

WHAT DO YOU DO WHEN YOUR STATE GETS A TOBACCO EXCISE TAX?

You Create a Statewide Shared Use Program, of Course

CHANGE CAN HAPPEN



ARKANSAS SHARED USE CASE STUDY

This case study describes how a tobacco excise tax has successfully funded shared use programs in Arkansas with support from key partners, including the Department of Education and Department of Health.

In Arkansas, a state tax on cigarettes and other tobacco products has been doubly effective in helping residents lead healthier lives. While the primary objective of the tax is to discourage tobacco use, the funds generated support a statewide shared use program, helping community members get physical activity.

Arkansas, which has one of the highest obesity rates in the country,¹ has struggled doggedly to reverse high levels of debilitating chronic diseases such as diabetes and hypertension. Recognizing the burden of these health issues, top levels of government within the state have taken key steps to support health. Arkansas's unique shared use program provides a monetary incentive for schools and communities to provide spaces for physical activity, something rarely seen in other parts of the country.

BEGINNING TO EXPLORE SHARED USE IN ARKANSAS

Collaborative efforts to create a shared use program in Arkansas began before the tobacco tax was passed. In early

2009, the Arkansas Department of Health, the Arkansas Department of Education, and the Arkansas Center for Health Improvement began designing a shared use program based on best practices from the statewide programs in California and Mississippi. The state had taken legislative action allowing community use of schools and addressing liability issues, and the Department of Education had established a competitive grant program.² With these key pieces in place and drawing upon a variety of partners, the Department of Education and Department of Health had the tools they needed to build a statewide shared use program.

The passage of the Tobacco Excise Tax in 2009 provided a 56 cent tax increase on cigarettes, and increased the sales tax on other tobacco products from 32 percent to 68 percent. This brought the state's cigarette tax to a total of \$1.15 per pack. The tobacco tax is deposited as general revenue and used to fund nearly two dozen health priorities.³ The tax resulted in approximately \$107 million in annual revenue.⁴ With the preliminary work, the support of then Governor Mike Beebe, and the passage of the Tobacco Excise Tax, the shared use program was ready to launch.

Key partners at the state level included:

- Arkansas Municipal League
- State and Park Recreation Departments



- Arkansas Department of Health
- Arkansas School Board Association
- Arkansas Department of Transportation
- Arkansas Center for Health Improvement
- Arkansas Coalition for Obesity Prevention

STATEWIDE SHARED USE PROGRAM

While the shared use program is a collaborative effort between the Department of Health and the Department of Education, the program is run by the Department of Education and has \$500,000 annually to administer grants to schools and school districts to implement shared use agreements. The money can be used to improve facility conditions for community use for health purposes, with the objective to increase access to physical activity opportunities for community members. The funding can be used for school facilities, playgrounds, indoor recreation spaces like gymnasiums and multi-purpose rooms, outdoor recreation spaces such as football fields and walking tracks, and community spaces including swimming pools, tennis courts, and baseball fields.

How Does the Program Work?

All public schools and charter schools are eligible to apply for a grant to fund the improvement of a specific facility at a school or community site. This means a school may submit multiple applications to improve various spaces or facilities on the school site (i.e. gymnasium, track, swimming pool). In order to be eligible for a grant, there is also a policy component — the school district has to have a shared use policy in place, to ensure that the community benefits are not limited to the first year after improvements are made, but that the grant has a lasting effect on access to physical activity in the community. To assist with adoption in districts without an existing policy, districts can obtain a \$500 grant to develop and put in place the required policy.

Key requirements of the application are:

- The school district must apply as the lead grantee and fiscal agent
- The school district is responsible for identifying the shared use space and any partners
- The proposal must show evidence for increasing physical activity

The grants are aimed to prioritize communities with:

- High rates of low-income families
- High rates of obesity

- Inadequate recreational spaces
- A history of joint use
- A history of efforts to address community or school health

The funds can be used to improve facilities or purchase equipment for facilities, and a small percentage can be used for operation costs. Funds cannot be used for activities that are not directly related to physical activity or for sports or physical activity instructors. Schools have received grants to improve the conditions of a track, to create walking paths, and to provide upgrades for playgrounds and gymnasiums.

