC for the period beginning July 2008.

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

## History of Spending for State Tobacco Prevention Programs FY2000 - 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.
<b>States Total</b>	<b>\$538.2</b>	<b>33.6%</b>	<b>\$542.8</b>	<b>33.9%</b>	<b>\$674.4</b>	<b>42.1%</b>	<b>\$749.7</b>	<b>46.9%</b>	<b>\$737.5</b>	<b>46.1%</b>	<b>\$680.3</b>	<b>42.5%</b>
Alabama	\$0.4	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%
<b>Total</b>	<b>\$538.2</b>	<b>33.6%</b>	<b>\$542.8</b>	<b>33.9%</b>	<b>\$674.4</b>	<b>42.1%</b>	<b>\$749.7</b>	<b>46.9%</b>	<b>\$737.5</b>	<b>46.1%</b>	<b>\$680.3</b>	<b>42.5%</b>

## Appendix B



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

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

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

State	Annual Smoking Caused Health Costs	FY 2010 Tobacco Prevention Spending*	CDC Annual Spending Target	Tobacco Prevention Spending % of CDC Target	Tobacco Prevention Spending Rank (1= high)	FY 2010 State Tobacco Settlement Revenues (est.)	FY 2010 State Tobacco Tax Revenues (est.)	Total Annual State Revenues From Tobacco (est.)	Tobacco Prevention Spending % of Tobacco Revenue
<b>States Total</b>	<b>\$95.9 bill.</b>	<b>\$642.3</b>	<b>\$3.7 bill.</b>	<b>17.4%</b>	<b>-</b>	<b>\$8.1 bill.</b>	<b>\$17.0 bill.</b>	<b>\$25.1 bill.</b>	<b>2.6%</b>
Alabama	\$1.49 bill.	\$2.1	\$56.7	3.7%	47	\$107.0	\$139.7	\$247	0.8%
Alaska	\$169	\$8.6	\$10.7	80.0%	2	\$34.3	\$70.8	\$105	8.2%
Arizona	\$1.3 bill.	\$23.4	\$68.1	34.3%	15	\$115.4	\$360.1	\$475	4.9%
Arkansas	\$812	\$19.8	\$36.4	54.4%	9	\$57.6	\$218.4	\$276	7.2%
California	\$9.14 bill.	\$79.0	\$441.9	17.9%	25	\$838.7	\$906.3	\$1.75 bill.	4.5%
Colorado	\$1.31 bill.	\$12.4	\$54.4	22.8%	22	\$103.7	\$197.5	\$301	4.1%
Connecticut	\$1.63 bill.	\$7.2	\$43.9	16.4%	28	\$141.3	\$352.5	\$494	1.5%
Delaware	\$284	\$10.8	\$13.9	77.5%	3	\$30.5	\$138.8	\$169	6.4%
DC	\$243	\$1.4	\$10.5	13.1%	31	\$43.7	\$43.1	\$87	1.6%
Florida	\$6.32 bill.	\$67.7	\$210.9	32.1%	16	\$369.3	\$1,168.7	\$1.54 bill.	4.4%
Georgia	\$2.25 bill.	\$3.2	\$116.5	2.7%	50	\$160.8	\$216.5	\$377	0.8%
Hawaii	\$336	\$8.8	\$15.2	58.1%	7	\$55.6	\$115.5	\$171	5.2%
Idaho	\$319	\$2.3	\$16.9	13.8%	30	\$28.5	\$48.9	\$77	3.0%
Illinois	\$4.10 bill.	\$9.7	\$157.0	6.2%	42	\$312.1	\$545.1	\$857	1.1%
Indiana	\$2.08 bill.	\$11.8	\$78.8	15.0%	29	\$147.8	\$473.8	\$622	1.9%
Iowa	\$1.01 bill.	\$11.1	\$36.7	30.3%	17	\$75.0	\$221.4	\$296	3.7%
Kansas	\$927	\$2.3	\$32.1	7.0%	39	\$66.2	\$103.8	\$170	1.3%
Kentucky	\$1.50 bill.	\$3.9	\$57.2	6.9%	40	\$116.0	\$267.4	\$383	1.0%
Louisiana	\$1.47 bill.	\$8.9	\$53.5	16.6%	27	\$161.1	\$136.0	\$297	3.0%
Maine	\$602	\$11.8	\$18.5	63.6%	6	\$58.2	\$136.5	\$195	6.0%
Maryland	\$1.96 bill.	\$6.7	\$63.3	10.6%	37	\$166.5	\$377.1	\$544	1.2%
Massachusetts	\$3.54 bill.	\$6.1	\$90.0	6.7%	41	\$289.4	\$540.0	\$829	0.7%
Michigan	\$3.40 bill.	\$4.3	\$121.2	3.5%	48	\$292.1	\$979.3	\$1.27 bill.	0.3%
Minnesota	\$2.06 bill.	\$21.5	\$58.4	36.8%	13	\$168.6	\$403.3	\$572	3.8%
Mississippi	\$719	\$11.7	\$39.2	29.8%	18	\$114.1	\$141.9	\$256	4.6%
Missouri	\$2.13 bill.	\$2.4	\$73.2	3.2%	49	\$154.2	\$99.3	\$253	0.9%
Montana	\$277	\$9.4	\$13.9	67.3%	4	\$34.5	\$85.1	\$120	7.8%
Nebraska	\$537	\$4.2	\$21.5	19.7%	23	\$43.0	\$67.0	\$110	3.9%
Nevada	\$565	\$3.8	\$32.5	11.6%	36	\$46.0	\$113.5	\$160	2.4%
New Hampshire	\$564	\$1.0	\$19.2	5.4%	43	\$48.5	\$225.2	\$274	0.4%
New Jersey	\$3.17 bill.	\$8.9	\$119.8	7.4%	38	\$263.8	\$704.6	\$968	0.9%
New Mexico	\$461	\$10.6	\$23.4	45.5%	12	\$44.9	\$59.2	\$104	10.2%
New York	\$8.17 bill.	\$69.9	\$254.3	27.5%	19	\$841.0	\$1,291.6	\$2.13 bill.	3.3%
North Carolina	\$2.46 bill.	\$20.0	\$106.8	18.7%	24	\$160.8	\$266.8	\$428	4.7%

