In 1994, Minnesota Attorney General Skip Humphrey joined Blue Cross and Blue Shield of Minnesota to bring a lawsuit against the tobacco industry. The suit accused the industry of deceiving Minnesotans about the harmful nature of commercial tobacco products.

The state's case would uncover secret documents revealing how much the tobacco companies knew – and kept hidden – about the link between cigarettes and cancer, the addictiveness of nicotine, and other inherent dangers of smoking.

In 1998, the industry settled, with the state receiving $6.1 billion and Blue Cross receiving $469 million. That year, the Ramsey County District Court approved the state's plan to administer 3 percent ($202 million) of the settlement through a new nonprofit tobacco control organization: ClearWay Minnesota.

ClearWay Minnesota's mission is to enhance life for all Minnesotans by reducing tobacco use and exposure to secondhand smoke through research, action and collaboration. We are a life-limited organization that will end by 2022. We embrace our life-limited status, which has motivated us to find the most impactful solutions to reduce tobacco’s harm in our state.

Legacy Goals around smoking prevalence, secondhand smoke exposure and advancing science are driving our work to achieve our mission by the time we close our doors. This 20th anniversary report will show what we’ve achieved throughout our history. We are grateful to our partners, grantees, contractors and advocates for making these accomplishments possible.

We will continue fighting to reduce tobacco’s harm as long as we are in operation. But our sunset is on the horizon. As we celebrate 20 years of accomplishments and progress, we recognize the harm of tobacco will still exist when we end… so the time is now for Minnesota to plan to address the continuing problems of smoking after we've closed our doors.
THOUSANDS OF LIVES, BILLIONS OF DOLLARS SAVED

... THANKS TO 20 YEARS OF CLEARWAY MINNESOTA AND PARTNERS.

SMOKING HAS DRAMATICALLY DECLINED IN MINNESOTA.

- **14%**
  - Adult smoking rate
  - 35% reduction since 1999 (22% - 14%)

- **10%**
  - Youth smoking rate
  - 70% reduction since 2000 (32% - 10%)

- **65%**
  - Reduction in total cigarette packs sold from 1999-2017

175,000 people helped by QUITPLAN Services

... AND MONEY.

- **$2.4 BILLION**
  - Gain in worker productivity

- **$2.7 BILLION**
  - Less spent on medical care (about $484 per Minnesotan)

**TOTAL = $5.1 BILLION**

(about $914 per Minnesotan)

*All figures adjusted for inflation

The benefits of prevention and cessation accrue gradually, so these numbers will grow as people who quit or never started over the past 20 years live longer and enjoy better health.

MORE MINNESOTANS HAVE MADE THEIR HOMES SMOKE-FREE.

- **89%**
  - Minnesotans with smoke-free homes
  - 37% increase since 1999 (65% - 89%)

- **61%**
  - Smokers with smoke-free homes
  - 97% increase since 1999 (31% - 61%)

TOBACCO POLICIES AND PROGRAMS WORK.

100+

State, local and tribal policies passed, including Freedom to Breathe, commercial tobacco-free powwows, increasing tobacco prices, smoke-free foster care and Tobacco 21

- **66%**
  - Price

- **14%**
  - Smoke-free air laws

- **8%**
  - Cessation treatment

- **7%**
  - Tobacco control funding

- **5%**
  - Youth access laws

New research shows which policies have been most impactful in reducing smoking since 1993.

Reducing cigarette smoking has saved lives...

- **4,560**
  - Cancers prevented

- **31,691**
  - Fewer hospitalizations for cardiovascular disease and diabetes

- **12,881**
  - Fewer respiratory disease hospitalizations

- **4,118**
  - Smoking-attributable deaths prevented

Thanks to ClearWay Minnesota and our partners, thousands of Minnesota families have grandparents, parents, children, friends and coworkers who have been spared the death and disease caused by tobacco use.
Since 2001, 175,000 Minnesotans have signed up for QUITPLAN Services, which provides free tools to help commercial tobacco users quit. Over time, these services have included phone counseling, nicotine replacement therapy, a web-based program, support through social media, text messaging and email, culturally-specific services for communities including American Indians, and counseling at clinics and workplaces. QUITPLAN Services is supported by an ad campaign emphasizing hope and promising No Judgments. Just Help. Additionally, an annual quit-smoking contest, The QuitCash Challenge™, has helped motivate thousands of people a year to try quitting. Finally, since health care providers play an important role in helping patients quit, ClearWay Minnesota also works to make addressing tobacco use standard practice in Minnesota health care systems.

