North Dakota Tobacco Prevention and Control Executive Committee
Center for Tobacco Prevention and Control Policy
4023 State Street, Suite 65 • Bismarck, ND 58503-0638
Phone 701.328.5130 • Fax 701.328.5135 • Toll Free 1.877.277.5090

Testimony to the Interim Health Services Committee
Senator Judy Lee, Chair
from Jeanne Prom, Executive Director
North Dakota Center for Tobacco Prevention and Control Policy
July 31, 2013

Study language included in 2013 Senate Bill 2024, the Center appropriation:

- service delivery systems for the comprehensive statewide tobacco prevention and control programs provided by the Executive Committee through the Center; and
- how these are consistent with the U.S. Centers for Disease Control and Preventions *Best Practices for Comprehensive Tobacco Control Programs, October 2007* – including:
  - background on the Master Settlement Agreement (MSA), which is the source of the Center's appropriated funding; and the
  - law that created this agency.

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Best Practices for Comprehensive Tobacco Control Programs

	Per Capita Recommendation	
I. State and Community Interventions Multiple societal resources working together have the greatest long-term population impact.	**$7.37**	**50%**
II. Health Communication Interventions Media interventions prevent tobacco use initiation, promote cessation, and shape social norms.	**$1.86**	**13%**
III. Cessation Interventions Tobacco use treatment is highly cost-effective.	**$3.52**	**24%**
IV. Surveillance and Evaluation Publicly financed programs should be accountable and demonstrate effectiveness.	**$1.28**	**8%**
V. Administration and Management Complex, integrated programs require experienced staff to provide fiscal management, accountability, and coordination.	**$0.64**	**5%**
	Total $14.67	**100%**

These should be updated annually according to the U.S. Department of Labor Consumer Price Index and U.S. Census Bureau.

Best Practices for Comprehensive Tobacco Control Programs

Deaths in North Dakota Caused by Smoking

Annual average smoking-attributable deaths	900
Youth ages 0-17 projected to die from smoking	11,000

Annual Costs Incurred in North Dakota from Smoking

Total medical	$247 million
Medicaid medical	$47 million
Lost productivity from premature death	$190 million

State Revenue from Tobacco Excise Taxes and Settlement

FY 2006 tobacco tax revenue	$23.3 million
FY 2006 tobacco settlement payment	$21.3 million
Total state revenue from tobacco excise taxes and settlement	$44.6 million

Percent tobacco revenue to fund at CDC recommended level **21%**

Source: Center for Disease Control and Prevention Best Practices 2007

Master Settlement Agreement (MSA)

November 23, 1998

46 States

Brown & Williamson
Lorillard
Philip Morris
R.J. Reynolds

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Tobacco Control Legal Consortium

Master Settlement Agreement (MSA)

WHEREAS, the Settling States that have commenced litigation have sought to obtain equitable relief and damages under state laws, including consumer protection and/or antitrust laws, **in order to further the Settling States' policies regarding public health, including policies adopted to achieve a significant reduction in smoking by Youth;**

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How has North Dakota spent tobacco settlement?

Annual Payments (1998-perpetuity) & 1 Strategic Contribution Fund Deposit (2008)

1999 – present -- NDCC 54-27-25*

- 45% -- Water Development Trust Fund
- 45% -- Common Schools Trust Fund
- 10% -- Community Health Trust Fund – Dept. of Health*

9 of 10 Strategic Contribution Fund Deposits (2009-2017)

2008 – present -- NDCC 23-42-01 through 07:

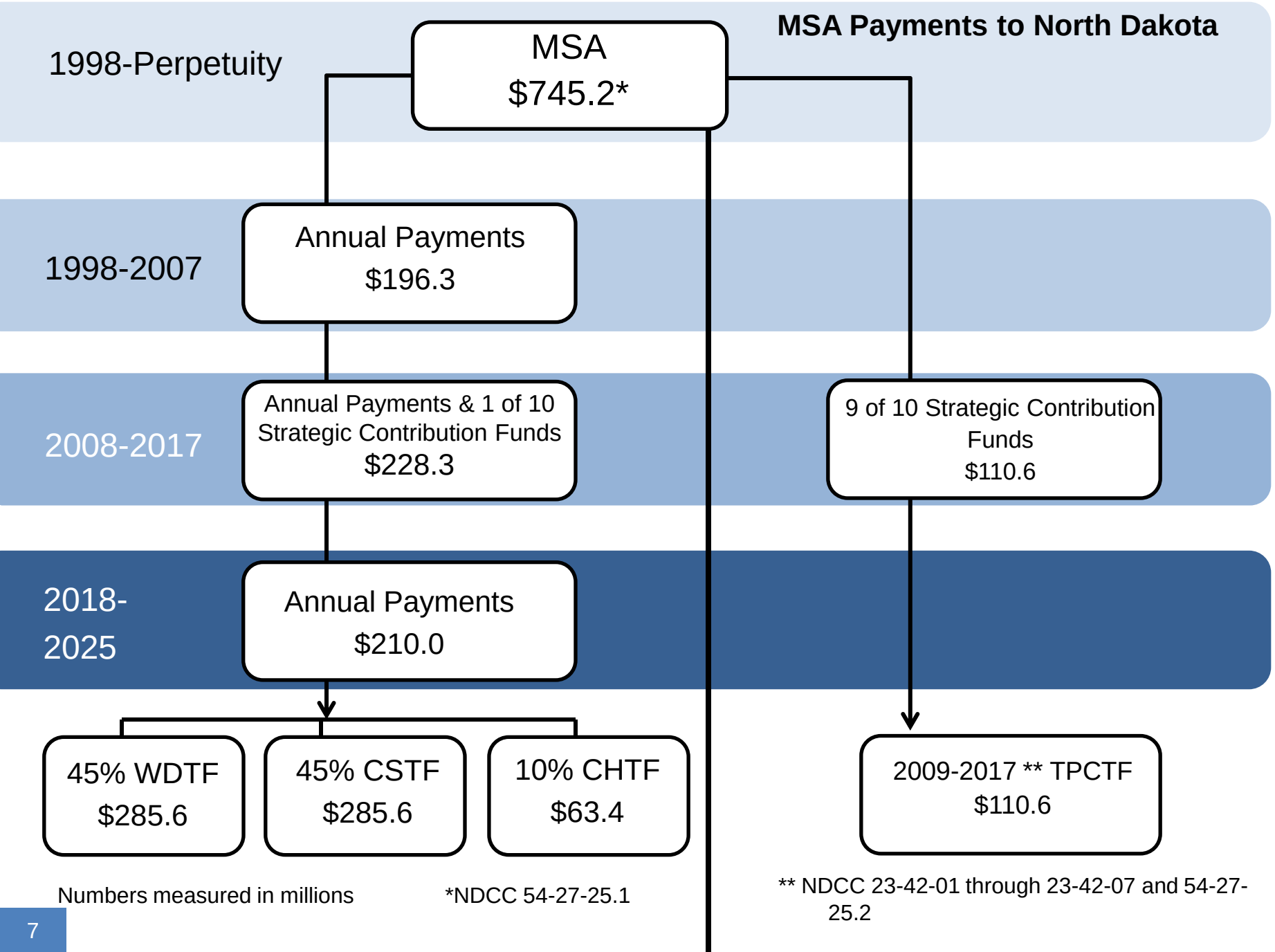
- Governor- appointed Advisory Committee & Executive Committee
- Funds for implementing a comprehensive statewide tobacco prevention and control State Plan according to CDC Best Practices
- Tobacco Prevention and Control Trust Fund -- 9 of 10 tobacco settlement Strategic Contribution Fund payments (different than regular payments)

Annual Payments (1998-perpetuity)

- 80% of Community Health Trust Fund for tobacco control*****

*Since 2008, NDCC 54-27-25 has required that a minimum 80% of the community Health Trust Funds be used for tobacco prevention and control.

MSA Payments to North Dakota



Numbers measured in millions

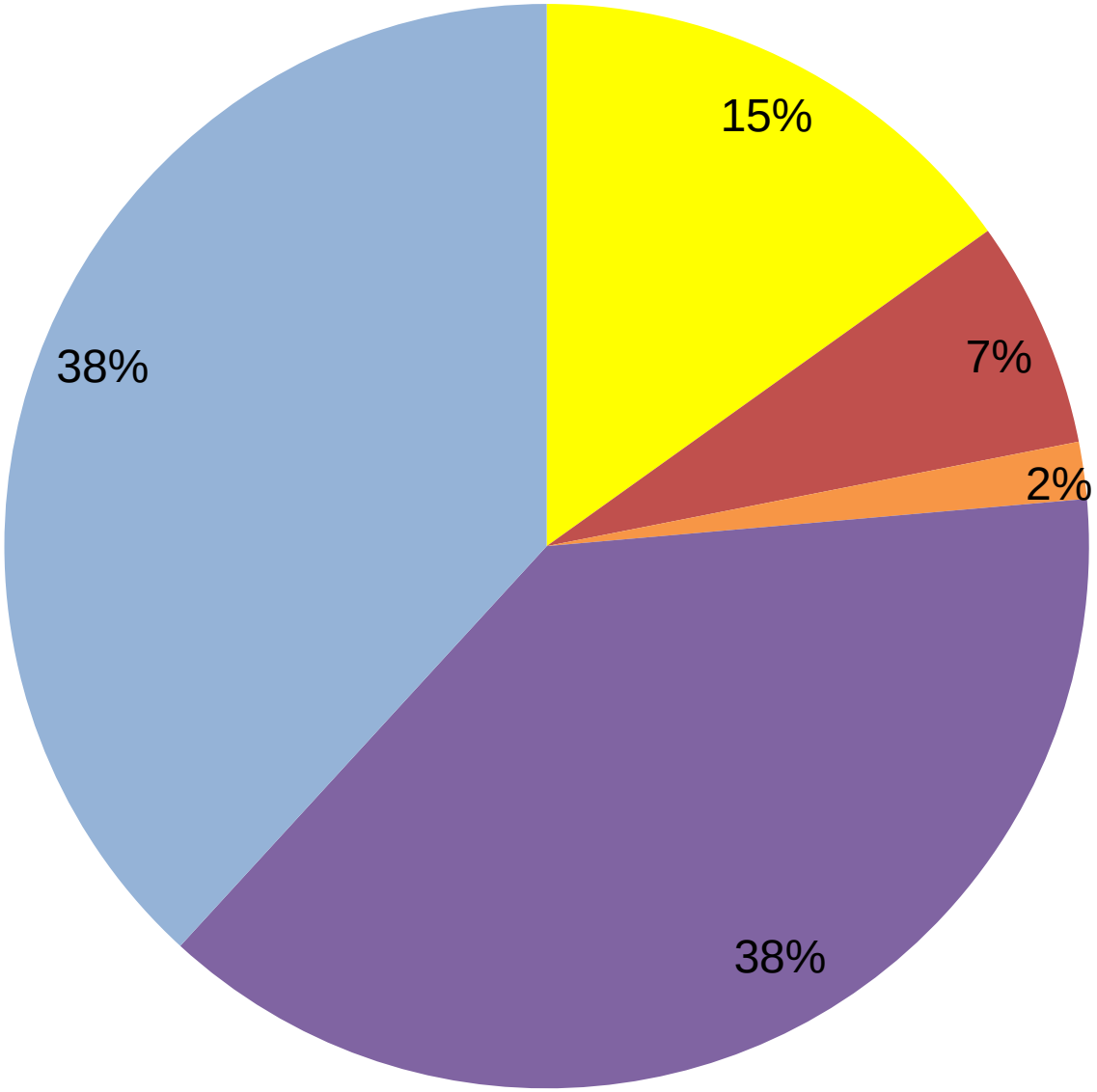
*NDCC 54-27-25.1

** NDCC 23-42-01 through 23-42-07 and 54-27-25.2

MSA payments to North Dakota (actual/estimated)