State	Annual Smoking Caused Health Costs	FY 2010 Tobacco Prevention Spending*	CDC Annual Spending Target	Tobacco Prevention Spending % of CDC Target	Tobacco Prevention Spending Rank (1= high)	FY 2010 State Tobacco Settlement Revenues (est.)	FY 2010 State Tobacco Tax Revenues (est.)	Total Annual State Revenues From Tobacco (est.)	Tobacco Prevention Spending % of Tobacco Revenue
North Dakota	\$247	\$9.4	\$9.3	100.6%	1	\$36.1	\$22.1	\$58	16.1%
Ohio	\$4.37 bill.	\$7.4	\$145.0	5.1%	45	\$336.6	\$842.7	\$1.18 bill.	0.6%
Oklahoma	\$1.16 bill.	\$21.1	\$45.0	47.0%	11	\$88.5	\$304.7	\$393	5.4%
Oregon	\$1.11 bill.	\$7.7	\$43.0	17.9%	25	\$90.1	\$229.3	\$319	2.4%
Pennsylvania	\$5.19 bill.	\$19.0	\$155.5	12.2%	34	\$384.6	\$1,047.6	\$1.43 bill.	1.3%
Rhode Island	\$506	\$1.9	\$15.2	12.2%	34	\$53.3	\$139.2	\$193	1.0%
South Carolina	\$1.09 bill.	\$3.2	\$62.2	5.2%	44	\$83.8	\$29.2	\$113	2.8%
South Dakota	\$274	\$6.0	\$11.3	52.7%	10	\$27.6	\$62.3	\$90	6.6%
Tennessee	\$2.16 bill.	\$1.5	\$71.7	2.1%	51	\$158.6	\$286.9	\$445	0.3%
Texas	\$5.83	\$13.3	\$266.3	5.0%	46	\$472.6	\$1,390.5	\$1.86 bill.	0.7%
Utah	\$345	\$8.3	\$23.6	35.3%	14	\$41.7	\$55.1	\$97	8.6%
Vermont	\$233	\$5.9	\$10.4	57.1%	8	\$39.5	\$46.9	\$86	6.9%
Virginia	\$2.08 bill.	\$13.4	\$103.2	13.0%	32	\$133.8	\$173.6	\$307	4.3%
Washington	\$1.95 bill.	\$17.2	\$67.3	25.5%	20	\$172.2	\$397.1	\$569	3.0%
West Virginia	\$690	\$6.9	\$27.8	24.7%	21	\$72.7	\$103.5	\$176	3.9%
Wisconsin	\$2.02 bill.	\$8.1	\$64.3	12.6%	33	\$149.6	\$661.5	\$811	1.0%
Wyoming	\$136	\$5.8	\$9.0	64.9%	5	\$21.3	\$25.6	\$47	12.5%

Notes: FY2010 tobacco prevention spending includes state and federal funds. CDC annual spending targets are from CDC, *Best Practices for Comprehensive Tobacco Control*, October 2007. State settlement payments are based on information received from the National Association of Attorneys General (NAAG). Estimated FY2010 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 2009. The state settlement revenues include the tobacco settlement bonus payments expected to be included in annual MSA payments made to states in April 2010. 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

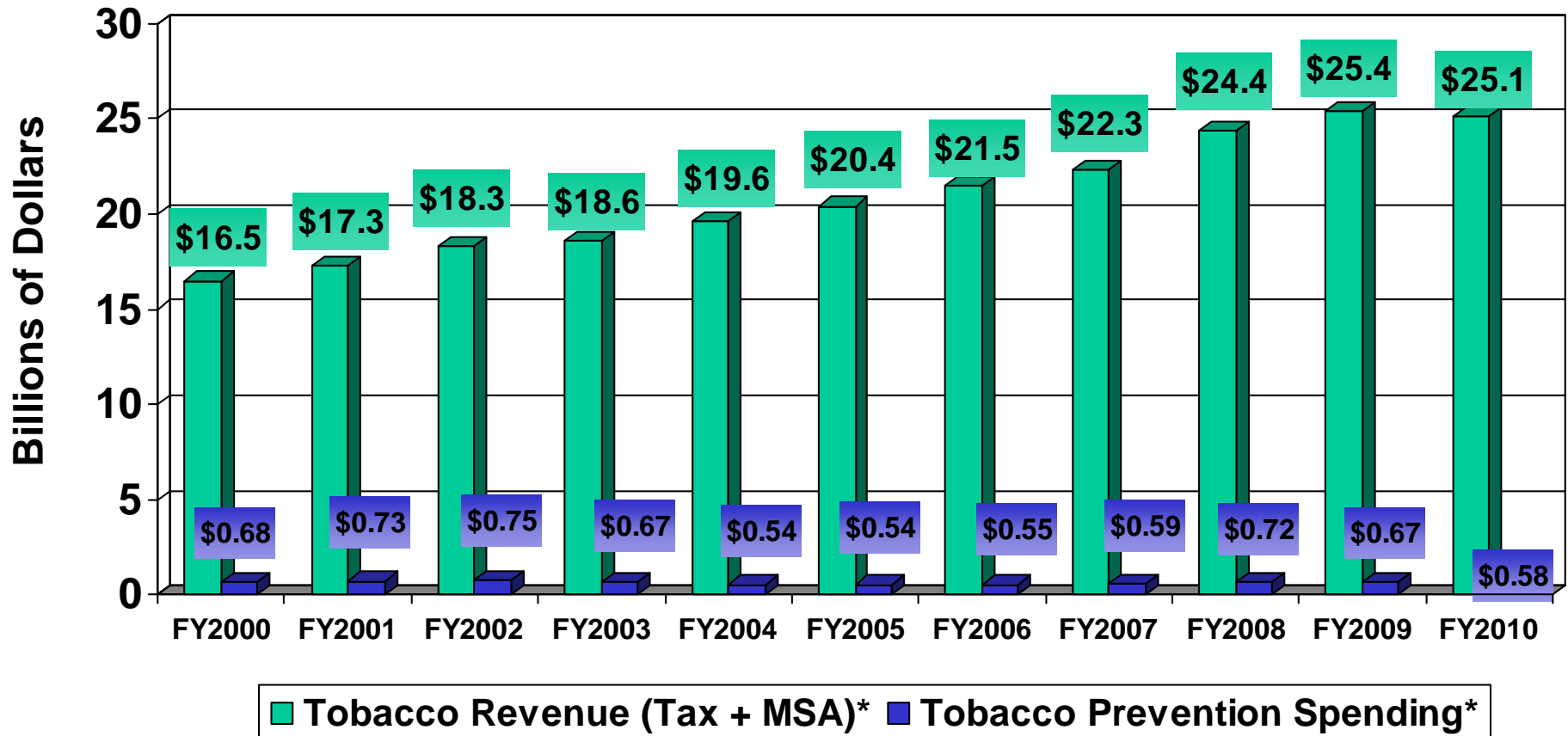
All amounts are in millions of dollars per year unless otherwise specified

