



North Dakota Tobacco Prevention and Control Executive Committee

Center for Tobacco Prevention and Control Policy

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Testimony

In support of Senate Bill 2024 and in opposition to Senate Bill 2084

1:30 p.m., January 11, 2017

Senate Appropriations Committee

Senator Ray Holmberg, Chair

Good afternoon, Chairman Holmberg and members of the Senate Appropriations Committee. I am Jeanne Prom, executive director of the North Dakota Center for Tobacco Prevention and Control Policy. The Center, also known as "BreatheND," is the state agency office operated by the N.D. Tobacco Prevention and Control Executive Committee. I am testifying in support of Senate Bill 2024, which provides the appropriation for the N.D. Tobacco Prevention and Control Executive Committee. I am also testifying in opposition to Senate Bill 2084, which repeals the law that establishes this agency.

Background

The Executive Committee is responsible for the comprehensive tobacco control program in North Dakota (North Dakota Century Code §23.42.01 through §23.42.08, and §54.27.25). This law requires that a small portion of the money North Dakota receives from the Master Settlement Agreement with tobacco companies ("tobacco settlement"), be:

- placed in the Tobacco Prevention and Control Trust Fund, to be
- used for a comprehensive tobacco prevention program that is
- funded at the state level recommended by the U.S. Centers for Disease Control and Prevention (CDC) in *Best Practices for Comprehensive Tobacco Control Programs*. (See p. 7.)

The agency's comprehensive work must be described in a State Plan that outlines how the agency will significantly reduce tobacco use at an accelerated rate.

The law also created the Tobacco Prevention and Control Advisory Committee, a nine-member board appointed by the Governor. The board elects three of its members to the N.D. Tobacco Prevention and Control Executive Committee. The Advisory Committee is responsible for developing the comprehensive statewide plan to prevent and reduce tobacco use. The Executive Committee is charged with implementing, administering and evaluating the plan, which includes establishing and staffing the agency and expending funds appropriated by the Legislative Assembly.

In most cases during this testimony, I will refer to the Executive Committee or BreatheND as the agency.

About 75 percent of the comprehensive program is administered and funded by the Executive Committee. The Executive Committee has resources to administer and fund all of the program if necessary. However, because the N.D. Department of Health receives a federal grant and some tobacco settlement dollars for tobacco control, the health department is able to fund and administer about one-fourth of the program.

Key points

- The Executive Committee is funded entirely by a legislative appropriation from special funds in the Tobacco Prevention and Control Trust Fund.
- All trust funds are from a small portion of the tobacco settlement.
- The agency receives no state general funds, federal funds, or other tax dollars.
- The sole source of funding for this agency, the Tobacco Prevention and Control Trust Fund, will begin deficit spending in May 2017, after receiving its last deposit in April 2017.
- Based on legislative appropriations and expenditures from FY2010 through FY2017, the trust fund balance that is “in the bank” this year will be enough to sustain the agency for 7 more years, without any need for any state general funds.
- The agency is small – 8.0 FTE, with a fulltime temporary position requested to be permanent.
- The agency has a single focus – reducing tobacco use, especially through prevention.

See attachments – tobacco settlement trust funds.

Requested information

2015-17

- original budget and budget after the August 2016 special session – p. 3, column 1
- estimated spending and percent – p. 3, columns 2 and 3

NOTE: SB 2379 passed by the Legislative Assembly in Special Session on August 4, 2016, did not include any reductions in funding for this agency, as this agency does not receive any state general funds.

NOTE: The agency budget contains no one-time funding.

2017-19

- budget changes compared to 2015-17 appropriation – p. 3, column 4

NOTE: The agency budget contains no one-time funding requests.

NOTE: The agency receives no federal funding.

- 90% budget – p. 4
- Optional budget request compared to executive recommendation; optional request is transferring a temporary position to a permanent position – p. 5
- Agency requested changes compared to executive recommendation – p. 6

2015-17 AND 2017-19 BUDGET INFORMATION:							
COLUMN 1: ORIGINAL BUDGET AND BUDGET AFTER AUGUST 2016							
		1	2	3	4	5	6
Expenditures		Current	Estimated	Estimated	Base	Total Base	Total Optional
Account Description		Budget	Spending	Percent	Budget	Budget Request	Budget Request
		15/17	for 15/17	of Budget	Changes	17/19	17/19
				Spent	for 17/19		
Salaries and Benefits							
Salaries - Permanent		1,328,524	1,306,955		39,312	1,367,836	160,618
Temporary Salaries		199,972	170,145		(5,796)	194,176	
Overtime		11,248	6,735		-	11,248	
Fringe Benefits		526,656	521,400		8,996	535,652	59,677
Salaries and Benefits		2,066,400	2,005,235	97%	42,512	2,108,912	220,295
Operating Expenses							
Travel		83,180	73,931			83,180	
Supplies - IT Softw are		4,500	2,380			4,500	
Supply/Material - Professional		9,179	5,372		(3,825)	5,354	
Groceries		0	-			0	
Bldg, Grounds, Vehicle Supply		200	284			200	
Miscellaneous Supplies		0	-			0	
Office Supplies		14,214	8,442			14,214	
Postage		10,736	11,393		1074	11,810	
Printing		27,500	22,369		500	28,000	
IT Equipment under \$5,000		0	-			0	
Other Equip under \$5,000		126	-		(126)	0	
Office Equip & Furniture-Under		5,000	-			5,000	
Insurance		6,315	5,749		(315)	6,000	
Rentals/Leases-Equipment&Other		1,000	-			1,000	
Rentals/Leases - Bldg/Land		108,000	114,810		11,400	119,400	
Repairs		8,500	2,219		(3,500)	5,000	
IT - Data Processing		99,051	76,156		21,000	120,051	
IT - Communications		25,000	19,218			25,000	
IT Contractual Services and Re		272,500	304,600		(72,500)	200,000	
Professional Development		43,332	42,673		(31)	43,301	
Operating Fees and Services		114,336	76,931		(45,666)	68,670	
Professional Fees and Services		3,782,305	3,198,708		496,188	4,278,493	
Operating Expenses		4,614,974	3,965,237	86%	404,199	5,019,173	
IT Equip / Softw are Over \$5000		0					
Capital Assets		0					
Grants, Benefits & Claims		9,866,665	9,866,665	100%	1,260,173	11,126,838	
Total		16,548,039	15,837,137	96%	1,706,884	18,254,923	220,295

Proposed budget reductions to meet Governor's 90% budget request guideline

The guidelines from the Office of Management and Budget issued to our agency on June 8, 2016 stated: "Your agency's special fund request amount is not limited with the exception of dollars related to new FTE. However, we hope you will take this opportunity to examine your level of spending in all areas to ensure the most efficient operation and most effective use of resources from all funding sources."

