

**Office of Health Transformation**  
**Reduce Tobacco Use**

**Governor Kasich's Budget:**

- *Increases the cigarette tax to deter smoking.*
- *Commits 100 percent of Tobacco Settlement Funds to reducing tobacco use.*
- *Prohibits anyone from using tobacco products at K-12 schools or activities.*
- *Launches new initiatives to prevent maternal smoking.*

**Background:**

Ohio's adult smoking rate was 23.4 percent in 2013 – more than 1.6 million Ohioans smoke every day – significantly higher than the U.S. rate of 18.1 percent and nearly double the Healthy People 2020 target of 12.0 percent.<sup>1</sup> Ohio ranks 8<sup>th</sup> in the nation in the percent of adults who smoke. In addition, 15.1 percent of high school students and 3.7 percent of middle school students were current smokers in 2013.<sup>2</sup>

Ohio's very high rate of smoking correlates to a very high incidence of infant mortality. Smoking during pregnancy accounts for 20-30 percent of low-birth weight babies, up to 14 percent of preterm deliveries, and about 10 percent of all infant deaths.<sup>3</sup> Tobacco use also directly impacts the chronic disease burden in Ohio. Smoking causes cancer, heart disease, stroke, lung diseases (including emphysema, bronchitis, and chronic airway obstruction), and diabetes – all of which can be prevented by not smoking and otherwise choosing healthy behaviors. Health care expenses directly caused by smoking in Ohio are estimated to cost \$5.64 billion annually, including approximately \$1.7 billion in Medicaid costs. In addition, smoking-related productivity losses are estimated to cost Ohio businesses about \$5.88 billion per year.<sup>4</sup>

The health burdens and financial costs of smoking impact some populations more than others. Smoking is more prevalent among poor adults, Appalachian adults, and African American adults. Nearly two in five Ohio residents in poverty smoke. Smokers living below the poverty line are not only more likely to start smoking, but also less likely to quit than higher-income smokers.<sup>5</sup> Although African American Ohioans have a smoking rate that is similar to whites (about one in four), the burden of smoking-related illnesses and deaths due to heart disease, stroke, and lung cancer are disproportionately higher in this population.

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<sup>1</sup> U.S. Behavioral Risk Factor Surveillance System as reported at [statehealthfacts.org](http://statehealthfacts.org) (January 2014).

<sup>2</sup> Ohio Youth Tobacco Survey (2012)

<sup>3</sup> HHS *Women and Smoking: A Report of the Surgeon General 2001*

<sup>4</sup> Tobacco Free Kids, *The Toll of Tobacco in Ohio* (2014).

<sup>5</sup> CDC Behavior Risk Factor Surveillance System (2013).

## First Four Years:

Prior to 2008, tobacco settlement funds were available through the Ohio Tobacco Foundation to support tobacco cessation efforts. However, those funds were exhausted and the Tobacco Foundation ceased operations in 2008. Governor Kasich's first budget (enacted in 2011) provided funding for the Ohio Department of Health (ODH) to enforce Ohio's Smokefree Workplace law, and ODH coordinated additional tobacco cessation efforts using federal grants from the Centers for Disease Control and Prevention (CDC). Governor Kasich's Jobs Budget 2.0 (enacted in 2013) more than doubled funding for enforcement and other cessation activities, in addition to the continuation of CDC funding for cessation efforts and quit line services.

In 2014, Ohio received another \$38.6 million in tobacco settlement funds. Governor Kasich committed the entire amount to tobacco cessation efforts, and convened a Tobacco Cessation Workgroup comprised of state agency leaders to set priorities for settlement funding and make recommendations for the Executive Budget. Based on the Workgroup recommendations, the Executive Budget:

## Executive Budget Proposal and Impact:

- **Increases the tobacco tax to deter tobacco use.** Increasing the price of tobacco is the single most recommended and proven strategy for decreasing smoking prevalence and preventing youth from starting to smoke. The Executive Budget proposes to increase the cigarette tax rate by \$1.00 per pack to \$2.25 per pack, impose a cigarette floor stock tax of \$1.00 per pack, eliminate cigarette discounts, increase the other tobacco product (OTP) tax rate from 17 percent to 60 percent (to equalize OTP and cigarette tax rates), eliminate the 2.5 percent discount for early payment of the OTP tax, and tax e-cigarettes as OTP. These provisions are expected to generate \$527.9 million in state general revenue funds in 2016 and \$453.5 million in 2017.
- **Bans cigarettes and tobacco in K-12 settings.** Most K-12 settings are already tobacco free, but some are not, and the policy is not always applied uniformly to everyone at the school. The Executive Budget requires boards of education to ban smoking and tobacco use or possession by students, and ban use by staff or visitors anywhere on school grounds or at school activities.
- **Requires colleges and universities to adopt tobacco-free policies.** The Executive Budget requires ODH and the Ohio Board of Regents to develop a model policy for tobacco-free campuses and, within one year, requires state institutions of higher education to adopt tobacco-free policies that are not less stringent than the model policy.
- **Prohibits the sale of flavored non-cigarette products.** The Executive Budget prohibits the manufacture, sale, or distribution of flavored non-cigarette tobacco products.