	Tobacco Prev. Spending FY2010	Tobacco Prev. Spending FY2009	Tobacco Prev. Spending FY2008	Tobacco Prev. Spending FY2007	Tobacco Prev. Spending FY2006	T Total Annual State Rev. From Tobacco FY2010 (est.)	Total Annual State Rev. From Tobacco FY2009 (est.)	Total Annual State Rev. From Tobacco FY2008	Total Annual State Rev. From Tobacco FY2007	Total Annual State Rev. From Tobacco FY2006	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	Prev. Spending as % of Tobacco Revenue FY2006
States Total	\$642.3	\$718.1	\$781.6	\$597.5	\$551.0	\$25.1 bill.	\$25.4 bill.	\$24.4 bill.	\$22.3 bill.	\$21.5 bill.	2.6%	2.8%	3.2%	2.7%	2.6%
Alabama	\$2.1	\$2.3	\$2.2	\$0.7	\$0.3	\$247	\$271.9	\$253.3	\$248.7	\$250.4	0.8%	0.8%	0.9%	0.3%	0.1%
Alaska	\$8.6	\$9.2	\$8.8	\$6.2	\$5.7	\$105	\$111.3	\$107.8	\$92.7	\$85.1	8.2%	8.3%	8.2%	6.7%	6.7%
Arizona	\$23.4	\$21.3	\$24.0	\$25.5	\$23.1	\$475	\$513.9	\$521.4	\$453.5	\$388.5	4.9%	4.1%	4.6%	5.6%	5.9%
Arkansas	\$19.8	\$16.9	\$17.0	\$15.1	\$17.5	\$276	\$231.9	\$205.0	\$192.9	\$197.1	7.2%	7.3%	8.3%	7.8%	8.9%
California	\$79.0	\$78.1	\$77.9	\$84.0	\$79.7	\$1,750	\$1,908.0	\$1,860.4	\$1,844.3	\$1,828.8	4.5%	4.1%	4.2%	4.6%	4.4%
Colorado	\$12.4	\$27.5	\$27.6	\$25.0	\$27.0	\$301	\$328.7	\$324.4	\$310.9	\$309.1	4.1%	8.4%	8.5%	8.0%	8.7%
Connecticut	\$7.2	\$8.3	\$1.2	\$2.0	\$0.0	\$494	\$457.5	\$476.6	\$372.0	\$380.5	1.5%	1.8%	0.3%	0.5%	0.0%
Delaware	\$10.8	\$11.3	\$11.4	\$10.3	\$9.2	\$169	\$158.7	\$149.2	\$112.0	\$109.2	6.4%	7.1%	7.6%	9.2%	8.4%
Dist. Columbia	\$1.4	\$4.0	\$4.2	\$0.5	\$0.0	\$87	\$80.7	\$66.0	\$58.6	\$58.2	1.6%	5.0%	6.4%	0.9%	0.0%
Florida	\$67.7	\$60.2	\$58.9	\$5.6	\$1.0	\$1,540	\$846.5	\$833.0	\$848.9	\$841.5	4.4%	7.1%	7.1%	0.7%	0.1%
Georgia	\$3.2	\$3.2	\$3.4	\$2.3	\$3.1	\$377	\$414.3	\$397.6	\$393.3	\$391.1	0.8%	0.8%	0.9%	0.6%	0.8%
Hawaii	\$8.8	\$11.3	\$11.4	\$9.1	\$5.8	\$171	\$167.8	\$160.7	\$130.9	\$123.4	5.2%	6.7%	7.1%	7.0%	4.7%
Idaho	\$2.3	\$2.6	\$2.7	\$0.9	\$0.5	\$77	\$84.4	\$82.6	\$76.9	\$74.6	3.0%	3.1%	3.3%	1.2%	0.7%
Illinois	\$9.7	\$9.5	\$9.8	\$8.5	\$11.0	\$857	\$933.0	\$926.0	\$905.9	\$924.5	1.1%	1.0%	1.1%	0.9%	1.2%
Indiana	\$11.8	\$16.0	\$17.3	\$10.9	\$10.8	\$622	\$681.1	\$676.1	\$495.7	\$475.0	1.9%	2.3%	2.6%	2.2%	2.3%
Iowa	\$11.1	\$11.2	\$13.4	\$6.5	\$5.6	\$296	\$323.0	\$326.2	\$186.7	\$149.4	3.7%	3.5%	4.1%	3.5%	3.7%
Kansas	\$2.3	\$2.0	\$2.8	\$1.0	\$1.0	\$170	\$186.1	\$184.3	\$170.9	\$172.7	1.3%	1.1%	1.5%	0.6%	0.6%
Kentucky	\$3.9	\$3.7	\$3.7	\$2.2	\$2.7	\$383	\$330.4	\$301.4	\$292.3	\$267.9	1.0%	1.1%	1.2%	0.8%	1.0%
Louisiana	\$8.9	\$8.5	\$9.6	\$8.0	\$8.0	\$297	\$325.9	\$308.0	\$281.1	\$267.7	3.0%	2.6%	3.1%	2.8%	3.0%
Maine	\$11.8	\$11.7	\$18.0	\$14.7	\$14.2	\$195	\$210.7	\$208.7	\$205.7	\$201.8	6.0%	5.6%	8.6%	7.1%	7.0%
Maryland	\$6.7	\$20.6	\$19.9	\$18.7	\$9.2	\$544	\$589.4	\$516.4	\$414.6	\$411.6	1.2%	3.5%	3.9%	4.5%	2.2%

