20 YEARS OF THE TOBACCO MASTER SETTLEMENT AGREEMENT AND THE FAILURE TO ADEQUATELY FUND TOBACCO CONTROL IN NEW YORK

DISSIPATED

NEW YORK PUBLIC INTEREST RESEARCH GROUP

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EXECUTIVE SUMMARY

Two decades ago, the nation's state attorneys general struck a deal with the tobacco industry. The tobacco industry would fork over tens of billions of dollars to the states as compensation for the carnage that they caused to the tobacco-using public. As part of the agreement, the Master Settlement Agreement (MSA), the states dropped their litigation against the companies.

New York was one of the states involved. This report examines the 20-year history of the tobacco companies' payments to New York. Our review finds that state government and its localities squandered too much of the billions of dollars that they have so far received.

Findings:

- New York State has received nearly $16 billion in tobacco revenues from the MSA since it went into effect in 1999.
- New York has collected over $23 billion in tobacco taxes and fees since the MSA went into effect. Coupled with tobacco revenues from the MSA, New York has collected over $39 billion.
- Despite this windfall, New York spends less today (adjusted for inflation) on its state tobacco control program than ever. New York has spent less than $1 billion on tobacco control since the MSA, despite apparent promises to use the money to combat tobacco addiction.
- It appears that the state does follow expert guidance on how to implement a tobacco control program, but independent audits have repeatedly identified the state's lack of resources as a major flaw.
- Many localities did not use their share of the MSA for health programs and, in some cases, squandered these monies through ill-conceived "one-shot" spending.
- Despite impressive reductions in tobacco use statewide, the vast majority of New York counties have smoking rates that exceed the national average. The counties tend to be upstate, older, and more rural. Recent studies have shown that children in similar communities are at the greatest risk of exposure to second-hand tobacco smoke, a known human carcinogen.

Recommendations:

- New York should increase its commitment to tobacco control efforts by following the recommendations of the U.S. Centers for Disease Control and Prevention's (CDC) guidelines; it recommends the state spend at least $140 million annually.
- New York should target its resources to those areas of the state hardest hit by tobacco use.
- Given the dramatic increased use of electronic cigarettes, they should be taxed at the equivalence of combustible cigarettes and that such revenues be earmarked for the state's underfunded tobacco control efforts.

THE MASTER SETTLEMENT AGREEMENT

Two decades ago, the nation's state attorneys general struck a deal with the tobacco industry. The tobacco industry would fork over tens of billions of dollars to the states as compensation for the damage that they caused to the tobacco-using public and to the taxpayers across the nation. As part of the agreement, the states dropped their litigation against the companies.

New York was one of the states involved. This report examines the 20-year history of the tobacco companies' payments to New York. Our review finds that the New York State government and its localities squandered too much of the billions of dollars that they have so far received.

The revenue generated from New York's litigation arises from the MSA, an agreement 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.

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 into new efforts to prevent and reduce tobacco use in their states.

Announcing the settlement, then-New York Attorney General Dennis Vacco released a statement:

> "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] [1]

However, it was not just promises made by high-ranking public officials. The pledge to use the MSA revenues to curb tobacco use is found in the agreement. 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* . . .

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

> 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.[2] [emphasis added]

These excerpts indicate that the states were expected to use their MSA payments to advance public health and support tobacco-prevention efforts. As seen above, the last paragraph explicitly states that and also very clearly declares that there was an expectation that governments would use their MSA funding for tobacco-prevention and other public health efforts.

However, over 20 years later, the promises to use the settlement monies for tobacco prevention has eroded – or been ignored.

[2] Master Settlement Agreement, November 23, 1998, https://publichealthlawcenter.org/sites/default/files/resources/master-settlement-agreement.pdf.

REVENUES THAT NEW YORK STATE HAS RECEIVED FROM THE MASTER SETTLEMENT AGREEMENT

Since its implementation in 1999, New York State has received nearly $16 billion in revenues from the relevant tobacco companies. As seen below, New York has received at least $589 million and as much as $1.4 billion, for a 20-year total of nearly $16 billion, more than any other state party to the agreement.[3] The state has received an enormous amount of money, much of which is used for health care but, as seen later, little for keeping kids from starting or helping smokers to quit.

