

Policy Close Up #3

Tobacco Control Funding

Summary: New York State receives well over \$1 billion in revenues from the sale of tobacco products each year.¹ Yet, over the past seven years funding of tobacco control programs has been slashed by over *fifty* percent. Reductions in tobacco control spending make it more likely that New York smokers will not quit and more likely that minors will start.

The U.S. Centers for Disease Control and Prevention urges that New York’s tobacco control spending be *five* times the level it is now. The money to fund it is there. Aggressive action by the state will save lives.

Background: Virtually all New Yorkers have had an experience with cancer. According to the U.S. Centers for Disease Control and Prevention (CDC), cancer is the second leading cause of death in America.² *As seen below, the top five cancer killers account for more than half of all the estimated cancer deaths.*

Breast cancer is the leading form of cancer affecting women and the second biggest killer. Yet, it is not the leading cause of cancer deaths for women. Prostate cancer is a leading cause of cancer in men, but it is not the leading cause of cancer deaths in men. *That terrible distinction belongs to lung cancer.*

Estimated Number of New Cancer Cases and Cancer Deaths Exceeding 1,000, 2018³

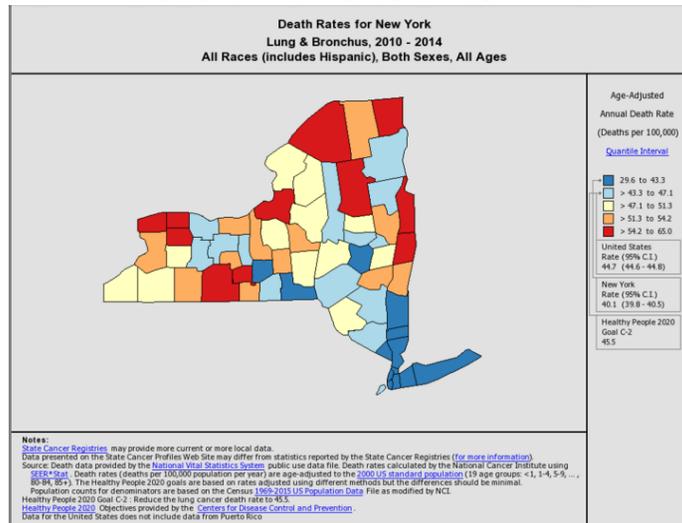
Type of Cancer	New Cases	Deaths
<i>Total, all sites</i>	<i>110,800</i>	<i>35,350</i>
Lung & Bronchus	13,190	8,490
Colon & Rectum	9,080	2,970
Pancreas	3,590	2,760
Female Breast	17,890	2,390
Prostate	9,880	1,680
Leukemia	4,410	1,460
Liver & IBD	2,560	1,710
Non-Hodgkin Lymphoma	4,890	1,200
Urinary Bladder	5,440	1,060

As you chart above shows, lung cancer is what drives cancer deaths in New York State: *One-quarter of all cancer deaths result from lung cancer.* It is a cancer that is deadly, and that afflicts men and women alike. It is also a cancer for which we know how to dramatically reduce its incidence: by reducing the use of tobacco products.

1. The leading cause of lung cancer is tobacco use. Today nearly 9 out of 10 lung cancers are caused by smoking cigarettes.⁴ Not only are smokers at risk, but even non-smokers can be afflicted by exposure to tobacco smoke. In the U.S., more than 7,300 nonsmoking lung cancer patients die each year from exposure to secondhand smoke alone.⁵