	Tobacco Prev. Spending FY2010	Tobacco Prev. Spending FY2009	Tobacco Prev. Spending FY2008	Tobacco Prev. Spending FY2007	Tobacco Prev. Spending FY2006	T Total Annual State Rev. From Tobacco FY2010 (est.)	Total Annual State Rev. From Tobacco FY2009 (est.)	Total Annual State Rev. From Tobacco FY2008	Total Annual State Rev. From Tobacco FY2007	Total Annual State Rev. From Tobacco FY2006	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	Prev. Spending as % of Tobacco Revenue FY2006
Massachusetts	\$6.1	\$13.5	\$14.7	\$8.3	\$4.3	\$829	\$892.4	\$721.7	\$676.6	\$672.5	0.7%	1.5%	2.0%	1.2%	0.6%
Michigan	\$4.3	\$5.1	\$5.4	\$0.0	\$0.0	\$1,270	\$1,393.1	\$1,376.5	\$1,401.3	\$1,420.0	0.3%	0.4%	0.4%	0.0%	0.0%
Minnesota	\$21.5	\$21.5	\$23.4	\$21.7	\$22.1	\$572	\$603.3	\$614.0	\$629.8	\$606.5	3.8%	3.6%	3.8%	3.4%	3.6%
Mississippi	\$11.7	\$10.7	\$8.6	\$0.0	\$20.0	\$256	\$188.1	\$179.6	\$178.1	\$178.6	4.6%	5.7%	4.8%	0.0%	11.2%
Missouri	\$2.4	\$2.7	\$1.5	\$0.0	\$0.0	\$253	\$277.6	\$262.6	\$247.0	\$244.0	0.9%	1.0%	0.6%	0.0%	0.0%
Montana	\$9.4	\$9.3	\$9.6	\$6.9	\$6.8	\$120	\$129.7	\$128.7	\$117.7	\$115.6	7.8%	7.2%	7.5%	5.9%	5.9%
Nebraska	\$4.2	\$4.0	\$3.9	\$3.0	\$3.0	\$110	\$120.9	\$119.2	\$108.6	\$105.8	3.9%	3.3%	3.3%	2.8%	2.8%
Nevada	\$3.8	\$4.1	\$2.9	\$3.8	\$4.2	\$160	\$176.6	\$181.4	\$175.3	\$173.8	2.4%	2.3%	1.6%	2.2%	2.4%
New Hamp.	\$1.0	\$1.1	\$2.4	\$0.0	\$0.0	\$274	\$242.8	\$230.2	\$180.6	\$182.2	0.4%	0.5%	1.0%	0.0%	0.0%
New Jersey	\$8.9	\$10.2	\$12.4	\$11.0	\$11.5	\$968	\$1,030.2	\$1,040.4	\$1,011.1	\$1,027.9	0.9%	1.0%	1.2%	1.1%	1.1%
New Mexico	\$10.6	\$10.5	\$10.9	\$7.7	\$6.0	\$104	\$112.7	\$111.6	\$102.7	\$100.6	10.2%	9.3%	9.8%	7.5%	6.0%
New York	\$69.9	\$81.9	\$87.6	\$85.5	\$43.4	\$2,130	\$2,297.5	\$1,838.5	\$1,755.3	\$1,725.4	3.3%	3.6%	4.8%	4.9%	2.5%
North Carolina	\$20.0	\$18.5	\$18.9	\$17.1	\$15.0	\$428	\$419.5	\$408.1	\$383.5	\$308.3	4.7%	4.4%	4.6%	4.5%	4.9%
North Dakota	\$9.4	\$4.1	\$4.4	\$3.1	\$3.1	\$58	\$63.1	\$60.5	\$46.3	\$44.7	16.1%	6.5%	7.3%	6.7%	6.9%
Ohio	\$7.4	\$7.1	\$46.3	\$45.0	\$47.2	\$1,180	\$1,288.6	\$1,283.1	\$1,292.0	\$1,315.9	0.6%	0.6%	3.6%	3.5%	3.6%
Oklahoma	\$21.1	\$19.1	\$15.7	\$10.0	\$8.9	\$393	\$372.5	\$345.4	\$295.5	\$284.9	5.4%	5.1%	4.5%	3.4%	3.1%
Oregon	\$7.7	\$9.1	\$9.4	\$3.5	\$3.5	\$319	\$348.1	\$345.3	\$340.8	\$330.8	2.4%	2.6%	2.7%	1.0%	1.1%
Pennsylvania	\$19.0	\$33.2	\$33.1	\$30.3	\$32.9	\$1,430	\$1,423.9	\$1,396.8	\$1,362.2	\$1,369.2	1.3%	2.3%	2.4%	2.2%	2.4%
Rhode Island	\$1.9	\$1.9	\$2.3	\$1.0	\$2.1	\$193	\$184.1	\$167.9	\$163.5	\$167.8	1.0%	1.0%	1.4%	0.6%	1.3%
South Carolina	\$3.2	\$1.0	\$3.3	\$2.0	\$0.0	\$113	\$123.4	\$114.9	\$103.3	\$101.0	2.8%	0.8%	2.9%	1.9%	0.0%
South Dakota	\$6.0	\$5.8	\$6.1	\$0.7	\$0.7	\$90	\$96.9	\$90.1	\$67.9	\$48.5	6.6%	6.0%	6.8%	1.0%	1.4%
Tennessee	\$1.5	\$6.1	\$11.4	\$0.0	\$0.0	\$445	\$483.3	\$429.3	\$283.5	\$266.9	0.3%	1.3%	2.7%	0.0%	0.0%
Texas	\$13.3	\$12.6	\$12.9	\$5.2	\$7.0	\$1,860	\$1,800.1	\$2,067.6	\$1,594.7	\$1,086.3	0.7%	0.7%	0.6%	0.3%	0.6%
Utah	\$8.3	\$8.2	\$8.6	\$7.2	\$7.2	\$97	\$106.1	\$105.2	\$90.3	\$90.7	8.6%	7.7%	8.2%	8.0%	7.9%
Vermont	\$5.9	\$6.1	\$6.5	\$5.1	\$4.9	\$86	\$107.9	\$99.1	\$88.2	\$72.9	6.9%	5.7%	6.6%	5.8%	6.7%
Virginia	\$13.4	\$13.6	\$15.7	\$13.5	\$12.8	\$307	\$332.0	\$314.9	\$310.1	\$306.4	4.3%	4.1%	5.0%	4.4%	4.2%
Washington	\$17.2	\$28.4	\$28.7	\$27.1	\$27.2	\$569	\$615.7	\$621.1	\$563.7	\$573.1	3.0%	4.6%	4.6%	4.8%	4.7%
West Virginia	\$6.9	\$6.7	\$7.0	\$5.4	\$5.9	\$176	\$193.8	\$186.0	\$164.7	\$164.2	3.9%	3.5%	3.8%	3.3%	3.6%
Wisconsin	\$8.1	\$16.3	\$16.3	\$10.0	\$10.0	\$811	\$745.1	\$634.7	\$439.4	\$438.8	1.0%	2.2%	2.6%	2.3%	2.3%
Wyoming	\$5.8	\$6.9	\$7.0	\$5.9	\$5.9	\$47	\$50.8	\$47.7	\$42.0	\$39.7	12.5%	13.6%	14.7%	14.0%	14.9%

\* 2008, 2009 and 2010 annual spending include state and federal funds. For FY2010, federal spending refers to a twelve-month grant provided to the states by the U.S. Centers for Disease Control and Prevention for the period beginning April 2009.

# State Tobacco Revenue and Prevention Spending FY2000 - FY2010





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

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

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

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

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

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

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

A 2003 study published in the *Journal of Health Economics* found that states with the best funded and most sustained tobacco prevention programs during the 1990s – Arizona, California, Massachusetts and Oregon – reduced cigarette sales more than twice as much as the country as a whole (43 percent compared to 20 percent). This study, the first to compare cigarette sales data from all the states and to isolate the impact of tobacco control program expenditures from other factors that affect cigarette sales, demonstrates that the more states spend on tobacco prevention, the greater the reductions in smoking, and the longer states invest in such programs, the larger the impact. The study concludes that cigarette sales would have declined by 18 percent instead of nine percent between 1994 and 2000 had all states fully funded tobacco prevention programs.<sup>5</sup>