Year	MSA Revenues Received by New York State
1999	$589,585,995.47
2000	$688,466,153.07
2001	$773,381,790.57
2002	$912,524,225.58
2003	$751,273,216.76
2004	$802,259,699.04
2005	$813,581,357.93
2006	$744,369,230.72
2007	$774,675,945.51
2008	$834,457,275.85
2009	$916,803,414.80
2010	$764,570,098.77
2011	$723,452,335.93
2012	$737,740,683.17
2013	$737,336,663.17
2014	$828,824,306.45
2015	$714,304,862.19
2016	$1,432,460,402.05
2017	$617,458,922.24
2018	$650,307,498.31
TOTAL	$15,807,834,077.58

New York is rare among states in that it shares the expense of its Medicaid program with local governments (counties and the City of New York). Generally speaking, in a manner similar to how the state funds its Medicaid program, a bit more than half of the MSA proceeds are collected by the state with slightly less than half allocated to the relevant local counties. Local use of the MSA monies is discussed later in this report.

[3] National Associations of Attorneys General, http://www.naag.org/assets/redesign/files/Tabacco/2018-07-25__Payments_to_States_Inception_through_July_19_2018.pdf.

REVENUES THAT NEW YORK STATE HAS RECEIVED FROM FEES AND TAXES ON TOBACCO PRODUCTS

The Master Settlement Agreement is not the only source of tobacco revenues used by the state. New York also adds its own taxes and fees to the sale of tobacco products as seen below.

Year	New York State Revenues Generated By The Sale of Cigarette/Tobacco Products[4]
1999	$666,700,438
2000	$671,653,015
2001	$1,023,770,324
2002	$1,014,307,039
2003	$1,119,910,405
2004	$1,012,629,066
2005	$978,933,497
2006	$974,167,697
2007	$984,666,804
2008	$976,186,562
2009	$1,340,325,929
2010	$1,364,254,372
2011	$1,617,245,593
2012	$1,633,742,059
2013	$1,550,588,946
2014	$1,453,371,120
2015	$1,313,729,105
2016	$1,250,695,668
2017	$1,235,774,522
2018	$1,172,394,246
TOTAL	$23,355,046,407

Thus, during the 20-year period in which the Master Settlement Agreement has been in place, **New York has received $39,162,880,484.58 in combined taxes and settlement monies**. Has that money been used to adequately curb tobacco use as well as advance the public's health?

[4] New York State Department of Taxation, https://www.tax.ny.gov/pdf/2017-18_Collections/Table%2010.pdf.

NEW YORK'S TOBACCO USE PREVENTION AND CONTROL PROGRAM

New York's Tobacco Use Prevention and Control Program is supported through annual state budget appropriations. As seen below, funding of the state's Tobacco Control Program started in 2000 at $30 million and peaked at $85.5 million in 2008. Since then, the program has been slashed by more than 50 percent. In fact, when adjusted in 2018 dollars, New York now spends less on tobacco control than it has at any point since the Master Settlement Agreement went into effect.

Fiscal	Appropriation[5]	Adjusted in 2018 Dollars[6]
2000	$30,000,000	$44,288,000
2001	$30,000,000	$42,886,000
2002	$40,000,000	$56,259,000
2003	$40,000,000	$55,035,000
2004	$39,950,000	$53,241,000
2005	$39,450,000	$50,792,000
2006	$43,360,000	$53,914,000
2007	$85,485,000	$103,625,000
2008	$85,500,000	$99,718,000
2009	$80,400,000	$94,466,000
2010	$68,000,000	$82,430,000
2011	$58,400,000	$68,617,000
2012	$41,400,000	$45,082,000
2013	$41,400,000	$44,607,000
2014	$39,299,999	$41,534,000
2015	$39,300,000	$41,612,000
2016	$39,300,000	$41,154,000
2017	$39,300,000	$40,268,000
2018	$39,300,000	$39,300,000
TOTAL	$919,844,999	

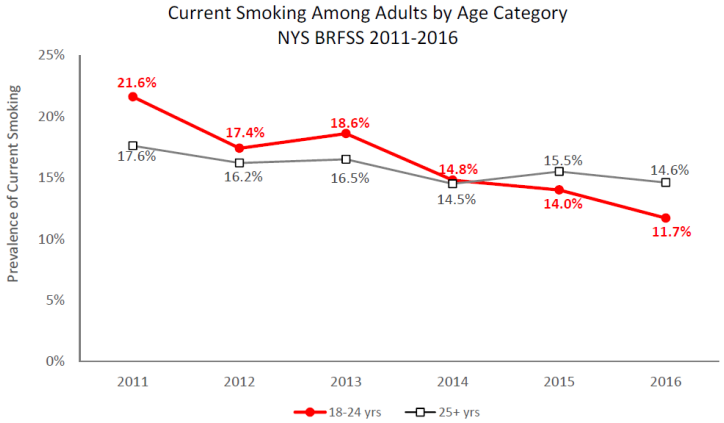
Despite the billions raised and the hundreds of millions spent, there continues to be a real need in New York for an aggressive, well-funded tobacco control program.

