

Broken Promises to Our Children

*The 1998 State
Tobacco Settlement
14 Years Later*

December 6, 2012

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

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

Table of Contents

Overview

Executive Summary	i-vi
<u>Table</u> : FY2013 Rankings of Funding for State Tobacco Prevention Programs.....	vii-viii
<u>Graph</u> : State Tobacco Prevention Spending FY1999 – FY2013	ix
<u>Graph</u> : FY2013 Tobacco Money for Tobacco Prevention	x
<u>Graph</u> : Tobacco Revenue and Prevention Spending FY2000 – FY2013	xi
<u>Map</u> : Funding for Tobacco Prevention.....	xii
<u>Table</u> : Status of Funding for State Tobacco Prevention Programs.....	xiii
<u>Table</u> : Tobacco Prevention Spending vs. Tobacco Company Marketing	xiv-xv

State Summaries

State-by-State Status Summaries.....	1-102
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Appendices

<u>Appendix A</u> : Table – History of Spending for State Tobacco Prevention Programs	103-106
<u>Appendix B</u> : Table – Tobacco Prevention Spending vs. State Tobacco Revenues.....	107-108
<u>Appendix C</u> : Table – Changes to State Tobacco Prevention Programs from FY2008 – FY2013.....	109-110
<u>Appendix D</u> : Factsheet – Comprehensive Tobacco Prevention and Cessation Programs Effectively Reduce Tobacco Use.....	111-117
<u>Appendix E</u> : Factsheet – State Tobacco Prevention and Cessation Programs Save Money..	118 - 120
<u>Appendix F</u> : Table – State Cigarette Excise Tax Rates & Rankings.....	121
<u>Appendix G</u> : Table – Summary of Comprehensive Smoke-Free State Laws.....	122

Executive Summary

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

In addition to the billions of dollars they receive each year from the tobacco settlement, the states collect billions more in tobacco taxes. In the current budget year, Fiscal Year 2013, the states will collect a record \$25.7 billion in revenue from the tobacco settlement and tobacco taxes.

This year, our 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 year's report include:

- In Fiscal Year 2013, the states will collect \$25.7 billion in revenue from the tobacco settlement and tobacco taxes, but will spend only 1.8 percent of it – \$459.5 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.**
- States have failed to reverse deep cuts that reduced tobacco prevention funding by 36 percent, or \$260.5 million, from FY 2008 to FY 2012. The \$459.5 million the states have allocated this year represents essentially flat funding compared to the \$456.7 budgeted in FY 2012. It is still far below the \$717.2 million spent in fiscal 2008 and the second lowest amount states have spent on tobacco prevention programs since 1999, when they first received tobacco settlement funds.
- States are falling woefully short of recommended funding levels for tobacco prevention programs set by the U.S. Centers for Disease Control and Prevention (CDC). The \$459.5 million the states have budgeted amounts to just 12.4 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.

The states' failure to use more of their tobacco money to fight the tobacco problem is especially troubling in light of recent national surveys indicating that smoking declines in the U.S. have slowed. The nation's progress against tobacco use – the number one cause of preventable death – is at risk unless states increase funding for tobacco prevention and cessation programs. Given the deep cutbacks in state programs, it is more critical than ever that the federal government also step up its tobacco prevention and cessation efforts, both through support for state and community programs and through expansion of the unprecedented national media campaign launched this year by the CDC.

As the nation implements health care reform, the states are also missing a golden opportunity to reduce tobacco-related health care costs, which total \$96 billion a year in the United States. There is growing evidence (summarized in Appendix E) that tobacco prevention and cessation programs not only reduce smoking and save lives, but also save money by reducing tobacco-related health care costs. 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.¹

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.

Additional Findings

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

- Counting both state and federal funding, only two states – **Alaska** and **North Dakota** – currently fund tobacco prevention programs at the CDC-recommended levels.
- Only three other states – **Delaware**, **Wyoming** and **Hawaii** – are funding tobacco prevention programs at even half the CDC-recommended levels.
- Eleven states are funding tobacco prevention programs at between 25 and 50 percent of CDC-recommended levels.
- 29 states and Washington, DC, are providing less than a quarter of the CDC-recommended amounts (of these, 18 states and DC are providing less than 10 percent of the CDC-recommended amounts).²
- Four states – **New Hampshire**, **New Jersey**, **North Carolina** and **Ohio** – have allocated no state funds for tobacco prevention programs in FY 2013.
- Budget cuts have decimated some of the most effective state tobacco prevention programs. This year, state funding for **North Carolina's** program has been eliminated. In recent years, effective programs have been cut by more than 90 percent in **Washington State**, by more than 75 percent in **Maryland**, and by more than half in **Maine**, **Massachusetts**, **New York**

¹ 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.

² For the second year in a row, Alabama's tobacco prevention program budget was not available when this report went to press. Alabama historically has provided minimal funding for tobacco prevention. In FY2011, Alabama budgeted \$860,000, which is just 1.5 percent of the CDC's recommendation.

and **Wisconsin**. For the third year in a row, **Ohio** is providing zero state funding for what was once a very successful program.

- The amount states are spending on tobacco prevention programs pales in comparison to the \$8.5 billion a year that major cigarette and smokeless tobacco companies spend to market tobacco products, according to the latest tobacco marketing reports of the Federal Trade Commission (for 2010). That means the tobacco companies spend more than \$18 to market tobacco products for every one dollar the states spend to reduce tobacco use.
- Federal grants have helped to cushion the impact of state tobacco prevention cuts, but funds provided by the 2009 economic stimulus law have run out and funding from the Prevention and Public Health Fund, created by the health care reform law, was cut by 30 percent this year and could face additional cuts. In FY 2013, the federal government is providing \$108 million in state and community grants to reduce tobacco use.

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

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

The CDC recently reported that the adult smoking rate in 2010 was 19 percent – only a small decline since 2005 when 20.9 percent smoked. While smoking among high school students has declined by more than half from a high of 36.4 percent in 1997, 18.1 percent of high school students still smoke and declines have slowed in recent years, according to the CDC.

This slowing of progress has coincided with deep cuts to state tobacco prevention and cessation programs. As this report demonstrates, states cut funding for tobacco prevention programs by 36 percent from FY 2008 to FY 2012, and they have failed to increase funding this year.

If the nation is to continue reducing smoking and other tobacco use, elected officials at all levels of government must resist complacency and redouble efforts to implement scientifically proven measures to reduce tobacco use. Recent landmark reports by the Institute of Medicine (IOM), the President's Cancer Panel and the U.S. Surgeon General have agreed on the steps that the federal government and the states must take to win the fight against tobacco.³ 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 restoring 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.

³ 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 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.

- At the federal level, the deep cuts to state programs underscore the importance of preserving the Prevention and Public Health Fund created by the health care reform law. This fund is a critical source of support for tobacco prevention and cessation efforts, including state and community grants, telephone quitlines and the unprecedented national media campaign, *Tips from Former Smokers*, that the CDC launched earlier this year. The CDC campaign was highly successful, more than doubling the number of smokers seeking assistance from smoking cessation quitlines (1-800-QUIT-NOW) and leading to a 428 percent increase in visitors to the www.smokefree.gov website.⁴ It is encouraging that the CDC has indicated it plans a similar campaign next year.

Other federal priorities include ensuring that health insurance plans provide the coverage for smoking cessation treatments, without cost sharing, required by the health care reform law.

It is also imperative that the Food and Drug Administration effectively exercise the authority to regulate tobacco products that it received under a landmark 2009 law. The FDA has eliminated the sale of candy and fruit-flavored cigarettes, imposed new restrictions on tobacco marketing and sales to kids, ended the use of the deceptive cigarette labels “light” and “low-tar,” and required larger warning labels on smokeless tobacco products. The FDA must continue to mount a rigorous legal defense of the graphic cigarette warnings that have been challenged by tobacco companies. The FDA also has broad authority to regulate the contents of tobacco products and to review new and changed tobacco products before they are allowed on the market.

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

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

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

⁴ CDC, “Increases in Quitline Calls and Smoking Cessation Website Visitors During a National Tobacco Education Campaign – March 19-June 10, 2012,” *MMWR* 61(34):667-670, August 31, 2012.
http://www.cdc.gov/mmwr/preview/mmwrhtml/mm6134a2.htm?s_cid=mm6134a2_w

in productivity losses, according to the CDC. Every day, another 1,000 kids become new regular smokers and another 1,200 Americans die because of tobacco use.⁵

Despite their budget woes, 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 \$25.7 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.

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

In its May 2007 report, the IOM concluded:

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

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

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

⁵ Substance Abuse and Mental Health Services Administration (SAMHSA), HHS, *Results from the 2010 National Survey on Drug Use and Health, NSDUH: Summary of National Findings*, 2011. For more data and cites on the toll of tobacco go to: http://www.tobaccofreekids.org/facts_issues/toll_us/.

hundreds of thousands of premature deaths would be prevented. Longer-term investments would have even greater effects.

Tobacco Prevention Programs Deliver a Strong Return on Investment

The strongest evidence that tobacco prevention programs work comes from the states themselves. 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 2011.⁶ 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 more than half between 1999, when it started its program, and 2010.⁷

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.⁸

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 the rest of the United States. An August 2008 study in the medical journal *PLoS Medicine* found that California's tobacco control program saved \$86 billion in health care costs in its first 15 years, compared to \$1.8 billion the state spent on the program, for a return on investment of nearly 50:1.

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

⁶ National Youth Risk Behavior Survey, 1997 and 2011.

⁷ Washington State Department of Health, Tobacco Prevention and Control Program, Progress Report, March 2011

⁸ 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.



FY2013 Rankings of Funding for State Tobacco Prevention Programs
 (Annual funding amounts only include state funds.)

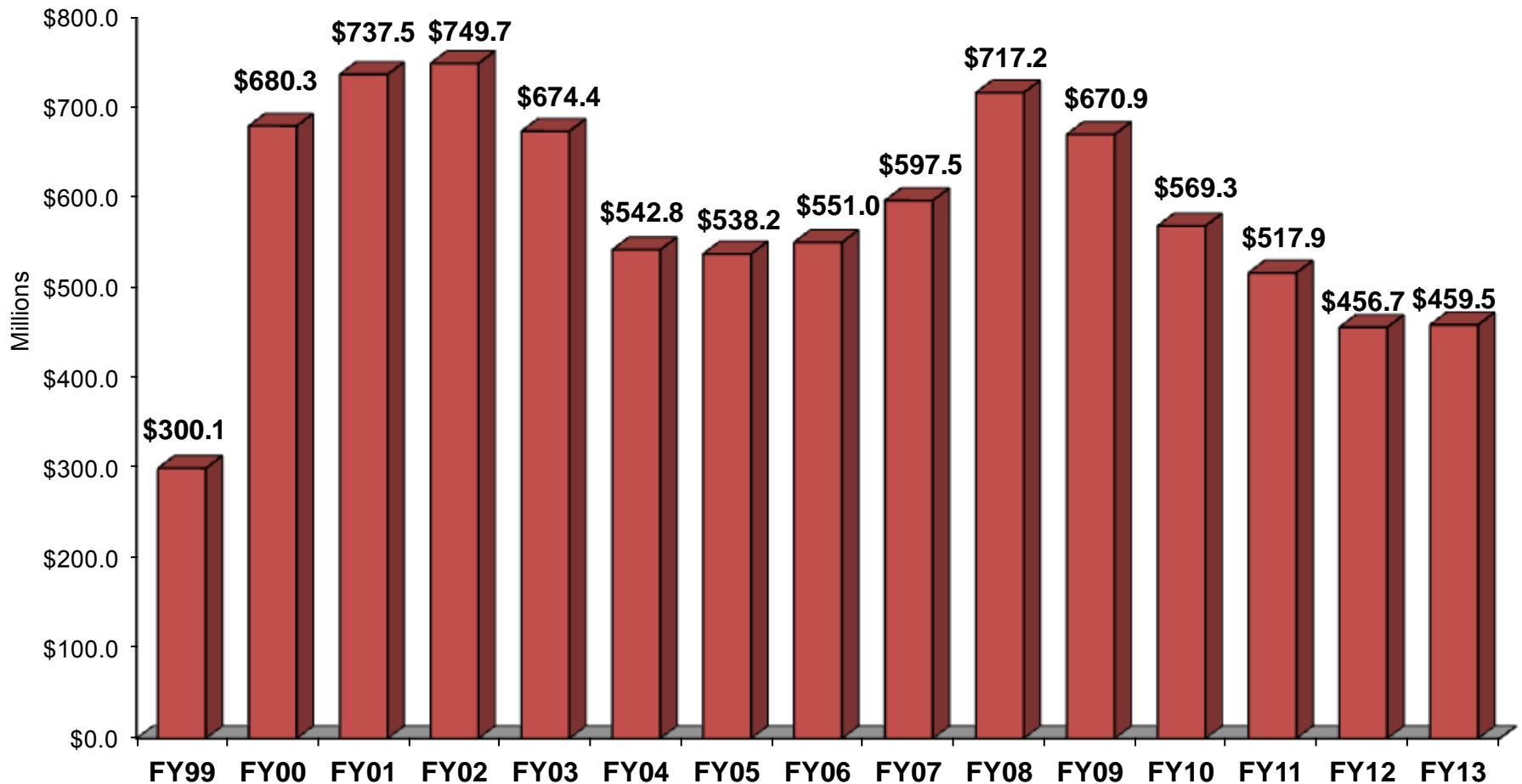
State	FY2013 Current Annual Funding (\$millions)	CDC Annual Recommendation (millions)	FY2013 Percent of CDC's Recommendation	Current Rank
Alaska	\$10.9	\$10.7	101.6%	1
North Dakota*	\$8.2	\$9.3	88.4%	2
Delaware	\$9.0	\$13.9	64.9%	3
Wyoming	\$5.4	\$9.0	60.0%	4
Hawaii	\$8.9	\$15.2	58.8%	5
Arkansas	\$17.8	\$36.4	48.9%	6
Oklahoma	\$19.7	\$45.0	43.8%	7
Colorado	\$22.6	\$54.4	41.5%	8
Maine	\$7.5	\$18.5	40.7%	9
Vermont	\$4.0	\$10.4	38.2%	10
South Dakota	\$4.0	\$11.3	35.4%	11
Minnesota	\$19.6	\$58.4	33.6%	12
Montana	\$4.6	\$13.9	33.1%	13
Florida	\$64.3	\$210.9	30.5%	14
Utah	\$7.0	\$23.6	29.8%	15
New Mexico	\$5.9	\$23.4	25.3%	16
Mississippi	\$9.7	\$39.2	24.7%	17
Arizona	\$15.2	\$68.1	22.3%	18
West Virginia	\$5.7	\$27.8	20.5%	19
Oregon	\$7.5	\$43.0	17.5%	20
New York	\$41.4	\$254.3	16.3%	21
California	\$62.1	\$441.9	14.1%	22
Connecticut	\$6.0	\$43.9	13.7%	23
Louisiana	\$7.2	\$53.5	13.4%	24
Idaho	\$2.2	\$16.9	13.0%	25
Indiana	\$9.3	\$78.8	11.8%	26
Nebraska	\$2.4	\$21.5	11.1%	27
Pennsylvania	\$14.2	\$155.5	9.1%	28

State	FY2013 Current Annual Funding (\$millions)	CDC Annual Recommendation (millions)	FY2013 Percent of CDC's Recommendation	Current Rank
Iowa	\$3.2	\$36.7	8.7%	29
Wisconsin	\$5.3	\$64.3	8.2%	30
Virginia	\$8.4	\$103.2	8.1%	31
South Carolina	\$5.0	\$62.2	8.0%	32
Illinois	\$11.1	\$157.0	7.1%	33
Maryland	\$4.2	\$63.3	6.6%	34
District of Columbia	\$495,000	\$10.5	4.7%	35
Massachusetts	\$4.2	\$90.0	4.6%	36
Kentucky	\$2.1	\$57.2	3.7%	37
Washington	\$2.5	\$67.3	3.7%	37
Kansas	\$1.0	\$32.1	3.1%	39
Rhode Island	\$376,437	\$15.2	2.5%	40
Texas	\$6.5	\$266.3	2.4%	41
Michigan	\$1.8	\$121.2	1.5%	42
Georgia	\$750,000	\$116.5	0.6%	43
Nevada	\$150,000	\$32.5	0.5%	44
Tennessee	\$222,267	\$71.7	0.3%	45
Missouri	\$61,785	\$73.2	0.1%	46
New Hampshire	\$0.0	\$19.2	0.0%	50
New Jersey	\$0.0	\$119.8	0.0%	50
North Carolina	\$0.0	\$106.8	0.0%	50
Ohio	\$0.0	\$145.0	0.0%	50
Alabama**	NA	\$56.7	NA	NA

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

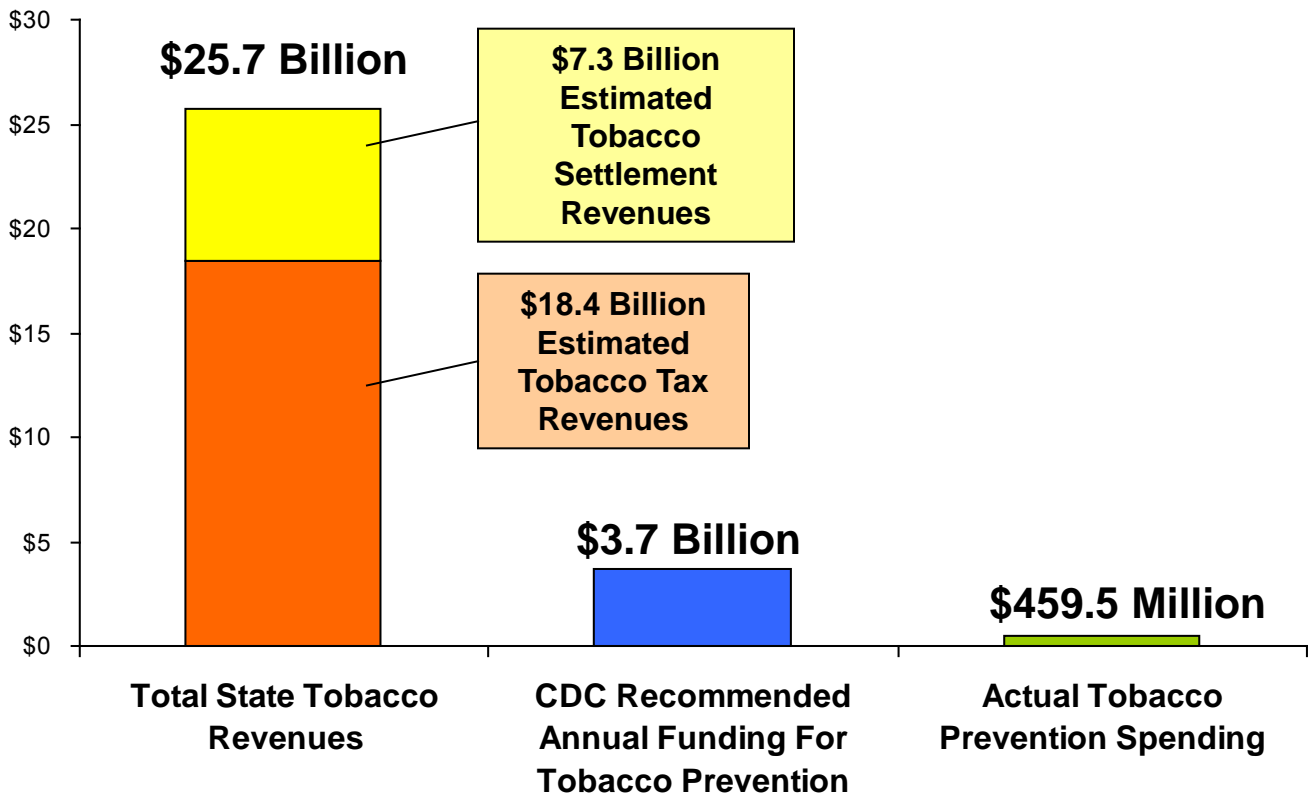
** As in FY2012, Alabama's tobacco prevention program budget for FY2013 was not available when this report went to press. In FY2011, Alabama budgeted \$860,000, which is just 1.5 percent of the CDC's recommendation.

State Tobacco Prevention Spending, FY1999 - FY2013

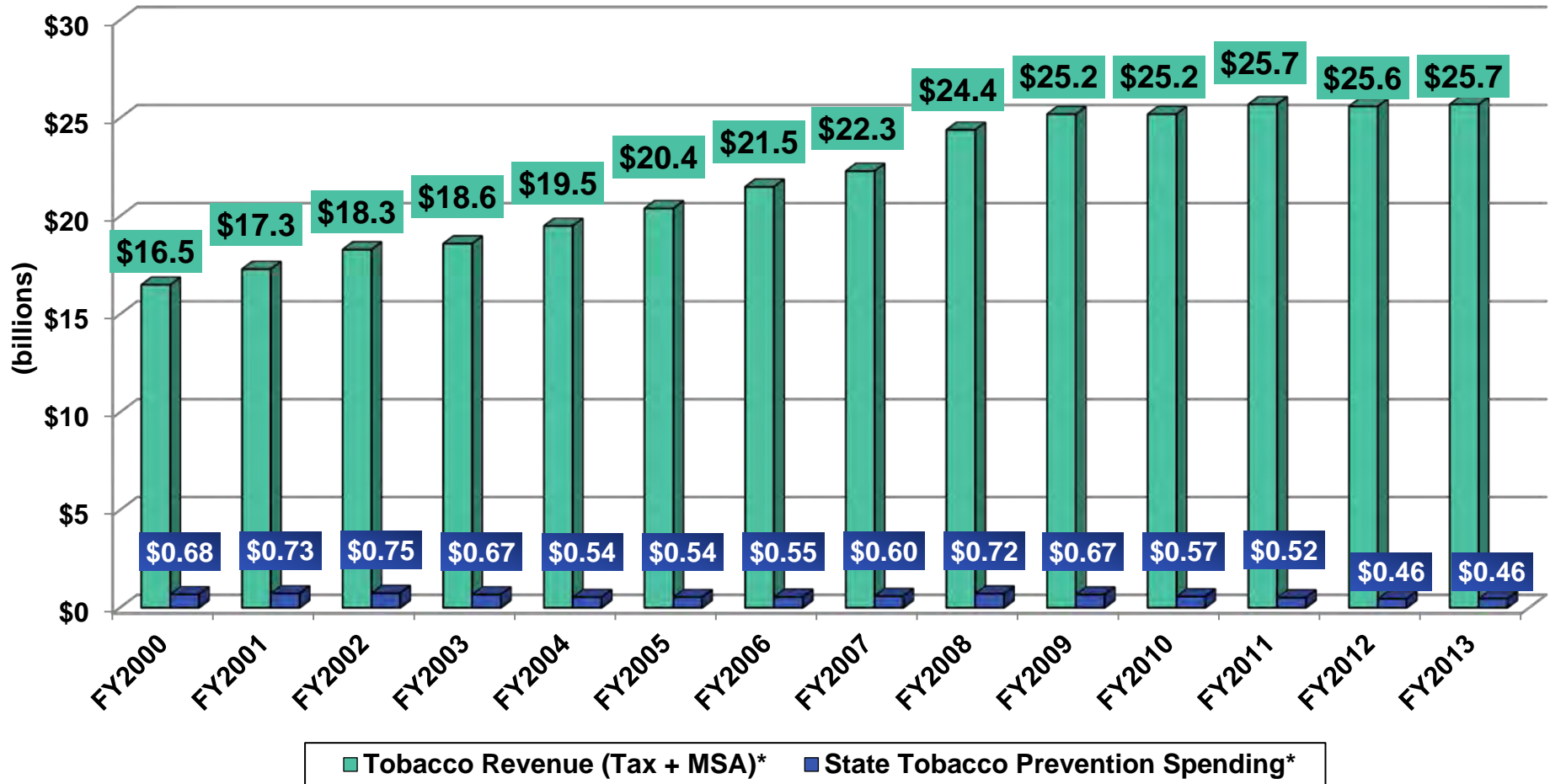


Only 3 states – AZ, CA and MA - spent any money on tobacco prevention prior to 1999. Settlement payments to states began in 1999. All states were receiving payments by 2001. Funding amounts only include state funds.

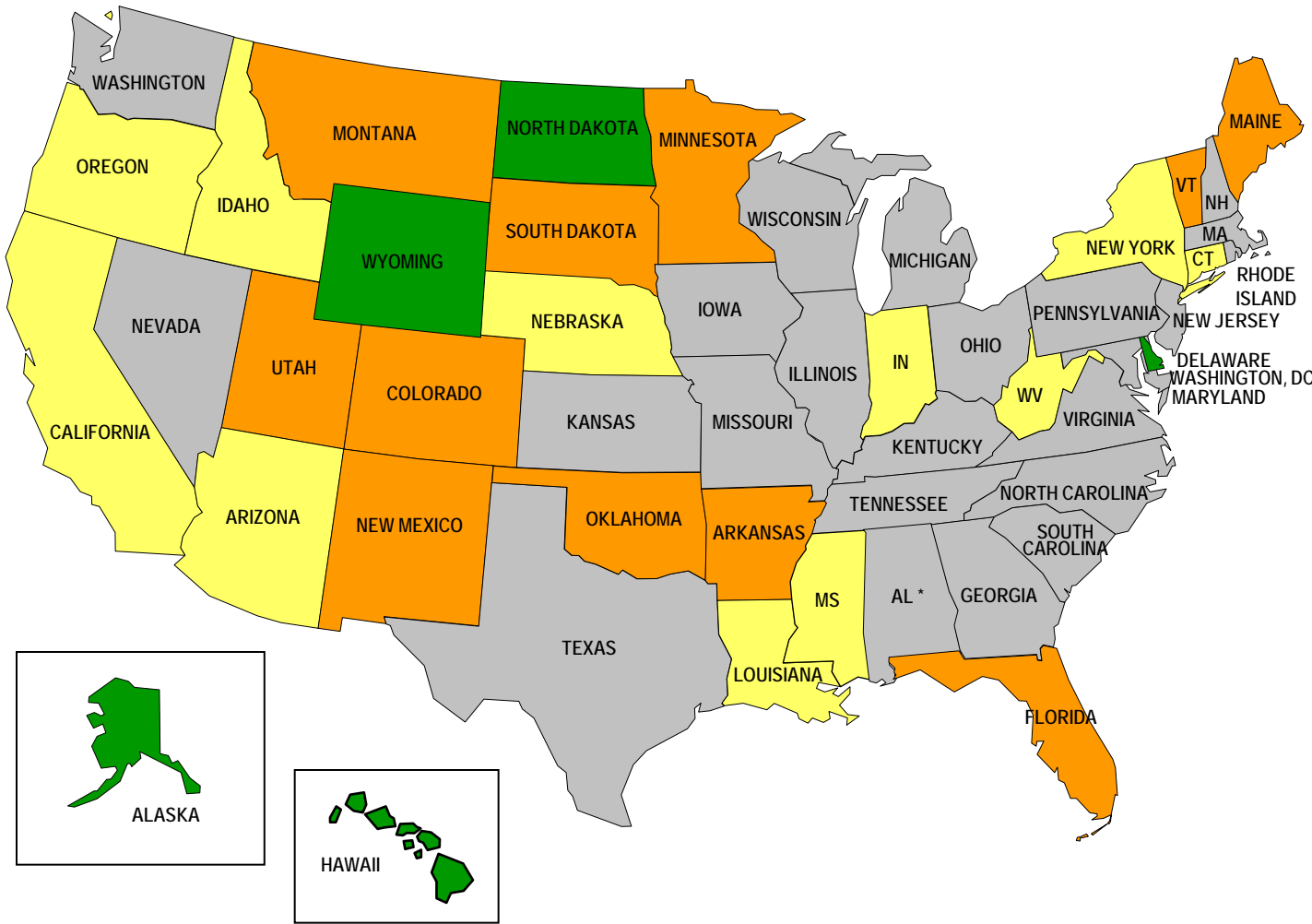
FY2013 Tobacco Money for Tobacco Prevention



State Tobacco Revenue and Prevention Spending FY2000 - FY2013



FY2013 Funding for State Tobacco Prevention Programs



- States that are spending 50% or more of CDC recommendation on tobacco prevention programs.
- States that are spending 25% - 49% of CDC recommendation on tobacco prevention programs.
- States that are spending 10% - 24% of CDC recommendation on tobacco prevention programs.
- States that are spending less than 10% of CDC recommendation on tobacco prevention programs.

*As in FY2012, Alabama's tobacco prevention program budget for FY2013 was not available when this report went to press. In FY2011, Alabama budgeted \$860,000, which is just 1.5 percent of the CDC's recommendation.

STATUS OF FUNDING FOR STATE TOBACCO PREVENTION PROGRAMS

States that are spending 50% or more of CDC recommendation on tobacco prevention programs. (5)

Alaska	North Dakota
Delaware	Wyoming
Hawaii	

States that are spending 25%- 49% of CDC recommendation on tobacco prevention programs. (11)

Arkansas	New Mexico
Colorado	Oklahoma
Florida	South Dakota
Maine	Utah
Minnesota	Vermont
Montana	

States that are spending 10%- 24% of CDC recommendation on tobacco prevention programs. (11)

Arizona	Mississippi
California	Nebraska
Connecticut	New York
Idaho	Oregon
Indiana	West Virginia
Louisiana	

States that are spending less than 10% of CDC recommendation on tobacco prevention programs. (22 and the District of Columbia)

District of Columbia	New Jersey
Georgia	North Carolina
Illinois	Ohio
Iowa	Pennsylvania
Kansas	Rhode Island
Kentucky	South Carolina
Maryland	Tennessee
Massachusetts	Texas
Michigan	Virginia
Missouri	Washington
Nevada	Wisconsin
New Hampshire	

*As in FY2012, Alabama's tobacco prevention program budget for FY2013 was not available when this report went to press. In FY2011, Alabama budgeted \$860,000, which is just 1.5 percent of the CDC's recommendation.



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.

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 Georgia, for example, the tobacco industry spends \$388 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, Georgia'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	FY2013 Total Tobacco Prevention Spending	2010 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.	\$459.5	\$8.49 bill.	5.4%	18.5 to 1
Alabama	\$1.49 bill.	NA	\$180.8	NA	NA
Alaska	\$169	\$10.9	\$17.0	64.0%	1.6 to 1
Arizona	\$1.3 bill.	\$15.2	\$95.6	15.9%	6.3 to 1
Arkansas	\$812	\$17.8	\$98.6	18.1%	5.5 to 1
California	\$9.14 bill.	\$62.1	\$535.7	11.6%	8.6 to 1
Colorado	\$1.31 bill.	\$22.6	\$113.1	20.0%	5.0 to 1
Connecticut	\$1.63 bill.	\$6.0	\$71.7	8.4%	12.0 to 1
Delaware	\$284	\$9.0	\$43.5	20.7%	4.8 to 1
DC	\$243	\$495,000	\$8.0	6.2%	16.2 to 1
Florida	\$6.32 bill.	\$64.3	\$516.7	12.4%	8.0 to 1
Georgia	\$2.25 bill.	\$750,000	\$291.0	0.3%	388.0 to 1
Hawaii	\$336	\$8.9	\$24.7	36.1%	2.8 to 1
Idaho	\$319	\$2.2	\$39.4	5.6%	17.9 to 1
Illinois	\$4.10 bill.	\$11.1	\$321.8	3.4%	29.0 to 1
Indiana	\$2.08 bill.	\$9.3	\$249.5	3.7%	26.8 to 1
Iowa	\$1.01 bill.	\$3.2	\$82.7	3.9%	25.9 to 1
Kansas	\$927	\$1.0	\$64.9	1.5%	64.9 to 1
Kentucky	\$1.50 bill.	\$2.1	\$248.9	0.9%	117.2 to 1
Louisiana	\$1.47 bill.	\$7.2	\$197.6	3.6%	27.6 to 1
Maine	\$602	\$7.5	\$37.6	20.0%	5.0 to 1
Maryland	\$1.96 bill.	\$4.2	\$110.3	3.8%	26.6 to 1
Massachusetts	\$3.54 bill.	\$4.2	\$123.7	3.4%	29.8 to 1
Michigan	\$3.40 bill.	\$1.8	\$253.6	0.7%	138.6 to 1
Minnesota	\$2.06 bill.	\$19.6	\$151.2	13.0%	7.7 to 1

¹ These ratios are based on state and federal tobacco prevention expenditures in FY2013 versus tobacco industry marketing expenditures in 2010 (the most recent year for which data is available).

