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Jeb Spaulding, Secretary

To: Governor Peter Shumlin
House and Senate Leadership
House and Senate Appropriations Committee Chairs
House Health and Human Services Committee Chair

From: Secretary of Administration Jeb Spaulding
Commissioner of Finance and Administration James Reardon
Commissioner of Health Harry Chen
Commissioner of Health Access Mark Larson
Tobacco Evaluation and Review Board Chair Brian Flynn

Date: January 11, 2013

Re: FY2014-2016 Sustainability Plan for the Tobacco Control Programs

As requested in Section E312.1 "Sustainability of Tobacco Control" of the FY2013 Appropriations bill (Attachment 1), we have developed a plan for funding the Tobacco Control Program for the three budget years FY2014-2016. The plan elements were established in the course of two one hour meetings on December 20, 2012 and January 3, 2013.

1. The base budget for tobacco control appropriations derived from Master Settlement Agreement (MSA) funds for the Departments of Health and Liquor Control, the Agency of Education, and the Tobacco Evaluation and Review Board should be level compared to the current year; that is a total of about \$3,971,713 for each of these years (FY14, FY15, and FY16).
2. For FY2015 and FY2016, the parties will consider whether the programs are falling short of the Section E312.1 mandate to "maintain the gains made in preventing and reducing tobacco use that have been accomplished since their inception." The primary indicators of failure to maintain gains will be flattening of the current downward trends in youth and adult smoking prevalence. Lack of progress may indicate a need for increased investment as outlined in the Tobacco Control Program Goals and Strategies for 2012-2020 (Attachment 2).
3. Tobacco control budget cuts in recent years have focused entirely on Health Department program components resulting in distortions of the proportions of program resources concerned with adult (cessation) and youth (prevention) interventions. We recommend that the overall MSA-derived tobacco control budget be redistributed among the Health Department, Agency of Education, and Department of Liquor Control components in proportions that more closely match those recommended by the Centers for Disease Control and Prevention, and that were applied in Vermont prior to the several years of significant budget cuts, as outlined in the following table below.

We appreciate the mandate for the parties to work together on this matter. It stimulated a thorough and helpful exchange of information and perspectives. Although the results may not represent an ideal resolution for all participants, we jointly provide this plan in response to the request outlined in Section E312.1.

Table: Reallocation of MSA-Derived Robacco Control Funding by Department/Agency to Align with CDC Recommendations and Pre-FY2010 Proportional Allocations.

	Reference 2009 MSA		Current 2013 MSA		Proposed 2014 MSA	Based on CDC Best Practices
DEPARTMENT OF HEALTH	3,839,634	0.735	2,396,507	0.603	2,684,878	0.676
DEPARTMENT OF EDUCATION	995,668	0.191	991,931	0.250	758,597	0.191
DEPARTMENT OF LIQUOR CONTROL	289,645	0.055	291,945	0.074	238,303	0.060
TOBACCO BOARD	100,000	0.019	291,330	0.073	291,127	0.073
TOTALS	5,224,947	1.000	3,971,713	1.000	3,972,905	1.000
Note. Responsibility for the independent evaluator contract shifted from the Health Department to the Tobacco Board between FY2009 and FY2013.						

Attachment 1

Sec. E.312.1 SUSTAINABILITY OF TOBACCO PROGRAMS

(a) The secretary of administration, the tobacco evaluation and review board, the department of health, and the blueprint for health shall develop a plan for tobacco program funding for fiscal years 2014 through 2016 at a level necessary to maintain the gains made in preventing and reducing tobacco use that have been accomplished since their inception. The plan shall consider the inclusion of monies that have been withheld by manufacturers in prior years under the master settlement but may be received by the state in the future. The plan shall be presented to the general assembly on or before January 15, 2013.

Attachment 2

VERMONT TOBACCO CONTROL GOALS AND STRATEGIES 2012-2020

Adopted by the Vermont Tobacco Evaluation and Review Board on 11-14-2012

Goal A. Reduce adult cigarette smoking prevalence to 12% by 2020.

1. Support legislative enactment of policies that are likely to reduce adult tobacco use.
2. Advance development of community policies that are likely to reduce adult tobacco use.
3. Advance program and policy collaborations with partners reaching large populations of tobacco users.
4. Advance cessation services for adult tobacco users through multiple modes of delivery.
5. Advance community programs to promote tobacco use cessation.
6. Advance media and other public education activities that promote adult tobacco use cessation.
7. Identify adult population groups with disparately high smoking rates and utilize opportunities to address their unique needs.

Goal B: Reduce youth cigarette smoking prevalence to 10% by 2020.

1. Support legislative enactment of policies that are likely to reduce youth tobacco use.
2. Advance development of community policies that are likely to reduce youth tobacco use.
3. Advance community programs to promote youth tobacco use prevention.
4. Advance school-based actions to prevent youth tobacco use and promote cessation.
5. Advance media and other public education activities that promote youth tobacco use prevention and cessation.
6. Identify youth population groups with disparately high smoking rates and utilize opportunities to address their unique needs.

Goal C. Reduce exposure of non-smokers to second-hand smoke (SHS).

1. Support legislative enactment of policies that are likely to reduce exposure to SHS.
2. Advance development of community policies that are likely to reduce exposure to SHS.
3. Advance development of organizational policies that are likely to reduce exposure to SHS.
4. Advance media and other public education activities that promote SHS exposure hazards and protections.

Goal D. Maintain low prevalence of Other Tobacco Product (OTP) use.

1. Monitor use of OTPs among youth and adults.
2. Respond to higher levels of OTP use, as needed, with policy and program intervention.