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

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

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

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

### **Program Success – California**

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

- California's comprehensive approach has reduced adult smoking significantly. Adult smoking declined by 35 percent from 1988 to 2007, from 22.7 percent to 13.8 percent.<sup>7</sup> If every state had California's current smoking rate, there would be more than 14 million fewer smokers in the United States.
- Between Fiscal Year 1989-90 and Fiscal Year 2006-07, per capita cigarette consumption in California declined by 61 percent, compared to just 41 percent for the country as a whole, during this same time period.<sup>8</sup> Even after the tobacco industry's successful efforts to reduce the state's tobacco prevention funding, cigarette consumption still declined more in California than in the rest of the country.<sup>9</sup>

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

- In the 10 years following the passage of Proposition 99, adult smoking in California declined at twice the rate it declined in the previous decade.<sup>10</sup>
- 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.<sup>11</sup> Surveillance, Epidemiology, and End Results (SEER) data associated lower lung cancer incidence with California's program.<sup>12</sup>
- A study published in the *American Journal of Public Health* found that the California anti-tobacco media campaign reduced sales of cigarettes by 232 million packs between the third quarter of 1990 and the fourth quarter of 1992. This reduction was independent of the decreases in consumption brought about by the tax increase.<sup>13</sup>
- In California, from 1996 to 2006, smoking declined by 45 percent among eighth grade students and by 46 percent among tenth grade students. From 2000 to 2006, smoking prevalence decreased by more than 20 percent among twelfth grade students.<sup>14</sup>

The California tobacco control program produced much larger smoking reductions in the early years, when it was funded at its highest levels, than during subsequent years, when the state cut its funding. For example, when California cut the program's funding in the mid 1990s, its progress in reducing adult and youth smoking rates stalled, but it got back on track when program funding was partially restored.<sup>15</sup>

### **Program Success – Washington**

The Washington State Tobacco Prevention and Control program was implemented in 1999 after the state Legislature set aside money from the Master Settlement Agreement to create a Tobacco Prevention and Control Account. Tobacco prevention and control received additional funds in 2001 when the state's voters passed a cigarette tax increase that dedicated a portion of the new revenue to tobacco prevention and cessation. According to a recent study in CDC's peer-reviewed journal, *Preventing Chronic Disease*, although Washington made progress in implementing tobacco control policies between 1990 and 2000, smoking prevalence did not decline significantly until after substantial investment was made in the state's comprehensive tobacco control program.<sup>16</sup> As the data below demonstrate, Washington's comprehensive program is working.

- Washington's tobacco prevention efforts have cut overall youth smoking by 50 percent since the program began. Because of these declines, there are 65,000 fewer youth smokers in Washington.<sup>17</sup>
- Since the tobacco control program was implemented, adult smoking has declined by 30 percent, from 22.4 percent in 1999 to 15.7 percent in 2008, one of the lowest smoking rates in the country.<sup>18</sup> According to the Washington State Department of Health, Washington's dramatic decline in adult smoking translates into 295,000 fewer adult smokers and \$2.8 billion in long-term health care costs savings.

### **Program Success – New York**

New York began implementing a comprehensive state tobacco control program in 2000 with funds from the Master Settlement Agreement and revenue from the state cigarette tax. As the data below demonstrate, New York's comprehensive approach is working. While declines in youth smoking nationally have slowed, New York's rates continue to decline steadily.

- Between 2000 and 2006, smoking among middle school students declined by 61 percent, (from 10.5 percent to 4.1 percent), and smoking among high school students declined by 40 percent, (from 27.1 percent to 16.3 percent).<sup>19</sup>
- Between 2000 and 2008, adult smoking declined by 22.7 percent, from 21.6 percent to 16.7 percent.<sup>20</sup>

### **Program Success – Maine**

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

- Smoking among Maine's high school students declined a dramatic 64 percent between 1997 and 2007, falling from 39.2 percent to 14 percent. Smoking among Maine's middle school students declined by 71 percent, from 21 percent to 6 percent, over the same time period.<sup>21</sup> The Maine Department of Health (DOH) has calculated that, as a result of these declines, there are now more than 26,000 fewer youth smokers in Maine and more than 14,000 youth will be saved from premature, smoking-caused deaths. Based on estimates that smokers, on average, have \$17,500 more in lifetime health care costs than non-smokers, the DOH calculated that these declines will save Maine more than \$416 million in long-term health care costs.

### **Program Success – Indiana**

In 2000, Indiana implemented a comprehensive tobacco prevention and cessation program with revenue received from the state's tobacco settlement. Indiana's program is modeled after other comprehensive programs that have been successful in reducing tobacco use. Indiana's program includes public education efforts, a counter-marketing campaign, community and school-based programs, and enforcement initiatives.<sup>22</sup>

- Between 2000 and 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 – An Experiment in Texas**

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

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

### **Program Success -- Massachusetts**

In 1992, Massachusetts voters approved a referendum that increased the state cigarette tax by 25 cents per pack. Part of the new tax revenues was used to fund the Massachusetts Tobacco Control Program (MTCP), which began in 1993. As in California, despite some reductions in funding encouraged by the tobacco industry, the program achieved considerable success until its funding was cut by more than 90 percent in 2003. Data from 2000 demonstrate that the program was successful in reducing tobacco use among both children and adults.

- Massachusetts cigarette consumption declined by 36 percent between 1992 and 2000, compared to a decrease of just 16 percent in the rest of the country (excluding California).<sup>24</sup>
- From 1995 to 2001, current smoking among Massachusetts high school students dropped by 27 percent (from 35.7 percent to 26 percent), while the nationwide rate dropped by 18 percent (34.8 percent to 28.5 percent)<sup>25</sup>
- Between 1993 and 2000, adult smoking prevalence dropped from 22.6 percent to 17.9 percent, resulting in 228,000 fewer smokers.<sup>26</sup> Nationally, smoking prevalence dropped by just seven percent over this same time period.<sup>27</sup>
- Between 1990 and 1999, smoking among pregnant women in Massachusetts declined by more than 50 percent (from 25 percent to 11 percent). Massachusetts had the greatest percentage decrease of any state over the time period (the District of Columbia had a greater percent decline).<sup>28</sup>

Despite the considerable success achieved in Massachusetts, funding for the state's tobacco prevention and cessation program was cut by 95 percent – from a high of approximately \$54 million per year to just \$2.5 million in FY2004, although funding for the program has increased slightly in recent years. These drastic reductions in the state's investments to prevent and reduce tobacco use will translate directly into higher smoking rates, especially among kids, and more smoking-caused disease, death, and costs. In fact, a study released by the Massachusetts Association of Health Boards shows that the Massachusetts program funding cuts have already been followed by an alarming increase in illegal sales of tobacco products to children.<sup>29</sup>