State	Annual Smoking Caused Health Costs in State	FY2013 Total Tobacco Prevention Spending	2010 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
Mississippi	\$719	\$9.7	\$111.5	8.7%	11.5 to 1
Missouri	\$2.13 bill.	\$61,785	\$301.8	0.0%	4,884.5 to 1
Montana	\$277	\$4.6	\$24.9	18.5%	5.4 to 1
Nebraska	\$537	\$2.4	\$54.0	4.4%	22.7 to 1
Nevada	\$565	\$150,000	\$68.2	0.2%	454.7 to 1
New Hampshire	\$564	\$0.0	\$67.6	0.0%	NA
New Jersey	\$3.17 bill.	\$0.0	\$158.0	0.0%	NA
New Mexico	\$461	\$5.9	\$31.1	19.1%	5.2 to 1
New York	\$8.17 bill.	\$41.4	\$196.0	21.1%	4.7 to 1
North Carolina	\$2.46 bill.	\$0.0	\$321.3	0.0%	NA
North Dakota	\$247	\$8.2	\$25.7	32.0%	3.1 to 1
Ohio	\$4.37 bill.	\$0.0	\$362.5	0.0%	NA
Oklahoma	\$1.16 bill.	\$19.7	\$147.2	13.4%	7.5 to 1
Oregon	\$1.11 bill.	\$7.5	\$99.6	7.6%	13.2 to 1
Pennsylvania	\$5.19 bill.	\$14.2	\$396.0	3.6%	27.8 to 1
Rhode Island	\$506	\$376,437	\$21.2	1.8%	56.3 to 1
South Carolina	\$1.09 bill.	\$5.0	\$178.9	2.8%	35.8 to 1
South Dakota	\$274	\$4.0	\$19.7	20.3%	4.9 to 1
Tennessee	\$2.16 bill.	\$222,267	\$251.6	0.1%	1,132.1
Texas	\$5.83 bill.	\$6.5	\$538.5	1.2%	83.5 to 1
Utah	\$345	\$7.0	\$34.0	20.7%	4.8 to 1
Vermont	\$233	\$4.0	\$16.9	23.5%	4.2 to 1
Virginia	\$2.08 bill.	\$8.4	\$296.9	2.8%	35.5 to 1
Washington	\$1.95 bill.	\$2.5	\$80.8	3.1%	32.6 to 1
West Virginia	\$690	\$5.7	\$110.6	5.2%	19.4 to 1
Wisconsin	\$2.02 bill.	\$5.3	\$133.7	4.0%	25.2 to 1
Wyoming	\$136	\$5.4	\$22.0	24.5%	4.1 to 1

Campaign for Tobacco-Free Kids, November 27, 2012 / Meg Riordan

More information on tobacco company marketing is available at http://www.tobaccofreekids.org/facts_issues/fact_sheets/toll/tobacco_kids/marketing/.

More state information relating to tobacco use is available at http://www.tobaccofreekids.org/facts_issues/key_issues/.

Sources:

CDC, *State Highlights 2006*, [and underlying CDC data and estimates]. See, also, CDC, "Annual Smoking-Attributable Mortality, Years of Potential Life Lost, and Economic Costs -- United States 2000-2004," *MMWR* 57(45), November 14, 2008. U.S. General Accounting Office (GAO), "CDC's April 2002 Report on Smoking: Estimates of Selected Health Consequences of Cigarette Smoking Were Reasonable," letter to U.S. Rep. Richard Burr, July 16, 2003, <http://www.gao.gov/new.items/d03942r.pdf>.

Campaign for Tobacco-Free Kids, et al., *A Decade of Broken Promises: The 1998 State Tobacco Settlement Fourteen Years Later*, 2012, <http://www.tobaccofreekids.org/reports/settlements/>.

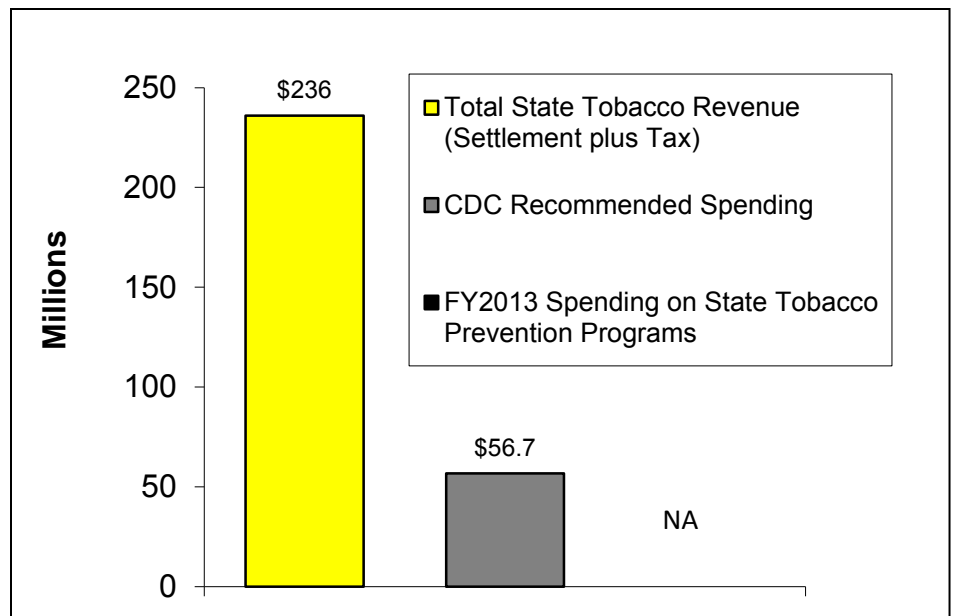
CDC, *Best Practices for Comprehensive Tobacco Control*, October 2007. http://www.cdc.gov/tobacco/tobacco_control_programs/stateandcommunity/best_practices/index.htm

U.S. Federal Trade Commission (FTC), *Cigarette Report for 2009 and 2010*, 2012, <http://ftc.gov/os/2012/09/120921cigarettereport.pdf>. FTC, *Smokeless Tobacco Report for 2009 and 2010*, 2012, <http://ftc.gov/os/2012/09/120921tobaccoreport.pdf>. Data for top 5 manufacturers only. State total is a prorated estimate based on cigarette pack sales in the state.

Alabama

	FY2013	FY2012
State Ranking	NA	NA
STATE SPENDING ON TOBACCO PREVENTION	NA	NA
% of CDC Recommended Spending (\$56.7 million)	NA	NA

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that Alabama spend \$56.7 million a year to have an effective, comprehensive tobacco prevention program. Alabama's tobacco prevention program budget for FY2013 was not available at the time this report went to press.



Background and Recent Developments: Alabama's tobacco settlement payments are governed by a 1999 law approved by the Legislature and signed by then-Governor Don Siegleman (D). This law allocated up to \$70 million in FY2002 and annually thereafter to a package of health and youth-related programs called the Children First Trust Fund.

Alabama's tobacco prevention program budget for FY2013 was not available at the time this report went to press, the same as FY2012. In FY2011, the state allocated \$861,292 for the tobacco prevention program, a nearly 60% cut in funding from FY2010 and FY2009.

Alabama is receiving \$3.0 million in federal funds dedicated to tobacco prevention and control:

- \$1.3 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2012 (from annual appropriations).
- \$418,764 from the Prevention and Public Health Fund in the new health care reform law for the period beginning August 1, 2012.
- \$1.3 million from the Food and Drug Administration for enforcement of the Family Smoking Prevention and Tobacco Control Act, including the provision regarding tobacco sales to minors.

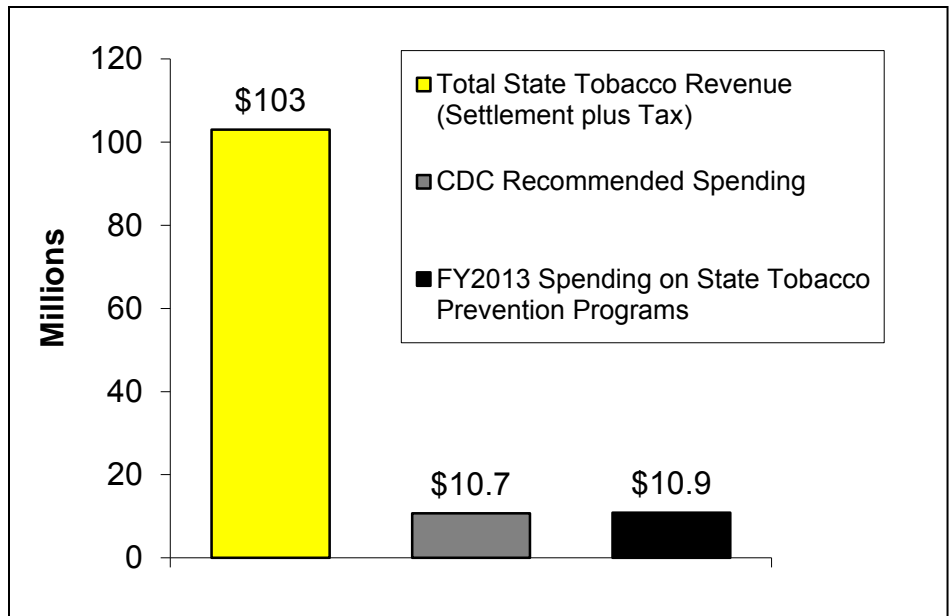
Tobacco's Toll in Alabama	
Adults who smoke*	24.3%
High school students who smoke	22.9%
Deaths caused by smoking each year	7,500
Annual health care costs directly caused by smoking	\$1.49 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$534 per household
Annual tobacco company marketing in state	\$180.8 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	NA to 1

**Due to changes in CDC's methodology, the 2011 adult smoking rate cannot be compared to data from previous years.*

Alaska

	FY2013	FY2012
State Ranking	1	1
STATE SPENDING ON TOBACCO PREVENTION	\$10.9 million	\$10.8 million
% of CDC Recommended Spending (\$10.7 million)	101.6%	101.3%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that Alaska spend \$10.7 million a year to have an effective, comprehensive tobacco prevention program. Alaska currently allocates \$10.9 million a year for tobacco prevention and cessation. This is 101.6% of the CDC's recommendation and ranks Alaska 1st among the states in the funding of tobacco prevention programs. Alaska's spending on tobacco prevention amounts to 10.5% of the estimated \$103 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



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

In FY2013, the state will spend \$10.9 million on tobacco prevention and cessation, about the same amount that was spent in FY2012.

In addition, Alaska is receiving \$1.1 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2012 (from annual appropriations).

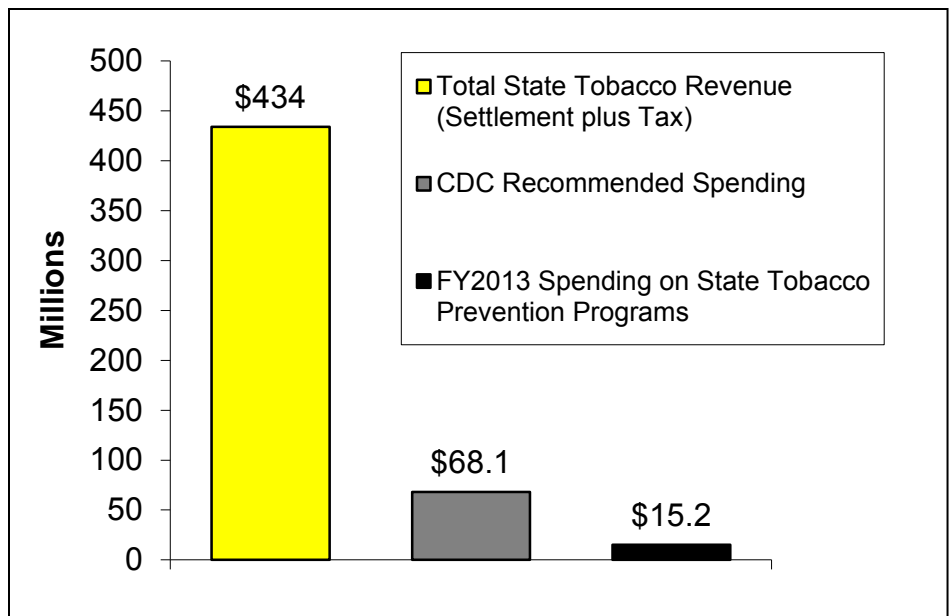
Tobacco's Toll in Alaska	
Adults who smoke*	22.9%
High school students who smoke	14.1%
Deaths caused by smoking each year	490
Annual health care costs directly caused by smoking	\$169 million
Residents' state & federal tax burden from smoking-caused government expenditures	\$638 per household
Annual tobacco company marketing in state	\$17.0 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	1.6 to 1

**Due to changes in CDC's methodology, the 2011 adult smoking rate cannot be compared to data from previous years.*

Arizona

	FY2013	FY2012
State Ranking	18	14
STATE SPENDING ON TOBACCO PREVENTION	\$15.2 million	\$18.0 million
% of CDC Recommended Spending (\$68.1 million)	22.3%	26.4%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that Arizona spend \$68.1 million a year to have an effective, comprehensive tobacco prevention program. Arizona currently allocates \$15.2 million a year for tobacco prevention and cessation. This is 22.3% of the CDC's recommendation and ranks Arizona 18th among the states in the funding of tobacco prevention programs. Arizona's spending on tobacco prevention amounts to 3.5% of the estimated \$434 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



Background and Recent Developments: In 1994, 2002 and 2006, Arizona voters approved ballot initiatives to increase the state tobacco tax rates and have a portion of the revenue fund a comprehensive Tobacco Education and Prevention Program (TEPP). No settlement funds are used for tobacco prevention.

State spending on tobacco prevention and cessation for FY2013 will be \$15.2 million, the lowest funding level since FY2007 and a 15 percent decrease from the FY2012 funding level.

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

- \$1.3 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2012 (from annual appropriations).
- \$337,152 from the Prevention and Public Health Fund in the new health care reform law for the period beginning August 1, 2012.
- \$594,227 from the Food and Drug Administration for enforcement of the Family Smoking Prevention and Tobacco Control Act, including the provision regarding tobacco sales to minors.

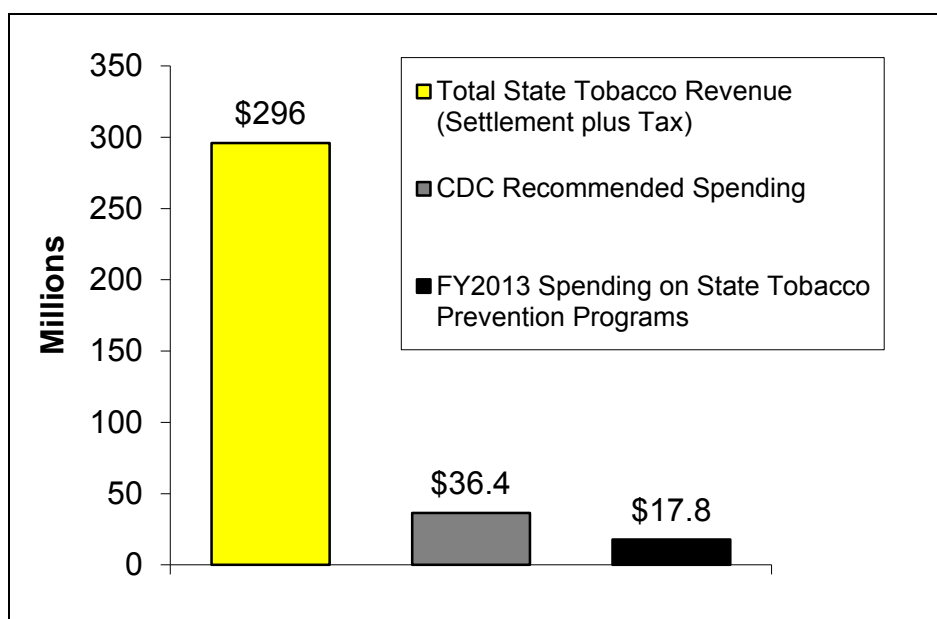
Tobacco's Toll in Arizona	
Adults who smoke*	19.2%
High school students who smoke	17.4%
Deaths caused by smoking each year	6,800
Annual health care costs directly caused by smoking	\$1.3 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$531 per household
Annual tobacco company marketing in state	\$95.6 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	6.3 to 1

**Due to changes in CDC's methodology, the 2011 adult smoking rate cannot be compared to data from previous years.*

Arkansas

	FY2013	FY2012
State Ranking	6	17
STATE SPENDING ON TOBACCO PREVENTION	\$17.8 million	\$7.4 million
% of CDC Recommended Spending (\$36.4 million)	48.9%	20.5%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that Arkansas spend \$36.4 million a year to have an effective, comprehensive tobacco prevention program. Arkansas currently allocates \$17.8 million a year for tobacco prevention and cessation. This is 48.9% of the CDC's recommendation and ranks Arkansas 6th among the states in the funding of tobacco prevention programs. Arkansas's spending on tobacco prevention amounts to 6.0% of the estimated \$296 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



Background and Recent Developments: Arkansas's tobacco settlement funds are governed by a ballot initiative approved by voters in November 2000 that allocated 31.6 percent of the state's tobacco settlement funds to tobacco prevention and cessation programs. Arkansas's total state spending on tobacco prevention and cessation for FY2013 is \$17.8 million.

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

- \$1.1 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2012 (from annual appropriations).
- \$264,440 from the Prevention and Public Health Fund in the new health care reform law for the period beginning August 1, 2012.
- \$821,149 from the Food and Drug Administration for enforcement of the Family Smoking Prevention and Tobacco Control Act, including the provision regarding tobacco sales to minors.

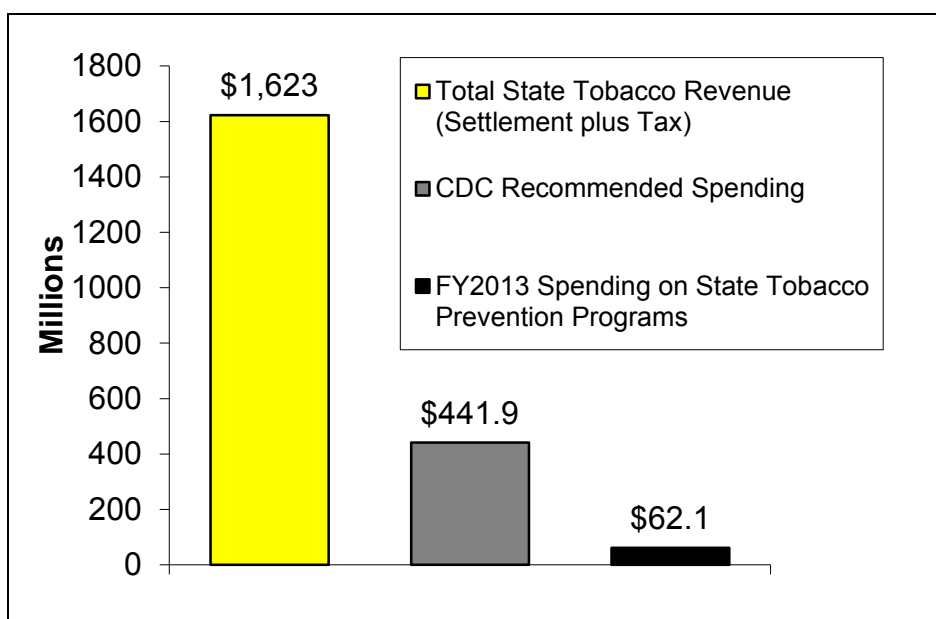
Tobacco's Toll in Arkansas	
Adults who smoke*	27.0%
High school students who smoke	18.2%
Deaths caused by smoking each year	4,900
Annual health care costs directly caused by smoking	\$812 million
Residents' state & federal tax burden from smoking-caused government expenditures	\$554 per household
Annual tobacco company marketing in state	\$98.6 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	5.5 to 1

**Due to changes in CDC's methodology, the 2011 adult smoking rate cannot be compared to data from previous years.*

California

	FY2013	FY2012
State Ranking	22	22
STATE SPENDING ON TOBACCO PREVENTION	\$62.1 million	\$70.0 million
% of CDC Recommended Spending (\$441.9 million)	14.1%	15.8%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that California spend \$441.9 million a year to have an effective, comprehensive tobacco prevention program. California currently allocates \$62.1 million a year for tobacco prevention and cessation. This is 14.1% of the CDC's recommendation and ranks California 22nd among the states in the funding of tobacco prevention programs. California's spending on tobacco prevention amounts to 3.8% of the estimated \$1.6 billion in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



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

In June 2012, California attempted to increase its cigarette tax by an additional \$1 per pack through a ballot initiative known as Proposition 29. Some of the revenue would have been used to increase funding for tobacco prevention and cessation programs, but voters narrowly defeated the initiative. Tobacco companies spent \$47 million to defeat it.

Funding for California's program components changes based on the amount of revenue generated from the state's tobacco tax. In FY2013, state spending on the tobacco control program will be \$62.1 million, less than the \$70 million spent in FY2012 and the \$75 million spent in FY2011.

In addition, California is receiving \$6.5 million in federal funds dedicated to tobacco prevention and control:

- \$1.9 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2012 (from annual appropriations).

- \$2.8 million from the Prevention and Public Health Fund in the new health care reform law for the period beginning August 1, 2012.
- \$1.9 million from the Food and Drug Administration for enforcement of the Family Smoking Prevention and Tobacco Control Act, including the provision regarding tobacco sales to minors.

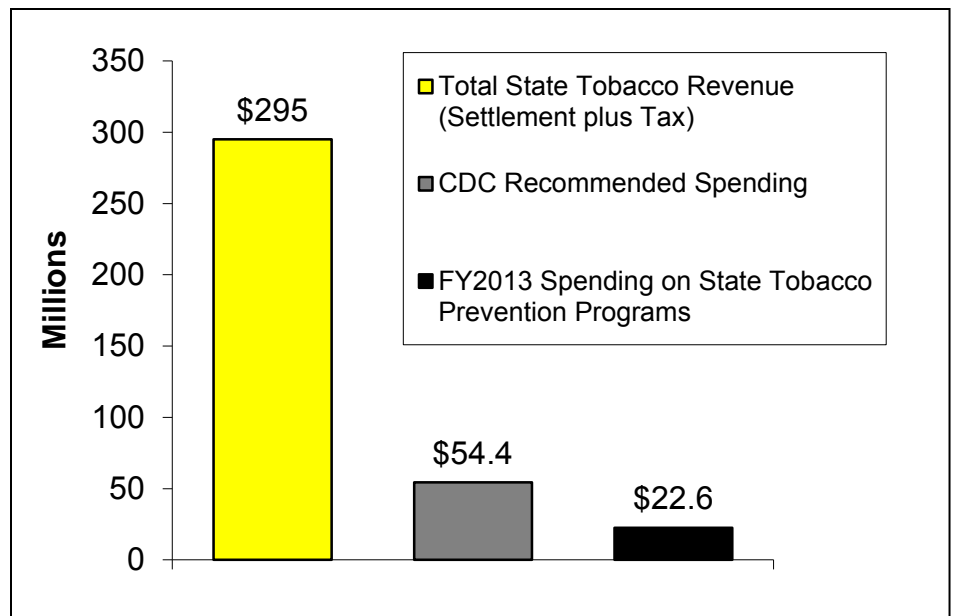
Tobacco's Toll in California	
Adults who smoke*	13.7%
High school students who smoke	13.8%
Deaths caused by smoking each year	36,600
Annual health care costs directly caused by smoking	\$9.14 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$609 per household
Annual tobacco company marketing in state	\$535.7 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	8.6 to 1

**Due to changes in CDC's methodology, the 2011 adult smoking rate cannot be compared to data from previous years.*

Colorado

	FY2013	FY2012
State Ranking	8	25
STATE SPENDING ON TOBACCO PREVENTION	\$22.6 million	\$6.5 million
% of CDC Recommended Spending (\$54.4 million)	41.5%	11.9%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that Colorado spend \$54.4 million a year to have an effective, comprehensive tobacco prevention program. Colorado currently allocates \$22.6 million a year for tobacco prevention and cessation. This is 41.5% of the CDC's recommendation and ranks Colorado 8th among the states in the funding of tobacco prevention programs. Colorado's spending on tobacco prevention amounts to 7.6% of the estimated \$295 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



Background and Recent Developments: After several years of funding cuts Colorado has restored funding to tobacco prevention. In FY2013, the state appropriated \$22.6 million in state funds to its tobacco prevention and cessation programs. This is a 247 percent increase from the previous year.

Colorado does not currently spend any of the annual funds from the Master Settlement Agreement (MSA), the legal settlement with the tobacco industry, on tobacco prevention and cessation. Its program is funded entirely through tobacco tax revenues. In 2004, Colorado voters approved Amendment 35 – a constitutional tax increase on both cigarettes and other tobacco products – by a margin of 61.4 percent. The revenue was designated for health care services and tobacco education to improve the health of all Coloradans. In 2005 the Colorado legislature instituted policies and regulations to implement the tobacco-prevention program.

The amendment which authorized the cigarette tax increase includes a provision that allows funds to be diverted from tobacco prevention and cessation programs if the legislature declares a fiscal emergency, which has been the case for the past few years. The legislature did not declare a fiscal emergency for FY2013, setting the stage for tobacco prevention and cessation funding to be restored to a level comparable to that of previous years.

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

- \$1.3 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2012 (from annual appropriations).
- \$962,268 from the Food and Drug Administration for enforcement of the Family Smoking Prevention and Tobacco Control Act, including the provision regarding tobacco sales to minors.

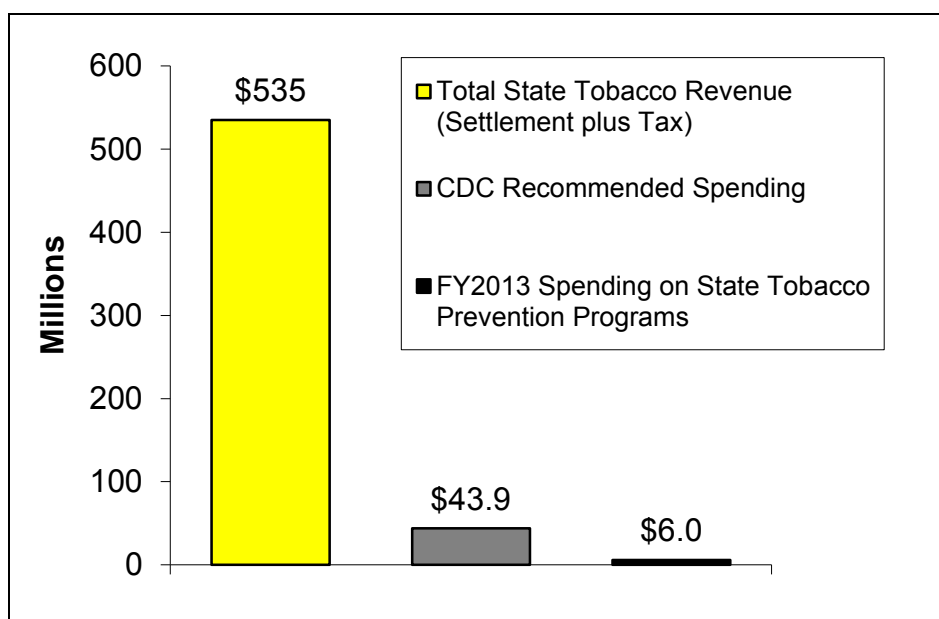
Tobacco's Toll in Colorado	
Adults who smoke*	18.3%
High school students who smoke	15.7%
Deaths caused by smoking each year	4,300
Annual health care costs directly caused by smoking	\$1.31 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$570 per household
Annual tobacco company marketing in state	\$113.1 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	5.0 to 1

**Due to changes in CDC's methodology, the 2011 adult smoking rate cannot be compared to data from previous years.*

Connecticut

	FY2013	FY2012
State Ranking	23	50
STATE SPENDING ON TOBACCO PREVENTION	\$6.0 million	\$0.0
% of CDC Recommended Spending (\$43.9 million)	13.7%	0.0%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that Connecticut spend \$43.9 million a year to have an effective, comprehensive tobacco prevention program. Connecticut currently allocates \$6.0 million a year for tobacco prevention and cessation. This is 13.7% of the CDC's recommendation and ranks Connecticut 23rd among the states in the funding of tobacco prevention programs. Connecticut's spending on tobacco prevention amounts to 1.1% of the estimated \$535 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



Background and Recent Developments: Connecticut's tobacco settlement payments are folded into the general fund and allocated through the biennial budget process. In FY2009, the legislature changed the rules governing expenditure of funds from the state's Tobacco and Health Trust Fund (THTF). The Trust Fund's Board is now able to spend up to 50 percent of the amount the legislature adds to the principal Fund balance, if any, in that year, in addition to any interest that the fund has accumulated. The Board has recommended that the state spend \$6 million for tobacco prevention and cessation programs during FY2013. This amount still needs to be approved by the Joint Committee on Appropriations and Public Health.

Connecticut is spending minimal amounts on tobacco prevention despite the fact that the state is receiving more tobacco-generated revenue than ever before as a result of a 40-cent cigarette tax increase, which went into effect on July 1, 2011, bringing Connecticut's total cigarette tax to \$3.40 a pack. In addition, the excise tax on snuff tobacco increased from 55 cents to one dollar per ounce and the tax rate on all other tobacco products was increased to 50 percent of the wholesale price.

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

- \$1.0 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2012 (from annual appropriations).

- \$190,503 from the Prevention and Public Health Fund in the new health care reform law for the period beginning August 1, 2012.
- \$633,417 from the Food and Drug Administration for enforcement of the Family Smoking Prevention and Tobacco Control Act, including the provision regarding tobacco sales to minors.

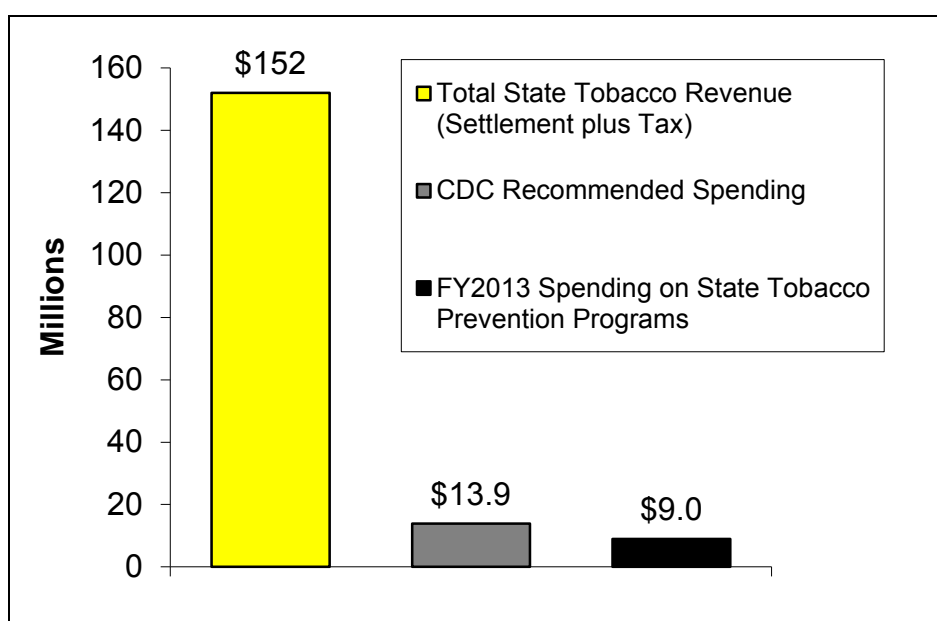
Tobacco's Toll in Connecticut	
Adults who smoke*	17.1%
High school students who smoke	15.9%
Deaths caused by smoking each year	4,700
Annual health care costs directly caused by smoking	\$1.63 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$664 per household
Annual tobacco company marketing in state	\$71.7 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	12.0 to 1

**Due to changes in CDC's methodology, the 2011 adult smoking rate cannot be compared to data from previous years.*

Delaware

	FY2013	FY2012
State Ranking	3	4
STATE SPENDING ON TOBACCO PREVENTION	\$9.0 million	\$9.0 million
% of CDC Recommended Spending (\$13.9 million)	64.9%	64.9%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that Delaware spend \$13.9 million a year to have an effective, comprehensive tobacco prevention program. Delaware currently allocates \$9.0 million a year for tobacco prevention and cessation. This is 64.9% of the CDC's recommendation and ranks Delaware 3rd among the states in the funding of tobacco prevention programs. Delaware's spending on tobacco prevention amounts to 5.9% of the estimated \$152 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



Background and Recent Developments: Delaware will spend \$9.0 million on tobacco prevention and cessation programs in FY2013, the same amount spent in FY2012. Funding has remained relatively constant in recent years, though it continues to be lower than the CDC-recommended amount.

