













#### Broken Promises to Our Children: The 1998 State Tobacco Settlement Fifteen Years Later

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

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#### **Executive Summary**

On November 23, 1998, 46 states settled their lawsuits against the nation's major tobacco companies to recover tobacco-related health care costs, joining four states – Mississippi, Texas, Florida and Minnesota – that had reached earlier, individual settlements. These settlements require the tobacco companies to make annual payments to the states in perpetuity, with total payments estimated at \$246 billion over the first 25 years.

In addition to the billions of dollars they receive each year from the tobacco settlement, the states collect billions more in tobacco taxes. In the current budget year, Fiscal Year 2014, the states will collect \$25 billion in revenue from the tobacco settlement and tobacco taxes.

Since the 1998 settlement, our public health organizations have issued annual reports assessing whether the states are keeping their promise to use a significant portion of their tobacco dollars to attack the enormous public health problems posed by tobacco use in the United States.

Fifteen years after the tobacco settlement, this year's report finds that states continue to spend only a miniscule portion of their tobacco revenues to fight tobacco use. The states have also failed to reverse deep cuts to tobacco prevention and cessation programs that have undermined the nation's efforts to reduce tobacco use.

Overall conclusions of this report include:

- In FY 2014, the states will collect \$25 billion in revenue from the tobacco settlement and tobacco taxes, but will spend only 1.9 percent of it \$481.2 million on programs to prevent kids from smoking and help smokers quit. This means the states are spending less than two cents of every dollar in tobacco revenue to fight tobacco use.
- Over the past 15 years, the states have spent just 2.3 percent of their total tobacco-generated revenue on tobacco prevention and cessation programs. From FY 2000 to FY 2014, the states have received \$390.8 billion in tobacco revenue \$116.3 billion from the tobacco settlement and \$274.5 billion from tobacco taxes. During this time, the states have allocated \$8.9 billion to tobacco prevention and cessation programs.
- States are falling far short of recommended funding levels for tobacco prevention programs set by the U.S. Centers for Disease Control and Prevention (CDC). The \$481.2 million the states have budgeted this year amounts to just 13 percent of the \$3.7 billion the CDC recommends for all the states combined. It would take less than 15 percent of total state tobacco revenues to fund tobacco prevention programs at CDC-recommended amounts in every state.
- Only two states North Dakota and Alaska currently fund tobacco prevention programs
  at the CDC-recommended level (Alaska meets that standard when a federal grant is included
  along with state funds). Only four other states Delaware, Wyoming, Hawaii and

<sup>1</sup> U.S. Centers for Disease Control and Prevention (CDC), *Best Practices for Comprehensive Tobacco Control Programs*, Atlanta, GA: U.S. Department of Health and Human Services (HHS), October 2007.

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**Oklahoma** – provide even half the CDC's recommended funding. Nearly half (24) of the states, however, are spending less than 10 percent of what the CDC recommends for tobacco prevention. **New Jersey**, which ranks last in our report, is the only state this year that has allocated no state funds for tobacco prevention programs.

- The amount states are spending on tobacco prevention programs pales in comparison to the huge sums tobacco companies spend to market their deadly and addictive products. According to the latest data from the Federal Trade Commission (for 2011), the major cigarette and smokeless tobacco companies spend \$8.8 billion a year one million dollars each hour on marketing. This means the tobacco companies spend more than \$18 to market tobacco products for every one dollar the states spend to reduce tobacco use.
- The \$481.2 million the states have allocated for tobacco prevention this year amounts to a small increase from the \$459.5 million allocated last year. However, it is still a third less than the \$717.2 million spent in FY 2008, after which states made deep cuts to tobacco prevention programs. These cuts mean more kids starting to smoke, fewer smokers quitting, and more disease, death, and health care costs from tobacco use.
- We have more evidence than ever before that tobacco prevention and cessation programs work to reduce smoking, save lives and save money. Florida, which has a well-funded, sustained tobacco prevention program, reduced its high school smoking rate to just 8.6 percent in 2013, which is one of the lowest rates ever reported by any state. A December 2011 study in the *American Journal of Public Health* found that between 2000 and 2009, Washington state saved more than \$5 in health care costs for every \$1 spent on its tobacco prevention and cessation program by reducing hospitalizations for heart disease, strokes, respiratory diseases and cancer caused by tobacco use. S

#### **Bold Action Needed to Win the Fight Against Tobacco**

This report is being issued as the United States marks anniversaries of two major milestones in the fight against tobacco.

The 15<sup>th</sup> anniversary of the 1998 tobacco settlement comes as the nation also nears the 50<sup>th</sup> anniversary of the first U.S. Surgeon General's report on smoking and health. That report, released on January 11, 1964, definitively linked cigarette smoking to lung cancer and other serious diseases and was a historic turning point in the nation's fight against tobacco use.

In the last 50 years, the United States has made enormous progress in reducing smoking. The adult smoking rate has been cut by more than half – from 42.4 percent in 1965 to about 18 percent in 2012. Since peaking at 36.4 percent in 1997, the high school smoking rate has been cut in half to 18.1 percent in 2011, according to the CDC's Youth Risk Behavior Survey. Public attitudes about tobacco have fundamentally changed, and more Americans are protected from harmful secondhand smoke than ever before.

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<sup>&</sup>lt;sup>2</sup> Florida Youth Tobacco Survey 2013.

<sup>&</sup>lt;sup>3</sup> Dilley, Julia A., et al., "Program, Policy and Price Interventions for Tobacco Control: Quantifying the Return on Investment of a State Tobacco Control Program," *American Journal of Public Health*, February 2012.

Despite this progress, tobacco use remains the number one cause of preventable death and disease in the United States. Tobacco use kills 443,000 Americans every year – more than AIDS, alcohol, car accidents, illegal drugs, murders and suicides 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, tobacco kills 1,200 more Americans, and another 3,000 kids try their first cigarette.

It is also troubling that declines in smoking rates have slowed in recent years. The CDC and other public health experts have attributed this slowing of progress in part to the deep cuts states have made to tobacco prevention programs in recent years.

On the 50<sup>th</sup> anniversary of the Surgeon General's report, it is time for the nation's elected leaders to take bold action that can accelerate progress in reducing tobacco use and put the nation on a course to ultimately eliminate the death and disease caused by tobacco. Landmark reports by the Institute of Medicine (IOM), the President's Cancer Panel and the U.S. Surgeon General have provided a roadmap of actions the federal government and the states must take to win the fight against tobacco.<sup>4</sup>

#### Recommended actions include the following:

- The states must implement three proven strategies to reduce tobacco use: fund tobacco prevention and cessation programs at CDC-recommended levels, increase tobacco taxes and enact smoke-free workplace laws. In addition to increasing funding for tobacco prevention programs, the states must step up the pace in enacting tobacco tax increases and smoke-free laws, both of which have slowed in recent years.
- At the federal level, the Food and Drug Administration must fully and effectively exercise the authority it received under a 2009 law to regulate the manufacturing, marketing and sale of tobacco products. The CDC should continue and expand its media campaign, called Tips from Former Smokers, that has proven highly effective at encouraging smokers to quit. The federal tobacco tax should be significantly increased, as President Obama recommended earlier this year. The Obama Administration must also aggressively implement provisions of the Affordable Care Act that require insurance coverage for smoking cessation therapies.

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

With regard to tobacco prevention and cessation programs specifically, the states lack excuses for failing to do more. First, the problem has not been solved – tobacco use remains the nation's

Department of Health and Human Services, *Promoting Healthy Lifestyles: Policy, Program and Personal Recommendations for Reducing Cancer Risk*, 2006-2007 Annual Report, President's Cancer Panel. HHS, *Preventing Tobacco Use Among Youth and Young Adults, A Report of the Surgeon General*, 2012.

<sup>5</sup> The recommendations by the IOM and other public health authorities to increase the federal tobacco tax, and the evidence in

<sup>&</sup>lt;sup>4</sup> Institute of Medicine, Ending the Tobacco Problem: A Blueprint for the Nation, National Academy of Sciences, 2007; U.S. Department of Health and Human Services, Promoting Healthy Lifestyles: Policy, Program and Personal Recommendations for

support of such action, can be found in a Campaign for Tobacco-Free Kids fact sheet at: http://www.tobaccofreekids.org/research/factsheets/pdf/0021.pdf

leading cause of preventable death. The states' funding of tobacco prevention programs is woefully inadequate given the magnitude of the problem.

Second, every state has plenty of tobacco-generated revenue to fund a tobacco prevention program at CDC-recommended levels. As this report shows, the states this year will collect \$25 billion from the tobacco settlement and tobacco taxes. It would take less than 15 percent of this total to fund tobacco prevention programs in every state at levels recommended by the CDC. Tobacco tax increases would readily provide more revenues to help fund tobacco prevention and meet other budgetary needs.

Third, there is conclusive evidence that tobacco prevention and cessation programs work to reduce smoking, save lives and save money by reducing tobacco-related health care costs, especially when part of a comprehensive strategy that also includes higher tobacco taxes and smoke-free workplace laws. Every scientific authority that has studied the issue, including the IOM, the President's Cancer Panel, the National Cancer Institute, the CDC and the 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:<sup>6</sup>

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.<sup>7</sup> 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.

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<sup>&</sup>lt;sup>6</sup> Institute of Medicine, Ending the Tobacco Problem: A Blueprint for the Nation, National Academy of Sciences, 2007.

<sup>&</sup>lt;sup>7</sup> U.S. Centers for Disease Control and Prevention (CDC), *Best Practices for Comprehensive Tobacco Control Programs*, Atlanta, GA: U.S. Department of Health and Human Services (HHS), October 2007.

#### **Tobacco Prevention Programs Save Lives and Save Money**

The strongest evidence that tobacco prevention programs work comes from the states themselves.

Florida recently reported that its high school smoking rate fell to just 8.6 percent in 2013, which is one of the lowest rates ever reported by any state. Florida has cut high school smoking by 69 percent since 1998. Florida has a well-funded tobacco prevention program based on CDC *Best Practices* as a result of a state constitutional amendment approved by Florida voters in 2006, which requires the state to spend 15 percent of its tobacco settlement funds on tobacco prevention (amounting to \$65.6 million in FY2014). This amendment was in response to the elimination of funding for the pioneering Florida Truth youth tobacco prevention program, also funded with settlement dollars, which also contributed to smoking declines in Florida and served as a model for tobacco prevention programs across the country.

Alaska, which has consistently ranked high in funding tobacco prevention programs, has cut its high school smoking rate by 40 percent since 2007, to just 10.6 percent in 2013.<sup>8</sup>

Maine, which ranked first in funding tobacco prevention programs from 2002 to 2007, reduced smoking among high school students by 61 percent between 1997 and 2011. Washington state, which had a well-funded prevention program before funding was virtually eliminated in FY 2012, reduced adult smoking by one-third and overall youth smoking by half between 1999, when it started its program, and 2010. 10

These smoking declines translate into lives and health care dollars saved. A study conducted for the Washington State Department of Health estimated that the state's tobacco prevention and cessation program has prevented 13,000 premature deaths.<sup>11</sup>

As noted already, a December 2011 study in the *American Journal of Public Health* found that between 2000 and 2009, Washington state saved more than \$5 in health care costs for every \$1 spent on its tobacco prevention and cessation program by reducing hospitalizations for heart disease, strokes, respiratory diseases and cancer caused by tobacco use. Over the 10-year period, the program prevented nearly 36,000 hospitalizations, saving \$1.5 billion compared to \$260 million spent on the program. The 5:1 return on investment is conservative because the cost savings reflect only the savings from prevented hospitalizations. The researchers indicated that the total cost savings could more than double if factors such as physician visits, pharmaceutical costs and rehabilitation costs were included.

Studies show that California, which has the nation's longest-running tobacco prevention and cessation program, has saved tens of thousands of lives by reducing smoking-caused birth complications, heart disease, strokes and lung cancer. Between 1988 and 2004, lung and bronchus cancer rates in California declined nearly four times faster than in the rest of the United

<sup>9</sup> National Youth Risk Behavior Survey, 1997 and 2011.

<sup>&</sup>lt;sup>8</sup> 2013 Alaska Youth Risk Behavior Survey.

<sup>&</sup>lt;sup>10</sup> Washington State Department of Health, Tobacco Prevention and Control Program, Progress Report, March 2011

<sup>&</sup>lt;sup>11</sup> Dilley, Julia A., et al., "Program, Policy and Price Interventions for Tobacco Control: Quantifying the Return on Investment of a State Tobacco Control Program," *American Journal of Public Health*, February 2012.

States. A February 2013 study in the scientific journal *PLOS ONE* found that, from 1989 to 2008, California's tobacco control program reduced health care costs by \$134 billion, far more than the \$2.4 billion spent on the program.<sup>12</sup>

Given such a strong return on investment, states are being truly penny-wise and pound-foolish in shortchanging tobacco prevention and cessation programs. Even in these difficult budget times, tobacco prevention is one of the smartest and most fiscally responsible investments that states can make. In fact, it's fiscally irresponsible NOT to fund tobacco prevention.

The United States has made remarkable progress in reducing tobacco use by implementing proven strategies, including well-funded tobacco prevention and cessation programs, tobacco tax increases and comprehensive smoke-free laws. With the addition of the FDA's authority over tobacco products, today we have more tools than ever before to win the fight against tobacco. Our nation's challenge, on the 50<sup>th</sup> anniversary of the first Surgeon General's report, is to fully implement these strategies and finally combat the tobacco epidemic with a level of leadership and resources that matches the enormous scope of the problem. If we do so, we can end this preventable epidemic and create a healthier future free of the death and disease caused by tobacco.

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<sup>&</sup>lt;sup>12</sup> Lightwood, J and Glantz SA, "The Effect of the California Tobacco Control Program on Smoking Prevalence, Cigarette Consumption, and Healthcare Costs: 1989-2008," *PLOS ONE* 8(2), February 2013.



### FY2014 Rankings of Funding for State Tobacco Prevention Programs (Annual funding amounts only include state funds.)

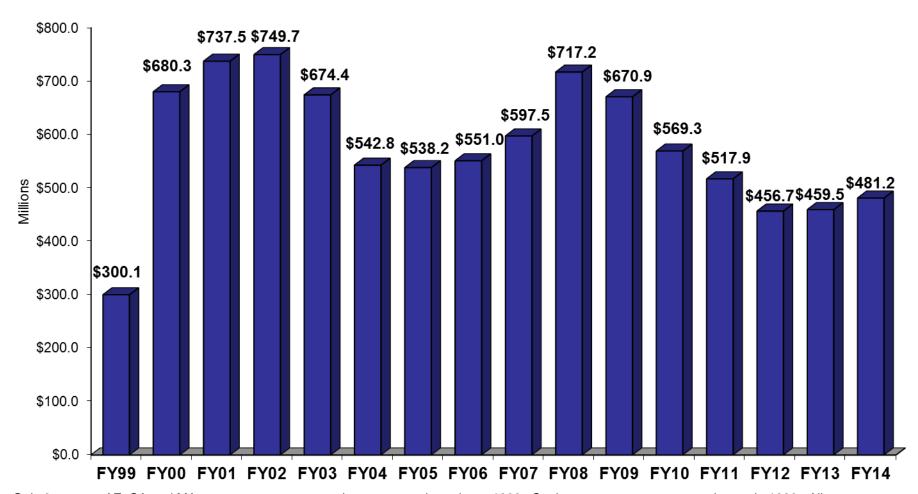
State	FY2014 Current Annual Funding (millions)	CDC Annual Recommendation (millions)	FY2014 Percent of CDC's Recommendation	Current Rank
North Dakota	\$9.5	\$9.3	102.3%	1
Alaska*	\$10.1	\$10.7	94.8%	2
Delaware	\$8.3	\$13.9	59.9%	3
Wyoming	\$5.1	\$9.0	56.7%	4
Hawaii	\$7.9	\$15.2	51.7%	5
Oklahoma	\$22.7	\$45.0	50.5%	6
Arkansas	\$17.5	\$36.4	48.0%	7
Colorado	\$26.0	\$54.4	47.8%	8
Maine	\$8.1	\$18.5	43.6%	9
Montana	\$5.4	\$13.9	38.8%	10
Vermont	\$3.9	\$10.4	37.5%	11
Minnesota	\$21.3	\$58.4	36.4%	12
South Dakota	\$4.0	\$11.3	35.4%	13
Utah	\$7.5	\$23.6	31.9%	14
Florida	\$65.6	\$210.9	31.1%	15
Mississippi	\$10.9	\$39.2	27.8%	16
Arizona	\$18.6	\$68.1	27.3%	17
New Mexico	\$5.9	\$23.4	25.3%	18
Oregon	\$9.9	\$43.0	23.0%	19
West Virginia	\$5.3	\$27.8	18.9%	20
New York	\$39.3	\$254.3	15.5%	21
Louisiana	\$8.0	\$53.5	15.0%	22
California	\$64.8	\$441.9	14.7%	23
lowa	\$5.1	\$36.7	14.0%	24
Maryland	\$8.5	\$63.3	13.5%	25
ldaho	\$2.2	\$16.9	13.0%	26
Nebraska	\$2.4	\$21.5	11.1%	27
Virginia	\$9.5	\$103.2	9.2%	28

State	FY2014 Current Annual Funding (millions)	CDC Annual Recommendation (millions)	FY2014 Percent of CDC's Recommendation	Current Rank
Wisconsin	\$5.3	\$64.3	8.2%	29
South Carolina	\$5.0	\$62.2	8.0%	30
Indiana	\$5.8	\$78.8	7.3%	31
Illinois	\$11.1	\$157.0	7.1%	32
Tennessee	\$5.0	\$71.7	7.0%	33
Connecticut	\$3.0	\$43.9	6.8%	34
District of Columbia	\$495,000	\$10.5	4.7%	35
Massachusetts	\$4.0	\$90.0	4.4%	36
Texas	\$11.2	\$266.3	4.2%	37
Kentucky	\$2.1	\$57.2	3.7%	38
Pennsylvania**	\$5.0	\$155.5	3.2%	39
Nevada	\$1.0	\$32.5	3.1%	40
Kansas	\$946,671	\$32.1	2.9%	41
Rhode Island	\$388,027	\$15.2	2.6%	42
Georgia	\$2.2	\$116.5	1.9%	43
Michigan	\$1.5	\$121.2	1.2%	44
North Carolina	\$1.2	\$106.8	1.1%	45
Washington	\$756,000	\$67.3	1.1%	45
Ohio	\$1.5	\$145.0	1.0%	47
New Hampshire	\$125,000	\$19.2	0.7%	48
Alabama	\$275,000	\$56.7	0.5%	49
Missouri	\$76,364	\$73.2	0.1%	50
New Jersey	\$0.0	\$119.8	0.0%	51

<sup>\*</sup> Alaska currently funds tobacco prevention programs at CDC-recommended levels when a federal grant of \$1.1 million is added to state funding of \$10.1 million.

