



August 11, 2020

Governor Newsom
Office of Governor Gavin Newsom
1303 10th Street, Suite 1173
Sacramento, CA 95814

Re: Supporting Health Care, Public Health, and Early Childhood Through the Vape Tax

Dear Governor Newsom,

We applaud your strong leadership in taking prompt and deliberate steps to fight COVID-19. The virus has impacted every facet of our economy, government, and daily lives, and as more and more Californians struggle, safety net services will continue to be a lifeline for many throughout our state.

Most immediately, the Vape Tax proposal can play an immediate and critical role to bolster safety net services across public health, early childhood, and health in our communities.

As entities that derive funding from tobacco taxes – including vaping products, and alongside our key partners, we write to respectfully request all proceeds from the Vape Tax follow the existing voter-approved tax structure on vaping products, and be allocated as follows:

- 14.8% to Early Childhood Development Systems (Proposition 10, 1998)
- 26% to Public Health (Proposition 99, 1988)
- 59% to Health Care Workforce Program (Proposition 56, 2016)

Recognizing the proliferation of the youth vaping epidemic, you have taken bold action by introducing the Vape Tax this year. We share your concerns about the incredible increase in youth vaping habits across our state, and we support your call to ban flavored tobacco products, as currently proposed through SB 793 (Hill). These products are highly addictive, dangerous, and predatory, using flavors such as bubble gum and cotton candy to appeal to adolescents. **A Flavors Ban and a new Vape Tax will help decrease access to and curb consumption of these dangerous products.**

While we emphatically support the concept of the Vape Tax, we have concerns about breaking with voter-approved precedent for the distribution of tobacco-related tax revenue. Specifically, our concerns center around:

- **Bypassing Voter Will:** We are concerned about the precedent the proposed new tax sets in bypassing the voter-approved tax structure. Through the passage of Proposition 10, and Proposition 99, Proposition 56, voters approved the current tax structure on vaping products for early childhood development, public health, and to support the state's Medi-Cal system. We strongly insist that voter will should be reflected in any new Vape Tax structure, and not depart from this precedent.

- **Accelerating Already-Declining Revenues to Health, Public Health, & Early Childhood Programs:** As programs that are funded by tobacco taxes, we have firsthand witnessed the decline of this revenue source. For example, First 5 (Proposition 10) has declined by 50% since first passed by voters in 1998. While we applaud a reduction in tobacco purchasing and usage from a public health standpoint, we are concerned about the unintended consequences of excluding our critical health, public health, and early childhood efforts from the possibility of new revenue, no matter how small. Simply put, a new Vape Tax will likely negatively impact existing tobacco tax revenue overall, and we may not be able to continue to provide these public health and safety net services at a time when they are more critical than ever.

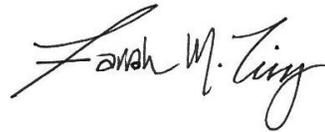
We are committed to fighting the threat of COVID-19 to our most vulnerable communities alongside you, the Legislature, and our key community partners. In these uncertain times, we ask that you affirm the will of the voters and provide our organizations with increased revenue predictability from any new Vape Tax to enhance our ability to serve children and families in our communities.

Thank you for your consideration of this important request.

Sincerely,



Melissa Stafford Jones
Executive Director,
First 5 Association of California



Farrah McDaid Ting
Health and Behavioral Health Legislative Representative,
California State Association of Counties®



Michelle Gibbons
Executive Director,
California Health Executives
Association of California



Camille Maben
Executive Director,
First 5 California

CC: Dr. Mark Ghaly, California Health and Human Services Agency, Secretary
Yolanda Richardson, Government Operations Agency, Secretary
Tam Ma, Governor's Office, Deputy Legislative Secretary
Giannina Pérez, Governor's Office, Senior Advisor on Early Childhood
Richard Figueroa, Governor's Office, Deputy Cabinet Secretary
Kris Perry, California Health & Human Services Agency, Deputy Secretary & Senior Advisor to the Governor
Keely Bosler, Department of Finance, Director
Ryan Miller, Department of Finance



Orange County Association for the Education of Young Children