- Between 2002 and 2003, cigarette sales to minors increased by 74 percent, from eight percent to 13.9 percent in communities that lost a significant portion of their enforcement funding.
- Over the same time period, cigarette sales to minors increased by 98 percent in communities that lost all of their local enforcement funding.
- Between 1992 and 2003, per capita cigarette consumption declined at a higher rate in Massachusetts as it did in the country as a whole (47 percent v. 28 percent). However, from 2003 to 2006, Massachusetts' per capita cigarette consumption declined a mere seven percent (from 47.5 to 44.1 packs per capita), while the U.S. average cigarette consumption declined by ten percent (from 67.9 to 61.1 packs per capita). Most recently, between 2005 and 2006, Massachusetts' per capita cigarette consumption *increased* by 3.2 percent (from 42.7 to 44.1 packs per capita), while nationwide, per capita consumption *declined* by 3.5 percent (from 63.3 to 61.1 packs per capita).<sup>30</sup>

***Campaign for Tobacco-Free Kids, December 3, 2009 / Meg Riordan***

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

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

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

State	More Adult and Youth Smokers				More Public Health Harms					Higher Healthcare Costs		
	More Adult Smokers	More Pregnant Women Smokers	More High School Smokers	More Kids Becoming Addicted Adults	More Adult Smoking Deaths	More Youth Growing Up to Die From Smoking	More Smoking Affected Births	More Smoking Caused Heart Attacks	More Smoking Caused Strokes	Increased 5-Yr Health Costs From More Smoking Affected Births	Increased 5-Yr Health Costs From More Heart Attacks & Strokes	Increased Long-Term Health Costs From Higher Smoking Rates
<b>States Total</b>	<b>2.3 mill</b>	<b>44,000</b>	<b>172,000</b>	<b>736,000</b>	<b>609,000</b>	<b>235,000</b>	<b>44,000</b>	<b>1,175</b>	<b>684</b>	<b>\$371.3</b>	<b>\$988</b>	<b>\$35.0 bill</b>
Alabama	35,400	650	2,600	11,200	9,400	3,600	650	22	13	\$5.5	\$19.9	\$532.3
Alaska	5,000	110	410	1,700	1,300	540	110	3	2	\$0.9	\$2.9	\$77.3
Arizona	47,900	1,030	3,600	17,000	12,700	5,400	1,030	20	12	\$8.8	\$18.5	\$752.6
Arkansas	21,500	410	1,600	7,000	5,700	2,200	410	13	8	\$3.5	\$12.0	\$326.8
California	273,900	5,700	22,200	93,600	72,600	30,000	5,700	105	61	\$48.1	\$96.5	\$4,240.1
Colorado	37,300	710	2,600	12,000	9,900	3,800	710	19	11	\$6.0	\$17.2	\$564.4
Connecticut	26,800	420	2,000	8,100	7,100	2,600	420	13	7	\$3.5	\$11.5	\$396.4
Delaware	6,600	120	490	2,000	1,700	640	120	3	2	\$1.0	\$3.0	\$97.7
DC	4,700	90	330	1,100	1,200	350	90	2	1	\$0.8	\$1.8	\$63.9
Florida	143,200	2,400	9,300	40,000	37,900	12,800	2,400	67	39	\$20.3	\$61.6	\$2,060.4
Georgia	71,300	1,500	5,500	25,400	18,900	8,100	1,500	40	23	\$12.9	\$36.6	\$1,121.9
Hawaii	10,000	190	650	2,800	2,700	900	190	4	2	\$1.6	\$3.8	\$144.0
Idaho	11,100	250	890	4,100	2,900	1,300	250	5	3	\$2.1	\$4.7	\$177.2
Illinois	97,200	1,800	7,500	31,700	25,800	10,100	1,800	57	33	\$15.4	\$52.3	\$1,478.2
Indiana	47,900	900	3,600	15,800	12,700	5,100	900	35	20	\$7.6	\$32.0	\$731.6
Iowa	22,800	410	1,700	7,100	6,000	2,300	410	12	7	\$3.5	\$10.7	\$340.9
Kansas	21,000	420	1,600	7,000	5,600	2,200	420	10	6	\$3.6	\$9.4	\$322.0
Kentucky	32,600	590	2,300	10,000	8,600	3,200	590	23	13	\$5.0	\$21.3	\$484.7
Louisiana	33,000	660	2,600	11,000	8,700	3,500	660	18	11	\$5.6	\$16.9	\$506.0
Maine	10,400	140	700	2,700	2,800	900	140	6	3	\$1.2	\$5.1	\$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	42,900	780	3,300	13,400	11,400	4,300	780	18	11	\$6.6	\$17.0	\$642.1
Massachusetts	50,700	780	3,700	14,200	13,400	4,500	780	23	13	\$6.6	\$21.2	\$730.2
Michigan	76,100	1,300	5,900	23,900	20,200	7,600	1,300	44	26	\$10.7	\$40.6	\$1,141.2
Minnesota	39,600	740	2,900	12,500	10,500	4,000	740	20	11	\$6.3	\$18.1	\$595.0
Mississippi	21,700	470	1,800	7,600	5,800	2,400	470	13	8	\$4.0	\$12.3	\$339.2
Missouri	44,900	820	3,300	14,200	11,900	4,500	820	31	18	\$7.0	\$28.5	\$675.1
Montana	7,400	120	530	2,200	2,000	700	120	4	2	\$1.1	\$3.6	\$108.8
Nebraska	13,300	270	1,000	4,400	3,500	1,400	270	7	4	\$2.3	\$6.1	\$203.4
Nevada	19,300	410	1,300	6,600	5,100	2,100	410	12	7	\$3.5	\$11.2	\$298.9
New Hampshire	10,200	140	740	2,900	2,700	900	140	5	3	\$1.2	\$4.8	\$147.7
New Jersey	66,300	1,200	4,700	20,400	17,600	6,500	1,200	29	17	\$9.9	\$26.3	\$986.9
New Mexico	14,800	310	1,200	5,000	3,900	1,600	310	8	4	\$2.6	\$7.1	\$228.1
New York	150,800	2,500	11,200	44,000	40,000	14,100	2,500	70	41	\$21.5	\$64.7	\$2,202.6
North Carolina	69,700	1,300	5,000	22,400	18,500	7,200	1,300	41	24	\$11.1	\$37.9	\$1,054.2
North Dakota	4,900	90	390	1,400	1,300	450	90	2	1	\$0.8	\$2.1	\$71.1
Ohio	87,500	1,500	6,500	27,300	23,200	8,700	1,500	50	29	\$12.8	\$45.6	\$1,309.0
Oklahoma	27,300	550	2,000	9,000	7,200	2,900	550	18	11	\$4.7	\$16.6	\$416.9
Oregon	29,200	490	2,000	8,600	7,700	2,800	490	13	8	\$4.2	\$12.3	\$427.9
Pennsylvania	96,800	1,500	7,100	27,600	25,700	8,800	1,500	58	34	\$12.8	\$53.2	\$1,402.6
Rhode Island	8,200	120	640	2,200	2,200	700	120	4	2	\$1.1	\$3.6	\$116.4
South Carolina	34,100	630	2,600	10,600	9,000	3,400	630	19	11	\$5.3	\$17.6	\$509.5
South Dakota	6,000	120	500	1,900	1,600	610	120	3	2	\$1.0	\$2.6	\$90.3
Tennessee	47,300	870	3,300	14,700	12,500	4,700	870	31	18	\$7.4	\$28.5	\$706.6
Texas	176,000	4,100	14,100	67,200	46,600	21,500	4,100	90	52	\$34.6	\$82.3	\$2,848.0
Utah	18,800	550	1,700	8,400	5,000	2,700	550	4	2	\$4.7	\$3.9	\$325.6
Vermont	4,900	70	360	1,200	1,300	380	70	2	1	\$0.6	\$2.2	\$67.6
Virginia	59,400	1,090	4,300	18,200	15,700	5,800	1,090	28	16	\$9.3	\$25.5	\$882.8
Washington	50,000	890	3,500	15,400	13,300	4,900	890	22	13	\$7.6	\$20.5	\$744.5
West Virginia	14,200	220	900	3,800	3,800	1,200	220	11	6	\$1.9	\$9.8	\$201.4
Wisconsin	43,100	730	3,200	13,100	11,400	4,200	730	24	14	\$6.2	\$22.2	\$638.7

