

Testimony on the Oregon Healthy Kids Program (HB 2201)

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Chair Barnhart and members of the Revenue Committees, thank you for the opportunity to discuss the revenue component of HB2201.

Children First for Oregon is a widely respected nonprofit, nonpartisan child advocacy organization that has been speaking up on behalf of Oregon's children for 15 years. We believe every child in this state has a right to be healthy, safe and secure.

I am here to testify in support of the tobacco tax. Children First believes that the tobacco tax is not only the most sensible way to ensure every Oregon child has health care coverage, but an important health program in and of itself.

The social costs of cigarettes are staggering: In 2002, 7,000 lives and over \$1 billion in direct medical costs. The facts are clear: we lose money and lives with every pack of cigarettes that are sold. The Healthy Kids Plan allows us to prevent many of these deaths, recoup some of the medical costs, and spend the revenue on our #1 priority: comprehensive, affordable health care for every child.

The tobacco tax has been criticized as placing an undue burden on low-income Oregonians. It is true that Oregonians below the poverty line have a 10% higher rate of smoking than those above the poverty line. Here is what is also true: tobacco companies disproportionately target advertisements at low-income people; these higher rates of smoking greatly contribute to the gross health disparities that exist by income; and studies have shown that higher cigarette taxes are one of the best ways to reduce smoking in low-income populations. In short, low-income communities will be the greatest beneficiaries of this tax not only because its revenues will support health care coverage for their children, but because they will enjoy the largest declines in smoking and its associated harms and costs.

I urge you to consider that a higher tobacco tax will prevent smoking among children. When cigarettes cost more, far fewer adolescents will ever move beyond the experimental stage to regular, addicted smoking.

Our current way of doing business is fiscally and morally irresponsible. We recover only a mere fraction of the cost of cigarettes in taxes. We don't provide a way for every child to be insured, so every time an uninsured child gets sick and goes to the emergency room it costs us. We must get more efficient and HB 2201 addresses these two glaring wastes of money.

Cigarette taxes are a stable and adequate funding source, particularly when compared to the income tax, even in an economic downturn. Using the cigarette tax to pay for the Healthy Kids Plan makes sound fiscal sense. It is our hope that people will quit smoking and children will be prevented from starting to smoke because of the tobacco tax, and as cigarette use declines the cost savings from the decrease in smoking-related illnesses can be used for the Healthy Kids Plan.

The health of Oregon's children cannot wait. We must put the health of children first this session, and make smart investments now or pay later in even higher health care costs and unhealthy communities

HB 2201 presents lawmakers with a clear choice. Ultimately, the decision will depend upon what deserves protection most: the interests of tobacco companies or the health of Oregon's children. Chair Barnhart and Revenue Committee Members, I know you are committed to protecting Oregon's children. I hope you will agree the only responsible choice is to vote yes on HB 2201.