Delaware funds its tobacco prevention and cessation programs with the Delaware Health Fund, the fund into which all of the state's tobacco settlement payments are directed.

In addition, Delaware is receiving \$858,677 in federal funds dedicated to tobacco prevention and control:

- \$631,960 from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2012 (from annual appropriations).
- \$62,724 from the Prevention and Public Health Fund in the new health care reform law for the period beginning August 1, 2012.
- \$163,993 from the Food and Drug Administration for enforcement of the Family Smoking Prevention and Tobacco Control Act, including the provision regarding tobacco sales to minors.

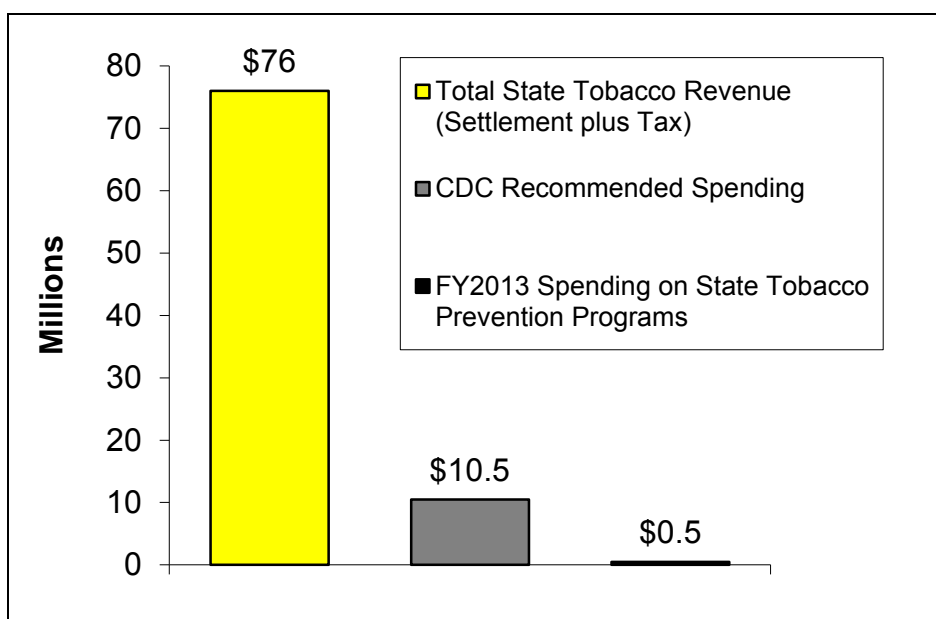
Tobacco's Toll in Delaware	
Adults who smoke*	21.8%
High school students who smoke	18.3%
Deaths caused by smoking each year	1,100
Annual health care costs directly caused by smoking	\$284 million
Residents' state & federal tax burden from smoking-caused government expenditures	\$600 per household
Annual tobacco company marketing in state	\$43.5 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	4.8 to 1

**Due to changes in CDC's methodology, the 2011 adult smoking rate cannot be compared to data from previous years.*

District of Columbia

	FY2013	FY2012
State Ranking	35	50
STATE SPENDING ON TOBACCO PREVENTION	\$495,000	\$0.0
% of CDC Recommended Spending (\$10.5 million)	4.7%	0.0%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that the District of Columbia spend \$10.5 million a year to have an effective, comprehensive tobacco prevention program. The District of Columbia currently allocates \$495,000 a year for tobacco prevention and cessation. This is 4.7% of the CDC's recommendation and ranks the District of Columbia 35th among the states in the funding of tobacco prevention programs. The District of Columbia's spending on tobacco prevention amounts to 0.7% of the estimated \$76 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



Background and Recent Developments: In FY2013, the District of Columbia allocated \$495,000 to fund its quitline, which includes the provision of NRT. This is an increase from FY2012, in which the city appropriated no funding to tobacco prevention and cessation programs.

In addition, the District of Columbia is receiving \$867,698 in federal funds dedicated to tobacco prevention and control:

- \$529,574 from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2012 (from annual appropriations).
- \$50,000 from the Prevention and Public Health Fund in the new health care reform law for the period beginning August 1, 2012.
- \$288,124 from the Food and Drug Administration for enforcement of the Family Smoking Prevention and Tobacco Control Act, including the provision regarding tobacco sales to minors.

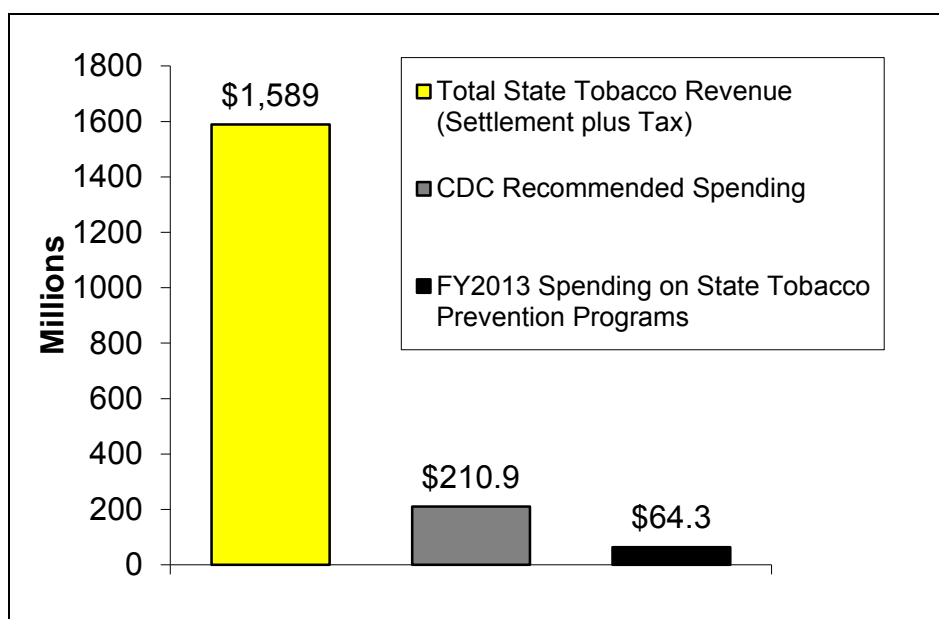
Tobacco's Toll in District of Columbia	
Adults who smoke*	20.8%
High school students who smoke	12.5%
Deaths caused by smoking each year	720
Annual health care costs directly caused by smoking	\$243 million
Residents' state & federal tax burden from smoking-caused government expenditures	\$583 per household
Annual tobacco company marketing in state	\$8.0 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	16.2 to 1

**Due to changes in CDC's methodology, the 2011 adult smoking rate cannot be compared to data from previous years.*

Florida

	FY2013	FY2012
State Ranking	14	13
STATE SPENDING ON TOBACCO PREVENTION	\$64.3 million	\$62.3 million
% of CDC Recommended Spending (\$210.9 million)	30.5%	29.5%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that Florida spend \$210.9 million a year to have an effective, comprehensive tobacco prevention program. Florida currently allocates \$64.3 million a year for tobacco prevention and cessation. This is 30.5% of the CDC's recommendation and ranks Florida 14th among the states in the funding of tobacco prevention programs. Florida's spending on tobacco prevention amounts to 4.0% of the estimated \$1.6 billion in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



Background and Recent Developments: Florida's tobacco settlement payments were initially governed by a 1999 law, which allocated the payments to several trust funds, the largest being the Lawton Chiles Endowment Fund for Children and the Elderly. During the program's first full year, \$70 million was provided for tobacco prevention under then-Governor Lawton Chiles (D). After the first four years of the program, between 1998 and 2002, Florida reduced youth smoking rates by 50 percent among middle school students and 35 percent among high school students, according to the Florida Department of Health. Despite its success at reducing youth smoking, funding for the tobacco prevention program came under attack every year. To restore funding for tobacco prevention, a coalition of public health organizations called Floridians for Youth Tobacco Education, gathered signatures to place a state constitutional amendment on the November 2006 ballot. The amendment passed with 61 percent of the vote and requires Florida to spend 15 percent of the funds paid to Florida in 2005 under the Tobacco Settlement, adjusted annually for inflation. In FY2013, \$64.3 million was allocated to the state's tobacco prevention and cessation program, a \$2 million increase from FY2012.

In addition, Florida is receiving \$3.2 million in federal funds dedicated to tobacco prevention and control:

- \$1.9 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2012 (from annual appropriations).
- \$1.3 from the Prevention and Public Health Fund in the new health care reform law for the period beginning August 1, 2012.

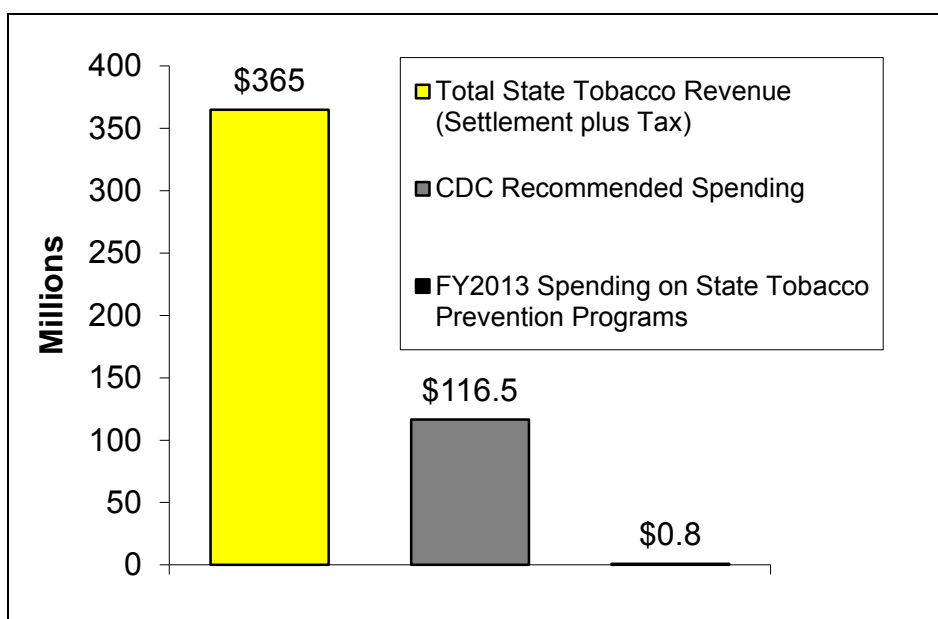
Tobacco's Toll in Florida	
Adults who smoke*	19.3%
High school students who smoke	10.1%
Deaths caused by smoking each year	28,600
Annual health care costs directly caused by smoking	\$6.32 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$569 per household
Annual tobacco company marketing in state	\$516.7 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	8.0 to 1

**Due to changes in CDC's methodology, the 2011 adult smoking rate cannot be compared to data from previous years.*

Georgia

	FY2013	FY2012
State Ranking	43	40
STATE SPENDING ON TOBACCO PREVENTION	\$750,000	\$2.0 million
% of CDC Recommended Spending (\$116.5 million)	0.6%	1.7%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that Georgia spend \$116.5 million a year to have an effective, comprehensive tobacco prevention program. Georgia currently allocates \$750,000 a year for tobacco prevention and cessation. This is 0.6% of the CDC's recommendation and ranks Georgia 43rd among the states in the funding of tobacco prevention programs. Georgia's spending on tobacco prevention amounts to 0.2% of the estimated \$365 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



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

Total state spending on tobacco prevention and cessation for FY2013 will be \$750,000, a 60 percent cut from FY2012 and FY2011 spending levels. These funds will be allocated to the state quitline.

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

- \$1.1 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2012 (from annual appropriations).
- \$664,179 from the Prevention and Public Health Fund in the new health care reform law for the period beginning August 1, 2012.

- \$498,831 from the Food and Drug Administration for enforcement of the Family Smoking Prevention and Tobacco Control Act, including the provision regarding tobacco sales to minors.

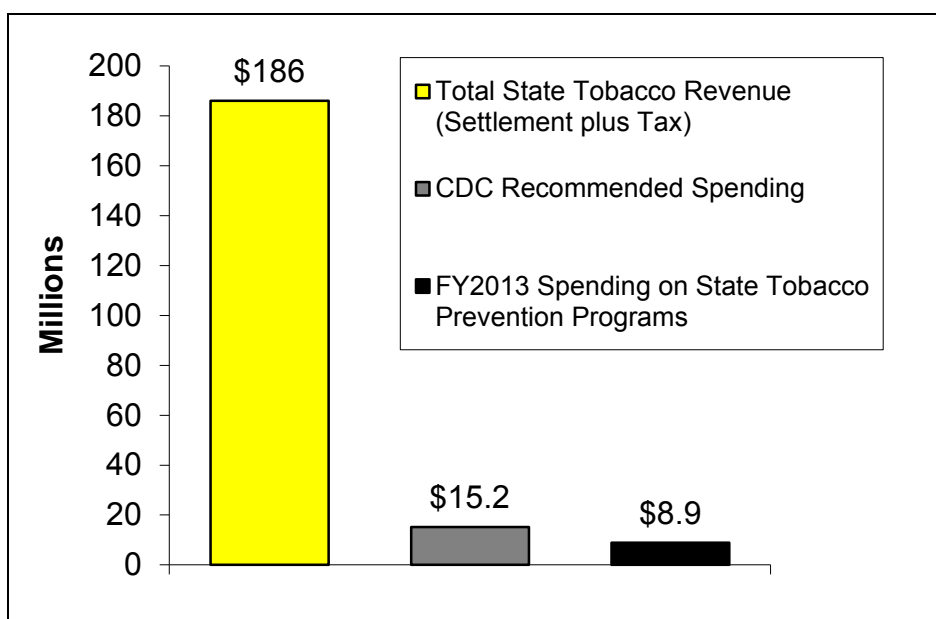
Tobacco's Toll in Georgia	
Adults who smoke*	21.2%
High school students who smoke	17.0%
Deaths caused by smoking each year	10,500
Annual health care costs directly caused by smoking	\$2.25 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$541 per household
Annual tobacco company marketing in state	\$291.0 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	388.0 to 1

**Due to changes in CDC's methodology, the 2011 adult smoking rate cannot be compared to data from previous years.*

Hawaii

	FY2013	FY2012
State Ranking	5	3
STATE SPENDING ON TOBACCO PREVENTION	\$8.9 million	\$10.7 million
% of CDC Recommended Spending (\$15.2 million)	58.8%	70.3%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that Hawaii spend \$15.2 million a year to have an effective, comprehensive tobacco prevention program. Hawaii currently allocates \$8.9 million a year for tobacco prevention and cessation. This is 58.8% of the CDC's recommendation and ranks Hawaii 5th among the states in the funding of tobacco prevention programs. Hawaii's spending on tobacco prevention amounts to 4.8% of the estimated \$186 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



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

The FY2013 budget includes \$8.9 million for the tobacco program, \$1.8 million less than the state spent on tobacco prevention and cessation in FY2012.

In addition, Hawaii is receiving \$1.0 million in federal funds dedicated to tobacco prevention and control:

- \$786,135 from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2012 (from annual appropriations).
- \$252,477 from the Food and Drug Administration for enforcement of the Family Smoking Prevention and Tobacco Control Act, including the provision regarding tobacco sales to minors.

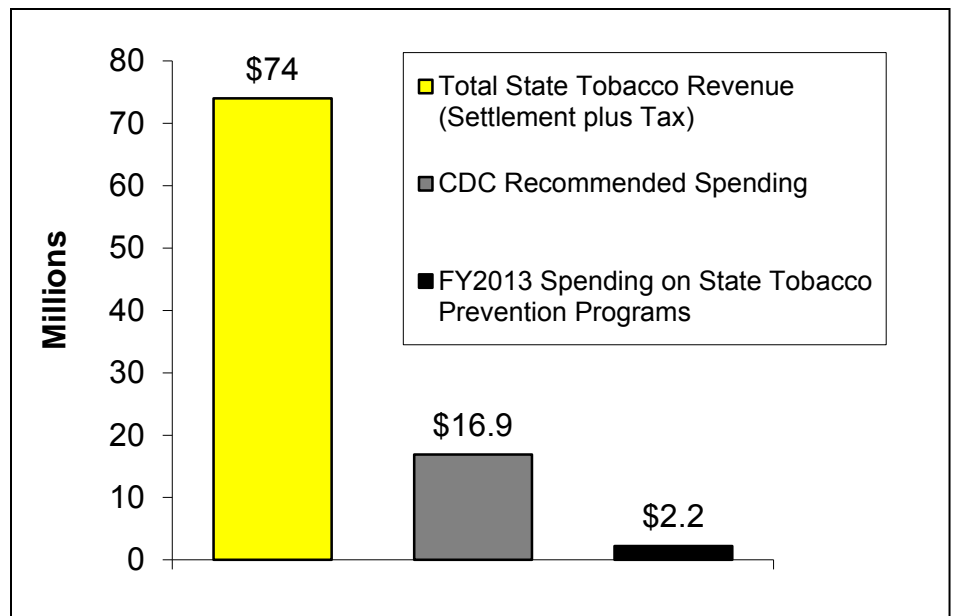
Tobacco's Toll in Hawaii	
Adults who smoke*	16.8%
High school students who smoke	10.1%
Deaths caused by smoking each year	1,100
Annual health care costs directly caused by smoking	\$336 million
Residents' state & federal tax burden from smoking-caused government expenditures	\$617 per household
Annual tobacco company marketing in state	\$24.7 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	2.8 to 1

**Due to changes in CDC's methodology, the 2011 adult smoking rate cannot be compared to data from previous years.*

Idaho

	FY2013	FY2012
State Ranking	25	34
STATE SPENDING ON TOBACCO PREVENTION	\$2.2	\$880,000
% of CDC Recommended Spending (\$16.9 million)	13.0%	5.2%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that Idaho spend \$16.9 million a year to have an effective, comprehensive tobacco prevention program. Idaho currently allocates \$2.2 million a year for tobacco prevention and cessation. This is 13.0% of the CDC's recommendation and ranks Idaho 25th among the states in the funding of tobacco prevention programs. Idaho's spending on tobacco prevention amounts to 3.0% of the estimated \$74 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



Background and Recent Developments: For FY2013, Idaho appropriated a total of \$2.2 million to its tobacco prevention and cessation programs—more than twice the amount spent in FY2012.

Of the \$2.2 million, \$2 million comes from the Idaho Millenium Fund and will be spent on QuitNet and QuitLine services (including provision of Nicotine Replacement Therapy), as well as counter-marketing activities. This is the highest level of funding ever awarded by the Millenium Fund committee. The remaining \$200,000 comes from Idaho's Cancer Control Account, which is funded by state cigarette tax revenues. This is a slight decrease from the \$230,000 received in recent years.

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

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

- \$1.1 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2012 (from annual appropriations).
- \$93,470 from the Prevention and Public Health Fund in the new health care reform law for the period beginning August 1, 2012.
- \$808,112 from the Food and Drug Administration for enforcement of the Family Smoking Prevention and Tobacco Control Act, including the provision regarding tobacco sales to minors.

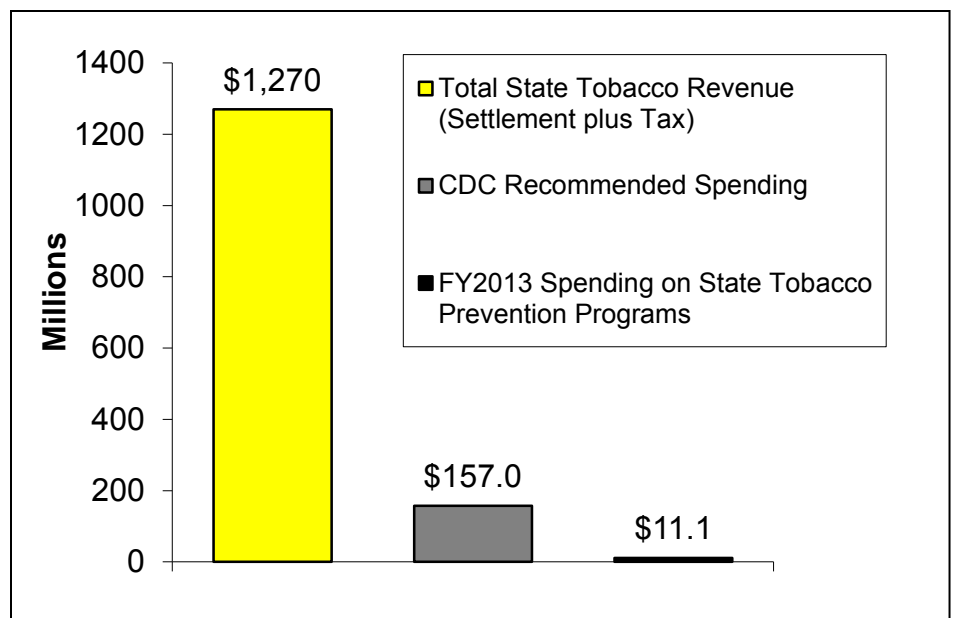
Tobacco's Toll in Idaho	
Adults who smoke*	17.2%
High school students who smoke	14.3%
Deaths caused by smoking each year	1,500
Annual health care costs directly caused by smoking	\$319 million
Residents' state & federal tax burden from smoking-caused government expenditures	\$527 per household
Annual tobacco company marketing in state	\$39.4 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	17.9 to 1

**Due to changes in CDC's methodology, the 2011 adult smoking rate cannot be compared to data from previous years.*

Illinois

	FY2013	FY2012
State Ranking	33	33
STATE SPENDING ON TOBACCO PREVENTION	\$11.1 million	\$9.5 million
% of CDC Recommended Spending (\$157.0 million)	7.1%	6.1%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that Illinois spend \$157.0 million a year to have an effective, comprehensive tobacco prevention program. Illinois currently allocates \$11.1 million a year for tobacco prevention and cessation. This is 7.1% of the CDC's recommendation and ranks Illinois 33rd among the states in the funding of tobacco prevention programs. Illinois's spending on tobacco prevention amounts to 0.9% of the estimated \$1.2 billion in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



Background and Recent Developments: Illinois deposits its tobacco settlement money into the Tobacco Settlement Recovery Fund and appropriates it through the annual budget process. The FY2013 budget allocated \$11.1 million in state funding for tobacco prevention, an increase from the amount allocated in FY2012. While Illinois does fund several important tobacco control programs, the state is not pursuing a CDC-based statewide comprehensive program and the use of these funds is not consistent or coordinated. State funds are designated to a state quitline, to the Department of Public Health programs, and to local health departments for prevention and cessation activities. In recent years, tobacco prevention funds were not made available for use until mid-year, which resulted in programs that were either interrupted or ended prematurely, dramatically impacting their effectiveness. Equally disappointing is a lack of overall accountability for funding allocated to the Illinois Department of Public Health (IDPH), with spending priorities that do not correlate to CDC Best Practice Recommendations. In previous budgets, the General Assembly has allocated \$5 million in tobacco settlement funding to IDPH. While these funds could be used to coordinate a statewide evaluation campaign or for enforcement of the state smoke-free law and/or surveillance, more than half of this money has been diverted to non-tobacco programs. As a result, opportunities for worthwhile programming were missed and funds were lost.

In addition, Illinois is receiving \$2.7 million in federal funds dedicated to tobacco prevention and control:

- \$1.1 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2012 (from annual appropriations).
- \$858,768 from the Prevention and Public Health Fund in the new health care reform law for the period beginning August 1, 2012.
- \$728,230 from the Food and Drug Administration for enforcement of the Family Smoking Prevention and Tobacco Control Act, including the provision regarding tobacco sales to minors.

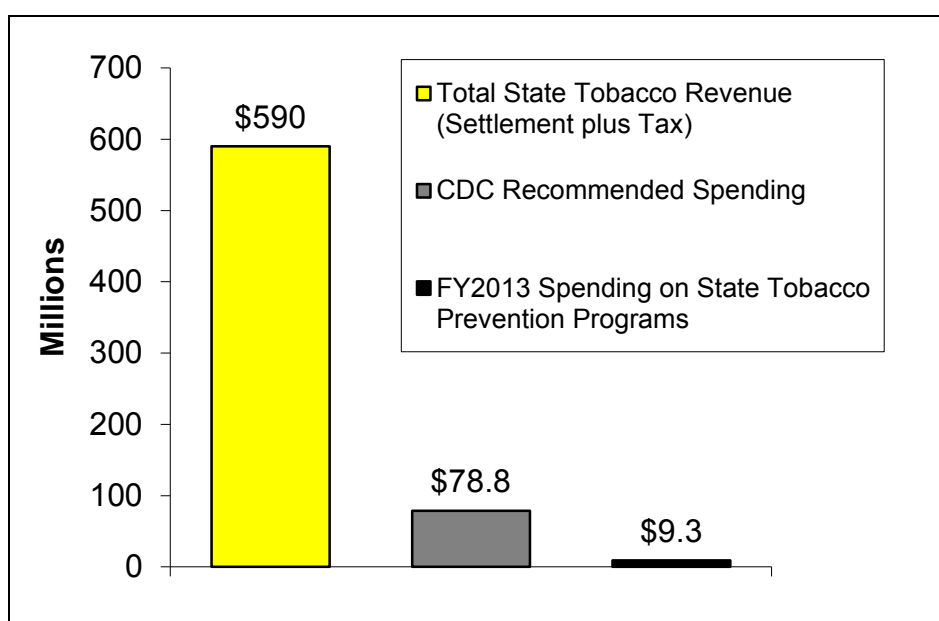
Tobacco's Toll in Illinois	
Adults who smoke*	20.9%
High school students who smoke	17.5%
Deaths caused by smoking each year	16,600
Annual health care costs directly caused by smoking	\$4.10 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$661 per household
Annual tobacco company marketing in state	\$321.8 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	29.0 to 1

**Due to changes in CDC's methodology, the 2011 adult smoking rate cannot be compared to data from previous years.*

Indiana

	FY2013	FY2012
State Ranking	26	24
STATE SPENDING ON TOBACCO PREVENTION	\$9.3 million	\$10.1 million
% of CDC Recommended Spending (\$78.8 million)	11.8%	12.8%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that Indiana spend \$78.8 million a year to have an effective, comprehensive tobacco prevention program. Indiana currently allocates \$9.3 million a year for tobacco prevention and cessation. This is 11.8% of the CDC's recommendation and ranks Indiana 26th among the states in the funding of tobacco prevention programs. Indiana's spending on tobacco prevention amounts to 1.6% of the estimated \$590 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



Background and Recent Developments: In FY2013, \$9.3 million was allocated for the state tobacco prevention and cessation program, slightly less than was allocated in FY2012.

In 2011, Indiana lawmakers eliminated the highly successful Indiana Tobacco Prevention and Cessation agency (ITPC) and transferred all of its assets to the Indiana State Department of Health. On July 1, 2011 ITPC became part of the State Health Department as the Tobacco Prevention and Cessation Commission.

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

- \$1.0 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2012 (from annual appropriations).
- \$541,840 from the Prevention and Public Health Fund in the new health care reform law for the period beginning August 1, 2012.
- \$818,938 from the Food and Drug Administration for enforcement of the Family Smoking Prevention and Tobacco Control Act, including the provision regarding tobacco sales to minors.

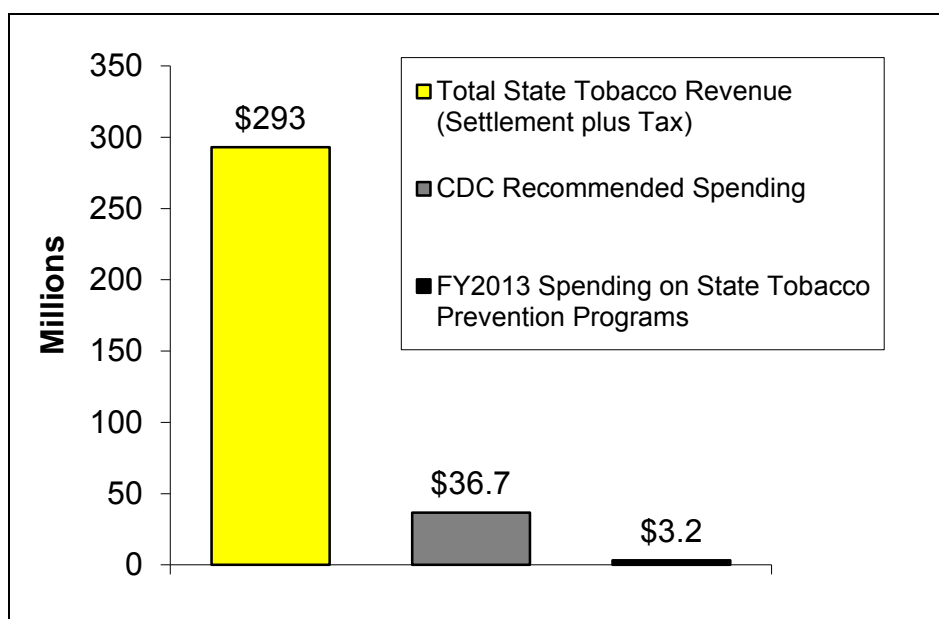
Tobacco's Toll in Indiana	
Adults who smoke*	25.6%
High school students who smoke	18.1%
Deaths caused by smoking each year	9,700
Annual health care costs directly caused by smoking	\$2.08 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$559 per household
Annual tobacco company marketing in state	\$249.5 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	26.8 to 1

**Due to changes in CDC's methodology, the 2011 adult smoking rate cannot be compared to data from previous years.*

Iowa

	FY2013	FY2012
State Ranking	29	28
STATE SPENDING ON TOBACCO PREVENTION	\$3.2 million	\$3.3 million
% of CDC Recommended Spending (\$36.7 million)	8.7%	8.9%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that Iowa spend \$36.7 million a year to have an effective, comprehensive tobacco prevention program. Iowa currently allocates \$3.2 million a year for tobacco prevention and cessation. This is 8.7% of the CDC's recommendation and ranks Iowa 29th among the states in the funding of tobacco prevention programs. Iowa's spending on tobacco prevention amounts to 1.1% of the estimated \$293 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



Background and Recent Developments: In FY2013, Iowa will spend \$3.2 million in state funds on tobacco prevention and cessation programs. Of that amount, \$750,000 is earmarked for quitline services. Also in FY2013, the state will spend about \$280,000 to cover tobacco cessation quitline treatment for Medicaid enrollees.

Iowa's state funding for tobacco prevention and cessation programs is down three percent from the \$3.3 million appropriated in FY2012 and is the fifth consecutive year in which funding has been cut.

Prior to FY2012, funding for tobacco prevention programs came from the Master Settlement Agreement, Healthy Iowans Tobacco Trust, and the Healthcare Trust Fund (funded by the state's tobacco tax). Now, however, these funds are directed to the general fund, where tobacco prevention and cessation programs must compete with other legislative priorities to secure funding.