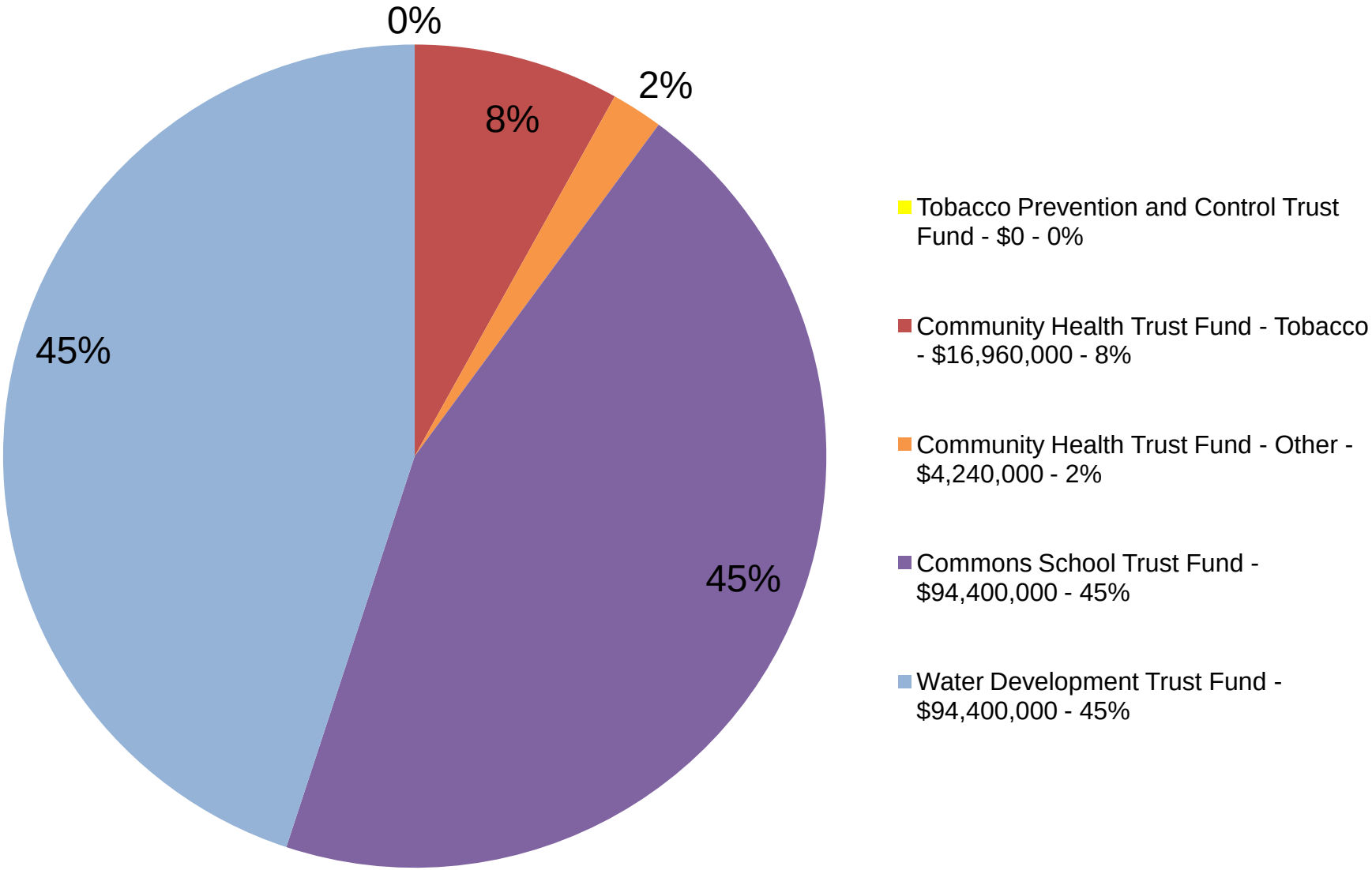
	Total	SCF – M3	45- water	45-schools	10-CHTF
1999-2001	$ 52.9		$ 23.8	$ 23.8	$ 5.3
2001-2003	53.5		24.1	24.1	5.3
2003-2005	46.2		20.8	20.8	4.6
2005-2007	43.7		19.7	19.7	4.3
2007-2009	75.6	$14.1	27.7	27.7	6.1
2009-2011	64.0	23.5	18.2	18.2	4.1
2011-2013	63.0	22.8	18.1	18.1	4.0
2013-2015	62.6	22.6	18.0	18.0	4.0
2015-2017	73.7	27.6	20.8	20.8	4.5
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
TOTAL	$745.2	$110.6	$285.6	$285.6	$63.4

Actual Annual & Strategic Contribution Fund Deposits
1999 – 2013 $399,357,525



- Tobacco Prevention and Control Trust Fund - $60,393,773 - 15% (5 of 6 Strategic Contribution Fund Payments)
- Community Health Trust Fund - Tobacco - $27,117,100 - 7% (8% of Annual Payments)
- Community Health Trust Fund - Other - $6,779,275 - 2% (2% of Annual Payments)
- Commons School Trust Fund - $152,533,688 - 38% (45% of Annual Payments)
- Water Development Trust Fund - $152,533,688 - 38% (45% of Annual Payments)

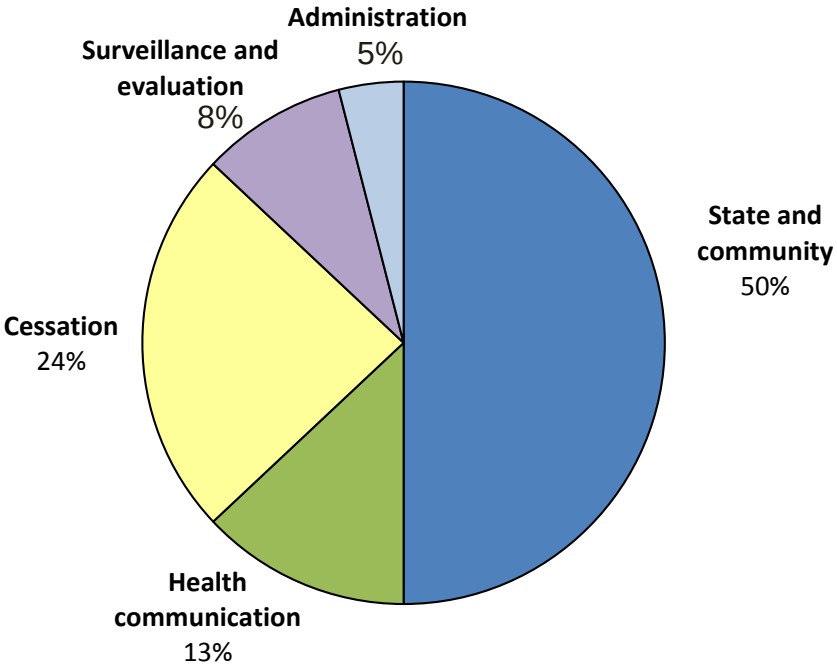
Estimated Annual Payment Deposits FY 2018 - 2025
$210,000,000



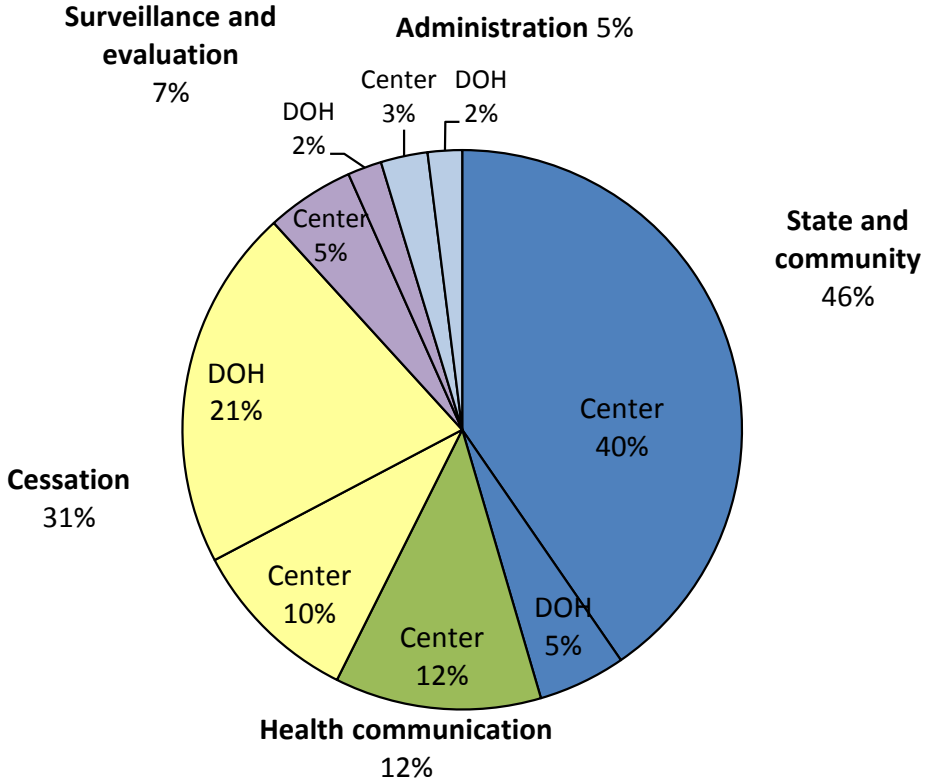
(Strategic Contribution Fund Deposits End In 2017)

Funding compared to Best Practices by component, 2011-2013 biennium

CDC recommended allocation



North Dakota allocation



CDC Best Practices Funding and Expenditures per year

	2006	2007	2008	2009	2010	2011	2012	2013	2014
ND Resident Population	649,422	652,822	657,569	664,968	674,629	683,932	699,628	716,426	733,224
CPI Rate Change (inflation)		2.80%	3.80%	-0.40%	1.60%	3.20%	2.10%	2.10%	2.50%

*CDC estimated 2006 population 636,000

** 2013 and 2014 CPI rate change is from Moody's Analytics most recent forecast

*** 2013 and 2014 population is not an actual estimate. 2015 estimated population is 750,023. Assumed proportional growth was used for 2013 and 2014.

Per Capita	07 Dollars/06 population	08 Dollars/07 population	09 Dollars/08 population	10 Dollars/09 population	11 Dollars/10 population	12 Dollars/11 population	13 Dollars/12 population	14 Dollars/13 population	15 Dollars/14 population
Administrative and Management	$ 0.64	$ 0.66	$ 0.68	$ 0.68	$ 0.69	$ 0.71	$ 0.73	$ 0.75	$ 0.77
Surveillance and Evaluation	$ 1.28	$ 1.32	$ 1.37	$ 1.36	$ 1.38	$ 1.42	$ 1.45	$ 1.48	$ 1.52
Cessation Interventions	$ 3.52	$ 3.62	$ 3.76	$ 3.74	$ 3.80	$ 3.92	$ 4.00	$ 4.08	$ 4.18
Health Communications Interventions	$ 1.86	$ 1.91	$ 1.98	$ 1.97	$ 2.00	$ 2.07	$ 2.11	$ 2.15	$ 2.20
State and Community Interventions	$ 7.37	$ 7.58	$ 7.86	$ 7.83	$ 7.96	$ 8.21	$ 8.38	$ 8.56	$ 8.77
Recommended Annual Investment	$ 14.67	$ 15.09	$ 15.65	$ 15.58	$ 15.83	$ 16.33	$ 16.67	$ 17.02	$ 17.44

Total Dollars	07 Dollars/06 population	08 Dollars/07 population	09 Dollars/08 population	10 Dollars/09 population	11 Dollars/10 population	12 Dollars/11 population	13 Dollars/12 population	14 Dollars/13 population	15 Dollars/14 population
Administrative and Management	$ 415,630.08	$ 430,862.52	$ 447,146.92	$ 452,178.24	$ 465,494.01	$ 485,591.72	$ 510,728.44	$ 537,319.50	$ 564,582.48
Surveillance and Evaluation	$ 831,260.16	$ 861,725.04	$ 900,869.53	$ 904,356.48	$ 930,988.02	$ 971,183.44	$ 1,014,460.60	$ 1,060,310.48	$ 1,114,500.48
Cessation Interventions	$ 2,285,965.44	$ 2,363,215.64	$ 2,472,459.44	$ 2,486,980.32	$ 2,563,590.20	$ 2,681,013.44	$ 2,798,512.00	$ 2,923,018.08	$ 3,064,876.32
Health Communications Interventions	$ 1,207,924.92	$ 1,246,890.02	$ 1,301,986.62	$ 1,309,986.96	$ 1,349,258.00	$ 1,415,739.24	$ 1,476,215.08	$ 1,540,315.90	$ 1,613,092.80
State and Community Interventions	$ 4,786,240.14	$ 4,948,390.76	$ 5,168,492.34	$ 5,206,699.44	$ 5,370,046.84	$ 5,615,081.72	$ 5,862,882.64	$ 6,132,606.56	$ 6,430,374.48
Recommended Annual Investment	$ 9,527,020.74	$ 9,851,083.98	$ 10,290,954.85	$ 10,360,201.44	$ 10,679,377.07	$ 11,168,609.56	$ 11,662,798.76	$ 12,193,570.52	$ 12,787,426.56

