

# The Tobacco Industry, State Politics, and Tobacco Education in California

## ABSTRACT

**Objectives.** Proposition 99 added 25 cents to the California state cigarette tax and mandated that 20% of the new revenues be spent on tobacco education and prevention programs. This paper examines the implementation of these programs and the tobacco industry's response to Proposition 99.

**Methods.** Political expenditure data for twelve tobacco firms and associations were gathered from California's Fair Political Practices Commission and secretary of state's Political Reform Division. Tobacco education expenditure data were collected from Governor's Budgets and the Department of Finance.

**Results.** Since Proposition 99 passed, tobacco industry political expenditures in California have risen 10-fold, from \$790 050 in the 1985–1986 election to \$7 615 091 in the 1991–1992 election. The tobacco industry is contributing more heavily to the California legislature than to Congress. A statistical analysis of data on campaign contributions indicates that California legislators' policy-making is influenced by campaign contributions from the tobacco industry. Since fiscal year 1989–1990, the state has ignored the voters' mandate and spent only 14.7% of the new revenues to tobacco education. Medical care programs received more money than permitted by the voters.

**Conclusions.** The tobacco industry has become politically active in California following the passage of Proposition 99. One result may be that the state has underfunded tobacco education by \$174.7 million through the 1993–1994 fiscal year. The estimated redirection of funds to medical care would essentially eliminate the tobacco education campaign by the year 2000. (*Am J Public Health.* 1993;83:1214–1221)

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## Introduction

Each year tobacco kills an estimated 434 000 American smokers and 53 000 nonsmokers. There are an estimated 3000 new tobacco users each day in the United States, primarily teenagers.<sup>1</sup> To discourage new smokers and encourage current smokers to quit, public health activists in California passed Proposition 99 in 1988. This initiative raised the cigarette tax by 25 cents and mandated that 20% of the revenues be used for community- and school-based tobacco education and prevention programs.<sup>2</sup> But although Proposition 99 specified how the revenues were to be spent, it remained for the state legislature and governor to implement the programs. The tobacco industry thus had the possibility of influencing the implementation of a tobacco education and prevention effort that was potentially devastating to it.

Following Proposition 99's passage, tobacco industry political expenditures in California in current dollars increased 10-fold, from \$790 050 in the 1985–1986 election<sup>3–5</sup> to \$7 615 091 in 1991–1992.<sup>6,7</sup> (In constant dollars, this represented a sevenfold increase.) We can infer that the industry's political activity was effective. The legislature and two governors never fully implemented Proposition 99's mandate. Only 14.7% of revenues was spent on tobacco education and prevention, not the mandated 20%. The underfunding amounts to \$174.7 million redirected to medical care programs from fiscal years 1989–1990 through 1993–1994, despite clear language in Proposition 99 specifying how the money should be spent.

## Methods

The tobacco industry's political activity described here includes all the reported state-level campaign and lobbying activity of 12 tobacco companies and associations: American Tobacco, Brown and Williamson, California Association of Tobacco and Candy Distributors, Lorillard, Philip Morris, R.J. Reynolds, RJR Nabisco, Nabisco Brands, Smokeless Tobacco Council, Tobacco Institute, Tobacco Tax Council, and United States To-

bacco. Data were gathered from reports on campaign and lobbying activity published by the California Fair Political Practices Commission from the 1975–1976 to the 1987–1988 elections<sup>8,9</sup> and from statements filed with the California secretary of state's Political Reform Division for the 1989–1990 and the 1991–1992 elections.<sup>10,11</sup> Money donated to political parties was credited to the legislature. Data on Proposition 99 expenditures were collected from Governor's Budgets for fiscal years 1989–1990, 1990–1991, 1991–1992, 1992–1993, and 1993–1994 and from budget documents from the California Department of Finance.<sup>12,13</sup>

## Results

### The Tobacco Industry's Political Expenditures

**Total.** Total political expenditures by the tobacco industry in California remained stable from 1975 to 1986 (Figure 1). In 1975–1976, the industry spent \$264 960 on state-level campaign contributions and lobbying. In 1985–1986, the election before Proposition 99 passed, spending was \$790 050. In the 1987–1988 election when Proposition 99 passed, expenditures increased to \$3 057 323 (excluding \$21.2 million spent in efforts to defeat Proposition 99), and in 1991–1992, to \$7 615 091.

**Legislative officeholders and candidates.** In the 1975–1976 election, the tobacco industry contributed \$5500 to legislative officeholders and candidates (Figure 1). In the 1985–1986 election, the tobacco industry contributed \$287 938. In 1987–1988, the industry more than doubled those contributions to \$612 126. Proposition 73 imposed contribution limits in 1989–1990, and contributions fell to \$572 366. Then, after these limits were

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ruled unconstitutional in 1990,<sup>14</sup> contributions increased to \$1 248 286 in 1991–1992. This made the tobacco industry the second largest contributor to legislative officeholders and candidates, behind only the California Medical Association Political Action Committee (\$1 338 314).<sup>15</sup>