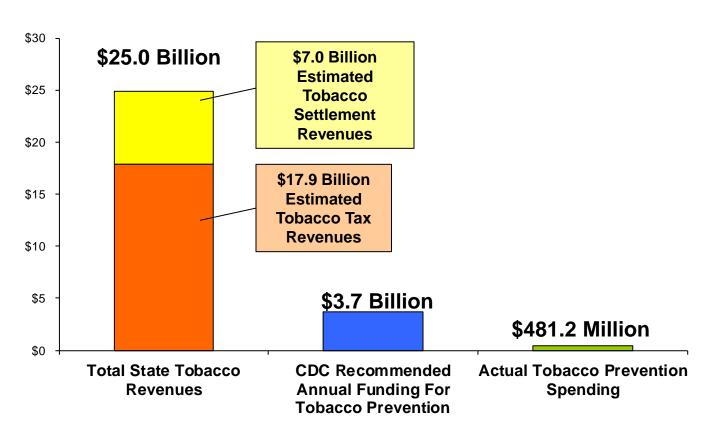
\*\* Pennsylvania's current annual spending is estimated, not confirmed.

# State Tobacco Prevention Spending, FY1999 - FY2014

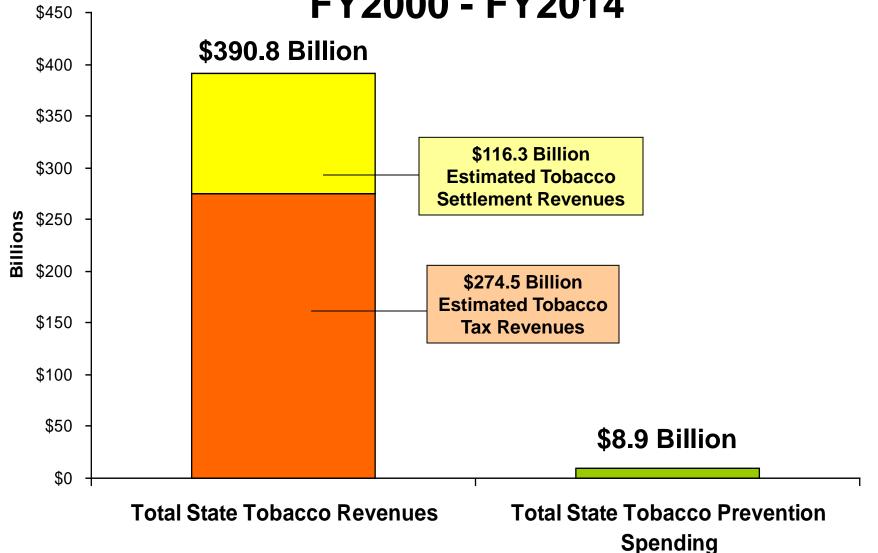


Only 3 states – AZ, CA and MA - spent any money on tobacco prevention prior to 1999. Settlement payments to states began in 1999. All states were receiving payments by 2001. Funding amounts only include state funds.

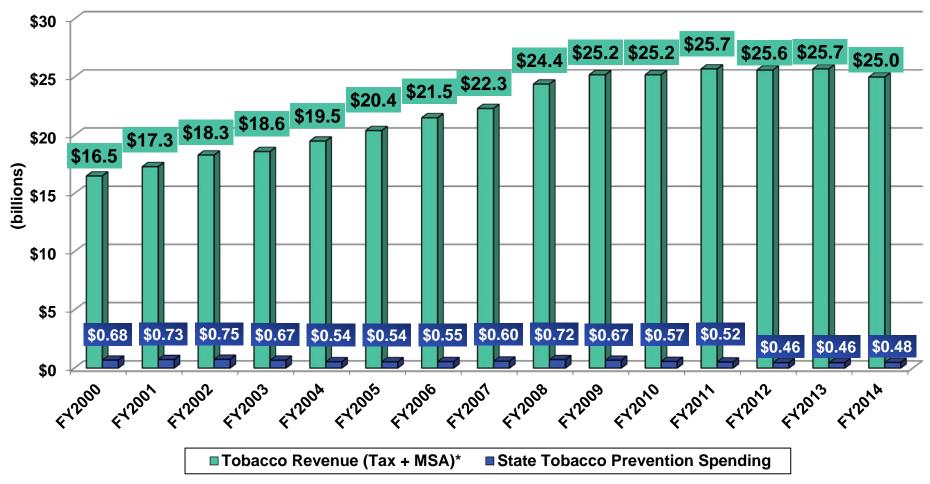
## FY2014 Tobacco Money for Tobacco Prevention



# Total State Tobacco Revenue vs. Total State Spending on Tobacco Prevention FY2000 - FY2014

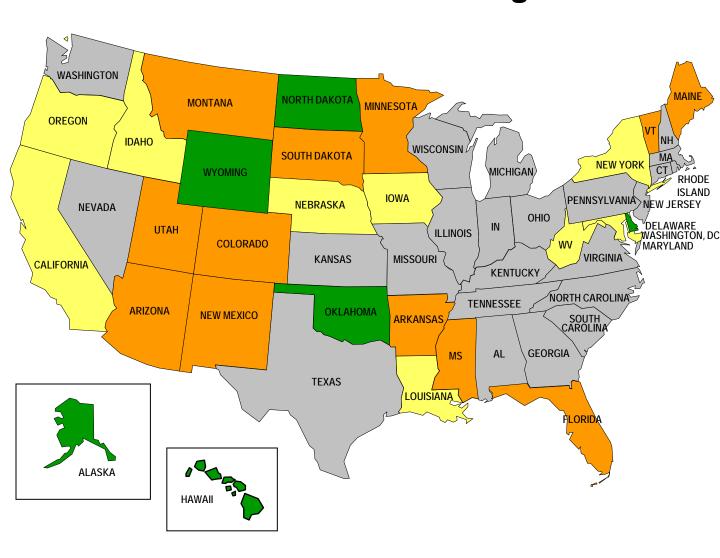


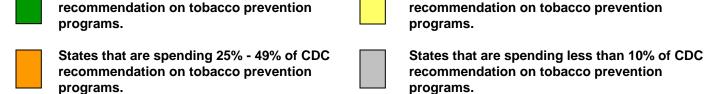
## State Tobacco Revenue and Prevention Spending FY2000 - FY2014



<sup>\*</sup>Tax and MSA revenue totals based on TFK estimates

## **FY2014 Funding for State Tobacco Prevention Programs**





States that are spending 50% or more of CDC

States that are spending 10% - 24% of CDC

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

States that are spending 50% or more of CDC recommendation on tobacco prevention programs. (6)	Alaska Delaware Hawaii	North Dakota Oklahoma Wyoming
States that are spending 25%- 49% of CDC recommendation on tobacco prevention programs. (12)	Arizona Arkansas Colorado Florida Maine Minnesota	Mississippi Montana New Mexico South Dakota Utah Vermont
States that are spending 10%- 24% of CDC recommendation on tobacco prevention programs. (9)	California Idaho Iowa Louisiana Maryland	Nebraska New York Oregon West Virginia
States that are spending less than 10% of CDC recommendation on tobacco prevention programs. (23 and the District of Columbia)	Alabama Connecticut District of Columbia Georgia Illinois Indiana Kansas Kentucky Massachusetts Michigan Missouri Nevada New Hampshire	New Jersey North Carolina Ohio Pennsylvania Rhode Island South Carolina Tennessee Texas Virginia Washington Wisconsin



#### SPENDING vs. TOBACCO COMPANY MARKETING

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

States are still failing to invest the amounts recommended by the U.S. Centers for Disease Control and Prevention (CDC) to prevent and reduce tobacco use and related health harms and costs, and a number of states have significantly reduced their tobacco prevention spending. At the same time, the tobacco industry continues to spend overwhelming amounts to market their products, despite the limited restrictions on its marketing activities contained in the November 1998 Master Settlement Agreement (MSA) with the states and the 2009 Family Smoking Prevention and Tobacco Control Act.

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 Ohio, for example, the tobacco industry spends \$263 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, Ohio'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 18 to 1.1

State	Annual Smoking Caused Health Costs in State	FY2014 Total Tobacco Prevention Spending	2011 Tobacco Company Marketing in State	Percentage of Tobacco Company Marketing that State Spends on Tobacco Prevention	Ratio of Tobacco Company Marketing to State Tobacco Prevention Spending
Total	\$96.7 bill.	\$481.2	\$8.8 bill.	5.5%	18.3 to 1
Alabama	\$1.49 bill.	\$275,000	\$196.9	0.1%	716.0 to 1
Alaska	\$169	\$10.1	\$18.5	54.8%	1.8 to 1
Arizona	\$1.3 bill.	\$18.6	\$104.1	17.9%	5.6 to 1
Arkansas	\$812	\$17.5	\$107.4	16.3%	6.1 to 1
California	\$9.14 bill.	\$64.8	\$583.4	11.1%	9.0 to 1
Colorado	\$1.31 bill.	\$26.0	\$123.1	21.1%	4.7 to 1
Connecticut	\$1.63 bill.	\$3.0	\$78.1	3.8%	26.0 to 1
Delaware	\$284	\$8.3	\$47.4	17.5%	5.7 to 1
DC	\$243	\$495,000	\$8.7	5.7%	17.6 to 1
Florida	\$6.32 bill.	\$65.6	\$562.6	11.7%	8.6 to 1
Georgia	\$2.25 bill.	\$2.2	\$316.9	0.7%	141.7 to 1
Hawaii	\$336	\$7.9	\$26.9	29.2%	3.4 to 1
Idaho	\$319	\$2.2	\$42.9	5.1%	19.5 to 1
Illinois	\$4.10 bill.	\$11.1	\$350.4	3.2%	31.6 to 1
Indiana	\$2.08 bill.	\$5.8	\$271.7	2.1%	47.2 to 1
Iowa	\$1.01 bill.	\$5.1	\$90.1	5.7%	17.5 to 1
Kansas	\$927	\$946,671	\$70.7	1.3%	74.7 to 1
Kentucky	\$1.50 bill.	\$2.1	\$271.1	0.8%	129.4 to 1
Louisiana	\$1.47 bill.	\$8.0	\$215.2	3.7%	26.9 to 1
Maine	\$602	\$8.1	\$40.9	19.7%	5.1 to 1
Maryland	\$1.96 bill.	\$8.5	\$120.2	7.1%	14.1 to 1
Massachusetts	\$3.54 bill.	\$4.0	\$134.7	2.9%	33.9 to 1
Michigan	\$3.40 bill.	\$1.5	\$276.1	0.5%	184.1 to 1
Minnesota	\$2.06 bill.	\$21.3	\$164.7	12.9%	7.7 to 1
Mississippi	\$719	\$10.9	\$121.4	9.0%	11.1 to 1
Missouri	\$2.13 bill.	\$76,364	\$328.6	0.0%	4,303.6 to 1
Montana	\$277	\$5.4	\$27.1	19.9%	5.0 to 1
Nebraska	\$537	\$2.4	\$58.8	4.0%	24.7 to 1
Nevada	\$565	\$1.0	\$74.3	1.3%	74.3 to 1
New Hampshire	\$564	\$125,000	\$73.6	0.2%	588.8 to 1

<sup>&</sup>lt;sup>1</sup> These ratios are based on state and federal tobacco prevention expenditures in FY2014 versus tobacco industry marketing expenditures in 2011 (the most recent year for which data is available).

	Annual Smoking Caused Health	FY2014 Total Tobacco Prevention	2011 Tobacco Company Marketing	Percentage of Tobacco Company Marketing that State Spends on Tobacco	to State Tobacco
State	Costs in State	Spending	in State	Prevention	Prevention Spending
New Jersey	\$3.17 bill.	\$0.0	\$172.0	0.0%	NA
New Mexico	\$461	\$5.9	\$33.9	17.5%	5.7 to 1
New York	\$8.17 bill.	\$39.3	\$213.5	18.4%	5.4 to 1
North Carolina	\$2.46 bill.	\$1.2	\$349.8	0.3%	291.5 to 1
North Dakota	\$247	\$9.5	\$27.9	34.1%	2.9 to 1
Ohio	\$4.37 bill.	\$1.5	\$394.7	0.4%	263.1 to 1
Oklahoma	\$1.16 bill.	\$22.7	\$160.3	14.2%	7.1 to 1
Oregon	\$1.11 bill.	\$9.9	\$108.4	9.1%	11.0 to 1
Pennsylvania	\$5.19 bill.	\$5.0	\$431.2	1.2%	86.2 to 1
Rhode Island	\$506	\$388,027	\$23.1	1.7%	59.5 to 1
South Carolina	\$1.09 bill.	\$5.0	\$194.9	2.6%	39.0 to 1
South Dakota	\$274	\$4.0	\$21.5	18.6%	5.4 to 1
Tennessee	\$2.16 bill.	\$5.0	\$274.0	1.8%	54.8 to 1
Texas	\$5.83 bill.	\$11.2	\$586.4	1.9%	52.3 to 1
Utah	\$345	\$7.5	\$37.0	20.3%	4.9 to 1
Vermont	\$233	\$3.9	\$18.4	21.2%	4.7 to 1
Virginia	\$2.08 bill.	\$9.5	\$323.3	2.9%	34.2 to 1
Washington	\$1.95 bill.	\$756,000	\$88.0	0.9%	116.4 to 1
West Virginia	\$690	\$5.3	\$120.4	4.4%	22.9 to 1
Wisconsin	\$2.02 bill.	\$5.3	\$145.6	3.6%	27.5 to 1
Wyoming	\$136	\$5.1	\$24.0	21.3%	4.7 to 1

Campaign for Tobacco-Free Kids, November 27, 2013 / Lorna Schmidt

More information on tobacco company marketing is available at <a href="http://www.tobaccofreekids.org/facts\_issues/fact\_sheets/toll/tobacco\_kids/marketing/">http://www.tobaccofreekids.org/facts\_issues/fact\_sheets/toll/tobacco\_kids/marketing/</a>.

More state information relating to tobacco use is available at <a href="http://www.tobaccofreekids.org/facts\_issues/key\_issues/">http://www.tobaccofreekids.org/facts\_issues/key\_issues/</a>.

#### 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, <a href="http://www.gao.gov/new.items/d03942r.pdf">http://www.gao.gov/new.items/d03942r.pdf</a>.

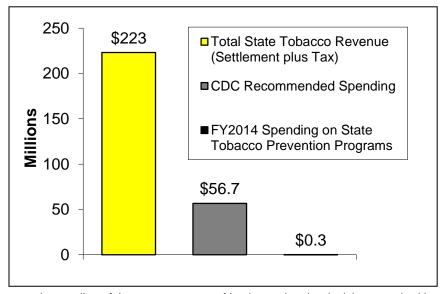
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U.S. Federal Trade Commission (FTC), *Cigarette Report for 2011*, 2013, <a href="http://www.ftc.gov/os/2013/05/130521cigarettereport.pdf">http://www.ftc.gov/os/2013/05/130521cigarettereport.pdf</a>. FTC, *Smokeless Tobacco Report for 2011*, 2013, <a href="http://www.ftc.gov/os/2013/05/130521smokelesstobaccoreport.pdf">http://www.ftc.gov/os/2013/05/130521smokelesstobaccoreport.pdf</a>. Data for top 5 manufacturers only. State total is a prorated estimate based on cigarette pack sales in the state.

#### **Alabama**

	FY2014	FY2013
State Ranking	49	NA
STATE SPENDING ON TOBACCO PREVENTION	\$275,000	NA
% of CDC Recommended Spending (\$56.7 million)	0.5%	0.0%

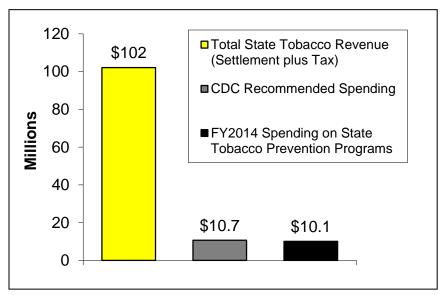


<sup>\*</sup> Revenue estimates reflect our understanding of the consequences of implementing the decisions reached by the arbitration panel in the Non-Participating Manufacturers (NPM) Adjustment arbitrations in 2013 and the implementation of the March 2013 settlement between 22 States and the Participating Manufacturers. As some issues remain undecided, the actual revenues might differ from these estimates.

Tobacco's Toll in Alabama	
Adults who smoke	23.8%
High school students who smoke	22.9%
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	\$534 per household
Annual tobacco company marketing in state	\$196.9 million
Ratio of tobacco company marketing to total spending on tobacco prevention	716 to 1

#### Alaska

	FY2014	FY2013
State Ranking	2	1
STATE SPENDING ON TOBACCO PREVENTION	\$10.1 million	\$10.9 million
% of CDC Recommended Spending (\$10.7 million)	94.8%	101.6%

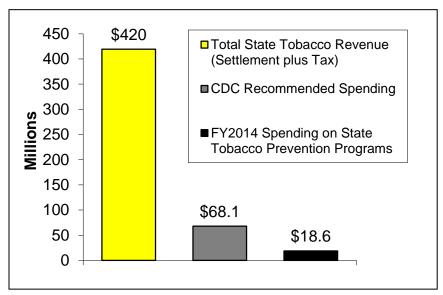


<sup>\*</sup> Revenue estimates reflect our understanding of the consequences of implementing the decisions reached by the arbitration panel in the Non-Participating Manufacturers (NPM) Adjustment arbitrations in 2013 and the implementation of the March 2013 settlement between 22 States and the Participating Manufacturers. As some issues remain undecided, the actual revenues might differ from these estimates.

Tobacco's Toll in Alaska		
Adults who smoke	20.5%	
High school students who smoke	10.6%	
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	\$638 per household	
Annual tobacco company marketing in state	\$18.5 million	
Ratio of tobacco company marketing to total spending on tobacco prevention	1.8 to 1	

#### Arizona

	FY2014	FY2013
State Ranking	17	18
STATE SPENDING ON TOBACCO PREVENTION	\$18.6 million	\$15.2 million
% of CDC Recommended Spending (\$68.1 million)	27.3%	22.3%

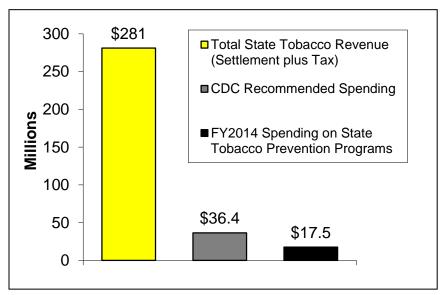


<sup>\*</sup> Revenue estimates reflect our understanding of the consequences of implementing the decisions reached by the arbitration panel in the Non-Participating Manufacturers (NPM) Adjustment arbitrations in 2013 and the implementation of the March 2013 settlement between 22 States and the Participating Manufacturers. As some issues remain undecided, the actual revenues might differ from these estimates.

Tobacco's Toll in Arizona		
Adults who smoke	17.1%	
High school students who smoke	17.4%	
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	\$529 per household	
Annual tobacco company marketing in state	\$104.1 million	
Ratio of tobacco company marketing to total spending on tobacco prevention	5.6 to 1	

#### **Arkansas**

	FY2014	FY2013
State Ranking	7	6
STATE SPENDING ON TOBACCO PREVENTION	\$17.5 million	\$17.8 million
% of CDC Recommended Spending (\$36.4 million)	48.0%	48.9%

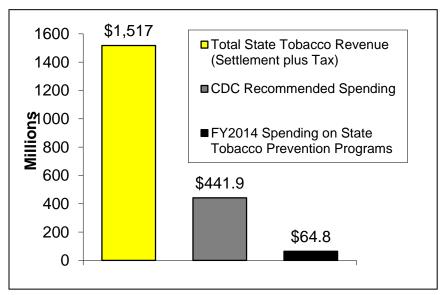


<sup>\*</sup> Revenue estimates reflect our understanding of the consequences of implementing the decisions reached by the arbitration panel in the Non-Participating Manufacturers (NPM) Adjustment arbitrations in 2013 and the implementation of the March 2013 settlement between 22 States and the Participating Manufacturers. As some issues remain undecided, the actual revenues might differ from these estimates.