The agency submitted a budget which was estimated at about 90% of the CDC Best Practices recommended budget, based on estimates in 2015.

CDC Best Practice suggested spending adjusted for Population and inflation							17/19	
							24,871,367	
						Less 10% Reduction	(2,487,137)	
							22,384,230	
Submitted 17/19 budget and Current 15/17 Budget							17/19	15/17
				Center			18,254,923	16,548,039
				NDDOH			5,180,040	6,410,177
							23,434,963	22,958,216
Reduction of the current Center Budget (10%)								1,654,804
					Salaries and benefits		82,740	
					Operating Expenses		761,210	
					Grants		810,854	
							1,654,804	
					Current Center Budget			16,548,039
					Less 10% Reduction			-1,654,804
					Reduced Budget Total			14,893,235
Equates to 94% of CDC Best Practices								
NDDOH included 500,000 in their budget which is granted to them by the Center. It has been removed from these budget numbers as to not count it twice								

Efficiencies in level of spending and effective use of resources – Attachment C

The most efficient program going forward must continue to achieve health outcomes greater than the ones already realized.

- Progress already made cannot be allowed to erode. We need to lock in current cuts in youth and adult smoking.
- BreatheND must continue to get out ahead of new tobacco and nicotine addiction products like electronic cigarettes, identified in the 2016 Surgeon General's Report on E-cigarettes and Youth as the next tobacco epidemic.
- BreatheND must further reduce youth and adult tobacco use at the new, accelerated rates. Nearly ending youth tobacco use in North Dakota is within our reach, by funding BreatheND using the remaining balance of the Tobacco Prevention and Control Trust Fund.
- BreatheND must document health care costs savings and return on investment.

OPTIONAL REQUEST BUDGET COMPARISON TO EXECUTIVE RECOMMENDATION						
				Executive	Senate Bill	Base
				Budget (2084)	Budget (2024)	Budget Request
	Account Description			Recommendation	Recommendation	17/19
	Salaries and Benefits			0		
	Salaries - Permanent			0	1,328,524	1,367,836
	Temporary Salaries			0	199,972	194,176
	Overtime			0	11,248	11,248
	Fringe Benefits			0	526,656	535,652
	Salaries and Benefits			0	2,066,400	2,108,912
	Operating Expenses			0		
	Travel			0	83,180	83,180
	Supplies - IT Software			0	4,500	4,500
	Supply/Material - Professional			0	9,179	5,354
	Groceries			0	-	-
	Bldg, Grounds, Vehicle Supply			0	200	200
	Miscellaneous Supplies			0	-	-
	Office Supplies			0	14,214	14,214
	Postage			0	10,736	11,810
	Printing			0	27,500	28,000
	IT Equipment under \$5,000			0	-	-
	Other Equip under \$5,000			0	126	-
	Office Equip & Furniture-Under			0	5,000	5,000
	Insurance			0	6,315	6,000
	Rentals/leases Equip. & Other			0	1,000	1,000
	Rentals/lease Bldg./Land			0	108,000	119,400
	Repairs			0	8,500	5,000
	IT - Data Processing			0	99,051	120,051
	IT - Communications			0	25,000	25,000
	IT Contractual Services and Re			0	272,500	200,000
	Professional Development			0	43,332	43,301
	Operating Fees and Services			0	114,336	68,670
	Professional Fees and Services			0	3,782,305	4,278,493
	Operating Expenses			0	4,614,974	5,019,173
	IT Equip/Software Over \$5000			0	0	
	Capital Assets			0	0	
	Grants, Benefits & Claims			0	9,866,665	11,126,838
	Total			0	16,548,039	18,254,923
						220,295

AGENCY REQUESTED CHANGES TO EXECUTIVE RECOMMENDATION						
				Executive	Base	Total Optional
				Budget (2084)	Budget Request	Budget Request
	Account Description			Recommendation	17/19	17/19
	Salaries and Benefits			0		
	Salaries - Permanent			0	1,367,836	160,618
	Temporary Salaries			0	194,176	
	Overtime			0	11,248	
	Fringe Benefits			0	535,652	59,677
	Salaries and Benefits			0	2,108,912	220,295
				0		
				0		
	Operating Expenses			0		
	Travel			0	83,180	
	Supplies - IT Software			0	4,500	
	Supply/Material - Professional			0	5,354	
	Groceries			0	-	
	Bldg, Grounds, Vehicle Supply			0	200	
	Miscellaneous Supplies			0	-	
	Office Supplies			0	14,214	
	Postage			0		
	Printing			0		
	Postage			0	11,810	
	Printing			0	28,000	
	IT Equipment under \$5,000			0	-	
	Other Equip under \$5,000			0	-	
	Office Equip & Furniture-Under			0	5,000	
	Insurance			0	6,000	
	Rentals/Leases-Equipment&Other			0		
	Rentals/Leases - Bldg/Land			0		
	Rentals/leases Equip. & Other			0	1,000	
	Rentals/lease Bldg./Land			0	119,400	
	Repairs			0	5,000	
	IT - Data Processing			0	120,051	
	IT - Communications			0	25,000	
	IT Contractual Services and Re			0	200,000	
	Professional Development			0	43,301	
	Operating Fees and Services			0	68,670	
	Professional Fees and Services			0	4,278,493	
	Operating Expenses			0	5,019,173	
	IT Equip/Software Over \$5000			0		
				0		
	Capital Assets			0		
				0		
	Grants, Benefits & Claims			0	11,126,838	
	Total			0	18,254,923	220,295

North Dakota

Program Intervention Budgets

2014

Recommended Annual Investment

\$9.8 million

Deaths in State Caused by Smoking

Annual average smoking-attributable deaths	1,000
Youth aged 0-17 projected to die from smoking	13,900

Annual Costs Incurred in State from Smoking

Total medical	\$326 million
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State Revenue from Tobacco Sales and Settlement

FY 2012 tobacco tax revenue	\$28.2 million
FY 2012 tobacco settlement payment	\$31.5 million
Total state revenue from tobacco sales and settlement	\$59.7 million

Percent Tobacco Revenue to Fund at Recommended Level

16%

	Annual Total (Millions)		Annual Per Capita	
	Minimum	Recommended	Minimum	Recommended
I. State and Community Interventions Multiple social resources working together will have the greatest long-term population impact.	\$2.9	\$3.7	\$4.15	\$5.29
II. Mass-Reach Health Communication Interventions Media interventions work to prevent smoking initiation, promote cessation, and shape social norms.	\$0.9	\$1.3	\$1.29	\$1.86
III. Cessation Interventions Tobacco use treatment is effective and highly cost-effective.	\$2.3	\$3.5	\$3.29	\$5.00
IV. Surveillance and Evaluation Publicly funded programs should be accountable and demonstrate effectiveness.	\$0.6	\$0.9	\$0.87	\$1.22
V. Infrastructure, Administration, and Management Complex, integrated programs require experienced staff to provide fiscal management, accountability, and coordination.	\$0.3	\$0.4	\$0.44	\$0.61
TOTAL	\$7.0	\$9.8	\$10.04	\$13.98

Note: A justification for each program element and the rationale for the budget estimates are provided in Section A. The funding estimates presented are based on adjustments for changes in population and cost-of-living increases since *Best Practices—2007* was published. The actual funding required for implementing programs will vary depending on state characteristics, such as prevalence of tobacco use, sociodemographic factors, and other factors. See Appendix E for data sources on deaths, costs, revenue, and state-specific factors.

