

STATE OF NORTH CAROLINA
DEPARTMENT OF HEALTH AND HUMAN SERVICES

JOSH STEIN
GOVERNOR

DEVPUTTA SANGVAI
SECRETARY

March 13, 2026

SENT VIA ELECTRONIC MAIL

The Honorable Carla Cunningham, Chair
Joint Legislative Oversight Committee on
Health and Human Services
North Carolina General Assembly
Room 402, Legislative Office Building
Raleigh, NC 27603

The Honorable Donny Lambeth, Chair
Joint Legislative Oversight Committee on
Health and Human Services
North Carolina General Assembly
Room 303, Legislative Office Building
Raleigh, NC 27603

The Honorable Larry Potts, Chair
Joint Legislative Oversight Committee on
Health and Human Services
North Carolina General Assembly
Room 307B1, Legislative Office Building
Raleigh, NC 27603

The Honorable Jim Burgin, Chair
Joint Legislative Oversight Committee on
Health and Human Services
North Carolina General Assembly
Room 620, Legislative Office Building
Raleigh, NC 27603

Dear Chairmen:

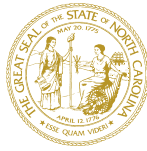
Session Law 2023-134, Section 9H.4.(c), requires the Department of Health and Human Services to submit an annual report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on the expenditures made from The Youth Electronic Nicotine Dependence Abatement Fund and an evaluation of the reach, effectiveness, and outcomes of each activity that is funded. Pursuant to the provisions of law, the Department is pleased to submit the attached report.

Should you have any questions regarding this report, please contact Karen Wade, Director of Policy, at Karen.Wade@dhhs.nc.gov.

Sincerely,

Signed by:

45507E3ADBA8489...
Devdutta Sangvai
Secretary



STATE OF NORTH CAROLINA
DEPARTMENT OF HEALTH AND HUMAN SERVICES

JOSH STEIN
GOVERNOR

DEVPUTTA SANGVAI
SECRETARY

March 13, 2026

SENT VIA ELECTRONIC MAIL

Mr. Brian Matteson, Director
Fiscal Research Division
Suite 619, Legislative Office Building
Raleigh, NC 27603-5925

Dear Director Matteson:

Session Law 2023-134, Section 9H.4.(c), requires the Department of Health and Human Services to submit an annual report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on the expenditures made from The Youth Electronic Nicotine Dependence Abatement Fund and an evaluation of the reach, effectiveness, and outcomes of each activity that is funded. Pursuant to the provisions of law, the Department is pleased to submit the attached report.

Should you have any questions regarding this report, please contact Karen Wade, Director of Policy, at Karen.Wade@dhhs.nc.gov.

Sincerely,

Signed by:

Debra Farrington for Devdutta Sangvai
45507E3ADBA8489...
Devdutta Sangvai
Secretary

WWW.NCDHHS.GOV

TEL 919-855-4800 • FAX 919-715-4645

LOCATION: 1915 HEALTH SERVICES WAY • RALEIGH, NC 27607

MAILING ADDRESS: 2001 MAIL SERVICE CENTER • RALEIGH, NC 27699-2000

AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

**Progress Report on
Expenditures from the Youth Electronic
Nicotine Dependence Abatement Fund**

Session Law 2023-134, Section 9H.4.(c)



Report to

**The Joint Legislative Oversight Committee on Health and
Human Services**

Fiscal Research Division

by

NC Department of Health and Human Services

March 13, 2026

Background

The original June 2021 consent judgement resolving the case, *State of North Carolina, ex rel. Joshua H. Stein, Attorney General v. Juul Labs, Inc.* (JLI), ordered Juul Labs to pay \$40 million to the State over six years for use in e-cigarette cessation, prevention, data monitoring and evaluation, a documents depository, and litigation costs.

A revised December 2023 consent judgment added \$7.8 million, bringing the total settlement to \$47.8 million over nine years.

The new payment schedule is as follows, subject to NCGA appropriation:

Juul Payment Schedule (as of June 2025)

Payment	Date	Amount
1	June 2021	\$13.0 million
2	June 2022	\$8.0 million
3	June 2023	\$7.5 million
4	June 2024	\$7.0 million
5	June 2025	\$3.25 million
6	June 2026	\$2.75 million
7	June 2027	\$2.111 million
8	June 2028	\$2.111 million
9	June 2029	\$2.111 million

Note: Payment 5- June 2025 has been received by NC DHHS; however, since it has not been appropriated by the NC General Assembly, NCDPH is unable to use these funds.