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

- \$959,190 from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2012 (from annual appropriations).
- \$196,083 from the Prevention and Public Health Fund in the new health care reform law for the period beginning August 1, 2012.

- \$483,190 from the Food and Drug Administration for enforcement of the Family Smoking Prevention and Tobacco Control Act, including the provision regarding tobacco sales to minors.

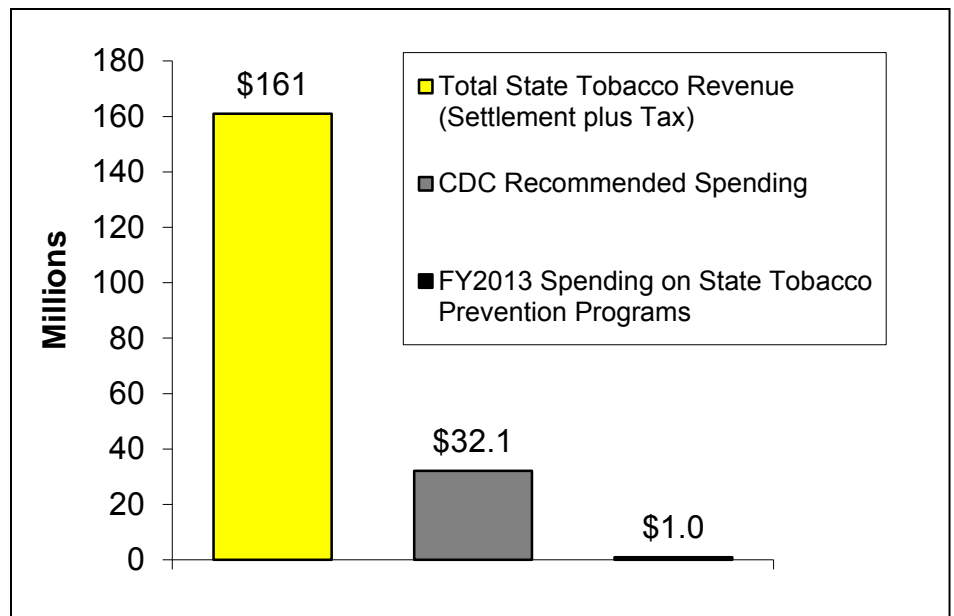
Tobacco's Toll in Iowa	
Adults who smoke*	20.4%
High school students who smoke	18.1%
Deaths caused by smoking each year	4,400
Annual health care costs directly caused by smoking	\$1.01 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$594 per household
Annual tobacco company marketing in state	\$82.7 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	25.9 to 1

**Due to changes in CDC's methodology, the 2011 adult smoking rate cannot be compared to data from previous years.*

Kansas

	FY2013	FY2012
State Ranking	39	37
STATE SPENDING ON TOBACCO PREVENTION	\$1.0 million	\$1.0 million
% of CDC Recommended Spending (\$32.1 million)	3.1%	3.1%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that Kansas spend \$32.1 million a year to have an effective, comprehensive tobacco prevention program. Kansas currently allocates \$1.0 million a year for tobacco prevention and cessation. This is 3.1% of the CDC's recommendation and ranks Kansas 39th among the states in the funding of tobacco prevention programs. Kansas's spending on tobacco prevention amounts to 0.6% of the estimated \$161 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



Background and Recent Developments: Kansas' tobacco settlement funds are governed by a law that directs all of the state's tobacco settlement payments to a trust fund supporting youth programs. The FY2013 budget, approved by the legislature, appropriates a mere \$1.0 million from this fund to pay for tobacco prevention and cessation programs. This level of funding has been steady in recent years, though grossly insufficient to fund a statewide tobacco prevention program based on CDC recommendations. As a result, funding supports prevention programs in only select areas of the state.

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

- \$1.3 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2012 (from annual appropriations).
- \$189,404 from the Prevention and Public Health Fund in the new health care reform law for the period beginning August 1, 2012.
- \$458,958 from the Food and Drug Administration for enforcement of the Family Smoking Prevention and Tobacco Control Act, including the provision regarding tobacco sales to minors.

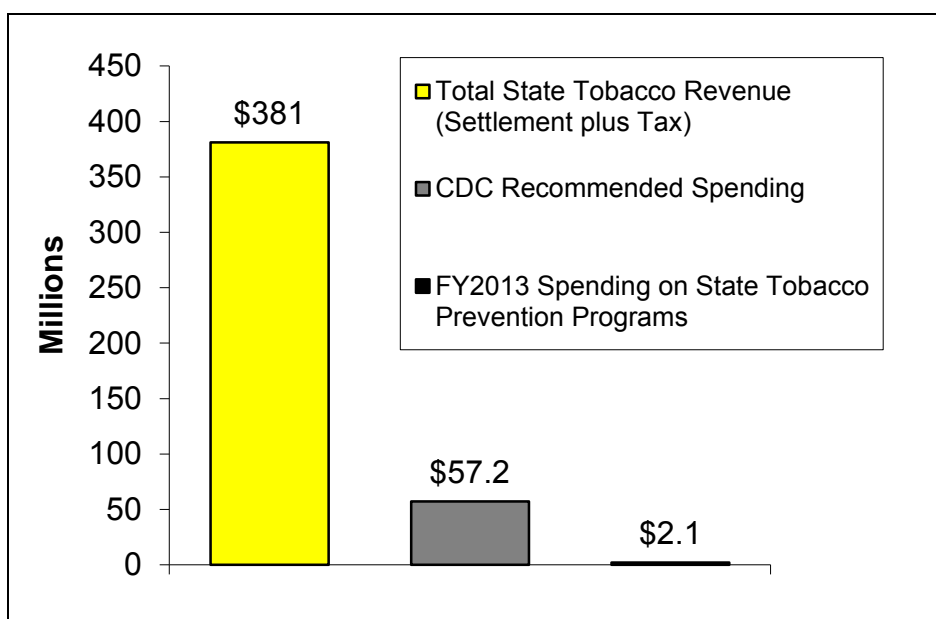
Tobacco's Toll in Kansas	
Adults who smoke*	22.0%
High school students who smoke	14.4%
Deaths caused by smoking each year	3,800
Annual health care costs directly caused by smoking	\$927 million
Residents' state & federal tax burden from smoking-caused government expenditures	\$571 per household
Annual tobacco company marketing in state	\$64.9 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	64.9 to 1

**Due to changes in CDC's methodology, the 2011 adult smoking rate cannot be compared to data from previous years.*

Kentucky

	FY2013	FY2012
State Ranking	37	36
STATE SPENDING ON TOBACCO PREVENTION	\$2.1 million	\$2.2 million
% of CDC Recommended Spending (\$57.2 million)	3.7%	3.9%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that Kentucky spend \$57.2 million a year to have an effective, comprehensive tobacco prevention program. Kentucky currently allocates \$2.1 million a year for tobacco prevention and cessation. This is 3.7% of the CDC's recommendation and ranks Kentucky 37th among the states in the funding of tobacco prevention programs. Kentucky's spending on tobacco prevention amounts to 0.6% of the estimated \$381 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



Background and Recent Developments: Kentucky will spend \$2.1 million in state funds on tobacco prevention and cessation programs in FY2013. This is a small decrease from the \$2.2 million allocated in FY2012. Kentucky currently has the highest rate of adult smoking in the nation.

Kentucky's tobacco settlement payments are governed by a 2000 law that directed the funds into three accounts: 50 percent goes to tobacco growers and rural development initiatives, 25 percent supports comprehensive early childhood development program, and 25 percent funds public health initiatives (of that 25 percent, only 10 percent goes to tobacco and substance abuse prevention programs). Oversight boards were created to oversee the resulting programs.

In addition to its tobacco settlement payments, Kentucky receives tobacco-generated revenue from taxes on cigarettes and other tobacco products. However, none of this revenue is used to fund tobacco prevention or cessation programs.

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

- \$1.1 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2012 (from annual appropriations).

- \$431,176 from the Prevention and Public Health Fund in the new health care reform law for the period beginning August 1, 2012.
- \$429,215 from the Food and Drug Administration for enforcement of the Family Smoking Prevention and Tobacco Control Act, including the provision regarding tobacco sales to minors.

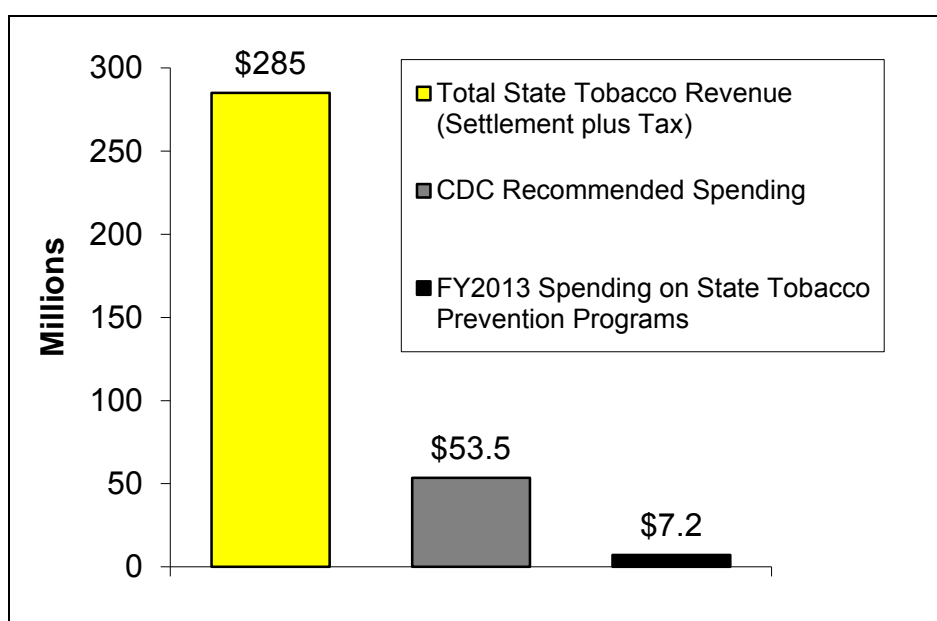
Tobacco's Toll in Kentucky	
Adults who smoke*	29.0%
High school students who smoke	24.1%
Deaths caused by smoking each year	7,800
Annual health care costs directly caused by smoking	\$1.50 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$582 per household
Annual tobacco company marketing in state	\$248.9 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	117.2 to 1

**Due to changes in CDC's methodology, the 2011 adult smoking rate cannot be compared to data from previous years.*

Louisiana

	FY2013	FY2012
State Ranking	24	22
STATE SPENDING ON TOBACCO PREVENTION	\$7.2 million	\$8.4 million
% of CDC Recommended Spending (\$53.5 million)	13.4%	15.8%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that Louisiana spend \$53.5 million a year to have an effective, comprehensive tobacco prevention program. Louisiana currently allocates \$7.2 million a year for tobacco prevention and cessation. This is 13.4% of the CDC's recommendation and ranks Louisiana 24th among the states in the funding of tobacco prevention programs. Louisiana's spending on tobacco prevention amounts to 2.5% of the estimated \$285 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



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

Total state spending on tobacco prevention and cessation for FY2013 will be \$7.2 million, its lowest funding level since FY2002. MSA settlement expenditures totaling \$476,000 will go to the state tobacco control program, and \$6.7 million received from state tobacco taxes will go to the Louisiana Campaign for Tobacco-Free Living (TFL).

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

- \$1.1 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2012 (from annual appropriations).
- \$395,273 from the Prevention and Public Health Fund in the new health care reform law for the period beginning August 1, 2012.
- \$583,007 from the Food and Drug Administration for enforcement of the Family Smoking Prevention and Tobacco Control Act, including the provision regarding tobacco sales to minors.

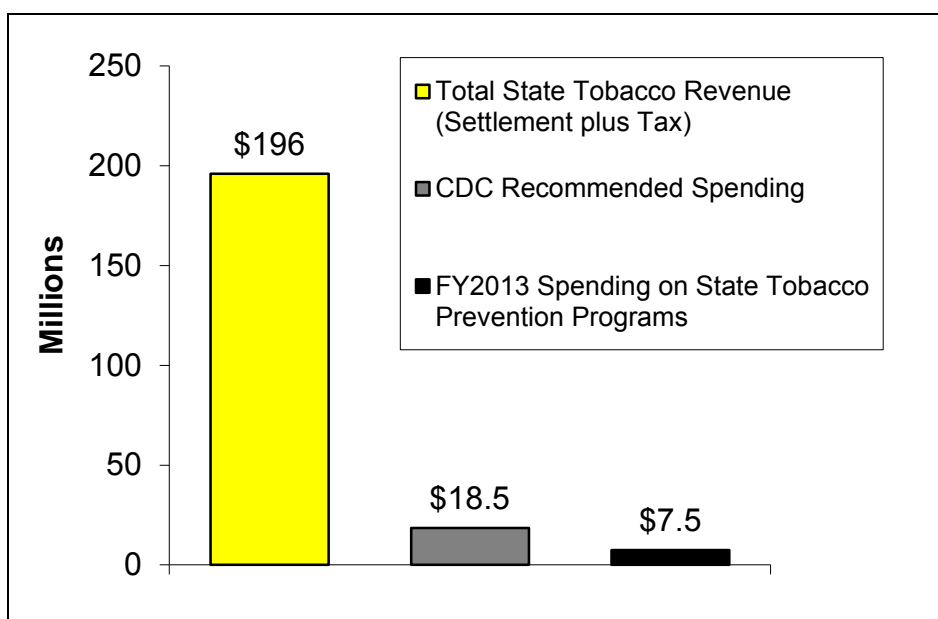
Tobacco's Toll in Louisiana	
Adults who smoke*	25.7%
High school students who smoke	21.8%
Deaths caused by smoking each year	6,500
Annual health care costs directly caused by smoking	\$1.47 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$646 per household
Annual tobacco company marketing in state	\$197.6 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	27.6 to 1

**Due to changes in CDC's methodology, the 2011 adult smoking rate cannot be compared to data from previous years.*

Maine

	FY2013	FY2012
State Ranking	9	6
STATE SPENDING ON TOBACCO PREVENTION	\$7.5 million	\$9.4 million
% of CDC Recommended Spending (\$18.5 million)	40.7%	50.6%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that Maine spend \$18.5 million a year to have an effective, comprehensive tobacco prevention program. Maine currently allocates \$7.5 million a year for tobacco prevention and cessation. This is 40.7% of the CDC's recommendation and ranks Maine 9th among the states in the funding of tobacco prevention programs. Maine's spending on tobacco prevention amounts to 3.8% of the estimated \$196 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



Background and Recent Developments: In 1997, Maine increased its cigarette tax and used a portion of those funds to establish a comprehensive tobacco prevention and control program known as the Partnership for a Tobacco-Free Maine. Maine's program is no longer funded through cigarette tax revenue. Now the state's program, the Fund for a Healthy Maine, is funded only by proceeds from the tobacco settlement.

The FY2013 budget enacted by the Legislature and Governor Paul LePage (R) included \$7.5 million for the tobacco program, twenty percent less than the state spent on tobacco-specific work in FY2012. Also, in FY2013, the state will spend about \$35,905 to cover tobacco cessation treatment for Medicaid enrollees.

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

- \$951,046 from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2012 (from annual appropriations).
- \$100,751 from the Prevention and Public Health Fund in the new health care reform law for the period beginning August 1, 2012.
- \$710,755 from the Food and Drug Administration for enforcement of the Family Smoking Prevention and Tobacco Control Act, including the provision regarding tobacco sales to minors.

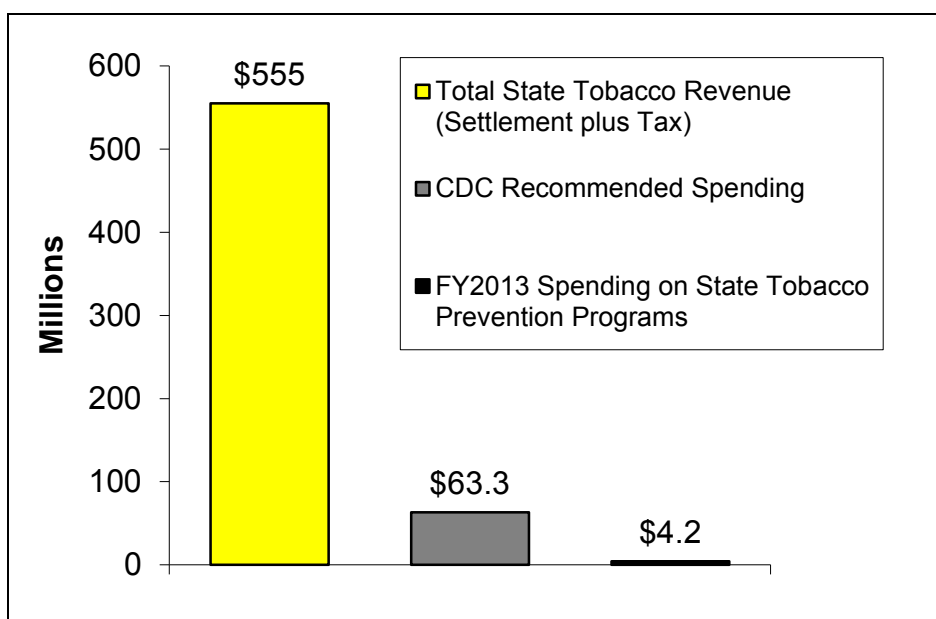
Tobacco's Toll in Maine	
Adults who smoke*	22.8%
High school students who smoke	15.2%
Deaths caused by smoking each year	2,200
Annual health care costs directly caused by smoking	\$602 million
Residents' state & federal tax burden from smoking-caused government expenditures	\$648 per household
Annual tobacco company marketing in state	\$37.6 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	5.0 to 1

**Due to changes in CDC's methodology, the 2011 adult smoking rate cannot be compared to data from previous years.*

Maryland

	FY2013	FY2012
State Ranking	34	32
STATE SPENDING ON TOBACCO PREVENTION	\$4.2 million	\$4.3 million
% of CDC Recommended Spending (\$63.3 million)	6.6%	6.8%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that Maryland spend \$63.3 million a year to have an effective, comprehensive tobacco prevention program. Maryland currently allocates \$4.2 million a year for tobacco prevention and cessation. This is 6.6% of the CDC's recommendation and ranks Maryland 34th among the states in the funding of tobacco prevention programs. Maryland's spending on tobacco prevention amounts to 0.7% of the estimated \$555 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



Background and Recent Developments: Maryland's state funding for tobacco prevention and cessation is \$4.2 million for FY2013. Although this is a small decrease from the \$4.3 million spent in FY2012, it marks the continuation of a discouraging trend of funding cuts in recent years—down from \$5.5 million in FY2010 and \$19.6 million in FY2009.

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

Previously, state law required that a minimum of \$21 million be spent annually from state and federal funds on tobacco prevention and cessation. In 2010, the governor proposed—and the legislature approved—budget language that reduced the required minimum level of tobacco prevention funding to \$6 million through FY2012. That same budget language increased the minimum funding requirement to \$10 million in FY2013, but with only \$4.2 million in state funds budgeted for this fiscal year, Maryland falls far short of meeting that requirement.

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

- \$1.2 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2012 (from annual appropriations).

- \$352,932 from the Prevention and Public Health Fund in the new health care reform law for the period beginning August 1, 2012.
- \$752,326 from the Food and Drug Administration for enforcement of the Family Smoking Prevention and Tobacco Control Act, including the provision regarding tobacco sales to minors.

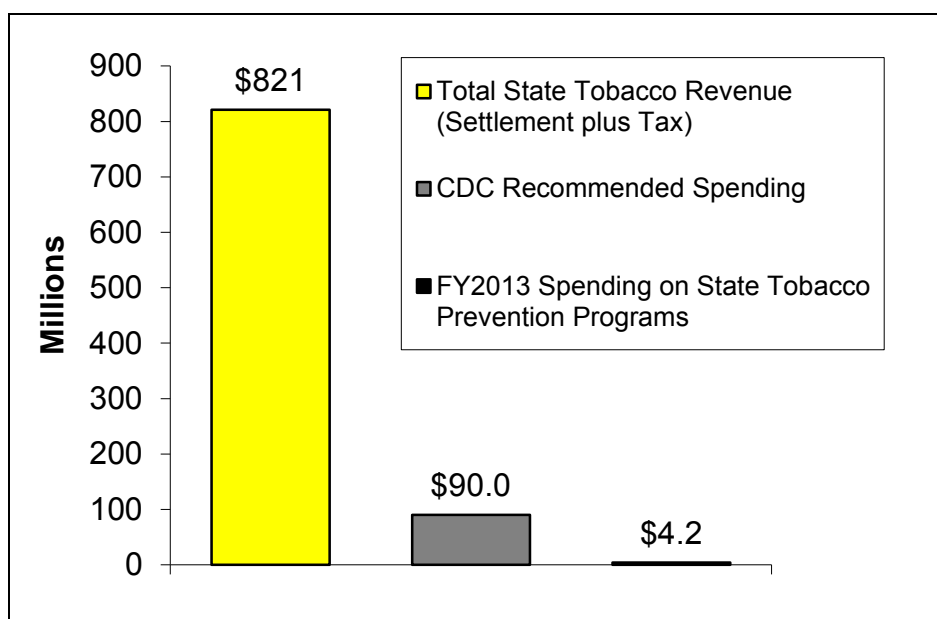
Tobacco's Toll in Maryland	
Adults who smoke*	19.1%
High school students who smoke	12.5%
Deaths caused by smoking each year	6,800
Annual health care costs directly caused by smoking	\$1.96 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$608 per household
Annual tobacco company marketing in state	\$110.3 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	26.6 to 1

**Due to changes in CDC's methodology, the 2011 adult smoking rate cannot be compared to data from previous years.*

Massachusetts

	FY2013	FY2012
State Ranking	36	35
STATE SPENDING ON TOBACCO PREVENTION	\$4.2 million	\$4.2 million
% of CDC Recommended Spending (\$90.0 million)	4.6%	4.6%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that Massachusetts spend \$90.0 million a year to have an effective, comprehensive tobacco prevention program. Massachusetts currently allocates \$4.2 million a year for tobacco prevention and cessation. This is 4.6% of the CDC's recommendation and ranks Massachusetts 36th among the states in the funding of tobacco prevention programs. Massachusetts's spending on tobacco prevention amounts to 0.5% of the estimated \$821 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



Background and Recent Developments: Massachusetts launched its program in 1993 with funding from a voter-approved cigarette tax of 25 cents a pack. In December 1999, the legislature voted to supplement the Massachusetts Tobacco Control Program (MTCP) cigarette tax funding with tobacco settlement money. By 2002-2003, fiscal emergencies and other factors led to funding cuts that nearly eliminated the program. Since then, the legislature has increased funding, most notably in FY2008, when funding was increased from \$8.25 million to \$12.75 million. However, in FY2010, funding for the program was cut to \$4.5 million. For FY 2013, Governor Patrick proposed \$5.9 million be appropriated to the program, however the budget enacted by the legislature appropriated \$4.2 million in tobacco control program funding, the same as FY2012. In total, the MTCP has been cut by more than 65 percent since FY2008.

In addition, Massachusetts is receiving \$2.6 million in federal funds dedicated to tobacco prevention and control:

- \$1.6 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2012 (from annual appropriations).
- \$378,699 from the Prevention and Public Health Fund in the new health care reform law for the period beginning August 1, 2012.

- \$658,300 from the Food and Drug Administration for enforcement of the Family Smoking Prevention and Tobacco Control Act, including the provision regarding tobacco sales to minors.

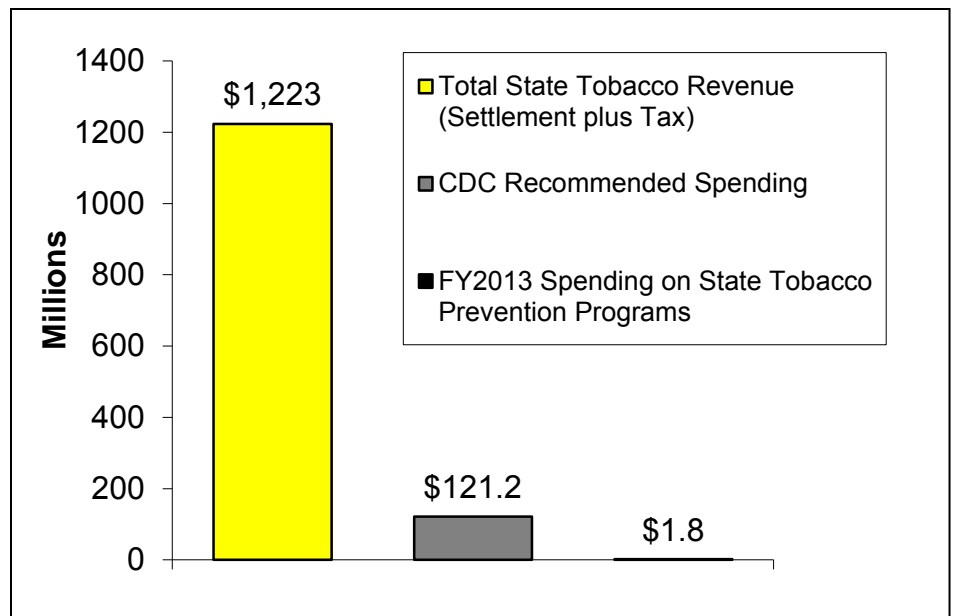
Tobacco's Toll in Massachusetts	
Adults who smoke*	18.2%
High school students who smoke	14.0%
Deaths caused by smoking each year	9,000
Annual health care costs directly caused by smoking	\$3.54 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$717 per household
Annual tobacco company marketing in state	\$123.7 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	29.8 to 1

**Due to changes in CDC's methodology, the 2011 adult smoking rate cannot be compared to data from previous years.*

Michigan

	FY2013	FY2012
State Ranking	42	41
STATE SPENDING ON TOBACCO PREVENTION	\$1.8 million	\$1.8 million
% of CDC Recommended Spending (\$121.2 million)	1.5%	1.5%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that Michigan spend \$121.2 million a year to have an effective, comprehensive tobacco prevention program. Michigan currently allocates \$1.8 million a year for tobacco prevention and cessation. This is 1.5% of the CDC's recommendation and ranks Michigan 42nd among the states in the funding of tobacco prevention programs. Michigan's spending on tobacco prevention amounts to 0.1% of the estimated \$1.2 billion in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



Background and Recent Developments: Michigan's FY2013 budget allocates \$1.8 million to the Tobacco Section of the Michigan Department of Community Health for tobacco prevention and cessation programs. This is the same amount spent in FY2012 and is a 30 percent decrease from FY2010 and FY2011 funding levels.

Funding comes from the Healthy Michigan Fund, which is funded by the state's excise tax on tobacco products. The state continues to dedicate no funding from the Master Settlement Agreement toward reducing tobacco-caused death and disease, and the little funding it does provide falls far short of the amount needed for a comprehensive CDC-recommended program. Michigan continues to be one of the only states that never dedicated any Master Settlement Agreement funds for tobacco prevention.

In addition, Michigan is receiving \$3.4 million in federal funds dedicated to tobacco prevention and control:

- \$1.7 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2012 (from annual appropriations).
- \$747,803 from the Prevention and Public Health Fund in the new health care reform law for the period beginning August 1, 2012.
- \$972,227 from the Food and Drug Administration for enforcement of the Family Smoking Prevention and Tobacco Control Act, including the provision regarding tobacco sales to minors.

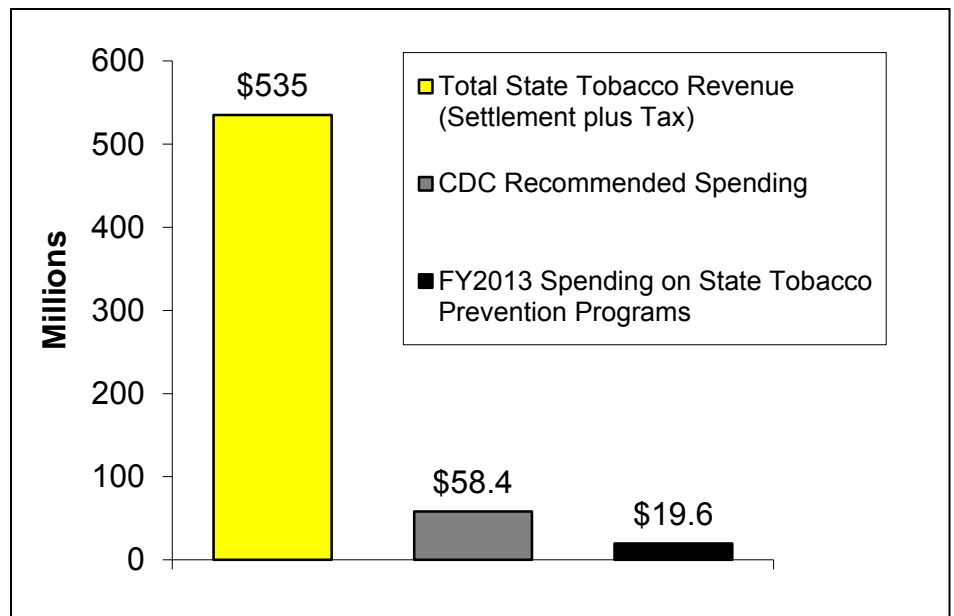
Tobacco's Toll in Michigan	
Adults who smoke*	23.3%
High school students who smoke	14.0%
Deaths caused by smoking each year	14,500
Annual health care costs directly caused by smoking	\$3.40 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$596 per household
Annual tobacco company marketing in state	\$253.6 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	138.6 to 1

**Due to changes in CDC's methodology, the 2011 adult smoking rate cannot be compared to data from previous years.*

Minnesota

	FY2013	FY2012
State Ranking	12	10
STATE SPENDING ON TOBACCO PREVENTION	\$19.6 million	\$19.5 million
% of CDC Recommended Spending (\$58.4 million)	33.6%	33.4%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that Minnesota spend \$58.4 million a year to have an effective, comprehensive tobacco prevention program. Minnesota currently allocates \$19.6 million a year for tobacco prevention and cessation. This is 33.6% of the CDC's recommendation and ranks Minnesota 12th among the states in the funding of tobacco prevention programs. Minnesota's spending on tobacco prevention amounts to 3.7% of the estimated \$535 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



Background and Recent Developments: Minnesota will spend \$19.6 million on tobacco prevention and cessation programs in FY2013, a slight increase from the previous year. This includes \$3.2 million in state funds to the Minnesota Department of Public Health and \$16.4 million approved by ClearWay Minnesota's Board of Directors. ClearWay Minnesota is an independent, non-profit organization created as a result of the 1998 settlement between the tobacco industry and both the State of Minnesota and Blue Cross Blue Shield of Minnesota.

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

- \$1.1 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2012 (from annual appropriations).
- \$296,100 from the Prevention and Public Health Fund in the new health care reform law for the period beginning August 1, 2012.
- \$557,604 from the Food and Drug Administration for enforcement of the Family Smoking Prevention and Tobacco Control Act, including the provision regarding tobacco sales to minors.

