Toward a Tobacco-Free California

2009–2011

# ENDANGERED INVESTMENT

Master Plan Executive Summary of the
Tobacco Education and Research Oversight Committee
January 2009

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# Foreword

In 1989, the California State legislature authorized the expenditure of Proposition 99 funds, declaring that "keeping children and young adults from beginning to use tobacco and encouraging all persons to quit tobacco use shall be the highest priority in disease prevention for the State of California."

For the past 20 years, California has defined best practices for comprehensive tobacco control that have been modeled throughout the nation and world. As a result, tobacco-related disease and death in California has decreased significantly, while the best practices have helped improve public health and decrease healthcare expenditures. Today, California has the second lowest adult and youth smoking rates, and is reducing the rate of lung cancer incidence more than three times faster than the rest of the nation.



In 2009, California's tobacco control efforts stand at a crossroads. Looking back, the California Tobacco Control Program has helped smokers quit, protected workers from secondhand smoke, reduced youth access to tobacco, and confronted the tobacco industry's efforts to undermine public health and target California's diverse communities. Looking forward, California faces the challenge of fully serving the nearly four million youth and adult smokers while facing a stagnant tobacco tax that yields fewer resources to operate the program fully.

Since 1988, California has dropped from 1st to 30th in both tax and programmatic spending, and progress on key tobacco control indicators demonstrates that progress is slipping. In the past three years, cigarette consumption has flattened, and youth and adult smoking rates have increased. With a current annual budget of $92 million for tobacco control efforts, California fails to meet the $441.9 million annual funding recommendation of the Centers for Disease Control and Prevention (CDC).

It is the conclusion of the Tobacco Education and Research Oversight Committee (TEROC) that California's tobacco control movement has become threatened by funding declines and increased costs, creating an "Endangered Investment" that threatens past achievements and future progress.

With the 20th anniversary of the passage of Proposition 99, TEROC submits to the California Legislature the 2009-2011 Master Plan for comprehensive tobacco control efforts. Pursuant to its legislative mandate, the Master Plan reports the accomplishments and challenges in tobacco control and provides program and budget recommendations for the future.

In order to achieve the 2009–2011 Master Plan goal of a 10 percent adult and 8 percent youth smoking prevalence by the end of 2011, California must increase the tobacco excise tax by at least $1.50 per pack, with a 16.67 percent earmark ($0.25) dedicated to comprehensive tobacco control, education, and research. To offset the effects of inflation and further reduce smoking prevalence, TEROC recommends any tobacco tax increase be indexed annually to inflation increases.

A $1.50 tax increase would generate 275,000 quitters and prevent over 400,000 youth from starting to smoke. Ultimately, approximately 180,000 deaths due to smoking would be prevented.

It is clear from other states (e.g., Massachusetts and Florida) that without a renewed investment in tobacco control, progress toward a tobacco-free state will slow and could potentially regress. TEROC urges the Legislature to once again invest in tobacco control as the highest priority in disease prevention for the State of California.

**Kirk Kleinschmidt, Chairman**
**January 2009**

# About the Tobacco Education & Research Oversight Committee

TEROC is a legislatively mandated oversight committee (California Health and Safety Code Sections 104365-104370) that monitors the use of Proposition 99 tobacco tax revenues for tobacco control and prevention education and for tobacco-related research. TEROC makes programmatic and budgetary recommendations to the California Legislature pertaining to California tobacco control efforts, and advises the California Department of Public Health, the University of California, and the California Department of Education regarding the administration of Proposition-99-funded programs.

TEROC publishes a Master Plan for tobacco control efforts, tobacco-use prevention education, and tobacco-related disease research in California every three years.