Juul Labs may apply for a waiver of payments 7–9 after Payment 4, subject to approval. The waiver decision will be based on an assessment by NC DHHS and the Attorney General's Office, considering Juul Labs payments and progress in meeting the goals outlined in North Carolina's Strategic Plan to Reduce the Health and Economic Consequences of Tobacco Use. The Division of Public Health (DPH) is currently working with the Attorney General's Office to plan for response.

Expenditures from the Youth Electronic Nicotine Dependence Abatement Fund

Section 9H.4.(c) of SL 2023-134 (see Appendix A), requires the Department of Health and Human Services (DHHS) to report on the expenditures made from the Youth Electronic Nicotine Dependence Abatement Fund during the preceding fiscal year.

The table below enumerates each expenditure made from the Fund for state fiscal years 2022, 2023, 2024 and 2025 and indicates the statutory authority for that expenditure.

Itemized List of Expenditures

Authority	Expenditure Description	Fund Code	Fiscal Year	Amount
SL 2023-134 §9H.4.(a)(1)	Data Monitoring & Evaluation	2B06850	SFY 22	\$9,973.73
			SFY 23	\$28,656.43
			SFY 24	\$540,563.00
			SFY 25	\$703,499.00
SL 2023-134 §9H.4.(a)(2)	Tobacco Cessation Campaigns	2B06550	SFY 22	\$0.00
			SFY 23	\$0.00
			SFY 24	\$2,615,660.70
			SFY 25	\$178,900.00
SL 2023-134 §9H.4.(a)(2)	Prevention Media Campaigns	2B06650	SFY 22	\$0.00
			SFY 23	\$466,817.00
			SFY 24	\$707,975.00
			SFY 25	\$1,219,820.00
SL 2023-134 §9H.4.(a)(2)	Partner Training & Policy Engagement	2B06950	SFY 22	\$0.00
			SFY 23	\$225,076.98
			SFY 24	\$947,698.25
			SFY 25	\$931,476.09
			Total SFY 25	\$3,033,695.09
			Total Expenditures	\$8,576,116.09

Federal Funding Impact

During the reporting period, federal funding instability began to significantly affect the implementation of JUUL-funded strategies. On April 1, 2025, the CDC Office on Smoking and Health—whose grants supported key personnel within the Tobacco Prevention and Control Branch—was identified for elimination. This announcement introduced immediate uncertainty and disrupted planning for future JUUL-funded activities. On May 17, 2025, nine federally funded DHHS positions were permanently eliminated through a reduction in force (RIF). These staff had provided core subject matter expertise, technical assistance to local partners, contract oversight, and campaign planning support for JUUL-funded initiatives. The loss of these positions reduced the NCDHHS Tobacco Prevention and Control Branch’s operational capacity,

constrained technical assistance and oversight functions, and required scaling back planned JUUL-funded media and prevention activities for fall 2025.

Evaluation of Reach, Effectiveness, and Outcomes

Cessation Activities:

Digital Tobacco Cessation Campaign: *This is Quitting* and Ex Program

DPH executed the second year of a two-year contract, running from 2023-2025 with an optional extension through 26, to implement public education and media campaign interventions. These initiatives aim to promote text-based vaping cessation content, support tobacco-free college campuses, and provide education at select North Carolina universities. The primary target audience for these efforts is young adults who first became addicted to nicotine when Juul entered the market. In January 2025, *This is Quitting* was integrated into a more comprehensive digital tobacco cessation platform, the EX Program, developed by Truth Initiative in collaboration with the Mayo Clinic. The EX Program is accessible to individuals aged 13 years and older and offers enhanced support for youth and young adults who use multiple forms of tobacco products.

Year 2 Media Campaign:

- Featured three young adults from North Carolina and one social media influencer who shared their quitting experiences using *This is Quitting* or EX Program.
- Total advertising expenditures amounted to \$2,256,687, yielding over 299 million impressions among North Carolina residents aged 18–24 and reaching more than 31 million individuals overall. This represents a 57% increase in targeted reach compared to Year 1, indicating a significant improvement in campaign efficiency and audience penetration.

Media Survey Results:

- A third wave of the cross-sectional survey assessing campaign awareness and engagement was conducted in April 2025 among North Carolina residents aged 15–24 years.
- Campaign awareness was statistically higher in North Carolina (68%) compared with the national benchmark (53%).
- Current vapers reported higher campaign awareness (63%) compared to non-current vapers (51%).
- Among youth aged 15–17 years, 73% reported an intention to take at least one action after exposure to the campaign, such as sharing campaign content with peers or enrolling in the EX Program.