[5] New York State Department of Health, Tobacco Use Prevention and Control Program.

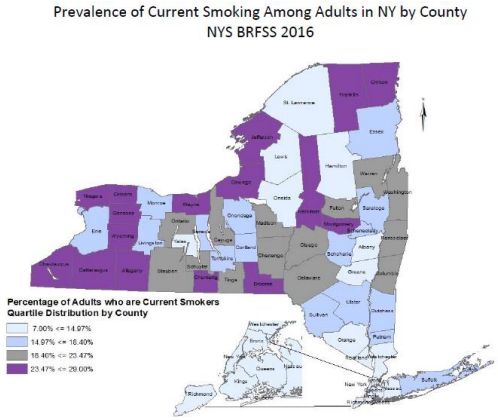
[6] U.S. Bureau of Labor Statistics, CPI Calculator, https://www.bls.gov/data/inflation_calculator.htm.

TOO MANY OF THOSE IN NEED OF HELP FROM THE STATE'S TOBACCO CONTROL PROGRAM DON'T GET IT

In addition to the Master Settlement Agreement, the tobacco taxes, and its tobacco control efforts, the state has enacted strict laws forbidding the use of tobacco products in virtually all workplaces, indoor public spaces, and in many outdoor park areas. As a result, New York's smoking rate has declined, and through its policy interventions the state has achieved a lower smoking rate than the national average. Although as seen below,[7] for adults aged 25 years and older the decline in smoking has stagnated.



Additionally, those successes have been limited geographically. As seen below,[8] many upstate counties continue to have comparatively high smoking rates.

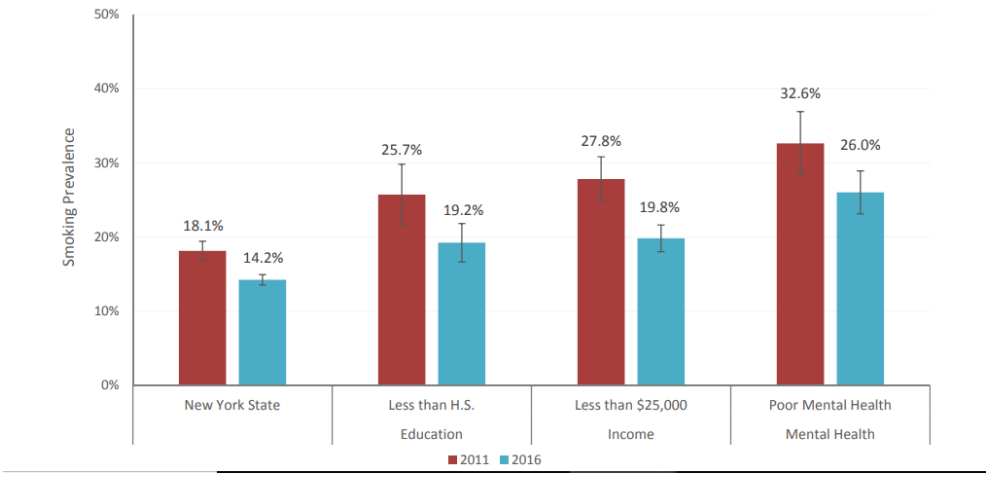


[7] New York State Department of Health, https://www.health.ny.gov/prevention/tobacco_control/reports/statshots/volume11/n1_ny_ya_smoking_declines_2011-2016.pdf.

[8] New York State Department of Health, https://www.health.ny.gov/prevention/tobacco_control/reports/statshots/volume11/n4_current_adult_smoking_by_county.pdf.

Generally speaking, the groups most harmed by the use of tobacco products are lower income, less educated, older, and with poor mental health[9] - demographics often likely found in areas of upstate New York. (For a county-by-county breakdown of smoking rates, see the Appendix.)

Figure 1. Prevalence of Current Smoking by Socioeconomic Status Indicators and Mental Health Status in NYS, BRFSS 2011 and 2016