QUITPLAN Services’ success makes the next phase all the more urgent. ClearWay Minnesota is a life-limited organization and as a result, QUITPLAN Services will end in early 2020. Demand for quit-tobacco services is still strong. An estimated 580,000 Minnesota adults still smoke, and most want to quit. The state must take action to ensure that tobacco users will still have access to quitting help once QUITPLAN Services ends. If the Legislature and Governor do not act, Minnesota will soon become the only state not providing access to these services.

DOUBLE THE CHANCES OF SUCCESS
Cessation support greatly increases a person’s chances of successfully quitting.

$1.29 saved/year for every dollar spent
For every dollar Minnesota invests on cessation, $1.29 will be saved annually.

6,300 deaths, $7 billion cost each year
Tobacco use is the leading cause of preventable death and disease in Minnesota, killing more than 6,300 Minnesotans and costing more than $7 billion in health costs and lost productivity.

175,000 helped by QUITPLAN® Services
Since 2001, 175,000 Minnesotans have signed up for QUITPLAN Services.
MARKETING AND COMMUNICATIONS

ClearWay Minnesota’s ads educate about smoking’s dangers and help tobacco users find quitting help. Created with ad agencies Haberman and Clarity Coverdale Fury, our memorable campaigns such as No Judgments. Just Help., Stop the Start, Still a Problem and Big Tobacco Lied have won awards, been used all over the country, and most importantly prevented smoking and motivated quitting throughout Minnesota. In addition to ads aimed at the general public, we collaborated with American Indians on Keep Tobacco Sacred, a campaign raising awareness of commercial tobacco’s harms in Indian Country.

This past year a new campaign put a spotlight on the deceit of the tobacco companies.
RESEARCH

We ground our work in science, learning from current studies and taking our cue from researchers and institutions throughout the country and the world. ClearWay Minnesota gives grants to researchers studying tobacco’s impacts in our state, and exploring new ways to eliminate its harms. Since inception, we have provided more than $32 million in grants and contracts to Minnesota researchers.

This year, in our final round of competitive research funding, we awarded $635,000 in grants to reduce tobacco-related health disparities. These grants were awarded to researchers at the University of Minnesota, Lower Sioux Indian Community Health Department, Minneapolis Medical Research Foundation and the American Indian Cancer Foundation.

We also conduct our own research efforts, which have set a national standard and help inform health efforts in other states. Important projects include the collaborative Minnesota Adult Tobacco Survey (MATS), which evaluates adult smoking and other tobacco trends in our state and provides the most comprehensive data source on tobacco use in Minnesota, and the Tribal Tobacco Use Project (TTUP), which studies tobacco use among American Indians in Minnesota.

PUBLIC AFFAIRS

Public policies have the largest impact to reduce smoking. Through our grantmaking around Minnesota, and as members of a coalition working to protect youth from tobacco addiction, we lead policy initiatives proven to reduce tobacco’s harm. These local and statewide efforts include smoke-free policies, tobacco price increases, raising the tobacco sales age to 21, and restricting sales of flavored tobacco products such as menthol cigarettes and candy-flavored e-cigarettes. We are also working to make lawmakers aware of the need to fund future tobacco prevention and cessation programs in light of ClearWay Minnesota’s limited life.

Our annual Day at the Capitol educates lawmakers about how they can help prevent youth smoking in Minnesota by passing bold policies.

Advocates helped pass new public policies throughout the state.

This year at the Capitol we advanced the conversation about reducing commercial tobacco use through new policies and by funding cessation services. We also supported local communities around the state as they passed more than 15 new Tobacco 21 policies and flavor restrictions.
COMMUNITY DEVELOPMENT

Diverse communities and Minnesotans of low socioeconomic status experience disproportionate harms from tobacco use, and ClearWay Minnesota has made building inroads to these communities a priority. We have formed strong partnerships with organizers and community leaders and provided them with training to address the problem of commercial tobacco in their own communities, notably through our Leadership Institute to Advance Minnesota’s Parity for Priority Populations (LAAMPP). We have partnered with community members to support state and local public policy change, and joined American Indian health advocates as they work to restore traditional tobacco practices and educate about the dangers of commercial tobacco abuse. We have also provided grants to community-based organizations to help link low-income commercial tobacco users to quit-smoking resources.