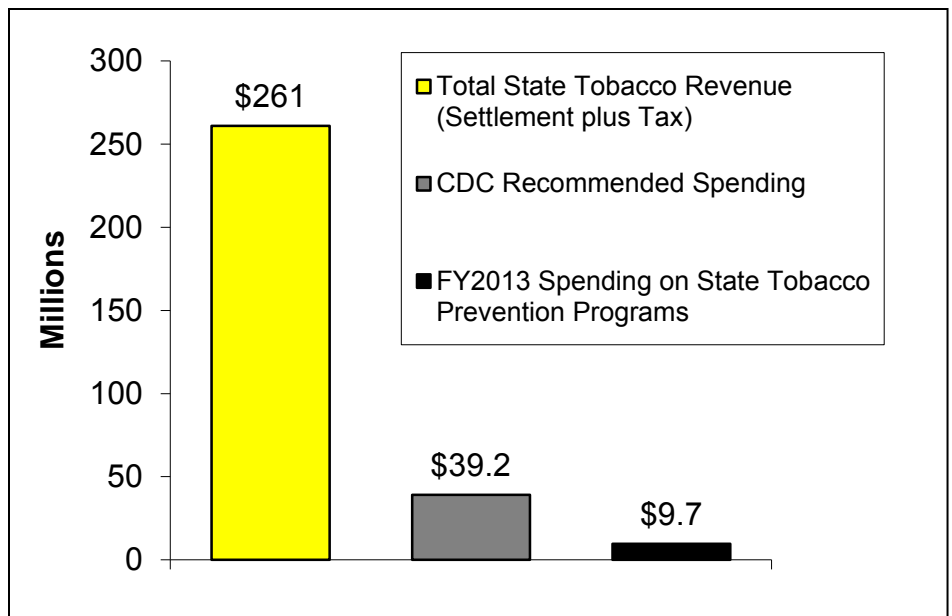
Tobacco's Toll in Minnesota	
Adults who smoke*	19.1%
High school students who smoke	18.1%
Deaths caused by smoking each year	5,500
Annual health care costs directly caused by smoking	\$2.06 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$609 per household
Annual tobacco company marketing in state	\$151.2 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	7.7 to 1

**Due to changes in CDC's methodology, the 2011 adult smoking rate cannot be compared to data from previous years.*

Mississippi

	FY2013	FY2012
State Ranking	17	15
STATE SPENDING ON TOBACCO PREVENTION	\$9.7 million	\$9.9 million
% of CDC Recommended Spending (\$39.2 million)	24.7%	25.3%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that Mississippi spend \$39.2 million a year to have an effective, comprehensive tobacco prevention program. Mississippi currently allocates \$9.7 million a year for tobacco prevention and cessation. This is 24.7% of the CDC's recommendation and ranks Mississippi 17th among the states in the funding of tobacco prevention programs. Mississippi's spending on tobacco prevention amounts to 3.7% of the estimated \$261 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



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

In FY2013, Mississippi will spend \$9.7 million on tobacco prevention and cessation, slightly less than what was spent in FY2012 and FY2011. Funding has remained relatively constant in recent years, though it continues to be substantially lower than the CDC-recommended amount.

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

- \$1.1 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2012 (from annual appropriations).
- \$265,938 from the Prevention and Public Health Fund in the new health care reform law for the period beginning August 1, 2012.
- \$900,951 from the Food and Drug Administration for enforcement of the Family Smoking Prevention and Tobacco Control Act, including the provision regarding tobacco sales to minors.

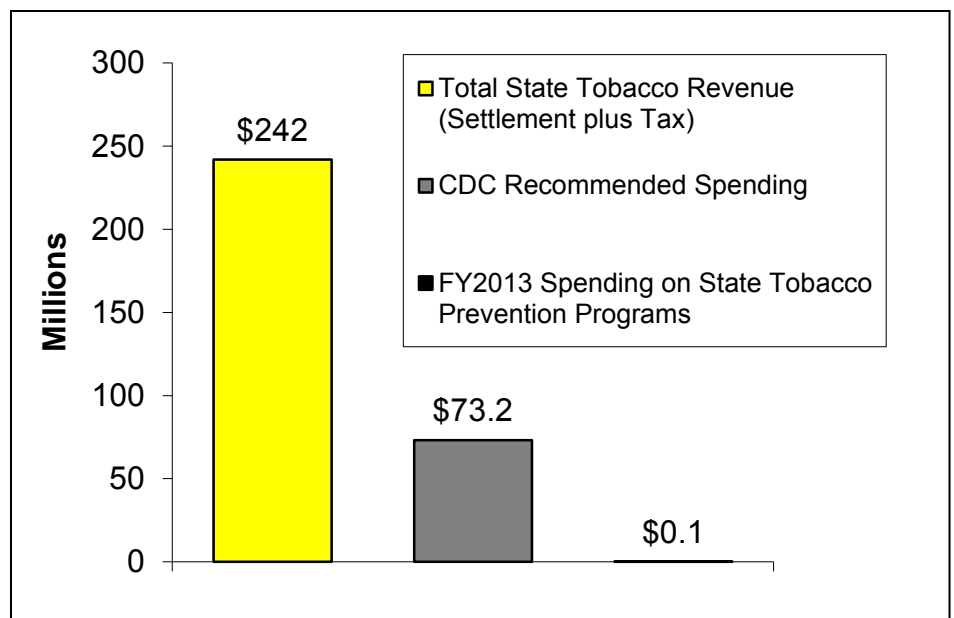
Tobacco's Toll in Mississippi	
Adults who smoke*	26.0%
High school students who smoke	17.9%
Deaths caused by smoking each year	4,700
Annual health care costs directly caused by smoking	\$719 million
Residents' state & federal tax burden from smoking-caused government expenditures	\$554 per household
Annual tobacco company marketing in state	\$111.5 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	11.5 to 1

**Due to changes in CDC's methodology, the 2011 adult smoking rate cannot be compared to data from previous years.*

Missouri

	FY2013	FY2012
State Ranking	46	45
STATE SPENDING ON TOBACCO PREVENTION	\$61,785	\$60,000
% of CDC Recommended Spending (\$73.2 million)	0.1%	0.1%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that Missouri spend \$73.2 million a year to have an effective, comprehensive tobacco prevention program. Missouri currently allocates \$61,785 a year for tobacco prevention and cessation. This is 0.1% of the CDC's recommendation and ranks Missouri 46th among the states in the funding of tobacco prevention programs. Missouri's spending on tobacco prevention amounts to 0.025% of the estimated \$242 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



Background and Recent Developments: Missouri is once again spending merely \$61,785 in state funds on tobacco prevention in FY2013. This is just one-tenth of the CDC-recommended spending for the state which is not nearly enough to pursue a comprehensive prevention and cessation program. From FY2003 through FY2007, the legislature dedicated no funding for tobacco prevention.

In 2006, Missouri voters narrowly rejected a ballot initiative to increase the state cigarette tax by 80 cents a pack and double the tax on other tobacco products. The initiative would have given Missouri one of the best-funded prevention programs in the country. In 2012, Missouri voters narrowly rejected another ballot initiative to increase the cigarette tax, this time by 73 cents per pack. 20 percent of the revenue raised would have been allocated to tobacco prevention and cessation programs. Instead, Missouri's cigarette tax remains at 17 cents per pack, which is significantly lower than the \$1.48 per pack average across the United States. Missouri remains among the bottom states in funding tobacco prevention and cessation programs.

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

- \$1.2 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2012 (from annual appropriations).
- \$503,513 from the Prevention and Public Health Fund in the new health care reform law for the period beginning August 1, 2012.

- \$614,828 from the Food and Drug Administration for enforcement of the Family Smoking Prevention and Tobacco Control Act, including the provision regarding tobacco sales to minors.

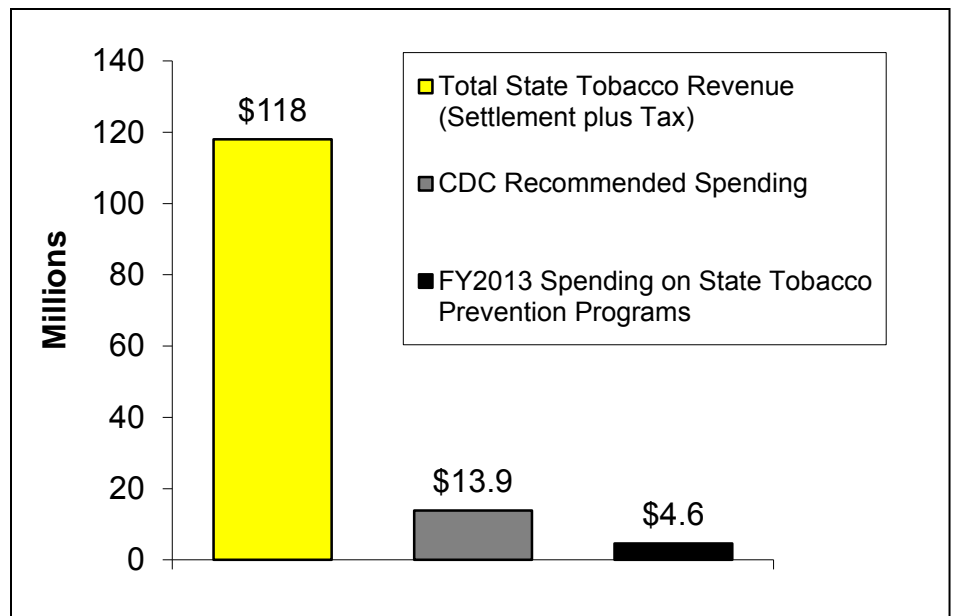
Tobacco's Toll in Missouri	
Adults who smoke*	25.0%
High school students who smoke	18.1%
Deaths caused by smoking each year	9,500
Annual health care costs directly caused by smoking	\$2.13 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$584 per household
Annual tobacco company marketing in state	\$301.8 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	4,884.5 to 1

**Due to changes in CDC's methodology, the 2011 adult smoking rate cannot be compared to data from previous years.*

Montana

	FY2013	FY2012
State Ranking	13	9
STATE SPENDING ON TOBACCO PREVENTION	\$4.6 million	\$4.7 million
% of CDC Recommended Spending (\$13.9 million)	33.1%	33.8%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that Montana spend \$13.9 million a year to have an effective, comprehensive tobacco prevention program. Montana currently allocates \$4.6 million a year for tobacco prevention and cessation. This is 33.1% of the CDC's recommendation and ranks Montana 13th among the states in the funding of tobacco prevention programs. Montana's spending on tobacco prevention amounts to 3.9% of the estimated \$118 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



Background and Recent Developments: Montana appropriated \$4.6 million in state funds to the state's tobacco prevention program for FY2013. This is similar to the amount spent in FY2012 but is a 45 percent decrease from the \$8.4 million allocated in FY2011.

In addition, Montana is receiving \$1.1 million in federal funds dedicated to tobacco prevention and control:

- \$961,793 from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2012 (from annual appropriations).
- \$113,256 from the Food and Drug Administration for enforcement of the Family Smoking Prevention and Tobacco Control Act, including the provision regarding tobacco sales to minors.

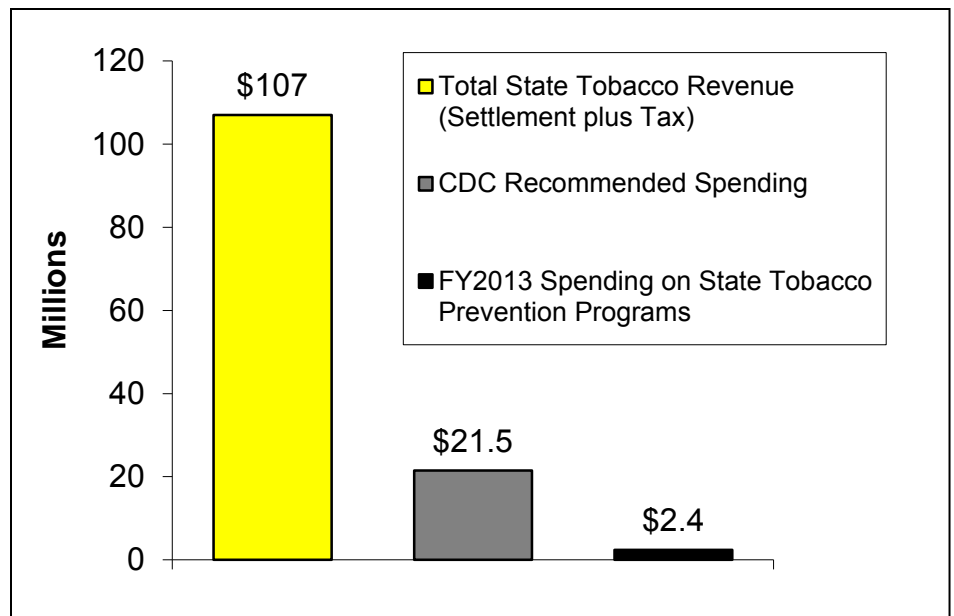
Tobacco's Toll in Montana	
Adults who smoke*	22.1%
High school students who smoke	16.5%
Deaths caused by smoking each year	1,400
Annual health care costs directly caused by smoking	\$277 million
Residents' state & federal tax burden from smoking-caused government expenditures	\$546 per household
Annual tobacco company marketing in state	\$24.9 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	5.4 to 1

**Due to changes in CDC's methodology, the 2011 adult smoking rate cannot be compared to data from previous years.*

Nebraska

	FY2013	FY2012
State Ranking	27	26
STATE SPENDING ON TOBACCO PREVENTION	\$2.4 million	\$2.4 million
% of CDC Recommended Spending (\$21.5 million)	11.1%	11.0%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that Nebraska spend \$21.5 million a year to have an effective, comprehensive tobacco prevention program. Nebraska currently allocates \$2.4 million a year for tobacco prevention and cessation. This is 11.1% of the CDC's recommendation and ranks Nebraska 27th among the states in the funding of tobacco prevention programs. Nebraska's spending on tobacco prevention amounts to 2.2% of the estimated \$107 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



Background and Recent Developments: For FY2013, Nebraska has allocated \$2.4 million for the state's tobacco prevention and cessation program, the same amount allocated in FY2012, but a 17 percent cut from the amount allocated in FY2011. Funding has remained relatively constant in recent years, though it continues to be lower than the \$7.0 million in state funds allocated in FY2003 and substantially less than the CDC recommended amount.

In addition, Nebraska is receiving \$1.3 million in federal funds dedicated to tobacco prevention and control:

- \$1.2 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2012 (from annual appropriations).
- \$123,400 from the Prevention and Public Health Fund in the new health care reform law for the period beginning August 1, 2012.

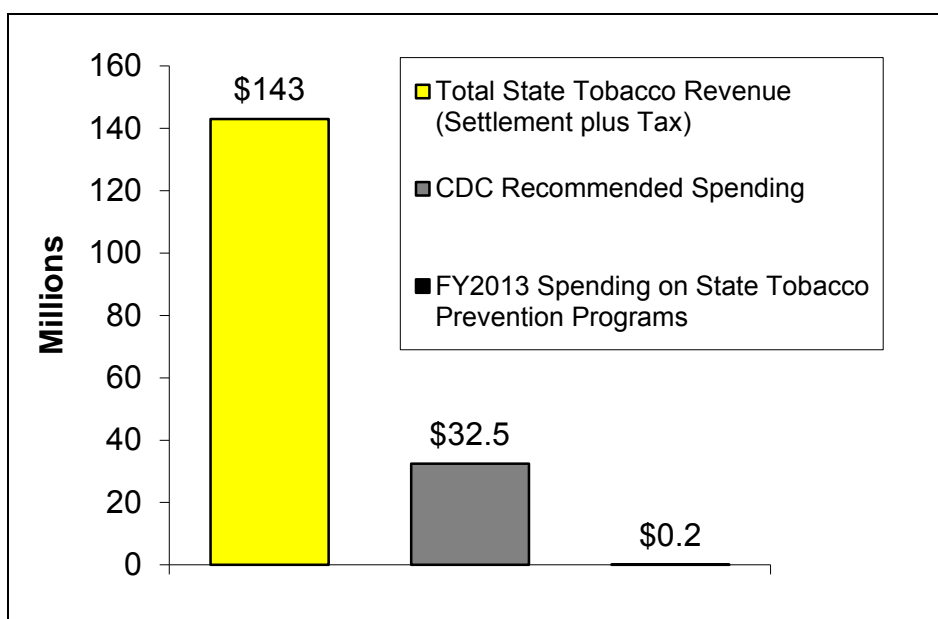
Tobacco's Toll in Nebraska	
Adults who smoke*	20.0%
High school students who smoke	15.0%
Deaths caused by smoking each year	2,200
Annual health care costs directly caused by smoking	\$537 million
Residents' state & federal tax burden from smoking-caused government expenditures	\$573 per household
Annual tobacco company marketing in state	\$54.0 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	22.7 to 1

**Due to changes in CDC's methodology, the 2011 adult smoking rate cannot be compared to data from previous years.*

Nevada

	FY2013	FY2012
State Ranking	44	50
STATE SPENDING ON TOBACCO PREVENTION	\$150,000	\$0.0
% of CDC Recommended Spending (\$32.5 million)	0.5%	0.0%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that Nevada spend \$32.5 million a year to have an effective, comprehensive tobacco prevention program. Nevada currently allocates \$150,000 a year for tobacco prevention and cessation. This is 0.5% of the CDC's recommendation and ranks Nevada 44th among the states in the funding of tobacco prevention programs. Nevada's spending on tobacco prevention amounts to 0.1% of the estimated \$143 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



Background and Recent Developments: Nevada's programs are funded entirely through settlement payments, so funding levels change if the actual settlement payments are different than projected. A 1999 state law divided Nevada's settlement money into three trust funds: 40 percent to the Millennium Trust Fund for college scholarships, 10 percent to the Trust Fund for Public Health and 50 percent to the Fund for a Healthy Nevada. Initially, 20 percent of the money directed to the Fund for a Healthy Nevada was distributed to the tobacco prevention and cessation program; however, in 2007 this allocation was reduced to 15 percent.

In FY2013, the state will spend \$150,000 on the Tobacco Helpline to help tobacco users quit. This is an increase compared to the last two years, when due to revenue shortfalls, there was no state funding for tobacco prevention and cessation programs in Nevada. During this time, the program survived with minimal dollars from the CDC, although many grantees, including local health districts, are no longer receiving funding from the state.

In addition, Nevada is receiving \$1.1 million in federal funds dedicated to tobacco prevention and control:

- \$852,583 from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2012 (from annual appropriations).
- \$227,661 from the Prevention and Public Health Fund in the new health care reform law for the period beginning August 1, 2012.

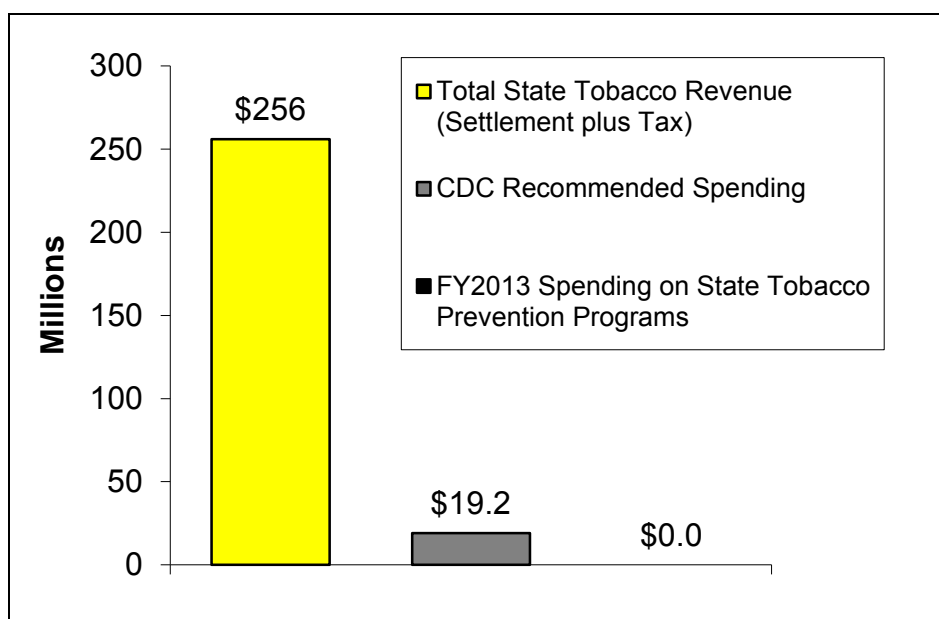
Tobacco's Toll in Nevada	
Adults who smoke*	22.9%
High school students who smoke	17.0%
Deaths caused by smoking each year	3,300
Annual health care costs directly caused by smoking	\$565 million
Residents' state & federal tax burden from smoking-caused government expenditures	\$536 per household
Annual tobacco company marketing in state	\$68.2 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	454.7 to 1

**Due to changes in CDC's methodology, the 2011 adult smoking rate cannot be compared to data from previous years.*

New Hampshire

	FY2013	FY2012
State Ranking	50	50
STATE SPENDING ON TOBACCO PREVENTION	\$0.0	\$0.0
% of CDC Recommended Spending (\$19.2 million)	0.0%	0.0%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that New Hampshire spend \$19.2 million a year to have an effective, comprehensive tobacco prevention program. New Hampshire does not currently allocate anything for tobacco prevention and cessation and as a result it ranks 50th among the states in the funding of tobacco prevention programs. New Hampshire collects an estimated \$256 million in tobacco-generated revenue each year from settlement payments and tobacco taxes.



Background and Recent Developments: New Hampshire continues to invest no state funds in tobacco prevention and cessation.

New Hampshire is receiving \$1.3 million in federal funds dedicated to tobacco prevention and control:

- \$1.0 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2012 (from annual appropriations).
- \$90,876 from the Prevention and Public Health Fund in the new health care reform law for the period beginning August 1, 2012.
- \$202,074 from the Food and Drug Administration for enforcement of the Family Smoking Prevention and Tobacco Control Act, including the provision regarding tobacco sales to minors.

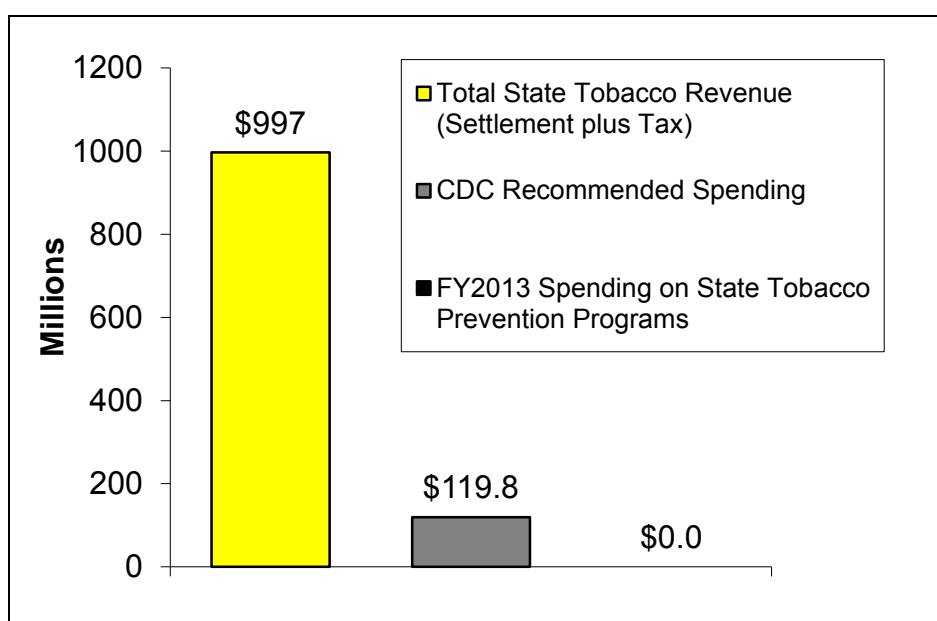
Tobacco's Toll in New Hampshire	
Adults who smoke*	19.4%
High school students who smoke	18.1%
Deaths caused by smoking each year	1,700
Annual health care costs directly caused by smoking	\$564 million
Residents' state & federal tax burden from smoking-caused government expenditures	\$613 per household
Annual tobacco company marketing in state	\$67.6 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	NA

**Due to changes in CDC's methodology, the 2011 adult smoking rate cannot be compared to data from previous years.*

New Jersey

	FY2013	FY2012
State Ranking	50	43
STATE SPENDING ON TOBACCO PREVENTION	\$0.0 million	\$1.2 million
% of CDC Recommended Spending (\$119.8 million)	0.0%	1.0%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that New Jersey spend \$119.8 million a year to have an effective, comprehensive tobacco prevention program. New Jersey does not currently allocate anything for tobacco prevention and cessation and as a result it ranks 50th among the states in the funding of tobacco prevention programs. New Jersey collects an estimated \$997 million in tobacco-generated revenue each year from settlement payments and tobacco taxes.



Background and Recent Developments: In the past, New Jersey's tobacco prevention and cessation program was funded primarily by tobacco tax revenues. Fiscal challenges have led to cuts in many New Jersey state programs. In FY2011, state funding for the New Jersey Comprehensive Tobacco Control Program (CTCP), once a national leader among statewide tobacco prevention and cessation programs, was slashed from \$7.6 million to just \$600,000 (a 92% cut). Program funding was increased to \$1.2 million in FY2012, only to be totally eliminated in FY2013.

New Jersey is receiving \$2.6 million in federal funds dedicated to tobacco prevention and control:

- \$1.3 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2012 (from annual appropriations).
- \$508,958 from the Prevention and Public Health Fund in the new health care reform law for the period beginning August 1, 2012.
- \$817,802 from the Food and Drug Administration for enforcement of the Family Smoking Prevention and Tobacco Control Act, including the provision regarding tobacco sales to minors.

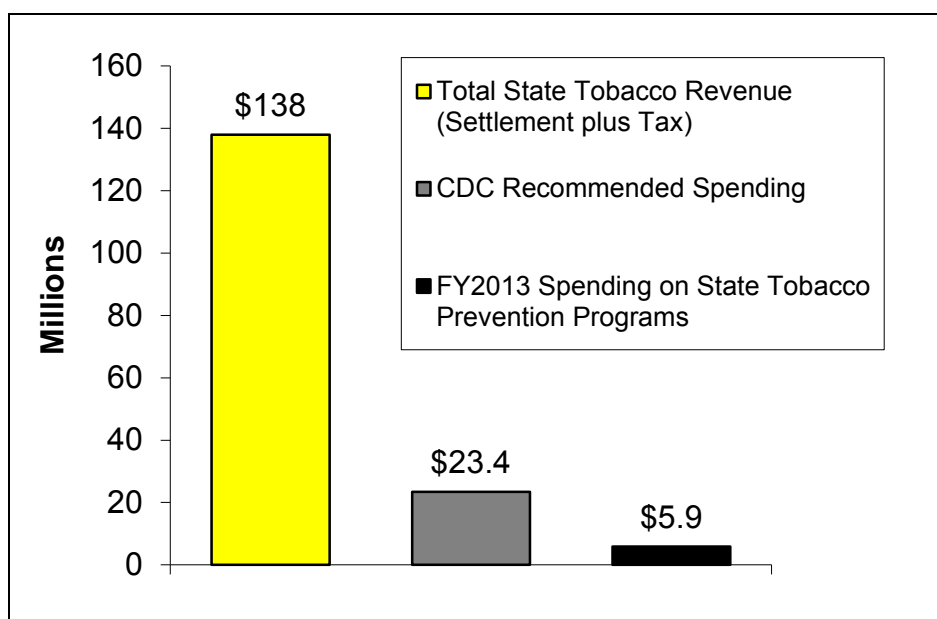
Tobacco's Toll in New Jersey	
Adults who smoke*	16.8%
High school students who smoke	16.1%
Deaths caused by smoking each year	11,200
Annual health care costs directly caused by smoking	\$3.17 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$652 per household
Annual tobacco company marketing in state	\$158.0 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	NA

**Due to changes in CDC's methodology, the 2011 adult smoking rate cannot be compared to data from previous years.*

New Mexico

	FY2013	FY2012
State Ranking	16	15
STATE SPENDING ON TOBACCO PREVENTION	\$5.9 million	\$5.9 million
% of CDC Recommended Spending (\$23.4 million)	25.3%	25.3%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that New Mexico spend \$23.4 million a year to have an effective, comprehensive tobacco prevention program. New Mexico currently allocates \$5.9 million a year for tobacco prevention and cessation. This is 25.3% of the CDC's recommendation and ranks New Mexico 16th among the states in the funding of tobacco prevention programs. New Mexico's spending on tobacco prevention amounts to 4.3% of the estimated \$138 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



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

State spending on tobacco prevention for FY2013 will be \$5.9 million, the same as was spent in FY2012, but a 15 percent cut from what was spent in FY2011 and a more than 35 percent cut from what was spent in FY2010. This amount includes a \$249,300 appropriation to the Department of Indian Affairs for commercial tobacco prevention and control programs serving Native Americans.

New Mexico is receiving more tobacco-generated revenue than ever before as a result of a 75 cent cigarette tax increase, to \$1.66 a pack, which went into effect on July 1, 2010.

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

- \$1.1 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2012 (from annual appropriations).

- \$657,922 from the Food and Drug Administration for enforcement of the Family Smoking Prevention and Tobacco Control Act, including the provision regarding tobacco sales to minors.

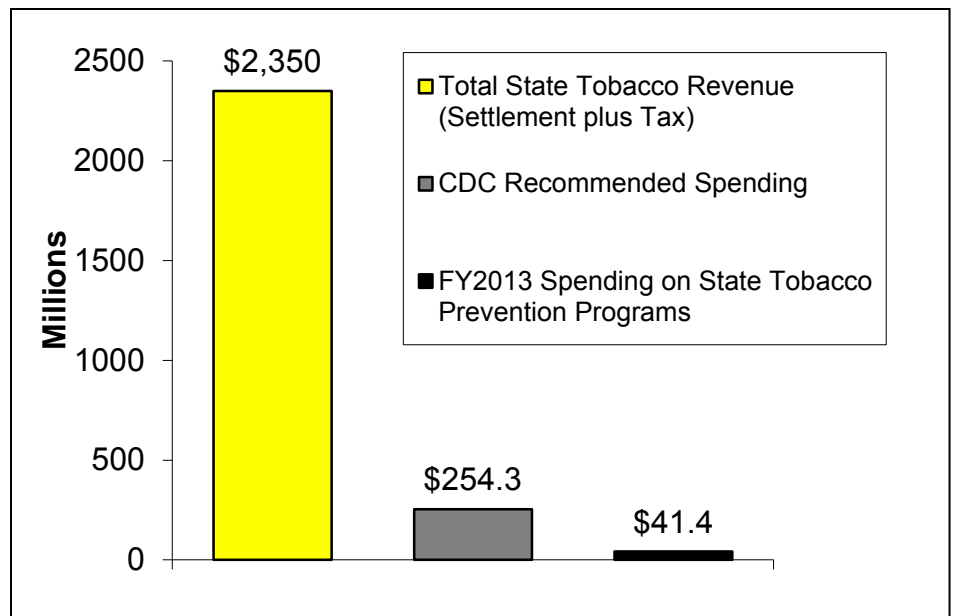
Tobacco's Toll in New Mexico	
Adults who smoke*	21.5%
High school students who smoke	19.9%
Deaths caused by smoking each year	2,100
Annual health care costs directly caused by smoking	\$461 million
Residents' state & federal tax burden from smoking-caused government expenditures	\$561 per household
Annual tobacco company marketing in state	\$31.1 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	5.2 to 1

**Due to changes in CDC's methodology, the 2011 adult smoking rate cannot be compared to data from previous years.*

New York

	FY2013	FY2012
State Ranking	21	20
STATE SPENDING ON TOBACCO PREVENTION	\$41.4 million	\$41.4 million
% of CDC Recommended Spending (\$254.3 million)	16.3%	16.3%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that New York spend \$254.3 million a year to have an effective, comprehensive tobacco prevention program. New York currently allocates \$41.4 million a year for tobacco prevention and cessation. This is 16.3% of the CDC's recommendation and ranks New York 21st among the states in the funding of tobacco prevention programs. New York's spending on tobacco prevention amounts to 1.8% of the estimated \$2.3 billion in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



Background and Recent Developments: The 1998 settlement stipulated that the state of New York receives 51.2 percent of the tobacco settlement payments; with New York City receiving 26.6 percent and the counties outside New York City sharing the remaining 22.2 percent. The formula for disbursing payments to New York City and the counties is based on the localities' mandatory contributions to Medicaid costs. New York City's base-lined budget for FY2013 includes \$7.9 million for tobacco prevention and cessation programming, a \$2 million decrease from FY 2012.