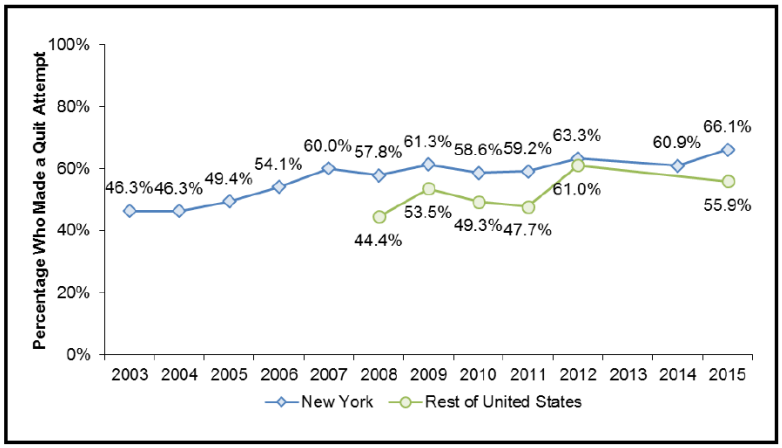


What is clear is that the vast majority of these smokers want to quit. As shown below, roughly two-thirds of smokers have tried to quit in the past 12 months.[10] The intent is clear, but state support is unnecessarily limited.

[9] New York State Department of Health, BRFSS Brief, Number 1802, https://www.health.ny.gov/statistics/brfss/reports/docs/1802_brfss_smoking.pdf.

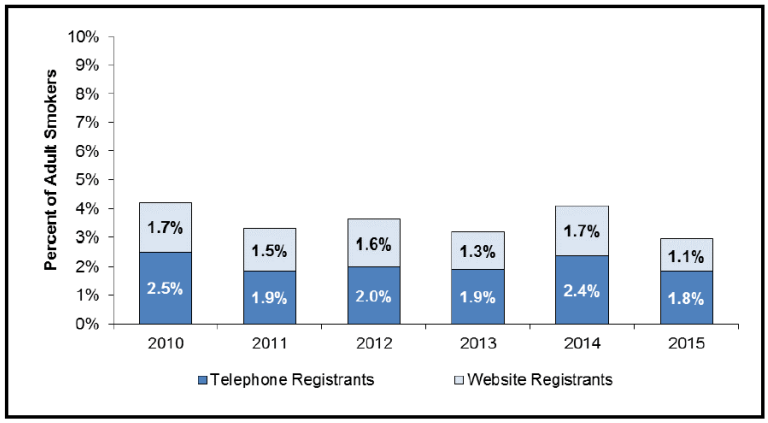
[10] New York State Department of Health, "2016 Independent Evaluation Report of the New York Tobacco Control Program," p. 25, accessed at: https://www.health.ny.gov/prevention/tobacco_control/docs/2016_independent_evaluation_report.pdf

Figure 10. Percentage of Adult Smokers Who Made a Quit Attempt in the Past 12 Months, New York Adult Tobacco Survey 2003–2015 and National Adult Tobacco Survey 2008–2015



The percentage of adult smokers in New York who register for services from the state's Quitline is low.[11] Nationally, the proportion of smokers who use national or state Quitlines is also small; however, there is evidence that "sustained, state-sponsored media can increase the number of registrants to telephone Quitlines and Web-based cessation services."[12] It is clear that more funding is needed to increase this vital service.

Figure 21. Percentage of Adult Cigarette Smokers in New York Who Registered for Services from the New York Quitline, 2010–2015



Lastly, evidence of the impact on children in similar rural, lower income areas shows infants and toddlers may be at higher risk for second- and third-hand smoke than previously reported, according to a study supported by the National Institutes of Health.

[11] Ibid. p. 36

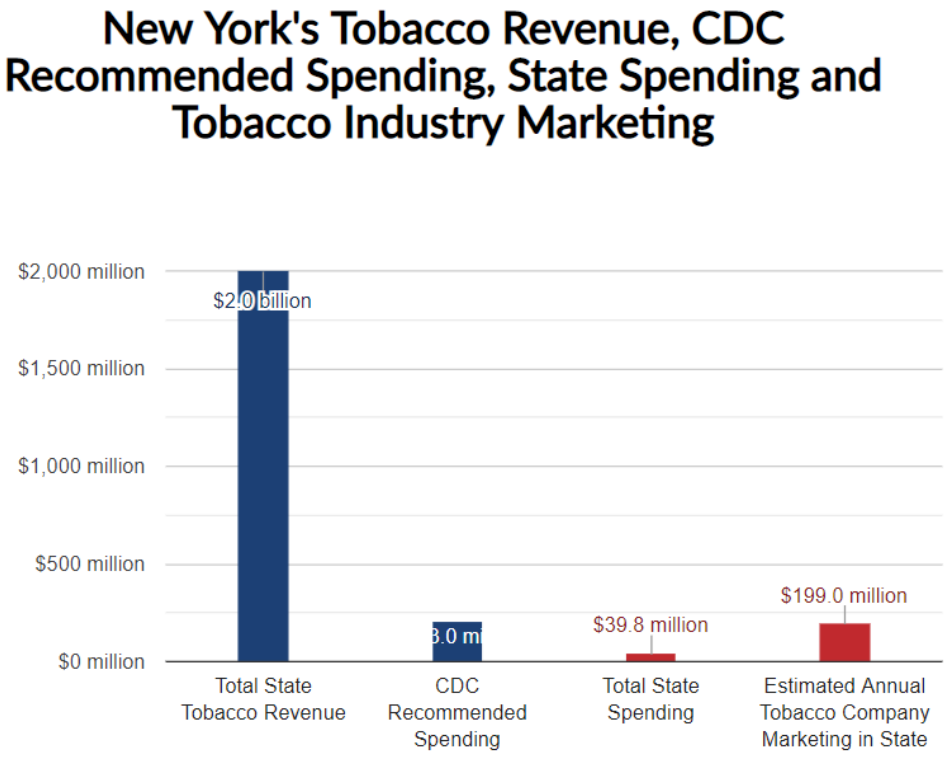
[12] Duke JC, Mann N, Davis KC, MacMonegle A, Allen J, Porter L. The Impact of a State-Sponsored Mass Media Campaign on Use of Telephone Quitline and Web-Based Cessation Services. Prev Chronic Dis 2014;11:140354. DOI: http://dx.doi.org/10.5888/pcd11.140354.