Tobacco's Toll in Arkansas		
Adults who smoke	25.0%	
High school students who smoke	18.2%	
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	\$555 per household	
Annual tobacco company marketing in state	\$107.4 million	
Ratio of tobacco company marketing to total spending on tobacco prevention	6.1 to 1	

#### **California**

	FY2014	FY2013
State Ranking	23	22
STATE SPENDING ON TOBACCO PREVENTION	\$64.8 million	\$62.1 million
% of CDC Recommended Spending (\$441.9 million)	14.7%	14.1%

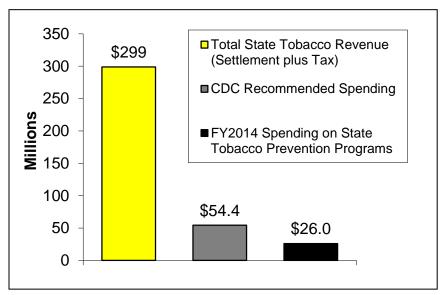


<sup>\*</sup> Revenue estimates reflect our understanding of the consequences of implementing the decisions reached by the arbitration panel in the Non-Participating Manufacturers (NPM) Adjustment arbitrations in 2013 and the implementation of the March 2013 settlement between 22 States and the Participating Manufacturers. As some issues remain undecided, the actual revenues might differ from these estimates.

Tobacco's Toll in California		
Adults who smoke	12.6%	
High school students who smoke	13.8%	
Deaths caused by smoking each year	36,600	
Annual health care costs directly caused by smoking	\$9.14 billion	
Residents' state & federal tax burden from smoking- caused government expenditures	\$609 per household	
Annual tobacco company marketing in state	\$583.4 million	
Ratio of tobacco company marketing to total spending on tobacco prevention	9.0 to 1	

#### Colorado

	FY2014	FY2013
State Ranking	8	8
STATE SPENDING ON TOBACCO PREVENTION	\$26.0 million	\$22.6 million
% of CDC Recommended Spending (\$54.4 million)	47.8%	41.5%

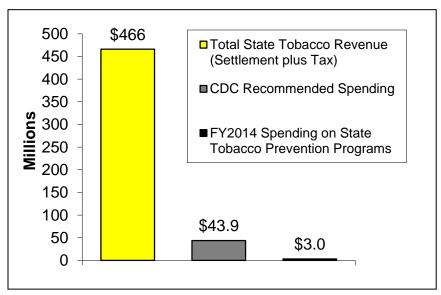


<sup>\*</sup> Revenue estimates reflect our understanding of the consequences of implementing the decisions reached by the arbitration panel in the Non-Participating Manufacturers (NPM) Adjustment arbitrations in 2013 and the implementation of the March 2013 settlement between 22 States and the Participating Manufacturers. As some issues remain undecided, the actual revenues might differ from these estimates.

Tobacco's Toll in Colorado		
Adults who smoke	17.7%	
High school students who smoke	15.7%	
Deaths caused by smoking each year	4,300	
Annual health care costs directly caused by smoking	\$1.31 billion	
Residents' state & federal tax burden from smoking- caused government expenditures	\$570 per household	
Annual tobacco company marketing in state	\$123.1 million	
Ratio of tobacco company marketing to total spending on tobacco prevention	4.7 to 1	

#### **Connecticut**

	FY2014	FY2013
State Ranking	34	23
STATE SPENDING ON TOBACCO PREVENTION	\$3.0 million	\$6.0 million
% of CDC Recommended Spending (\$43.9 million)	6.8%	13.7%

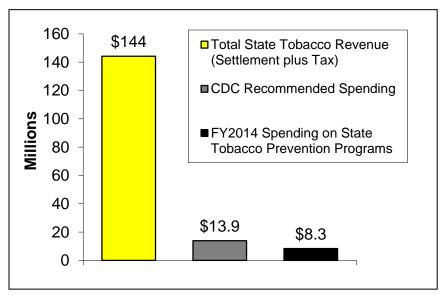


<sup>\*</sup> Revenue estimates reflect our understanding of the consequences of implementing the decisions reached by the arbitration panel in the Non-Participating Manufacturers (NPM) Adjustment arbitrations in 2013 and the implementation of the March 2013 settlement between 22 States and the Participating Manufacturers. As some issues remain undecided, the actual revenues might differ from these estimates.

Tobacco's Toll in Connecticut		
Adults who smoke	16.0%	
High school students who smoke	15.9%	
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	\$664 per household	
Annual tobacco company marketing in state	\$78.1 million	
Ratio of tobacco company marketing to total spending on tobacco prevention	26.0 to 1	

#### **Delaware**

	FY2014	FY2013
State Ranking	3	3
STATE SPENDING ON TOBACCO PREVENTION	\$8.3 million	\$9.0 million
% of CDC Recommended Spending (\$13.9 million)	59.9%	64.9%

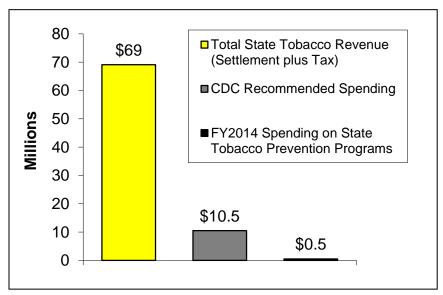


<sup>\*</sup> Revenue estimates reflect our understanding of the consequences of implementing the decisions reached by the arbitration panel in the Non-Participating Manufacturers (NPM) Adjustment arbitrations in 2013 and the implementation of the March 2013 settlement between 22 States and the Participating Manufacturers. As some issues remain undecided, the actual revenues might differ from these estimates.

Tobacco's Toll in Delaware		
Adults who smoke	19.7%	
High school students who smoke	18.3%	
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	\$600 per household	
Annual tobacco company marketing in state	\$47.4 million	
Ratio of tobacco company marketing to total spending on tobacco prevention	5.7 to 1	

#### **District of Columbia**

	FY2014	FY2013
State Ranking	35	35
STATE SPENDING ON TOBACCO PREVENTION	\$495,000	\$495,000
% of CDC Recommended Spending (\$10.5 million)	4.7%	4.7%

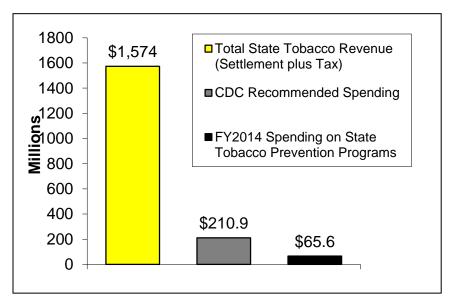


<sup>\*</sup> Revenue estimates reflect our understanding of the consequences of implementing the decisions reached by the arbitration panel in the Non-Participating Manufacturers (NPM) Adjustment arbitrations in 2013 and the implementation of the March 2013 settlement between 22 States and the Participating Manufacturers. As some issues remain undecided, the actual revenues might differ from these estimates.

Tobacco's Toll in District of Columbia		
Adults who smoke	19.6%	
High school students who smoke	12.5%	
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	\$583 per household	
Annual tobacco company marketing in state	\$8.7 million	
Ratio of tobacco company marketing to total spending on tobacco prevention	17.6 to 1	

#### **Florida**

	FY2014	FY2013
State Ranking	15	14
STATE SPENDING ON TOBACCO PREVENTION	\$65.6 million	\$64.3 million
% of CDC Recommended Spending (\$210.9 million)	31.1%	30.5%

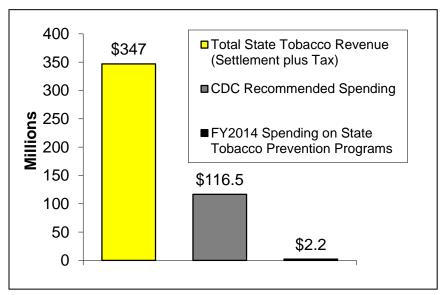


<sup>\*</sup> Revenue estimates reflect our understanding of the consequences of implementing the decisions reached by the arbitration panel in the Non-Participating Manufacturers (NPM) Adjustment arbitrations in 2013 and the implementation of the March 2013 settlement between 22 States and the Participating Manufacturers. As some issues remain undecided, the actual revenues might differ from these estimates.

Tobacco's Toll in Florida		
Adults who smoke	17.7%	
High school students who smoke	8.6%	
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	\$568 per household	
Annual tobacco company marketing in state	\$562.6 million	
Ratio of tobacco company marketing to total spending on tobacco prevention	8.6 to 1	

#### Georgia

	FY2014	FY2013
State Ranking	43	43
STATE SPENDING ON TOBACCO PREVENTION	\$2.2 million	\$750,000
% of CDC Recommended Spending (\$116.5 million)	1.9%	0.6%

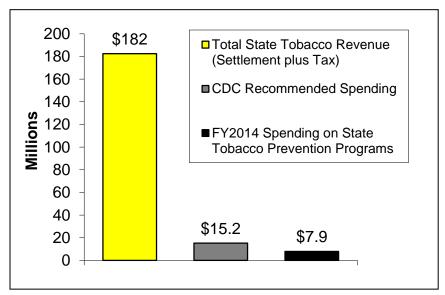


<sup>\*</sup> Revenue estimates reflect our understanding of the consequences of implementing the decisions reached by the arbitration panel in the Non-Participating Manufacturers (NPM) Adjustment arbitrations in 2013 and the implementation of the March 2013 settlement between 22 States and the Participating Manufacturers. As some issues remain undecided, the actual revenues might differ from these estimates.

Tobacco's Toll in Georgia		
Adults who smoke	20.4%	
High school students who smoke	17.0%	
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	\$541 per household	
Annual tobacco company marketing in state	\$316.9 million	
Ratio of tobacco company marketing to total spending on tobacco prevention	141.7 to 1	

#### Hawaii

	FY2014	FY2013
State Ranking	5	5
STATE SPENDING ON TOBACCO PREVENTION	\$7.9 million	\$8.9 million
% of CDC Recommended Spending (\$15.2 million)	51.7%	58.8%

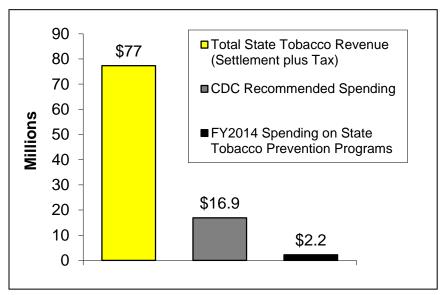


<sup>\*</sup> Revenue estimates reflect our understanding of the consequences of implementing the decisions reached by the arbitration panel in the Non-Participating Manufacturers (NPM) Adjustment arbitrations in 2013 and the implementation of the March 2013 settlement between 22 States and the Participating Manufacturers. As some issues remain undecided, the actual revenues might differ from these estimates.

Tobacco's Toll in Hawaii		
Adults who smoke	14.6%	
High school students who smoke	10.1%	
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	\$617 per household	
Annual tobacco company marketing in state	\$26.9 million	
Ratio of tobacco company marketing to total spending on tobacco prevention	3.4 to 1	

#### Idaho

	FY2014	FY2013
State Ranking	26	25
STATE SPENDING ON TOBACCO PREVENTION	\$2.2 million	\$2.2 million
% of CDC Recommended Spending (\$16.9 million)	13.0%	13.0%

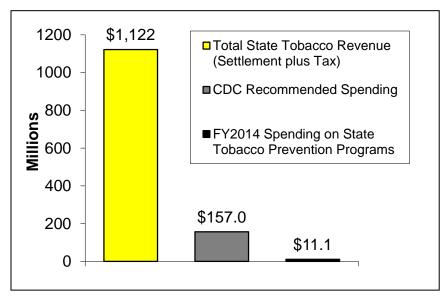


<sup>\*</sup> Revenue estimates reflect our understanding of the consequences of implementing the decisions reached by the arbitration panel in the Non-Participating Manufacturers (NPM) Adjustment arbitrations in 2013 and the implementation of the March 2013 settlement between 22 States and the Participating Manufacturers. As some issues remain undecided, the actual revenues might differ from these estimates.

Tobacco's Toll in Idaho		
Adults who smoke	16.4%	
High school students who smoke	14.3%	
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	\$526 per household	
Annual tobacco company marketing in state	\$42.9 million	
Ratio of tobacco company marketing to total spending on tobacco prevention	19.5 to 1	

#### Illinois

	FY2014	FY2013
State Ranking	32	33
STATE SPENDING ON TOBACCO PREVENTION	\$11.1 million	\$11.1 million
% of CDC Recommended Spending (\$157.0 million)	7.1%	7.1%

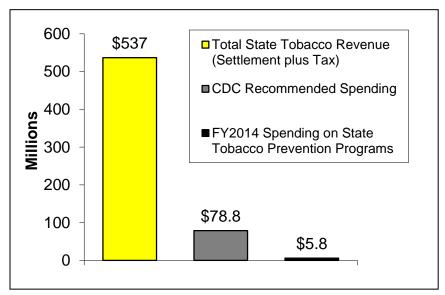


<sup>\*</sup> Revenue estimates reflect our understanding of the consequences of implementing the decisions reached by the arbitration panel in the Non-Participating Manufacturers (NPM) Adjustment arbitrations in 2013 and the implementation of the March 2013 settlement between 22 States and the Participating Manufacturers. As some issues remain undecided, the actual revenues might differ from these estimates.

Tobacco's Toll in Illinois		
Adults who smoke	18.6%	
High school students who smoke	17.5%	
Deaths caused by smoking each year	16,600	
Annual health care costs directly caused by smoking	\$4.10 billion	
Residents' state & federal tax burden from smoking- caused government expenditures	\$661 per household	
Annual tobacco company marketing in state	\$350.4 million	
Ratio of tobacco company marketing to total spending on tobacco prevention	31.6 to 1	

#### Indiana

	FY2014	FY2013
State Ranking	31	26
STATE SPENDING ON TOBACCO PREVENTION	\$5.8 million	\$9.3 million
% of CDC Recommended Spending (\$78.8 million)	7.3%	11.8%

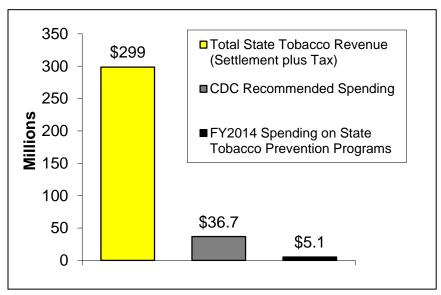


<sup>\*</sup> Revenue estimates reflect our understanding of the consequences of implementing the decisions reached by the arbitration panel in the Non-Participating Manufacturers (NPM) Adjustment arbitrations in 2013 and the implementation of the March 2013 settlement between 22 States and the Participating Manufacturers. As some issues remain undecided, the actual revenues might differ from these estimates.

Tobacco's Toll in Indiana		
Adults who smoke	24.0%	
High school students who smoke	18.1%	
Deaths caused by smoking each year	9,700	
Annual health care costs directly caused by smoking	\$2.08 billion	
Residents' state & federal tax burden from smoking- caused government expenditures	\$559 per household	
Annual tobacco company marketing in state	\$271.7 million	
Ratio of tobacco company marketing to total spending on tobacco prevention	47.2 to 1	

#### Iowa

	FY2014	FY2013
State Ranking	24	29
STATE SPENDING ON TOBACCO PREVENTION	\$5.1 million	\$3.1 million
% of CDC Recommended Spending (\$36.7 million)	14.0%	8.7%

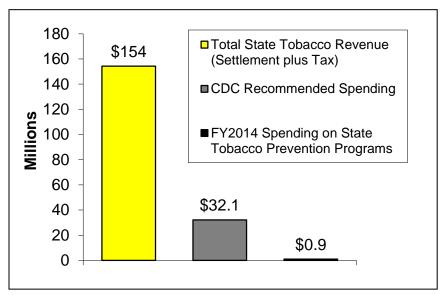


<sup>\*</sup> Revenue estimates reflect our understanding of the consequences of implementing the decisions reached by the arbitration panel in the Non-Participating Manufacturers (NPM) Adjustment arbitrations in 2013 and the implementation of the March 2013 settlement between 22 States and the Participating Manufacturers. As some issues remain undecided, the actual revenues might differ from these estimates.

Tobacco's Toll in Iowa		
Adults who smoke	18.1%	
High school students who smoke	18.1%	
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	\$598 per household	
Annual tobacco company marketing in state	\$90.1 million	
Ratio of tobacco company marketing to total spending on tobacco prevention	17.5 to 1	

#### **Kansas**

	FY2014	FY2013
State Ranking	41	39
STATE SPENDING ON TOBACCO PREVENTION	\$946,671	\$1.0 million
% of CDC Recommended Spending (\$32.1 million)	2.9%	3.1%

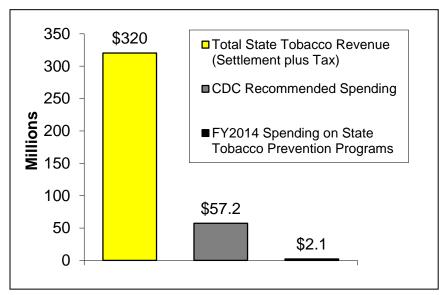


<sup>\*</sup> Revenue estimates reflect our understanding of the consequences of implementing the decisions reached by the arbitration panel in the Non-Participating Manufacturers (NPM) Adjustment arbitrations in 2013 and the implementation of the March 2013 settlement between 22 States and the Participating Manufacturers. As some issues remain undecided, the actual revenues might differ from these estimates.

Tobacco's Toll in Kansas		
Adults who smoke	19.4%	
High school students who smoke	14.4%	
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	\$571 per household	
Annual tobacco company marketing in state	\$70.7 million	
Ratio of tobacco company marketing to total spending on tobacco prevention	74.7 to 1	

#### **Kentucky**

	FY2014	FY2013
State Ranking	38	37
STATE SPENDING ON TOBACCO PREVENTION	\$2.1 million	\$2.1 million
% of CDC Recommended Spending (\$57.2 million)	3.7%	3.7%

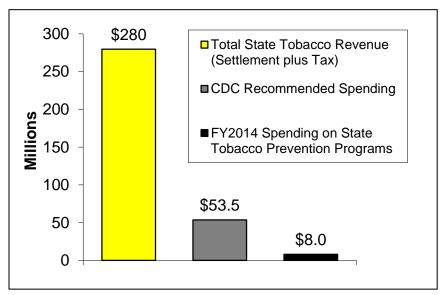


<sup>\*</sup> Revenue estimates reflect our understanding of the consequences of implementing the decisions reached by the arbitration panel in the Non-Participating Manufacturers (NPM) Adjustment arbitrations in 2013 and the implementation of the March 2013 settlement between 22 States and the Participating Manufacturers. As some issues remain undecided, the actual revenues might differ from these estimates.

