



## **North Dakota Tobacco Prevention and Control Executive Committee**

Center for Tobacco Prevention and Control Policy

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**Information from Jeanne Prom, Executive Director**

**House Bill 1024 detailed budget**

**8:30 a.m., February 2, 2015**

**House Appropriations Committee Human Resources Division**

**Representative Chet Pollert, Chair**

### **Requested information**

- Additional information requested at the first budget hearing January 16, 2015
- Estimated 2013-15 biennium spending compared to 2013-15 appropriations by line item

### **Additional information requested – including attachments**

#### **FY2015 grants to all local public health units (attached)**

- FY2015 -- \$4,065,064

#### **Current list of K-12 comprehensive tobacco-free district policies (attached)**

- 144 school districts, 65% of students

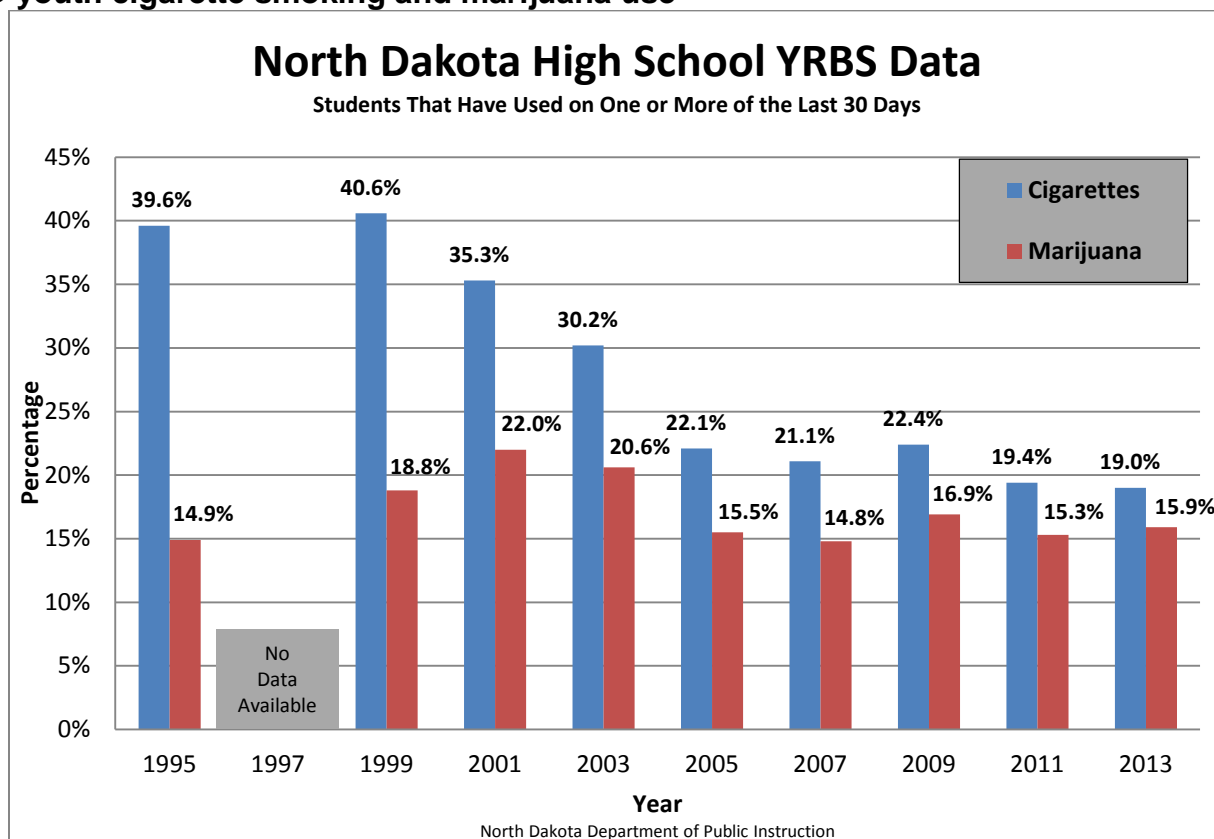
#### **How raising cigarette taxes decreases youth tobacco use (attached)**

- Minnesota: July 2013, raised \$1.60/pack to \$2.83/pack
  - High school smoking, past 30 days – 10.6% in 2014, from 18.1% in 2011
- Florida: 2009 -- cigarette tax increased from \$1.00 to \$1.33/pack; since 2000 – public education media campaigns to denormalize smoking; since 2006 – constitutional amendment requires 15% of funds from Master Settlement Agreement (MSA) with major tobacco companies to be spent on tobacco prevention
  - Florida's youth smoking rate is now 7.5%, down from 15.7% in 2005.

#### **Oklahoma (attached)**

- Constitutional measure passed by voters in 2000
- Oklahoma Tobacco Settlement Endowment Trust (TSET) is an endowment trust receiving 75% of the payments the state receives from the MSA.
- TSET endowment funds are invested and only the earnings are spent.
- Majority of Oklahoma's MSA payments are invested in the TSET endowment to ensure a growing source of funding for grants and programs that improve health of all Oklahoma residents.
- TSET current year budget: \$39 million, of which 5.8% is administration
- TSET invested in tobacco prevention (62%), research (16.9%), physical activity and nutrition (10.2%), other (4.46%) and administration (6.6%) from FY2002 to FY2015.
- Legislature receives the other 18.75% in their Tobacco Settlement Fund and uses it to leverage Medicaid dollars.
- Office of the Attorney General receives other 6.25% for Evidence Fund.
- Nearly all of the MSA is invested in health in Oklahoma.

## ND youth cigarette smoking and marijuana use



## Prices on and off reservations and in other states

Location	Tax per pack	Pack of Marlboros
North Dakota	44 cents	\$4.56
Standing Rock	44 cents	\$4.50
Turtle Mountain	5 cents	\$4.55
Three Affiliated Tribes	--	\$5.35 to \$6.00
Spirit Lake	--	\$5.35 to \$6.00
<b>Border states</b>		<b>Average retail price/pack</b>
Montana	\$1.70	\$5.87
South Dakota	\$1.53	\$5.60
Minnesota	\$2.90	\$8.11
Average of border states	\$2.04	\$6.53
Average of 50 states & DC		\$1.54
Average of major tobacco states		48.5 cents
Average of other states		\$1.68

*based on research of staff from Executive Committee and ND Department of Health, fall 2014 and January 2015, and Campaign for Tobacco Free Kids, December 22, 2014*

## **Budget detail**

**The 2015-17 Executive Budget** provides an additional \$293,928 in special fund authority of the current biennial budget:

### **Salaries and wages -- \$190,882**

- \$137,958 for the executive compensation package adjustments: \$38,861 – health insurance; \$8,514 retirement; \$69,025 – salaries; \$13,743 -- benefits; \$7,815 – Hay Study salary budget adjustment
- \$52,924 – base budget salary adjustment using current classifications: 3 new positions classified at higher classification than currently budgeted

### **Operating expenses -- \$103,046**

- Increases in postage of \$2,880 and \$6,481 in printing to more accurately reflect current spending
- \$5,582 in operating fees and services for print ads on statewide smoke-free law in specialized publications
- \$16,544 in rent for additional space.
- \$19,228 for fees -- professional services to reflect current needs for legal services
- \$81,051 for increased costs in using ITD for desktop support
- Decreases in certain lines to reflect current spending needs at lower levels