Centers for Disease Control and Prevention • Office on Smoking and Health
www.cdc.gov/tobacco • tobaccoinfo@cdc.gov • 1 (800) CDC-INFO or 1 (800) 232-4636

Funding Recommendation Formulas: The recommended levels of investment (per capita and total) are presented in 2013 dollars using 2012 population estimates. To account for inflation and changes in the U.S. population over time, these estimates can be updated using data from the U.S. Department of Labor Consumer Price Index and U.S. Census Bureau.

Tobacco Prevention and Control Trust Fund Status Statement

	2013-15 Actual ¹¹	2015-17 Legislative Appropriation	Revised Estimate	2017-19 Executive Budget
Beginning Balance	\$40,654,657	\$49,748,321	\$49,748,321 ¹²	\$56,304,520
Revenue:				
Fiscal Year 1 Payments	\$11,392,521	\$11,304,243	11,480,889 ¹³	0
Fiscal Year 2 Payments	11,402,609	11,304,243	11,480,889 ¹⁴	0
Investment Income	43,462	56,521	142,460	142,460
Total Revenue	\$22,838,592	\$22,665,007	\$23,104,238	\$142,460
Expenditures:				
Tobacco Center - Appropriated Expenditures	(\$13,744,928)	(\$16,548,039)	(\$16,548,039)	\$0 ¹⁵
<i>Department of Health:</i>				
Local Public Health Units				(4,000,000)
Cancer Programs				(744,804)
Stroke and Cardiac Care				(756,418)
Physician Loan Repayment				(480,000)
Behavioral Health Loan Repayment				(243,640)
Tobacco Program Grant				(500,000)
<i>Department of Human Services:</i>				
Medicaid Grants				(15,000,000)
Opioid Treatment				(1,799,076)
Total Expenditures	(\$13,744,928)	(\$16,548,039)	(\$16,548,039)	(\$23,523,938)
Ending Balance	\$49,748,321	\$55,865,289	\$56,304,520	\$32,923,042

¹¹ Final revenue and expenditures per state accounting system reports dated June 30, 2015.

¹² Actual July 1, 2015 balance.

¹³ Actual revenue received during fiscal year 2016.

¹⁴ Estimated revenues based on fiscal year 2016 actual amount.

¹⁵ Proposed that North Dakota Century Code 23-42 is repealed which dissolves the Tobacco Prevention and Control agency.

Notes:

In November 2008, voters approved Measure No. 3, which created a tobacco prevention and control trust fund. All tobacco settlement strategic contribution fund payments received by the state will be deposited in the fund. After 2017, no additional strategic contribution fund payments are anticipated.

House Bill 1015 (2009), based on the intent of Measure No. 3, created the Tobacco Prevention and Control Committee as a state agency. Section 35, appropriates funding for the 2009-11 biennium. Section 36, provides retroactive funding for expenditures that occurred during the period of January 1, 2009, through June 30, 2009. Section 39 changes language in the measure concerning the ability to spend funding from the water development trust fund. The legislature required that water development trust fund moneys may only be spent pursuant to legislative appropriation.

How North Dakota Distributes their Tobacco Settlement Dollars

for water, schools, health, and tobacco prevention

Tobacco Settlement (Master Settlement Agreement - MSA) payments to ND (actual/estimated)

ND State Biennium	100% of the Annual Tobacco Settlement Payments PLUS the Strategic Contribution Fund	Annual Tobacco Settlement Payments			Strategic Contribution Fund Tobacco Prevention & Control Trust Fund (BreatheND)
		45% Water Development Trust Fund	45% Common Schools Trust Fund	10% Community Health Trust Fund (ND Health Department)	
1999-2001	\$ 52.9	\$ 23.8	\$ 23.8	\$ 5.3	
2001-2003	53.5	24.1	24.1	5.3	
2003-2005	46.2	20.8	20.8	4.6	
2005-2007	43.7	19.7	19.7	4.3	
2007-2009	75.6	27.7 ¹	27.7 ¹	6.1 ^{1,2}	\$14.1 ³
2009-2011	64.0	18.2	18.2	4.1	23.5 ³
2011-2013	63.0	18.1	18.1	4.0	22.8 ³
2013-2015	64.6	19.0	19.0	4.2	22.4 ³
2015-2017	63.0	18.1	18.1	4.0	22.8 ³
Subtotal	\$526.5	\$189.5	\$189.5	\$41.9	Total \$105.6
2017-2019	52.5	23.6	23.6	5.3	
2019-2021	52.5	23.6	23.6	5.3	
2021-2023	52.5	23.6	23.6	5.3	
2023-2025	52.5	23.6	23.6	5.3	
2025-perpetuity (no end date)	52.5/ per year	23.6/ per year	23.6/ per year	5.3/ per year	
Subtotal Annual Tobacco Settlement payments continue for perpetuity	\$789.0	\$307.5	\$307.5	\$68.4	

1 First of ten payments from the Strategic Contribution Fund was disbursed 45-45-10 to water, schools and health trust funds.

2 From 2008 forward, 80% of the Community Health Trust Fund must be used for tobacco prevention and control.

3 Nine of ten Strategic Contribution Fund payments will be deposited in the Tobacco Prevention and Control Trust Fund for a comprehensive tobacco prevention program administered by BreatheND.

BreatheND
Saving lives, saving money. The voice of the people.

What you need to know about the Tobacco Settlement in North Dakota

In November 1998, North Dakota and 45 other states signed the Master Settlement Agreement (MSA). The MSA is called the **“tobacco settlement”** because it settled state lawsuits against major tobacco companies. North Dakota’s lawsuit cited how tobacco companies violated N.D. consumer protection and anti-trust laws (N.D. Century Code 51-15 and 51-08.1), resulting in more N.D. youth and adults becoming addicted to tobacco.

States agreed that the central purpose of the tobacco settlement is to **reduce smoking and tobacco use**, especially by youth.