- **Strengthens and enforces Ohio's Smoke Free Workplace Law.** The Executive Budget clarifies that the Smoke Free Law applies to hookah bars and private clubs and provides \$1.4 million annually to enforce Ohio's Smoke Free Workplace Law. In addition, ODH will increase coordination of enforcement activities with the Ohio Attorney General's Office and the Ohio Department of Mental Health and Addiction Services (MHAS), which conducts compliance checks to ensure merchants are not selling tobacco to youth.
- **Allows for revocation of a food license.** The Executive Budget makes compliance with Ohio's Smoke Free Workplace law a condition of licensure for food service operators, and gives local health districts the authority to revoke food service licenses for repeat violators of the Smoke Free law. The majority of repeat violators of the Smoke Free law are bars and private clubs, most of which hold food service licenses.

### Tobacco Settlement Funds:

- **Enforces the Tobacco Master Settlement Agreement.** A portion of the settlement funds will enable the Ohio Attorney General (AG) to continue enforcement of the Tobacco Master Settlement Agreement between the state and participating tobacco manufacturers. Over five years, approximately \$8 million in settlement funds will support this initiative.
- **Focuses evidence-based strategies to reduce maternal smoking.** ODH will partner with Ohio Medicaid and other stakeholders to develop two standardized tobacco cessation toolkits, one to *initiate* tobacco cessation (2-3 months duration) and one to *maintain* tobacco cessation (up to 12 months). The toolkits will be used by Medicaid health plans, health care providers, and local health districts to provide individualized assessments and match individuals to the most effective services available for them. This effort will focus first on neighborhoods identified by ODH as most at risk for poor birth outcomes, and provide an opportunity for multiple community partners to target tobacco cessation messages, health-related activities, and grassroots engagement in ways that account for regional and cultural differences. Over five years, \$13.7 million in settlement funds will support this initiative.
- **Supports community projects to adopt tobacco free environments.** ODH will partner with the Ohio Department of Education and MHAS to support community projects to adopt tobacco-free schools, campuses, outdoor spaces and smoke-free multi-unit public housing. These projects will focus first on settings in Ohio with the highest prevalence of smoking, evaluate interventions, and then replicate proven best practices in other areas of Ohio. Over five years, \$2.1 million in settlement funds will support this initiative.
- **Supports demonstration projects for local organizations to address tobacco disparities.** ODH will partner with the Ohio Commission on Minority Health and MHAS to fund demonstration projects for local organizations to address tobacco use in minority, low-

income, and mental health populations. Over five years, \$2.1 million in settlement funds will support this initiative.

- ***Educates merchants who sell tobacco products.*** MHAS, which conducts compliance checks to ensure that merchants are not selling tobacco to youth, will update and distribute “Ohio Tobacco Laws” signs that merchants are required to display, along with warning signs at the point of sale to inform pregnant women about the risk of tobacco use. In addition to the signs, MHAS will develop additional educational materials, including an online module, to educate merchants on Ohio’s youth tobacco and smoke free laws. A “toolkit” of these materials will be included in liquor permit applications sent by the Ohio Department of Commerce, incorporated into the Alcohol Server Knowledge program administered by the Ohio Department of Public Safety, and distributed through the Ohio Petroleum Retailers Association of Convenience Stores to their members. Over five years, \$400,000 in settlement funds will support this initiative.
- ***Trains communities in merchant compliance and incentive programs.*** MHAS will partner with ODH, ODPS, the AG and Ohio Commission on Minority Health to provide incentives for communities and local organizations to conduct separate tobacco inspections, particularly in communities and populations disproportionately impacted by tobacco use. This program will be a collaboration for training and will use existing enforcement designees or contractors of ODH to conduct tobacco inspections. ODPS and ODH will provide training and the AG’s office will provide information to national retail chains participating in voluntary compliance agreements. Over five years, \$2.4 million in settlement funds will support this initiative.
- ***Modernizes the Smoke Free Workplace Law complaint database and tracking system.*** ODH administers a database system that tracks all smoking complaints statewide along with all due process steps, which are extensive. Required updates will fix storage issues and integrate the system with a new Environmental Health Data Integration System. \$500,000 in settlement funds will be used to update the database in 2016.

*Updated February 2, 2015*