Tobacco's Toll in Kentucky		
Adults who smoke	28.3%	
High school students who smoke	24.1%	
Deaths caused by smoking each year	7,800	
Annual health care costs directly caused by smoking	\$1.50 billion	
Residents' state & federal tax burden from smoking- caused government expenditures	\$584 per household	
Annual tobacco company marketing in state	\$271.1 million	
Ratio of tobacco company marketing to total spending on tobacco prevention	129.4 to 1	

### Louisiana

	FY2014	FY2013
State Ranking	22	24
STATE SPENDING ON TOBACCO PREVENTION	\$8.0 million	\$7.2 million
% of CDC Recommended Spending (\$53.5 million)	15.0%	13.4%

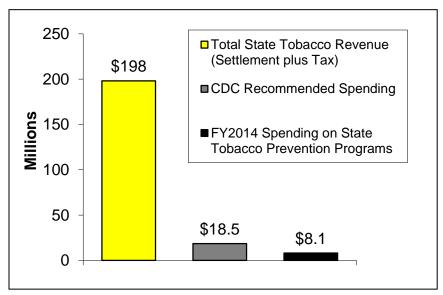


<sup>\*</sup> Revenue estimates reflect our understanding of the consequences of implementing the decisions reached by the arbitration panel in the Non-Participating Manufacturers (NPM) Adjustment arbitrations in 2013 and the implementation of the March 2013 settlement between 22 States and the Participating Manufacturers. As some issues remain undecided, the actual revenues might differ from these estimates.

Tobacco's Toll in Louisiana		
Adults who smoke	24.8%	
High school students who smoke	21.8%	
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	\$647 per household	
Annual tobacco company marketing in state	\$215.2 million	
Ratio of tobacco company marketing to total spending on tobacco prevention	26.9 to 1	

#### Maine

	FY2014	FY2013
State Ranking	9	9
STATE SPENDING ON TOBACCO PREVENTION	\$8.1 million	\$7.5 million
% of CDC Recommended Spending (\$18.5 million)	43.6%	40.7%

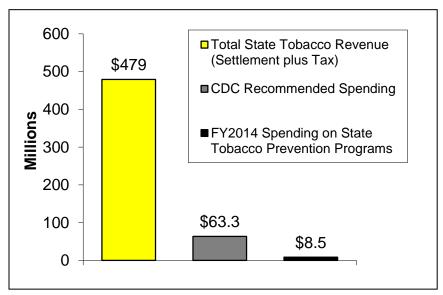


<sup>\*</sup> Revenue estimates reflect our understanding of the consequences of implementing the decisions reached by the arbitration panel in the Non-Participating Manufacturers (NPM) Adjustment arbitrations in 2013 and the implementation of the March 2013 settlement between 22 States and the Participating Manufacturers. As some issues remain undecided, the actual revenues might differ from these estimates.

Tobacco's Toll in Maine		
Adults who smoke	20.3%	
High school students who smoke	15.2%	
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	\$652 per household	
Annual tobacco company marketing in state	\$40.9 million	
Ratio of tobacco company marketing to total spending on tobacco prevention	5.1 to 1	

# **Maryland**

	FY2014	FY2013
State Ranking	25	34
STATE SPENDING ON TOBACCO PREVENTION	\$8.5 million	\$4.2 million
% of CDC Recommended Spending (\$63.3 million)	13.5%	6.6%

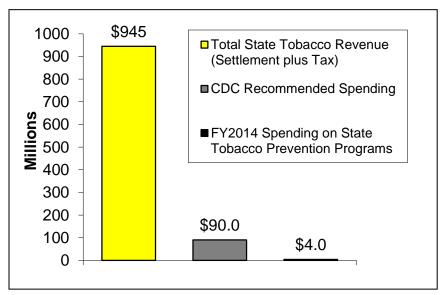


<sup>\*</sup> Revenue estimates reflect our understanding of the consequences of implementing the decisions reached by the arbitration panel in the Non-Participating Manufacturers (NPM) Adjustment arbitrations in 2013 and the implementation of the March 2013 settlement between 22 States and the Participating Manufacturers. As some issues remain undecided, the actual revenues might differ from these estimates.

Tobacco's Toll in Maryland		
Adults who smoke	16.2%	
High school students who smoke	12.5%	
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	\$608 per household	
Annual tobacco company marketing in state	\$120.2 million	
Ratio of tobacco company marketing to total spending on tobacco prevention	14.1 to 1	

### **Massachusetts**

	FY2014	FY2013
State Ranking	36	36
STATE SPENDING ON TOBACCO PREVENTION	\$4.0 million	\$4.2 million
% of CDC Recommended Spending (\$90.0 million)	4.4%	4.6%

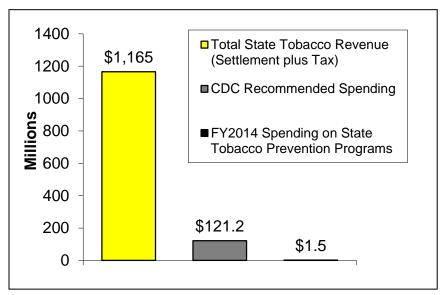


<sup>\*</sup> Revenue estimates reflect our understanding of the consequences of implementing the decisions reached by the arbitration panel in the Non-Participating Manufacturers (NPM) Adjustment arbitrations in 2013 and the implementation of the March 2013 settlement between 22 States and the Participating Manufacturers. As some issues remain undecided, the actual revenues might differ from these estimates.

Tobacco's Toll in Massachusetts		
Adults who smoke	16.4%	
High school students who smoke	14.0%	
Deaths caused by smoking each year	9,000	
Annual health care costs directly caused by smoking	\$3.54 billion	
Residents' state & federal tax burden from smoking- caused government expenditures	\$717 per household	
Annual tobacco company marketing in state	\$134.7 million	
Ratio of tobacco company marketing to total spending on tobacco prevention	33.9 to 1	

# **Michigan**

	FY2014	FY2013
State Ranking	44	42
STATE SPENDING ON TOBACCO PREVENTION	\$1.5 million	\$1.8 million
% of CDC Recommended Spending (\$121.2 million)	1.2%	1.5%

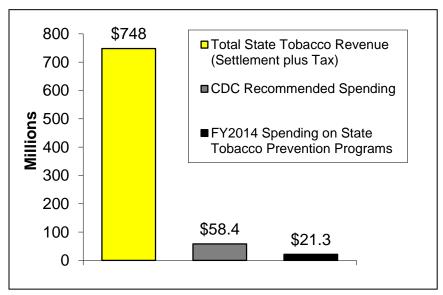


<sup>\*</sup> Revenue estimates reflect our understanding of the consequences of implementing the decisions reached by the arbitration panel in the Non-Participating Manufacturers (NPM) Adjustment arbitrations in 2013 and the implementation of the March 2013 settlement between 22 States and the Participating Manufacturers. As some issues remain undecided, the actual revenues might differ from these estimates.

Tobacco's Toll in Michigan		
Adults who smoke	23.3%	
High school students who smoke	14.0%	
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	\$597 per household	
Annual tobacco company marketing in state	\$276.1 million	
Ratio of tobacco company marketing to total spending on tobacco prevention	184.1 to 1	

### **Minnesota**

	FY2014	FY2013
State Ranking	12	12
STATE SPENDING ON TOBACCO PREVENTION	\$21.3 million	\$19.6 million
% of CDC Recommended Spending (\$58.4 million)	36.4%	33.6%

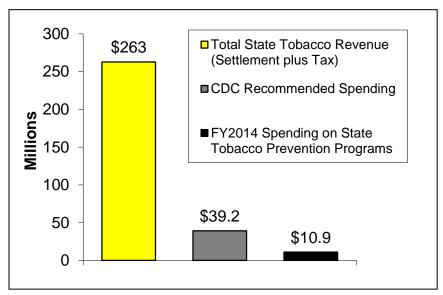


<sup>\*</sup> Revenue estimates reflect our understanding of the consequences of implementing the decisions reached by the arbitration panel in the Non-Participating Manufacturers (NPM) Adjustment arbitrations in 2013 and the implementation of the March 2013 settlement between 22 States and the Participating Manufacturers. As some issues remain undecided, the actual revenues might differ from these estimates.

Tobacco's Toll in Minnesota		
Adults who smoke	18.8%	
High school students who smoke	18.1%	
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	\$609 per household	
Annual tobacco company marketing in state	\$164.7 million	
Ratio of tobacco company marketing to total spending on tobacco prevention	7.7 to 1	

# Mississippi

	FY2014	FY2013
State Ranking	16	17
STATE SPENDING ON TOBACCO PREVENTION	\$10.9 million	\$9.7 million
% of CDC Recommended Spending (\$39.2 million)	27.8%	24.7%

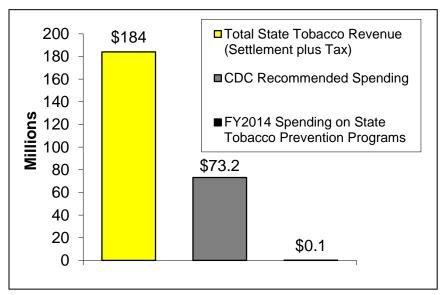


<sup>\*</sup> Revenue estimates reflect our understanding of the consequences of implementing the decisions reached by the arbitration panel in the Non-Participating Manufacturers (NPM) Adjustment arbitrations in 2013 and the implementation of the March 2013 settlement between 22 States and the Participating Manufacturers. As some issues remain undecided, the actual revenues might differ from these estimates.

Tobacco's Toll in Mississippi		
Adults who smoke	24.0%	
High school students who smoke	17.9%	
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	\$121.4 million	
Ratio of tobacco company marketing to total spending on tobacco prevention	11.1 to 1	

### Missouri

	FY2014	FY2013
State Ranking	50	46
STATE SPENDING ON TOBACCO PREVENTION	\$76,364	\$61,785
% of CDC Recommended Spending (\$73.2 million)	0.1%	0.1%

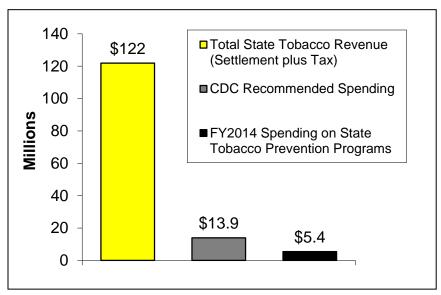


<sup>\*</sup> Revenue estimates reflect our understanding of the consequences of implementing the decisions reached by the arbitration panel in the Non-Participating Manufacturers (NPM) Adjustment arbitrations in 2013 and the implementation of the March 2013 settlement between 22 States and the Participating Manufacturers. As some issues remain undecided, the actual revenues might differ from these estimates.

Tobacco's Toll in Missouri		
Adults who smoke	23.9%	
High school students who smoke	18.1%	
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	\$582 per household	
Annual tobacco company marketing in state	\$328.6 million	
Ratio of tobacco company marketing to total spending on tobacco prevention	4,303.6 to 1	

#### **Montana**

	FY2014	FY2013
State Ranking	10	13
STATE SPENDING ON TOBACCO PREVENTION	\$5.4 million	\$4.6 million
% of CDC Recommended Spending (\$13.9 million)	38.8%	33.1%

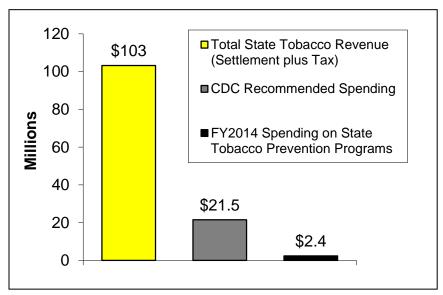


<sup>\*</sup> Revenue estimates reflect our understanding of the consequences of implementing the decisions reached by the arbitration panel in the Non-Participating Manufacturers (NPM) Adjustment arbitrations in 2013 and the implementation of the March 2013 settlement between 22 States and the Participating Manufacturers. As some issues remain undecided, the actual revenues might differ from these estimates.

Tobacco's Toll in Montana		
Adults who smoke	19.7%	
High school students who smoke	16.5%	
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	\$545 per household	
Annual tobacco company marketing in state	\$27.1 million	
Ratio of tobacco company marketing to total spending on tobacco prevention	5.0 to 1	

#### Nebraska

	FY2014	FY2013
State Ranking	27	27
STATE SPENDING ON TOBACCO PREVENTION	\$2.4 million	\$2.4 million
% of CDC Recommended Spending (\$21.5 million)	11.1%	11.1%

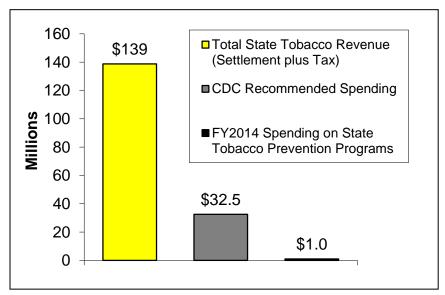


<sup>\*</sup> Revenue estimates reflect our understanding of the consequences of implementing the decisions reached by the arbitration panel in the Non-Participating Manufacturers (NPM) Adjustment arbitrations in 2013 and the implementation of the March 2013 settlement between 22 States and the Participating Manufacturers. As some issues remain undecided, the actual revenues might differ from these estimates.

Tobacco's Toll in Nebraska		
Adults who smoke	19.7%	
High school students who smoke	15.0%	
Deaths caused by smoking each year	2,200	
Annual health care costs directly caused by smoking	\$537 million	
Residents' state & federal tax burden from smoking- caused government expenditures	\$575 per household	
Annual tobacco company marketing in state	\$58.8 million	
Ratio of tobacco company marketing to total spending on tobacco prevention	24.7 to 1	

### Nevada

	FY2014	FY2013
State Ranking	40	44
STATE SPENDING ON TOBACCO PREVENTION	\$1.0 million	\$150,000
% of CDC Recommended Spending (\$32.5 million)	3.1%	0.5%

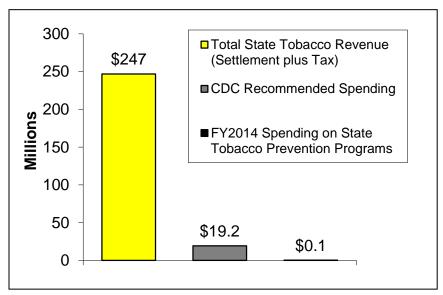


<sup>\*</sup> Revenue estimates reflect our understanding of the consequences of implementing the decisions reached by the arbitration panel in the Non-Participating Manufacturers (NPM) Adjustment arbitrations in 2013 and the implementation of the March 2013 settlement between 22 States and the Participating Manufacturers. As some issues remain undecided, the actual revenues might differ from these estimates.

Tobacco's Toll in Nevada		
Adults who smoke	18.1%	
High school students who smoke	17.0%	
Deaths caused by smoking each year	3,300	
Annual health care costs directly caused by smoking	\$565 million	
Residents' state & federal tax burden from smoking- caused government expenditures	\$532 per household	
Annual tobacco company marketing in state	\$74.3 million	
Ratio of tobacco company marketing to total spending on tobacco prevention	74.3 to 1	

# **New Hampshire**

	FY2014	FY2013
State Ranking	48	51
STATE SPENDING ON TOBACCO PREVENTION	\$125,000	\$0.0
% of CDC Recommended Spending (\$19.2 million)	0.7%	0.0%

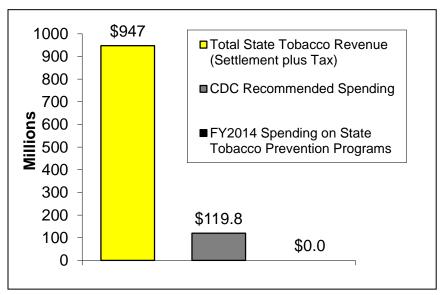


<sup>\*</sup> Revenue estimates reflect our understanding of the consequences of implementing the decisions reached by the arbitration panel in the Non-Participating Manufacturers (NPM) Adjustment arbitrations in 2013 and the implementation of the March 2013 settlement between 22 States and the Participating Manufacturers. As some issues remain undecided, the actual revenues might differ from these estimates.

Tobacco's Toll in New Hampshire		
Adults who smoke	17.2%	
High school students who smoke	18.1%	
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	\$613 per household	
Annual tobacco company marketing in state	\$73.6 million	
Ratio of tobacco company marketing to total spending on tobacco prevention	588.8 to 1	

## **New Jersey**

	FY2014	FY2013
State Ranking	51	51
STATE SPENDING ON TOBACCO PREVENTION	\$0.0	\$0.0
% of CDC Recommended Spending (\$119.8 million)	0.0%	0.0%

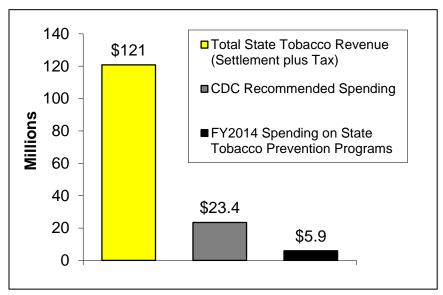


<sup>\*</sup> Revenue estimates reflect our understanding of the consequences of implementing the decisions reached by the arbitration panel in the Non-Participating Manufacturers (NPM) Adjustment arbitrations in 2013 and the implementation of the March 2013 settlement between 22 States and the Participating Manufacturers. As some issues remain undecided, the actual revenues might differ from these estimates.

Tobacco's Toll in New Jersey		
Adults who smoke	17.3%	
High school students who smoke	16.1%	
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	\$652 per household	
Annual tobacco company marketing in state	\$172.0 million	
Ratio of tobacco company marketing to total spending on tobacco prevention	NA	

### **New Mexico**

	FY2014	FY2013
State Ranking	18	16
STATE SPENDING ON TOBACCO PREVENTION	\$5.9 million	\$5.9 million
% of CDC Recommended Spending (\$23.4 million)	25.3%	25.3%

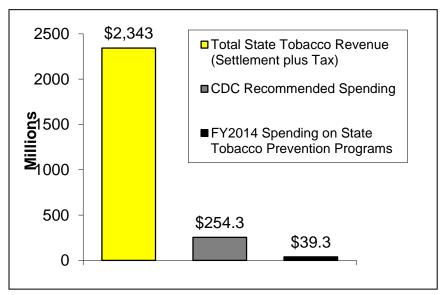


<sup>\*</sup> Revenue estimates reflect our understanding of the consequences of implementing the decisions reached by the arbitration panel in the Non-Participating Manufacturers (NPM) Adjustment arbitrations in 2013 and the implementation of the March 2013 settlement between 22 States and the Participating Manufacturers. As some issues remain undecided, the actual revenues might differ from these estimates.