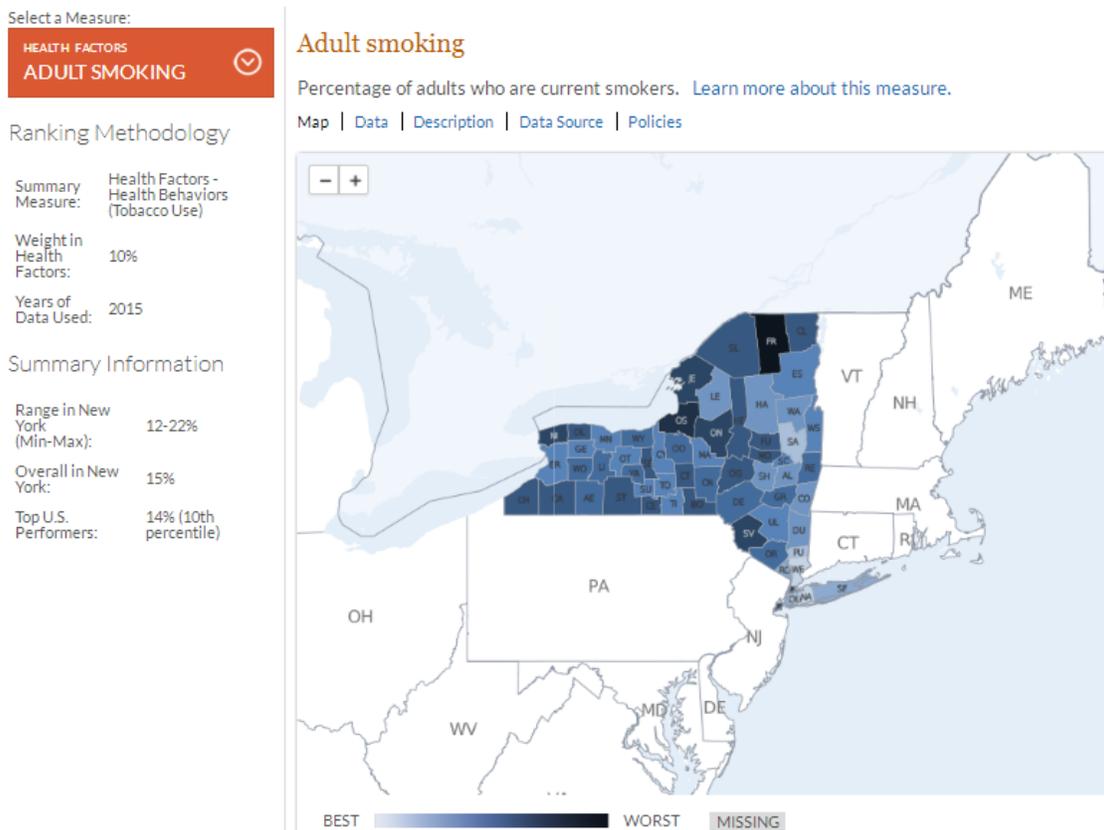
Before going into more detail about the governor’s failure to do anything to improve – much less meet – the scientifically-identified goals for how much money the state of New York should spend on fighting lung cancer, we reviewed the impact of lung cancer throughout New York State. As you can see below, lung cancer mortality rates tend to be higher in upstate counties.⁶

NEW YORK STATES COUNTIES' LUNG CANCER MORTALITY RATES⁷



As seen below, given the causal relationship between lung cancer and smoking, it is not surprising that the smoking rates tend to be higher in upstate New York than downstate.