The Center and NDDoH spending amounts per Fiscal Year compared to CDC Recommended Budget

FY 2010 (7/1/2009 - 6/30/2010)	Center	NDDOH Budget	Total	CDC Budget 2009
Administrative and Management	$ 125,108.73	$ 185,673.00	$ 310,781.73	$ 447,146.92
Surveillance and Evaluation	$ 138,931.68	$ 216,619.00	$ 355,550.68	$ 900,869.53
Cessation Interventions	$ 249,179.26	$ 2,166,189.00	$ 2,415,368.26	$ 2,472,459.44
Health Communications Interventions	$ 507,077.03		$ 507,077.03	$ 1,301,986.62
State and Community Interventions	$ 2,510,780.58	$ 526,074.00	$ 3,036,854.58	$ 5,168,492.34
Total	$ 3,531,077.28	$ 3,094,555.00	$ 6,625,632.28	$ 10,290,954.85

FY 2011 (07/01/2010 - 6/30/2011)				CDC Budget 2009
Administrative and Management	$ 189,394.43	$ 185,673.00	$ 375,067.43	$ 447,146.92
Surveillance and Evaluation	$ 154,095.47	$ 216,619.00	$ 370,714.47	$ 900,869.53
Cessation Interventions	$ 445,828.18	$ 2,166,189.00	$ 2,612,017.18	$ 2,472,459.44
Health Communications Interventions	$ 871,183.36		$ 871,183.36	$ 1,301,986.62
State and Community Interventions	$ 2,924,026.74	$ 526,074.00	$ 3,450,100.74	$ 5,168,492.34
Total	$ 4,584,528.18	$ 3,094,555.00	$ 7,679,083.18	$ 10,290,954.85

FY 2012 (07/01/2011 - 6/30/2012)				CDC Budget 2010
Administrative and Management	$ 218,106.77	$ 182,826.00	$ 400,932.77	$ 452,178.24
Surveillance and Evaluation	$ 82,485.13	$ 181,595.00	$ 264,080.13	$ 904,356.48
Cessation Interventions	$ 926,579.10	$ 1,933,269.00	$ 2,859,848.10	$ 2,486,980.32
Health Communications Interventions	$ 1,000,841.11	$ -	$ 1,000,841.11	$ 1,309,986.96
State and Community Interventions	$ 3,483,495.91	$ 466,836.50	$ 3,950,332.41	$ 5,206,699.44
Total	$ 5,711,508.02	$ 2,764,526.50	$ 8,476,034.52	$ 10,360,201.44

FY 2013 (07/01/2012 - 6/30/2013) - Estimated				CDC Budget 2010
Administrative and Management	$ 269,780.45	$ 182,826.00	$ 452,606.45	$ 452,178.24
Surveillance and Evaluation	$ 337,874.95	$ 181,595.00	$ 519,469.95	$ 904,356.48
Cessation Interventions	$ 801,131.80	$ 1,933,269.00	$ 2,734,400.80	$ 2,486,980.32
Health Communications Interventions	$ 1,130,393.67	$ -	$ 1,130,393.67	$ 1,309,986.96
State and Community Interventions	$ 3,508,222.24	$ 466,836.50	$ 3,975,058.74	$ 5,206,699.44
Total	$ 6,047,403.11	$ 2,764,526.50	$ 8,811,929.61	$ 10,360,201.44

2013 - 2015 Biennium Budget				CDC Budget 2012
Administrative and Management	$ 666,737.00	$ 332,655.00	$ 999,392.00	$ 1,021,457.00
Surveillance and Evaluation	$ 1,408,221.00	$ 388,098.00	$ 1,796,319.00	$ 2,028,921.00
Cessation Interventions	$ 1,486,282.00	$ 3,880,976.00	$ 5,367,258.00	$ 5,597,024.00
Health Communications Interventions	$ 2,639,944.00		$ 2,639,944.00	$ 2,952,430.00
State and Community Interventions	$ 9,614,644.00	$ 942,523.00	$ 10,557,167.00	$ 11,725,765.00
Total	$ 15,815,828.00	$ 5,544,252.00	$ 21,360,080.00	$ 23,325,597.00

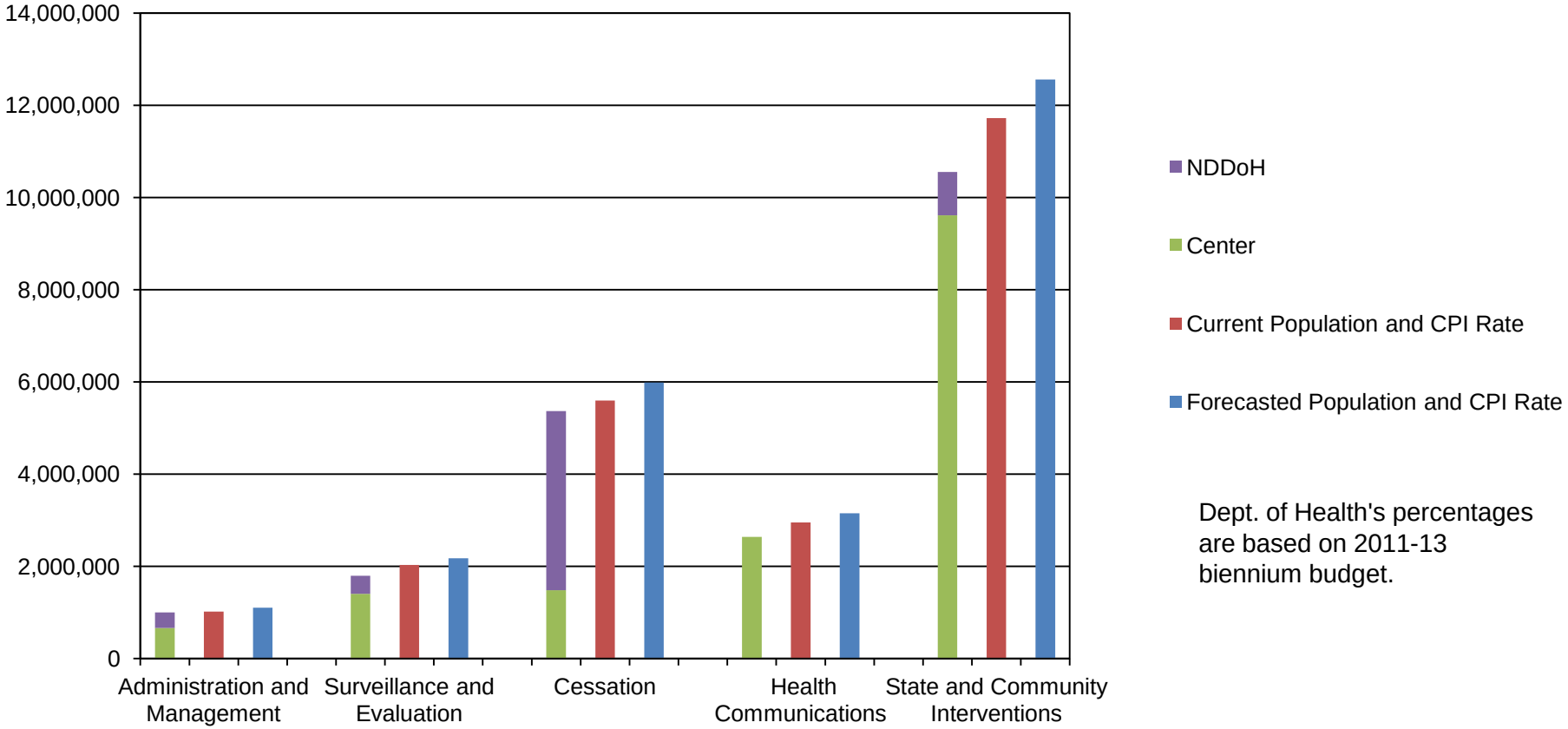
Note - Department of Health amounts are appropriated funds divided equally between the two years of the biennium. The Department of Health does not record expenditures by CDC Best Practices categories.

Approximate CDC Best Practice Funding for North Dakota 2013-2015
N.D. Department of Health & Center for Tobacco Prevention & Control Policy

CDC Best Practice Component	2012 CDC Recommended Funding -- Minimum (approximate)	2013 – 2015 Forecasted CDC Recommended Funding -- Minimum (approximate)	2013 – 2015 Department of Health	2013 – 2015 Center Funding
State & Community Interventions	$11,725,765	$12,562,981	$ 942,522	$ 9,614,644
Health Communications	$ 2,952,430	$3,153,409	$0	$ 2,639,944
Cessation	$ 5,597,024	$ 5,987,894	$3,880,976	$ 1,486,282
Surveillance & Evaluation	$ 2,028,921	$ 2,174,811	$ 388,098	$ 1,408,221
Administration & Management	$ 1,021,457	$1,101,902	$ 332,655	$ 666,737
TOTAL	$23,325,598	$24,980,997	**$5,544,251**	**$15,815,828**
			Combined $21,360,079	
Difference Under Budget	$1,965,518	$3,620,918		

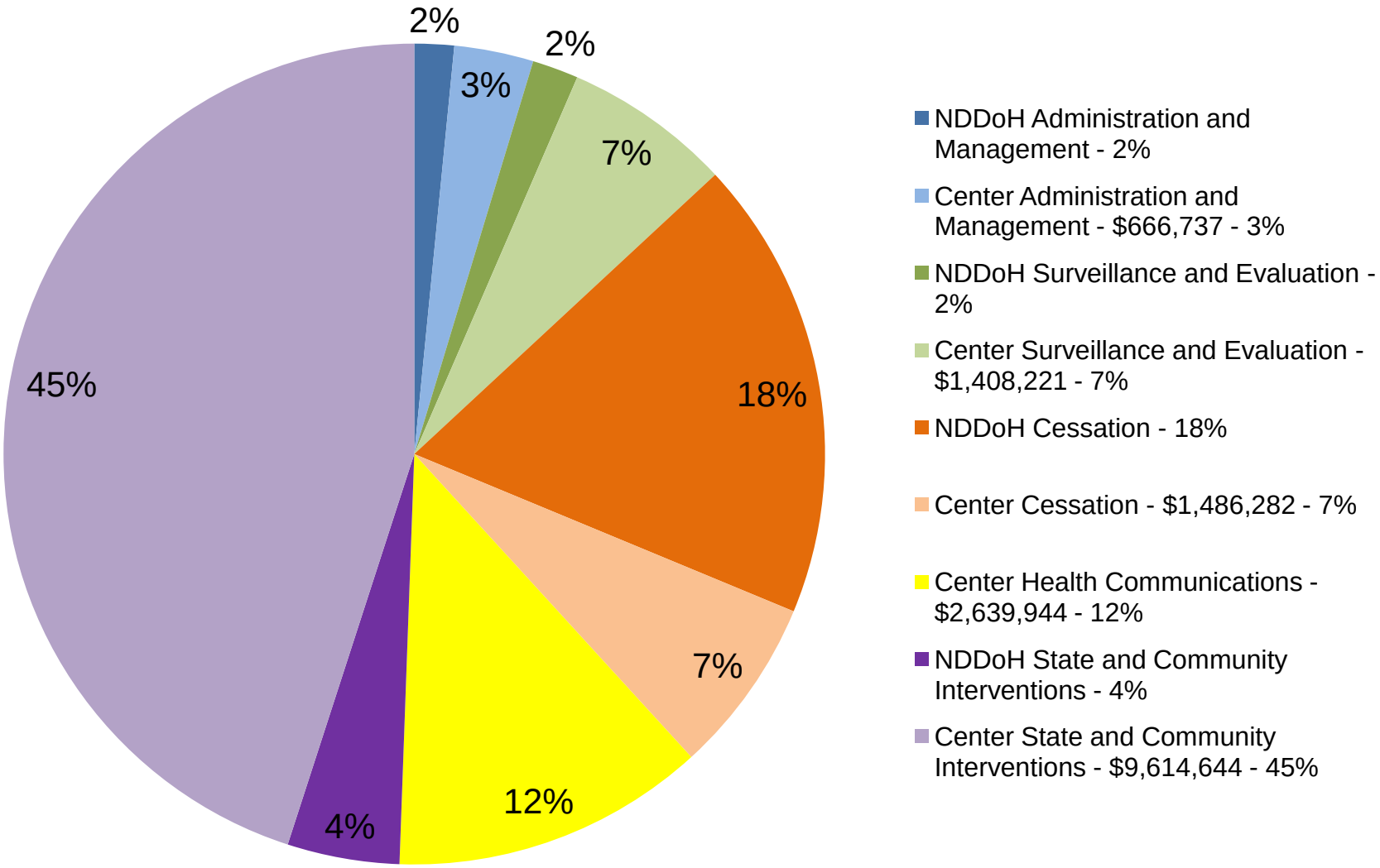
Department of Health's share of components based on 2011-13 budget.