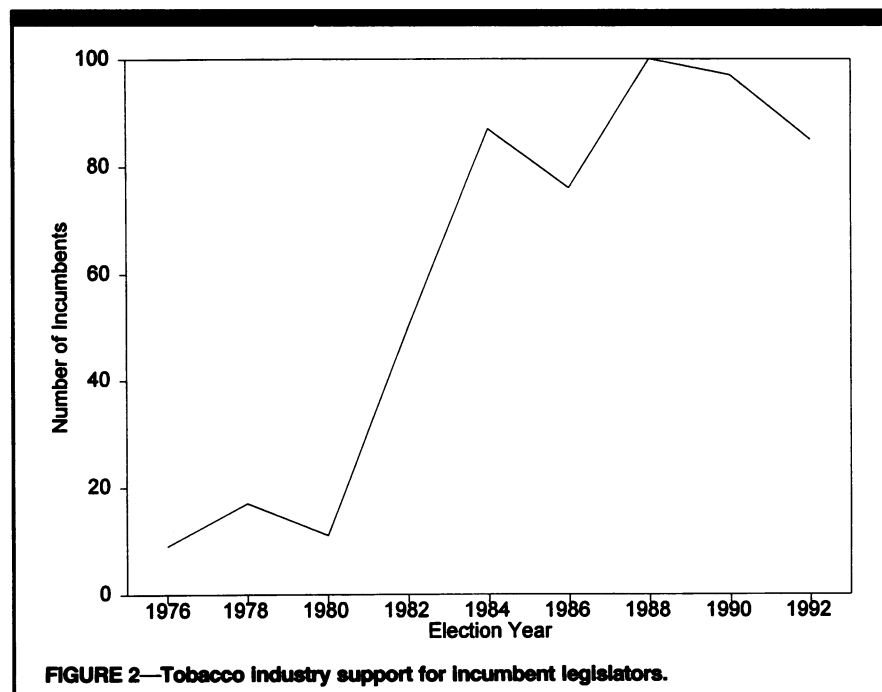
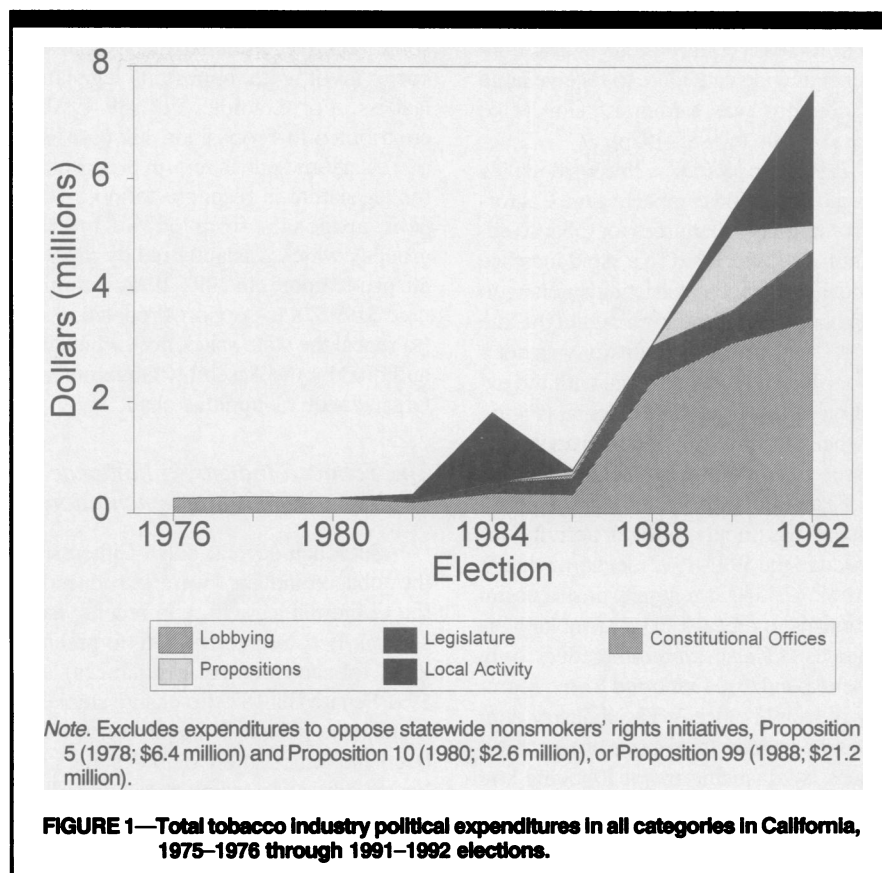
**Legislative leaders.** The tobacco industry has made substantial contributions to the Speaker of the Assembly, the single most powerful member of the legislature and second only to the governor in influence in state government. The Speaker's powers include selecting and removing standing committee chairs and members, choosing other majority party positions (e.g., majority floor leader), and controlling Assembly floor action. Not much happens in the California Assembly without the Speaker's approval. In 1991–1992, the Speaker received \$221 367, making him the largest single legislative recipient of tobacco industry contributions in the United States. Since 1979–1980 (when he first received such contributions), the Speaker has received \$410 517, or 16% of all tobacco contributions to California legislative officeholders and candidates.

Other key legislative leaders have received funds, including the Senate minority leader (\$36 000), Senate pro-tempore (\$33 388), and three other key legislative leaders (a total of \$45 000) in 1991–1992 alone.