### 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	4,000	80	300	1,200	1,100	380	80	2	1	\$0.7	\$2.0	\$59.0
<b>States Total</b>	<b>2.3 mill</b>	<b>44,000</b>	<b>172,000</b>	<b>736,000</b>	<b>609,000</b>	<b>235,000</b>	<b>44,000</b>	<b>1,175</b>	<b>684</b>	<b>\$371.3</b>	<b>\$988</b>	<b>\$35.0 bill.</b>

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**Campaign for Tobacco-Free Kids, November 18, 2009 / 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 state citizens, reduce government and private sector healthcare costs in the state, and increase worker productivity. Yet most states grossly underfund their tobacco prevention programs. This is especially shortsighted given the fact that every state could substantially reduce tobacco use and its attendant harms and costs by increasing its tobacco tax rates and using some of the new revenues to establish an adequately funded tobacco prevention program. By itself, a significant increase to a state's tobacco tax rates would directly reduce smoking, especially among youth. But combining tobacco tax increases with expanded state tobacco prevention efforts would increase and expand the tobacco use declines in the state, thereby saving even more lives and more money.

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

State	Using State Tobacco Tax Increases to Fund Tobacco Prevention Programs					Public Health Benefits and Cost Savings from Tobacco Tax Increase <sup>2</sup>					
	FY 2010 Tobacco Prevention Spending <sup>3</sup> (millions)	CDC Tobacco Prevention Spending Target <sup>4</sup> (millions)	Funding Increase to Reach CDC Target (millions)	Current Cigarette Tax Rate (per pack)	Cigarette Tax Increase Needed to Reach CDC Target	Fewer Future Kid Smokers	Fewer Adult Smokers	Total Future Smoking-Caused Deaths Avoided	Five-Year Heart-Stroke Health Savings (millions)	Five-Year Pregnancy & Birth Savings (millions)	Long-Term Health Savings (millions)
Alabama	\$2.1	\$56.7	\$54.6	\$0.425	\$0.22	16,000	5,900	6,600	\$3.5	\$2.1	\$336.1
Alaska	\$8.6	\$10.7	\$2.1	\$2.00	\$0.23	1,100	500	400	\$0.3	\$0.3	\$24.0
Arizona	\$23.4	\$68.1	\$44.7	\$2.00	\$0.65	21,800	12,500	10,200	\$5.0	\$3.9	\$500.3
Arkansas	\$19.8	\$36.4	\$16.6	\$1.15	\$0.14	3,200	1,900	1,500	\$1.1	\$1.1	\$74.1
California	\$79.0	\$441.9	\$362.9	\$0.87	\$0.57	130,400	67,400	59,500	\$24.5	\$21.6	\$2,922.3
Colorado	\$12.4	\$54.4	\$42.0	\$0.84	\$0.33	11,800	6,700	5,500	\$3.2	\$2.2	\$270.2
Connecticut	\$7.2	\$43.9	\$36.8	\$3.00	\$1.13	23,000	10,300	10,000	\$4.6	\$2.6	\$500.4
Delaware	\$10.8	\$13.9	\$3.2	\$1.60	\$0.18	1,100	600	500	\$0.3	\$0.3	\$25.0
DC	\$1.4	\$10.5	\$9.1	\$2.50	\$1.50+*	3,700	2,900	1,900	\$1.1	\$0.4	\$92.3
Florida	\$67.7	\$210.9	\$143.2	\$1.339	\$0.24	31,100	17,100	14,400	\$7.7	\$5.0	\$706.7
Georgia	\$3.2	\$116.5	\$113.3	\$0.37	\$0.26	20,700	12,700	9,900	\$6.8	\$3.9	\$482.9
Hawaii	\$8.8	\$15.2	\$6.4	\$2.60	\$0.37	2,800	1,200	1,200	\$0.5	\$0.4	\$60.4
Idaho	\$2.3	\$16.9	\$14.6	\$0.57	\$0.25	2,400	1,500	1,100	\$0.7	\$0.8	\$56.3
Illinois	\$9.7	\$157.0	\$147.3	\$0.98	\$0.46	50,600	26,200	23,100	\$14.5	\$8.5	\$1,134.4
Indiana	\$11.8	\$78.8	\$67.0	\$0.995	\$0.27	17,100	10,800	8,300	\$7.4	\$5.4	\$401.9