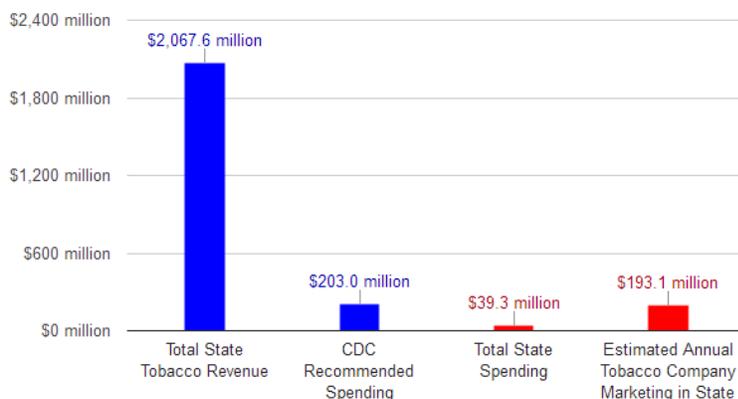
NEW YORK COUNTIES' ADULT SMOKING RATES⁸



Unfortunately, the governor's executive budget does nothing new to combat the leading cause of cancer deaths in women and men.⁹ The executive budget adds no new revenues to the state's program designed to combat tobacco use. Indeed, the state's tobacco control program now has less than 50 percent of the funding it received a few years ago, and less than 20 percent of the amount recommended by the CDC.¹⁰ New York State has slashed its investment in the best way to reduce lung cancer incidence and mortality. *New York State, once ranked 5th in the nation in funding its anti-smoking efforts, has slipped to 22nd.*¹¹

As seen below, New York State's tobacco spending pales in comparison to the recommendations of CDC's experts and is dwarfed by the estimated marketing expenditures of the tobacco industry.

NEW YORK'S TOBACCO REVENUE, CDC RECOMMENDED SPENDING, STATE SPENDING AND TOBACCO INDUSTRY MARKETING¹²



Not only has the state reduced its investment in the best way to reduce lung cancer incidence and mortality, relative to the other states, despite its reputation as a progress leader New York is still ranked in the middle nationally.

It is simply indefensible that the state's response to the leading cause of cancer deaths among men and women has suffered drastic cuts. These funding reductions are even more inexcusable when examining the amount of money that tobacco use generates for the state's coffers.

The money is available. In addition to the estimated \$1.2 billion raised in tobacco taxes, the state is now expecting new revenues from the state's master settlement agreement (MSA). The MSA is the agreement that settled litigation between the nation's largest cigarette companies and 46 states. The MSA requires those cigarette companies to, among other things, annually pay billions of dollars to the states as compensation for the health costs to their Medicaid programs resulting from tobacco use. Bonds New York issued in 2003 that were secured by annual payments under the MSA with tobacco manufacturers will be fully retired. Last year, the executive stated that it expected that MSA payments of approximately \$400 million annually would be available for State purposes.¹³ In addition, the governor's proposed changes in taxing of cigar products adds an estimated \$23 million starting next fiscal year.¹⁴ These revenues can be used to enhance tobacco control as well.

NYPIRG urges that the state use that money to fully fund tobacco control and other cancer-prevention programs. The MSA revenues were promised to help curtail the carnage caused by tobacco use. Sadly, too little has been done. This budget provides the state with an opportunity to reverse New York's years of neglect.

After the MSA was signed in November 1998, many governors, state attorneys general, and other high-ranking state officials expressed strong support for investing substantial portions of the tobacco settlement payments in new efforts to prevent and reduce tobacco use in their states. Announcing the settlement, then-New York Attorney General Dennis Vacco released a statement on November 16, 1998, which stated:

"As a result, millions of children who are not yet smokers will be spared horrific diseases and suffering, and millions of current smokers will get a real chance to quit and reclaim their good health." [Emphasis added.]¹⁵

However, it was not just promises made by high-ranking public officials in press releases. The pledge to use the MSA revenues to curb tobacco use is found in the agreement itself. Most notably, the MSA begins with a series of "Whereas" clauses, including the following:

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 . . .