New York's tobacco settlement funds are folded into the state's general fund and allocated through the annual budget process. In FY2010, due to revenue shortfalls, funding for tobacco prevention and cessation was cut by 30 percent, from approximately \$80 million to \$55.2 million. The FY2013 budget enacted by the Legislature and Governor Cuomo (D) allocated \$41.4 million to the tobacco control program, equivalent to that of FY2012, but a \$17 million cut from the FY2011 funding level. While the state's fiscal crisis caused budget cuts across state programs, the tobacco control program experienced disproportionately larger cuts than those endured by almost any other state program.

New York is spending less than the CDC-recommended amount on tobacco prevention despite the fact that the state is receiving more tobacco-generated revenue than ever before as a result of a \$1.60 per pack cigarette tax increase, bringing the state tax to \$4.35 per pack, and increases to the taxes on other tobacco products, which went into effect in July, 2010.

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

- \$1.9 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2012 (from annual appropriations).
- \$1.2 from the Prevention and Public Health Fund in the new health care reform law for the period beginning August 1, 2012.

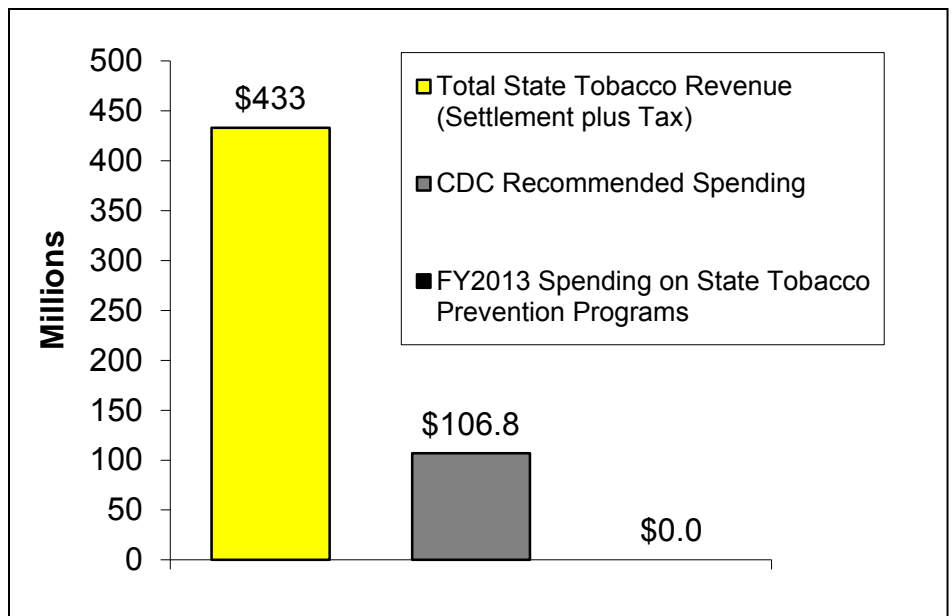
Tobacco's Toll in New York	
Adults who smoke*	18.1%
High school students who smoke	12.5%
Deaths caused by smoking each year	25,400
Annual health care costs directly caused by smoking	\$8.17 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$883 per household
Annual tobacco company marketing in state	\$196.0 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	4.7 to 1

**Due to changes in CDC's methodology, the 2011 adult smoking rate cannot be compared to data from previous years.*

North Carolina

	FY2013	FY2012
State Ranking	50	21
STATE SPENDING ON TOBACCO PREVENTION	\$0.0 million	\$17.3 million
% of CDC Recommended Spending (\$106.8 million)	0.0%	16.2%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that North Carolina spend \$106.8 million a year to have an effective, comprehensive tobacco prevention program. North Carolina does not currently allocate anything for tobacco prevention and cessation and as a result it ranks 50th among the states in the funding of tobacco prevention programs. North Carolina collects an estimated \$433 million in tobacco-generated revenue each year from settlement payments and tobacco taxes.



Background and Recent Developments: In FY2013, state lawmakers eliminated North Carolina's tobacco control program. It is now tied for last in the nation for funding tobacco prevention and cessation programs.

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

In 2011, state lawmakers abolished the HWTF and transferred \$22 million of the remaining HWTF funds as one-time funding to the North Carolina Department for Health and Human Services for public health programs, including tobacco prevention.

The Legislature failed to appropriate new state funding for tobacco prevention and cessation in FY2013 but elected to allocate \$2.7 million in non-recurring federal block grant funds to continue the state's quitline, with a small portion going to teen tobacco use prevention efforts.

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

- \$1.7 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2012 (from annual appropriations).
- \$751,942 from the Prevention and Public Health Fund in the new health care reform law for the period beginning August 1, 2012.
- \$554,222 from the Food and Drug Administration for enforcement of the Family Smoking Prevention and Tobacco Control Act, including the provision regarding tobacco sales to minors.

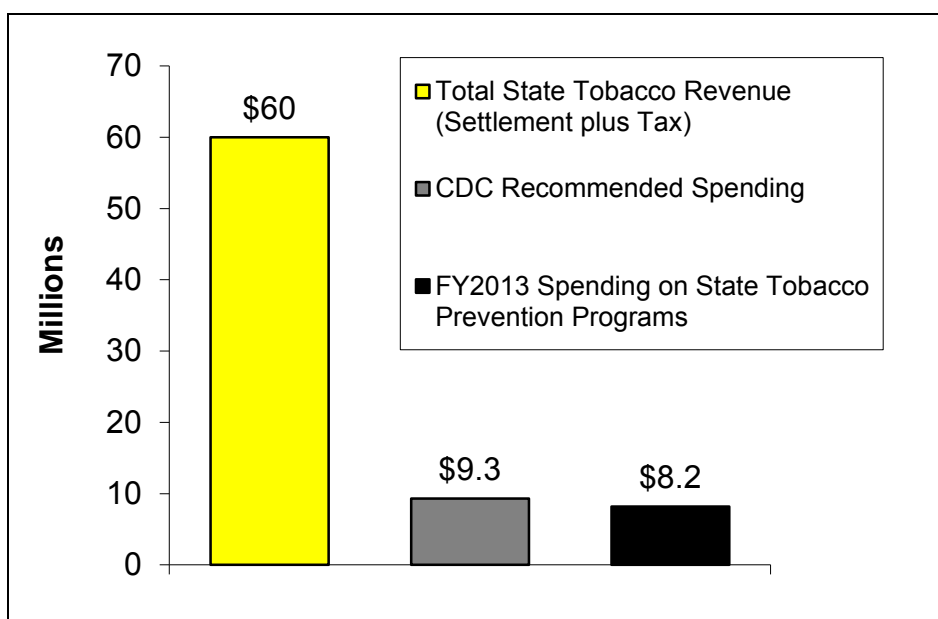
Tobacco's Toll in North Carolina	
Adults who smoke*	21.8%
High school students who smoke	15.5%
Deaths caused by smoking each year	12,200
Annual health care costs directly caused by smoking	\$2.46 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$561 per household
Annual tobacco company marketing in state	\$321.3 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	NA to 1

**Due to changes in CDC's methodology, the 2011 adult smoking rate cannot be compared to data from previous years.*

North Dakota

	FY2013	FY2012
State Ranking	2	2
STATE SPENDING ON TOBACCO PREVENTION	\$8.2 million	\$8.1 million
% of CDC Recommended Spending (\$9.3 million)	88.4%	87.0%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that North Dakota spend \$9.3 million a year to have an effective, comprehensive tobacco prevention program. North Dakota currently allocates \$8.2 million a year for tobacco prevention and cessation. This is 88.4% of the CDC's recommendation and ranks North Dakota 2nd among the states in the funding of tobacco prevention programs. North Dakota's spending on tobacco prevention amounts to 13.7% of the estimated \$60 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



Background and Recent Developments: North Dakota appropriated \$8.2 million of state funds to tobacco prevention and cessation programs in FY2013. When federal funds are added, North Dakota's tobacco control program is funded at CDC-recommended levels.

North Dakota's tobacco settlement payments have been governed by a 1999 law that placed 45 percent of the money into a Water Development Trust Fund, 45 percent into a Common Schools Trust Fund and 10 percent into a Community Health Trust Fund. On November 4, 2008, North Dakota voters approved a ballot measure to allocate the tobacco settlement strategic contribution funds to the state's tobacco prevention and cessation program at the CDC-recommended level, which is \$9.3 million a year.

In addition, North Dakota is receiving \$1.2 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2012 (from annual appropriations).

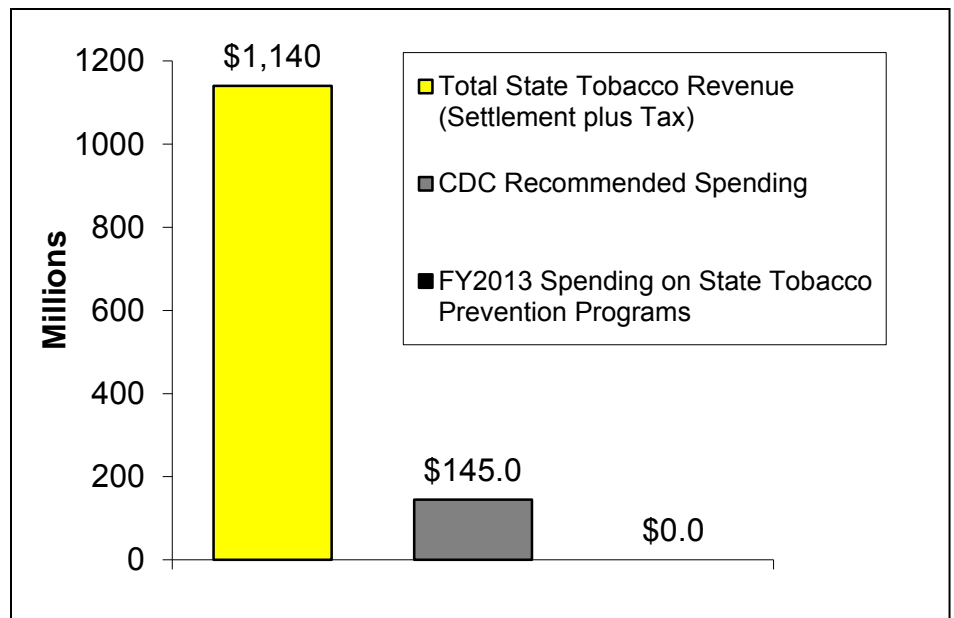
Tobacco's Toll in North Dakota	
Adults who smoke*	21.9%
High school students who smoke	19.4%
Deaths caused by smoking each year	800
Annual health care costs directly caused by smoking	\$247 million
Residents' state & federal tax burden from smoking-caused government expenditures	\$574 per household
Annual tobacco company marketing in state	\$25.7 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	3.1 to 1

**Due to changes in CDC's methodology, the 2011 adult smoking rate cannot be compared to data from previous years.*

Ohio

	FY2013	FY2012
State Ranking	50	50
STATE SPENDING ON TOBACCO PREVENTION	\$0.0	\$0.0
% of CDC Recommended Spending (\$145.0 million)	0.0%	0.0%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that Ohio spend \$145.0 million a year to have an effective, comprehensive tobacco prevention program. Ohio does not currently allocate anything for tobacco prevention and cessation and as a result it ranks 50th among the states in the funding of tobacco prevention programs. Ohio collects an estimated \$1.1 billion in tobacco-generated revenue each year from settlement payments and tobacco taxes.



Background and Recent Developments: After a series of lawsuits and political maneuvers that finally abolished a foundation meant to receive settlement funds and be spent on tobacco prevention and cessation, Ohio will once again spend no state money on these programs in FY2013.

Since funding for the state tobacco control program was cut dramatically in 2009, Ohio's adult smoking rate has increased – from 20.2 percent in 2008 to 22.5 percent in 2010.

Ohio is receiving \$3.3 million in federal funds dedicated to tobacco prevention and control:

- \$1.4 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2012 (from annual appropriations).
- \$1.0 million from the Prevention and Public Health Fund in the new health care reform law for the period beginning August 1, 2012.
- \$916,490 from the Food and Drug Administration for enforcement of the Family Smoking Prevention and Tobacco Control Act, including the provision regarding tobacco sales to minors.

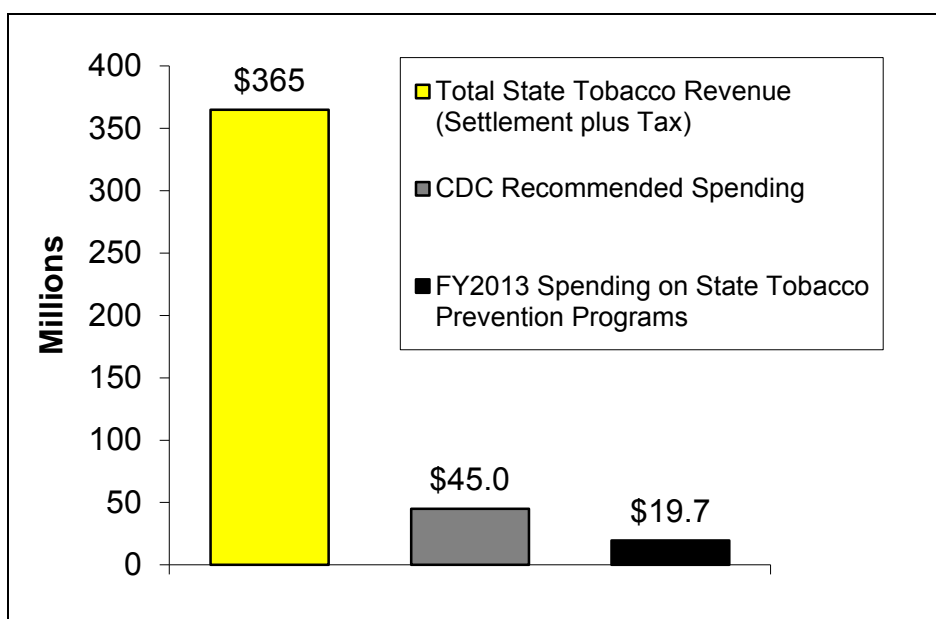
Tobacco's Toll in Ohio	
Adults who smoke*	25.1%
High school students who smoke	21.1%
Deaths caused by smoking each year	18,500
Annual health care costs directly caused by smoking	\$4.37 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$612 per household
Annual tobacco company marketing in state	\$362.5 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	NA

**Due to changes in CDC's methodology, the 2011 adult smoking rate cannot be compared to data from previous years.*

Oklahoma

	FY2013	FY2012
State Ranking	7	7
STATE SPENDING ON TOBACCO PREVENTION	\$19.7 million	\$21.2 million
% of CDC Recommended Spending (\$45.0 million)	43.8%	47.1%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that Oklahoma spend \$45.0 million a year to have an effective, comprehensive tobacco prevention program. Oklahoma currently allocates \$19.7 million a year for tobacco prevention and cessation. This is 43.8% of the CDC's recommendation and ranks Oklahoma 7th among the states in the funding of tobacco prevention programs. Oklahoma's spending on tobacco prevention amounts to 5.4% of the estimated \$365 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



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

Total state spending on tobacco prevention and cessation for FY2013 will be \$19.7 million. The total includes approximately \$16.9 million from the Oklahoma Settlement Endowment Trust, \$2.2 million in state tobacco excise taxes and \$600,000 from the general fund.

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

- \$1.3 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2012 (from annual appropriations).
- \$349,692 from the Prevention and Public Health Fund in the new health care reform law for the period beginning August 1, 2012.

- \$350,529 from the Food and Drug Administration for enforcement of the Family Smoking Prevention and Tobacco Control Act, including the provision regarding tobacco sales to minors.

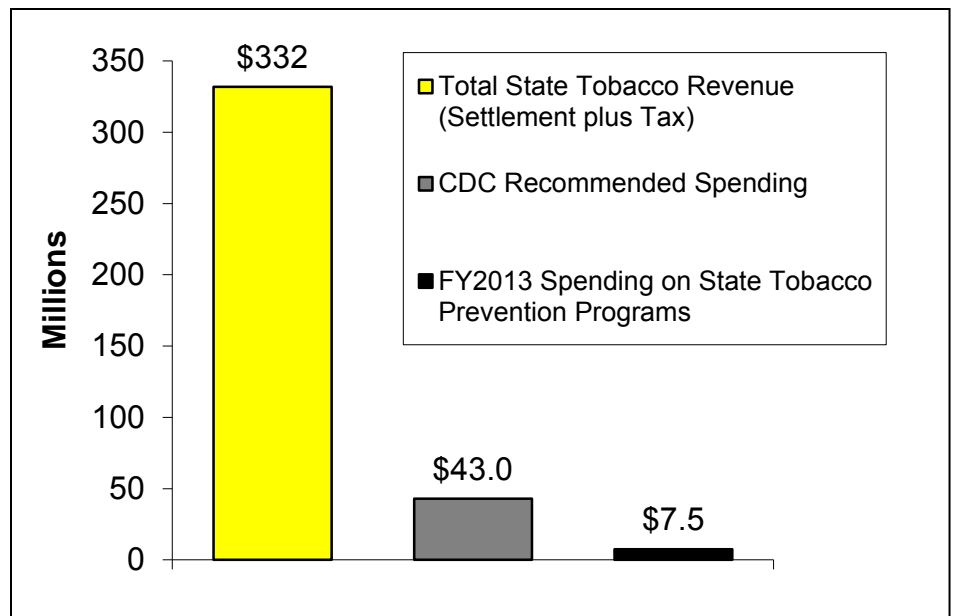
Tobacco's Toll in Oklahoma	
Adults who smoke*	26.1%
High school students who smoke	17.9%
Deaths caused by smoking each year	6,200
Annual health care costs directly caused by smoking	\$1.16 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$547 per household
Annual tobacco company marketing in state	\$147.2 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	7.5 to 1

**Due to changes in CDC's methodology, the 2011 adult smoking rate cannot be compared to data from previous years.*

Oregon

	FY2013	FY2012
State Ranking	20	19
STATE SPENDING ON TOBACCO PREVENTION	\$7.5 million	\$8.3 million
% of CDC Recommended Spending (\$43.0 million)	17.5%	19.3%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that Oregon spend \$43.0 million a year to have an effective, comprehensive tobacco prevention program. Oregon currently allocates \$7.5 million a year for tobacco prevention and cessation. This is 17.5% of the CDC's recommendation and ranks Oregon 20th among the states in the funding of tobacco prevention programs. Oregon's spending on tobacco prevention amounts to 2.3% of the estimated \$332 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



Background and Recent Developments: Oregon's tobacco prevention and education program (TPEP) continues to be funded with tobacco tax revenues. In 2008, the program experienced its first significant funding increase since a drastic reduction in FY2004. Allocations that had been outlined in Measure 44, which provides that the program receive 10 percent of the state's 1996 30 cent per pack tax increase, were restored after years in which these funds were diverted to other programs.

In FY2013, state funding for TPEP is \$7.5 million, less than the \$8.3 million spent in FY2012.

In addition, Oregon is receiving \$1.3 million in federal funds dedicated to tobacco prevention and control:

- \$1.1 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2012 (from annual appropriations).
- \$234,824 from the Prevention and Public Health Fund in the new health care reform law for the period beginning August 1, 2012.

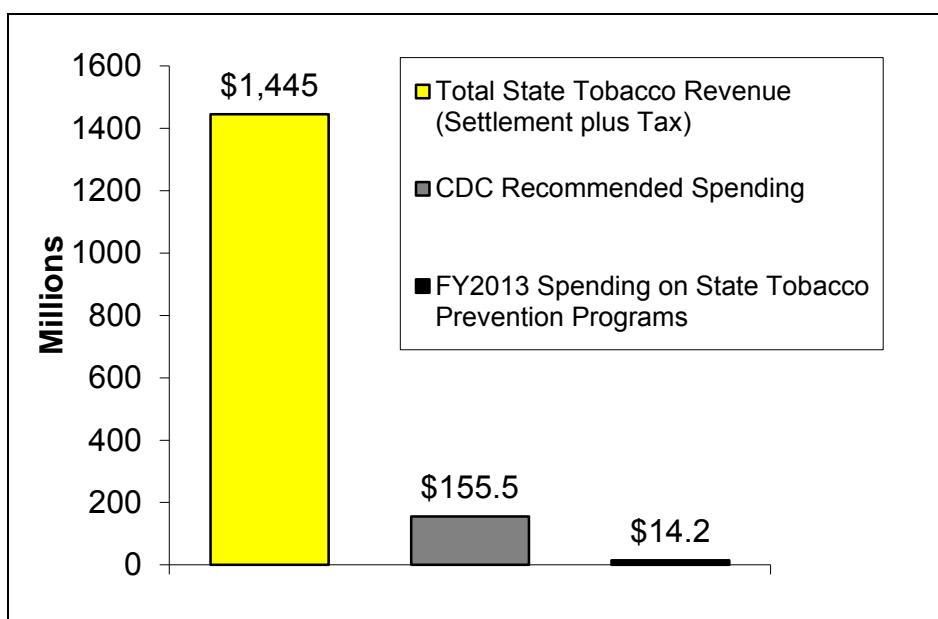
Tobacco's Toll in Oregon	
Adults who smoke*	19.7%
High school students who smoke	14.9%
Deaths caused by smoking each year	4,900
Annual health care costs directly caused by smoking	\$1.11 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$562 per household
Annual tobacco company marketing in state	\$99.6 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	13.2 to 1

**Due to changes in CDC's methodology, the 2011 adult smoking rate cannot be compared to data from previous years.*

Pennsylvania

	FY2013	FY2012
State Ranking	28	27
STATE SPENDING ON TOBACCO PREVENTION	\$14.2 million	\$13.9 million
% of CDC Recommended Spending (\$155.5 million)	9.1%	9.0%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that Pennsylvania spend \$155.5 million a year to have an effective, comprehensive tobacco prevention program. Pennsylvania currently allocates \$14.2 million a year for tobacco prevention and cessation. This is 9.1% of the CDC's recommendation and ranks Pennsylvania 28th among the states in the funding of tobacco prevention programs. Pennsylvania's spending on tobacco prevention amounts to 1.0% of the estimated \$1.4 billion in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



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

Pennsylvania will spend \$14.2 million on tobacco prevention in FY2013, slightly more than what was spent in FY2012. While this is consistent with the amount spent in recent years, it marks a decrease from past years. State spending over the past four fiscal years has been reduced by more than 50%.

In addition, Pennsylvania is receiving \$2.9 million in federal funds dedicated to tobacco prevention and control:

- \$1.3 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2012 (from annual appropriations).
- \$957,231 from the Prevention and Public Health Fund in the new health care reform law for the period beginning August 1, 2012.
- \$697,042 from the Food and Drug Administration for enforcement of the Family Smoking Prevention and Tobacco Control Act, including the provision regarding tobacco sales to minors.

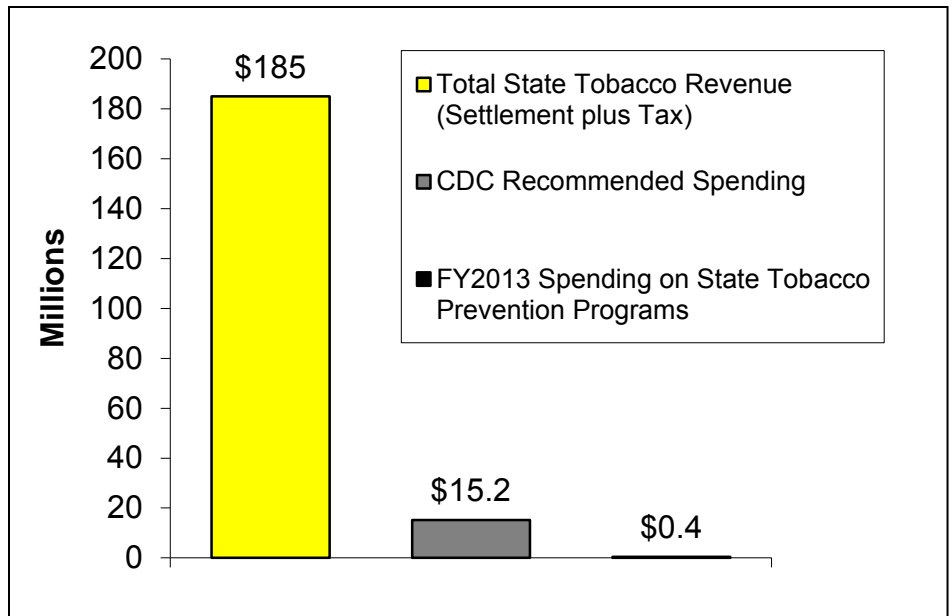
Tobacco's Toll in Pennsylvania	
Adults who smoke*	22.4%
High school students who smoke	18.4%
Deaths caused by smoking each year	20,000
Annual health care costs directly caused by smoking	\$5.19 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$659 per household
Annual tobacco company marketing in state	\$396.0 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	27.8 to 1

**Due to changes in CDC's methodology, the 2011 adult smoking rate cannot be compared to data from previous years.*

Rhode Island

	FY2013	FY2012
State Ranking	40	38
STATE SPENDING ON TOBACCO PREVENTION	\$376,437	\$372,665
% of CDC Recommended Spending (\$15.2 million)	2.5%	2.5%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that Rhode Island spend \$15.2 million a year to have an effective, comprehensive tobacco prevention program. Rhode Island currently allocates \$376,437 a year for tobacco prevention and cessation. This is 2.5% of the CDC's recommendation and ranks Rhode Island 40th among the states in the funding of tobacco prevention programs. Rhode Island's spending on tobacco prevention amounts to 0.2% of the estimated \$185 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



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

In FY2013, the state allocated \$376,437 for the state tobacco prevention and cessation program, about the same amount allocated in FY2012.

Rhode Island is spending less than the CDC-recommended amount on tobacco prevention, despite the fact that the state is receiving more tobacco-generated revenue than ever before as a result of increases in its tobacco taxes enacted in 2009. In 2009, the state's cigarette tax was increased to \$3.46 a pack from \$2.46 and the tax rate on other tobacco products other than moist snuff was increased to 80 percent of the wholesale price.

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

- \$1.2 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2012 (from annual appropriations).
- \$68,198 from the Prevention and Public Health Fund in the new health care reform law for the period beginning August 1, 2012.
- \$627,780 from the Food and Drug Administration for enforcement of the Family Smoking Prevention and Tobacco Control Act, including the provision regarding tobacco sales to minors.

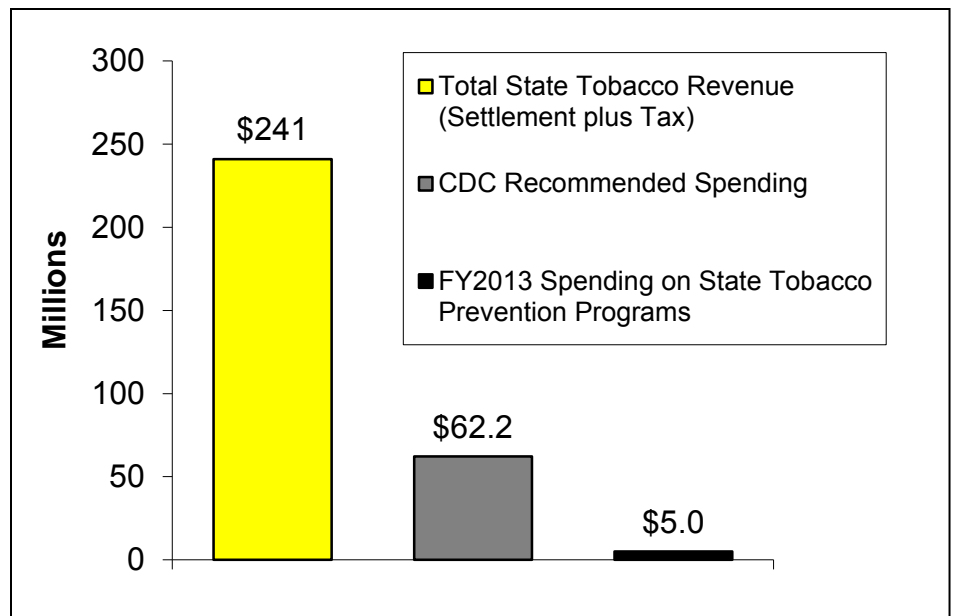
Tobacco's Toll in Rhode Island	
Adults who smoke*	20.0%
High school students who smoke	11.4%
Deaths caused by smoking each year	1,600
Annual health care costs directly caused by smoking	\$506 million
Residents' state & federal tax burden from smoking-caused government expenditures	\$717 per household
Annual tobacco company marketing in state	\$21.2 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	56.3 to 1

**Due to changes in CDC's methodology, the 2011 adult smoking rate cannot be compared to data from previous years.*

South Carolina

	FY2013	FY2012
State Ranking	32	31
STATE SPENDING ON TOBACCO PREVENTION	\$5.0 million	\$5.0 million
% of CDC Recommended Spending (\$62.2 million)	8.0%	8.0%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that South Carolina spend \$62.2 million a year to have an effective, comprehensive tobacco prevention program. South Carolina currently allocates \$5.0 million a year for tobacco prevention and cessation. This is 8.0% of the CDC's recommendation and ranks South Carolina 32nd among the states in the funding of tobacco prevention programs. South Carolina's spending on tobacco prevention amounts to 2.1% of the estimated \$241 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



Background and Recent Developments: In FY2013, South Carolina will spend \$5 million on tobacco prevention and cessation programs. This funding level is equal to that of the past two years but remains a small fraction of the CDC-recommended spending for the state.

Under a 2000 agreement between the legislature and then-Governor Jim Hodges (D), South Carolina securitized its future tobacco settlement proceeds by selling them to investors in exchange for a smaller lump sum payment. The \$910 million raised was transferred into four trust funds. The legislature appropriates money from the trust funds annually for programs. From 2003 until 2011, no tobacco settlement funds were dedicated to tobacco prevention.

In 2010, the legislature passed a 50 cent cigarette tax increase that raised the cigarette tax to 57 cents, effective July 1, 2010. The law specified that \$5 million of that new tax revenue should be spent on smoking prevention and cessation programs in FY2011. However, the legislature ultimately authorized the Department for Health and Environmental Control (DHEC) to spend just \$1.25 million of that. In FY2012 and again in FY2013, the legislature authorized that the full \$5 million be spent on smoking prevention programs. This year's appropriation came despite a proposed bill in the House that would have redirected a portion of the cessation funding to cancer screenings.

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

- \$1.2 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2012 (from annual appropriations).
- \$437,014 from the Food and Drug Administration for enforcement of the Family Smoking Prevention and Tobacco Control Act, including the provision regarding tobacco sales to minors.

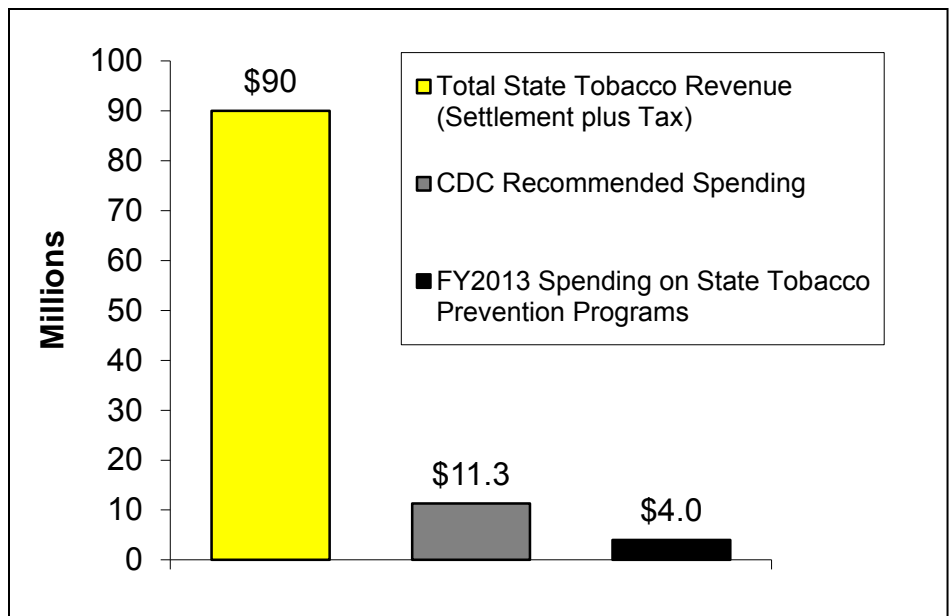
Tobacco's Toll in South Carolina	
Adults who smoke*	23.1%
High school students who smoke	19.1%
Deaths caused by smoking each year	6,100
Annual health care costs directly caused by smoking	\$1.09 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$553 per household
Annual tobacco company marketing in state	\$178.9 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	35.8 to 1

**Due to changes in CDC's methodology, the 2011 adult smoking rate cannot be compared to data from previous years.*

South Dakota

	FY2013	FY2012
State Ranking	11	8
STATE SPENDING ON TOBACCO PREVENTION	\$4.0 million	\$4.0 million
% of CDC Recommended Spending (\$11.3 million)	35.4%	35.4%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that South Dakota spend \$11.3 million a year to have an effective, comprehensive tobacco prevention program. South Dakota currently allocates \$4.0 million a year for tobacco prevention and cessation. This is 35.4% of the CDC's recommendation and ranks South Dakota 11th among the states in the funding of tobacco prevention programs. South Dakota's spending on tobacco prevention amounts to 4.4% of the estimated \$90 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



Background and Recent Developments: South Dakota's lawmakers allocated \$4 million of state funding for tobacco prevention and cessation programs in FY2013, the same amount as in FY2012. This is a slight increase from the FY2011 appropriation, but it is still less than half of the CDC's recommended spending for South Dakota.

