

## Stepping Out: One Foundation's Lessons Learned from Leading a Ballot Initiative

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On July 1, 2010, the South Carolina legislature increased its tobacco tax from \$.07 per pack to \$.57 per pack. Prior to that date, the state of Missouri had been clinging to the second lowest tobacco tax in the nation. Once South Carolina increased its tax, Missouri, at \$.17 per pack, earned the distinguished position of the lowest tobacco tax in the country, which provided momentum toward a campaign to increase the state's tobacco tax.

In Missouri, tax increases are severely limited by the Hancock Amendment, which prohibits tax increases beyond a certain threshold without a vote of the people. Increasing the tobacco tax via a ballot initiative had been attempted and failed twice in the 10 years leading up to the 2012 campaign.

While the Health Care Foundation of Greater Kansas City (HCF) had been involved in the previous tobacco campaign in a funding capacity, the 2012 tobacco tax campaign marked one of the first times when HCF stepped into the public sphere in support of an issue; by and large, our advocacy work had been advanced through our grantees. HCF is a 501(c)3 public charity, which allows us to lobby, in contrast to private foundations.

The 2012 campaign was marked by significantly more involvement from HCF, including \$1.5 million of funding, sitting on and recruiting others for the campaign's steering committee, and acting as a behind-the-scenes broker to help develop ballot language for maximum support. In addition, HCF was present in the media and civic community advocating for the passage of the tobacco tax ballot initiative. HCF's more vocal and public role was borne from both necessity and readiness. It took us time to develop the political capital and civic presence to assume a public leadership role on this issue. Additionally, since HCF did not stand to gain financially from the added revenue generated by an increase in the tobacco tax, our public support for the initiative was viewed as "pure" and lent the initiative significant credibility.

At the time, Missouri had the fourth highest adult smoking rate in the nation and increased pricing stood to most strongly change this number. High school seniors reduce their cigarette consumption by 6.5 percent for every 10 percent price

increase. Thanks to this clear public health case, we received very little criticism for supporting the increased tax. Perhaps surprisingly, we were more likely to be criticized by the "good guys," not for supporting the issue but for our approach, with some of our colleagues questioning the timing, Missouri's readiness level, or the campaign's efficacy.

On November 6, 2012, Missouri voters rejected the tobacco tax increase by a margin of just 40,419 votes out of 2.5 million cast. It was a tough defeat. HCF, which is committed to evaluation for learning, funded a retrospective evaluation of the effort, which included a post-election public survey. Although evaluating advocacy is more difficult since it occurs in a highly dynamic context that is influenced by many contextual factors, we felt a strong evaluation was necessary to inform HCF's future advocacy work. Here are a few key learnings from the evaluation.

### PICK YOUR ALLIES CAREFULLY

A small group of stakeholders representing public health and education groups oversaw the campaign, a strategic move to keep the day-to-day decisions manageable. While HCF was interested in the public health benefit of tobacco taxes, countless others were primarily interested in the anticipated revenue. In determining how the revenue would be dedicated, HCF used public opinion surveys and focus groups to guide this decision. The coalition ultimately landed on education and tobacco control for the additional revenue.

As a result, HCF and our key partner, the American Cancer Society, needed to secure the education sector's support. While we received some support from that sector, it never fully engaged with the effort. This was in part because HCF was not familiar with the education advocates and ended up with key partners who did not have sufficient capacity. While the momentum of local tobacco control efforts was a support to the tax campaign, the evaluation showed that we did not sufficiently incorporate those coalitions, and offered grassroots outreach as a key area for improvement.

## LET THE PROFESSIONALS HANDLE IT

The evaluation commended the campaign's legal team and signature collection firm. HCF contracted with a signature collection firm to get the issue on the ballot. Simultaneously, two unrelated issues fielded signatures almost entirely with volunteers but did not qualify for the ballot due to under-collection. At the same time, a volunteer signature collection effort could have helped generate public support for the initiative.

The campaign committee contracted with a campaign manager, public relations firm, direct mail firm, and paid media firm to execute the campaign plan. Supporters of the tax spent roughly \$5 million on the effort, relative to just \$2.4 million spent by the opposition. The campaign supporting the tobacco tax focused its paid media on television, while the opposition relied heavily on radio and billboards. Despite spending less than half as much, the opposition's communications tactics were very effective. Their paid media questioned whether the additional revenue would be used as the ballot language promised and portrayed the tax as a general tax increase that would apply to all Missourians.

## BE PRACTICAL

The ballot language to increase Missouri's tobacco tax included items that were specifically intended to reduce opposition. The first was language to close a legal loophole that was giving small tobacco manufacturers a competitive edge over large ones. Missouri is the only state that has not enacted language to close this loophole, which was created as a byproduct of the 1998 master settlement agreement. Big Tobacco was very invested in seeing this loophole closed. This meant that Big Tobacco stayed out of the fight entirely, leaving the small tobacco manufacturers and convenience stores as the primary opposition.

## LIVE YOUR MISSION

According to the evaluation, the campaign had too many key messages, hitting on both the importance of education funding and the public health value of increasing tobacco taxes. Our messaging was further complicated when opposition ads portrayed the tax as a general tax increase. In retrospect, HCF's value proposition was that we were supporting the tax purely for the public health benefit. Our messaging should have pushed the public health message, rather than attempting to sell the tax based on the added revenue. The evaluation also suggested that the campaign did not sufficiently play up the "good guys versus bad guys" dynamic, wherein all the public health groups supported the tax and only small tobacco companies opposed it.

Much of the campaign messaging attempted to assure voters that additional revenue from the tobacco tax would truly be dedicated to education and health. This was in response to a widespread mistrust that dollars would be spent as intended, due in large part to previous revenue increases that were diverted from their original purposes. Despite messaging to

the contrary, post-election surveys showed that voters never really believed that the revenue would be spent appropriately. This mistrust was so high and heavily entrenched that none of our messaging alleviated these concerns.

## BE MINDFUL OF YOUR ENVIRONMENT

This campaign was lost on such a narrow margin that every single decision could have made the difference. According to precampaign polling, we did not have a lot of wiggle room. The tobacco tax was being considered in a relatively toxic political environment where voters, recovering from an economic recession, had no appetite for tax increases of any kind. These prevailing political winds, far outside HCF's control, played a strong role in this campaign. This is an important lesson learned for HCF—watch for windows of opportunity that coincide with our goal of advancing health policy. Factor in political context and prevailing public sentiment, and be selective about expending financial and political capital.

## KNOW YOUR OWN PLAYBOOK

While not surfaced through the campaign evaluation, we would like to add one internal lesson learned.

Following the wake of the tobacco tax campaign, HCF has a whole new set of tools and tactics at our disposal. When we consider how to engage on a policy issue, we are now more comfortable leading and even lobbying. While this latitude is important, it also means that we need to be clear internally and with our board about how we will be positioned on any given issue. Not every issue we take on is going to look like the tobacco tax campaign, as there are multiple other roles HCF might fill, including being a silent backer, directly lobbying legislators, and building up grantees over the long haul. As a result, we have an explicit conversation internally and with our board whenever we take on an issue to determine what role we are playing. This helps line up internal resources and ensures that we have a shared understanding of HCF's particular role in moving an issue forward.

We hope these lessons will help our peers in the philanthropic field. Advocacy and policy development is certainly an emerging area of practice, and ballot initiatives are one of many important ways to advance public health.

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