



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #454

Tobacco Use Control Grant Funding (DHS -- Public Health)

[LFB 2009-11 Budget Summary: Page 334, #3 (part) and Page 335, #4 (part)]

CURRENT LAW

The Division of Public Health in the Department of Health Services (DHS) administers the tobacco prevention and control program ("tobacco control program") that awards grants to organizations throughout the state. The statutes require DHS to administer the program, establish criteria for grant recipients, provide a forum for public policy alternatives for smoking cessation and prevention, provide a clearinghouse of information on matters relating to tobacco, and continue implementation of a strategic plan for a statewide tobacco use control program.

The program may distribute grants to fund any of the following activities listed in s. 215.15 of the statutes: (a) community-based programs to reduce tobacco use or the burden of tobacco-related diseases; (b) school-based tobacco use cessation and prevention programs; (c) enforcement of local laws aimed at reducing exposure to secondhand smoke and restricting underage access to tobacco; (d) partnerships among statewide organizations and businesses that support activities related to tobacco use cessation and prevention; (e) marketing activities that promote tobacco use cessation and prevention; (f) projects designed to reduce tobacco use among minorities and pregnant women; (g) surveillance of indicators of tobacco use and evaluation of the activities funded by the tobacco control program; (h) development of policies that restrict access to tobacco products and reduce exposure to environmental tobacco smoke; and (i) other tobacco use cessation or prevention programs, including tobacco research and intervention.

From October 1999 through 2002-03, the state's tobacco control activities were administered primarily through the Wisconsin Tobacco Control Board, an independent state agency supported by funds the state received from the November, 1998, Master Settlement Agreement with tobacco manufacturers. The Board was eliminated at the end of 2002-03, and

tobacco control activities were transferred to DHS. Base funding for tobacco use control grants is \$15,250,000 GPR.

GOVERNOR

Reduce tobacco use control grant funding by \$750,000 GPR annually. In addition, the appropriation for tobacco use control grants is subject to a reduction of \$150,000, reflecting a funding reduction applied to most non-federal appropriations. Consequently, under AB 75, \$14,350,000 GPR annually would be budgeted for the program.

DISCUSSION POINTS

1. This paper discusses the funding that would be provided for tobacco use control grants. The provisions in the bill relating to smoking restrictions and the proposed increase in the tax on cigarettes are not addressed in this paper.

2. According to the Centers for Disease Control (CDC), smoking is the leading cause of preventable disease and death in the United States, leading to approximately 393,000 deaths of people over 35 years old annually. The CDC estimates that an annual average of 7,200 people over 35 years old in Wisconsin die from smoking-related causes, not including deaths attributable to second hand smoke. These statistics are provided in the most recent CDC estimates of smoking-attributable mortality, morbidity, and economic costs (SAMMEC), reported in 2004.

3. According to the CDC, 19.6% of adults in Wisconsin in 2007 reported having ever smoked at least 100 cigarettes and report currently smoking every day, or on some days. In 2007, 20.5% of Wisconsin students reported that they had smoked cigarettes on one or more days of the 30 days preceding the survey. The percentage of Wisconsin adults who smoke has fallen from 25% in 1990.

4. Table 1 provides the amounts appropriated to tobacco use control grants from 2001-02 to 2008-09, and the amounts proposed in the 2009-11 biennium in the bill.

TABLE 1

Amount Budgeted for Tobacco Use Control Grants

<u>Fiscal Year</u>	<u>Amount</u>
2001-02	\$5,846,000
2002-03	15,000,000
2003-04	10,000,000
2004-05	10,000,000
2005-06	10,000,000
2006-07	10,000,000
2007-08	15,000,000
2008-09	15,250,000
2009-10 (AB 75)	14,350,000
2010-11 (AB 75)	14,350,000

5. The CDC has developed several best practices for states to follow in the implementation of a tobacco control program, and a recommended funding level for the state program. The recommended funding amounts represent a level that the CDC claims could achieve a reduction of national tobacco use prevalence to 10% (if all states implemented the recommended levels). The CDC recommends that Wisconsin allocate \$64.3 million per year to the tobacco control program.

6. Wisconsin's tobacco control program is organized largely based upon CDC recommended best practices for state programs. The following discussion points describe each program component, and the activities funded in that component. The amounts listed in parentheses in the following discussion points represent total GPR funding for each component in 2008-09.

7. *Cessation Services (\$3,353,600)*. DHS distributes funding to help individuals quit smoking. The state supports several activities in the University of Wisconsin's Center for Tobacco Research and Intervention (UW-CTRI), including the state-wide tobacco QuitLine, outreach activities to health care providers, and the Wisconsin nicotine treatment integration project for individuals who receive mental health or substance abuse services. The Wisconsin Women's Health Foundation also receives funding to support the First Breath cessation program for pregnant women who smoke.