BOARD OF DIRECTORS

ClearWay Minnesota is governed by a Board of Directors composed of elected and appointed members coming from the worlds of medicine, health care, business, public service, and many other disciplines. Our first Board Chair was Dr. Richard Hurt, founder of the Mayo Clinic Nicotine Dependence Center, who provided important testimony during the tobacco trial. He was followed by a long line of leaders who have worked to guide and improve the strategy, effectiveness, and transparency of our organization. You can see a full list of our Board and former Board Members on the following page. ClearWay Minnesota has also drawn top-quality staff. Our employees combine expertise, professionalism and passion in their drive to reduce smoking among the people of our state. ClearWay Minnesota’s staff are highly respected and contribute to leading-edge advancements in tobacco cessation, marketing and communications, research, public affairs, and community development.

It’s been my great honor to serve as Board Chair these past two years. During my tenure, we have made important decisions about the end of our organization. These have not always been easy, but I am confident we’ve achieved the right balance, managing our approaching sunset while ensuring we still have the greatest possible impact in our remaining years.

Bob Boerschel
ClearWay Minnesota’s Board Chair, 2016-2018
LEADERSHIP

We are grateful to the individuals who have served on our Board of Directors over the past 20 years. Your gifts of time and expertise have been invaluable to the success of this organization.

Cynthia Bemis Abrams
Colleen Aho
Dr. Gail Amundson
Alan Anderson
Janet Avery
Sen. Duane Benson
Dr. Blanton Bessinger
Jill Birnbaum
Bob Boerschel (2018 Chair)*
Sen. Nancy Brataas
Mae Brooks
Judy Brown
Mary Choate
Dr. Gerald Christenson
Mitchell Davis, Jr.
James Deal
Ellen Denzen
Sen. Scott Dibble
Kelly Drummer
Dr. Ivan Dusek
Gary Eckenberg
Mary Edwards
Kirby J. Ericksson*
David F. Fisher*
Judge Sandra Gardebring
John Garrison
Christopher Georgacas
William Gold
Rep. Lee Greenfield
Stuart Hanson
Jean Harris
Vernae Hasbargen*
Coral Houle
M. Patricia Hoven*

Dr. Richard D. Hurt*
Arla Johnson
Barbara Johnson
Daniel Johnson
Randy Johnson
Dr. Anne Joseph
Sylvia Kaplan
Dr. David A. Kessler*
Dr. C. Everett Koop*
Dr. Walter Suarez
Laurie Lafontaine (2018 Vice Chair)*
Nevada Littlewolf (2018 Secretary)
Rep. Peggy Leppik
Pamela Lux
Commissioner Jan Malcolm*
Steven D. McWhirter
Darcy Miner
Mark Mishek
Dr. Richard Mulder
Gretchen Musicant
John Najarian
Vivian Jenkins Nelsen
Hugh T. Nierengarten
Dr. Fred Nobrega
Nancy Omond
Steve O’Neil
Sarah Oquist
Rep. Howard Orenstein
Brian Osberg (2018 Treasurer)
Rep. Michael Paymar

Jenny Peterson
Oanh Pham
Sen. Pat Piper
Matthew Ramadan
Judge Sherryl Ramstad
Lawrence Redmond
Edward Reynoso
Rep. Jim Rhodes
Christine Rice*
Joy Rikalak
Dr. Patrick Rock
Charlie Rounds
Rep. Tom Rukavina
Teresa Matsui Sanders
Michael Scandrett
Brian Short
Terry Sluss
Lyn Stepaniak
Joel Stokka
Dr. Walter Suarez
E. Thomas Sullivan
Joel Swanson
Anne Vars
Michael M. Vekich*
Galen Vetter
Thomas Weaver*
Jeanne Weilgun
Benson Whitney
Rep. Tim Wilkin
Laura Waterman
Wittstock
James Wolf
Julie Woodruff
Gregory Wulf

*Denotes Chair

STEWARDSHIP

ClearWay Minnesota has developed sound systems to ensure good stewardship of funds. We also thank members of the Investment Advisory Committee for developing and implementing our effective investment policies.