Tobacco's Toll in New Mexico		
Adults who smoke	19.3%	
High school students who smoke	19.9%	
Deaths caused by smoking each year	2,100	
Annual health care costs directly caused by smoking	\$461 million	
Residents' state & federal tax burden from smoking- caused government expenditures	\$561 per household	
Annual tobacco company marketing in state	\$33.9 million	
Ratio of tobacco company marketing to total spending on tobacco prevention	5.7 to 1	

#### **New York**

	FY2014	FY2013
State Ranking	21	21
STATE SPENDING ON TOBACCO PREVENTION	\$39.3 million	\$41.4 million
% of CDC Recommended Spending (\$254.3 million)	15.5%	16.3%

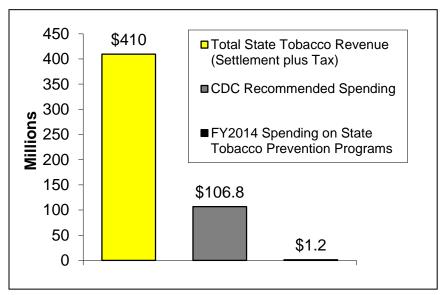


<sup>\*</sup> Revenue estimates reflect our understanding of the consequences of implementing the decisions reached by the arbitration panel in the Non-Participating Manufacturers (NPM) Adjustment arbitrations in 2013 and the implementation of the March 2013 settlement between 22 States and the Participating Manufacturers. As some issues remain undecided, the actual revenues might differ from these estimates.

Tobacco's Toll in New York		
Adults who smoke	16.2%	
High school students who smoke	11.9%	
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	\$883 per household	
Annual tobacco company marketing in state	\$213.5 million	
Ratio of tobacco company marketing to total spending on tobacco prevention	5.4 to 1	

### **North Carolina**

	FY2014	FY2013
State Ranking	45	51
STATE SPENDING ON TOBACCO PREVENTION	\$1.2 million	\$0.0
% of CDC Recommended Spending (\$106.8 million)	1.1%	0.0%

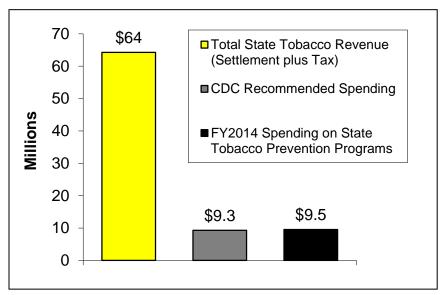


<sup>\*</sup> Revenue estimates reflect our understanding of the consequences of implementing the decisions reached by the arbitration panel in the Non-Participating Manufacturers (NPM) Adjustment arbitrations in 2013 and the implementation of the March 2013 settlement between 22 States and the Participating Manufacturers. As some issues remain undecided, the actual revenues might differ from these estimates.

Tobacco's Toll in North Carolina		
Adults who smoke	20.9%	
High school students who smoke	15.5%	
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	\$560 per household	
Annual tobacco company marketing in state	\$349.8 million	
Ratio of tobacco company marketing to total spending on tobacco prevention	291.5 to 1	

### **North Dakota**

	FY2014	FY2013
State Ranking	1	2
STATE SPENDING ON TOBACCO PREVENTION	\$9.5 million	\$8.2 million
% of CDC Recommended Spending (\$9.3 million)	102.3%	88.4%

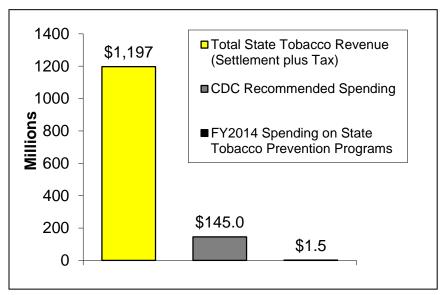


<sup>\*</sup> Revenue estimates reflect our understanding of the consequences of implementing the decisions reached by the arbitration panel in the Non-Participating Manufacturers (NPM) Adjustment arbitrations in 2013 and the implementation of the March 2013 settlement between 22 States and the Participating Manufacturers. As some issues remain undecided, the actual revenues might differ from these estimates.

Tobacco's Toll in North Dakota		
Adults who smoke	21.2%	
High school students who smoke	19.4%	
Deaths caused by smoking each year	800	
Annual health care costs directly caused by smoking	\$247 million	
Residents' state & federal tax burden from smoking- caused government expenditures	\$578 per household	
Annual tobacco company marketing in state	\$27.9 million	
Ratio of tobacco company marketing to total spending on tobacco prevention	2.9 to 1	

### Ohio

	FY2014	FY2013
State Ranking	47	51
STATE SPENDING ON TOBACCO PREVENTION	\$1.5 million	\$0.0
% of CDC Recommended Spending (\$145.0 million)	1.0%	0.0%

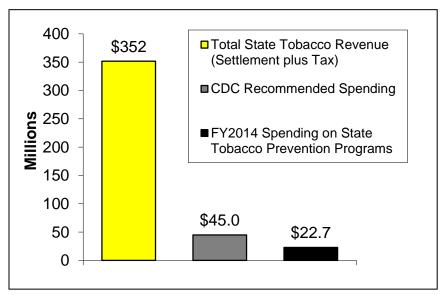


<sup>\*</sup> Revenue estimates reflect our understanding of the consequences of implementing the decisions reached by the arbitration panel in the Non-Participating Manufacturers (NPM) Adjustment arbitrations in 2013 and the implementation of the March 2013 settlement between 22 States and the Participating Manufacturers. As some issues remain undecided, the actual revenues might differ from these estimates.

Tobacco's Toll in Ohio		
Adults who smoke	23.3%	
High school students who smoke	21.1%	
Deaths caused by smoking each year	18,500	
Annual health care costs directly caused by smoking	\$4.37 billion	
Residents' state & federal tax burden from smoking- caused government expenditures	\$614 per household	
Annual tobacco company marketing in state	\$394.7 million	
Ratio of tobacco company marketing to total spending on tobacco prevention	263.1 to 1	

### **Oklahoma**

	FY2014	FY2013
State Ranking	6	7
STATE SPENDING ON TOBACCO PREVENTION	\$22.7 million	\$19.7 million
% of CDC Recommended Spending (\$45.0 million)	50.5%	43.8%

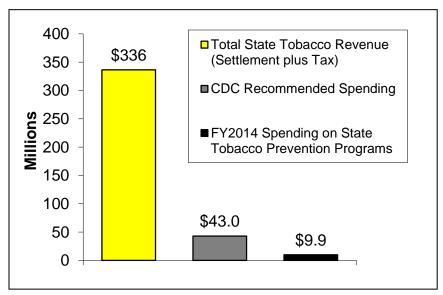


<sup>\*</sup> Revenue estimates reflect our understanding of the consequences of implementing the decisions reached by the arbitration panel in the Non-Participating Manufacturers (NPM) Adjustment arbitrations in 2013 and the implementation of the March 2013 settlement between 22 States and the Participating Manufacturers. As some issues remain undecided, the actual revenues might differ from these estimates.

Tobacco's Toll in Oklahoma		
Adults who smoke	23.3%	
High school students who smoke	17.9%	
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	\$547 per household	
Annual tobacco company marketing in state	\$160.3 million	
Ratio of tobacco company marketing to total spending on tobacco prevention	7.1 to 1	

## **Oregon**

	FY2014	FY2013
State Ranking	19	20
STATE SPENDING ON TOBACCO PREVENTION	\$9.9 million	\$7.5 million
% of CDC Recommended Spending (\$43.0 million)	23.0%	17.5%



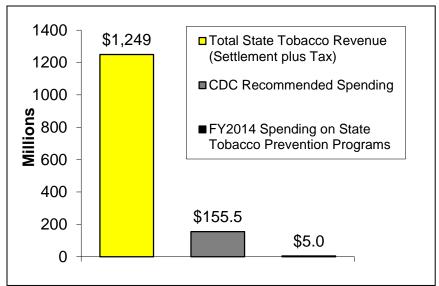
<sup>\*</sup> Revenue estimates reflect our understanding of the consequences of implementing the decisions reached by the arbitration panel in the Non-Participating Manufacturers (NPM) Adjustment arbitrations in 2013 and the implementation of the March 2013 settlement between 22 States and the Participating Manufacturers. As some issues remain undecided, the actual revenues might differ from these estimates.

Tobacco's Toll in Oregon		
Adults who smoke	17.9%	
High school students who smoke	9.4%	
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	\$561 per household	
Annual tobacco company marketing in state	\$108.4 million	
Ratio of tobacco company marketing to total spending on tobacco prevention	11.0 to 1	

## **Pennsylvania**

	FY2014	FY2013
State Ranking	39	28
STATE SPENDING ON TOBACCO PREVENTION	\$5.0 million*	\$14.2 million
% of CDC Recommended Spending (\$155.5 million)	3.2%	9.1%

<sup>\*</sup> Pennsylvania's FY2014 funding is an unconfirmed estimate because no official budget numbers were available at the time this report was released.

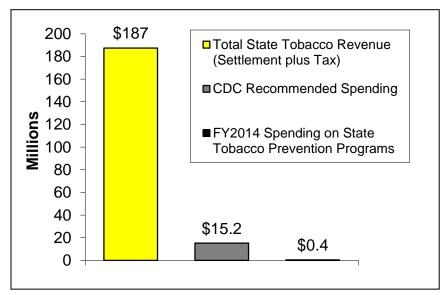


<sup>\*</sup> Revenue estimates reflect our understanding of the consequences of implementing the decisions reached by the arbitration panel in the Non-Participating Manufacturers (NPM) Adjustment arbitrations in 2013 and the implementation of the March 2013 settlement between 22 States and the Participating Manufacturers. As some issues remain undecided, the actual revenues might differ from these estimates.

Tobacco's Toll in Pennsylvania		
Adults who smoke	21.4%	
High school students who smoke	18.4%	
Deaths caused by smoking each year	20,000	
Annual health care costs directly caused by smoking	\$5.19 billion	
Residents' state & federal tax burden from smoking- caused government expenditures	\$661 per household	
Annual tobacco company marketing in state	\$431.2 million	
Ratio of tobacco company marketing to total spending on tobacco prevention	86.2 to 1	

### **Rhode Island**

	FY2014	FY2013
State Ranking	42	40
STATE SPENDING ON TOBACCO PREVENTION	\$388,027	\$376,437
% of CDC Recommended Spending (\$15.2 million)	2.6%	2.5%

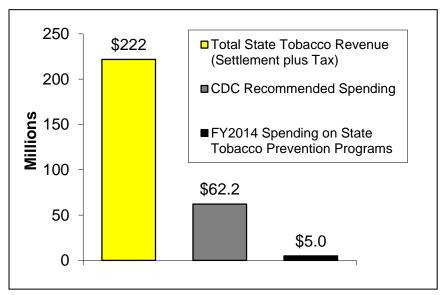


<sup>\*</sup> Revenue estimates reflect our understanding of the consequences of implementing the decisions reached by the arbitration panel in the Non-Participating Manufacturers (NPM) Adjustment arbitrations in 2013 and the implementation of the March 2013 settlement between 22 States and the Participating Manufacturers. As some issues remain undecided, the actual revenues might differ from these estimates.

Tobacco's Toll in Rhode Island		
Adults who smoke	17.4%	
High school students who smoke	11.4%	
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	\$722 per household	
Annual tobacco company marketing in state	\$23.1 million	
Ratio of tobacco company marketing to total spending on tobacco prevention	59.5 to 1	

### **South Carolina**

	FY2014	FY2013
State Ranking	30	32
STATE SPENDING ON TOBACCO PREVENTION	\$5.0 million	\$5.0 million
% of CDC Recommended Spending (\$62.2 million)	8.0%	8.0%

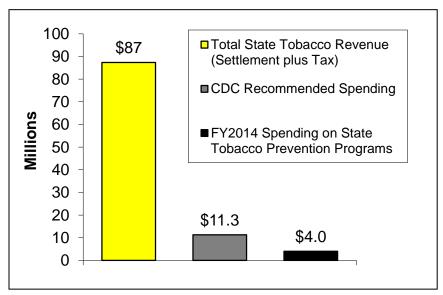


<sup>\*</sup> Revenue estimates reflect our understanding of the consequences of implementing the decisions reached by the arbitration panel in the Non-Participating Manufacturers (NPM) Adjustment arbitrations in 2013 and the implementation of the March 2013 settlement between 22 States and the Participating Manufacturers. As some issues remain undecided, the actual revenues might differ from these estimates.

Tobacco's Toll in South Carolina		
Adults who smoke	22.5%	
High school students who smoke	19.1%	
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	\$553 per household	
Annual tobacco company marketing in state	\$194.9 million	
Ratio of tobacco company marketing to total spending on tobacco prevention	39.0 to 1	

### **South Dakota**

	FY2014	FY2013
State Ranking	13	11
STATE SPENDING ON TOBACCO PREVENTION	\$4.0 million	\$4.0 million
% of CDC Recommended Spending (\$11.3 million)	35.4%	35.4%

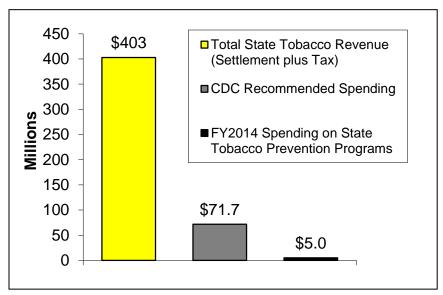


<sup>\*</sup> Revenue estimates reflect our understanding of the consequences of implementing the decisions reached by the arbitration panel in the Non-Participating Manufacturers (NPM) Adjustment arbitrations in 2013 and the implementation of the March 2013 settlement between 22 States and the Participating Manufacturers. As some issues remain undecided, the actual revenues might differ from these estimates.

Tobacco's Toll in South Dakota		
Adults who smoke	22.0%	
High school students who smoke	23.1%	
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	\$578 per household	
Annual tobacco company marketing in state	\$21.5 million	
Ratio of tobacco company marketing to total spending on tobacco prevention	5.4 to 1	

#### **Tennessee**

	FY2014	FY2013
State Ranking	33	45
STATE SPENDING ON TOBACCO PREVENTION	\$5.0 million	\$222,267
% of CDC Recommended Spending (\$71.7 million)	7.0%	0.3%

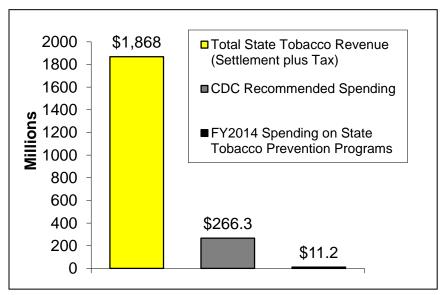


<sup>\*</sup> Revenue estimates reflect our understanding of the consequences of implementing the decisions reached by the arbitration panel in the Non-Participating Manufacturers (NPM) Adjustment arbitrations in 2013 and the implementation of the March 2013 settlement between 22 States and the Participating Manufacturers. As some issues remain undecided, the actual revenues might differ from these estimates.

Tobacco's Toll in Tennessee		
Adults who smoke	24.9%	
High school students who smoke	21.6%	
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	\$591 per household	
Annual tobacco company marketing in state	\$274.0 million	
Ratio of tobacco company marketing to total spending on tobacco prevention	54.8 to 1	

#### **Texas**

	FY2014	FY2013
State Ranking	37	41
STATE SPENDING ON TOBACCO PREVENTION	\$11.2 million	\$6.5 million
% of CDC Recommended Spending (\$266.3 million)	4.2%	2.4%

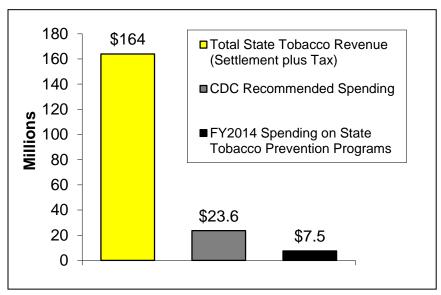


<sup>\*</sup> Revenue estimates reflect our understanding of the consequences of implementing the decisions reached by the arbitration panel in the Non-Participating Manufacturers (NPM) Adjustment arbitrations in 2013 and the implementation of the March 2013 settlement between 22 States and the Participating Manufacturers. As some issues remain undecided, the actual revenues might differ from these estimates.

Tobacco's Toll in Texas		
Adults who smoke	18.2%	
High school students who smoke	17.4%	
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	\$564 per household	
Annual tobacco company marketing in state	\$586.4 million	
Ratio of tobacco company marketing to total spending on tobacco prevention	52.3 to 1	

### Utah

	FY2014	FY2013
State Ranking	14	15
STATE SPENDING ON TOBACCO PREVENTION	\$7.5 million	\$7.0 million
% of CDC Recommended Spending (\$23.6 million)	31.9%	29.8%

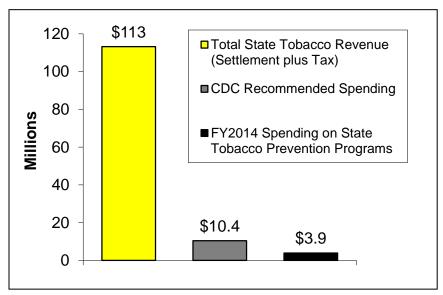


<sup>\*</sup> Revenue estimates reflect our understanding of the consequences of implementing the decisions reached by the arbitration panel in the Non-Participating Manufacturers (NPM) Adjustment arbitrations in 2013 and the implementation of the March 2013 settlement between 22 States and the Participating Manufacturers. As some issues remain undecided, the actual revenues might differ from these estimates.

Tobacco's Toll in Utah		
Adults who smoke	10.6%	
High school students who smoke	5.9%	
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	\$515 per household	
Annual tobacco company marketing in state	\$37.0 million	
Ratio of tobacco company marketing to total spending on tobacco prevention	4.9 to 1	

#### Vermont

	FY2014	FY2013
State Ranking	11	10
STATE SPENDING ON TOBACCO PREVENTION	\$3.9 million	\$4.0 million
% of CDC Recommended Spending (\$10.4 million)	37.5%	38.2%

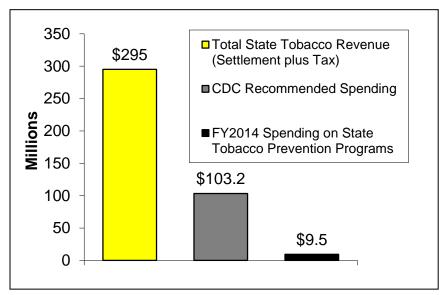


<sup>\*</sup> Revenue estimates reflect our understanding of the consequences of implementing the decisions reached by the arbitration panel in the Non-Participating Manufacturers (NPM) Adjustment arbitrations in 2013 and the implementation of the March 2013 settlement between 22 States and the Participating Manufacturers. As some issues remain undecided, the actual revenues might differ from these estimates.

Tobacco's Toll in Vermont		
Adults who smoke	16.5%	
High school students who smoke	13.3%	
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	\$622 per household	
Annual tobacco company marketing in state	\$18.4 million	
Ratio of tobacco company marketing to total spending on tobacco prevention	4.7 to 1	

# **Virginia**

	FY2014	FY2013
State Ranking	28	31
STATE SPENDING ON TOBACCO PREVENTION	\$9.5 million	\$8.4 million
% of CDC Recommended Spending (\$103.2 million)	9.2%	8.1%

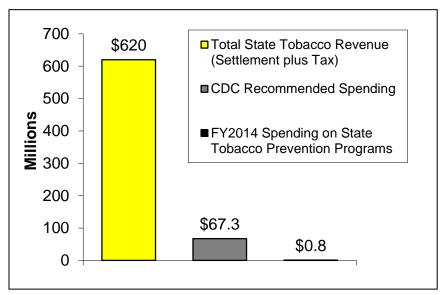


<sup>\*</sup> Revenue estimates reflect our understanding of the consequences of implementing the decisions reached by the arbitration panel in the Non-Participating Manufacturers (NPM) Adjustment arbitrations in 2013 and the implementation of the March 2013 settlement between 22 States and the Participating Manufacturers. As some issues remain undecided, the actual revenues might differ from these estimates.