A November 2006 ballot initiative increased the state cigarette tax by \$1.00 per pack and increased the tax on other tobacco products to 35 percent of the wholesale price. This measure was expected to provide approximately \$5 million per year for tobacco prevention and cessation. But during the 2010 legislative session, the legislature decided to reduce spending on tobacco prevention and cessation to \$3.5 million for FY2011, and funding has remained below \$5 million since then.

The combination of South Dakota's state and federal funds meets the state's statutory requirement that the tobacco prevention program spend \$5 million annually.

In addition, South Dakota is receiving \$1.0 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2012 (from annual appropriations).

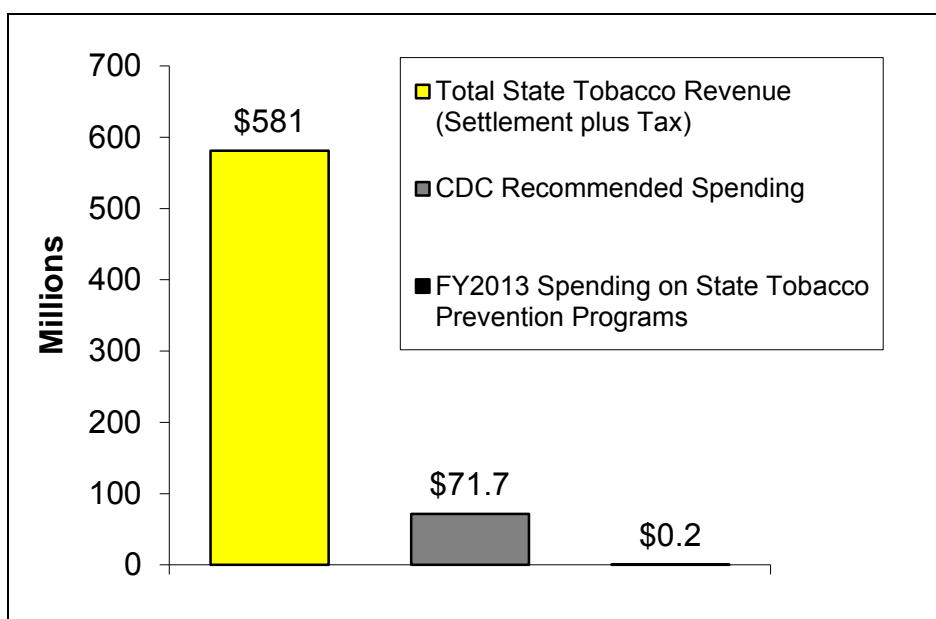
Tobacco's Toll in South Dakota	
Adults who smoke*	23.0%
High school students who smoke	23.1%
Deaths caused by smoking each year	1,000
Annual health care costs directly caused by smoking	\$274 million
Residents' state & federal tax burden from smoking-caused government expenditures	\$573 per household
Annual tobacco company marketing in state	\$19.7 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	4.9 to 1

**Due to changes in CDC's methodology, the 2011 adult smoking rate cannot be compared to data from previous years.*

Tennessee

	FY2013	FY2012
State Ranking	45	44
STATE SPENDING ON TOBACCO PREVENTION	\$222,267	\$200,000
% of CDC Recommended Spending (\$71.7 million)	0.3%	0.3%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that Tennessee spend \$71.7 million a year to have an effective, comprehensive tobacco prevention program. Tennessee currently allocates \$222,267 a year for tobacco prevention and cessation. This is 0.3% of the CDC's recommendation and ranks Tennessee 45th among the states in the funding of tobacco prevention programs. Tennessee's spending on tobacco prevention amounts to 0.04% of the estimated \$581 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



Background and Recent Developments: Tennessee allocated \$222,267 in state funds for tobacco prevention and cessation programs in FY2013. All 95 county health departments provide tobacco cessation counseling and referrals to the Tennessee Tobacco Quitline. This funding level is slightly higher than the FY2012 appropriation and nearly equal to that of FY2011, but just a small fraction of the CDC-recommended amount.

Tennessee did not dedicate state funds to tobacco prevention until FY2008, when the budget passed by the legislature and signed by Governor Phil Bredesen (D) allocated \$10 million for tobacco prevention programs. However, due to a budget crisis, state funding for tobacco prevention was cut in half to \$5 million for FY2009. Additional cuts mean the state is now spending minimal amounts on tobacco prevention and cessation.

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

- \$1.2 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2012 (from annual appropriations).
- \$510,286 from the Prevention and Public Health Fund in the new health care reform law for the period beginning August 1, 2012.
- \$253,266 from the Food and Drug Administration for enforcement of the Family Smoking Prevention and Tobacco Control Act, including the provision regarding tobacco sales to minors.

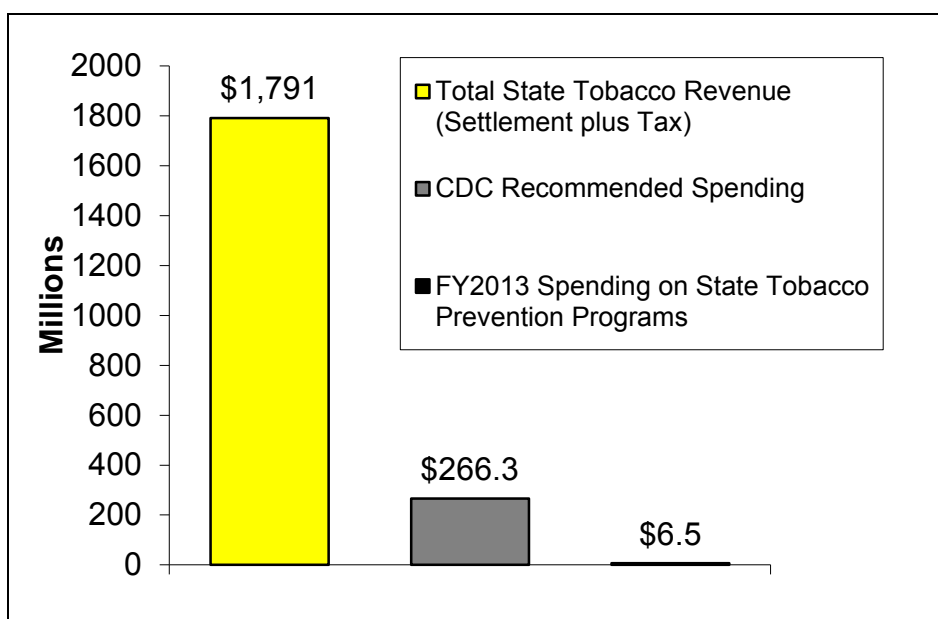
Tobacco's Toll in Tennessee	
Adults who smoke*	23.0%
High school students who smoke	21.6%
Deaths caused by smoking each year	9,700
Annual health care costs directly caused by smoking	\$2.16 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$589 per household
Annual tobacco company marketing in state	\$251.6 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	1,132.1 to 1

**Due to changes in CDC's methodology, the 2011 adult smoking rate cannot be compared to data from previous years.*

Texas

	FY2013	FY2012
State Ranking	41	39
STATE SPENDING ON TOBACCO PREVENTION	\$6.5 million	\$5.5 million
% of CDC Recommended Spending (\$266.3 million)	2.4%	2.0%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that Texas spend \$266.3 million a year to have an effective, comprehensive tobacco prevention program. Texas currently allocates \$6.5 million a year for tobacco prevention and cessation. This is 2.4% of the CDC's recommendation and ranks Texas 41st among the states in the funding of tobacco prevention programs. Texas's spending on tobacco prevention amounts to 0.4% of the estimated \$1.8 billion in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



Background and Recent Developments: A 1999 law requires that all tobacco settlement payments be placed into several permanent endowments earmarked for a range of health and education programs. As Texas receives new funds as part of its settlement with the tobacco industry, the money is appropriated by the legislature on a biennial basis.

The state budget for FY2013 appropriated \$6.5 million from the tobacco settlement to tobacco prevention. Although this is an increase from what was spent in FY2012, it is half of what was spent on tobacco prevention in FY2010 and FY2011.

In addition, Texas is receiving \$4.4 million in federal funds dedicated to tobacco prevention and control:

- \$1.8 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2012 (from annual appropriations).
- \$1.5 million from the Prevention and Public Health Fund in the new health care reform law for the period beginning August 1, 2012.
- \$1.0 million from the Food and Drug Administration for enforcement of the Family Smoking Prevention and Tobacco Control Act, including the provision regarding tobacco sales to minors.

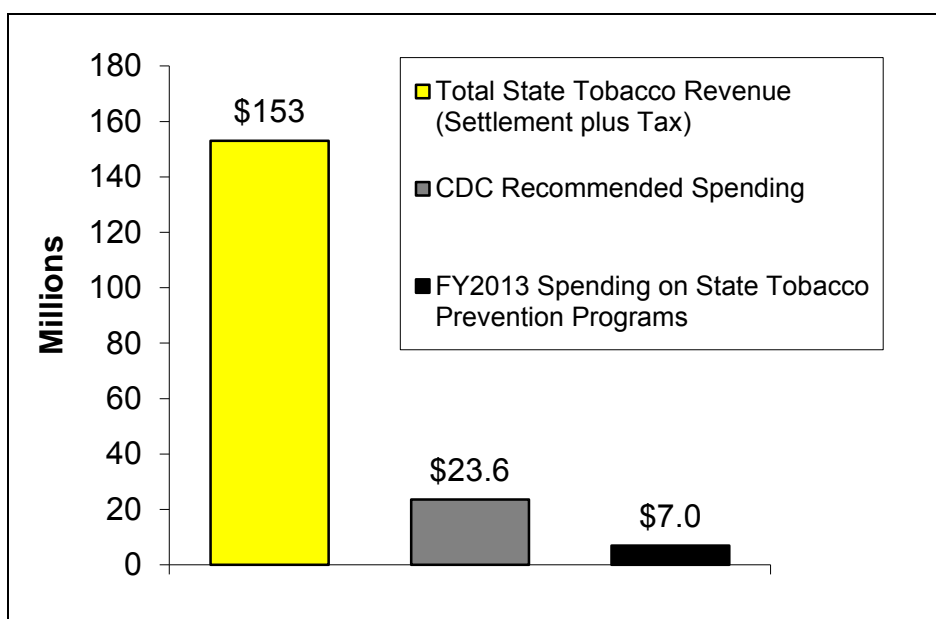
Tobacco's Toll in Texas	
Adults who smoke*	19.2%
High school students who smoke	17.4%
Deaths caused by smoking each year	24,500
Annual health care costs directly caused by smoking	\$5.83 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$563 per household
Annual tobacco company marketing in state	\$538.5 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	83.5 to 1

**Due to changes in CDC's methodology, the 2011 adult smoking rate cannot be compared to data from previous years.*

Utah

	FY2013	FY2012
State Ranking	15	12
STATE SPENDING ON TOBACCO PREVENTION	\$7.0 million	\$7.2 million
% of CDC Recommended Spending (\$23.6 million)	29.8%	30.4%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that Utah spend \$23.6 million a year to have an effective, comprehensive tobacco prevention program. Utah currently allocates \$7.0 million a year for tobacco prevention and cessation. This is 29.8% of the CDC's recommendation and ranks Utah 15th among the states in the funding of tobacco prevention programs. Utah's spending on tobacco prevention amounts to 4.6% of the estimated \$153 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



Background and Recent Developments: Utah's tobacco settlement money is governed by a 2000 law that placed a portion of the state's annual payments into an endowment and gave the legislature the authority to appropriate the remaining half through the annual budgets. The law also called for a referendum in which voters would decide how to spend interest earned from the endowment. In November 2000, voters approved a measure that reinvested half the interest generated by the endowment and earmarked the remainder for health care programs.

In FY2013, the legislature and Governor Gary Herbert (R) allocated \$7.0 million in state funds for the state's tobacco prevention program, slightly less than the amount allocated in FY2012. Funding has remained relatively constant in recent years, though it continues to be lower than the CDC-recommended amount.

The state is receiving more tobacco-generated revenue than ever before as a result of a \$1.005 per pack cigarette tax increase, to \$1.70 per pack, and increases in the tax rates on other tobacco products, enacted on July 1, 2010. Nonetheless, Utah spends less than the CDC-recommended amount on tobacco prevention and cessation.

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

- \$1.2 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2012 (from annual appropriations).
- \$90,520 from the Prevention and Public Health Fund in the new health care reform law for the period beginning August 1, 2012.
- \$280,466 from the Food and Drug Administration for enforcement of the Family Smoking Prevention and Tobacco Control Act, including the provision regarding tobacco sales to minors.

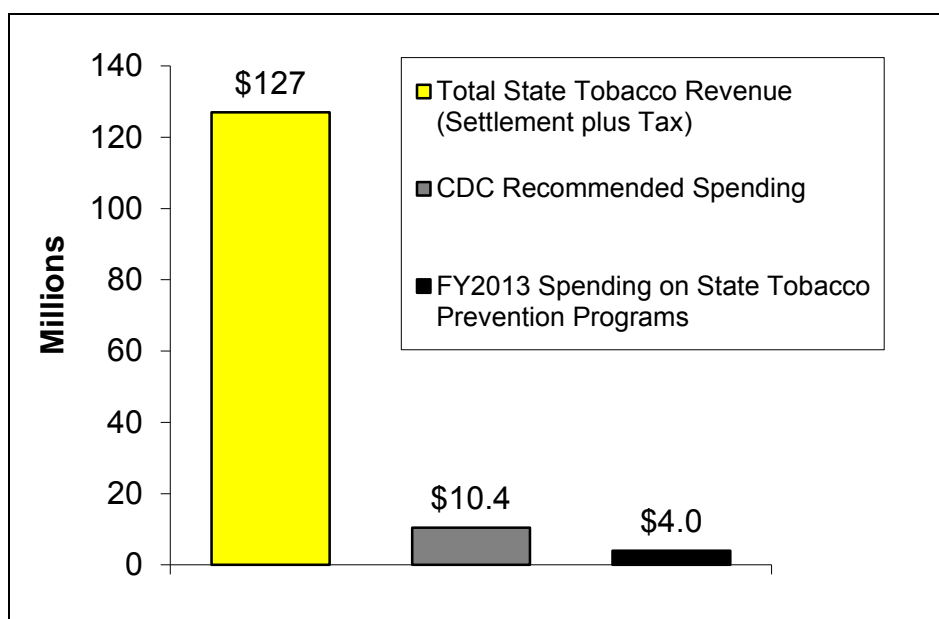
Tobacco's Toll in Utah	
Adults who smoke*	11.8%
High school students who smoke	5.9%
Deaths caused by smoking each year	1,100
Annual health care costs directly caused by smoking	\$345 million
Residents' state & federal tax burden from smoking-caused government expenditures	\$516 per household
Annual tobacco company marketing in state	\$34.0 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	4.8 to 1

**Due to changes in CDC's methodology, the 2011 adult smoking rate cannot be compared to data from previous years.*

Vermont

	FY2013	FY2012
State Ranking	10	11
STATE SPENDING ON TOBACCO PREVENTION	\$4.0 million	\$3.3 million
% of CDC Recommended Spending (\$10.4 million)	38.2%	31.8%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that Vermont spend \$10.4 million a year to have an effective, comprehensive tobacco prevention program. Vermont currently allocates \$4.0 million a year for tobacco prevention and cessation. This is 38.2% of the CDC's recommendation and ranks Vermont 10th among the states in the funding of tobacco prevention programs. Vermont's spending on tobacco prevention amounts to 3.1% of the estimated \$127 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



Background and Recent Developments: In FY2013, Vermont's funding for tobacco prevention and cessation is \$4.0 million, a twenty percent increase from FY2012's funding of \$3.3 million. Since FY2009, the total tobacco control program budget has been cut by more than 20 percent. In addition, Vermont's Trust Fund, which was set up to insulate money from the Master Settlement Agreement and ensure the long-term health of the tobacco control program, has instead been used as a revenue source during budget shortfalls over the past two years. Approximately \$19 million was diverted for general budget purposes, leaving the fund with a balance of only \$4 million.

Vermont is spending less than the CDC-recommended amount on tobacco prevention despite the fact that the state is receiving more tobacco-generated revenue than ever before because of a 38 cent cigarette tax increase enacted in 2011, bringing the state rate to \$2.62 a pack.

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

- \$1.1 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2012 (from annual appropriations).
- \$50,000 from the Prevention and Public Health Fund in the new health care reform law for the period beginning August 1, 2012.

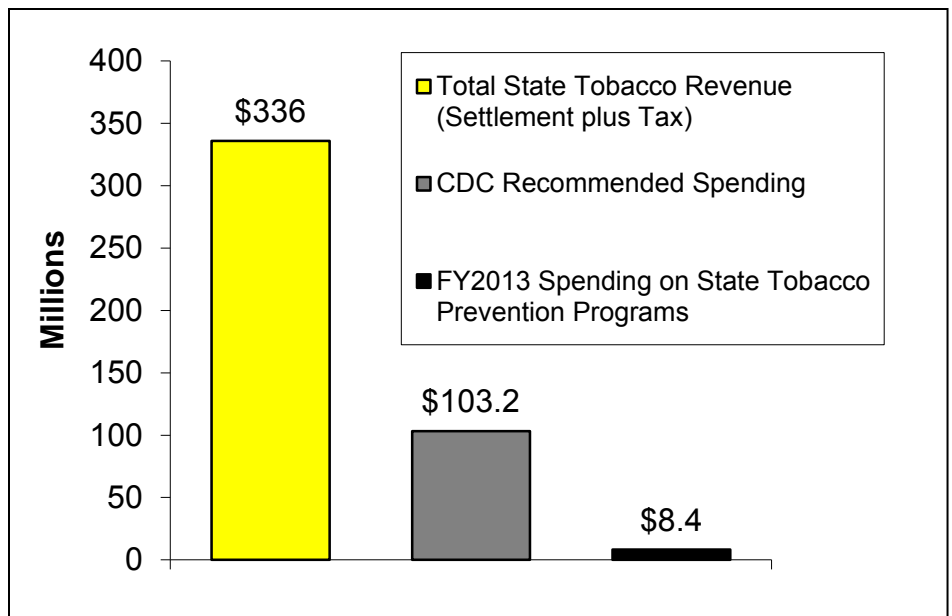
Tobacco's Toll in Vermont	
Adults who smoke*	19.1%
High school students who smoke	13.3%
Deaths caused by smoking each year	800
Annual health care costs directly caused by smoking	\$233 million
Residents' state & federal tax burden from smoking-caused government expenditures	\$619 per household
Annual tobacco company marketing in state	\$16.9 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	4.2 to 1

**Due to changes in CDC's methodology, the 2011 adult smoking rate cannot be compared to data from previous years.*

Virginia

	FY2013	FY2012
State Ranking	31	30
STATE SPENDING ON TOBACCO PREVENTION	\$8.4 million	\$8.4 million
% of CDC Recommended Spending (\$103.2 million)	8.1%	8.1%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that Virginia spend \$103.2 million a year to have an effective, comprehensive tobacco prevention program. Virginia currently allocates \$8.4 million a year for tobacco prevention and cessation. This is 8.1% of the CDC's recommendation and ranks Virginia 31st among the states in the funding of tobacco prevention programs. Virginia's spending on tobacco prevention amounts to 2.5% of the estimated \$336 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



Background and Recent Developments: Virginia's total state funding for tobacco prevention and cessation programs is \$8.4 million in FY2013. This is consistent with the amount spent in FY2012, but marks a decrease from past years.

For several years, Virginia allocated 50 percent of its tobacco settlement funds to a trust fund for economic assistance for tobacco farmers and their communities, 10 percent to the Virginia Tobacco Settlement Foundation (VTSF) for youth tobacco prevention and cessation, and the remaining 40 percent to the General Fund. In 2004, the state began allocating that 40 percent to the Virginia Health Care Trust Fund for the state's Medicaid program, instead of to the general fund.

In 2009, the VTSF was changed to the Virginia Foundation for Healthy Youth (VFHY) and was charged with combating childhood obesity, as well as tobacco prevention. As of FY2011, the VFHY is required to spend \$1 million of its funding on obesity prevention. The legislature also reduced the Foundation's allocation by 1.5 percentage points in FY2011, moving those funds to the Virginia Health Care Trust Fund. As a result, funding for the Health Care Trust Fund has increased to 41.5 percent and funding for tobacco farmers and their communities has remained at 50 percent, but the VFHY is now required to address both tobacco and obesity prevention with even less money than before—just 8.5 percent of tobacco settlement funds.

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

- \$1.0 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2012 (from annual appropriations).
- \$596,667 from the Prevention and Public Health Fund in the new health care reform law for the period beginning August 1, 2012.
- \$1.4 million from the Food and Drug Administration for enforcement of the Family Smoking Prevention and Tobacco Control Act, including the provision regarding tobacco sales to minors.

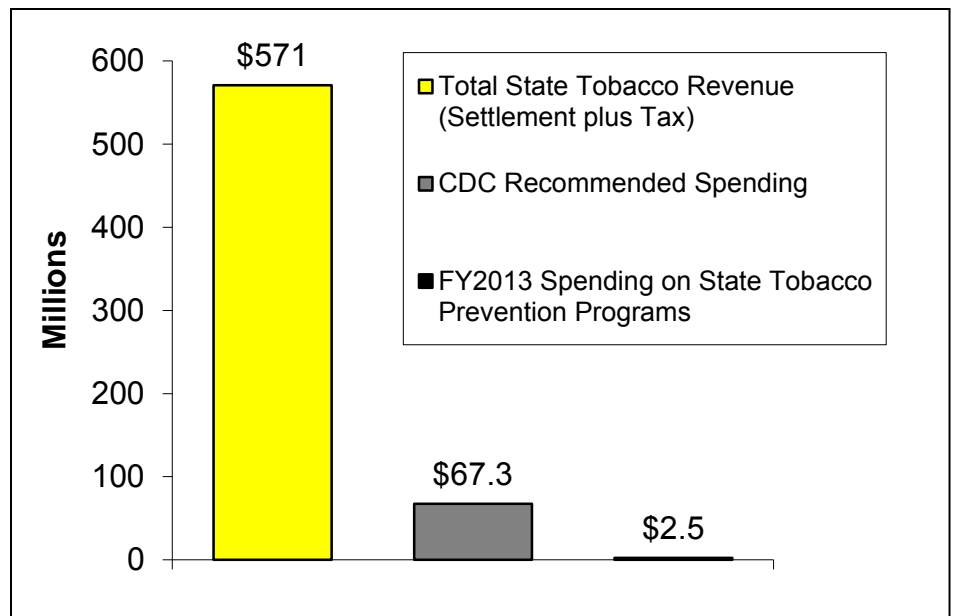
Tobacco's Toll in Virginia	
Adults who smoke*	20.9%
High school students who smoke	15.0%
Deaths caused by smoking each year	9,200
Annual health care costs directly caused by smoking	\$2.08 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$557 per household
Annual tobacco company marketing in state	\$296.9 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	35.5 to 1

**Due to changes in CDC's methodology, the 2011 adult smoking rate cannot be compared to data from previous years.*

Washington

	FY2013	FY2012
State Ranking	37	42
STATE SPENDING ON TOBACCO PREVENTION	\$2.5 million	\$750,000
% of CDC Recommended Spending (\$67.3 million)	3.7%	1.1%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that Washington spend \$67.3 million a year to have an effective, comprehensive tobacco prevention program. Washington currently allocates \$2.5 million a year for tobacco prevention and cessation. This is 3.7% of the CDC's recommendation and ranks Washington 37th among the states in the funding of tobacco prevention programs. Washington's spending on tobacco prevention amounts to 0.4% of the estimated \$571 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



Background and Recent Developments: Historically, Washington funded tobacco prevention largely through the Tobacco Prevention and Control Account, which included a portion of the revenue raised by a 2001 voter-approved 60 cent per pack cigarette tax increase. The ballot initiative dedicated the new revenue to the state's Basic Health Plan, to tobacco prevention and cessation, and other existing programs that were already funded with tobacco tax revenue. The initiative required the state to spend at least \$26.24 million a year on tobacco prevention and cessation beginning July 1, 2002. In the 2009 legislative session, the Washington State Legislature changed this law and diverted tobacco tax money to the general fund. After June 30, 2011, the Tobacco Prevention and Control Account had no remaining funds to sustain the program. In FY2012, the state spent only \$750,000 on compliance checks and retailer education. As a result of this dramatic funding cut, Washington will no longer fund anti-tobacco media campaigns or local tobacco prevention and cessation programs in schools, through local governments or community organizations.

In FY2013, the state will spend approximately \$2.5 million on its prevention and cessation program, including \$1.7 million on state quitline operations and \$750,000 on compliance checks and retailer education. Also in FY2013, the state will spend about \$2.4 million to cover tobacco cessation quitline treatment for Medicaid enrollees.

In addition, Washington is receiving \$2.6 million in federal funds dedicated to tobacco prevention and control:

- \$1.4 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2012 (from annual appropriations).
- \$409,256 from the Prevention and Public Health Fund in the new health care reform law for the period beginning August 1, 2012.
- \$748,767 from the Food and Drug Administration for enforcement of the Family Smoking Prevention and Tobacco Control Act, including the provision regarding tobacco sales to minors.

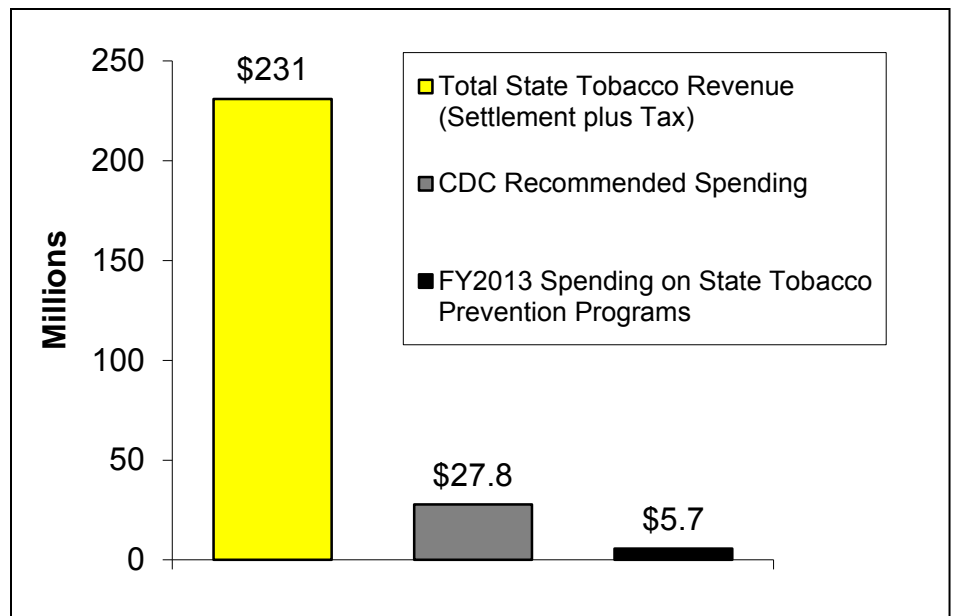
Tobacco's Toll in Washington	
Adults who smoke*	17.5%
High school students who smoke	12.7%
Deaths caused by smoking each year	7,600
Annual health care costs directly caused by smoking	\$1.95 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$615 per household
Annual tobacco company marketing in state	\$80.8 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	32.6 to 1

**Due to changes in CDC's methodology, the 2011 adult smoking rate cannot be compared to data from previous years.*

West Virginia

	FY2013	FY2012
State Ranking	19	18
STATE SPENDING ON TOBACCO PREVENTION	\$5.7 million	\$5.7 million
% of CDC Recommended Spending (\$27.8 million)	20.5%	20.3%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that West Virginia spend \$27.8 million a year to have an effective, comprehensive tobacco prevention program. West Virginia currently allocates \$5.7 million a year for tobacco prevention and cessation. This is 20.5% of the CDC's recommendation and ranks West Virginia 19th among the states in the funding of tobacco prevention programs. West Virginia's spending on tobacco prevention amounts to 2.5% of the estimated \$231 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



Background and Recent Developments: West Virginia appropriated \$5.7 million for tobacco prevention and cessation programs in FY2013. This spending level has been steady since FY2008 but still represents only slightly more than 20 percent of the CDC-recommended amount. West Virginia currently has the second highest adult smoking rate in the country.

Prior to FY2008, West Virginia's settlement payments were governed by a 1999 law that divided the settlement evenly into two funds: the West Virginia Medical Trust Fund Endowment and the West Virginia Tobacco Settlement Fund. Beginning in FY2008, tobacco prevention funds were allocated from the general fund rather than directly from West Virginia's settlement funds. West Virginia's settlement funds were converted into securities that year to retire some of the state's debt. Because of this change, all future tobacco prevention funding depends upon the legislature's willingness to allocate funds in the budget.

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

- \$1.2 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2012 (from annual appropriations).
- \$205,763 from the Prevention and Public Health Fund in the new health care reform law for the period beginning August 1, 2012.

- \$755,618 from the Food and Drug Administration for enforcement of the Family Smoking Prevention and Tobacco Control Act, including the provision regarding tobacco sales to minors.