8. *Youth Programs (\$1,890,600)*. These programs aim to reduce smoking among youth by decreasing youth access to tobacco products and funding youth advocacy groups. This funding supports the following programs: (a) Wisconsin Wins, which addresses youth tobacco access; (b) Not-On-Tobacco (N-O-T), a school based program to help youth quit tobacco; (c) Fighting Against Corporate Tobacco (FACT), a youth-led activism and education group; (d) a pilot program to implement similar youth-led organizations in 18 to 24 year olds; (e) funding for activities conducted by the Department of Public Instruction; (f) and initiatives against spit and smoke-free tobacco products.

9. *Media and Marketing (\$1,296,300)*. The Department contracts with a marketing firm to conduct a number of media campaigns to support activities in the other program components.

10. *Community Coalitions (\$3,440,348)*. Community organizations that conduct education and other activities on tobacco use receive funding under the community coalition component. A variety of community based organizations and local health departments receive these funds, and can work on a range of tobacco-related activities.

11. *Training and Technical Assistance (\$1,544,500)*. This component provides funding for services that provide training related to CDC best practices and other tobacco prevention and control strategies.

12. *Tobacco-Related Disparities (\$1,232,100)*. This component focuses on tobacco-related health disparities in certain demographic groups. The following organizations received funding in 2008-09: (a) the Salvation Army, for activities focused on individuals who are living in poverty; (b) the Black Health Coalition, for activities in the African-American community; (c) UMOS, for activities in the Latino community; (d) the Wisconsin United Coalition of Mutual Assistance Associations, for activities in the Asian community; and (e) the Great Lakes Inter-Tribal Council, for activities in the Native American community. A special project addressing second-hand smoke is also funded in this component in 2008-09.

13. *Surveillance, Evaluation and Research (\$602,500)*. This component funds activities to monitor the prevalence of smoking in Wisconsin and conduct additional research.

14. In 2008-09, DHS will distribute \$13,370,000 in tobacco use control grants, although base budgeted funding equaled \$15,250,000. These amounts are not equal because the tobacco use control grants were reduced by \$2,000,000 GPR in 2008-09 to satisfy a lapse requirement included in 2009 Wisconsin Act 2. (In 2008-09, DHS was able to use approximately \$120,000 that was carried over from the previous fiscal year to support grants.)

15. These grants are distributed on a calendar year basis, with funding split between two state fiscal years. For instance, projects contracted for calendar year 2009 are funded from 2008-09 and 2009-10 appropriations. Due to this funding arrangement, the second half of calendar year 2009 has been budgeted with 2009-10 funding, and any reductions to the tobacco use control grants would begin in the first half of calendar year 2010 (the second half of state fiscal year 2009-10).

16. The CDC provided a \$1,191,100 grant for the period from March, 2009, to March, 2010, to support administrative and infrastructure costs for the tobacco control program. This funding is not used for tobacco use control grants.

17. The Committee could approve the Governor's level of funding for tobacco use control grants, which would reduce base funding for the program by \$900,000 GPR annually. It could be argued that, even with the funding reduction proposed by the Governor, the amount of funding available for grants in each year of the 2009-11 biennium (\$14,350,000 GPR in each year) would still exceed the amount of funding available to the program in the 2008-09 fiscal year.

(\$13,370,000 GPR in each year) due to the Act 2 lapse requirement. Further, as shown in Table, 1, this funding is greater than the amount that had been budgeted for grants in most years since the program was created in 2001-02.

DHS has not yet determined how it would allocate funding between program components if the Legislature approves the funding level recommended by the Governor.

18. Given the nature of the program, the Committee could choose an alternative funding level. If funding is increased, the Division of Public Health would be able to allocate more funds to current grantees, or support tobacco control activities that are not currently funded. Conversely, if funding is reduced, the Division would be required to reallocate funding to support priority program components.

19. The Committee held a number of statewide public hearings on the bill. In these hearings, many individuals testified in support of maintaining or increasing funding for the state's tobacco control program. A number of these individuals are involved with groups that conduct education or prevention activities.

20. The alternatives in this paper present the following options: (1) approve the Governor's level of funding (Alternative 1); (2) provide the level of funding currently available in the current fiscal year, after the Act 2 lapse requirement is considered (Alternative 2); and (3) maintain current base funding for the program (Alternative 3).

ALTERNATIVES

1. Approve the Governor's recommendation to reduce funding for tobacco use control grants by \$900,000 GPR annually. Total annual funding would equal \$14,350,000 GPR.

2. Reduce funding by an additional \$1,100,000 in each year of the biennium to fund the tobacco use control grants at the level that they are funded in 2008-09, after the grant amounts were reduced to meet the lapse requirement under 2009 Wisconsin Act 2. Total annual funding would equal \$13,250,000 GPR.

ALT 2	Change to Bill Funding
GPR	- \$2,200,000

3. Increase funding in the bill by \$900,000 GPR annually to maintain base funding for the program (\$15,250,000 GPR annually).

ALT 3	Change to Bill Funding
GPR	\$1,800,000

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