Tobacco's Toll in Virginia		
Adults who smoke	19.0%	
High school students who smoke	13.0%	
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	\$557 per household	
Annual tobacco company marketing in state	\$323.3 million	
Ratio of tobacco company marketing to total spending on tobacco prevention	34.2 to 1	

# **Washington**

	FY2014	FY2013
State Ranking	45	37
STATE SPENDING ON TOBACCO PREVENTION	\$756,000	\$2.5 million
% of CDC Recommended Spending (\$67.3 million)	1.1%	3.7%

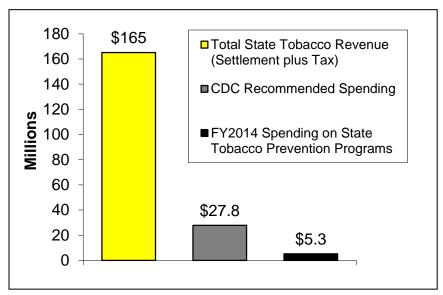


<sup>\*</sup> Revenue estimates reflect our understanding of the consequences of implementing the decisions reached by the arbitration panel in the Non-Participating Manufacturers (NPM) Adjustment arbitrations in 2013 and the implementation of the March 2013 settlement between 22 States and the Participating Manufacturers. As some issues remain undecided, the actual revenues might differ from these estimates.

Tobacco's Toll in Washington		
Adults who smoke	17.2%	
High school students who smoke	9.5%	
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	\$615 per household	
Annual tobacco company marketing in state	\$88.0 million	
Ratio of tobacco company marketing to total spending on tobacco prevention	116.4 to 1	

# **West Virginia**

	FY2014	FY2013
State Ranking	20	19
STATE SPENDING ON TOBACCO PREVENTION	\$5.3 million	\$5.7 million
% of CDC Recommended Spending (\$27.8 million)	18.9%	20.5%

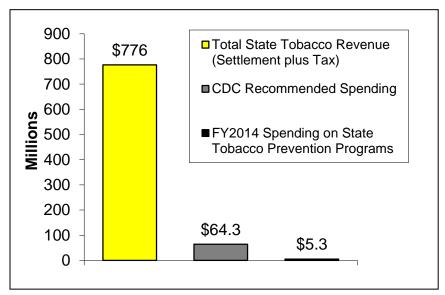


<sup>\*</sup> Revenue estimates reflect our understanding of the consequences of implementing the decisions reached by the arbitration panel in the Non-Participating Manufacturers (NPM) Adjustment arbitrations in 2013 and the implementation of the March 2013 settlement between 22 States and the Participating Manufacturers. As some issues remain undecided, the actual revenues might differ from these estimates.

Tobacco's Toll in West Virginia									
Adults who smoke	28.2%								
High school students who smoke	19.1%								
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	\$587 per household								
Annual tobacco company marketing in state	\$120.4 million								
Ratio of tobacco company marketing to total spending on tobacco prevention	22.9 to 1								

### **Wisconsin**

	FY2014	FY2013
State Ranking	29	30
STATE SPENDING ON TOBACCO PREVENTION	\$5.3 million	\$5.3 million
% of CDC Recommended Spending (\$64.3 million)	8.2%	8.2%

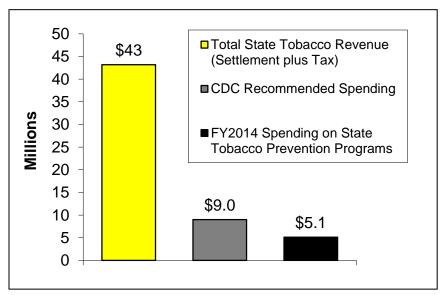


<sup>\*</sup> Revenue estimates reflect our understanding of the consequences of implementing the decisions reached by the arbitration panel in the Non-Participating Manufacturers (NPM) Adjustment arbitrations in 2013 and the implementation of the March 2013 settlement between 22 States and the Participating Manufacturers. As some issues remain undecided, the actual revenues might differ from these estimates.

Tobacco's Toll in Wisconsin									
Adults who smoke	20.4%								
High school students who smoke	13.1%								
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	\$582 per household								
Annual tobacco company marketing in state	\$145.6 million								
Ratio of tobacco company marketing to total spending on tobacco prevention	27.7 to 1								

## **Wyoming**

	FY2014	FY2013
State Ranking	4	4
STATE SPENDING ON TOBACCO PREVENTION	\$5.1 million	\$5.4 million
% of CDC Recommended Spending (\$9.0 million)	56.7%	60.0%



<sup>\*</sup> Revenue estimates reflect our understanding of the consequences of implementing the decisions reached by the arbitration panel in the Non-Participating Manufacturers (NPM) Adjustment arbitrations in 2013 and the implementation of the March 2013 settlement between 22 States and the Participating Manufacturers. As some issues remain undecided, the actual revenues might differ from these estimates.

Tobacco's Toll in Wyoming									
Adults who smoke	21.8%								
High school students who smoke	22.0%								
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	\$570 per household								
Annual tobacco company marketing in state	\$24.0 million								
Ratio of tobacco company marketing to total spending on tobacco prevention	4.7 to 1								

### Appendix A



### **History of Spending for State Tobacco Prevention Programs FY2007 – FY2014**

	FY2014		FY2013		FY2012		FY2011		FY2010		FY2009		FY2008		FY2	2007
	Spending (\$millions)	Percent of CDC Rec.	Spending (\$millions)	Percent of CDC Rec.	Spending (\$millions)	Percent of CDC Rec.*	Spending (\$millions)	Percent of CDC Min.	Spending (\$millions)	Percent of CDC Min.						
States Total	\$481.2	13.0%	\$459.5	12.4%	\$456.7	12.4%	\$517.9	14.0%	\$569.3	15.4%	\$670.9	18.1%	\$717.2	44.8%	\$597.5	37.2%
Alabama**	\$0.3	0.5%	NA	NA	NA	NA	\$0.9	1.5%	\$0.8	1.3%	\$1.2	2.1%	\$0.8	2.9%	\$0.7	2.6%
Alaska	\$10.1	94.8%	\$10.9	101.6%	\$10.8	101.3%	\$9.8	92.0%	\$9.2	86.0%	\$8.2	76.6%	\$7.5	92.5%	\$6.2	76.6%
Arizona	\$18.6	27.3%	\$15.2	22.3%	\$18.0	26.4%	\$19.8	29.1%	\$22.1	32.5%	\$21.0	30.8%	\$23.5	84.6%	\$25.5	91.8%
Arkansas	\$17.5	48.0%	\$17.8	48.9%	\$7.4	20.5%	\$11.8	32.4%	\$18.7	51.4%	\$16.0	44.0%	\$15.6	87.1%	\$15.1	84.3%
California	\$64.8	14.7%	\$62.1	14.1%	\$70.0	15.8%	\$75.0	17.0%	\$77.1	17.4%	\$77.7	17.6%	\$77.4	46.9%	\$84.0	50.9%
Colorado	\$26.0	47.8%	\$22.6	41.5%	\$6.5	11.9%	\$7.0	12.9%	\$11.1	20.4%	\$26.4	48.5%	\$26.0	105.9%	\$25.0	101.8%
Connecticut	\$3.0	6.8%	\$6.0	13.7%	\$0.0	0.0%	\$0.4	0.9%	\$6.1	13.9%	\$7.4	16.9%	\$0.0	0.0%	\$2.0	9.4%
Delaware	\$8.3	59.9%	\$9.0	64.9%	\$9.0	64.9%	\$8.3	59.5%	\$10.1	72.7%	\$10.7	77.0%	\$10.7	123.8%	\$10.3	119.4%
DC	\$0.5	4.7%	\$0.5	4.7%	\$0.0	0.0%	\$0.6	5.4%	\$0.9	8.1%	\$3.6	34.3%	\$3.6	48.1%	\$0.5	6.7%
Florida	\$65.6	31.1%	\$64.3	30.5%	\$62.3	29.5%	\$61.6	29.2%	\$65.8	31.2%	\$59.5	28.2%	\$58.0	74.0%	\$5.6	7.1%
Georgia	\$2.2	1.9%	\$0.8	0.6%	\$2.0	1.7%	\$2.0	1.8%	\$2.1	1.8%	\$2.3	2.0%	\$2.2	5.3%	\$2.3	5.4%
Hawaii	\$7.9	51.7%	\$8.9	58.8%	\$10.7	70.3%	\$9.3	61.1%	\$7.9	52.0%	\$10.5	69.1%	\$10.4	96.3%	\$9.1	84.0%
Idaho	\$2.2	13.0%	\$2.2	13.0%	\$0.9	5.2%	\$1.5	8.9%	\$1.2	7.1%	\$1.7	10.1%	\$1.4	12.6%	\$0.9	8.2%
Illinois	\$11.1	7.1%	\$11.1	7.1%	\$9.5	6.1%	\$9.5	6.1%	\$8.5	5.4%	\$8.5	5.4%	\$8.5	13.1%	\$8.5	13.1%
Indiana	\$5.8	7.3%	\$9.3	11.8%	\$10.1	12.8%	\$9.2	11.7%	\$10.8	13.7%	\$15.1	19.2%	\$16.2	46.6%	\$10.9	31.3%
Iowa	\$5.1	14.0%	\$3.2	8.7%	\$3.3	8.9%	\$7.3	20.0%	\$10.1	27.5%	\$10.4	28.3%	\$12.3	63.5%	\$6.5	33.6%
Kansas	\$0.9	2.9%	\$1.0	3.1%	\$1.0	3.1%	\$1.0	3.1%	\$1.0	3.1%	\$1.0	3.1%	\$1.4	7.8%	\$1.0	5.5%
Kentucky	\$2.1	3.7%	\$2.1	3.7%	\$2.2	3.9%	\$2.6	4.5%	\$2.8	4.9%	\$2.8	4.9%	\$2.4	9.4%	\$2.2	8.8%
Louisiana	\$8.0	15.0%	\$7.2	13.4%	\$8.4	15.8%	\$9.0	16.9%	\$7.8	14.6%	\$7.6	14.2%	\$7.7	28.3%	\$8.0	29.5%
Maine	\$8.1	43.6%	\$7.5	40.7%	\$9.4	50.6%	\$9.9	53.5%	\$10.8	58.4%	\$10.9	58.9%	\$16.9	151.2%	\$14.7	131.3%
Maryland	\$8.5	13.5%	\$4.2	6.6%	\$4.3	6.8%	\$4.3	6.9%	\$5.5	8.7%	\$19.6	31.0%	\$18.4	60.7%	\$18.7	61.7%
Massachusetts	\$4.0	4.4%	\$4.2	4.6%	\$4.2	4.6%	\$4.5	5.0%	\$4.5	5.0%	\$12.2	13.6%	\$12.8	36.2%	\$8.3	23.4%
Michigan	\$1.5	1.2%	\$1.8	1.5%	\$1.8	1.5%	\$2.6	2.1%	\$2.6	2.1%	\$3.7	3.1%	\$3.6	6.6%	\$0.0	0.0%
Minnesota	\$21.3	36.4%	\$19.6	33.6%	\$19.5	33.4%	\$19.6	33.6%	\$20.3	34.8%	\$20.5	35.1%	\$22.1	77.2%	\$21.7	75.8%
Mississippi	\$10.9	27.8%	\$9.7	24.7%	\$9.9	25.3%	\$9.9	25.3%	\$10.6	27.0%	\$10.3	26.3%	\$8.0	42.6%	\$0.0	0.0%

	FY2014		FY2	FY2013		FY2012		FY2011		FY2010		FY2009		FY2008		2007
	Spending (\$millions)	Percent of CDC Rec.	Spending (\$millions)	Percent of CDC Rec.	Spending (\$millions)	Percent of CDC Rec.	Spending (\$millions)	Percent of CDC Rec.	Spending (\$millions)	Percent of CDC Rec.	Spending (\$millions)	Percent of CDC Rec.*	Spending (\$millions)	Percent of CDC Min.	Spending (\$millions)	Percent of CDC Min.
Missouri	\$0.1	0.1%	\$0.1	0.1%	\$0.1	0.1%	\$0.1	0.1%	\$1.2	1.6%	\$1.7	2.3%	\$0.2	0.6%	\$0.0	0.0%
Montana	\$5.4	38.8%	\$4.6	33.1%	\$4.7	33.8%	\$8.4	60.4%	\$8.4	60.4%	\$8.5	61.2%	\$8.5	90.6%	\$6.9	73.7%
Nebraska	\$2.4	11.1%	\$2.4	11.1%	\$2.4	11.0%	\$2.9	13.3%	\$3.0	14.0%	\$3.0	14.0%	\$2.5	18.8%	\$3.0	22.5%
Nevada	\$1.0	3.1%	\$0.2	0.5%	\$0.0	0.0%	\$0.0	0.0%	\$2.9	8.9%	\$3.4	10.5%	\$2.0	14.8%	\$3.8	28.2%
New Hampshire	\$0.1	0.7%	\$0.0	0.0%	\$0.0	0.0%	\$0.0	0.0%	\$0.0	0.0%	\$0.2	1.0%	\$1.3	12.3%	\$0.0	0.0%
New Jersey	\$0.0	0.0%	\$0.0	0.0%	\$1.2	1.0%	\$0.6	0.5%	\$7.6	6.3%	\$9.1	7.6%	\$11.0	24.4%	\$11.0	24.4%
New Mexico	\$5.9	25.3%	\$5.9	25.3%	\$5.9	25.3%	\$7.0	29.8%	\$9.5	40.6%	\$9.6	41.0%	\$9.6	70.1%	\$7.7	56.2%
New York	\$39.3	15.5%	\$41.4	16.3%	\$41.4	16.3%	\$58.4	23.0%	\$55.2	21.7%	\$80.4	31.6%	\$85.5	89.2%	\$85.5	89.2%
North Carolina	\$1.2	1.1%	\$0.0	0.0%	\$17.3	16.2%	\$18.3	17.1%	\$18.3	17.1%	\$17.1	16.0%	\$17.1	40.2%	\$17.1	40.2%
North Dakota	\$9.5	102.3%	\$8.2	88.4%	\$8.1	87.0%	\$8.2	88.1%	\$8.2	88.2%	\$3.1	33.3%	\$3.1	38.4%	\$3.1	38.0%
Ohio	\$1.5	1.0%	\$0.0	0.0%	\$0.0	0.0%	\$0.0	0.0%	\$6.0	4.1%	\$6.0	4.1%	\$44.7	72.4%	\$45.0	72.9%
Oklahoma	\$22.7	50.5%	\$19.7	43.8%	\$21.2	47.1%	\$21.7	48.2%	\$19.8	44.0%	\$18.0	40.0%	\$14.2	65.1%	\$10.0	45.8%
Oregon	\$9.9	23.0%	\$7.5	17.5%	\$8.3	19.3%	\$7.1	16.6%	\$6.6	15.3%	\$8.2	19.1%	\$8.2	38.8%	\$3.5	16.3%
Pennsylvania	\$5.0 <sup>§</sup>	3.2%	\$14.2	9.1%	\$13.9	9.0%	\$14.7	9.5%	\$17.7	11.4%	\$32.1	20.6%	\$31.7	48.3%	\$30.3	46.2%
Rhode Island	\$0.4	2.6%	\$0.4	2.5%	\$0.4	2.5%	\$0.7	4.8%	\$0.7	4.6%	\$0.9	6.1%	\$0.9	9.5%	\$1.0	9.6%
South Carolina	\$5.0	8.0%	\$5.0	8.0%	\$5.0	8.0%	\$5.0	8.0%	\$2.0	3.2%	\$0.0	0.0%	\$2.0	8.4%	\$2.0	8.4%
South Dakota	\$4.0	35.4%	\$4.0	35.4%	\$4.0	35.4%	\$3.5	31.0%	\$5.0	44.2%	\$5.0	44.2%	\$5.0	57.5%	\$0.7	8.1%
Tennessee	\$5.0	7.0%	\$0.2	0.3%	\$0.2	0.3%	\$0.2	0.3%	\$0.2	0.3%	\$5.0	7.0%	\$10.0	31.0%	\$0.0	0.0%
Texas	\$11.2	4.2%	\$6.5	2.4%	\$5.5	2.0%	\$11.4	4.3%	\$11.4	4.3%	\$11.8	4.4%	\$11.8	11.4%	\$5.2	5.0%
Utah	\$7.5	31.9%	\$7.0	29.8%	\$7.2	30.4%	\$7.1	30.2%	\$7.1	30.1%	\$7.2	30.5%	\$7.3	47.7%	\$7.2	47.3%
Vermont	\$3.9	37.5%	\$4.0	38.2%	\$3.3	31.8%	\$4.5	43.4%	\$4.8	46.2%	\$5.2	50.0%	\$5.2	66.0%	\$5.1	64.5%
Virginia	\$9.5	9.2%	\$8.4	8.1%	\$8.4	8.1%	\$9.4	9.1%	\$12.3	11.9%	\$12.7	12.3%	\$14.5	37.3%	\$13.5	34.7%
Washington	\$0.8	1.1%	\$2.5	3.7%	\$0.8	1.1%	\$13.4	19.8%	\$15.8	23.5%	\$27.2	40.4%	\$27.1	81.1%	\$27.1	81.3%
West Virginia	\$5.3	18.9%	\$5.7	20.5%	\$5.7	20.3%	\$5.7	20.4%	\$5.7	20.5%	\$5.7	20.5%	\$5.7	40.0%	\$5.4	38.1%
Wisconsin	\$5.3	8.2%	\$5.3	8.2%	\$5.3	8.3%	\$6.9	10.7%	\$6.9	10.7%	\$15.3	23.8%	\$15.0	48.1%	\$10.0	32.1%
Wyoming	\$5.1	56.7%	\$5.4	60.0%	\$5.4	60.0%	\$5.4	60.0%	\$4.8	53.3%	\$6.0	66.7%	\$5.9	80.1%	\$5.9	79.9%
Total	\$481.2	13.0%	\$459.5	12.4%	\$456.7	12.4%	\$517.9	14.0%	\$569.3	15.4%	\$670.9	18.1%	\$717.2	44.8%	\$597.5	37.2%

Note: Annual funding amounts only include state funds

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

<sup>\*\*</sup>In FY2012 and FY2013, Alabama's tobacco prevention program budget was unavailable at the time this report went to press.

<sup>§</sup> Pennsylvania's FY2014 annual spending is estimated, not confirmed.

