

TOBACCO TAX OF 2006 — ALLOCATION FOR TREATMENT, PREVENTION AND RESEARCH

The Tobacco Tax Act of 2006 achieves two goals: it will reduce smoking, especially among kids, and fund critical healthcare priorities such as disease prevention, medical research, children's health insurance and emergency room care.

This initiative will increase the state's tobacco tax by \$0.13 per cigarette (\$2.60 per pack) to provide immediate help to some of California's major health challenges. The initiative is expected to raise approximately \$2.1 billion. After providing backfill funds to Proposition 10 programs (\$170 million), the funds will be distributed as follows:

■ TREATMENT — 52.75%

- Hospital emergency care services (\$758 million)
- Nurse education (\$92 million)
- Community clinics (\$58 million)
- Emergency physicians (\$66 million)*
- Steve Thompson physician education fund (\$7.6 million)
- Prostate cancer treatment (\$18 million)
- Tobacco cessation services (\$18 million)

■ PREVENTION — 42.25%

- Children's health insurance (\$371 million)
- Tobacco prevention, education and enforcement programs (\$177 million)
- Cancer, heart, asthma and other disease prevention and control programs (\$267 million)

■ RESEARCH — 5%

- Includes tobacco-related disease and cancer research (\$96.5 million)

The Tobacco Tax Act of 2006 language maintains a strict system of checks and balances to assure that all funds are used as voters intend. The Department of Health Services will be required to provide annual reports describing all programs that receive Tobacco Tax Act of 2006 Trust Fund monies and the detailed use of those funds. Reports will be available to the public on the department's website. All monies from the Tobacco Tax Act of 2006 Trust Fund are subject to audits by the Bureau of State Audits.

The initiative strengthens existing and proven anti-smoking and healthcare programs. No new bureaucracies or entitlements are created and no other funds will be used to offset any reductions in the tax collected.

The Tobacco Tax Act of 2006 is supported by a broad coalition, including the American Cancer Society, American Heart Association, and the American Lung Association. They are sponsoring this initiative because it will help keep kids from starting to smoke. They are also sponsoring this initiative because it provides immediate and tangible solutions to some of California's major health challenges.

** Language within the initiative also permanently transfers \$25 million of the Hospital's allocation of Proposition 99 money to emergency physicians.*