The tobacco settlement requires that major tobacco companies pay states billions each year, based on U.S. tobacco sales. **These “annual payments” continue “in perpetuity”** – without any end date. From the first payment in 1999 through 2008, North Dakota received an average of more than \$25 million/year. The 1999 Legislature invested only 10% in a new Community Health Trust Fund, funding some tobacco control efforts through the N.D. Department of Health. The other 90% was split evenly, with 45% deposited into a new Water Development Trust Fund, and 45% into the Common Schools Trust Fund. (The 45-45-10 distribution is in NDCC 54-27-25.)

From 2008 to 2017, North Dakota will receive 10 additional “Strategic Contribution Fund” payments, averaging about \$12 million/year, over and above the annual payments. Strategic Contribution Fund payments are based on each state’s contribution to finalizing the tobacco settlement, and North Dakota’s contribution was significant. North Dakota’s negotiation assured that payments to small states would be large enough to fund a comprehensive statewide tobacco prevention program. The state’s first Strategic Contribution Fund payment, received in April 2008, was disbursed according to the 45-45-10 formula to water, schools and health.

In November 2008, N.D. **voters passed Initiated Measure 3**. This law (NDCC 23-42, 54-27-25) requires that the remaining 9 of 10 Strategic Contribution Fund payments be **placed in a Tobacco Prevention and Control Trust Fund for a comprehensive tobacco prevention program**. The law also requires 80% of the community health trust fund be used for tobacco control at the state health department. The law continues to direct the annual payments to trust funds for water (45%), schools (45%), and community health (10%).

The Governor-appointed nine-member Advisory Committee of tobacco control experts developed a **state plan** for the new comprehensive program. Three Advisory Committee members, an Executive Committee, implement the state plan through the **N.D. Center for Tobacco Prevention and Control Policy, also known as “BreatheND.”** The state plan must follow the U.S. Centers for Disease Control’s (CDC) Best Practices funding and program recommendations.

Strategic Contribution Fund payments to North Dakota end in 2017. The Tobacco Prevention and Control Trust Fund’s balance of about \$54 million provides funding and time to further reduce high school smoking from 11.7% to the low single digits. Nearly eliminating N.D. youth tobacco use is within reach!

The other tobacco settlement **annual payments to North Dakota do not end**. North Dakota will continue to receive an estimated \$26 million/year, split 45-45-10 between water, schools and the N.D. Department of Health’s Community Health Trust Fund.

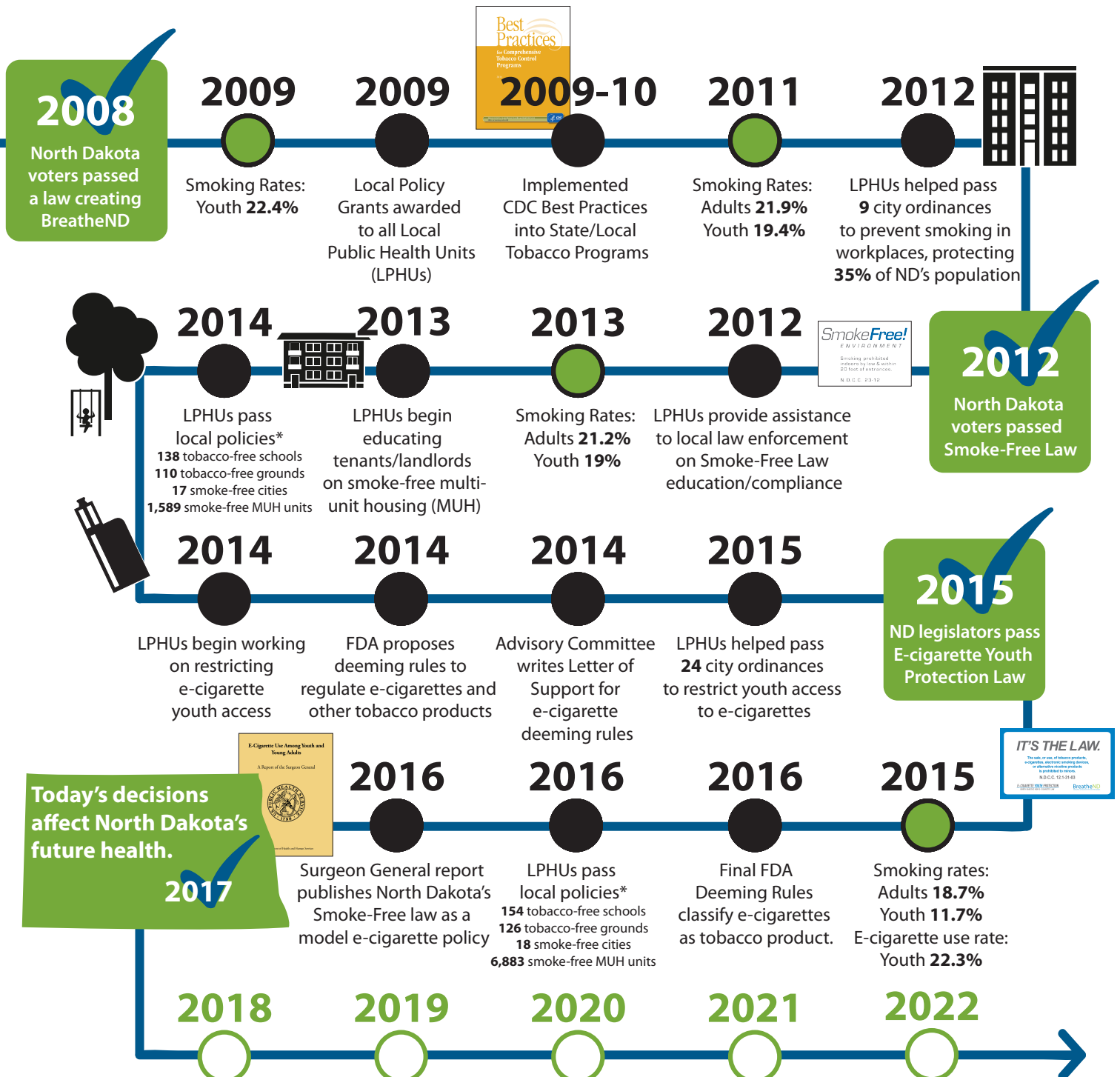
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BreatheND

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ND's Comprehensive Tobacco Prevention Plan: Saving Lives, Saving Money

uses tobacco settlement dollars for tobacco prevention.