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

	FY2006		FY2005		FY2004		FY2003		FY2002		FY2001		FY2	2000
	Spending (\$millions)	Percent of CDC Min.	Spending (\$millions)	Percent of CDC Min.	Spending (\$millions)	Percent of CDC Min.	Spending (\$millions)	Percent of CDC Min.	Spending (\$millions)	Percent of CDC Min.	Spending (\$millions)	Percent of CDC Min.	Spending (\$millions)	Percent of CDC Min.
States Total	\$551.0	34.4%	\$538.2	33.6%	\$542.8	33.9%	\$674.4	42.1%	\$749.7	46.9%	\$737.5	46.1%	\$680.3	42.5%
Alabama	\$0.3	1.2%	\$0.4	1.3%	\$0.4	1.3%	\$0.4	1.3%	\$0.6	2.2%	\$6.0	22.4%	\$6.0	22.4%
Alaska	\$5.7	70.5%	\$4.2	51.5%	\$3.8	47.0%	\$5.0	61.8%	\$3.1	38.3%	\$1.4	17.3%	\$1.4	17.3%
Arizona	\$23.1	83.1%	\$23.1	83.1%	\$23.0	82.8%	\$18.3	65.7%	\$36.6	131.6%	\$34.5	124.1%	\$29.3	105.4%
Arkansas	\$17.5	97.7%	\$17.6	98.3%	\$18.5	103.3%	\$16.4	91.5%	\$16.4	91.5%	\$16.1	89.9%	\$0.0	0.0%
California	\$79.7	48.3%	\$74.0	44.8%	\$90.1	54.6%	\$88.4	53.5%	\$134.5	81.5%	\$114.6	69.4%	\$88.2	53.4%
Colorado	\$27.0	110.0%	\$4.3	17.5%	\$3.8	15.5%	\$7.6	31.0%	\$12.7	51.8%	\$12.7	51.7%	\$13.2	53.8%
Connecticut	\$0.0	0.2%	\$0.1	0.3%	\$0.5	2.4%	\$0.6	2.7%	\$0.6	2.7%	\$1.0	4.7%	\$4.0	18.8%
Delaware	\$9.2	106.6%	\$9.3	107.8%	\$10.1	117.0%	\$5.0	57.9%	\$5.5	63.2%	\$2.8	32.4%	\$0.0	0.0%
DC	\$0.0	0.0%	\$0.0	0.0%	\$0.0	0.0%	\$0.0	0.0%	\$0.0	0.0%	\$0.0	0.0%	\$0.0	0.0%
Florida	\$1.0	1.3%	\$1.0	1.3%	\$1.0	1.3%	\$37.5	47.8%	\$29.8	38.0%	\$44.0	56.1%	\$44.0	56.1%
Georgia	\$3.1	7.3%	\$11.5	27.0%	\$12.6	29.6%	\$19.1	44.8%	\$20.8	48.8%	\$15.8	37.1%	\$15.8	37.1%
Hawaii	\$5.8	53.8%	\$8.9	82.6%	\$8.9	82.6%	\$10.3	95.1%	\$4.2	38.9%	\$9.3	86.3%	\$9.7	89.5%
Idaho	\$0.5	4.9%	\$1.9	17.2%	\$1.6	14.5%	\$1.3	11.5%	\$1.1	10.0%	\$1.2	10.9%	\$1.2	10.9%
Illinois	\$11.0	16.9%	\$11.0	16.9%	\$12.0	18.5%	\$12.0	18.5%	\$45.9	70.7%	\$28.6	44.1%	\$28.6	44.0%
Indiana	\$10.8	31.1%	\$10.8	31.1%	\$10.8	31.1%	\$32.5	93.4%	\$32.5	93.4%	\$35.0	100.6%	\$35.0	100.6%
Iowa	\$5.6	28.9%	\$5.1	26.4%	\$5.1	26.4%	\$5.1	26.3%	\$9.4	48.7%	\$9.4	48.6%	\$9.4	48.3%
Kansas	\$1.0	5.5%	\$0.8	4.1%	\$0.5	2.8%	\$0.5	2.8%	\$0.5	2.8%	\$0.5	2.8%	\$0.5	2.8%
Kentucky	\$2.7	10.8%	\$2.7	10.8%	\$2.6	10.4%	\$3.0	12.0%	\$5.5	21.9%	\$5.8	23.1%	\$5.8	23.1%
Louisiana	\$8.0	29.5%	\$11.3	41.7%	\$10.7	39.4%	\$8.0	29.5%	\$0.5	1.8%	\$4.1	15.1%	\$4.1	15.1%
Maine	\$14.2	126.9%	\$14.2	126.9%	\$14.5	129.6%	\$15.2	135.6%	\$13.8	122.9%	\$18.8	168.0%	\$18.8	168.0%
Maryland	\$9.2	30.4%	\$9.5	31.4%	\$14.8	48.8%	\$30.0	99.0%	\$20.1	66.2%	\$30.0	99.0%	\$30.0	99.0%
Massachusetts	\$4.3	12.1%	\$3.8	10.6%	\$2.5	7.1%	\$4.8	13.6%	\$48.0	136.2%	\$43.1	122.3%	\$43.1	122.3%
Michigan	\$0.0	0.0%	\$0.0	0.0%	\$0.0	0.0%	\$0.0	0.0%	\$0.0	0.0%	\$0.0	0.0%	\$0.0	0.0%
Minnesota	\$22.1	77.2%	\$18.7	65.3%	\$20.4	71.3%	\$32.3	112.9%	\$28.9	101.0%	\$35.0	122.3%	\$35.0	122.3%
Mississippi	\$20.0	106.4%	\$20.0	106.4%	\$20.0	106.4%	\$20.0	106.4%	\$20.0	106.4%	\$31.0	165.0%	\$31.0	165.0%
Missouri	\$0.0	0.0%	\$0.0	0.0%	\$0.0	0.0%	\$0.0	0.0%	\$0.0	0.0%	\$0.0	0.0%	\$0.0	0.0%
Montana	\$6.8	72.6%	\$2.5	26.7%	\$2.5	26.7%	\$0.4	4.1%	\$0.5	5.3%	\$3.5	37.4%	\$3.5	37.4%
Nebraska	\$3.0	22.5%	\$2.9	21.8%	\$0.4	3.1%	\$7.0	52.6%	\$7.0	52.6%	\$7.0	52.6%	\$7.0	52.6%
Nevada	\$4.2	31.2%	\$4.4	32.6%	\$4.3	31.9%	\$4.3	31.8%	\$4.3	31.7%	\$3.0	22.3%	\$3.9	29.0%

	FY2006		FY2	005	FY2	004	FY2	003	FY2	002	FY2	001	FY2	2000
	Spending (\$millions)	Percent of CDC Min.	Spending (\$millions)	Percent of CDC Min.	Spending (\$millions)	Percent of CDC Min.	Spending (\$millions)	Percent of CDC Min.						
New Hampshire	\$0.0	0.0%	\$0.0	0.0%	\$0.0	0.0%	\$3.0	27.5%	\$3.0	27.5%	\$3.0	27.5%	\$3.0	27.5%
New Jersey	\$11.5	25.5%	\$11.0	24.4%	\$10.5	23.3%	\$30.0	66.6%	\$30.0	66.6%	\$30.0	66.6%	\$18.6	41.3%
New Mexico	\$6.0	43.8%	\$5.0	36.5%	\$5.0	36.5%	\$5.0	36.5%	\$5.0	36.5%	\$2.3	16.8%	\$2.3	16.4%
New York	\$43.4	45.3%	\$39.5	41.2%	\$37.0	38.6%	\$40.0	41.7%	\$40.0	41.7%	\$30.0	31.3%	\$30.0	31.3%
North Carolina	\$15.0	35.2%	\$15.0	35.2%	\$10.9	25.6%	\$6.2	14.6%	\$0.0	0.0%	\$0.0	0.0%	\$0.0	0.0%
North Dakota	\$3.1	38.0%	\$3.1	38.0%	\$3.0	36.8%	\$2.5	30.6%	\$2.5	30.9%	\$0.0	0.0%	\$0.0	0.0%
Ohio	\$47.2	76.4%	\$53.3	86.3%	\$38.0	61.5%	\$34.0	55.1%	\$21.7	35.1%	\$60.0	97.2%	\$60.0	97.2%
Oklahoma	\$8.9	40.8%	\$4.8	22.0%	\$2.5	11.5%	\$2.5	11.2%	\$1.7	7.9%	\$6.3	28.9%	\$6.3	28.9%
Oregon	\$3.5	16.3%	\$3.5	16.6%	\$2.9	13.5%	\$11.1	52.5%	\$11.3	53.2%	\$8.5	40.2%	\$8.5	40.2%
Pennsylvania	\$32.9	50.2%	\$46.1	70.3%	\$52.6	80.2%	\$52.0	79.3%	\$41.4	63.1%	\$0.0	0.0%	\$0.0	0.0%
Rhode Island	\$2.1	21.2%	\$2.5	25.3%	\$2.7	27.3%	\$3.3	33.4%	\$3.3	33.4%	\$2.3	23.3%	\$2.3	23.3%
South Carolina	\$0.0	0.0%	\$0.0	0.0%	\$0.0	0.0%	\$2.0	8.4%	\$1.6	6.7%	\$1.8	7.5%	\$1.8	7.3%
South Dakota	\$0.7	8.1%	\$1.5	17.3%	\$0.8	8.6%	\$0.8	8.6%	\$2.7	31.1%	\$1.7	19.6%	\$1.7	19.6%
Tennessee	\$0.0	0.0%	\$0.0	0.0%	\$0.0	0.0%	\$0.0	0.0%	\$0.0	0.0%	\$0.0	0.0%	\$0.0	0.0%
Texas	\$7.0	6.8%	\$7.4	7.2%	\$7.4	7.2%	\$12.5	12.1%	\$12.5	12.1%	\$9.3	9.0%	\$9.0	8.7%
Utah	\$7.2	47.3%	\$7.2	47.2%	\$7.2	47.2%	\$7.0	46.0%	\$6.0	39.4%	\$6.0	39.4%	\$6.0	39.4%
Vermont	\$4.9	61.9%	\$4.7	58.9%	\$4.5	56.9%	\$5.2	65.7%	\$5.5	70.0%	\$6.5	82.2%	\$6.5	82.2%
Virginia	\$12.8	32.9%	\$13.0	33.5%	\$17.4	44.8%	\$22.2	57.1%	\$19.2	49.3%	\$12.6	32.4%	\$13.1	33.7%
Washington	\$27.2	81.6%	\$27.2	81.6%	\$26.2	78.6%	\$26.2	78.7%	\$17.5	52.5%	\$15.0	45.0%	\$15.0	45.0%
West Virginia	\$5.9	41.7%	\$5.9	41.3%	\$5.9	41.7%	\$5.9	41.3%	\$5.9	41.3%	\$5.9	41.7%	\$5.9	41.3%
Wisconsin	\$10.0	32.1%	\$10.0	32.1%	\$10.0	32.1%	\$15.5	49.7%	\$15.5	49.7%	\$21.2	68.0%	\$21.2	68.0%
Wyoming	\$5.9	79.9%	\$3.8	51.5%	\$3.0	40.7%	\$3.0	40.7%	\$0.9	12.2%	\$0.9	12.2%	\$0.9	12.2%
Total	\$551.0	34.4%	\$538.2	33.6%	\$542.8	33.9%	\$674.4	42.1%	\$749.7	46.9%	\$737.5	46.1%	\$680.3	42.5%

# Appendix B



# TOBACCO-PREVENTION SPENDING vs. STATE TOBACCO REVENUES

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

Despite receiving massive amounts of annual revenue from tobacco taxes and the state tobacco lawsuit settlements with the cigarette companies, the vast majority of states are still failing to invest the 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	FY2014 State Tobacco Prevention Spending	FY2014 State Tobacco Settlement Revenues (est.)	FY2014 State Tobacco Tax Revenues (est.)	Total Annual State Revenues From Tobacco (est.)	Tobacco Prevention Spending % of Tobacco Revenue
States Total	\$96.7 bill.	\$481.2	\$7.0 bill.	\$17.9 bill.	\$25.0 bill.	1.9%
Alabama	\$1.49 bill.	\$0.3	\$87.0	\$136.1	\$223.1	0.1%
Alaska	\$169	\$10.1	\$34.9	\$67.2	\$102.1	9.9%
Arizona	\$1.3 bill.	\$18.6	\$95.7	\$323.8	\$419.5	4.4%
Arkansas	\$812	\$17.5	\$47.1	\$233.9	\$281.0	6.2%
California	\$9.14 bill.	\$64.8	\$681.1	\$836.1	\$1.52 bill.	4.3%
Colorado	\$1.31 bill.	\$26.0	\$106.3	\$192.4	\$298.7	8.7%
Connecticut	\$1.63 bill.	\$3.0	\$81.5	\$384.6	\$466.1	0.6%
Delaware	\$284	\$8.3	\$31.2	\$112.9	\$144.2	5.8%
DC	\$243	\$0.5	\$35.9	\$33.2	\$69.1	0.7%
Florida	\$6.32 bill.	\$65.6	\$364.0	\$1.2 bill.	\$1.6 bill.	4.2%
Georgia	\$2.25 bill.	\$2.2	\$130.6	\$216.3	\$346.8	0.6%
Hawaii	\$336	\$7.9	\$56.7	\$125.7	\$182.4	4.3%
Idaho	\$319	\$2.2	\$29.1	\$48.2	\$77.3	2.8%
Illinois	\$4.10 bill.	\$11.1	\$321.1	\$800.7	\$1.1 bill.	1.0%
Indiana	\$2.08 bill.	\$5.8	\$83.1	\$453.8	\$536.9	1.1%
Iowa	\$1.01 bill.	\$5.1	\$76.7	\$221.9	\$298.6	1.7%
Kansas	\$927	\$0.9	\$55.0	\$99.3	\$154.3	0.6%
Kentucky	\$1.50 bill.	\$2.1	\$60.0	\$260.4	\$320.3	0.7%
Louisiana	\$1.47 bill.	\$8.0	\$132.2	\$147.3	\$279.5	2.9%
Maine	\$602	\$8.1	\$59.7	\$138.4	\$198.1	4.1%
Maryland	\$1.96 bill.	\$8.5	\$94.4	\$384.6	\$479.1	1.8%
Massachusetts	\$3.54 bill.	\$4.0	\$297.1	\$647.7	\$944.8	0.4%
Michigan	\$3.40 bill.	\$1.5	\$237.8	\$927.5	\$1.2 bill.	0.1%
Minnesota	\$2.06 bill.	\$21.3	\$167.0	\$581.0	\$748.0	2.8%
Mississippi	\$719	\$10.9	\$112.0	\$150.7	\$262.7	4.1%
Missouri	\$2.13 bill.	\$0.1	\$81.9	\$101.6	\$183.5	0.0%
Montana	\$277	\$5.4	\$35.3	\$86.5	\$121.8	4.4%
Nebraska	\$537	\$2.4	\$35.3	\$67.9	\$103.2	2.3%
Nevada	\$565	\$1.0	\$38.0	\$100.8	\$138.8	0.7%
New Hampshire	\$564	\$0.1	\$39.9	\$206.8	\$246.7	0.1%
New Jersey	\$3.17 bill.	\$0.0	\$215.2	\$731.9	\$947.2	0.0%
New Mexico	\$461	\$5.9	\$25.8	\$95.0	\$120.7	4.9%
New York	\$8.17 bill.	\$39.3	\$865.6	\$1.5 bill.	\$2.3 bill.	1.7%

State	Annual Smoking Caused Health Costs	FY2014 State Tobacco Prevention Spending	FY2014 State Tobacco Settlement Revenues (est.)	FY2014 State Tobacco Tax Revenues (est.)	Total Annual State Revenues From Tobacco (est.)	Tobacco Prevention Spending % of Tobacco Revenue
North Carolina	\$2.46 bill.	\$1.2	\$131.3	\$278.3	\$409.6	0.3%
North Dakota	\$247	\$9.5	\$36.7	\$27.5	\$64.3	14.8%
Ohio	\$4.37 bill.	\$1.5	\$346.3	\$850.9	\$1.2 bill.	0.1%
Oklahoma	\$1.16 bill.	\$22.7	\$73.9	\$277.7	\$351.6	6.5%
Oregon	\$1.11 bill.	\$9.9	\$92.3	\$244.0	\$336.3	2.9%
Pennsylvania	\$5.19 bill.	\$5.0*	\$201.5	\$1.0 bill.	\$1.2 bill.	0.4%
Rhode Island	\$506	\$0.4	\$54.7	\$132.7	\$187.4	0.2%
South Carolina	\$1.09 bill.	\$5.0	\$55.4	\$166.3	\$221.7	2.3%
South Dakota	\$274	\$4.0	\$28.2	\$59.1	\$87.3	4.6%
Tennessee	\$2.16 bill.	\$5.0	\$128.6	\$274.3	\$402.9	1.2%
Texas	\$5.83 bill.	\$11.2	\$466.0	\$1.4 bill.	\$1.9 bill.	0.6%
Utah	\$345	\$7.5	\$42.5	\$121.4	\$163.9	4.6%
Vermont	\$233	\$3.9	\$40.2	\$72.9	\$113.2	3.4%
Virginia	\$2.08 bill.	\$9.5	\$108.6	\$186.5	\$295.1	3.2%
Washington	\$1.95 bill.	\$0.8	\$176.2	\$443.7	\$619.9	0.1%
West Virginia	\$690	\$5.3	\$60.6	\$104.5	\$165.1	3.2%
Wisconsin	\$2.02 bill.	\$5.3	\$153.5	\$622.8	\$776.4	0.7%
Wyoming	\$136	\$5.1	\$17.8	\$25.4	\$43.2	11.8%

<sup>\*</sup> Estimated, not confirmed.

Notes: Annual funding amounts only include state funds. CDC annual spending targets are from CDC, *Best Practices for Comprehensive Tobacco Control*, October 2007. State settlement payments are based on information received from the National Association of Attorneys General (NAAG). Revenue estimates reflect our understanding of the consequences of implementing the decisions reached by the arbitration panel in the Non-Participating Manufacturers (NPM) Adjustment arbitrations in 2013 and the implementation of the March 2013 settlement between 22 States and the Participating Manufacturers. As some issues remain undecided, the actual revenues might differ from these estimates. 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



# COMPREHENSIVE TOBACCO PREVENTION AND CESSATION PROGRAMS EFFECTIVELY REDUCE TOBACCO USE

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

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

The empirical evidence regarding the effectiveness of comprehensive tobacco prevention and cessation programs is vast and growing. There is more evidence than ever before that tobacco prevention and cessation programs work to reduce smoking, save lives and save money. In 2007, the Institute of Medicine and the President's Cancer Panel issued landmark reports that concluded there is overwhelming evidence that state comprehensive state tobacco control programs substantially reduce tobacco use and recommended that every state fund such programs at CDC-recommended levels. In addition, the 2012 annual report to the nation on cancer found that death rates from lung cancer have dropped among women and attributed this decline to "strong, long-running, comprehensive tobacco control programs."

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

A study published in the *American Journal of Public Health*, examined state tobacco prevention and cessation funding levels from 1995 to 2003 and found that the more states spent on these programs, the larger the declines they achieved in adult smoking, even when controlling for other factors such as increased tobacco prices. The researchers also calculated that if every state had funded their programs at the levels recommended by the CDC during that period, there would have been between 2.2 million and 7.1 million fewer smokers in the United States by 2003. 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>5</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>6</sup>

A 2013 study published in the *American Journal of Public Health*, which examined the impact of well-funded tobacco prevention programs, higher cigarette taxes and smoke-free air laws, found that each of these tobacco control policies contributed to declines in youth smoking between 2002 and 2008. The study also found that states could achieve far greater gains if they more fully implemented these proven strategies. For example, the study found that a doubling of cumulative funding for tobacco prevention programs would reduce current youth smoking by 4 percent.<sup>7</sup>

An earlier 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>8</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.