Approximately 15 percent of children in the study tested positive for cotinine, a byproduct formed when the body breaks down nicotine, at levels comparable to those of adult smokers. About 63 percent of children in the study had detectable levels of cotinine, suggesting widespread exposure to smoke.[13]

[13] National Institute of Health, https://www.nih.gov/news-events/news-releases/low-income-rural-kids-higher-risk-second-or-third-hand-smoke-exposure.

TOBACCO COMPANIES CONTINUE TO AGGRESSIVELY MARKET THEIR PRODUCTS

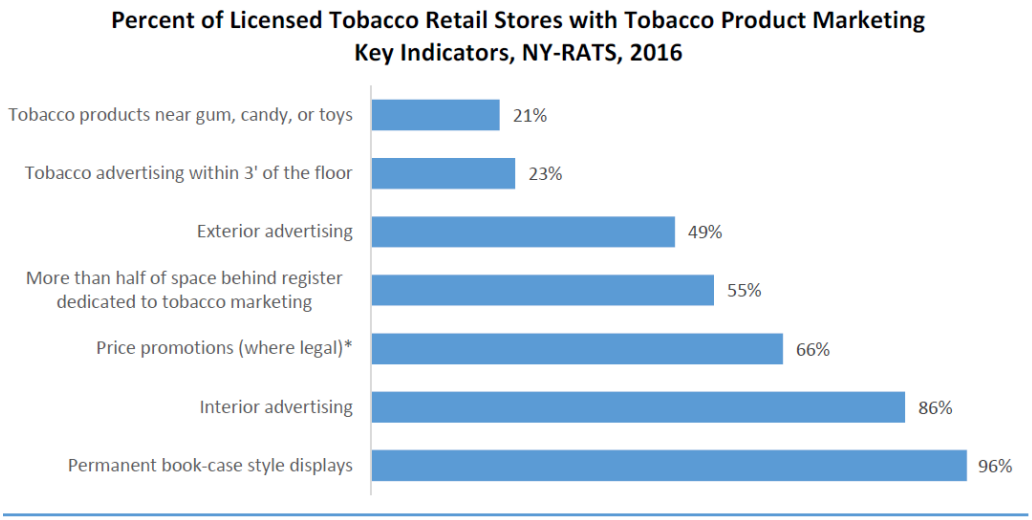
The paucity of state support for tobacco control (despite the impressive potential resources available from tobacco taxes, fees, and the master settlement agreement) is matched by the immensity of the spending by tobacco companies to advertise their deadly products.[14]



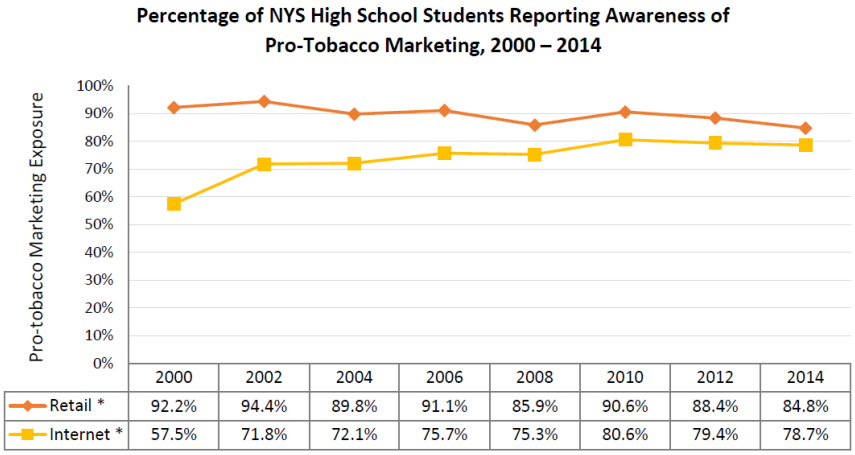
The industry does not advertise in the traditional sense, but uses less obvious, subtle messaging to appeal it would-be smokers.[15]