All TEROC meetings are open to the public. More information about TEROC, including meeting announcements, meeting minutes, press releases, and the previous Master Plan can be accessed online at http://www.cdph.ca.gov/services/boards/teroc/

## Members of the Tobacco Education and Research Oversight Committee (TEROC)

**Lourdes Baézconde-Garbanati, PhD, MPH, MA**
Associate Professor in Preventive Medicine and Sociology, Institute for Health Promotion and Disease, Prevention Research, Norris Comprehensive Cancer Center
University of Southern California, Alhambra

**Wendel Brunner, MD, PhD, MPH**
Director of Public Health
Contra Costa Health Services, Martinez

**Lawrence W. Green**
Adjunct Professor, Department of Epidemiology & Biostatistics, Co-leader, Society, Diversity and Disparities Program, School of Medicine and Comprehensive Cancer Center
University of California, San Francisco

**Alan Henderson, DrPH, CHES**
Professor and Chair, Department of Community Health, School of Health and Human Services
National University, San Diego

**Kirk Kleinschmidt, TEROC Chairman**
San Francisco

**Pamela Ling, MD, MPH**
Assistant Professor, Department of Medicine
Division of General Internal Medicine
Center for Tobacco Control Research and Education
University of California, San Francisco

**Michael Ong, MD, PhD**
Assistant Professor in Residence, Department of Medicine, University of California, Los Angeles

**Dorothy Rice, ScD (Hon.)**
Professor Emerita, Institute for Health and Aging
University of California, San Francisco

**Peggy M. Uyeda**
Tobacco-Use Prevention Education Coordinator (Ret.), Los Angeles County Office of Education

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- Members of the academic community whose research findings are contributing to a greater understanding of tobacco control
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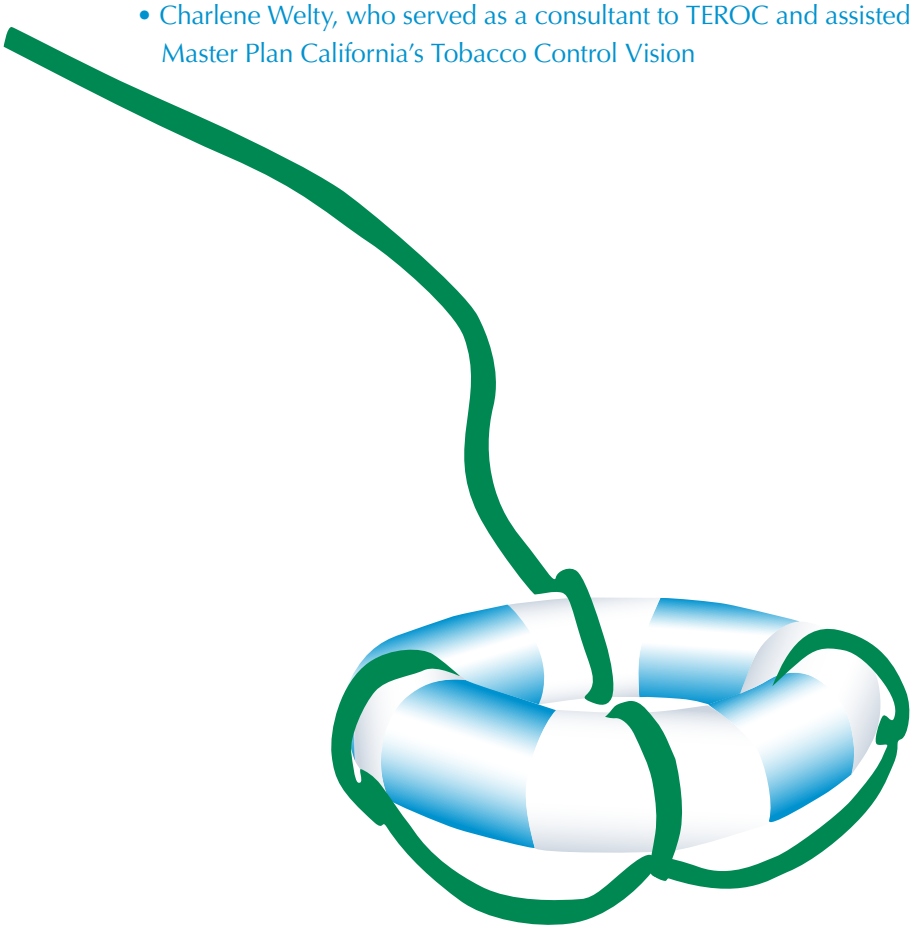
- Phillip Gardiner, Bart Aoki, George Lemp, and other staff from the University of California's Tobacco-Related Disease Research Program
- Charlene Welty, who served as a consultant to TEROC and assisted in writing this Master Plan California's Tobacco Control Vision



# Vision Statement

**Vision**:
A tobacco-free California

**Mission**:
To reduce tobacco-related illness and death

**Goal**:
To achieve smoking prevalence rates in California of 10 percent† for adults and 8 percent‡ for high-school-age youth by the end of 2011.

