STATE OF CALIFORNIA TOBACCO EDUCATION AND RESEARCH OVERSIGHT COMMITTEE

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10/4/2017

Re: Proposition 56 Evergreen Letter

To Whom it May Concern:

I am writing in my capacity as Chair of the Tobacco Education and Research Oversight Committee (TEROC). TEROC is a legislatively mandated oversight committee that monitors the use of Proposition 99 and Proposition 56 tobacco tax revenues for tobacco control, prevention education, and tobacco-related research in California (Health & Safety Codes §§ 104365-104370, Rev. & Tax. Code § 30130.56(e)). TEROC advises the California Department of Public Health, the University of California, and the California Department of Education with respect to policy development, integration, and evaluation of tobacco education programs funded by Proposition 99 and Proposition 56. As part of its mandate, TEROC develops a master plan every three years, which charts the course for California's tobacco control and research endeavors, and makes recommendations to the State Legislature. TEROC's 2015-2017 Master Plan, *Changing Landscape: Countering New Threats* lays out a vision for a tobacco-free California, including Objective 1: Raise the Tobacco Tax. This objective was successfully accomplished through the overwhelming passage of Proposition 56 by the voters of California in November 2016.

On behalf of TEROC, I want to express the Committee's enthusiasm for the opportunity to work with public and private partners across the state to ensure effective and appropriate implementation of Proposition 56. This monumental measure increased the excise tax per pack of cigarettes from 87 cents to \$2.87 and moved California from being the state with the 37th highest tax to the 9th highest in the nation. State excise tax on other tobacco products, including electronic cigarettes, also increased by an equivalent amount. Raising the price of tobacco through taxation is demonstrated to be one of the most effective strategies to reduce consumption and foster public health and well-being.

Proposition 56 saves the lives of Californians by promoting cessation among current tobacco users, preventing relapse, reducing tobacco consumption, and discouraging initiation – specifically among youth and young adults. As a result, this measure reduces exposure to dangerous secondhand smoke for non-smokers as well as reduces the amount of tobacco toxic waste that is discarded in California's ecosystems and communities. By quitting or reducing consumption, the health and financial situation of former tobacco users will improve as they will have increased disposable income to spend on other commodities. On a population level, these changes are expected to result in significant cost savings related to treating tobacco-related diseases and cleaning up toxic cigarette butts in our state's waterways and streets. The U.S. Department of Health and Human Services' Healthy People 2020 identifies increasing the price of tobacco as an effective strategy that will contribute to ending the tobacco epidemic.

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To optimize the public health impact of the tobacco tax increase, Proposition 56 requires that tax revenues are allocated toward core components of California's comprehensive statewide tobacco control program. Additionally, a minimum of 15 percent of the funds allocated to the California Department of Public Health and California Department of Education for tobacco use prevention and reduction are to be used to accelerate and monitor the rate of decline in tobacco-related disparities with a goal of eliminating them. Revenues from the increased tobacco tax will be directed to increasing Medi-Cal access, tobacco use prevention, research into cancer, heart and lung diseases, and other tobacco-related diseases, physician training, and tobacco-related law enforcement. Similar to California's experience implementing Proposition 99, it is critical to be bold, fast, and collaborative for optimal impact, especially among populations disproportionately burdened by tobacco-related diseases. TEROC strongly supports distribution of tax revenues as intended in the measure's explicit and unambiguous language to supplement California's tobacco control efforts.

Please contact me directly at (310) 794-0154 or via email at <u>mong@mednet.ucla.edu</u> to discuss how TEROC can partner with you to facilitate and support implementation of Proposition 56.

Most respectfully,

Michael Ong, M.D., Ph.D. Chairperson