The Assembly Governmental Organization Committee chair received \$48 902 in 1991–1992. In 1991, the Speaker sent several tobacco control bills, such as Assembly Bill 49 (to ban smoking in state buildings) and Assembly Bill 402 (to ban smoking in public places), to this committee, where they died.<sup>16–18</sup>

**Incumbents and nonincumbents.** There are 120 members of the California legislature. As of the 1991–1992 election, only nine incumbent legislators had not received tobacco industry contributions. In contrast, before the 1979–1980 election, few incumbents running for reelection had received funds. The number of incumbents receiving contributions started to increase in 1981–1982 (Figure 2) and continued through the 1980s. By 1991–1992, virtually all incumbents running for reelection received contributions. The industry also supports incumbents by rarely contributing to challengers. It contributed to only three challengers in 1989–1990 and to none in 1991–1992.

Prior to 1991–1992, the industry did not make significant contributions to non-incumbents running for open legislative seats. Then, following the enactment of



California term limits (Proposition 140), the industry contributed \$34 441 to 10 nonincumbents running for open assembly seats. Of those 10, 7 won their party's nomination in the primary and 5 were elected to office.

*Statewide officeholders and candi-*

*dates.* The tobacco industry has contributed relatively small amounts to statewide officeholders and candidates (Figure 1). From 1981 to 1988, former Gov George Deukmejian received \$59 250. Current Gov Pete Wilson has received \$27 500 since the 1989–1990 election; in other elec-

tions, he refunded several thousand dollars in tobacco contributions.<sup>19</sup> The only other statewide candidate to receive large contributions was former Lt Gov Mike Curb (\$40 000 in 1985–1986).

**Local expenditures.** Proposition 99's tobacco education campaign gave California communities resources for tobacco education,<sup>20,21</sup> which led to a rapid increase in local ordinances restricting smoking in workplaces and restaurants. Until the late 1980s,<sup>20,21</sup> the tobacco industry was not a major player in local politics, with the exception of the 1983–1984 election (Figure 1), when it spent \$1.3 million in an unsuccessful referendum campaign to repeal San Francisco's workplace smoking ordinance.<sup>23</sup> Its local political activity increased in the 1991–1992 election, when it spent \$2 425 540 in generally unsuccessful campaigns to repeal local nonsmoking ordinances. (These amounts reflect only those expenditures reported to the secretary of state's office.<sup>23</sup> The industry continues to oppose local nonsmoking ordinances by financing major lobbying and public relations campaigns, expenditures that are not disclosed on these statements.) Contributions of \$42 846 to local officeholders in 1991–1992 were at their highest level to date.

**Lobbying expenditures.** Tobacco industry lobbying expenditures (e.g., gifts, honoraria, consulting fees, salaries, payments to lobbying firms) remained stable from 1975–1976 to 1985–1986 (Figure 1), averaging about \$280 000 per 2-year election. They then grew 10-fold, from \$235 245 in 1985–1986 to \$2 179 908 in 1987–1988, when Proposition 99 passed. The industry spent \$3 473 609 lobbying in 1991–1992, a 13% increase over that spent in 1989–1990.

In addition to rapidly increasing its lobbying expenditures, the industry reorganized its lobbying efforts. Since Proposition 99 passed, American Tobacco, Brown and Williamson, Lorillard, Philip Morris, and R.J. Reynolds have hired firms to lobby legislators and state officials. Previously, they had only lobbied through organizations like the Tobacco Institute.

**Statewide initiatives.** The tobacco industry spent \$6 363 082 against Proposition 5 in 1978 and \$2 642 234 against Proposition 10 in 1980 in successful campaigns to defeat these statewide initiatives that would have mandated nonsmoking sections in public places and workplaces. In 1988, it spent \$21 242 893 in its unsuccessful campaign to defeat Proposition 99.

The industry also contributed to some nontobacco initiatives, perhaps to curry favor with important legislative leaders. For example, in 1989–1990, it contributed to Proposition 112 (a legislative salary and ethics reform proposed by the legislature in response to more stringent proposals from public interest groups), which was authored by the Senate pro-tempore. In 1991–1992, it contributed \$199 578 to support Proposition 163 (to repeal the state snack tax), which was authored by the Assembly Governmental Organization Committee chair.

### *The Tobacco Industry's Influence on Proposition 99 Implementation*

Although several bills of interest to the tobacco industry were introduced in the California legislature in recent years, such as 1991 Senate Bill 376 (to preempt local tobacco control ordinances) and 1991 Senate Bill 1879 (to ensure smoker's rights), the industry's major concern has been implementation of the state's tobacco education campaign, funded by Proposition 99. A successful campaign is bound to reduce industry sales and profits. And the tobacco education campaign, which the voters required in Proposition 99, has never been implemented fully.

The tobacco industry appears to play an influential role in tobacco education policy-making in Sacramento. Legislators are heavily lobbied by prominent tobacco lobbyists. For example, Nielsen-Merksamer, a major lobbying firm hired by the tobacco industry, has been described as the official law firm of the California Republican party. This firm also represents the California Medical Association. Prohealth lobbyists have estimated that the tobacco industry employs at least 30 individual lobbyists from various lobbying firms. Influence is also manifest in other ways. In August 1991, a memorandum was released that revealed that Speaker of the Assembly Willie Brown met in New York with Philip Morris and other tobacco interests and suggested a strategy on how to pass protobacco legislation in California by making it appear to be antitobacco legislation.<sup>24–26</sup> A month earlier, a bill had been introduced that followed the Speaker's strategy, but because of the controversy generated by release of the memorandum, the bill died. Prohealth lobbyists inside and outside the legislature describe the industry as being politically powerful and also attribute the effectiveness of its lobbying effort to its contributions to legislators.