WHEREAS, the Settling States and the Participating Manufacturers are committed to reducing underage tobacco use by discouraging such use and by preventing Youth access to Tobacco Products;

WHEREAS, the undersigned Settling State officials believe that entry into this Agreement and uniform consent decrees with the tobacco industry is necessary in order to further the Settling States' policies designed to reduce Youth smoking, to promote the public health and to secure monetary payments to the Settling States; and

WHEREAS, the Settling States and the Participating Manufacturers . . . have agreed to settle their respective lawsuits and potential claims pursuant to terms which will achieve for the Settling States and their citizens significant funding for the advancement of public health, the implementation of important tobacco-related public health measures, including the enforcement of the mandates and restrictions related to such measures, as well as funding for a national foundation dedicated to significantly reducing the use of Tobacco Products by Youth.¹⁶

These excerpts clearly indicate that the states are obliged to use their MSA payments to advance public health and support tobacco-prevention efforts. Indeed, the last clause explicitly says just that, and also very clearly declares that the states are expected to use their MSA funding for tobacco-prevention and other public health efforts. **The money is now amply available; it is the commitment that is missing.**

Endnotes

¹ Cigarette, Tobacco Products, Cigarette Retail License and Vending Machine Sticker Collections 1988-2017, New York State Department of Taxation and Finance. Accessed at https://www.tax.ny.gov/pdf/2016-17_collections/Table%2013.pdf.

² U.S. Centers for Disease Control and Prevention, "Leading Causes of Death," <http://www.cdc.gov/nchs/fastats/leading-causes-of-death.htm>.

³ American Cancer Society, Cancer Facts & Figures, Supplemental Data, see: <https://www.cancer.org/content/dam/cancer-org/research/cancer-facts-and-statistics/annual-cancer-facts-and-figures/2018/estimated-number-of-new-cancer-cases-and-deaths-by-state-2018.pdf>.

⁴ Smoking also causes cancers of the esophagus, larynx, mouth, throat, kidney, bladder, liver, pancreas, stomach, cervix, colon, and rectum, as well as [acute myeloid leukemia \(1-3\)](#). Source: National Cancer Institute, available at <https://www.cancer.gov/about-cancer/causes-prevention/risk/tobacco/cessation-fact-sheet#q2>.

⁵ U.S. Centers for Disease Control and Prevention, "Secondhand Smoke Facts, 2015":

https://www.cdc.gov/tobacco/data_statistics/fact_sheets/secondhand_smoke/general_facts/index.htm.

⁶ Cancer is not the only disease that can result from tobacco use, see:

https://www.cdc.gov/tobacco/data_statistics/fact_sheets/health_effects/effects_cig_smoking/index.htm.

⁷ National Cancer Institute:

<https://statecancerprofiles.cancer.gov/map/map.withimage.php?36&001&047&00&0&02&0&1&5&0#results>.

⁸ Source: County Health Rankings, see:

<http://www.countyhealthrankings.org/app/new-york/2017/measure/factors/9/map>.

⁹ U.S. Centers for Disease Control and Prevention, for women see:

<https://www.cdc.gov/cancer/dcpc/data/women.htm>; for men, see: <https://www.cdc.gov/cancer/dcpc/data/men.htm>.

¹⁰ U.S. Centers for Disease Control and Prevention, "Best Practices for Tobacco Control Programs, 2014," see: https://www.cdc.gov/tobacco/stateandcommunity/best_practices/pdfs/2014/comprehensive.pdf, p. 110.

¹¹ Report issued jointly by the American Cancer Society, American Heart Association, American Lung Association and the Campaign for Tobacco Free Kids, et al, "Broken Promises to Our Children: A State-by-State Look at the 1998 State Tobacco Settlement Agreement, 19 Years Later," 2017, see:

<https://www.tobaccofreekids.org/what-we-do/us/statereport/new-york>.

¹² Ibid.

¹³ New York State Division of the Budget, FY2018 Executive Briefing Book, p. 8.

¹⁴ New York State Division of the Budget, FY2019 Executive Briefing Book, p.22.

¹⁵ New York State Office of the Attorney General, News Release, "Vacco: \$200 Billion Tobacco Plan to Protect Health of Kids," November 16, 1998.

¹⁶ *Master Settlement Agreement*, November 23, 1998, see: <http://www.naag.org/assets/redesign/files/msa-tobacco/MSA.pdf>.