California's Proposition 99 tobacco control efforts are administered by three state agencies that work together toward the vision of a tobacco-free California.

**The California Tobacco Control Program of the California Department of Public Health (CDPH/CTCP)** administers the public health aspects of the program, including the Proposition-99-funded tobacco control activities of 61 local health departments, 35 community nonprofit organizations, 8 statewide training and technical assistance or cessation service projects, a statewide media campaign, and the evaluation of the effectiveness of the public health and school-based components. http://www.cdph.ca.gov/programs/Tobacco

**The Safe and Healthy Kids Program Office of the California Department of Education (CDE/SHKPO)** is responsible for administering the Tobacco-Use Prevention Education (TUPE) program in nearly 1,100 school districts, with the support of 58 county offices of education. http://www.cde.ca.gov/ls/he/at/tupe.asp

**The Tobacco-Related Disease Research Program (TRDRP)**, administered by the University of California, funds research that enhances understanding of tobacco use, prevention and cessation, the social, economic, and policy-related aspects of tobacco use, and tobacco-related diseases. http://www.trdrp.org/

*The Appendix provides more detail on these agencies.

† Based on combined California Adult Survey/Behavioral Risk Survey data, the 2007 California adult smoking prevalence rate was 13.8 percent.
‡ Based on the California Student Tobacco Survey, a nationally comparable school-based survey, the 2006 high school smoking prevalence rate was 15.4 percent.

# Endangered Investment: Executive Summary

Two decades after the passage of the Tobacco Tax and Health Protection Act (Proposition 99), the Tobacco Education and Research Oversight Committee (TEROC) presents its eighth Master Plan in accordance with California Health and Safety Code Sections 104350-104480.

In 1989, enabling legislation for the California Comprehensive Tobacco Control Program established the goal of reducing tobacco consumption by 75 percent by 1999. While this has yet to be accomplished, Proposition 99 tobacco control funds have resulted in the following:

- A 35 percent decrease in adult smoking prevalence.[1]
- A 61 percent decline in per capita cigarette consumption.
- A decrease in lung cancer incidence at over three times the rate of decline seen in the rest of the nation.[2]
- A cumulative savings of $86 billion in healthcare expenditures from 1989 to 2004.[3]

California tobacco control efforts have not only impacted the life of every Californian, but have become the model for other states and countries around the world. In a span of 20 years, California has made considerable progress toward changing social norms, countering deceptive tobacco industry practices, and creating a tobacco-free state by reducing tobacco use, disease, and death. In fact, the Centers for Disease Control and Prevention (CDC) *Best Practices for Comprehensive Tobacco Control Programs—2007* states: "California has the potential to be the first state in which lung cancer is no longer the leading cancer cause of death."[4]

## TEROC's 2009–2011 Master Plan

The 2009–2011 Master Plan's established goal is to achieve a smoking prevalence of 10 percent among adults and 8 percent among high school age youth by the end of 2011.

California's ability to build upon twenty years of achievement towards a tobacco-free California will require a renewed investment in tobacco control efforts. Success will require a commitment to raising the price of tobacco and sufficiently funding comprehensive tobacco control to address the nearly four million youth and adult smokers in California.

## Objectives and Strategies for 2009–2011

TEROC recommends focusing on the following objectives and strategies during the 2009–2011 period in order to strengthen and support tobacco control efforts and achieve the adult and youth prevalence goals by the end of 2011.

## Objective 1:
## Strengthen the California Tobacco Control Program

Increasing the funding level and supporting the infrastructure of California tobacco control is essential to effectively reducing tobacco-related disease and death in the state. Strategies include:

- Raising the tobacco tax by at least $1.50 per pack, with at least 16.67 percent ($0.25) earmarked for tobacco control. To offset the effects of inflation, a tax increase should be indexed to inflation increases.
- Prohibiting the diversion of Proposition 99 funds to other state programs or services, including the California Cancer Registry.
- Improving the structure and function of tobacco control agencies through increased collaboration, increased media campaigns, policy-related research, and supporting the successful implementation of the new TUPE funding grant process for school-based tobacco-use prevention programs.