North Dakota Center for Tobacco Prevention and Control Policy

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North Dakota's comprehensive tobacco prevention plan:

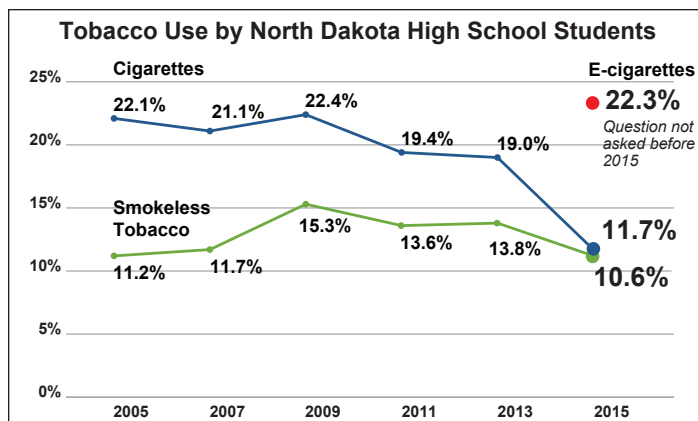
Saving Lives, Saving Money

Goal 1: Prevent the Initiation of Tobacco Use Among Youth and Young Adults

Goal 2: Eliminate Exposure to Secondhand Smoke

Goal 3: Promote Quitting Tobacco Use

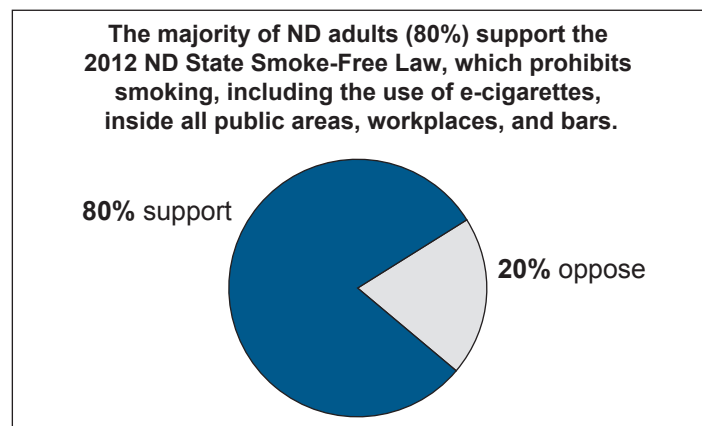
Goal 4: Build Capacity and Infrastructure to Implement a Comprehensive Evidence-Based Tobacco Prevention and Control Program



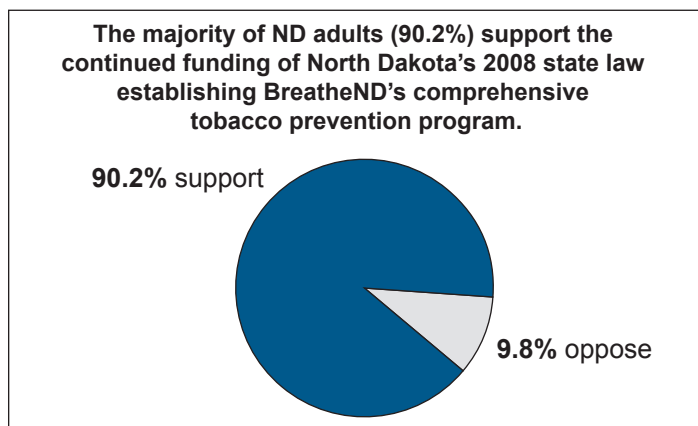
Source: 2005 - 2015 Youth Risk Behavior Survey

"...the tobacco industry aggressively markets and promotes lethal and addictive products, and continues to recruit youth and young adults as new consumers of these products."

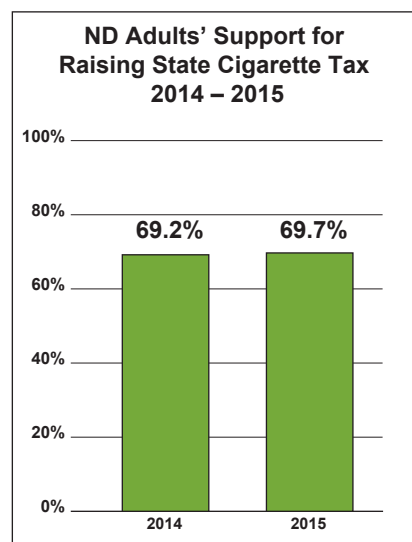
A Report of the Surgeon General, 2014



Source: Support for 2012 State Law, ND Public Opinion Survey, 2015



Source: Support for Measure 3, ND Public Opinion Survey, 2015



Source: ND Public Opinion Survey, 2014, 2015

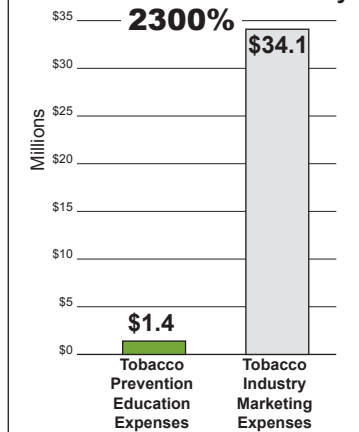
Time-limited Trust Fund

Payments from the tobacco settlement's Strategic Contribution Fund end in 2017.

This final payment to the BreatheND trust fund will be made in 2017. A balance of about \$54 million will be used to fund comprehensive tobacco prevention at BreatheND for an estimated **seven** years beyond 2017.

Tobacco Settlement Dollars for Tobacco Prevention

Tobacco Industry Outspends Tobacco Prevention in ND by 2300%

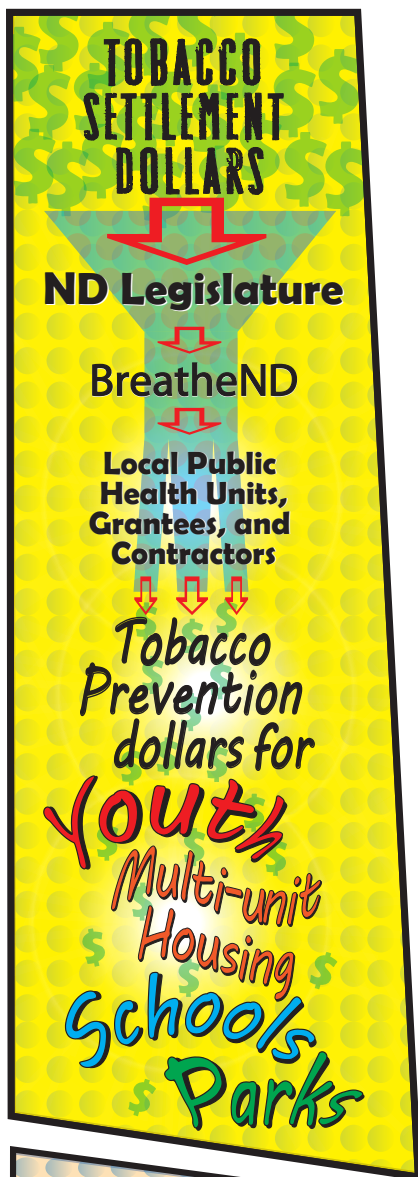


Source: Federal Trade Commission (FTC) Cigarette and Smokeless Tobacco Reports for 2013 published in 2016

North Dakota uses tobacco settlement dollars for tobacco prevention: The state's comprehensive tobacco prevention plan, Saving Lives, Saving Money, is based on proven Best Practices established by the Centers for Disease Control and Prevention. The North Dakota Center for Tobacco Prevention and Control Policy (BreatheND), along with its local public health partners work hard to educate and pass effective policies and interventions within their communities to prevent tobacco use among our kids.