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, *Return on Investment from State Tobacco Prevention and Cessation Programs* <a href="http://www.tobaccofreekids.org/research/factsheets/pdf/0370.pdf">http://www.tobaccofreekids.org/research/factsheets/pdf/0370.pdf</a>.

- California's comprehensive approach has reduced adult smoking significantly. Adult smoking declined by 49 percent from 1988 to 2011, from 23.7 percent to 12.0 percent.<sup>9</sup> If every state had California's current smoking rate, there would be 17 million fewer smokers in the United States.
- Between 2000 and 2010, smoking prevalence among high school students decreased by 36 percent, from 21.6 percent to 13.8 percent.
- A 2013 study published in PLOS ONE found that California's program helped reduce the number of cigarette packs sold by approximately 6.8 billion. According to the study's authors, the new research shows that tobacco control program funding is directly tied to reductions in smoking rates and cigarette consumption per smoker, generating significant savings in health care expenditures. In fact, the study found that that between 1989 and 2008 California's tobacco control program reduced health care costs by \$134 billion, far more than the \$2.4 billion spent on the program.<sup>11</sup>
- A recent study in the Journal of the American Medical Association demonstrates that California reduced overall smoking and high intensity smoking much faster than the rest of the country. Researchers suggest that the Tobacco Control Program's focus on changing social norms has both reduced initiation and increased cessation.
- 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>13</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>14</sup>
- In the 10 years following the passage of Proposition 99, adult smoking in California declined at twice the rate it declined in the previous decade.
- Between 1988 and 2004, lung and bronchus cancer rates in California declined nearly four times faster than the rest of the U.S.<sup>16</sup> Researchers have associated the declines in lung cancer rates with the efforts of California's program.<sup>17</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.

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>19</sup>

#### **Program Success - New York**

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

- Between 2000 and 2012, smoking among middle school students declined by 69.6 percent, (from 10.2% to 3.1%), and smoking among high school students declined by 56 percent, (from 27.1% to 11.9%). These declines translate into more than 168,000 fewer youth smokers in the state.<sup>20</sup>
- Between 2000 and 2009, adult smoking declined by 16 percent among all adults, from 21.6
  percent to 18.0 percent, and by 30 percent among young adults, from 33 percent to 23.1 percent.
  The New York State Department of Health estimates that approximately 35 percent of the total

decline in adult smoking is attributable to youth prevention strategies and that the significant reduction in smoking among young adults will reduce future health care costs by approximately \$5 billion.<sup>21</sup>

 More recent data indicate that New York is continuing to make progress in reducing adult smoking rates. According to the Behavioral Risk Factor Surveillance System, in 2010, adult smoking in New York was down to 15.5 percent.<sup>22</sup>

# **Program Success – Washington**

The Washington State Tobacco Prevention and Control program was implemented in 1999 after the state Legislature set aside money from the Master Settlement Agreement to create a Tobacco Prevention and Control Account. Tobacco prevention and control received additional funds in 2001 when the state's voters passed a cigarette tax increase that dedicated a portion of the new revenue to tobacco prevention and cessation.

 Since the tobacco control program was implemented, Washington has reduced the adult smoking rate by about one-third, from 22.4 percent in 1999 to 15.2 percent in 2010.<sup>23</sup> Washington's tobacco prevention efforts have also cut youth smoking rates in half, saving additional lives and dollars.<sup>24</sup>

According to a recent study, Washington's comprehensive program is working and is not only responsible for fewer Washingtonians suffering and dying from tobacco-related diseases, but also saving money by reducing tobacco-related health care costs. According to the new study, the state's comprehensive tobacco prevention and cessation program has prevented 13,000 premature deaths and nearly 36,000 hospitalizations, saving about \$1.5 billion in health care costs. The study found that for every dollar spent by the state on tobacco prevention in the last ten years, the state saved more than \$5 in reduced hospitalization costs. <sup>25</sup>

An earlier study in CDC's peer-reviewed journal, *Preventing Chronic Disease*, found that although Washington made progress in implementing tobacco control policies between 1990 and 2000, smoking prevalence did not decline significantly until after substantial investment was made in the state's comprehensive tobacco control program.<sup>26</sup>

#### **Program Success - Maine**

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

 Smoking among Maine's high school students declined a dramatic 61 percent between 1997 and 2011, falling from 39.2 percent to 15.2 percent. (Nationally, smoking among high school students declined by 50% over this same time period.)<sup>27</sup>

#### **Program Success – North Dakota**

On November 4, 2008, North Dakota voters approved a ballot measure to allocate some of the state's tobacco settlement to the state's tobacco prevention and cessation program at the CDC-recommended level. Since the program was implemented with higher funding levels, North Dakota has reduced tobacco use among both children and adults.

 In just two years, from 2009 to 2011, smoking among North Dakota's high school students fell 13.5 percent, from 22.4 percent to 19.4 percent.<sup>28</sup> Adult smoking declined over a short time period as well, from 18.6 percent in 2009 to 17.4 percent in 2010.<sup>29</sup>

#### Program Success - Indiana

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

- Between 2000 and 2010, smoking among high school students declined by 45 percent (from 31.6% to 17.5%).<sup>30</sup>
- Smoking among middle school students declined by 55 percent, from 9.8 percent to 4.4 percent, over this same time period.

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

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

- Massachusetts cigarette consumption declined by 36 percent between 1992 and 2000, compared to a decrease of just 16 percent in the rest of the country (excluding California).
- 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>32</sup>
- Between 1993 and 2000, adult smoking prevalence dropped from 22.6 percent to 17.9 percent, resulting in 228,000 fewer smokers.<sup>33</sup> Nationally, smoking prevalence dropped by just seven percent over this same time period.<sup>34</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>35</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>36</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>37</sup>

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<sup>4</sup> Farrelly, MC, et al., "The Impact of Tobacco Control Programs on Adult Smoking," American Journal of Public Health 98:304-309, February 2008.

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<sup>12</sup> Pierce, JP, et al., "Prevalence of Heavy Smoking in California and the United States, 1965-2007," Journal of the American Medical Association 305(11), March 16, 2011.

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### Appendix D



# STATE TOBACCO PREVENTION AND CESSATION PROGRAMS SAVE MONEY

It is well established that comprehensive statewide tobacco-prevention and cessation programs prompt sharp reductions in smoking levels among both adults and kids by both increasing the numbers who quit or cutback and reducing the numbers who start or relapse. As shown by the experience of those states that already have comprehensive tobacco-prevention programs, these smoking reductions save thousands of people from suffering from the wide range of smoking-caused illnesses and other health problems. Recent research indicates that tobacco prevention and cessation programs not only reduce smoking and save lives, but also save money by reducing tobacco-related health care costs.

# Cost Savings From Established State Tobacco Prevention and Cessation Programs

- A recent study in the American Journal of Public Health found that for every dollar spent by Washington State's tobacco prevention and control program between 2000 and 2009, more than five dollars were saved by reducing hospitalizations for heart disease, stroke, respiratory disease and cancer caused by tobacco use. Over the 10-year period, the program prevented nearly 36,000 hospitalizations, saving \$1.5 billion compared to \$260 million spent on the program. The 5-to-1 return on investment is conservative because the cost savings only reflect the savings from prevented hospitalizations. The researchers indicate that the total cost savings could more than double if factors like physician visits, pharmaceutical costs and rehabilitation costs were included.
- A 2013 study published in *PLOS ONE* found that between 1989 and 2008 California's tobacco control program reduced health care costs by \$134 billion, far more than the \$2.4 billion spent on the program. Researchers attribute these savings to reductions in smoking rates and cigarette consumption per smoker, generating significant savings in health care expenditures.<sup>2</sup> This study builds on previous research which found that for every dollar the state spent on its tobacco control program from 1989 to 2004, the state received as much as fifty dollars in health care cost savings in the form of sharp reductions to total healthcare costs in the state.<sup>3</sup>
- Earlier research from California suggests that California's tobacco-control program secured substantial savings over the first seven years of its operation just from reducing smoking-affected births and smokingcaused heart attacks and strokes. Taken together, these savings more than covered the entire cost of the state's program over that time period and produced even larger savings in the following years. For every single dollar the state had been spending on the California program, it was reducing statewide healthcare costs by more than \$3.60.<sup>4</sup>
- A study of Arizona's tobacco prevention program found that the cumulative effect of the program was a savings of \$2.3 billion between 1996 and 2004, which amounted to about ten times the cost of the program over the same time period.<sup>5</sup>
- A report on the early investments in Massachusetts' comprehensive tobacco prevention program found that during its early years, the state's program was reducing statewide healthcare costs by \$85 million per year – which means the state was annually reducing smoking-caused health care costs by at least two dollars for every single dollar it invested in its comprehensive tobacco-prevention efforts.<sup>6</sup>
- An August 2008 Australian study found that for every dollar spent on a strong tobacco control program
  (consisting primarily of aggressive anti-smoking television ads along with telephone quitlines and other
  support services to help smokers quit), the program reduced future healthcare costs by \$70 over the
  lifetimes of the persons the program prompted to quit. This savings estimate was based on the study's
  finding that for every 10,000 smokers who quit because of the tobacco control program, more than 500
  were saved from lung cancer, more than 600 escaped having heart attacks, at least 130 avoid suffering

For extensive examples of real-world adult and youth smoking declines in states that have already initiated statewide tobacco-prevention programs, see TFK Factsheet, *Comprehensive Statewide Tobacco Prevention Programs Effectively Reduce Tobacco Use*, <a href="http://www.tobaccofreekids.org/research/factsheets/pdf/0045.pdf">http://www.tobaccofreekids.org/research/factsheets/pdf/0045.pdf</a>, and other related Factsheets at <a href="http://www.tobaccofreekids.org/facts\_issues/fact\_sheets/policies/prevention\_us\_state/save\_lives\_money/">http://www.tobaccofreekids.org/facts\_issues/fact\_sheets/policies/prevention\_us\_state/save\_lives\_money/</a>.

from a stroke, and more than 1700 were prevented from suffering from chronic obstructive pulmonary disease (COPD).<sup>7</sup>

These studies confirm that the cost-saving benefits from sustained investments in effective tobacco control programs quickly grow over time to dwarf the state expenditures, producing massive gains for the state not only in terms of both improved public health and increased worker productivity but in reduced government, business, and household costs.

#### State Tobacco-Prevention Efforts and State Medicaid Program Savings

Providing comprehensive tobacco cessation benefits for Medicaid beneficiaries has also proven to be a cost-effective investment. A study published recently in *PLoS One* shows that Massachusetts saved more than \$3 for every \$1 it spent on services to help beneficiaries in the state's Medicaid program quit smoking. The new study, which examined the cost implications from reducing hospital admissions for heart attacks and coronary heart disease, concluded that every \$1 that Massachusetts invested in the program yielded \$3.12 in savings for cardiovascular-related hospital admissions alone. The study estimates that the reductions in cardiovascular-related hospitalizations translated into net annual savings of about \$14.7 million for the state Medicaid program. These are conservative savings as they do not include long-term savings, savings that may occur outside the Medicaid program, or savings beyond hospital admissions.

Earlier studies showed that after Massachusetts implemented comprehensive coverage of tobacco cessation services for all Medicaid beneficiaries, the smoking rate among beneficiaries declined by 26 percent in the first 2.5 years. Among benefit users, there was a 46 percent decrease in hospitalizations for heart attacks and a 49 percent decrease in hospitalizations for cardiovascular disease.

#### **Even Larger Future Savings From Investments in Tobacco Prevention Programs**

- The findings of a 2004 study show that if every state funded it tobacco prevention efforts at the <u>minimum</u> amount recommended by the U.S. Centers for Disease Control and Prevention (CDC), just the related declines in *youth* smoking would lock in future reductions in smoking-caused healthcare costs of more than \$31 billion.<sup>11</sup> The related declines in adult smoking and in secondhand smoke exposure from the states making these CDC recommended investments in tobacco prevention would lock in tens of billions of dollars in additional smoking-caused cost savings.
- A study published in the journal Contemporary Economic Policy found that adequately funded state tobacco-prevention programs could save an astonishing 14 to 20 times the cost of implementing them. These programs save money by reducing tobacco-related Medicaid and other medical costs and productivity costs. Analyzing data from 1991 through 2007, the researchers found that state tobacco control programs have a "sustained and steadily increasing long-run impact" on the demand for cigarettes, which reduces disease and health-care costs.

# Campaign for Tobacco-Free Kids, February 15, 2013 / Meg Riordan

<sup>&</sup>lt;sup>1</sup> Dilley, Julia A., et al., "Program, Policy and Price Interventions for Tobacco Control: Quantifying the Return on Investment of a State Tobacco Control Program," *American Journal of Public Health*, Published online ahead of print December 15, 2011. See also, Washington State Department of Health, Tobacco Prevention and Control Program, News release, "Thousands of lives saved due to tobacco prevention and control program," November 17, 2010, http://www.doh.wa.gov/Publicat/2010\_news/10-183.htm.

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<sup>&</sup>lt;sup>3</sup> Lightwood, JM et al., "Effect of the California Tobacco Control Program on Personal Health Care Expenditures," PLOS Medicine 5(8):1214-22, August 2008

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<sup>&</sup>lt;sup>7</sup> Hurley, SF & Matthews, JP, "Cost-Effectiveness of the Australian National Tobacco Campaign," Tobacco Control, published online August 21, 2008.

<sup>&</sup>lt;sup>8</sup> Richard, P., et. al., "The Return on Investment of a Medicaid Tobacco Cessation Program in Massachusetts," *PloS One*, Volume 7, Issue 1, January 6, 2012.

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<sup>&</sup>lt;sup>10</sup> Land, Thomas, et al., "A Longitudinal Study of Medicaid Coverage for Tobacco Dependence Treatments in Massachusetts and for Associated Decreases in Hospitalizations for Cardiovascular Disease," *PLoS Medicine*, Volume 7, Issue 12, December, 2010.

<sup>&</sup>lt;sup>11</sup> Tauras, JA, et al., "State Tobacco Control Spending and Youth Smoking," *American Journal of Public Health* 95(2):338-44, February 2005 [with additional calculations by the primary authors based on the studies findings and methodology].

<sup>&</sup>lt;sup>12</sup> Chattopadhyay, S. and Pieper, D., "Does Spending More on Tobacco Control Programs Make Economic Sense? An Incremental Benefit-Cost Analysis Using Panel Data," *Contemporary Economic Policy*, 2011.



#### STATE CIGARETTE EXCISE TAX RATES & RANKINGS

Overall All States' Average: \$1.53 per pack
Major Tobacco States' Average: 48.5 cents per pack
Other States' Average: \$1.67 per pack

<u>State</u>	<u>Tax</u>	Rank
Alabama	\$0.425	47th
Alaska	\$2.00	12th
Arizona	\$2.00	12th
Arkansas	\$1.15	30th
California	\$0.87	33rd
Colorado	\$0.84	34th
Connecticut	\$3.40	4th
Delaware	\$1.60	22nd
DC	\$2.50	11th
Florida	\$1.339	27th
Georgia	\$0.37	48th
Hawaii	\$3.20	5th
ldaho	\$0.57	42nd
Illinois	\$1.98	17th
Indiana	\$0.995	32nd
lowa	\$1.36	26th
Kansas	\$0.79	36th
Kentucky	\$0.60	40th

<u>State</u>	<u>Tax</u>	Rank
Louisiana	\$0.36	49th
Maine	\$2.00	12th
Maryland	\$2.00	12th
Massachusetts	\$3.51	2nd
Michigan	\$2.00	12th
Minnesota	\$2.83	7th
Mississippi	\$0.68	37th
Missouri	\$0.17	51st
Montana	\$1.70	19th
Nebraska	\$0.64	38th
Nevada	\$0.80	35th
New Hampshire	\$1.78	18th
New Jersey	\$2.70	8th
New Mexico	\$1.66	21st
New York	\$4.35	1st
North Carolina	\$0.45	45th
North Dakota	\$0.44	46th
Ohio	\$1.25	28th

<u>State</u>	<u>Tax</u>	<u>Rank</u>
Oklahoma	\$1.03	31st
Oregon	\$1.18	29th
Pennsylvania	\$1.60	22nd
Rhode Island	\$3.50	3rd
South Carolina	\$0.57	42nd
South Dakota	\$1.53	24th
Tennessee	\$0.62	39th
Texas	\$1.41	25th
Utah	\$1.70	19th
Vermont	\$2.62	9th
Virginia	\$0.30	50th
Washington	\$3.025	6th
West Virginia	\$0.55	44th
Wisconsin	\$2.52	10th
Wyoming	\$0.60	40th
Puerto Rico	\$2.23	NA
Guam	\$3.00	NA
Northern Marianas	\$1.75	NA

Table shows all cigarette tax rates in effect now. Since 2002, 47 states, DC, and several U.S. territories have increased their cigarette tax rates more than 105 times. The states in **bold type** have not increased their cigarette tax since 2003 or earlier. Currently, 30 states, DC, Puerto Rico, the Northern Marianas, and Guam have cigarette tax rates of \$1.00 per pack or higher; 15 states, DC, and Guam have cigarette tax rates of \$2.00 per pack or higher; six states and Guam have cigarette tax rates of \$3.00 per pack or higher; and one state (NY) has a cigarette tax rate more than \$4.00 per pack. Tobacco states are KY, VA, NC, SC, GA, and TN. States' average includes DC, but not Puerto Rico, other U.S. territories, or local cigarette taxes. The median tax rate is \$1.36 per pack. AK, MI, MN, MS, UT also have special taxes or fees on brands of manufacturers not participating in the state tobacco lawsuit settlements (NPMs).

The highest combined state-local tax rate is \$5.85 in New York City, with Chicago, IL second at \$5.66 per pack. Other high state-local rates include Evanston, IL at \$5.48 and Anchorage, AK at \$4.206 per pack. For more on local cigarette taxes, see: <a href="http://tobaccofreekids.org/research/factsheets/pdf/0267.pdf">http://tobaccofreekids.org/research/factsheets/pdf/0267.pdf</a>.

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

The <u>average</u> price for a pack of cigarettes nationwide is roughly \$6.03 (including statewide sales taxes but not local cigarette or sales taxes, other than NYC's \$1.50 per pack cigarette tax), with considerable state-to-state differences because of different state tax rates, and different manufacturer, wholesaler, and retailer pricing and discounting practices. AK, DE, MT, NH & OR have no state retail sales tax at all; OK has a state sales tax, but does not apply it to cigarettes; MN & DC apply a per-pack sales tax at the wholesale level; and AL, GA & MO (unlike the rest of the states) do not apply their state sales tax to that portion of retail cigarette prices that represents the state's cigarette excise tax.

Campaign for Tobacco-Free Kids, August 1, 2013 / Ann Boonn

For additional information see the Campaign's website at http://www.tobaccofreekids.org/what we do/state local/taxes/.

Sources: Orzechowski & Walker, Tax Burden on Tobacco, 2012; media reports; state revenue department websites.

# Appendix F



# STATEWIDE SMOKE-FREE LAWS

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

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