TEROC recommends that, at a minimum, the California tobacco control agencies be funded at the following levels for Fiscal Years 2009–2011:

**Table 1: Budget Proposal for California Tobacco Control Agencies, Fiscal Years (FY) 2009–2011**

| Program Component | Original Tobacco Control Distribution | Actual FY 08-09 budget (in millions) | Recommended 08-09 budget (in millions)* | Recommended 09-10 budget (in millions)* | Recommended 10-11 budget (in millions)* |
|---|---|---|---|---|---|
| CDPH/CTCP | 51% | $55.6 | $164.3 | $164.3 | $164.3 |
| CDE/SHKPO | 25% | $23.1 | $80.5 | $80.5 | $80.5 |
| UC/TRDRP | 24% | $14.6 | $77.3 | $77.3 | $77.3 |
| Total | 100% | $93.3 | $322.1 | $322.1 | $322.1 |

* Recommendations assume annual baseline of $91 million from the Health Education and Research Accounts, as well as the projected revenue from a $1.50 tax increase with a minimum 16.67 percent ($0.25) earmark. Future year recommendations assume constant revenue due to the average annual rate of inflation matching the annual decrease in tobacco consumption (3 percent).

## Objective 2:
## Eliminate Disparities and Achieve Parity in All Aspects of Tobacco Control

TEROC recognizes the impact from the direct and specialized targeting of California's diverse communities by the tobacco industry. Priority populations remain at a greater risk of tobacco use, disease, and death.[14, 15] As such, all Proposition-99-funded agencies should utilize evidence-based strategies to identify high-risk populations and develop specific interventions to eliminate disparities within California tobacco control efforts. Efforts must build the capacity of every community to achieve parity in tobacco control.

## Objective 3: Decrease Secondhand Smoke Exposure

In 2006, two significant secondhand smoke reports were issued:

1) The California Air Resources Board classified secondhand smoke as a Toxic Air Contaminant.[16]
2) The United States Surgeon General's Report, *The Health Consequences of Involuntary Exposure to Tobacco Smoke* concluded, "there is no risk-free level of exposure to secondhand smoke."[17]

In order to reduce disease and death caused by exposure to secondhand smoke, TEROC supports the adoption of policies which protect all Californians from secondhand smoke exposure. In the next three years, emphasis should be given to eliminating exemptions found in California's smoke-free workplace law (Labor Code 6404.5), restricting smoking in multi-unit housing, adopting comprehensive smoke-free outdoor policies, and providing workplace protections in American Indian casinos.

## Objective 4: Increase the Availability and Utilization of Cessation Services

Research shows that 75.3 percent of all smokers consider quitting in the next six months.[18] While numerous cessation services and a variety of Food and Drug Administration (FDA)-approved medications exist, many smokers are still unable to access or utilize appropriate treatments.

To make significant progress toward a tobacco-free California, an increase in the successful quit rate of current smokers is essential. To that end, a concerted effort is required across both public and private sectors. TEROC recommends increasing the availability and utilization of FDA-approved pharmacotherapy to uninsured smokers, increasing health plan coverage, ensuring the efficacy of workplace cessation services, and increasing the number of collaborative programs and policies which use the Clinical Practice Guideline for Treatment and which reduce barriers to receiving cessation services.[19, 20]

## Objective 5: Limit and Regulate Tobacco Industry Products, Activities, and Influence

The tobacco industry continues to be a relentless adversary in California that must be regulated effectively. In the past three years, tobacco industry efforts have ranged from targeting California's diverse and vulnerable populations, to directly opposing state policies that would have significantly reduced tobacco use and increased healthcare coverage and services.[21-24]

TEROC recommends that tobacco control efforts focus on limiting the products, activities, and influence of the tobacco industry by creating strong state and local regulation of the tobacco industry, adopting strong local tobacco retailer licensing laws, restricting free distribution (sampling) of tobacco, prohibiting the sale of tobacco products by pharmacies and drug stores, requiring all schools in California to be tobacco-free regardless of funding, and removing the depiction of smoking in new youth-rated (G, PG, and PG-13) movies.

# THE FIGHT

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