* Policies passed/verified from FY2009 through FY2016 include the following: **154** Tobacco-free schools, protecting 67% of all students, **126** Tobacco-free grounds, including parks, medical, dental, chiropractic, pharmacy, optometric, hospital, long-term care, ambulance services, Grand Forks Air Force Base treatment facility, physical therapy, etc., **18** Smoke-free cities, with **7** cities passing ordinances stronger than the state law, Smoke-free Multi-unit Housing buildings (**6,883** units) agreed to make properties smoke free to further protect our kids and adults from secondhand smoke.

Our efforts are paying off. Youth smoking rates dropped from **22.4% in 2009 to 11.7% in 2015**. Adult smoking rates dropped from **21.9% in 2011 to 18.7% in 2015**. However, there is more work to be done: youth e-cigarette use rates are at 22.3% among our high school kids, and the tobacco industry continues to target our youth with new products to hook them to a lifetime addiction to nicotine.



Youth Smoking Rates Drop from 22.4% to 11.7%

The drop in North Dakota's high school smoking rate to 11.7% is a significant achievement and it shows that North Dakota's comprehensive tobacco prevention efforts are working.

This work in every county and outreach to every district is possible because in 2008, North Dakota voters passed a measure that authorized comprehensive tobacco prevention efforts. The agency, the North Dakota Department of Health, is the lead agency for tobacco prevention. The agency, the North Dakota Department of Health, is the lead agency for tobacco prevention. The agency, the North Dakota Department of Health, is the lead agency for tobacco prevention.

Keep Tobacco Settlement DOLLARS for Tobacco Prevention

In 2008, **North Dakotans voted** to use **Tobacco Settlement dollars for tobacco prevention** to significantly reduce tobacco use.

Annual **Costs** of tobacco use in North Dakota:

- \$326 million** annual ND health care costs directly caused by smoking
- \$56.9 million** annual ND Medicaid costs caused by smoking
- 1,000 adult lives** ND adults who die each year from their own smoking
- 300 kids** (under 18) who become new daily smokers each year

www.tobaccofreekids.org/facts_issues/toll_us/north_dakota

22.3% of high school students use **e-cigarettes**

2005-2015 Youth Risk Behavior Survey

Annual marketing expenses in North Dakota:

\$34.1 million Tobacco Industry Marketing

\$ 1.4 million North Dakota Tobacco Prevention Education

\$1.4 ND Tobacco Prevention Education Expenses

\$34.1 Tobacco Industry Marketing Expenses

Federal Trade Commission (FTC) Cigarette and Smokeless Tobacco Reports for 2013 published in 2016

90% of North Dakotans agree that keeping youth smoke-free should be a priority for North Dakota

Independent Evaluation: Professional Data Analysts (PDA) 2016 Survey



Public Health
Prevent. Promote. Protect.

BreatheND
Saving lives, saving money. The voice of the people.

An initiated measure approved by North Dakota voters provides funding to North Dakota health units to diminish the toll of tobacco in our state by addressing the number one preventable cause of death and disease: tobacco use.

BENEFITS AND SAVINGS FROM SMOKING DECLINES IN NORTH DAKOTA

From 2013 to 2015, the youth smoking rate in North Dakota declined significantly, sharply reducing the harms and costs caused by smoking in the State.

	<u>2013</u>	<u>2015</u>	<u>Fewer Current Smokers</u>
<i>High School Youth Smoking</i>	19.0%	11.7%	2,880

Because of these declines:

- **11,520** fewer kids alive today in North Dakota will grow up to be addicted adult smokers
- **3,840** fewer of today's residents in North Dakota will ultimately die prematurely from smoking

In addition, by prompting current adult and youth smokers to quit, the state has locked in enormous savings over the lifetimes of each person stopped from future smoking. Put simply, the lifetime health care costs of smokers total at least \$21,000 more than nonsmokers, on average, despite the fact that smokers do not live as long, with a somewhat smaller difference between smokers and former smokers.

The substantial ongoing improvements in public health from the smoking declines detailed above have secured the following reductions in health care costs:

<i>Future Health Cost Savings from Youth Smoking Declines</i>	\$241.9 million
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Tobacco use is the number one cause of preventable death in North Dakota, killing 1,000 people each year, while thousands of others suffer from smoking-caused disease and disability. It is also a substantial drain on the state's economy, costing the state \$326 million in health care costs every year. Providing significant funding to statewide tobacco prevention and cessation programs would provide additional tobacco use declines and produce enormous public health and economic benefits.