2013-2015 Center and NDDoH Spending by CDC Components Compared to Current Population and CPI Rate and Forecasted Population and CPI Rate



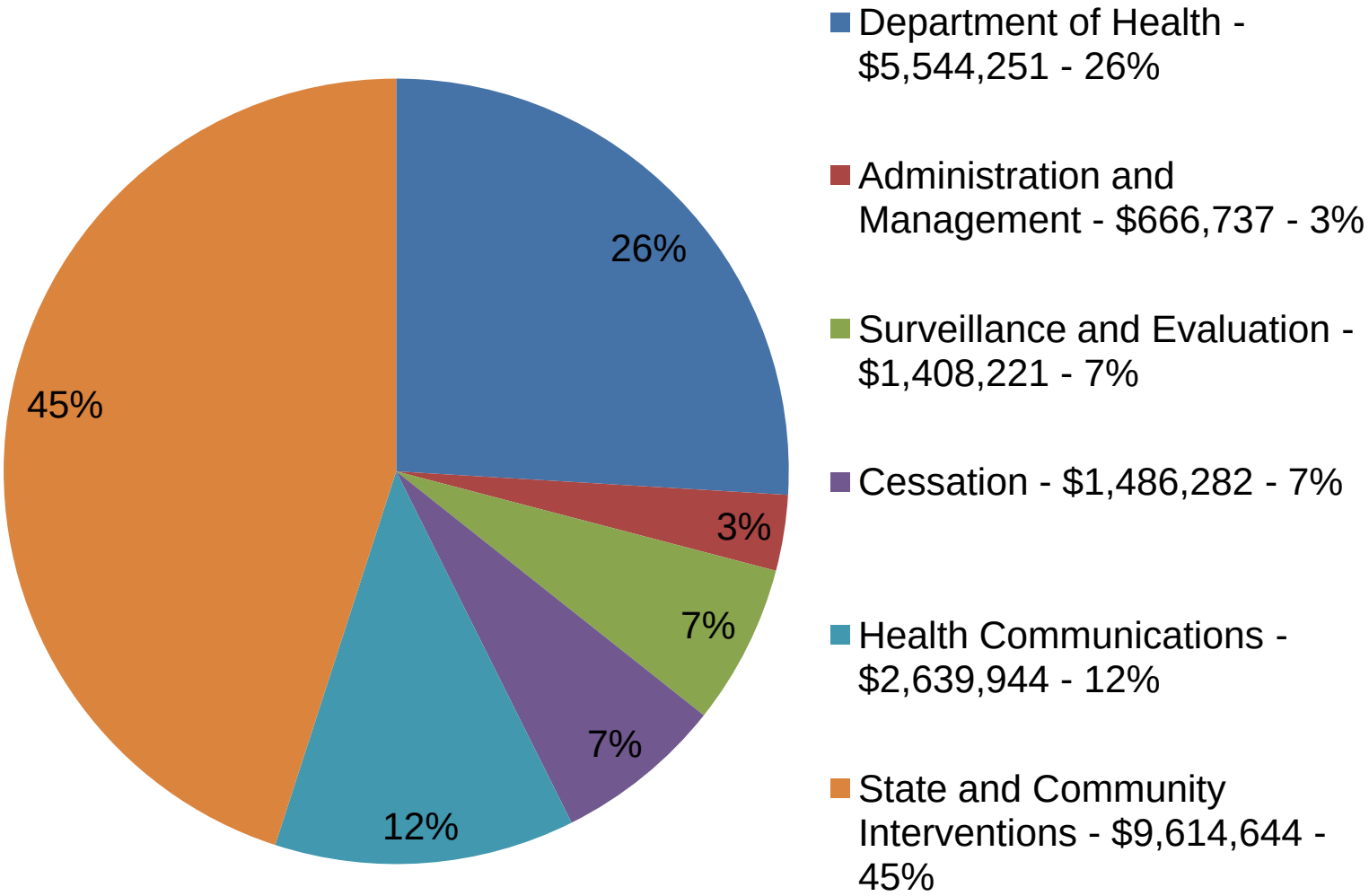
Dept. of Health's percentages are based on 2011-13 biennium budget.

Comprehensive Tobacco Control Program - 2013-2015 Budget By CDC Best Practice Category - Center & NDDoH



Dept . of Health's percentages are based on 2011-13 biennium budget.

Comprehensive Tobacco Control Program
2013-2015 Budget
By CDC Best Practice Category – Center Only



Tobacco Prevention and Control Trust Fund - Current

The tobacco Prevention and Control Trust Fund, along with 80% of the Community Health Trust Fund, will provide the citizens of North Dakota with a comprehensive tobacco use prevention program for an adequate time to drastically cut tobacco use and keep it low. This means new generations of North Dakotans will be saved from tobacco-related disease and death, and the state will save millions in healthcare. However, if 80% of the Community Health Trust Fund is not invested in tobacco control, the funding for a comprehensive program will be depleted sooner, before some North Dakotans can benefit.

CURRENT LAW

Ability to provide a comprehensive tobacco prevention and control program in current law with 9 of 10 strategic contribution funds deposited in the Tobacco Prevention and Control Trust Fund use by the Center, combined with a continued CDC grant at DOH; and with 80% of the Community Health Trust Funds used by DOH for tobacco control.

July 1- June 30	Strategic Contribution Fund	CDC Best Practice Recommendation	CDC Tobacco Prevention Grant to DOH	Community Health Trust Fund to DOH	Tobacco Prevention and Control Trust Fund	Tobacco Prevention and Control Trust Fund Balance
Fiscal Year	Deposit			80%		
2009	14.1			2.3		14.1
2010	12.2	9.3	1.1	2.1	3.5	22.8
2011	11.2	9.3	1.1	1.9	4.6	29.4
2012	11.4	9.3	1.1	2	5.7	35.1
2013	11.4	9.3	1.1	2	6.8	39.7
2014	11.4	12.2	1	1.6	7.9	43.2
2015	11.4	12.78	1	1.6	7.9	46.7
2016	11.4	12.78	1	1.6	7.9	50.2
2017	11.4	12.78	1	1.6	7.9	53.7
2018	0	12.78	1	1.6	7.9	45.8
2019	0	12.78	1	1.6	7.9	37.9
2020	0	12.78	1	1.6	7.9	30
2021	0	12.78	1	1.6	7.9	22.1
2022	0	12.78	1	1.6	7.9	14.2
2023	0	12.78	1	1.6	7.9	6.3
2024	0					
2025	0					
2026	0					
2027	0					
2028	0					

In millions of dollars.

This chart shows that when 1) the Center's Tobacco Prevention and Control Trust Fund; 2) a $1.0 million/year CDC tobacco prevention grant at DOH; and 3) 80% of the Community Health Trust Fund are all used for tobacco prevention, then North Dakota citizens will benefit from a comprehensive tobacco use prevention program for enough time to significantly reduce tobacco use and keep it very low.

Updated July 22, 2013

Focus on: prevention, population, comprehensive, outcomes

- Nearly 90% of all tobacco users start by age 18
- Change the “norm” – tobacco-free policies
- Provide education and services in every county AND
- Reach areas with populations at high risk for tobacco use – low SES, reservations, mental health/substance use
- Evaluate for accountability, program improvement

State & community interventions

- $10.4 million ($2.2 million in additional funding), 3.0 FTEs, 100 grants
- Local policy grants – all LPHUs, all counties, education, social norm change, State Plan implementation, daily monitoring & assistance, training
- Tobacco settlement state aid grants – all LPHUs, all counties, implement & audit policy to ask/advice/refer (AAR) tobacco clients to NDQUITS, assistance, training
- Special Initiative Grants & contracts – state & local organizations, focus on State Plan implementation, technical assistance & training to grantees & others in North Dakota, areas needing more resources (chronic disease, populations with high risk for tobacco use
- Assure these interventions are combined & integrated with other CDC Best Practice components
- Assist with evaluation of the results of these grants & contracts

Health communications

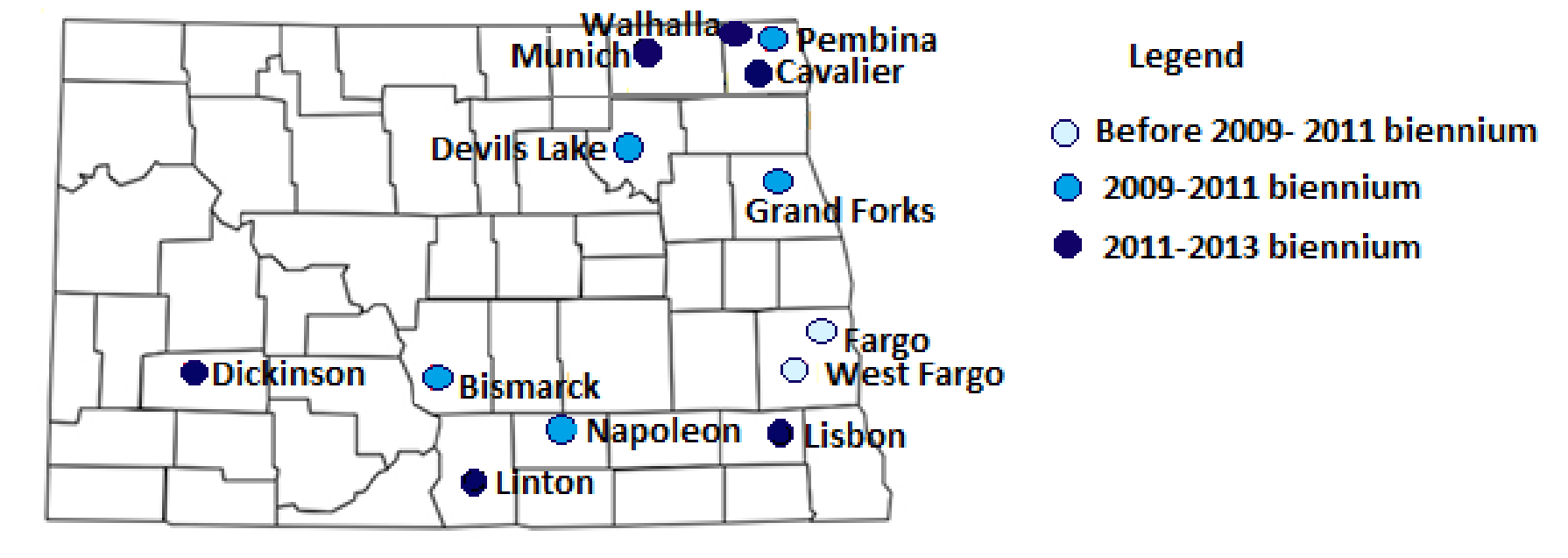
- $1.5 million in 1-5 contracts, 1.0 FTE assisted by 1.0 temporary position
- Statewide implementation of State Plan through public education
- Daily assistance to all Center staff, grantees & contractors on public education to assure health communications is combined with state & community interventions
- Assist in the evaluation of the results of public education efforts when combined with state & community interventions