[14] Campaign for Tobacco Free Kids, "Broken Promises to Our Children, 2018, https://www.tobaccofreekids.org/what-we-do/us/statereport/new-york. Our review of the available tobacco revenues is slightly smaller than the one offered in the chart, roughly over $1.8 billion.

[15] New York State Department of Health, https://www.health.ny.gov/prevention/tobacco_control/reports/statshots/volume11/n2_ny_retail_tobaoco_marketing_pervasive.pdf.



The advertising is having its desired effect. A huge percentage of high schoolers have reported seeing these ads.[16] Not surprisingly, it has been far more impactful than the efforts of the pro-heath messages advanced by the state.



	2000	2002	2004	2006	2008	2010	2012	2014
Retail *	92.2%	94.4%	89.8%	91.1%	85.9%	90.6%	88.4%	84.8%
Internet *	57.5%	71.8%	72.1%	75.7%	75.3%	80.6%	79.4%	78.7%

[16] New York State Department of Health. StatShot Vol. 9, No. 2/ Mar 2016.

LUNG CANCER TAKES A TERRIBLE TOLL ON NEW YORK

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.[17] *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, 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, New York, 2018[18]

Type of Cancer	New Cases	Deaths
Total, all sites	*110,800*	*35,350*
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 the 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.[19]

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

[18] American Cancer Society, Cancer Facts & Figures, Supplemental Data, 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.

[19] 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). National Cancer Institute, https://www.cancer.gov/about-cancer/causes-prevention/risk/tobacco/cessation-fact-sheet#q2.

Today nearly 9 out of 10 cases of lung cancer are caused by smoking cigarettes.[20] 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.[21]

[20] U.S. Centers for Disease Control and Prevention, https://www.cdc.gov/tobacco/campaign/tips/diseases/cancer.html.

[21] U.S. Centers for Disease Control and Prevention, "Secondhand Smoke Facts, 2017": https://www.cdc.gov/tobacco/data_statistics/fact_sheets/secondhand_smoke/general_facts/index.htm.

A LOOK AT NEW YORK'S LOCAL GOVERNMENTS' USE OF MSA MONIES

The inadequate funding and the recent savage cuts to the state's tobacco control program are both short-sighted and ignore the science, but some of what has happened at the local government level is simply indefensible.

New York is a rare state in that it shares the cost of its Medicaid program with local governments – the City of New York and the counties. As a result, when the tobacco settlement was under discussion, local governments successfully advocated for a seat at the table, since any financial settlement should also benefit their governments. After all, they argued, they had to pay the health costs of covering sick smokers too.

Unfortunately, there was even less accountability in how they spent their share of the MSA funds than that of the state.

Media reports have surfaced of the use of tobacco revenues to offset non-health budget items. For example, in Niagara County, N.Y., $700,000 went for a public golf course's sprinkler system, and $24 million for a county jail and an office building.[22]

Additionally, questionable uses of the MSA funds were documented. A recent series by the investigative journal, *ProPublica*, examined how governments squandered tobacco settlement revenues through the use of dubious financial decisions, known as "securitization."

ProPublica reported that as of 2014, at least one out of every three dollars coming in under the settlement is pledged to investors, according to bond disclosures and payment data from the National Association of Attorneys General, which tracks the flow of funds.

Thirty-five New York counties, plus New York City have securitized all or a portion of their settlement dollars as of 2014, according to bond documents reviewed by *ProPublica*. In doing so, according to the *ProPublica* analysis, in some cases, counties received far less in revenues.[23]

[22] Estes, J., "How The Big Tobacco Deal Went Bad," October 6, 2014, *The New York Times*, https://www.nytimes.com/2014/10/07/opinion/how-the-big-tobacco-deal-went-bad.html

[23] ProPublica, https://www.propublica.org/article/how-we-analyzed-new-york-county-tobacco-bonds.

A NEW THREAT: ELECTRONIC CIGARETTES

Smoke-free laws have been a pivotal public health success that have served to protect Americans—including employees and patrons of eating and drinking establishments—from the toxic exposure of secondhand smoke. While these laws help improve health (thus reducing healthcare spending and time away from work), they also make smoking less socially acceptable, encouraging smokers to quit and discouraging underage individuals from starting.