***This is Quitting* and EX Program Participation:**

- During Year 2 (June 8, 2024–June 7, 2025), a total of 4,576 North Carolina residents ages 13 years and older enrolled in *This is Quitting* or the EX Program. Cumulatively, over the two-year period, 8,155 youth and young adults ages 13–24 years have enrolled in one of these digital cessation programs.
- The median length of enrollment in both programs is 60 days, with 74.5% of EX Program users enrolled for *at least* 60 days or more.
- In Year 2, the 30-day abstinence rate following program participation was 29.3% for *This is Quitting* and 17.1% for EX Program.

College Program:

- In Spring 2025, the EX Program college tour attended events at UNC Charlotte and Fayetteville Technical College to educate students on the harms of tobacco and vaping, as well as the benefits of cessation. Over 530 participants scanned a QR code to learn more about the Ex Program, resulting in 18 enrollments during the events. An educational webinar for college administrators and faculty is planned for Fall 2025 to further support campus-based tobacco prevention and cessation efforts.

Group Cessation Services for NC Youth *Quit the Hit*

DPH continued its contract with Rescue Agency to implement the third year of *Quit the Hit*, a peer-based virtual cessation program that helps teens (ages 13–18) quit vaping and other tobacco product use.

Evaluation and Reach:

- From November 2024 to March 2025, ads for the program generated over 26,000,000 impressions and 89,000 website interactions.
- A total of 189 teens participated in 16 cessation groups. Participants were geographically distributed across the state and concentrated near universities and areas of higher population density.
- Participants were given a baseline survey before the program began and a final follow-up survey one month after program completion. Between baseline and final follow-up:
 - Past 30-day vape use decreased from 100% to 29%
 - Past 30-day marijuana vape use decreased from 87% to 58%, a statistically significant decrease
 - The average number of days that a participant vaped in the past month decreased from 27 days to 2 days
 - Confidence in quitting increased from 31% to 72%
 - 94% indicated that they would recommend the program to others

Live Vape Free Youth and Young Adult Cessation programs through RVO Health

Live Vape Free is a program operated by RVO Health that provides digital vaping cessation support to youth (ages 13 to 17) and young adults (ages 18 to 25), as well as information to parents and concerned adults on how to talk with teens about vaping. From July 1, 2024, to April 30, 2025, there were a total of 321 enrollments in the *Live Vape Free* program, including 28 youth and 293 young adults.

In addition to services offered through *Live Vape Free*, young adults who use vaping devices can also access cessation support through the North Carolina Quitline (Quitline NC). During the same period, 280 individuals ages 13 to 26 enrolled in Quitline NC. The University of North Carolina's Tobacco Prevention and Evaluation Program (UNC TPEP) conducts an independent evaluation of the NC Quitline services and effectiveness.

Prevention Campaigns:

Rescue Media Campaigns

DPH continued to implement the second year of a two-year contract utilizing established crowd media tools for tobacco use prevention tailored to North Carolina youth. These campaigns include *Behind the Haze*, which educates teens (ages 13-17) at high risk for e-cigarette and vaping use about the associated harms such as increased depression and anxiety, and *Down and Dirty*, which aims to prevent tobacco use – including smoking, vaping, and smokeless tobacco – among rural teens.

Evaluation and Reach:

- **Behind the Haze (BTH):** Advertisements ran from Oct. 1-Nov. 27, 2024, Feb. 11-Apr. 8, 2025, generating more than 32 million impressions and 2.3 million video completions. Teens engaged over 207,000 times (e.g., clicking links or voting in polls), driving over 89,000 sessions to the *Behind the Haze* website.
- **Down & Dirty (D&D):** Advertisements ran from Nov. 18, 2024-Jan. 13, 2025, and Apr. 8-June 6, 2025, generating nearly 21.5 million impressions and over 3 million video completions. Teens interacted almost 98,000 times, with 362 teens actively engaging (e.g., sharing posts or commenting).
- **Survey Findings (May 2025):**
 - Campaign awareness remained high and stable, with 66% of urban teens reporting awareness of *BTH* and 60% of rural teens reporting awareness of *D&D* (up from 43% in 2024).
 - Teens found the ads impactful and relevant, with 81% approval for *BTH* and 84% approval for *D&D*.
 - Campaign awareness was associated with lower vaping frequency and higher intention to quit.