As noted previously, Proposition 99 directed the legislature to allocate 20% of new tobacco tax revenues into the Health Education Account for school- and community-based tobacco prevention and cessation. Additionally, it directed the legislature to allocate 35% into the Hospital Services Account for hospital services for the indigent, 10% into the Physician Services Account for physician services for the indigent, 5% into the Tobacco Research Account for research on tobacco-related diseases, 5% into the Public Resources Account for environmental protection, and 25% into the Unallocated Account to be allocated to the other accounts by the legislature (Figure 3).<sup>27</sup>

**Initial implementation: fiscal years 1989–1990 and 1990–1991.** After 11 months of intense lobbying by health care advocates, tobacco interests, and health care professionals, legislators passed Assembly Bill 75 in September 1989 (Chapter 1331, Statutes of 1989) to implement Proposition 99 programs. (Separate legislation implemented the Tobacco Research and Public Resources programs.) This bill also established the goal of reducing tobacco consumption by 75% by the year 1999.

Along with the community- and school-based tobacco education and prevention programs administered by the Departments of Health Services and Education, the Health Education Account also funds an anti-tobacco media campaign and the Tobacco Education Oversight Committee, whose job it is to monitor the programs and report back to the legislature. Assembly Bill 75 was scheduled to "sunset" in June 1991 so that the legislature could evaluate the tobacco education and prevention programs. This provided the tobacco industry with another opportunity to influence legislative decisions regarding tobacco education.

In Proposition 99's first year, total expenditures for tobacco education and prevention programs represented only 12% of total tobacco tax expenditures (Figure 3). Although Proposition 99 required that Health Education Account funds be spent only for tobacco education and prevention programs, \$8.6 million were spent on the Child Health Disability Prevention Program (Table 1), a medical services program, in 1989–1991. In 1990–1991, \$23 million from the Health Education Account were spent on the Child Health Disability Prevention Program and \$10.9 million were spent on other medical programs.

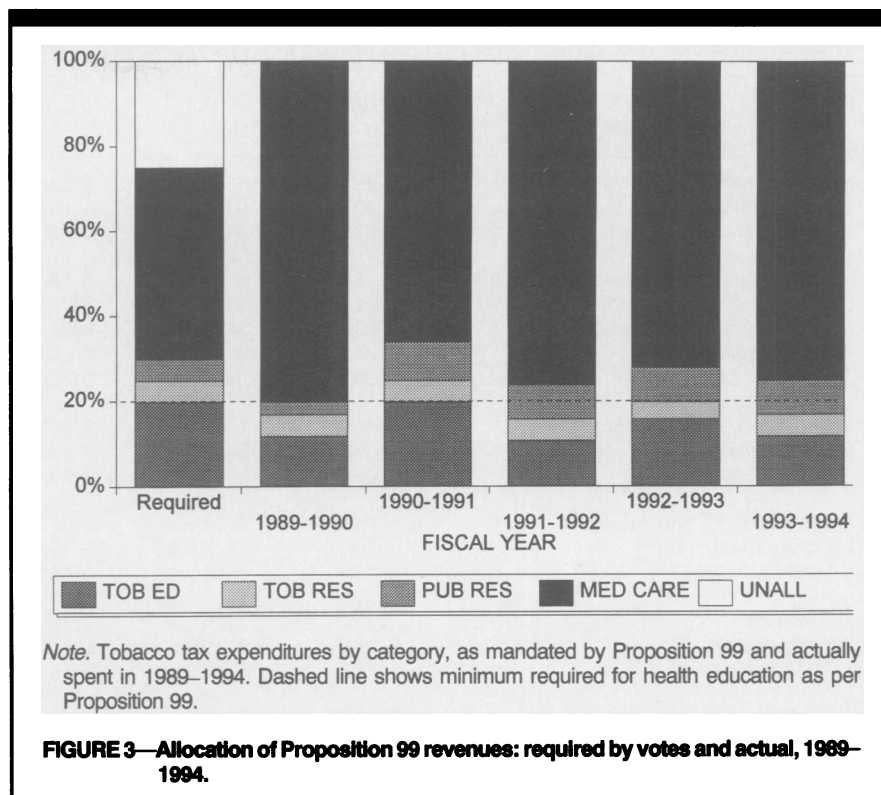
**Reauthorization: fiscal year 1991–1992.** When Assembly Bill 75 expired in 1991, the legislature passed Assembly Bill

99 to appropriate tobacco tax revenues for the Health Education, Hospital, Physician, and Unallocated accounts for the next 3 fiscal years (Chapter 278, Statutes of 1991). The legislature again ignored the Proposition 99 mandate that 20% of the revenues be used for school- and community-based tobacco control. For 1991–1992, Assembly Bill 99 directed more than \$27.2 million from the Health Education Account to the governor's Access for Infants and Mothers Program, a new medical insurance program, as well as \$22.8 million to the Child Health Disability Prevention Program and \$1 million to the Medi-Cal Perinatal Program.