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STATEMENTS OF FINANCIAL POSITION AS OF JUNE 30, 2018 AND 2017

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>250,060</td>
<td>16,419</td>
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<tr>
<td>Accounts Receivable</td>
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<td>46,202</td>
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<td>Prepaid Expenses</td>
<td>47,445</td>
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<tr>
<td>Investments</td>
<td>26,118,884</td>
<td>40,400,405</td>
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<tr>
<td>Equipment and Leasehold Improvements, Net</td>
<td>26,834</td>
<td>49,248</td>
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<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$ 26,489,220</strong></td>
<td><strong>$ 40,561,925</strong></td>
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<table>
<thead>
<tr>
<th>LIABILITIES AND NET ASSETS</th>
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<tbody>
<tr>
<td>Liabilities</td>
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<tr>
<td>Accounts Payable</td>
<td>496,822</td>
<td>412,061</td>
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<td>Accrued Expenses</td>
<td>509,444</td>
<td>176,590</td>
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<td>Grants Payable</td>
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<td><strong>Total Liabilities</strong></td>
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<td><strong>$ 2,469,499</strong></td>
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<tr>
<td>Net Assets</td>
<td></td>
<td></td>
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<tr>
<td>Unrestricted - Designated for Tobacco Research/Other Tobacco Control Purposes</td>
<td>23,955,198</td>
<td>38,092,426</td>
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<tr>
<td><strong>Total Net Assets</strong></td>
<td><strong>23,955,198</strong></td>
<td><strong>38,092,426</strong></td>
</tr>
<tr>
<td><strong>Total Liabilities and Net Assets</strong></td>
<td><strong>$ 26,489,220</strong></td>
<td><strong>$ 40,561,925</strong></td>
</tr>
</tbody>
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STATIONS OF ACTIVITIES YEARS ENDED JUNE 30, 2018 AND 2017

<table>
<thead>
<tr>
<th>REVENUE AND GAINS</th>
<th>2018</th>
<th>2017</th>
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<tbody>
<tr>
<td>Net Investment Income</td>
<td>936,349</td>
<td>994,900</td>
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<tr>
<td>Contributions and Grants</td>
<td>116,641</td>
<td>116,327</td>
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<tr>
<td><strong>Total Revenue and Gains</strong></td>
<td><strong>$ 1,052,990</strong></td>
<td><strong>$ 1,111,227</strong></td>
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</table>

<table>
<thead>
<tr>
<th>EXPENSES</th>
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<tbody>
<tr>
<td>Program Services</td>
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<tr>
<td>Tobacco Cessation</td>
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<td>11,991,765</td>
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<tr>
<td>Research and Other Tobacco Issues</td>
<td>2,595,283</td>
<td>1,569,726</td>
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<tr>
<td><strong>Total Program Services</strong></td>
<td><strong>$ 13,733,775</strong></td>
<td><strong>$ 13,561,491</strong></td>
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<tr>
<td>Supporting Services</td>
<td></td>
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<tr>
<td>General and Administrative</td>
<td>$1,456,443</td>
<td>1,310,906</td>
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<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>$ 15,190,218</strong></td>
<td><strong>$ 14,872,397</strong></td>
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<td>Decrease in Net Assets</td>
<td>-14,137,228</td>
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<td>Net Assets at Beginning of Year</td>
<td>38,092,426</td>
<td>51,853,596</td>
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<tr>
<td><strong>Net Assets at End of Year</strong></td>
<td><strong>$ 23,955,198</strong></td>
<td><strong>$ 38,092,426</strong></td>
</tr>
</tbody>
</table>

This financial information has been excerpted from financial statements audited by Olson Thielen Co., Ltd., as of June 30, 2018 and 2017, and for the years then ended. Copies of the complete audited financial statements, including all disclosures required by generally accepted accounting principles, are available upon written request to the ClearWay MinnesotaSM office.