State	Using State Tobacco Tax Increases to Fund Tobacco Prevention Programs					Public Health Benefits and Cost Savings from Tobacco Tax Increase <sup>2</sup>					
	FY 2010 Tobacco Prevention Spending <sup>3</sup> (millions)	CDC Tobacco Prevention Spending Target <sup>4</sup> (millions)	Funding Increase to Reach CDC Target (millions)	Current Cigarette Tax Rate (per pack)	Cigarette Tax Increase Needed to Reach CDC Target	Fewer Future Kid Smokers	Fewer Adult Smokers	Total Future Smoking-Caused Deaths Avoided	Five-Year Heart-Stroke Health Savings (millions)	Five-Year Pregnancy & Birth Savings (millions)	Long-Term Health Savings (millions)
Iowa	\$11.1	\$36.7	\$25.6	\$1.36	\$0.37	9,000	4,700	4,100	\$2.3	\$2.7	\$202.2
Kansas	\$2.3	\$32.1	\$29.9	\$0.79	\$0.35	7,500	4,200	3,500	\$1.9	\$2.1	\$171.2
Kentucky	\$3.9	\$57.2	\$53.3	\$0.60	\$0.21	10,100	6,500	4,900	\$4.4	\$4.0	\$238.5
Louisiana	\$8.9	\$53.5	\$44.6	\$0.36	\$0.16	7,200	3,700	3,200	\$2.0	\$1.3	\$161.2
Maine	\$11.8	\$18.5	\$6.7	\$2.00	\$0.31	2,600	1,400	1,200	\$0.7	\$0.7	\$58.8
Maryland	\$6.7	\$63.3	\$56.6	\$2.00	\$0.76	26,100	12,100	11,500	\$4.9	\$4.4	\$571.7
Massachusetts	\$6.1	\$90.0	\$83.9	\$2.51	\$1.13	37,700	20,500	17,400	\$8.8	\$6.0	\$854.5
Michigan	\$4.3	\$121.2	\$116.9	\$2.00	\$0.63	60,700	25,000	26,000	\$13.7	\$11.2	\$1,299.8
Minnesota	\$21.5	\$58.4	\$36.9	\$1.56	\$0.37	15,100	7,200	6,700	\$3.4	\$2.9	\$332.7
Mississippi	\$11.7	\$39.2	\$27.5	\$0.68	\$0.18	4,900	2,800	2,300	\$1.7	\$1.2	\$112.4
Missouri	\$2.4	\$73.2	\$70.8	\$0.17	\$0.19	11,400	7,500	5,600	\$4.9	\$3.6	\$270.8
Montana	\$9.4	\$13.9	\$4.5	\$1.70	\$0.28	1,700	1,000	800	\$0.5	\$0.7	\$39.3
Nebraska	\$4.2	\$21.5	\$17.3	\$0.64	\$0.23	3,400	1,900	1,500	\$0.9	\$1.0	\$77.6
Nevada	\$3.8	\$32.5	\$28.7	\$0.80	\$0.31	5,800	4,300	2,900	\$2.6	\$1.5	\$142.4
New Hampshire	\$1.0	\$19.2	\$18.2	\$1.78	\$0.43	4,600	2,100	2,000	\$1.0	\$0.9	\$100.5
New Jersey	\$8.9	\$119.8	\$110.9	\$2.70	\$1.50+*	72,000	32,800	31,700	\$13.3	\$12.2	\$1,571.6
New Mexico	\$10.6	\$23.4	\$12.8	\$0.91	\$0.30	4,300	2,700	2,000	\$1.3	\$1.0	\$100.9
New York	\$69.9	\$254.3	\$184.4	\$2.75	\$1.29	137,400	69,400	62,300	\$30.5	\$21.2	\$3,063.8
North Carolina	\$20.0	\$106.8	\$86.8	\$0.45	\$0.23	19,200	11,800	9,200	\$6.7	\$5.0	\$448.1
North Dakota	\$9.4	\$9.3	-\$0.1	\$0.44	\$0.50	2,400	1,600	1,100	\$0.7	\$0.9	\$57.2
Ohio	\$7.4	\$145.0	\$137.6	\$1.25	\$0.43	46,800	22,600	20,900	\$12.2	\$12.6	\$1,033.7
Oklahoma	\$21.1	\$45.0	\$23.9	\$1.03	\$0.19	6,400	4,000	3,100	\$2.5	\$2.1	\$150.0
Oregon	\$7.7	\$43.0	\$35.3	\$1.18	\$0.330	9,400	4,800	4,200	\$2.1	\$2.3	\$210.1
Pennsylvania	\$19.0	\$155.5	\$136.5	\$1.60	\$0.42	45,000	25,000	21,000	\$14.1	\$10.3	\$1,025.0
Rhode Island	\$1.9	\$15.2	\$13.4	\$3.46	\$1.50+*	9,100	4,400	4,000	\$2.0	\$1.6	\$201.1
South Carolina	\$3.2	\$62.2	\$59.0	\$0.07	\$0.23	10,700	5,900	4,900	\$3.2	\$2.5	\$243.3
South Dakota	\$6.0	\$11.3	\$5.3	\$1.53	\$0.35	2,300	1,000	1,000	\$0.5	\$0.9	\$49.8
Tennessee	\$1.5	\$71.7	\$70.2	\$0.62	\$0.24	13,300	9,000	6,600	\$5.6	\$4.3	\$318.3
Texas	\$13.3	\$266.3	\$253.0	\$1.41	\$0.55	102,000	53,000	46,600	\$25.5	\$15.1	\$2,288.5
Utah	\$8.3	\$23.6	\$15.3	\$0.695	\$0.30	3,100	1,600	1,400	\$0.4	\$1.4	\$69.5
Vermont	\$5.9	\$10.4	\$4.5	\$2.24	\$0.66	2,400	1,300	1,100	\$0.6	\$0.8	\$54.4

State	Using State Tobacco Tax Increases to Fund Tobacco Prevention Programs					Public Health Benefits and Cost Savings from Tobacco Tax Increase <sup>2</sup>					
	FY 2010 Tobacco Prevention Spending <sup>3</sup> (millions)	CDC Tobacco Prevention Spending Target <sup>4</sup> (millions)	Funding Increase to Reach CDC Target (millions)	Current Cigarette Tax Rate (per pack)	Cigarette Tax Increase Needed to Reach CDC Target	Fewer Future Kid Smokers	Fewer Adult Smokers	Total Future Smoking-Caused Deaths Avoided	Five-Year Heart-Stroke Health Savings (millions)	Five-Year Pregnancy & Birth Savings (millions)	Long-Term Health Savings (millions)
Virginia	\$13.4	\$103.2	\$89.8	\$0.30	\$0.23	14,900	7,800	6,800	\$3.5	\$2.3	\$334.9
Washington	\$17.2	\$67.3	\$50.1	\$2.025	\$0.60	23,000	11,500	10,400	\$4.9	\$5.8	\$511.8
West Virginia	\$6.9	\$27.8	\$20.9	\$0.55	\$0.14	2,600	1,800	1,300	\$1.3	\$1.0	\$62.6
Wisconsin	\$8.1	\$64.3	\$56.2	\$2.52	\$0.66	25,600	13,500	11,700	\$7.1	\$6.3	\$576.3
Wyoming	\$5.8	\$9.0	\$3.2	\$0.60	\$0.10	400	200	100	\$0.1	\$0.2	\$8.9

\* 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 18, 2009 / 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>.

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

<sup>2</sup> 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>.

<sup>3</sup> Campaign for Tobacco-Free Kids, et al., *A Decade of Broken Promises: The 1998 State Tobacco Settlement Eleven Years Later*, 2009, <http://tobaccofreekids.org/reports/settlements>. Tobacco prevention spending includes existing state funding and supplemental funding from CDC.

<sup>4</sup> U.S. Centers for Disease Control and Prevention (CDC), *Best Practices for Comprehensive Tobacco Control Programs*, October 2007, [http://www.cdc.gov/tobacco/tobacco\\_control\\_programs/stateandcommunity/best\\_practices/index.htm](http://www.cdc.gov/tobacco/tobacco_control_programs/stateandcommunity/best_practices/index.htm).