



Vermont Tobacco Evaluation and Review Board
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TO: The Honorable Governor James H. Douglas
Senate Appropriations Committee
House Appropriations Committee
Joint Fiscal Committee

FROM: Brian S. Flynn, ScD, Chair

DATE: October 15, 2009

RE: FY2011 Budget Recommendation for the Tobacco Control Program
(Section 271 of Act 152 (2000), 18 V.S.A. chapter 225, §9505(9))

The Tobacco Evaluation and Review Board and its committees have reviewed the comprehensive tobacco control program to identify ways the program could adapt to spending reductions necessitated by the State's fiscal stresses. Based on this review, we recommend FY2011 appropriations of \$4.4 million from Master Settlement Agreement payments to support the program. This represents a reduction of about 15% from FY2009 and about 8% from current appropriations. The recommended amount is about 11% of the \$40 million annual payment Vermont now receives from the MSA. The attached table shows the recommended distribution of reductions across Departments. A second table summarizes components that would be conserved, restructured, reduced, or eliminated.

Tobacco use continues to be the single most important preventable cause of disease and death in Vermont, costing the State over \$233 million per year for health care, \$72 million of which are Medicaid expenditures. Decreases in Vermont's adult smoking rate to 17% and youth smoking to 16% are encouraging evidence that our comprehensive tobacco control program, smoke-free laws, and tobacco tax increases have had a positive impact. States with similar but longer term tobacco control programs have documented substantial cost-savings from reductions in tobacco-related chronic diseases as a result of their investments in tobacco control.

There now are 82,000 adults in Vermont who smoke, including 37% of low-income Vermonters and 44% of those with moderate or severe depression. About 600 children under age 18 in Vermont become daily smokers each year. Demand for smoking cessation services increased 83% from FY2008 to FY2009 as a result of the tobacco control program and excise tax increases.

Sustaining our tobacco control investments can extend the life-saving benefits for our citizens and the health care cost savings achieved by this program. The success of Vermont's efforts to reduce chronic disease costs depends, to a considerable extent, on continued success in reduction of cigarette smoking. Progress in further reductions of cigarette smoking is clearly related to level of investment in this program. Thank you for consideration of these recommendations. We would be happy to provide further information.

**Vermont Tobacco Evaluation and Review Board
Budget Recommendation**

**Total FY2010 Appropriation: \$4,805,039
Total FY2011 Recommendation: \$4,400,000**

Department of Health

FY2010 Appropriation: \$3,196,507 FY2011 Recommendation: \$3,067,620

Tobacco Cessation Programs

Provides nicotine replacement therapy and free quit smoking programs in-person, by telephone, and on the internet.

Community-Based Programs

Community coalitions provide prevention, cessation, and messaging activities for youth and adults geographically across the state.

Tobacco Reduction Marketing and Public Education

Provides state and local communication campaigns to help youth avoid smoking, help smokers to quit, and reduce exposure to second-hand smoke.

Surveillance

Administration of the Adult Tobacco Survey required for program evaluation.

Department of Education

FY2010 Appropriation: \$988,917 FY2011 Recommendation: \$838,466

School Grants and Technical Assistance

Provides grants and technical assistance to supervisory unions to implement model tobacco prevention programs.

Department of Liquor Control

FY2010 Appropriation: \$296,306 FY2011 Recommendation: \$243,914

Retailer Training and Compliance Checks

Provides training to retail tobacco licensees and their employees and implements compliance checks for underage tobacco sales as required by statute.

Tobacco Evaluation and Review Board (AHS Central Office)

FY2010 Appropriation: \$323,309 FY2011 Recommendation: \$250,000

Board Support

Continue funding one full-time staff and additional administrative support, and meeting expenses for staff and board members, as directed by statute.

Independent Evaluation Contract

Continue independent program evaluation as mandated by statute.

Vermont Tobacco Evaluation and Review Board
Tobacco Control Program components that would be preserved, restructured, or eliminated given a funding level of \$4.4M for FY2011.

Department of Health
FY2011 Recommendation: \$3,067,620

Preserved: The Department will continue to implement smoking cessation treatment, community coalition grants, public education, and surveillance activities.

Restructured, Reduced or Eliminated:

- Eliminate healthcare provider cessation counseling education.
- Eliminate one-on-one in-person cessation counseling.
- Eliminate funds for teen cessation programs in high schools.
- Reduce the amount of Nicotine Replacement Therapy (nicotine gum, patches, and lozenges) available to those trying to quit smoking.
- Reduce the number of smokers supported with cessation counseling.
- Reduce the number of grants, the amount of each grant, and number of tobacco control activities conducted by community coalitions.
- Reduce visibility and reach of strategic messages that promote prevention and cessation among youth and adults.

Department of Education
FY2011 Recommendation: \$838,466

Preserved: The Department will continue to support the school-based tobacco use prevention program goals of prevention curriculum and cessation efforts, policy communication and enforcement, and family and community linkages to the program.

Restructured, Reduced or Eliminated:

- Decrease education, prevention, and intervention services available to Vermont schools (including position cuts).
- Reduce statewide professional development and curriculum training for prevention educators.
- Reduce prevention education in the classroom and availability of peer leadership and cessation activities in schools through the creation of a new granting structure.

Department of Liquor Control
FY2011 Recommendation: \$243,914

Preserved: The Department will continue to conduct the compliance checks and provide retailer training for those who sell tobacco. The number of compliance checks would remain the same.

Restructured, Reduced or Eliminated:

- Eliminate one trainer position within the Education Division.
- Reduce retailer trainings by one-third. 3,882 tobacco and alcohol servers and sellers would have to be trained by their employers, placing a burden upon businesses.
- Possible decrease of retailer compliance rates (for not selling tobacco to a minor), currently at the 90% compliance rate mandated by state statute.