Assembly Bill 99 also directed "that at least one-third of each local lead agency's allocation from the [Proposition 99] Health Education Account be used for perinatal outreach, coordination, and expansion of services."<sup>28(p1)</sup> The Department of Health Services required each local health department to develop a supplement to that department's comprehensive tobacco education plan to address the status of perinatal health,<sup>28</sup> but it specifically disapproved use of these funds for tobacco-related services. Accordingly, \$7.2 million was redirected for perinatal medical care in 1991–1992. Altogether, the legislature diverted a total of \$58.2 million of Health Education Account funds from tobacco prevention and education to medical care in 1991–1992 (Table 1).

*State budget crisis: redirecting tobacco education funds: fiscal years 1991–1992 and 1992–1993.* The state's tobacco education and prevention programs produced encouraging results in their first few years. The price increase following the tax depressed tobacco consumption,<sup>29</sup> and this effect, combined with the effects of the tobacco prevention programs funded by Proposition 99, reduced California's smoking rate 17% below the historical trend.<sup>30</sup> If this trend is maintained, California will reach Assembly Bill 75's goal of reducing smoking by 75% by the year 2000.<sup>31</sup>

Citing the state's \$6 billion budget deficit in 1992, Governor Wilson proposed eliminating the anti-tobacco media campaign, the community-based tobacco education and prevention programs, the evaluation program, and the Tobacco Education Oversight Committee to use \$60 million from the Health Education Account in 1991–1992 and \$62.8 million in 1992–1993 for perinatal medical services for poor women.<sup>32</sup> In 1992–1993, the governor proposed redirecting \$14.7 million from the Tobacco Research Account, re-



ducing it to 3% of revenues (below the 5% Proposition 99 requires).

Part of the effort to reduce the state's tobacco education and prevention programs to fund medical care programs involved canceling the \$16 million anti-tobacco media campaign,<sup>33</sup> which was specifically required by Assembly Bill 99. In response to a lawsuit by the American Lung Association of California,<sup>34,35</sup> the Sacramento County Superior Court ruled that neither the governor nor the director of health services had the authority to withhold the \$16 million mandated by law. The governor argued that the redirection of tobacco education funds in 1991–1992 and 1992–1993 could have been approved by four-fifths majorities in both houses of the legislature. However, the legislative counsel stated:

Proposition 99 specifies that (1) Health Education Account funds shall only be available for programs for the prevention and reduction of tobacco use and (2) Research Account funds shall only be available for tobacco-related disease research. The proposal to use these funds for pregnancy-related services extends beyond the purposes specified in Proposition 99 for the Health Education and Research Accounts.<sup>36(v.106)</sup>

In addition, the legislative counsel said that the governor's proposed use of funds would require voter approval "because the proposal extends the account's pur-

poses beyond those specified in Proposition 99."<sup>36(v.112)</sup> Thus, it did not appear that the governor could have legally transferred funds from the Health Education and Tobacco Research accounts to fund medical care.

To persuade the California Assembly-Senate Budget Conference Committee not to redirect tobacco education and prevention funds in 1992–1993, 37 legislators (who, on average, received less in tobacco industry contributions than those who did not sign the letter)<sup>5</sup> signed a letter to the committee chair arguing both that redirection of health education funds to medical care programs "would be unconstitutional and reflect a willful disregard for the clear expression of California's voters"<sup>37(p1)</sup> and that the redirection "is clearly illegal. Legislative Counsel and outside counsel confirm that this action violates the law and will almost certainly be overturned in court."<sup>37(p1)</sup>

*Resolution: fiscal years 1991–1992 and 1992–1993.* Assembly Bill 979, which became the Budget Act of 1992, adjusted spending for tobacco education and prevention programs for 1991–1992 (Chapter 587, Statutes of 1992). Although the legislature did not accept the governor's proposals, it redirected \$20.9 million (\$4.8 million in 1991–1992 and \$16.1 million in 1992–1993) from the Health Education Account to fund community colleges.

TABLE 1—Actual and Projected Proposition 99 Expenditures, Fiscal Years 1989 Through 1994\* (in millions)