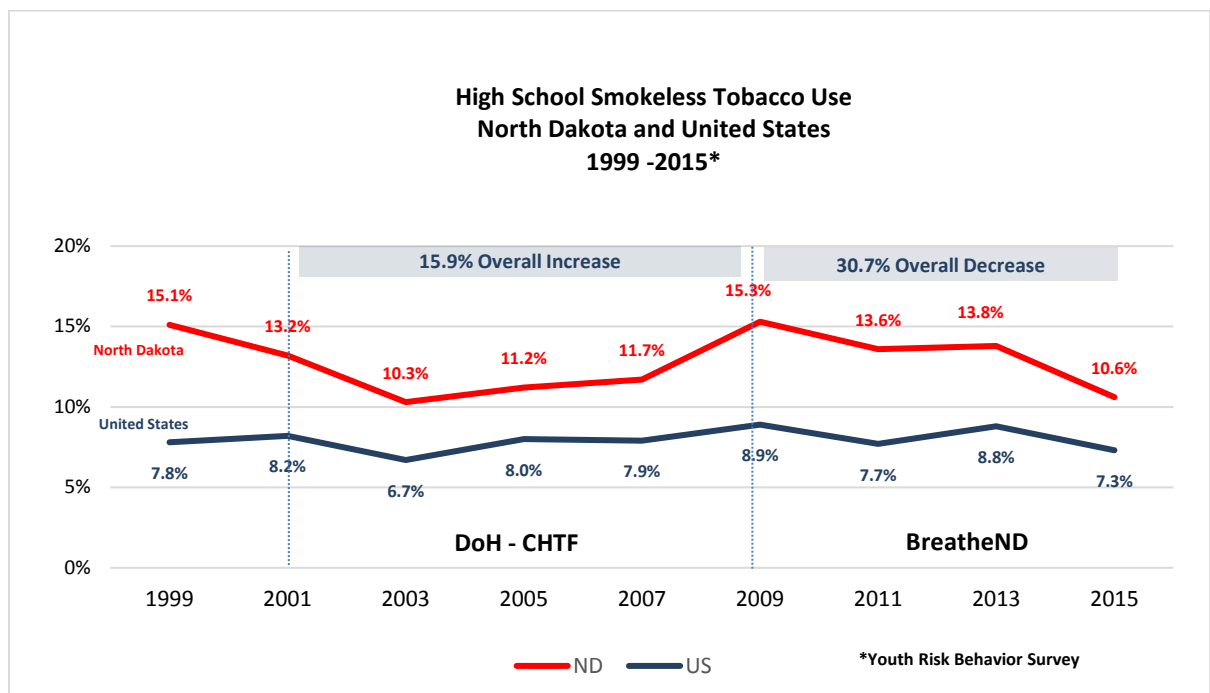
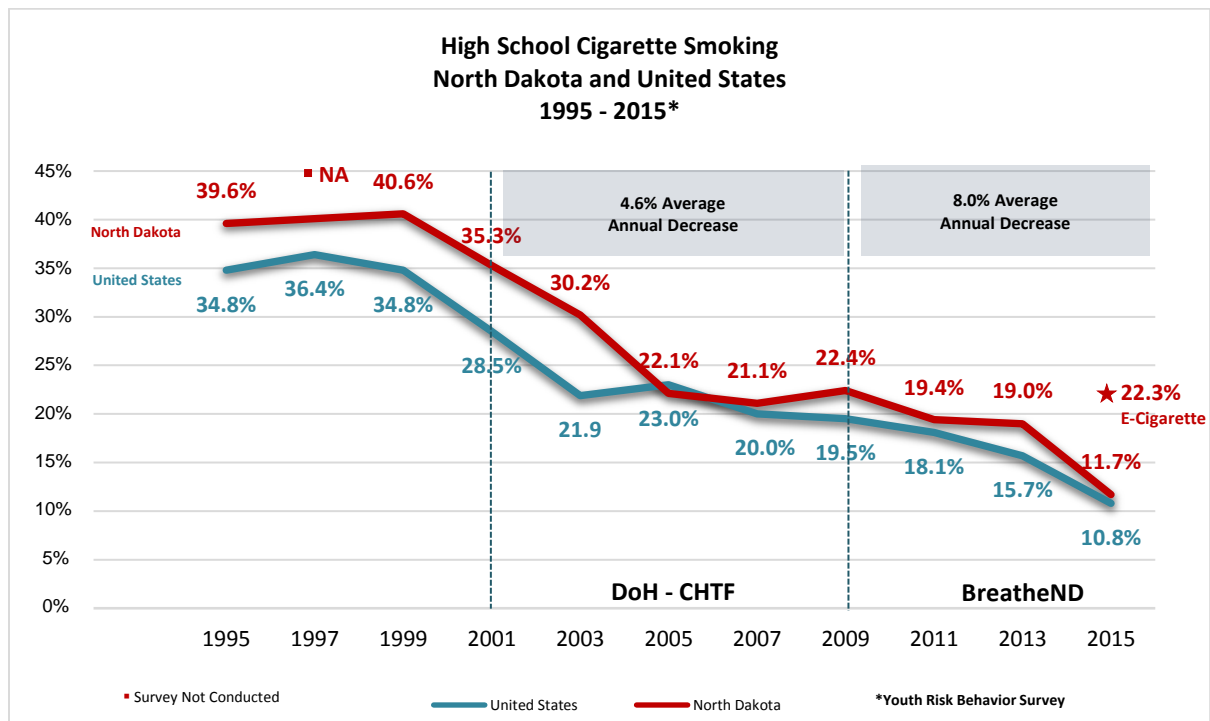
For more on state investments in tobacco prevention and related smoking-decline benefits and savings, see: http://www.tobaccofreekids.org/facts_issues/fact_sheets/policies/prevention_us_state/

Notes and Sources. *Behavioral Risk Factor Surveillance System. Youth Tobacco Survey, Youth Risk Behavior Surveillance System* or specific state youth smoking surveys. Youth prevented from becoming adult smokers is calculated by applying the percent change in the state's youth smoking rate to the estimate of youth projected to become adult smokers (which is based on adjusted CDC Behavioral Risk Factor Surveillance System (BRFSS) prevalence data for 18-25 year olds and U.S. census data for the population under 18 years old). Estimates of lives saved is calculated using CDC methodology presented in CDC, "Projected Smoking-Related Deaths Among Youth—United States," *MMWR* 45(44):971-974, November 11, 1996. Future health care savings from smoking reductions accrue over the lifetimes of those persons who quit or do not start. The lifetime health care costs of smokers total at least \$21,000 more than nonsmokers, on average, despite the fact that smokers do not live as long; but the average savings per each adult quitter are less than that because adult smokers have already been significantly harmed by their smoking and have already incurred or locked-in extra, smoking-caused health costs. See Hodgson, TA, "Cigarette Smoking and Lifetime Medical Expenditures," *Milbank Quarterly* 70(1), 1992. See also, Campaign for Tobacco-Free Kids factsheet, *Lifetime Healthcare Costs: Smokers v. Non-Smokers v. Former Smokers*; Warner, KE, et al., "Medical Costs of Smoking in the United States: Estimates, Their Validity, and Their Implications," *Tobacco Control* 8(3):290-300, Autumn 1999. On average, the federal government reimburses the states for roughly 57% of their Medicaid program costs. CDC, *Best Practices for Comprehensive Tobacco Control Programs*, 2014, http://www.cdc.gov/tobacco/stateandcommunity/best_practices/.