Comprehensive statewide evaluation

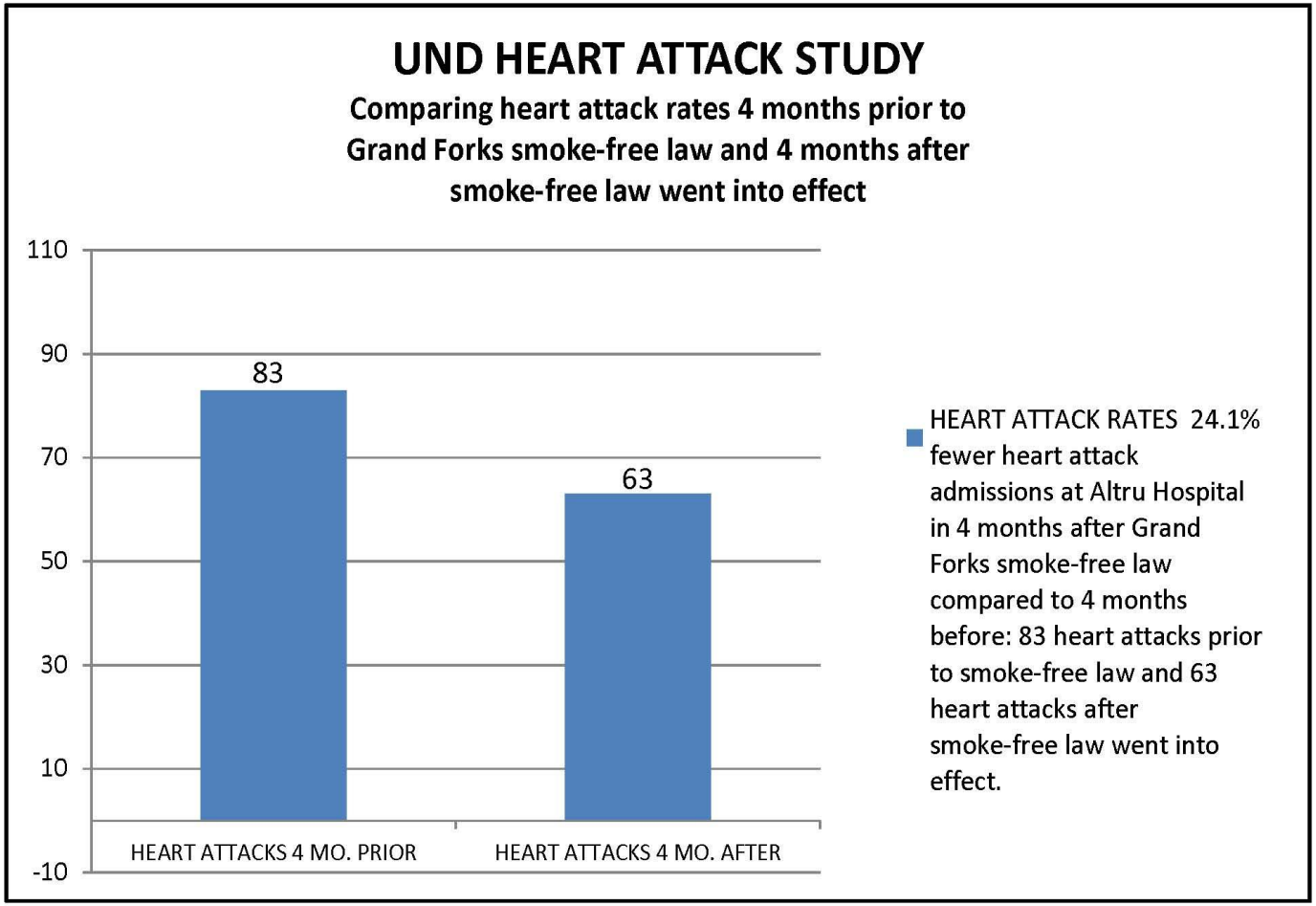
- $1.2 million in 1-3 contracts, 1.0 FTE
- Comprehensive statewide evaluation of the implementation of State Plan & its impact, including impact of all CDC Best Practice components
- Daily assistance to all Center staff, grantees & contractors on evaluation

Surveillance and evaluation findings

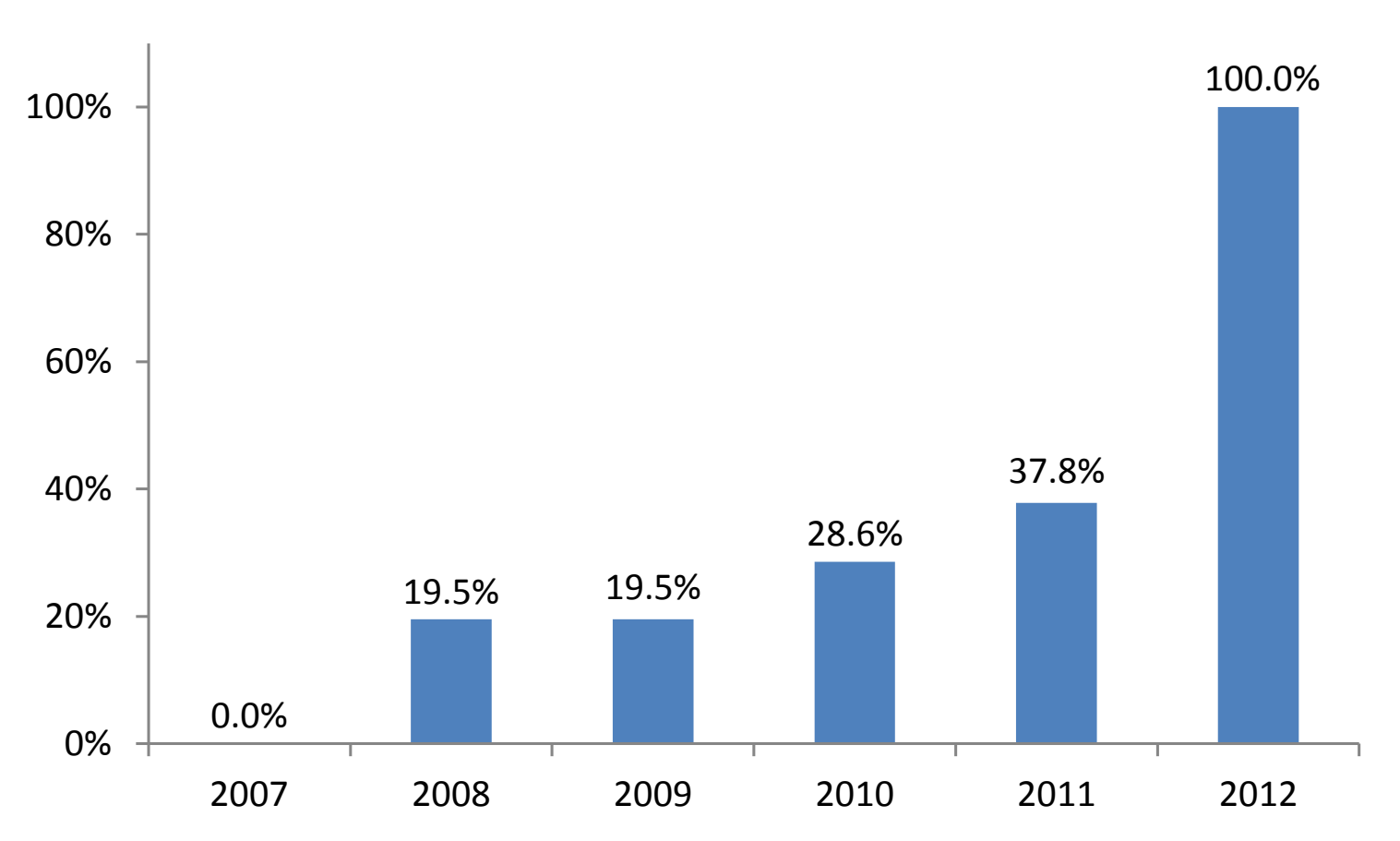
Local smoke-free policies by biennium



Major Accomplishments

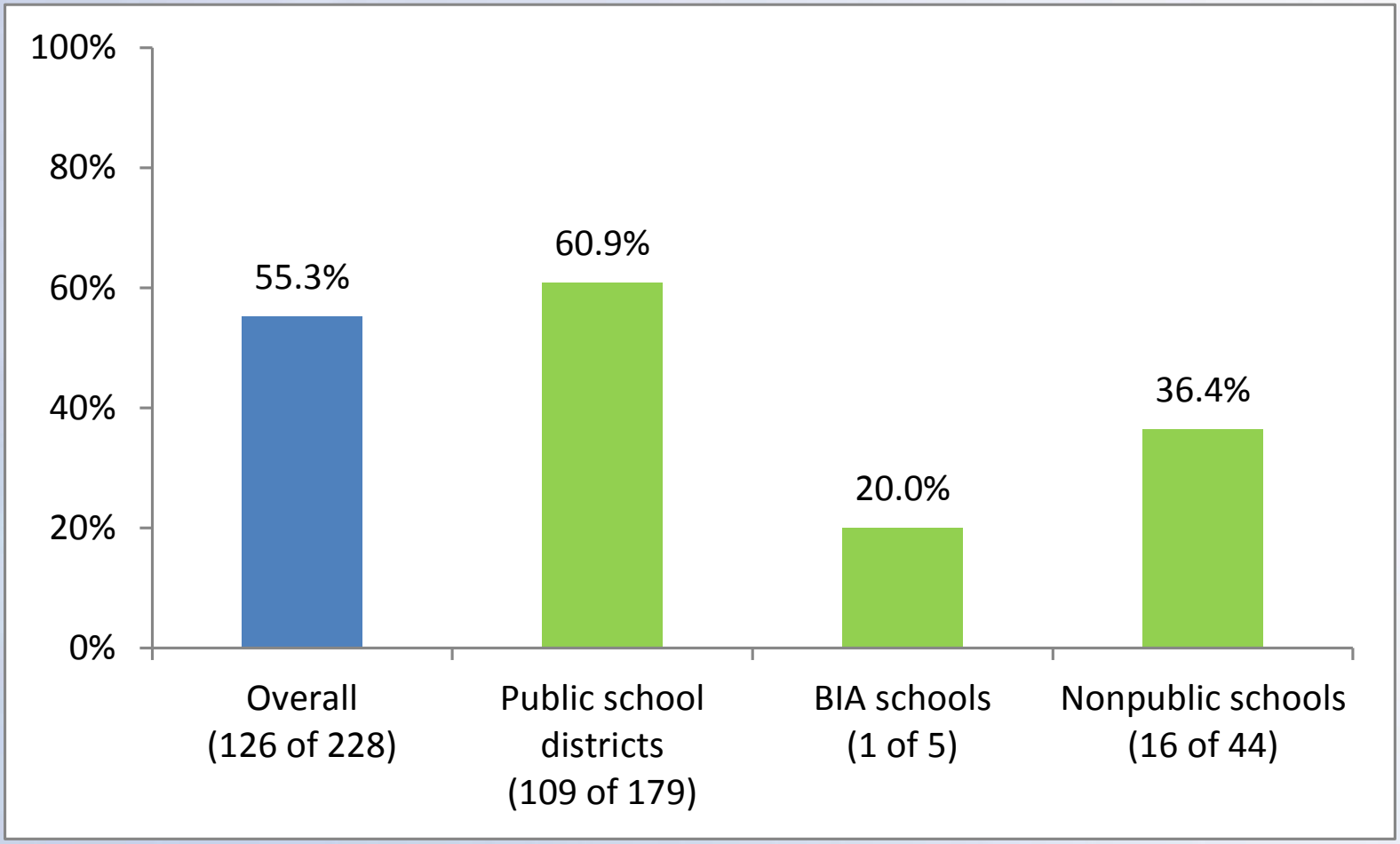


Percentage of ND population covered by comprehensive smoke-free air laws, 2007-2012



