

1 A bill to be entitled
2 An act relating to public funds; providing for
3 the appropriation of revenues obtained as a
4 result of the settlement of litigation
5 involving the tobacco industry; providing for
6 specified amounts to be appropriated to the
7 Department of Health to continue implementing
8 the Florida Kids Campaign Against Tobacco Pilot
9 Program; providing for additional
10 appropriations of revenues to be used for
11 marketing, education and training, youth
12 programs, and community partnerships; providing
13 an appropriation to the Department of Business
14 and Professional Regulation; requiring that
15 such funds be used to enforce laws governing
16 access to and possession of tobacco products by
17 underage persons; providing for an evaluation
18 of the pilot program; providing for program
19 coordination and administrative support;
20 providing an appropriation to the Working
21 Capital Fund; specifying guidelines to be
22 applied by the Legislature in expending funds
23 paid to the state as a result of the settlement
24 of litigation involving the tobacco industry;
25 providing that funds should be deposited into a
26 trust fund rather than into the General Revenue
27 Fund; providing that funds should be spent on
28 children's health services and on education,
29 training, and enforcement programs; prohibiting
30 the use of such funds to support a national
31 settlement; requiring county health departments

1 to administer certain funds unless granted an
2 exemption; providing an effective date.

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4 WHEREAS, the use of tobacco products has been
5 demonstrated to have serious and adverse effects on personal
6 health, and

7 WHEREAS, it has further been demonstrated that when
8 tobacco use begins prior to adulthood, the potential for
9 adverse health effects is increased, and

10 WHEREAS, the children and youth of Florida have been
11 subjected to extensive advertising and marketing efforts by
12 the tobacco industry to encourage their use of tobacco
13 products, and

14 WHEREAS, the state of Florida was successful through
15 settlement of litigation in requiring the tobacco industry to
16 accept financial responsibility for costs to the state of
17 Florida associated with remediating the adverse health effects
18 of its products and preventing future generations of
19 Floridians from suffering such adverse effects, and

20 WHEREAS, a portion of the proceeds from the settlement
21 agreement has been designated for a pilot project to reduce
22 tobacco use among Florida's children and youth, and

23 WHEREAS, the Florida Kids Campaign Against Tobacco
24 Pilot Program was initiated during fiscal year 1997-1998 to
25 address youth tobacco acceptability and accessibility through
26 implementation of a comprehensive and coordinated tobacco
27 education and enforcement program, and

28 WHEREAS, funds designated in the settlement agreement
29 for implementation of the Florida Kids Campaign Against
30 Tobacco Pilot Program are not available for application to any
31 other public purpose, and

1 WHEREAS, the amount of \$70 million to support
2 implementation in fiscal year 1998-1999 of the Florida Kids
3 Campaign Against Tobacco Pilot Program may be paid only
4 pursuant to the passage of this act, NOW THEREFORE,

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6 Be It Enacted by the Legislature of the State of Florida:

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8 Section 1. The lump sum of \$70 million is appropriated
9 from tobacco settlement revenues to the Department of Health
10 to continue implementation of the Florida Kids Campaign
11 Against Tobacco Pilot Program in fiscal year 1998-1999.

12 Section 2. Funds provided in section 1 of this act
13 shall be distributed in the following manner:

14 (1) Twenty-six million dollars shall be provided to
15 the Department of Health for marketing and communications.
16 These funds are to be used for a media campaign to create and
17 promote messages urging youth to live tobacco free; for
18 advertising, production, research, advertising compensation,
19 public relations, and promotion of the campaign; for entering
20 into cooperative agreements with the private sector for joint
21 marketing arrangements; for youth media training; and for
22 Internet support.

23 (2) Thirteen million dollars shall be provided to the
24 Department of Health for education and training. These funds
25 are to be used for a comprehensive tobacco education and
26 training initiative directed toward Florida's children and
27 youth, from prekindergarten through grade 12. The initiative
28 is to be created through collaborative efforts between state
29 agencies, local communities, voluntary agencies, school
30 districts, professional organizations, and the State
31 University System, and should emphasize intensive,

1 interactive, and coordinated anti-tobacco curricula. These
2 funds are to be used for leadership seminars, statewide
3 voluntary organization education projects, science museums,
4 prevention grants, leadership institutes, youth sports
5 activities, and visual and performing arts programs.

6 (3) Ten million dollars shall be provided to the
7 Department of Health for youth programs and community
8 partnerships. In order to receive funding from this
9 appropriation, each program must demonstrate that the funds
10 will be used for purposes directly associated with the Florida
11 Kids Campaign Against Tobacco Pilot Program and that funds
12 will be used primarily for services and not for administrative
13 activities. Oversight of all funds provided under this
14 subsection will be the responsibility of the Department of
15 Health. The department must approve all partnership and
16 program plans, must oversee all contract activities, and may
17 only release funds to each program or partnership after a
18 determination has been made that all requirements have been
19 met. The department, in consultation with the Office of
20 Planning and Budgeting of the Executive Office of the
21 Governor, must develop procedures for releasing and monitoring
22 the use of funds provided under this subsection, including, at
23 a minimum, an application process and an evaluation protocol
24 to determine the effectiveness of community partnerships in
25 reducing tobacco use among teens.

26 (4) Five million dollars shall be provided to the
27 Department of Health for implementing a statewide minority
28 network to implement initiatives that specifically address the
29 needs of African Americans, Hispanics, Native Americans, and
30 other minority populations.