Programs	Actual 1989–1990	Actual 1990–1991	Actual 1991–1992	Projected 1992–1993	Projected 1993–1994	Total
Health education expenditures <sup>b</sup>	\$ 92.4	\$136.4	\$ 62.3	\$ 92.6	\$ 71.3	\$ 455.0
Funding reserve	\$ 88.6	\$ 38.1	\$ 37.0	\$ 8.6	\$ 2.1	\$ 174.4
Total revenues	\$181.0	\$174.5	\$ 99.3	\$101.2	\$ 73.4	\$ 629.4
Health education dollars to medical care <sup>c</sup>	\$ 8.6	\$ 33.9	\$ 58.2	\$ 35.4	\$ 38.6	\$ 174.7
Other medical care expenditures <sup>d</sup>	\$601.1	\$416.0	\$373.2	\$378.4	\$334.6	\$2103.3
Total medical care expenditures	\$609.7	\$449.9	\$431.4	\$413.8	\$373.2	\$2278.0
Funding reserve	\$ 24.8	\$ 18.8	\$ 4.5	\$ 14.1	\$ 4.8	\$ 67.0
Total revenues	\$634.5	\$468.7	\$435.9	\$427.9	\$378.0	\$2345.0
Tobacco research expenditures <sup>e</sup>	\$ 40.9	\$ 32.0	\$ 26.9	\$ 23.7	\$ 25.6	\$ 149.1
Funding reserve	\$ 5.0	\$ 1.3	\$ 2.2	\$ 2.9	\$ 0.5	\$ 11.9
Total revenues	\$ 45.9	\$ 33.3	\$ 29.1	\$ 26.6	\$ 26.1	\$ 161.0
Public resources expenditures <sup>f</sup>	\$ 26.1	\$ 61.0	\$ 43.3	\$ 48.4	\$ 39.0	\$ 217.8
Funding reserve	\$ 20.7	\$ 2.7	\$ 12.6	\$ 2.9	\$ 1.4	\$ 40.3
Total revenues	\$ 46.8	\$ 63.7	\$ 55.9	\$ 51.3	\$ 40.4	\$ 258.1
Unallocated	... <sup>g</sup>	... <sup>g</sup>	... <sup>g</sup>	... <sup>g</sup>	... <sup>g</sup>	... <sup>g</sup>
Funding reserve	\$ 26.6	\$ 0.9	\$ 4.0	\$ 2.7	\$ 2.3	\$ 36.5
Total revenues	\$ 26.6	\$ 0.9	\$ 4.0	\$ 2.7	\$ 2.3	\$ 36.5
Total expenditures	\$769.1	\$679.3	\$563.9	\$578.5	\$509.1	\$3099.9
Total reserve	\$165.7	\$ 61.8	\$ 60.3	\$ 31.2	\$ 11.1	\$ 330.1
Total available revenues	\$934.8	\$741.1	\$624.2	\$609.7	\$520.2	\$3430.0

\*From Governor's Budgets, 1991–1992, 1992–1993, and 1993–1994, and from other documents supplied by the Department of Finance, January 8, 1993, and May 27, 1993.

<sup>b</sup>Funds for tobacco education programs only, excluding Health Education Account funds for medical care programs.

<sup>c</sup>Health Education Account funds for medical care programs, excluding funds for tobacco education and prevention programs.

<sup>d</sup>Funds from Hospital, Physician, Tobacco Research, and Unallocated accounts for medical care programs.

<sup>e</sup>Funds for the University of California, Tobacco-Related Diseases Research Program.

<sup>f</sup>Funds for environmental programs.

<sup>g</sup>Funds allocated for medical care and environmental programs.

This diversion of funds to community colleges strayed even further from the voters' mandate in Proposition 99 since none of the revenues collected under Proposition 99 were to be devoted to education programs in general. The governor line-item vetoed this appropriation. These funds later were appropriated to local health departments for tobacco education (\$3 million in 1991–1992 and \$11.9 million in 1992–1993), and the administration redirected one third of these funds (\$1 million in 1991–1992 and \$3.9 million in 1993–1994) to medical care programs for pregnant women and children.

The total amount spent on tobacco education and prevention programs in 1991–1992 represented only 11% of total tobacco tax expenditures (Figure 3). Medical care programs accounted for nearly half (\$58.2 million) of Health Education Account funds (Table 1). In budget projections based on Assembly Bill 979 for 1992–1993, the total amount to be spent on tobacco education and prevention represented 16% of total tobacco tax expenditures. Medical care programs were pro-

jected to spend \$35.4 million of the Health Education Account.

*Fiscal year 1993–1994.* The projected 1993–1994 budget will spend \$71.3 million for tobacco education and prevention programs, or 14% of expenditures (Figure 3 and Table 1). Medical care programs will absorb \$38.6 million of Health Education Account funds. Overall, tobacco tax expenditures have decreased 12% between 1992–1993 and 1993–1994. Health Education Account expenditures for medical care programs have increased 9% while tobacco education and prevention have declined 23%.

*Section 43 reductions and protected medical care programs.* As tobacco consumption falls, the Proposition 99 revenues should fall in direct proportion. Budget language contained in Assembly Bill 99, known as Section 43, is leading to further erosion of tobacco education. Section 43 protects five medical care programs from revenue reductions: Medi-Cal Perinatal Program, Access for Infants and Mothers Program, Major Risk Medical Insurance Program, Child Health Disability

Prevention Program, and County Medical Services Program. It states that if Proposition 99 tobacco tax revenues are insufficient to fund these medical programs, the Department of Finance is to transfer funds from other Proposition 99 programs to cover them. The legislature has not asked the legislative counsel for its legal opinion of Section 43.

From 1992–1993 to 1993–1994, tobacco tax revenues have decreased by 12% because of the drop in tobacco consumption, and expenditures for protected medical programs have risen by 19%. If this trend continues, Section 43 will eliminate the tobacco education campaign by the year 2000 (Figure 4).