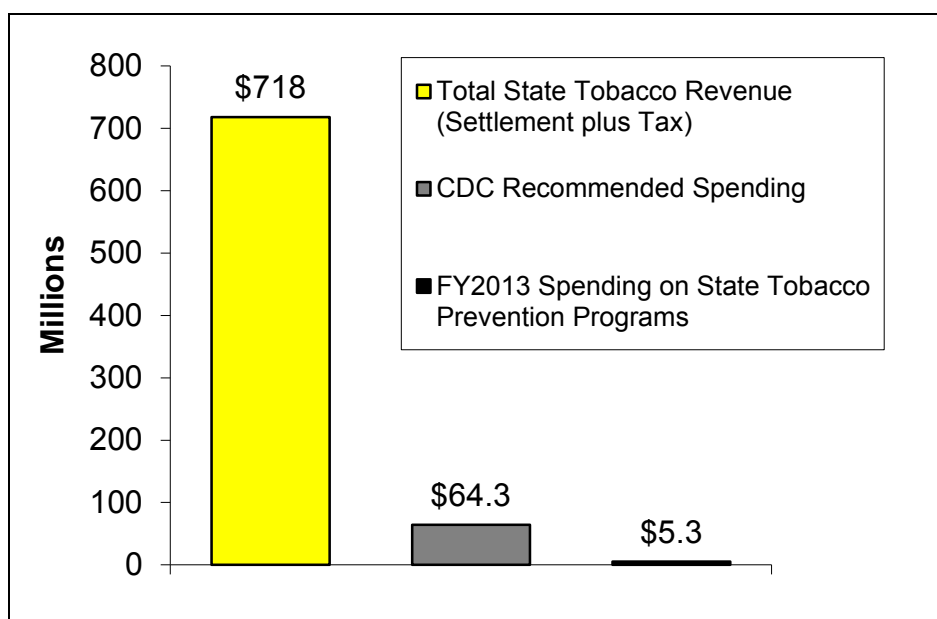
Tobacco's Toll in West Virginia	
Adults who smoke*	28.6%
High school students who smoke	19.1%
Deaths caused by smoking each year	3,800
Annual health care costs directly caused by smoking	\$690 million
Residents' state & federal tax burden from smoking-caused government expenditures	\$584 per household
Annual tobacco company marketing in state	\$110.6 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	19.4 to 1

**Due to changes in CDC's methodology, the 2011 adult smoking rate cannot be compared to data from previous years.*

Wisconsin

	FY2013	FY2012
State Ranking	30	29
STATE SPENDING ON TOBACCO PREVENTION	\$5.3 million	\$5.3 million
% of CDC Recommended Spending (\$64.3 million)	8.2%	8.3%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that Wisconsin spend \$64.3 million a year to have an effective, comprehensive tobacco prevention program. Wisconsin currently allocates \$5.3 million a year for tobacco prevention and cessation. This is 8.2% of the CDC's recommendation and ranks Wisconsin 30th among the states in the funding of tobacco prevention programs. Wisconsin's spending on tobacco prevention amounts to 0.7% of the estimated \$718 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



Background and Recent Developments: In FY2010, Wisconsin cut its funding for tobacco prevention by more than 50 percent, from \$15.25 million in FY2009 to \$6.85 million in FY2010. The FY2013 budget maintains funding allocated for the state's tobacco prevention and cessation program at \$5.3 million, the same amount allocated in FY2012.

Wisconsin is spending minimal amounts on tobacco prevention despite the fact that the state is receiving more tobacco-generated revenue than ever before as a result of a 75 cent cigarette tax increase, to \$2.52 a pack, and increases in the taxes on other tobacco products, including a switch from the weight-based tax on moist snuff to a percentage-of-price tax of 100 percent of the wholesale price, which went into effect on July 1, 2009.

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

- \$1.2 million from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2012 (from annual appropriations).
- \$433,996 from the Prevention and Public Health Fund in the new health care reform law for the period beginning August 1, 2012.
- \$439,304 from the Food and Drug Administration for enforcement of the Family Smoking Prevention and Tobacco Control Act, including the provision regarding tobacco sales to minors.

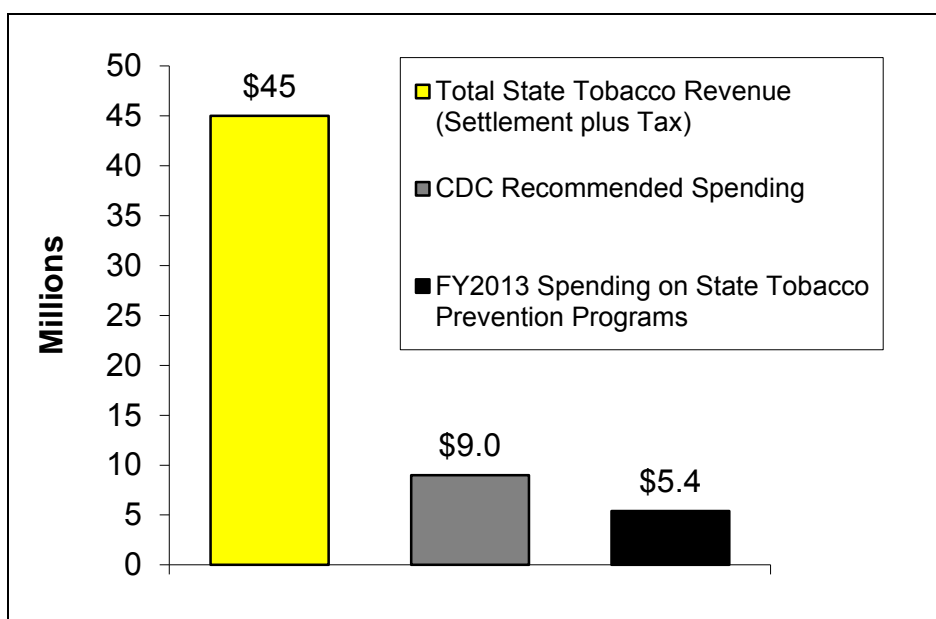
Tobacco's Toll in Wisconsin	
Adults who smoke*	20.9%
High school students who smoke	14.6%
Deaths caused by smoking each year	7,200
Annual health care costs directly caused by smoking	\$2.02 billion
Residents' state & federal tax burden from smoking-caused government expenditures	\$580 per household
Annual tobacco company marketing in state	\$133.7 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	25.2 to 1

**Due to changes in CDC's methodology, the 2011 adult smoking rate cannot be compared to data from previous years.*

Wyoming

	FY2013	FY2012
State Ranking	4	5
STATE SPENDING ON TOBACCO PREVENTION	\$5.4 million	\$5.4 million
% of CDC Recommended Spending (\$9.0 million)	60.0%	60.0%

Summary: The U.S. Centers for Disease Control and Prevention (CDC) recommends that Wyoming spend \$9.0 million a year to have an effective, comprehensive tobacco prevention program. Wyoming currently allocates \$5.4 million a year for tobacco prevention and cessation. This is 60.0% of the CDC's recommendation and ranks Wyoming 4th among the states in the funding of tobacco prevention programs. Wyoming's spending on tobacco prevention amounts to 12.0% of the estimated \$45 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



Background and Recent Developments: Wyoming's FY2013 budget allocates \$5.4 million to tobacco prevention and cessation programs, the same amount spent in both FY2012 and FY2011.

Wyoming's tobacco prevention program is funded through tobacco settlement funds and state general funds. Through FY2002, Wyoming's tobacco settlement payments were required by law to be placed in the Tobacco Settlement Trust Fund. As of FY2003, tobacco settlement funds have been placed in an income account that funds substance abuse programs and other health care services.

In addition, Wyoming is receiving \$758,204 from the U.S. Centers for Disease Control and Prevention in a 12-month grant for the period beginning April 2012 (from annual appropriations).

Tobacco's Toll in Wyoming	
Adults who smoke*	23.0%
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	\$22.0 million
Ratio of Tobacco Company Marketing to Total Spending on Tobacco Prevention	4.1 to 1

**Due to changes in CDC's methodology, the 2011 adult smoking rate cannot be compared to data from previous years.*

Appendix A



History of Spending for State Tobacco Prevention Programs FY2007 – FY2013

	FY2013		FY2012		FY2011		FY2010		FY2009		FY2008		FY2007	
	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.
States Total	\$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**	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	\$10.9	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	\$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	\$17.8	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	\$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	\$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	\$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	\$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%	\$0.0	0.0%	\$0.6	5.4%	\$0.9	8.1%	\$3.6	34.3%	\$3.6	48.1%	\$0.5	6.7%
Florida	\$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	\$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	\$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%	\$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%	\$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	\$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	\$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	\$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%	\$2.2	3.9%	\$2.6	4.5%	\$2.8	4.9%	\$2.8	4.9%	\$2.4	9.4%	\$2.2	8.8%
Louisiana	\$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	\$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	\$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	\$4.2	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	\$1.8	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	\$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	\$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%

	FY2013		FY2012		FY2011		FY2010		FY2009		FY2008		FY2007	
	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%	\$1.2	1.6%	\$1.7	2.3%	\$0.2	0.6%	\$0.0	0.0%
Montana	\$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	11.0%	\$2.9	13.3%	\$3.0	14.0%	\$3.0	14.0%	\$2.5	18.8%	\$3.0	22.5%
Nevada	\$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	\$0.0	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%	\$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%	\$7.0	29.8%	\$9.5	40.6%	\$9.6	41.0%	\$9.6	70.1%	\$7.7	56.2%
New York	\$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	\$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	\$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	\$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	\$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	\$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	\$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	2.5%	\$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%	\$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%	\$3.5	31.0%	\$5.0	44.2%	\$5.0	44.2%	\$5.0	57.5%	\$0.7	8.1%
Tennessee	\$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	\$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	\$7.0	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	\$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	\$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	\$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	\$5.7	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	8.3%	\$6.9	10.7%	\$6.9	10.7%	\$15.3	23.8%	\$15.0	48.1%	\$10.0	32.1%
Wyoming	\$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	\$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

*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.

**As in FY2012, Alabama's tobacco prevention program budget for FY2013 was not available when this report went to press. In FY2011, Alabama budgeted \$860,000, which is just 1.5 percent of the CDC's recommendation.

History of Spending for State Tobacco Prevention Programs FY2000 - FY2006

	FY2006		FY2005		FY2004		FY2003		FY2002		FY2001		FY2000	
	Spending (\$millions)	Percent of CDC Min.	Spending (\$millions)	Percent of CDC Min.	Spending (\$millions)	Percent of CDC Min.	Spending (\$millions)	Percent of CDC Min.	Spending (\$millions)	Percent of CDC Min.	Spending (\$millions)	Percent of CDC Min.	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		FY2005		FY2004		FY2003		FY2002		FY2001		FY2000	
	Spending (\$millions)	Percent of CDC Min.	Spending (\$millions)	Percent of CDC Min.	Spending (\$millions)	Percent of CDC Min.	Spending (\$millions)	Percent of CDC Min.	Spending (\$millions)	Percent of CDC Min.	Spending (\$millions)	Percent of CDC Min.	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	FY2013 State Tobacco Prevention Spending	CDC Annual Spending Target	Tobacco Prevention Spending % of CDC Target	Tobacco Prevention Spending Rank (1= high)	FY2013 State Tobacco Settlement Revenues (est.)	FY2013 State Tobacco Tax Revenues (est.)	Total Annual State Revenues From Tobacco (est.)	Tobacco Prevention Spending % of Tobacco Revenue
States Total	\$96.7 bill.	\$459.5	\$3.7 bill.	12.4%	-	\$7.3 bill.	\$18.4 bill.	\$25.7 bill.	1.8%
Alabama*	\$1.49 bill.	NA	\$56.7	NA	NA	\$95.0	\$141.0	\$236	NA
Alaska	\$169	\$10.9	\$10.7	101.6%	1st	\$31.5	\$71.6	\$103	10.5%
Arizona	\$1.3 bill.	\$15.2	\$68.1	22.3%	18th	\$104.1	\$329.7	\$434	3.5%
Arkansas	\$812	\$17.8	\$36.4	48.9%	6th	\$51.4	\$244.3	\$296	6.0%
California	\$9.14 bill.	\$62.1	\$441.9	14.1%	22nd	\$744.3	\$878.8	\$1.6 bill.	3.8%
Colorado	\$1.31 bill.	\$22.6	\$54.4	41.5%	8th	\$93.2	\$202.2	\$295	7.6%
Connecticut	\$1.63 bill.	\$6.0	\$43.9	13.7%	23rd	\$127.2	\$408.2	\$535	1.1%
Delaware	\$284	\$9.0	\$13.9	64.9%	3rd	\$27.5	\$124.8	\$152	5.9%
DC	\$243	\$495,000	\$10.5	4.7%	35th	\$39.2	\$36.8	\$76	0.7%
Florida	\$6.32 bill.	\$64.3	\$210.9	30.5%	14th	\$357.4	\$1,232.4	\$1.6 bill.	4.0%
Georgia	\$2.25 bill.	\$750,000	\$116.5	0.6%	43rd	\$142.7	\$222.8	\$365	0.2%
Hawaii	\$336	\$8.9	\$15.2	58.8%	5th	\$50.8	\$135.6	\$186	4.8%
Idaho	\$319	\$2.2	\$16.9	13.0%	25th	\$25.7	\$48.6	\$74	3.0%
Illinois	\$4.10 bill.	\$11.1	\$157.0	7.1%	33rd	\$277.5	\$993.0	\$1.2 bill.	0.9%
Indiana	\$2.08 bill.	\$9.3	\$78.8	11.8%	26th	\$132.4	\$458.1	\$590	1.6%
Iowa	\$1.01 bill.	\$3.2	\$36.7	8.7%	29th	\$68.2	\$224.6	\$293	1.1%
Kansas	\$927	\$1.0	\$32.1	3.1%	39th	\$59.8	\$101.2	\$161	0.6%
Kentucky	\$1.50 bill.	\$2.1	\$57.2	3.7%	37th	\$103.0	\$278.6	\$381	0.6%
Louisiana	\$1.47 bill.	\$7.2	\$53.5	13.4%	24th	\$144.2	\$141.3	\$285	2.5%
Maine	\$602	\$7.5	\$18.5	40.7%	9th	\$52.4	\$143.6	\$196	3.8%
Maryland	\$1.96 bill.	\$4.2	\$63.3	6.6%	34th	\$149.3	\$405.9	\$555	0.7%
Massachusetts	\$3.54 bill.	\$4.2	\$90.0	4.6%	36th	\$259.0	\$561.8	\$821	0.5%
Michigan	\$3.40 bill.	\$1.8	\$121.2	1.5%	42nd	\$259.8	\$963.5	\$1.2 bill.	0.1%
Minnesota	\$2.06 bill.	\$19.6	\$58.4	33.6%	12th	\$163.7	\$371.6	\$535	3.7%
Mississippi	\$719	\$9.7	\$39.2	24.7%	17th	\$110.5	\$150.7	\$261	3.7%
Missouri	\$2.13 bill.	\$61,785	\$73.2	0.1%	46th	\$137.3	\$105.0	\$242	0.0%
Montana	\$277	\$4.6	\$13.9	33.1%	13th	\$31.2	\$87.4	\$118	3.9%
Nebraska	\$537	\$2.4	\$21.5	11.1%	27th	\$38.5	\$68.4	\$107	2.2%
Nevada	\$565	\$150,000	\$32.5	0.5%	44th	\$41.4	\$102.2	\$143	0.1%
New Hampshire	\$564	\$0.0	\$19.2	0.0%	50th	\$43.5	\$212.5	\$256	0.0%
New Jersey	\$3.17 bill.	\$0.0	\$119.8	0.0%	50th	\$234.9	\$762.3	\$997	0.0%
New Mexico	\$461	\$5.9	\$23.4	25.3%	16th	\$40.3	\$97.6	\$138	4.3%
New York	\$8.17 bill.	\$41.4	\$254.3	16.3%	21st	\$746.5	\$1,603.7	\$2.3 bill.	1.8%

State	Annual Smoking Caused Health Costs	FY2013 State Tobacco Prevention Spending	CDC Annual Spending Target	Tobacco Prevention Spending % of CDC Target	Tobacco Prevention Spending Rank (1= high)	FY2013 State Tobacco Settlement Revenues (est.)	FY2013 State Tobacco Tax Revenues (est.)	Total Annual State Revenues From Tobacco (est.)	Tobacco Prevention Spending % of Tobacco Revenue
North Carolina	\$2.46 bill.	\$0.0	\$106.8	0.0%	50th	\$143.4	\$289.7	\$433	0.0%
North Dakota	\$247	\$8.2	\$9.3	88.4%	2nd	\$33.1	\$26.7	\$60	13.7%
Ohio	\$4.37 bill.	\$0.0	\$145.0	0.0%	50th	\$299.2	\$841.0	\$1.1 bill.	0.0%
Oklahoma	\$1.16 bill.	\$19.7	\$45.0	43.8%	7th	\$80.4	\$285.0	\$365	5.4%
Oregon	\$1.11 bill.	\$7.5	\$43.0	17.5%	20th	\$81.3	\$250.9	\$332	2.3%
Pennsylvania	\$5.19 bill.	\$14.2	\$155.5	9.1%	28th	\$342.0	\$1,103.0	\$1.4 bill.	1.0%
Rhode Island	\$506	\$376,437	\$15.2	2.5%	40th	\$47.9	\$136.8	\$185	0.2%
South Carolina	\$1.09 bill.	\$5.0	\$62.2	8.0%	32nd	\$74.9	\$166.0	\$241	2.1%
South Dakota	\$274	\$4.0	\$11.3	35.4%	11th	\$24.9	\$65.2	\$90	4.4%
Tennessee	\$2.16 bill.	\$222,267	\$71.7	0.3%	45th	\$140.6	\$441.0	\$581	0.0%
Texas	\$5.83 bill.	\$6.5	\$266.3	2.4%	41st	\$457.4	\$1,334.0	\$1.8 bill.	0.4%
Utah	\$345	\$7.0	\$23.6	29.8%	15th	\$38.1	\$114.6	\$153	4.6%
Vermont	\$233	\$4.0	\$10.4	38.2%	10th	\$36.2	\$90.6	\$127	3.1%
Virginia	\$2.08 bill.	\$8.4	\$103.2	8.1%	31st	\$118.7	\$217.7	\$336	2.5%
Washington	\$1.95 bill.	\$2.5	\$67.3	3.7%	37th	\$156.2	\$414.6	\$571	0.4%
West Virginia	\$690	\$5.7	\$27.8	20.5%	19th	\$65.9	\$165.4	\$231	2.5%
Wisconsin	\$2.02 bill.	\$5.3	\$64.3	8.2%	30th	\$134.0	\$584.1	\$718	0.7%
Wyoming	\$136	\$5.4	\$9.0	60.0%	4th	\$19.3	\$25.6	\$45	12.0%

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). Estimated FY2013 state tobacco settlement revenues assume that the cigarette companies will withhold a portion of their payments based on a claimed non-participating manufacturers adjustment, just as they did in 2012. The state settlement revenues include the tobacco settlement bonus payments expected to be included in annual MSA payments made to states in April 2013. 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.

* As in FY2012, Alabama's tobacco prevention program budget for FY2013 was not available when this report went to press. In FY2011, Alabama budgeted \$860,000, which is just 1.5 percent of the CDC's recommendation.

Appendix C



Change in State Tobacco Prevention Program Funding from FY2008 – FY2013

State	FY2008 State Spending (\$millions)	FY2013 State Spending (\$millions)	Difference in Spending FY2008 – FY2013 (\$millions)	Percent Change FY2008 – FY2013
Alabama*	\$0.8	NA	NA	NA
Alaska	\$7.5	\$10.9	\$3.39	45.4%
Arizona	\$23.5	\$15.2	-\$8.30	-35.3%
Arkansas	\$15.6	\$17.8	\$2.20	14.1%
California	\$77.4	\$62.1	-\$15.30	-19.8%
Colorado	\$26.0	\$22.6	-\$3.43	-13.2%
Connecticut	\$0.0	\$6.0	\$6.00	NA
Delaware	\$10.7	\$9.0	-\$1.66	-15.5%
District of Columbia	\$3.6	\$0.495	-\$3.11	-86.3%
Florida	\$58.0	\$64.3	\$6.32	10.9%
Georgia	\$2.2	\$0.750	-\$1.50	-66.7%
Hawaii	\$10.4	\$8.9	-\$1.45	-13.9%
Idaho	\$1.4	\$2.2	\$0.81	58.3%
Illinois	\$8.5	\$11.1	\$2.60	30.6%
Indiana	\$16.2	\$9.3	-\$6.91	-42.6%
Iowa	\$12.3	\$3.2	-\$9.09	-74.0%
Kansas	\$1.4	\$1.0	-\$0.40	-28.6%
Kentucky	\$2.4	\$2.1	-\$0.23	-9.9%
Louisiana	\$7.7	\$7.2	-\$0.49	-6.5%
Maine	\$16.9	\$7.5	-\$9.39	-55.5%
Maryland	\$18.4	\$4.2	-\$14.23	-77.4%
Massachusetts	\$12.8	\$4.2	-\$8.60	-67.5%
Michigan	\$3.6	\$1.8	-\$1.77	-49.2%
Minnesota	\$22.1	\$19.6	-\$2.50	-11.3%
Mississippi	\$8.0	\$9.7	\$1.70	21.3%
Missouri	\$0.2	\$0.06	-\$0.14	-69.1%
Montana	\$8.5	\$4.6	-\$3.88	-45.8%
Nebraska	\$2.5	\$2.4	-\$0.12	-4.8%
Nevada	\$2.0	\$0.150	-\$1.85	-92.5%
New Hampshire	\$1.3	\$0.0	-\$1.34	-100.0%
New Jersey	\$11.0	\$0.0	-\$11.00	-100.0%
New Mexico	\$9.6	\$5.9	-\$3.68	-38.3%
New York	\$85.5	\$41.4	-\$44.14	-51.6%

State	FY2008 State Spending (\$millions)	FY2013 State Spending (\$millions)	Difference in Spending FY2008 – FY2013 (\$millions)	Percent Change FY2008 – FY2013
North Carolina	\$17.1	\$0.0	-\$17.10	-100.0%
North Dakota	\$3.1	\$8.2	\$5.09	162.5%
Ohio	\$44.7	\$0.0	-\$44.73	-100.0%
Oklahoma	\$14.2	\$19.7	\$5.48	38.6%
Oregon	\$8.2	\$7.5	-\$0.67	-8.1%
Pennsylvania	\$31.7	\$14.2	-\$17.45	-55.1%
Rhode Island	\$0.9	\$0.376	-\$0.56	-60.0%
South Carolina	\$2.0	\$5.0	\$3.00	150.0%
South Dakota	\$5.0	\$4.0	-\$1.00	-20.0%
Tennessee	\$10.0	\$0.222	-\$9.78	-97.8%
Texas	\$11.8	\$6.5	-\$5.35	-45.3%
Utah	\$7.3	\$7.0	-\$0.22	-3.1%
Vermont	\$5.2	\$4.0	-\$1.25	-23.9%
Virginia	\$14.5	\$8.4	-\$6.11	-42.2%
Washington	\$27.1	\$2.5	-\$24.57	-90.8%
West Virginia	\$5.7	\$5.7	\$0.04	0.7%
Wisconsin	\$15.0	\$5.3	-\$9.70	-64.7%
Wyoming	\$5.9	\$5.4	-\$0.51	-8.6%
Total	\$717.2	\$459.5	-\$257.65	-35.9%

*As in FY2012, Alabama's tobacco prevention program budget for FY2013 was not available when this report went to press. In FY2011, Alabama budgeted \$860,000, which is just 1.5 percent of the CDC's recommendation.



Appendix D

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.¹

The empirical evidence regarding the effectiveness of comprehensive tobacco prevention and cessation programs is vast and growing. There is more evidence than ever before that tobacco prevention and cessation programs work to reduce smoking, save lives and save money. In 2007, the Institute of Medicine and the President's Cancer Panel issued landmark reports that concluded there is overwhelming evidence that state comprehensive state tobacco control programs substantially reduce tobacco use and recommended that every state fund such programs at CDC-recommended levels.² 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."³

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 2003.⁴ 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.⁵

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.⁶

A 2006 study published in the *American Journal of Health Promotion* provides further evidence of the effectiveness of comprehensive tobacco control programs and tobacco control policies. The study's findings suggest that well-funded tobacco control programs combined with strong tobacco control policies increase cessation rates. Quit rates in communities that experienced both policy and programmatic interventions were higher than quit rates in communities that had only experienced policy interventions (excise tax increases or secondhand smoke regulations). This finding supports the claim that state-based tobacco control programs can accelerate adult cessation rates in the population and have an effect beyond that predicted by tobacco-control policies alone.⁷

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

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

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

Program Success – California

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

- California's comprehensive approach has reduced adult smoking significantly. Adult smoking declined by 47.5 percent from 1988 to 2010, from 22.7 percent to 11.9 percent.⁸ If every state had California's current smoking rate, there would be more than 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.⁹
- 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.

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

Researchers suggest that the Tobacco Control Program's focus on changing social norms has both reduced initiation and increased cessation.¹⁰

- 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.¹¹ 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.¹²
- 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.¹³
- Between 1988 and 2004, lung and bronchus cancer rates in California declined nearly four times faster than the rest of the U.S.¹⁴ Researchers have associated the declines in lung cancer rates with the efforts of California's program.¹⁵
- 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.¹⁶

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.¹⁷

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 2010, smoking among middle school students declined by 68.6 percent, (from 10.2% to 3.2%), and smoking among high school students declined by 53.5 percent, (from 27.1% to 12.6%). These declines translate into more than 168,000 fewer youth smokers in the state.¹⁸
- 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.¹⁹
- 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.²⁰

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 2010.²¹ Washington's tobacco prevention efforts have also cut youth smoking rates in half, saving additional lives and dollars.²²

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.²³

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.²⁴

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.)²⁵

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.²⁶ Adult smoking declined over a short time period as well, from 18.6 percent in 2009 to 17.4 percent in 2010.²⁷

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.²⁸

- Between 2000 and 2010, smoking among high school students declined by 45 percent (from 31.6% to 17.5%).
- Smoking among middle school students declined by 58 percent, from 9.8 percent to 4.1 percent, over this same time period.

Program Success – Massachusetts

In 1992, Massachusetts voters approved a referendum that increased the state cigarette tax by 25 cents per pack. Part of the new tax revenues was used to fund the Massachusetts Tobacco Control Program (MTCP), which began in 1993. As in California, 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).²⁹
- 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)³⁰
- Between 1993 and 2000, adult smoking prevalence dropped from 22.6 percent to 17.9 percent, resulting in 228,000 fewer smokers.³¹ Nationally, smoking prevalence dropped by just seven percent over this same time period.³²
- 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).³³

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.³⁴

- 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).³⁵

Campaign for Tobacco-Free Kids, October 15, 2012 / Meg Riordan

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Appendix E

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.¹ 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 study of California's tobacco prevention program 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.² 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 smoking-caused 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 \$3.60.³
- 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.⁴
- 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.⁵
- 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 from a stroke, and more than 1700 were prevented from suffering from chronic obstructive pulmonary disease (COPD).⁶

^{*} 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*, <http://www.tobaccofreekids.org/research/factsheets/pdf/0045.pdf>, and other related Factsheets at http://www.tobaccofreekids.org/facts_issues/fact_sheets/policies/prevention_us_state/save_lives_money/.

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.⁷

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.⁸ Among benefit users, there was a 46 percent decrease in hospitalizations for heart attacks and a 49 percent decrease in hospitalizations for cardiovascular disease.⁹

Even Larger Future Savings From Investments in Tobacco Prevention Programs

- The findings of a 2004 study show that if every state funded its tobacco prevention efforts at the minimum 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.¹⁰ 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.¹¹

Campaign for Tobacco-Free Kids, January 9, 2012 / Meg Riordan

¹ Dille, 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.

² Lightwood, JM et al., "Effect of the California Tobacco Control Program on Personal Health Care Expenditures," *PLOS Medicine* 5(8):1214-22, August 2008.

³ Lightwood, J & Glantz, S, "Short-term Economic and Health Benefits of Smoking Cessation: Myocardial Infarction and Stroke," *Circulation* 96:1089-1096, 1997; Lightwood, JM, et al., "Short-Term Health and Economic Benefits of Smoking Cessation: Low Birth Weight," *Pediatrics* 104(6):1312-1320, December 1999; Miller, P, et al., "Birth and First-Year Costs for Mothers and Infants Attributable to Maternal Smoking," *Nicotine & Tobacco Research* 3(1):25-35, February 2001.

⁴ Lightwood, JM et al., "Effect of the Arizona Tobacco Control Program on Cigarette Consumption and Healthcare Expenditures," *Social Science and Medicine* 72(2), January 2011.

⁵ Harris, J, "Status Report on the Massachusetts Tobacco Control Campaign, with a Preliminary Calculation of the Impact of the Campaign on Total Health Care Spending in Massachusetts," 2000.

⁶ Hurley, SF & Matthews, JP, "Cost-Effectiveness of the Australian National Tobacco Campaign," *Tobacco Control*, published online August 21, 2008.

⁷ 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.

⁸ Land, Thomas, et al., "Medicaid Coverage for Tobacco Dependence Treatments in Massachusetts and Associated Decreases in Smoking Prevalence," *PLoS One*, Volume 5, Issue 3, March 5, 2010.

⁹ 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.

¹⁰ 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].

¹¹ 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.



Appendix F

STATE CIGARETTE EXCISE TAX RATES & RANKINGS

Overall All States' Average: \$1.48 per pack
 Major Tobacco States' Average: 48.5 cents per pack
 Other States' Average: \$1.61 per pack

State	Tax	Rank
Alabama	\$0.425	47th
Alaska	\$2.00	11th
Arizona	\$2.00	11th
Arkansas	\$1.15	30th
California	\$0.87	33rd
Colorado	\$0.84	34th
Connecticut	\$3.40	3rd
Delaware	\$1.60	21st
DC	\$2.50	10th
Florida	\$1.339	26th
Georgia	\$0.37	48th
Hawaii	\$3.20	4th
Idaho	\$0.57	42nd
Illinois	\$1.98	16th
Indiana	\$0.995	32nd
Iowa	\$1.36	25th
Kansas	\$0.79	36th
Kentucky	\$0.60	40th

State	Tax	Rank
Louisiana	\$0.36	49th
Maine	\$2.00	11th
Maryland	\$2.00	11th
Massachusetts	\$2.51	9th
Michigan	\$2.00	11th
Minnesota [†]	\$1.230	28th
Mississippi	\$0.68	37th
Missouri	\$0.17	51st
Montana	\$1.70	17th
Nebraska	\$0.64	38th
Nevada	\$0.80	35th
New Hampshire	\$1.68	19th
New Jersey	\$2.70	6th
New Mexico	\$1.66	20th
New York	\$4.35	1st
North Carolina	\$0.45	45th
North Dakota	\$0.44	46th
Ohio	\$1.25	27th

State	Tax	Rank
Oklahoma	\$1.03	31st
Oregon	\$1.18	29th
Pennsylvania	\$1.60	21st
Rhode Island	\$3.50	2nd
South Carolina	\$0.57	42nd
South Dakota	\$1.53	23rd
Tennessee	\$0.62	39th
Texas	\$1.41	24th
Utah	\$1.70	17th
Vermont	\$2.62	7th
Virginia	\$0.30	50th
Washington	\$3.025	5th
West Virginia	\$0.55	44th
Wisconsin	\$2.52	8th
Wyoming	\$0.60	40th
Puerto Rico	\$2.23	NA
Guam	\$3.00	NA
Northern Marianas	\$1.75	NA

[†] Tax stamp includes 75¢ health impact fee

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 three states in **bold type** have not increased their cigarette tax since 1999 or earlier. Currently, 30 states, DC, Puerto Rico, the Northern Marianas, and Guam have cigarette tax rates of \$1.00 per pack or higher; 14 states, DC, and Guam have cigarette tax rates of \$2.00 per pack or higher; five states and Guam have cigarette tax rates of \$3.00 per pack or higher; and one state (NY) has a cigarette tax rate more than \$4.00 per pack. Tobacco states are KY, VA, NC, SC, GA, and TN. States' average includes DC, but not Puerto Rico, other U.S. territories, or local cigarette taxes. The median tax rate is \$1.34 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: <http://tobaccofreekids.org/research/factsheets/pdf/0267.pdf>.

Federal cigarette tax is \$1.01 per pack. From the beginning of 1998 through 2002, the major cigarette companies increased the prices they charge by more than \$1.25 per pack (but also instituted aggressive retail-level discounting for competitive purposes and to reduce related consumption declines). In January 2003, Philip Morris instituted a 65-cent per pack price cut for four of its major brands, to replace its retail-level discounting and fight sales losses to discount brands, and R.J. Reynolds followed suit. In the last several years, 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 average price for a pack of cigarettes nationwide is roughly \$5.88 (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 do 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, November 30, 2012 / 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*, 2011; media reports; state revenue department websites.

^{*} Previous versions of this factsheet listed a cigarette tax rate for Washington, DC and Minnesota that included the per-pack cigarette sales tax rate that is collected at the wholesale level with the excise tax. Now the listed tax rates are purely the excise tax portion, exclusive of the sales tax. This is not a change in the rate of the excise tax, just the way that the tax is listed.



Appendix G

STATEWIDE SMOKE-FREE LAWS

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

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