OVERCOMING CHALLENGES

When the shared use program was first kicked off, schools were limited to \$10,000 per grant. But time and time again, administrators of the program heard that the funds were not enough to make the needed improvements to the facilities. In response, in 2012 the grant limit was raised to \$30,000, allowing improvements to be substantial enough to really have an effect.

When the program was first developed, communities did not understand the purpose of the grants and what they needed to do to be eligible. Adopting a district-level policy was a new concept for them, and they needed additional support. To that end, the Department of Education worked to increase awareness of the resources available to assist with developing and implementing shared use policies and programs. National nonprofit ChangeLab Solutions assisted with developing a sample policy.⁵ The State School Board Association also provided technical assistance.

To address low awareness of the benefits of shared use, the Arkansas Coalition for Obesity Prevention got involved, building the community's awareness of shared use across the state and serving as a crucial resource to many communities navigating the grant process and next steps. They have also worked to brand the program by encouraging schools and school districts to "Get in the Game."⁶ In addition, they have developed resources for communities, such as promotional videos and a webpage to assist with the application process. The coalition also provides a space for the Department of Education and the Department of Health to convene and discuss key issues. A full-time staffer in the Department of Education works as a liaison between the state and local school districts to ensure success.

Another key challenge many applicants initially faced was not having existing partnerships that would make them eligible to even apply for the grant opportunity. The Department of Education has been key in helping to facilitate or suggest partnerships. Overall, the shared use program has increased

partnerships between schools, school districts, and other organizations, and has even led to sustained collaborations in additional shared use or other projects.

A final challenge is the ongoing threat of funding loss. Arkansas has been fortunate to be able to use the revenue from the Tobacco Excise Tax to support the program. They have also had great support from state leadership. Thus far, the only threats to the program have been potential spending cuts or major tax cuts across the board and from key agencies. While there is a strong commitment from the state to create healthier communities, there is no legislation dedicating a set-aside to the program.

ACHIEVEMENTS

Since its launch in 2009, the Arkansas Joint Use program has seen many successes. Approximately 200 to 225 shared use agreements now exist across the state of Arkansas. In addition, 100 out of 252 school districts have adopted shared use policies. These formal policies mean that facilities continue to benefit community members on an ongoing basis.

A key requirement of the grant opportunity is to let the community know that the grant has been received and what that means for community access to facilities. There is a widespread practice of ribbon-cutting ceremonies that allow the community, elected officials, and other key stakeholders to applaud the newly revitalized facility, celebrations that tell the community at large that a facility is there for everyone.

CONCLUSION

There are key lessons that we can learn from Arkansas. As states look at taxes on unhealthy products, whether tobacco excise taxes, sugary drink taxes, or others, it is important to recognize that these funds can be used to improve other aspects of community health. Another key takeaway is that having a strong coalition committed to improving public health is important to sustain the efforts. And, it is truly the state leadership that supports the efforts at the local level that have made the Arkansas shared use program a success. Funding, state and local support, and technical assistance have all been essential to the successful results in Arkansas for the past six years.

- 1 The State of Obesity in Arkansas <http://stateofobesity.org/states/ar/> Retrieved August 5, 2016.
- 2 2010 Arkansas Code 6-21-101 Authority to permit use of public school buildings for community purposes. <http://law.justia.com/codes/arkansas/2010/title-6/subtitle-2/chapter-21/subchapter-1/6-21-101> Retrieved August 12, 2016.
- 3 Tobacco Excise Tax Increase <http://www.achi.net/pages/OurWork/Project.aspx?ID=16> Arkansas Center for Health Improvement Retrieved August 12, 2016.
- 4 The Health and Economic Benefits of Raising Arkansas' Cigarette Tax <http://www.acscan.org/pdf/tobacco/reports/Tobacco-taxes-report-AR.pdf> Retrieved August 12, 2016.
- 5 Policy for Joint Use of School and District Facilities Arkansas Dept. of Education Retrieved February 4, 2015.
- 6 Arkansas Promotional Joint Use Video "Get in the Game" <https://www.youtube.com/watch?v=C1SzAA-NTbk&feature=youtu.be> Retrieved August 13, 2016.