There are concerns about the exposure of non-users to the chemicals present from e-cigarette use.

Information from the U.S. Centers for Disease Control and Prevention ("CDC") concludes that among other chemicals, nicotine present in e-cigarette aerosol can be directly absorbed by users and bystanders. Allowing the unregulated products in smoke-free areas would reintroduce toxins into clean air made possible by smoke-free policies.

Peer-reviewed studies have concluded that electronic cigarettes release significant amounts of nicotine into the air, exposing nonsmokers as well as people who choose not to use e-cigarettes. Propylene glycol is also exhaled by users of the electronic device. While the compound is generally considered to be safe, it can be a skin irritant and there is a lack of data pertaining to the health risks associated with prolonged exposure to these vapors. Studies have shown that propylene glycol can cause upper airway irritation. Other chemicals emitted upon exhalation include the weed killer acrolein, the respiratory irritant formaldehyde, as well as other cancer-causing agents.

While the New York State smoking rate among youth decreased to a record low of 4.3%, their e-cigarette use reached 20.6% in 2016, making e-cigarettes the most common tobacco product used by adolescents.[24] The U.S. Surgeon General has deemed e-cigarette use among youths and young adults a public health concern.[25] Although nicotine levels vary by product, almost all e-cigarette products sold at convenience stores and smoke shops include nicotine, which is known to cause addiction and negatively affect brain development in youths. Even without nicotine the aerosols in e-cigarettes contain heavy metals, volatile organic compounds, and other toxic chemicals. Use of e-cigarettes in youth is associated with use of other tobacco products: youth who use e-cigarettes are at increased risk for starting smoking and continuing to smoke. More than half of high school students and young adults who smoke cigarettes also use e-cigarettes.[26]

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[24] New York State Department of Health, https://www.health.ny.gov/prevention/tobacco_control/campaign/e-cigarettes/.

[25] U.S. Surgeon General, https://www.surgeongeneral.gov/library/2016ecigarettes/index.html.

[26] Hughes, Claire, "Report: E-cigarette highest among N.Y. high school students, young adults," Albany Times Union, November 2, 2015, https://blog.timesunion.com/healthcare/report-e-cigarette-highest-among-n-y-high-school-students-young-adults/3988/.

Furthermore, the use of e-cigarettes is growing. According to the National Institute on Drug Abuse, more than one-third — or 37.3 percent — of 12th-graders reported using an electronic cigarette at least once in the past 12 months, an increase of nearly 10 percentage points over 27.8 percent in 2017.[27]

New York State's strong laws and programs help protect children from accessing tobacco products, but the appeal of e-cigarettes and marketing strategies undermine measures aimed at preventing e-cigarette use among youths. E-cigarettes are not bound by the restrictions imposed by the 1998 Master Settlement Agreement and the 2009 Family Smoking Prevention and Tobacco Control Act; thus, they are free to engage in marketing tactics such as sponsoring music festivals and other cultural events. Such tactics are banned for use by cigarette companies as they are linked to youth tobacco use.[28]

Unlike cigarettes and other tobacco products, there is no federal excise tax on e-cigarettes, and New York State has no tax on e-cigarettes beyond the normal sales tax.[29]

[27] National Institute on Drug Abuse, “Monitoring the Future 2018 Survey Results,” https://www.drugabuse.gov/related-topics/trends-statistics/infographics/monitoring-future-2018-survey-results.

[28] The Truth Initiative, https://truthinitiative.org/news/4-marketing-tactics-e-cigarette-companies-use-target-youth.

[29] The Truth Initiative, https://truthinitiative.org/news/e-cigarettes-facts-stats-and-regulations,

COMPONENTS OF A MODEL TOBACCO CONTROL PROGRAM

Programs that successfully encourage smokers to quit can produce a larger and more immediate public health benefit than any other component of a comprehensive tobacco control program. Recommendations on what defines a comprehensive statewide tobacco control program are provided in the CDC's *Best Practices for Comprehensive Tobacco Control Programs.*[30]

A comprehensive tobacco control program has three main components: (1) mobilizing communities to change social norms and public policies so that they discourage tobacco use by adults and children; (2) using media and counter-marketing to educate both adults and children about tobacco issues, expose tobacco industry advertising strategies, and deglamorize tobacco use; and (3) treating adult smokers' nicotine addiction. These components are supported and strengthened by surveillance and evaluation activities and by training and program administrative support.

