**Ballot Measure 108 / Oregon Tobacco Tax**

High level Communications Talking Points |April 15, 2022

**Addressing Commercial Tobacco Related Health Inequities**

* Oregon Health Authority’s (OHA) 10-year strategic plan seeks to eliminate health inequities by 2030 and foster racial and health equity to improve health outcomes for Oregonians.
* Many communities continue to experience disproportionate harms from commercial tobacco, despite steady and significant overall reductions in tobaccouse. These include Native American/Alaskan Native, Black/African American/African, Pacific Islander, Latino/a/x, Asian, LGBTQ2SIA+, people with disabilities and people living with mental health issues.
* Tobacco-related health disparities result from variations in policy protections; the tobacco industry’s continued targeting of under resourced communities; underlying social and structural inequities, including systemic racism; and the resulting stressors experienced inequitably by communities of color.

**Background and Current Status of BM108/Tobacco Tax**

* With the passage of Ballot Measure (BM) 108 in November 2020, Oregon’s tobacco prevention system contributed to the biggest expansion of tobacco and cessation work in a generation.
* Oregon’s tobacco prevention system includes OHA, local public health authorities (LPHAs), community-based organizations (CBOs), Tribes, advocacy organizations, and other health system partners (see *Community Tobacco Prevention & Cessation Partner Map* on page 5).
* In 2021-2023, OHA estimates BM 108 tax revenue will generate $430 million, with 90% ($385 million) allocated to maintaining and expand healthcare coverage for lower-income Oregonians through the Oregon Health Plan. The remaining 10% ($43 million) was designated for state and local tobacco prevention and cessation with a focus on addressing tobacco-related health inequities.

**Process for Allocating BM 108 Revenue**

* In 2021, OHA participated in a formal consultation process with Oregon Tribes resulting in allocation of 20% of BM 108 revenue ($7.1 million) (of the overall 10% earmarked for prevention) to Tribes and the Native American Rehabilitation Association (NARA) to implement tribal-based practices for tobacco prevention and cessation.
* OHA also supported a community-led allocation planning process with 21 CBOs resulting in allocation of 57% of BM 108 revenue ($20 million) (of the overall 10% earmarked for prevention) to a new community grant program for community-based organizations and Regional Health Equity Coalitions.
* In December 2021, the Joint Leadership Team of CLHO deferred the discussion of additional funding to support technical assistance and capacity building efforts with community-based organizations until OHA completed CBO award decisions.
* OHA subsequently released a Request for Grant Applications for community-based organizations which included funding for commercial tobacco prevention (BM 108) along with eight other public health program areas in the Public Health Division (PHD). After a competitive review process that included 8 external community advisors, PHD is funding 73 CBOs for commercial tobacco prevention activities at nearly $19 million.
* OHA set aside 1.0 million in commercial tobacco prevention funding (BM 108) for outreach and capacity building with CBOs serving rural and frontier communities in collaboration with LPHAs.
* OHA is now working with the Conference of Local Health Officials to determine BM 108 funding allocation for LPHA’s to further strengthen equity efforts and expand capacity to work in partnership with CBOs and other tobacco prevention system partners.
* OHA will support near-term opportunities for collaboration through the convening of learning communities or affinity groups of LPHAs and CBOs.
* OHA will collaborate with LPHAs, CBOs, and other system partners on developing a longer-term governance and oversight model for Oregon’s tobacco prevention system.

***Current Tobacco Prevention Program Funding in Millions (Measure 44 and Ballot Measure 108), 2021-2023***

|  |  |  |  |
| --- | --- | --- | --- |
|  | **M 44** | **BM 108** | **Total 2021-23** |
| **Available** | 12.6 | 42.8 | 55.4 |
| **Carry Over** | 2.8 | 15.6 | 18.4 |
|  |  | ***Total*** | **$73.8** |
| **Budgeted** |  |  |  |
| LPHAs | 9.0 | TBD1 | 9.0 |
| Tribes | 1.0 | 7.1 | 8.1 |
| RHECs2 | 0.8 |  | 0.8 |
| CBOs |  | 20.0 | 20.0 |
| OHA cost allocation (17.64%)3 | 2.2 | 7.5 | 9.8 |
| OHA statewide supports (contracts for cessation, data/evaluation, communications, TA/training) | 3.4 | 1.4 | 4.8 |
| Other state costs (staff, fees, supplies) | 4.9 | 1.2 | 6.1 |
| TRL start-up costs (one-time expense) |  | 0.8 | 0.8 |
|  |  | ***Sub-total*** | **$59.3** |
| **Total Unallocated** |  |  | **$14.5** |

***Notes:*** *These estimates are based on currently available fiscal capacity to track revenue and make accurate budget projections. Due to rounding, totals may not add up exactly, but amounts are correct. This is a summary of more detailed budget information provided to the Joint Leadership Team on November 18, 2021.*

*1BM 108 allocation to LPHAs will be determined in conversation with CLHO about funding needed for CBO partnerships development and general capacity building to address tobacco use inequities.*

*2Similar to LPHAs and Tribes, RHECs were provided funding consistent with previous biennia to support community capacity for health equity; this funding reflects a different scope of work than the new CBO grant program for which RHECs were eligible to apply.*

*3OHA cost allocation covers services shared by all programs in OHA such as accounting, payroll, human resources, information technology, as well as building operating and maintenance costs. (Almost all funds managed by OHA are subject to a 17.46% cost allocation rate.)*

* The overall total estimated tobacco tax revenue is $73.8 million in 2021-2023.
* This includes an estimated $12.6 million from Measure (M) 44 and $42.8 million from Ballot Measure (BM) 108.
* This also includes $2.8 million in M 44 and $15.6 million in BM 108 “carry over” funds that were unspent in 2019-2021.
* Currently, $59.3 million has been budgeted, including $9 million requested by county Tobacco Prevention and Education Programs (TPEP); $8.1 million to tribes after a formal consultation process with OHA; and $20 million to community-based organizations and Regional Health Equity Coalitions (and county-CBO partnerships) after a 9-month community-led allocation planning process.
* In addition, $4.8 million is budgeted for contracts that provide statewide supports to community grantees and the public, including cessation supports, health communications, data collection and evaluation, and training and technical assistance.
* Lastly, $6.1 million is budgeted to state personnel, fees, and supplies, as well as $0.8 million to startup costs for the new tobacco retail licensing program (a one-time expenditure).
* Currently, $59.3 million has been budgeted (out of a total $73.8 million). About $14.5 million in tobacco tax revenue has not yet been budgeted for 2021-2023. This unbudgeted amount reflects significant carryover from AY 21 and OHA does not anticipate carryover of this magnitude in future biennia.
* Total revenues from tobacco taxes will diminish over time as tobacco use initiation decreases and more people quit using tobacco.
* Finally, OHA considers what resources are needed to support statewide infrastructure (e.g., cessation, communications, evaluation). Applying CDC recommendations to the unbudgeted revenues, allocations for statewide infrastructure could include $7.8 million to statewide supports for cessation ($4.2 million), health communications ($2.3 million) and data collection and evaluation ($1.3 million). This funding would be used to maintain and build on existing equity-focused state TPEP activities, as well as support emerging training and technical assistance needs from new CBO grantees and from counties that are centering community collaboration in their revised scopes of work. These are recommendations and will be determined after final negotiations are completed with LPHA’s.

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