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1 (5) Six and one-half million dollars shall be provided
2 to the Department of Business and Professional Regulation for
3 enforcement of laws against underage tobacco access and
4 possession through a combination of program development,
5 research, and contracts with local law enforcement agencies.
6 These funds are to be used for placing enforcement agents in
7 retail locations, especially those located near schools and
8 other areas where youth gather, to deter youth from purchasing
9 tobacco and to train retail employees. Funds are also to be
10 used for law enforcement training and equipment to provide a
11 toll-free number for reporting retailers who provide tobacco
12 to youth and to create a program to address the problem of
13 false identification.

14 (6) Two million dollars shall be provided to the
15 Department of Business and Professional Regulation for
16 education, training, marketing, and communication. These funds
17 are to be used to develop a model retailer compliance
18 education and training program, provide law enforcement
19 school-based education programs in all school districts,
20 develop a model education curriculum for possession-law
21 education, provide communication materials designed to inform
22 the public about youth tobacco laws, and develop retail
23 compliance materials that encourage voluntary compliance.

24 (7) Four million dollars shall be provided to the
25 Department of Health for evaluation of each aspect of the
26 pilot program. The statewide evaluation protocol must include
27 instruments and procedures for data collection to document
28 changes in attitudes, beliefs, and behaviors related to
29 tobacco use in relation to the activities of each community
30 partnership. The protocol must also include assessments of all
31 programs prior to their inception, at the midpoint of their

1 implementation, and after they are completed. Based on results
2 from the midpoint evaluation, the statewide evaluator will
3 make recommendations to the department as to whether the
4 program should be continued, changed, or eliminated.

5 (8) Three and one-half million dollars shall be
6 provided to the Department of Health for program coordination
7 and administrative support. Pursuant to section 216.262(1)(a),
8 Florida Statutes, the Executive Office of the Governor may
9 create up to 24 positions in the Department of Business and
10 Professional Regulation and the Department of Health may use
11 up to 31 positions that are currently authorized to ensure
12 financial integrity, program accountability, and coordinated
13 management of all activities associated with the Florida Kids
14 Campaign Against Tobacco Pilot Program in fiscal year
15 1998-1999. Positions established or redirected pursuant to
16 this subsection are to be vacated and held in reserve by the
17 Executive Office of the Governor upon completion of the
18 Florida Kids Campaign Against Tobacco Pilot Program. Funds
19 shall be transferred to the appropriate categories within the
20 named departments by budget amendment subject to section
21 216.177, Florida Statutes.

22 Section 3. The following guidelines shall be applied
23 to the expenditure of all funds paid to the State of Florida
24 as a result of litigation entitled The State of Florida et al.
25 v. American Tobacco Company et al., Case #95-1466AH, in the
26 Circuit Court of the Fifteenth Judicial Circuit, in and for
27 Palm Beach County:

28 (1) The Legislature asserts its rights to appropriate
29 all funds awarded to the state through the tobacco settlement.
30 Before any funds are released, the Legislature must approve
31 all program and funding proposals.

1 (2) Funds received from the tobacco settlement should
2 not be deposited in the General Revenue Fund. Instead, a trust
3 fund should be created solely for the purpose of receiving and
4 managing settlement funds, so that a full and complete record
5 of all budget and expenditure actions is maintained.

6 (3) Some portion of settlement funds received each
7 year should be placed in escrow to create a long-term funding
8 stream.

9 (4) Administrative costs associated with programs and
10 providers that receive funds from the tobacco settlement
11 should be set at a reasonable level, consistent with
12 best-management practices.

13 (5) Funds should be spent on children's health
14 services, as provided for in the settlement, and settlement
15 funds may be used to match federal funds available under Title
16 XXI.

17 (6) Local law enforcement agencies, businesses, and
18 school districts should be involved in enforcement efforts as
19 appropriate to the mission of each organization.

20 (7) Funds received from the tobacco settlement may not
21 be used for advertising that includes the name, voice, or
22 likeness of any elected or appointed public official.

23 (8) Greater emphasis should be placed on funding
24 education, training, and enforcement programs, such as
25 classroom programs, after-school programs, "tobacco-free"
26 sports programs, peer mentoring programs, and museum, science,
27 and discovery programs than is placed on the funding of
28 advertising.

29 (9) Reimbursement should be provided to local
30 governments that have borne costs of tobacco-related Medicaid
31 patient care.

1 (10) Tobacco use should be treated as substance abuse
2 for purposes of providing cessation and counseling programs.
3 Youth and adult smoking cessation programs, with appropriate
4 incentives, should be supported by tobacco funds.

5 (11) State funds may not be used to support a national
6 or "global" settlement.

7 (12) County health departments must administer funds
8 provided to each local coalitions that is not specifically
9 granted an exemption by the Legislature. Exemptions from
10 requirements to administer coalition programs by county health
11 departments shall be limited to established administrative
12 entities that meet a test of several criteria established by
13 the Department of Health and may not include provider agencies
14 that could receive funding from the settlement.

15 (13) Consideration should be given to providing
16 additional funding for public and not-for-profit hospitals,
17 clinics, and medical schools that treat patients with
18 tobacco-related illnesses, and to investing in the Med
19 Access/Medical Buy-In Program for uninsured or underinsured
20 employees of small businesses.

21 Section 4. The sum of \$330.5 million, plus interest,
22 placed on deposit in accounts numbered 3660512058 and
23 3660510843 at NationsBank, N. A., pursuant to Escrow Agreement
24 dated September 15, 1997, and raised as a result of litigation
25 entitled The State of Florida et. al. vs American Tobacco
26 Company, et. al., Case #95-1466 AH, in the Circuit Court of
27 the Fifteenth Judicial Circuit in and for Palm Beach County,
28 are funds of the State of Florida and are appropriated to the
29 Working Capital Fund.

30 Section 5. This act shall take effect July 1, 1998.

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