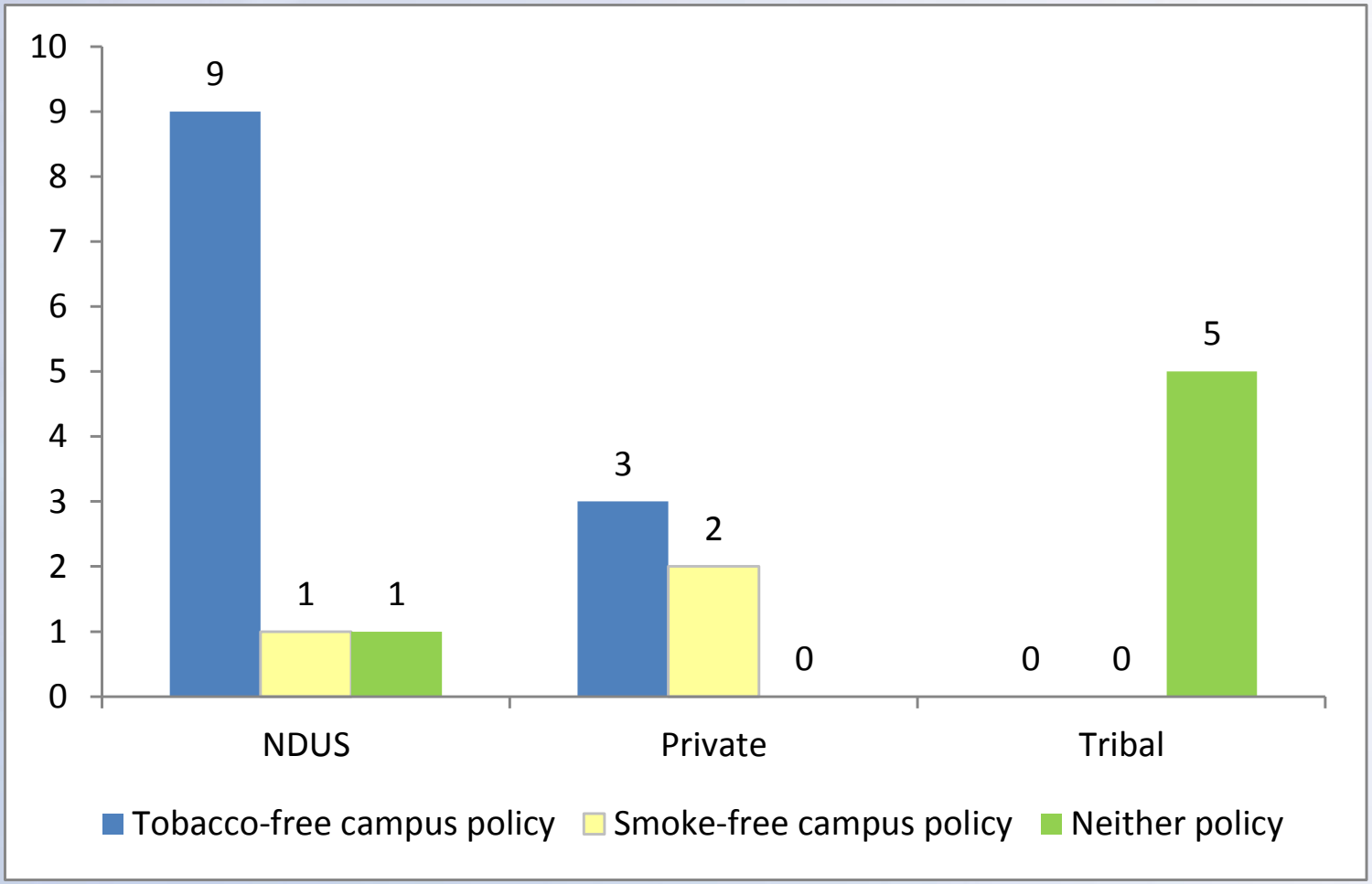
Source: Americans for Nonsmokers' Rights, 2013;, U.S. Census Bureau, 2013

Percentage of ND LEAs covered by tobacco-free school policies, overall and by type, 2013