In a comprehensive program, these individual program elements work together to prevent and reduce tobacco use. The CDC's *Best Practices* document lays out how a comprehensive tobacco control program can be operationalized as a state program. Using evidence-based analysis of existing comprehensive state tobacco control programs and published evidence-based practices, the CDC provides guidance on the scale of funding necessary to support an effective program and presents state-specific funding ranges and programmatic recommendations. It recommends that New York should spend a minimum of $142.8 million on its comprehensive tobacco control program with a recommended spending of $203 million.[31]

Earmarking approximately a dime of every dollar of the annual revenue generated by tobacco would fund New York's tobacco control program at the median CDC-recommended level.

[30] U.S. Centers for Disease Control and Prevention, *Best Practices for Comprehensive Tobacco Control Programs*, Atlanta, GA: U.S. Department of Health and Human Services (HHS), 2014. https://www.cdc.gov/tobacco/stateandcommunity/best_practices/index.htm.

[31] Ibid, https://www.cdc.gov/tobacco/stateandcommunity/best_practices/pdfs/2014/sectionB-totalfunding.pdf.

CONCLUSION

In the 20 years since the Master Settlement Agreement (MSA), New York State has made great strides overall toward reducing illness, disability, and death related to tobacco use and secondhand smoke exposure. The efforts of the state's Tobacco Control Program and other allies resulted in a strict indoor clean air policy, one of the nation's highest state tobacco taxes, strong enforcement of laws restricting minor's access to tobacco, and increased access to effective cessation services, decreasing smoking rates among youth and adults to record low levels. This report is not intended to undermine those great successes.

Despite success, a great deal more work is required to achieve the goal of a tobacco-free society for all New Yorkers; in the vast majority of counties smoking rates for adults are well-above the national average, many smokers who desire to quit cannot access cessation services, and the rapid increase of e-cigarettes by teens and young adults threatens to reverse gains made in tobacco use prevention. And although New York State receives hundreds of millions – indeed, billions – annually from MSA payouts and taxes on tobacco products combined. Yet, funding for tobacco control over the same time has been decreasing since 2008, and by 2018 spending on tobacco control is lower than it has been, when adjusted for inflation.

Tobacco use remains a major public health concern for the State of New York; increased commitment and funding to tobacco control efforts are necessary to maintain the successes made to date and ensure continued progress towards reducing the burden of tobacco use on excess death and diseases for all New Yorkers.

APPENDIX – SMOKING RATES BY NEW YORK COUNTY[32]

(Bold faced counties' smoking rate exceeds the national average[33])

County	Percent of Adult	County	Percent of Adult
Albany	14.3	**Niagara**	**23.6**
Allegany	**23.5**	Oneida	14.6
Bronx	11.4	**Onondaga**	**17.2**
Broome	**24.5**	**Ontario**	**21.9**
Cattaraugus	**26.7**	Orange	12.4
Cayuga	**21.0**	**Orleans**	**28.6**
Chautauqua	**25.8**	**Oswego**	**29.0**
Chemung	**25.9**	**Otsego**	**19.7**
Chenango	**20.1**	**Putnam**	**16.5**
Clinton	**24.7**	Queens	10.9
Columbia	**18.9**	**Rensselaer**	**18.7**
Cortland	**18.3**	Richmond (Staten Island)	12.8
Delaware	**23.4**	Rockland	7.0
Dutchess	**16.0**	**Saratoga**	**16.5**
Erie	**17.8**	**Schenectady**	**18.4**
Essex	**16.8**	**Schoharie**	**18.1**
Franklin	**28.8**	**Schuyler**	**19.0**
Fulton	**19.1**	Seneca	15.3
Genesee	**24.4**	St. Lawrence	14.4
Greene	14.9	**Steuben**	**22.6**
Hamilton	14.5	**Suffolk**	**17.8**
Herkimer	**25.1**	**Sullivan**	**18.4**
Jefferson	**28.0**	**Tioga**	**20.8**
Kings (Brooklyn)	13.2	**Tompkins**	**16.1**
Lewis	14.4	Ulster	15.2
Livingston	**16.9**	**Warren**	**23.2**
Madison	**21.1**	**Washington**	**22.3**
Monroe	**15.8**	**Wayne**	**24.5**
Montgomery	**26.8**	Westchester	8.4
Nassau	8.5	**Wyoming**	**25.0**
New York (Manhattan)	9.6	Yates	13.3

[32] New York State Department of Health (2018). StatShot Vol. 11, No. 4/ May 2018

[33] U.S. Centers for Disease Control and Prevention, https://www.cdc.gov/tobacco/data_statistics/fact_sheets/adult_data/cig_smoking/index.htm.