## Discussion

Proposition 99's tobacco education and prevention effort has had a major impact on tobacco consumption. The Health Education Account has funded an anti-smoking media campaign and local coalition building to enact no-smoking ordinances in public places and workplaces

and to restrict access to vending machines. Smoke-free workplaces have contributed significantly to reducing tobacco consumption.<sup>38</sup> Whereas tobacco consumption in California had been falling by 45.9 million packs per year from 1981 to 1988, the rate of decline more than tripled to 164.2 million packs per year after passage of Proposition 99.<sup>39</sup> The increase in the rate of decline in cigarette consumption means that 802 million fewer packs of cigarettes were consumed in California than would have been predicted based on 1981–1988 consumption, amounting to a loss of \$1.1 billion in pretax sales to the tobacco industry.<sup>39</sup>

Since passage of Proposition 99, the tobacco industry has increased political spending in California. Like any other organized group attempting to influence policy-making, it has made large contributions to important legislative leaders, favoring incumbents over nonincumbents. It is remarkable that the tobacco industry has invested such major resources in California, a state where tobacco is neither grown nor manufactured. It is, in fact, spending political money more intensively in the California legislature than in the US Congress. In 1991–1992, the leading legislative recipient of contributions was California Assembly Speaker Willie Brown, who received \$221 367, compared with the leading congressional recipient, Sen Wendell Ford (D-KY), who received \$54 998. Overall, the 120 members of the California legislature received \$10 402 per member in 1991–1992, compared with only \$4255 per member of Congress.<sup>40</sup> The only plausible explanation is that Proposition 99 and its tobacco education and prevention programs seriously threaten the industry.

Although there is little evidence showing that the tobacco industry has “bought” legislators’ votes, early research strongly suggests that tobacco industry’s campaign contributions are influencing the behavior of California legislators in matters related to tobacco policy-making, independent of constituents’ support for tobacco control. We conducted a multivariate simultaneous equations statistical analysis of data on campaign contributions from the tobacco industry to legislators in the 1991–1992 election, their records on tobacco control policy as scored by tobacco control advocates, members’ personal characteristics, and constituents’ attitudes towards tobacco control. We found that the industry has a statistically detectable effect on legislative behavior. On a scale of 0 to 10, a

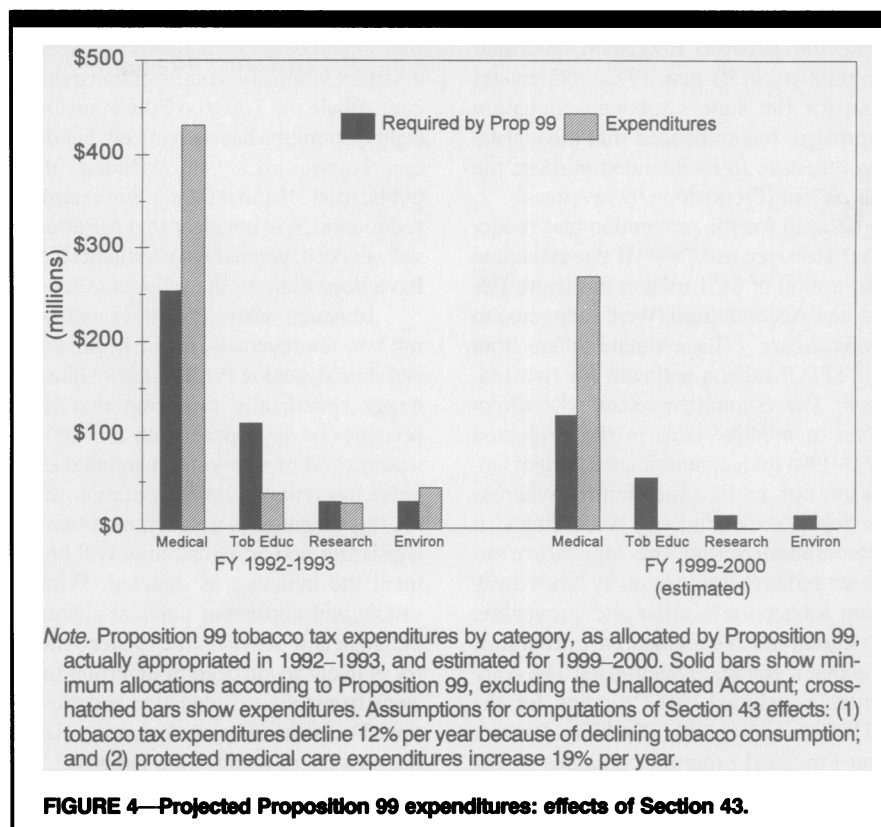


FIGURE 4—Projected Proposition 99 expenditures: effects of Section 43.

legislator’s tobacco policy score dropped (became more pro-tobacco industry) by  $-0.11$  for every \$1000 in tobacco campaign contributions, after the fact that a more pro-tobacco position was associated with greater contributions (\$1855 for each  $-1.0$  reduction in score) had been accounted for. Members rated as effective received larger contributions. Members rated higher in integrity and intelligence were more anti-tobacco and Republicans more pro-tobacco, after contributions had been accounted for. Constituents’ attitudes were not reflected in legislators’ behavior. (Details of the analysis and data can be obtained from authors Begay and Glantz.) A permeable policy-making process offers numerous opportunities to lobby legislators and administrative officials to divert tobacco tax revenues away from tobacco education and prevention.