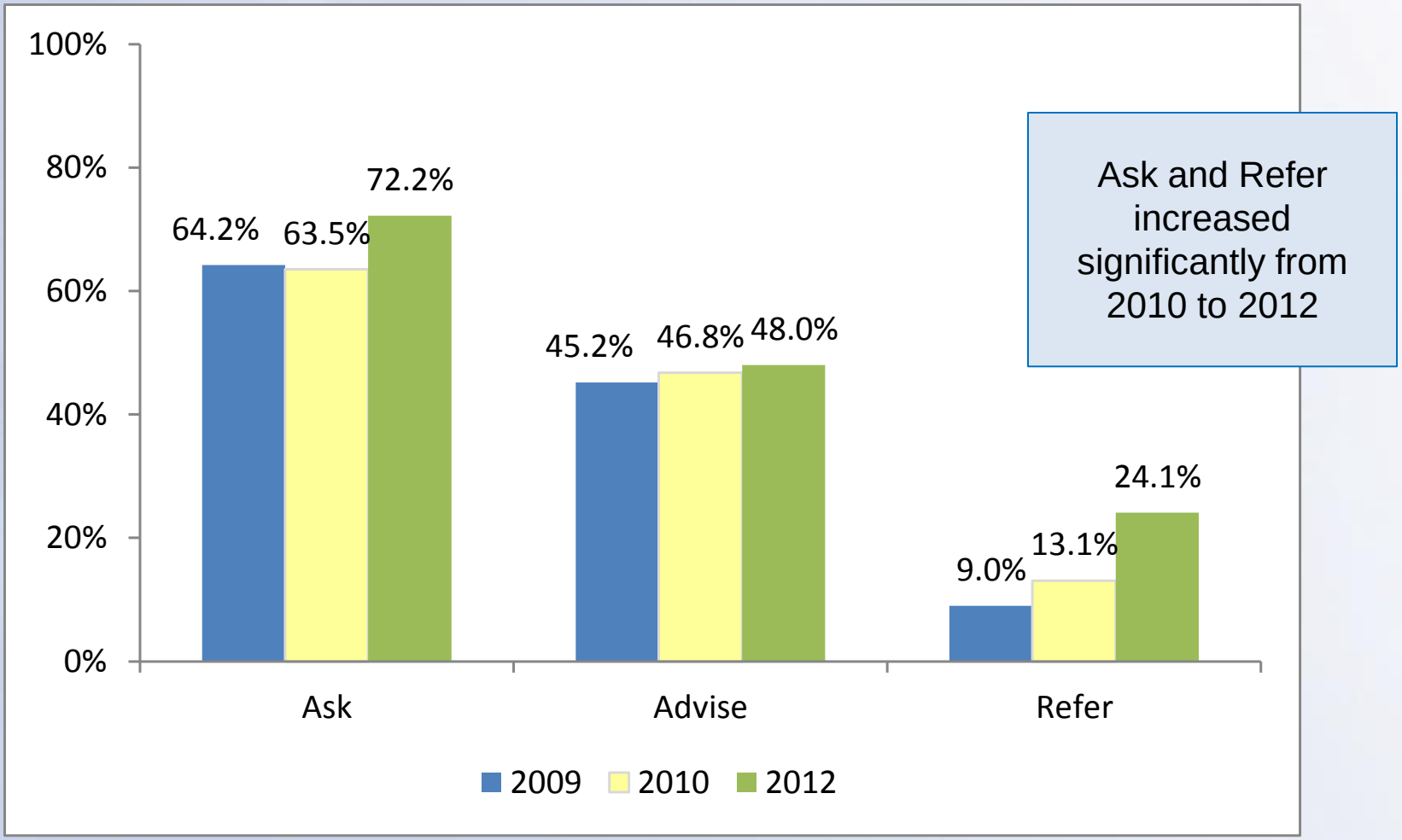


Source: Center for Tobacco Prevention and Control Policy, 2013; ND DPI, 2013

ND college/university tobacco-related policies, 2013

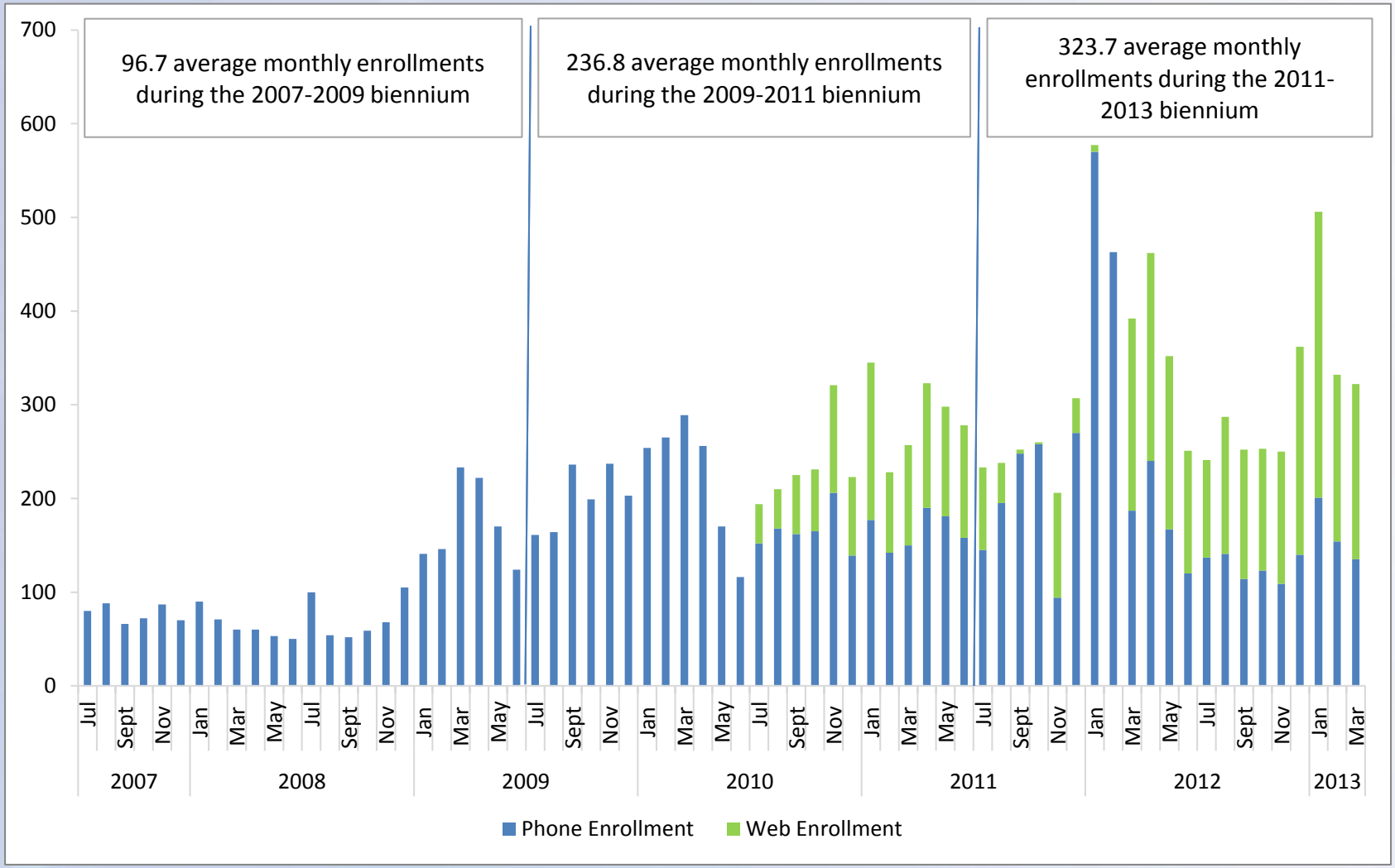


ND smokers' reports of Ask – Advise – Refer

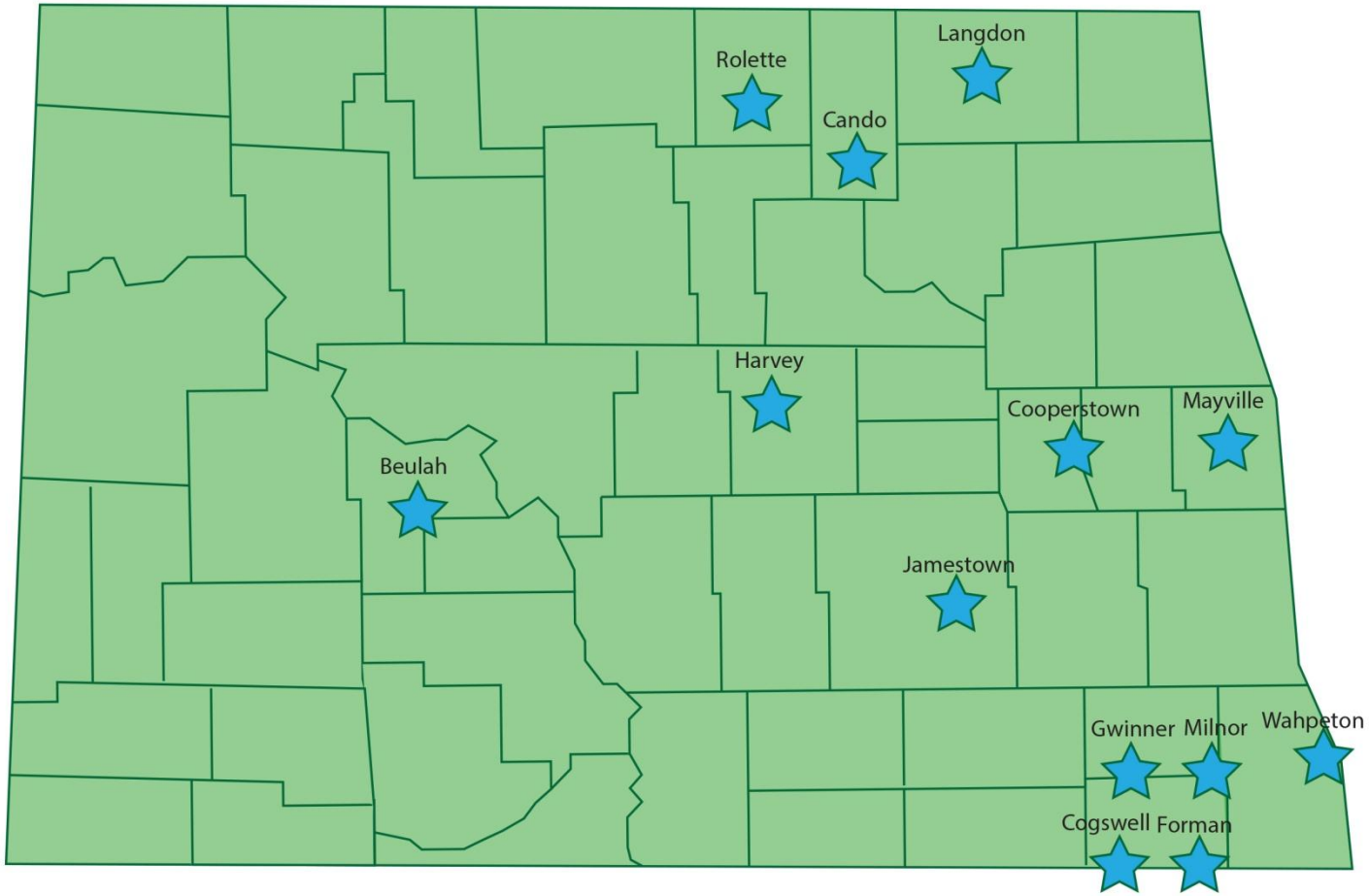


Source: ATS, 2009, 2010, 2012

NDQuits monthly enrollment per biennium



North Dakota Tobacco-Free Parks



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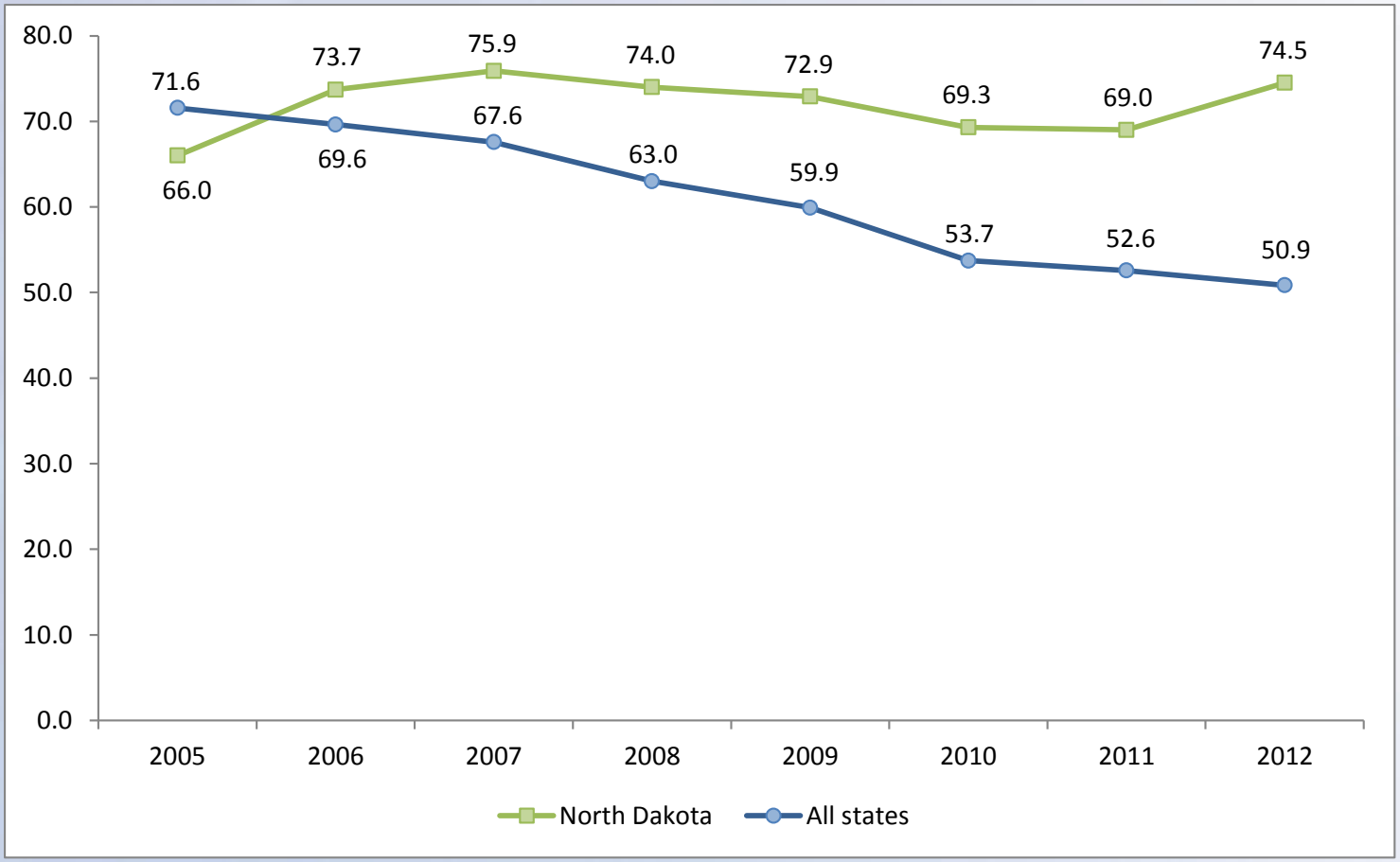
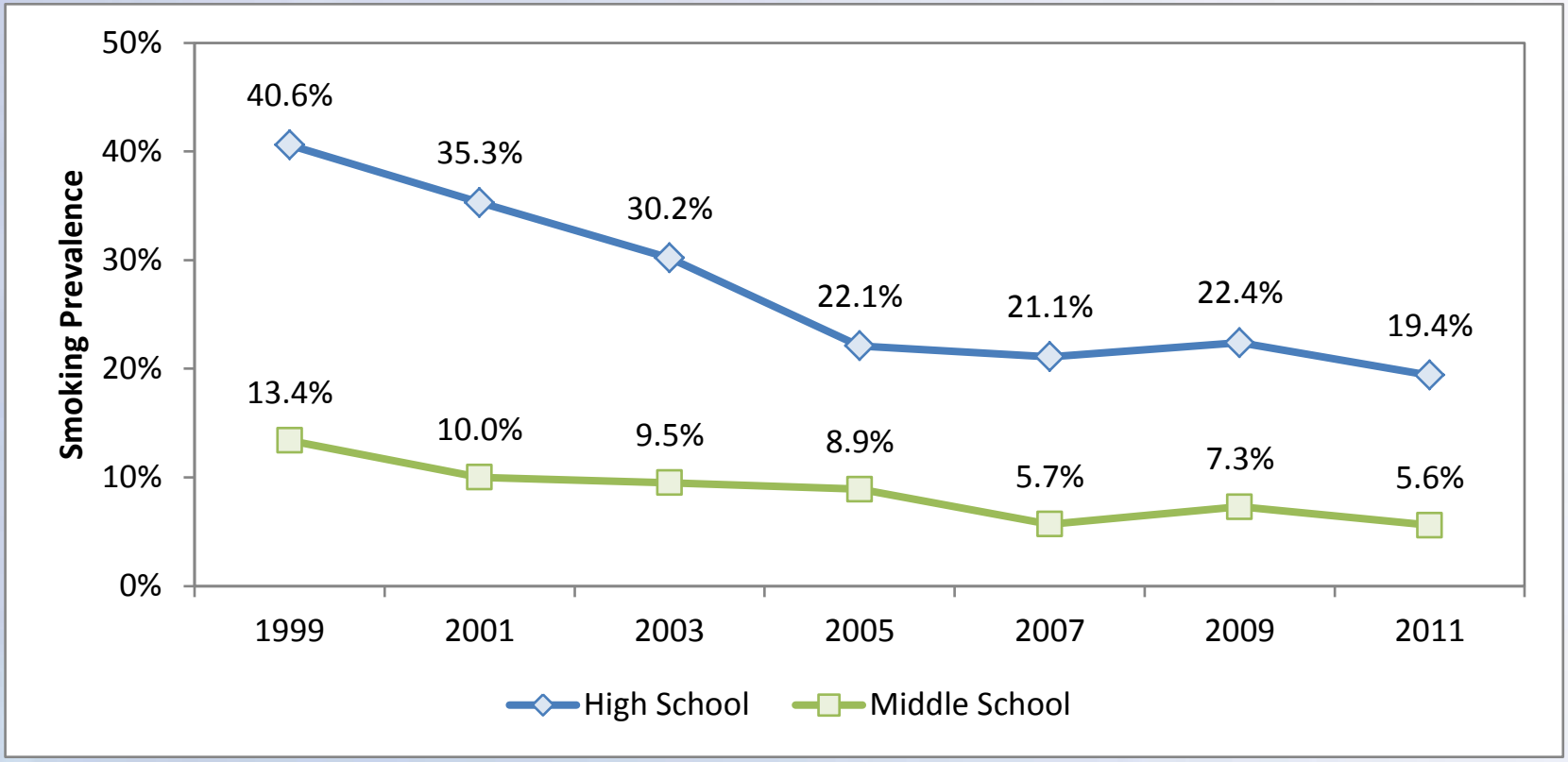
Saving lives, saving money. The voice of the people.