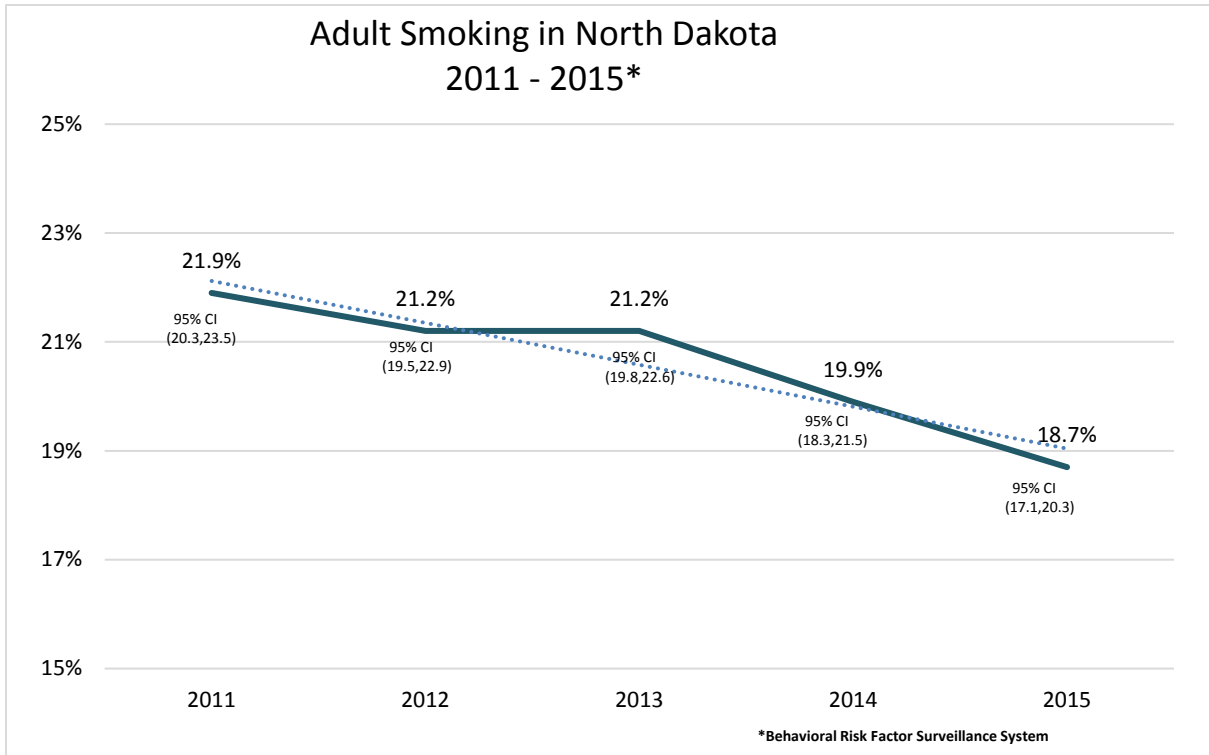
BreatheND Major Accomplishments thus far in 2015-17

Goal 1 – Prevent initiation of tobacco use among youth and young adults

- 1) Smoking by N.D. high school students decreased from 19% in 2013 to 11.7% in 2015 (2013 & 2015 N.D. Youth Risk Behavior Survey, N.D. Department of Public Instruction).



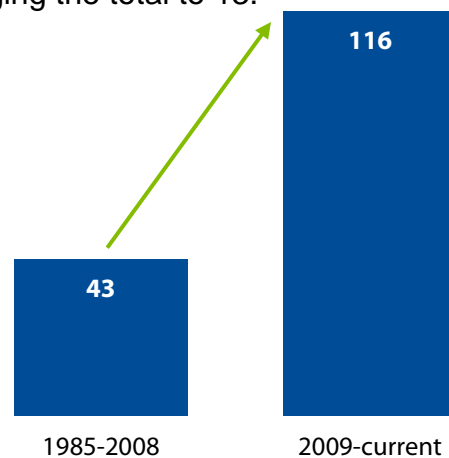
- 2) Smokeless tobacco use by N.D. high school students decreased from 13.8% in 2013 to 10.6% in 2015 (2013 & 2015 N.D. Youth Risk Behavior Survey, N.D. Department of Public Instruction).



- 3) In response to the emerging epidemic of e-cigarette use by N.D. high school students, BreatheND conducted a statewide public information campaign on the new e-cigarette youth protection law when it took effect in FY2016. This included statewide paid media, news in N.D. retailers' newsletter, mailing with signs to all N.D. retailers, and detailed online information.
- 4) Local public health units worked with 23 Local Education Agencies (LEAs) that adopted comprehensive tobacco-free school policies. Statewide, 70% of LEAs and 70% of the student population is covered by comprehensive policies. Four local public health units reported that 100% of LEAs in their areas were now covered by comprehensive policies, bringing the total to 13.

Number of LEAs with comprehensive tobacco-free policies has **increased by 169% since BreatheND began.**

87,920 North Dakota students in pre-K through 12th grade are **learning in tobacco-free environments.**



Accomplished in:

23 years

7 years with BreatheND

Goal 2 – Eliminate exposure to secondhand smoke

- 5) The agency worked with local public health units to enhance compliance with the N.D. State Smoke-free Law. Local public health units visited 1,684 businesses. The agency distributed 33,209 free signs (NDCC 23-12-09 through 23-12-11 and NDCC 23-42-04).
- 6) Local public health units reported 127 privately owned multi-unit housing buildings with a total of 2,296 units had smoke-free policies in place. Fourteen public housing buildings with 336 units became smoke-free.
- 7) Seventeen tobacco-free grounds policies were enacted.

Goal 3 – Promote quitting tobacco use

- 8) In response to the need to reach populations with high smoking rates, BreatheND provided a \$500,000 grant to N.D. Department of Health to promote cessation among pregnant women and American Indians through NDQuits.
- 9) BreatheND funded N.D. State University to conduct and study education of chiropractors to identify clients who use tobacco and refer to NDQuits.
- 10) BreatheND grants to local public health units resulted in up to 9,410 persons referred to NDQuits (soft and hard referral).

Goal 4 – Build capacity and infrastructure

- 11) BreatheND provided more than half of the agency budget, or a total of \$8,025,491 to all 28 local public health units reaching every county. Local public health units were able to pay for up to 32 local FTEs to coordinate tobacco use prevention activities.
- 12) Staff managed 3 grant programs and supported up to 63 annual grant awards (about 125 grants/biennium), granting 100% of the grant line (\$9,866,665), to all local public health units and 4 statewide organizations (nearly 60 percent of the total agency budget).
- 13) Staff managed 9 professional service contracts totaling \$3,658,453 to provide the following statewide services: public education through statewide health communications; comprehensive evaluation and program impact studies to increase effectiveness; technical assistance and training to improve outcomes; and grant reporting systems to enhance accountability.
- 14) Increased the tobacco state aid grants program in local public health units from \$941,081 in FY2015 to \$1,056,498 in FY2016 and \$1,021,424 in FY2017, to be consistent with CDC Best Practices and streamline local grant reporting.

- 15) A majority or near majority of residents seeing BreatheND's public education campaigns reported gaining new information from the ads, and those who saw ads had significantly more awareness of the harms caused by tobacco. Even BreatheND ads not about quitting were effective in motivating smokers to quit. (Professional Data Analysts, 2015)
- 16) Nearly three-fourths (73%) of N.D. adults were concerned about tobacco use in the state, and 78% think that reducing the number of people who smoke should be a priority for North Dakota. (Professional Data Analysts, 2015)

