



February 18, 2015

**To:** The House Ways and Means Committee, the House Appropriations Committee, the Senate Finance Committee and the Senate Appropriations Committee  
**From:** The Coalition for a Tobacco Free Vermont  
**Subject:** Governor's FY16 Proposed Budget

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The Governor's proposed cut in prevention funding for Vermont's Tobacco Control Program will only move the state backwards in our efforts to control skyrocketing healthcare costs.

The Tobacco Control Program is one of the few state programs that is currently evaluated and proven effective, yet the Governor's budget would strip nearly \$245,000 in funding from this program in fiscal year 2016, on top of other cuts to the program over the years.

Vermont currently spends \$348 million in tobacco-attributable health care expenses, (a number that has increased while the state's Tobacco Control Program funding decreased), including \$72 million in Medicaid. Despite the historic successes of Vermont's evidence-based tobacco control program, tobacco use is still the number one preventable cause of death and disease, claiming the lives of 1,000 Vermonters annually.<sup>i</sup> 17 percent of Vermont adults and 20.4 percent of Vermont college-age youth smoke.<sup>ii</sup> Smoking rates are significantly higher amongst Vermont's most vulnerable populations, with the rates of smoking for those with lower incomes and education, serious mental illness, or without insurance at or above 30 percent.<sup>iii</sup>

As Vermont continues to struggle to control soaring health care costs, the prevention and reduction of tobacco use is critical to the State's success. A 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.<sup>iv</sup>

While Vermont has successfully cut the youth smoking rate in half, 400 children become new daily smokers each year and 10,000 children currently alive in Vermont will ultimately die prematurely from smoking.<sup>v</sup>

It is time to go back to basics and reverse these alarming trends.

### Back to Basics

There is more evidence than ever before that tobacco prevention and cessation programs work to reduce smoking, save lives and save money.

Comprehensive tobacco control efforts must include three basic, evidence-based elements to be effective:

1. **Fully fund and sustain evidence-based, statewide tobacco prevention and cessation programs.** Vermont collects over \$109 million in tobacco revenues from tobacco settlements and taxes, yet spends a mere 3.6 percent of the revenues on tobacco control.<sup>vi</sup> For the last three years, the state has only invested \$3.9 million each year for the comprehensive Tobacco Control Program compared to \$6.5 million annually in FY2000 and FY2001. These early investments helped cut the youth smoking rate in half. Vermont must reject the governor's proposed cuts and instead invest in this life-saving program by increasing tobacco control funding as the first step in a multi-year effort to achieve and sustain the \$8.4 million CDC recommended annual funding level.
2. **Implement comprehensive smoke-and tobacco-free policies.** Exposure to secondhand smoke increases the risk of lung cancer, heart attack and stroke by 20-30 percent.<sup>vii</sup> Vermont instituted smoke-free workplaces more than a decade ago, and expanded smoke-free spaces in the years since. These laws had a huge impact in driving down smoking rates when first enacted, but more recently have been undermined by the rapid growth of unregulated electronic cigarettes. It is time for Vermont to add electronic cigarettes to its clean indoor air law. Unregulated e-cigarette use has the potential to create a social norm around tobacco product use at the

workplace and in other public areas.

3. **Increase the price of all tobacco products through regular and significant tobacco tax increases.** Studies have repeatedly shown that increasing the price of tobacco by at least 10 percent reduces adult smoking by 3-5 percent and youth smoking by about 7 percent. If Vermont increased the cigarette tax by \$1.25 per pack the state could benefit by:

- Raising \$14.92 million in revenue
- Saving \$96.6 million in long-term health costs
- Preventing 2,400 kids from becoming smokers
- And spurring 2,700 current smokers to quit.

Contrary to the tobacco industry claims, increasing the price of tobacco does not send business out of state. In 2006, Vermont's tax increased from \$1.19 to \$1.79 and New Hampshire's tax was at .80 cents. The following year, Vermont's cigarette tax revenue actually rose by \$13.4 million (28.3 percent), while New Hampshire's fell by \$3.4 million (-2.4 percent). Increasing the price of tobacco through substantially higher tobacco taxes is one of the most successful ways to keep youth from smoking and encourage adults to quit, saving lives and healthcare costs along the way.

These evidence-based measures are proven to not only reduce smoking and save lives, but also save money by reducing tobacco-related health care costs. It's time for Vermont to go back to basics in the fight against tobacco use by adequately funding Vermont's tobacco control program, by strengthening our smoke-free policies and by significantly increasing the price of all tobacco products. We ask you to fully support these proven strategies for Vermont.

Coalition for a Tobacco Free Vermont

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<sup>i</sup> Robert Wood Johnson Foundation, American Cancer Society Cancer Action Network, Campaign for Tobacco Free Kids, American Heart Association, Americans for Nonsmokers Rights, American Lung Association. "Broken Promises to our Children: A State-by-State Look at the 1998 Tobacco Settlement 16 Years Later". 2014.

[http://www.tobaccofreekids.org/content/what\\_we\\_do/state\\_local\\_issues/settlement/FY2015/2014\\_12\\_11\\_brokenpromises\\_report.pdf](http://www.tobaccofreekids.org/content/what_we_do/state_local_issues/settlement/FY2015/2014_12_11_brokenpromises_report.pdf)

<sup>ii</sup> Vermont Department of Health, "Tobacco Control". <http://www.healthvermont.gov/prevent/tobacco/>

<sup>iii</sup> Vermont Department of Health, "Tobacco Control". <http://www.healthvermont.gov/prevent/tobacco/>

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

<sup>v</sup> Robert Wood Johnson Foundation, American Cancer Society Cancer Action Network, Campaign for Tobacco Free Kids, American Heart Association, Americans for Nonsmokers Rights, American Lung Association. "Broken Promises to our Children: A State-by-State Look at the 1998 Tobacco Settlement 16 Years Later". 2014.

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<sup>vii</sup> U.S. Department of Health and Human Services. The Health Consequences of Involuntary Exposure to Tobacco Smoke: A Report of the Surgeon General. Atlanta: U.S. Department of Health and Human Services, Centers for Disease Control and Prevention, National Center for Chronic Disease Prevention and Health Promotion, Office on Smoking and Health, 2006

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