Per capita cigarette sales in North Dakota and all states, 2005-2012



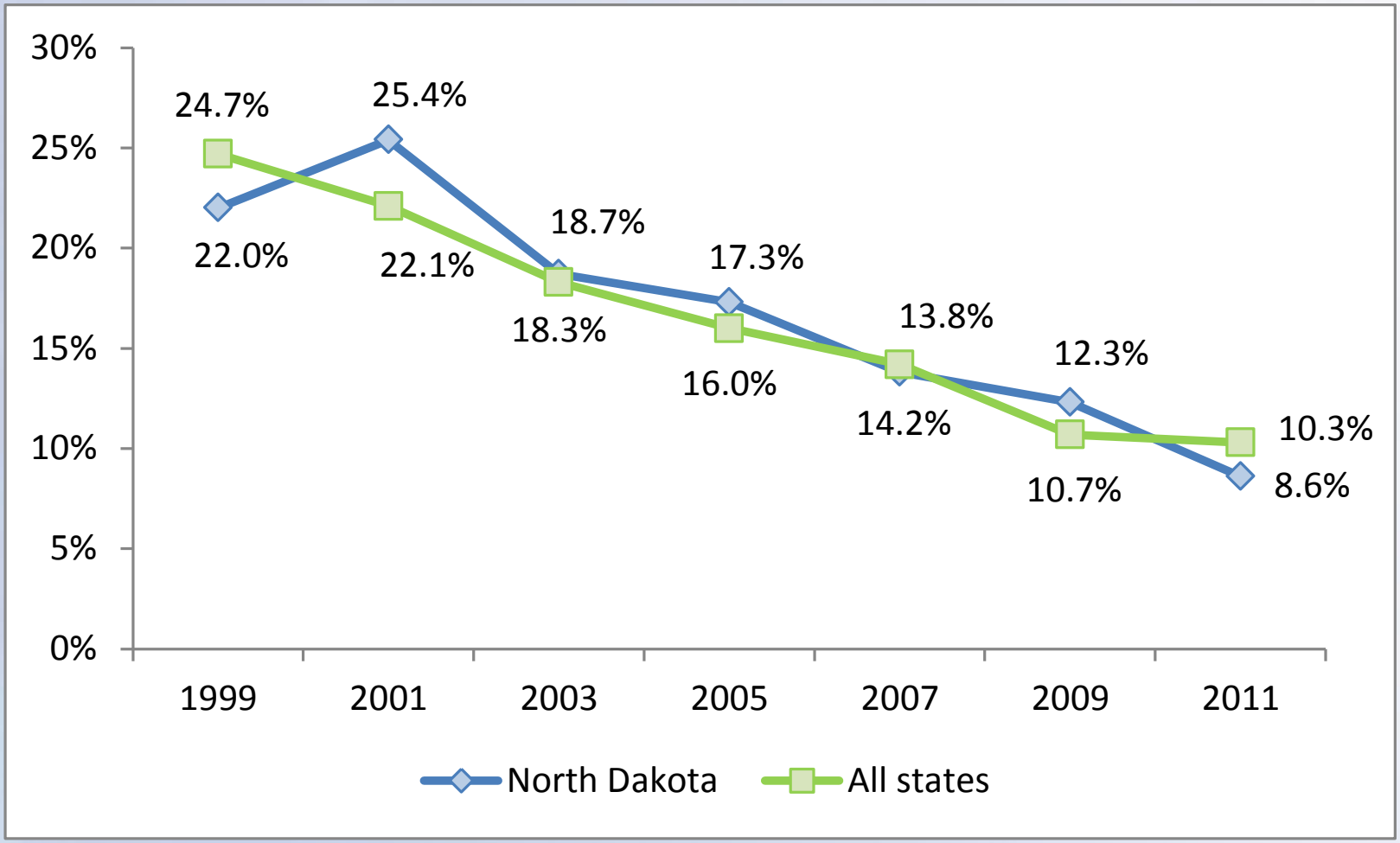
Source: Orzechowski & Walker, *Tax Burden on Tobacco*

ND smoking prevalence among high school and middle school students, 1999-2011



Source: YRBS

Percentage of ND high school students who first smoked a whole cigarette for the first time before age 13, 1999-2011



Source: YRBS

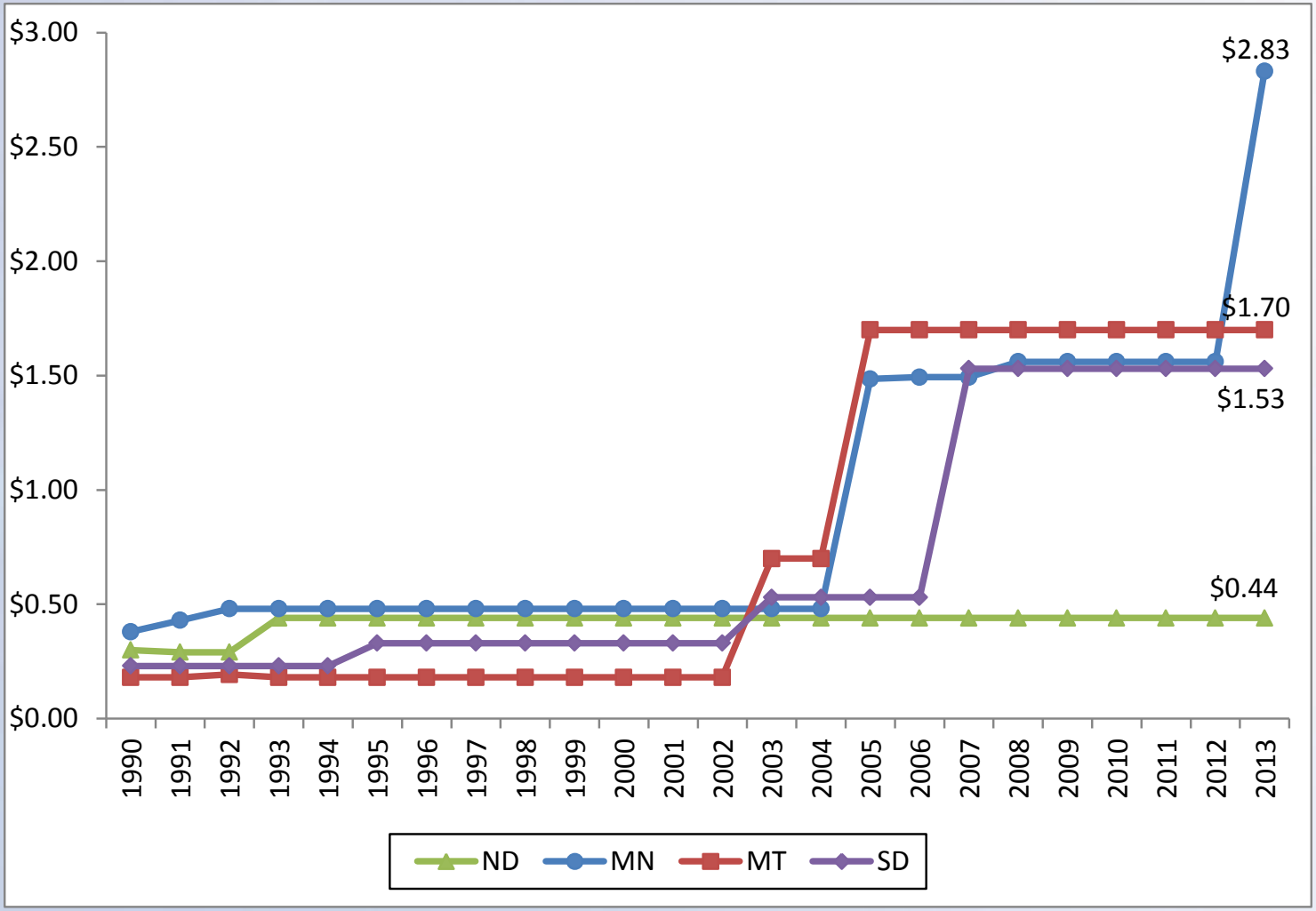
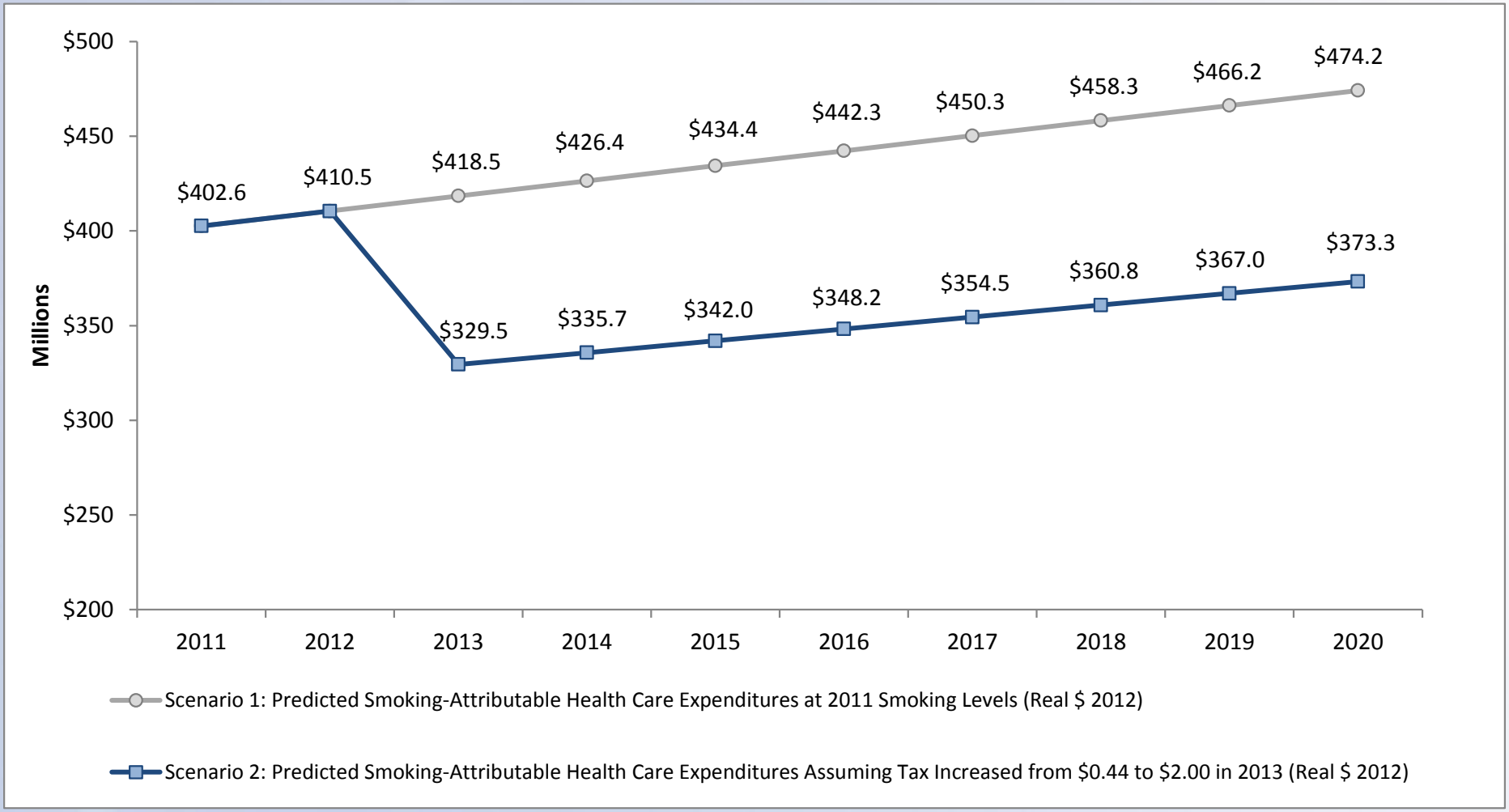
Key take-aways: progress

- The program has met or exceeded many of the State Plan objectives
  - The statewide comprehensive smoke-free air law is a significant achievement which protects staff and residents in workplaces, restaurants, and bars
  - The program has run media campaigns with population reach achieving recommended levels
  - NDQuits reach was higher than the national average
- More ND smokers report that their health care provider asked if they used tobacco and referred them for cessation help to a quitline or program
- Youth smoking has decreased over time and fewer youth smoke by age 13

Key take-aways: room for improvement

- The state tobacco tax remains one of the lowest in the nation, though there is public support for an increase and one was proposed in the legislature during 2013
- Adult smoking prevalence has plateaued and smokeless tobacco use has increased

Cigarette excise tax in ND and surrounding states, 1990-2013



Predicted smoking-attributable health care expenses in ND, 2011-2020