The trend has been to spend Health Education Account funds on medical care. Indeed, in 1989, the Tobacco Institute offered to contribute \$250 000 to the California Medical Association to divert Health Education Account funds to medical care programs through a Medical Association-sponsored ballot initiative.<sup>41</sup> James Schultz, policy analyst for Consumers Union, described the Medical Association as having “a schizophrenic mission” because

it has a role in protecting the pocketbook interest of its physician members, and at the same time, is ostensibly interested in protecting public health. When those two purposes are in conflict, public health isn’t always the winner.<sup>41(p14)</sup>

The cumulative effects of diverting money away from tobacco education activities have been substantial. From the actual expenditures of 1989–1990 to those projected for 1993–1994, medical care will have received a total of \$174.4 million (Table 1) the voters have directed to tobacco prevention; this is an amount equivalent to about 2 years of funding of tobacco education and prevention activities at projected 1993–1994 levels. Section 43 accelerates this diversion and violates Proposition 99.

Other factors, such as the state’s fiscal crisis and the efforts of the California Medical Association and the California Association of Hospitals and Health Systems to protect medical programs, may have also influenced legislative and executive decision making regarding Proposition 99. Public health activists have seemed unwilling to fight for tobacco education and prevention programs through litigation, with the exception of the American Lung Association of California’s successful law suit to reinstate the anti-tobacco media campaign.

This situation may be changing. In 1992, the Tobacco Education Oversight Committee, in its new 1993–1995 master plan for the state's tobacco education campaign, recommended that the legislature "restore to its intended purpose the full 20% of [Proposition 99 revenues] . . . to be used for the prevention and reduction of tobacco use."<sup>42(pv)</sup> It also estimated that a total of \$151 million of Health Education Account funds were redirected to medical care. (This estimate differs from our \$174.7 million estimate for two reasons: The committee excluded redirections to medical care in the projected 1993–1994 budget; and it used budget language, not actual expenditures, whereas we report expenditures.) Accordingly, it recommended that the legislature no longer redirect Proposition 99 funds away from tobacco education and prevention programs and into medical care programs, and that it eliminate Section 43. The committee concluded that "funding for the CHDP [Child Health Disability Prevention Program] program continues to expand, yet we have little idea of what CHDP is doing with these funds and no evaluation of its impact."<sup>42(p25)</sup>

What happened to Proposition 99 in California may be repeated in Massachusetts. In November 1992, Massachusetts voters passed Question 1, an initiative to increase the state cigarette tax by 25 cents. Question 1 could only recommend that the legislature spend revenues on tobacco education and prevention.<sup>43–46</sup> In the campaign, the tobacco industry claimed that the funds would be diverted away from tobacco control, whereas the Massachusetts Coalition for a Healthy Future, the initiative's proponent, promised to defend the revenues from diversion.<sup>47</sup> After the election, the governor, with support from the Massachusetts coalition, proposed diverting \$70 million of Question 1 revenues to fund nontobacco programs. Later, the coalition withdrew its endorsement and offered its own plan.<sup>48,49</sup> Subsequently, the Massachusetts Medical Society and Blue Cross–Blue Shield broke with the rest of the coalition and lobbied for a \$10 million diversion of funds from tobacco control to medical services.<sup>50</sup> The issue of how Question 1 funds are to be spent is still unresolved.

When a Proposition 99-like initiative is being implemented, public health activists must exercise caution in agreeing to legislative compromises with legislators and other interest groups. For example, in California, because of legislative compromise by public health advocates in 1989,

more and more Proposition 99 revenues that should be spent on tobacco education and prevention are being spent on medical care. While the Tobacco Education Oversight Committee has recognized that these compromises are a "serious breach of the public trust"<sup>42</sup> and is attempting to end the redirection, it is not clear that the attempt will succeed, given the constituencies that have been built on the redirected funds.

In states where initiatives can commit new tax revenues, public health activists should include Proposition 99-like language specifically requiring that fixed revenues be appropriated for tobacco education and prevention to eliminate legislative discretion in implementation. Even so, this language is no guarantee that the legislature and administration will implement the initiative as directed. Without visible and consistent political action by public health activists, the tobacco industry is likely to succeed in diverting funds away from tobacco education and prevention. The political battle does not end with the passage of a statewide initiative. The stakes for the tobacco industry are simply too high. □

### Acknowledgments

This work was supported by the Cigarette and Tobacco Surtax Fund of the State of California through the Tobacco-Related Disease Research Program of the University of California Awards 1RT 520 (Dr Glantz) and 3KT 0349 (Dr Begay); and by postdoctoral fellowships (Dr Begay) from the Agency for Health Care Policy, research grant 2T32HS00026-06, and the Pew Charitable Trusts.

This paper was presented in part at the annual meetings of the American Public Health Association (November 1992), the Society of Behavioral Medicine (March 1993), and the Western Political Science Association (March 1993).

Thanks to Dr Harold Luft, acting director of the Institute for Health Policy Studies, University of California, San Francisco; Dr Thomas Novotny, assistant dean for Public Health Practice, School of Public Health, University of California, Berkeley; and Dr Lisa Bero and Dr Anna Hazan, the Institute for Health Policy Studies, University of California, San Francisco, for comments on drafts of this manuscript.

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