- Teens who engaged with the campaigns were more likely to report two (2) or more quit attempts in the past 12 months than those who did not engage.

North Carolinians for a Tobacco-Free Generation

The North Carolinians for a Tobacco-Free Generation (NCTFG) project leverages social media and strategic outreach to educate the public and stakeholders about the harms of e-cigarette use while promoting effective policies and programs. Between December 2023 and November 2024, NCTFG expanded its reach by attending five conferences across North Carolina, launching a new website, producing four podcast episodes with experts and community partners, and publishing 722 social media posts that generated over 21,600 impressions. As of August 2025, the project’s total following grew to 668 across Twitter, Facebook, Instagram, and LinkedIn—a 27% increase from November 2023—driven in part by enhanced outreach activities such as conference attendance. Overall social media reach and impressions increased by 679% and 636%, respectively, demonstrating substantial progress in raising awareness and engagement. NCTFG is implemented through a contract with the University of North Carolina’s Tobacco Prevention and Evaluation Program (UNC TPEP).

Policy, Training & Compliance

DPH state and regional staff continued to educate stakeholders statewide about evidence-based strategies to reduce use of e-cigarettes and other tobacco products among young people.

Between June 2024 and May 2025:

- At least 6,100 people were educated through presentations to School Health Advisory Councils, superintendents, school administrators and educators, and parents.
- 70 schools were assisted with implementing tobacco-free policies
- At least 29 schools implemented best practice interventions or curricula for tobacco use prevention, such as *Catch My Breath*.
- Over 400 point-of-sale assessments were conducted to monitor tobacco advertising trends in retail locations frequented by youth.

Data Monitoring and Independent Evaluation

DPH executed the second year of a two-year contract with UNC Tobacco Prevention and Evaluation Program (TPEP) to support the analysis of youth tobacco and e-cigarette use in North Carolina, identify knowledge gaps among youth, young adults, and adult influencers, and enhance the planning and delivery of prevention and cessation resources.

Evaluation and Reach:

- **2024 NC Youth Tobacco Survey:** Fielded in fall 2024, the survey measured tobacco use behaviors among middle and high school students across North Carolina. The survey serves as a key source of information about youth across the state, informing their Over 4,700 students participated; however, response rates were lower than previous waves due

in part to changes in legislation and school policies, which may impact the data reliability and representativeness. The survey serves as a key source of information to understand youth tobacco and nicotine use, guide prevention and cessation strategies, and monitor progress in reducing early initiation of tobacco use. Key findings include:

- Ever use of any tobacco product: 13.4% of middle school students and 23.7% of high school students had ever used any tobacco product.
 - Current use (past 30 days) of any tobacco product: 4.4% of middle school students and 7.4% of high school students.
 - Current e-cigarette use: 3.3% of middle school students and 6.4% of high school students, making e-cigarettes the most frequently used product. Most commonly reported e-cigarette brands: Geek Bar, Lost Mary, Elf Bar, Raz, and JUUL.
 - Susceptibility to future e-cigarette use: 28.0% of middle school students and 28.0% of high school students reported being susceptible.
- **School Health Profiles Survey Data Analysis:** This survey is administered every other year on even years. Data from NC DPI’s bi-annual 2022 and 2024 School Health Profiles Surveys were analyzed to understand how school staff address tobacco product use and the resources available to support students who use tobacco. These findings guide tailored interventions and educational materials to help schools disseminate tobacco use policies and provide alternatives to suspensions.
 - **Disciplinary responses to tobacco use:**
 - 2022: 72% of schools used in-school or out-of-school suspension for students caught using tobacco products.
 - 2024: 73% of schools used in-school suspension and 77% used out-of-school suspension.
 - **Referral to assistance, education, or cessation programs for e-cigarette use:**
 - 2022: 62.4% of schools referred students.
 - 2024: 70.8% of schools referred students.
 - **Professional development for lead health education teachers on tobacco use prevention/cessation:**
 - 2022: 36.1% of teachers received training.
 - 2024: 50.5% of teachers received training.
 - **Provision of health information to parents/families on tobacco-use prevention/cessation:**
 - 2022: 42.1% of schools provided information.
 - 2024: 52.3% of schools provided information.
 - **FDA Retail Inspections:** A secondary data analysis was conducted using NC retail tobacco sales data from federal fiscal years (FFY) 2022-2024 examined the frequency of tobacco sales to minors. Findings indicate rising compliance violations and highlight the need for stronger policies to reduce youth access to tobacco products, particularly e-cigarettes. Key findings from combined FFY 2022-2024 data:

- 24% of NC retail compliance inspections resulted in violations related to tobacco sales.
 - 98% of violations involved an underage purchaser.
 - Most common products cited: e-cigarettes/e-liquid (49%), cigars (33%), and cigarettes in a package (9%).
 - 11% increase in violations from FFY2023 to FFY2024.
- **Nicotine Pouch Survey:** Between March 2025 and April 2025 an online survey was conducted examining nicotine pouch behaviors. The survey used a convenience sample of 1,263 young adults (ages 18-29) from the Southeastern United States who reported past 30-day nicotine pouch use, ever nicotine pouch use, or susceptibility to nicotine pouch use. The survey showed nicotine pouch use is popular among young adults aged 18 to 29 in NC, SC, GA, TN, and VA. Other findings highlighted:
 - Two-thirds of participants (66.6%) reported ever using a nicotine pouch, with about a third of participants (33.3%) reporting current nicotine pouch use in the past 30 days.
 - Of the participants who reported never using a nicotine pouch, about 76% are susceptible to future nicotine pouch use.
 - Over two-thirds (68.6%) of participants consider themselves somewhat or fully addicted to nicotine pouches, and 87.5% of participants reported intentions to stop using nicotine pouches in the next 3 months.
 - Other than nicotine pouches, the most reported other tobacco products used are e-cigarettes or vapes (60.5%), cigarettes (59.4%), and cigarillos (28%)
- **Interviews with Young Adults Who Use E-Cigarettes:** Online interviews were conducted with 36 young adults across North Carolina to better understand motivations for e-cigarette use, continued use, and cessation experiences. Key findings include:
 - Social influences, chasing the initial “buzz,” and the availability of flavored e-cigarettes were common reasons for initiating and continuing use. JUUL was frequently cited as the first brand used, with most starting to vape in middle school or early high school.
 - Most participants were aware of the negative health effects of vaping, either personally or through knowing someone affected, but still struggling to quit.
 - All participants had attempted to quit vaping, often using numerous methods, and many reported feelings of shame, embarrassment, and anxiety due to nicotine dependence and inability to quit.
 - Participants expressed a strong desire for cessation services and resources that incorporate social support, such as quitting with a friend, peer support groups.
- **Higher Education Health Center Survey:** TPEP conducted a survey of public, private, and community colleges across NC to understand student access to health centers, and specifically, tobacco treatment or cessation resources. The goal of this activity was to determine what resources and support higher education institutions would benefit from to help prevent the use of tobacco and e-cigarette products. Findings suggest that tobacco prevention services need to increase for higher education institutions:

- No community colleges in NC provide health services, including e-cigarette or tobacco cessation support.
- Among four-year institutions, 100% of public and 76% of private colleges provide health services, resulting in less than 50% of all higher education institutions offering student health services statewide.
- TPEP disseminated research funded by JUUL settlement funds at the 2025 Society for Research on Nicotine and Tobacco (SRNT) in New Orleans, including poster presentations on:
 - *Perspectives from School Resource Officers (SROs) Regarding Youth E-Cigarette Use in Schools Throughout North Carolina*
 - *Clearing the Air: What Does Vaping Look Like Among Young Adults in North Carolina?*

ENDS Tracker

DPH continued its partnership with RTI International to monitor and analyze North Carolina e-cigarette sales, marketing and social media trends in real-time via the ENDS Tracker platform. This data provides crucial insights into the evolving marketplace of e-cigarette products marketed and sold in the state.

Since September 2024, four quarterly report presentations have been delivered to educate partners-particularly those working with youth-on emerging products and trends.

Key findings from June 2025 data include:

- Juul consistently ranks among the top two e-cigarette brands sold in NC.
- Internet searches for e-cigarette products often include terms such as “popcorn lung,” suggesting growing awareness of health effects.
- E-cigarette brands continue to use organic marketing to circumvent social media advertising restrictions.
- E-cigarette brands maintain a large presence at music festivals and events popular with young people and are expanding and using their brand recognition to sell other forms of tobacco such as oral nicotine products.
- E-cigarette brands continue to develop colorful, flavored, concealable, high-tech, youth-friendly products with larger capacities and higher nicotine concentrations.

Public Document Depository (UNC Libraries)

DPH continued the second year of a two-year contract with UNC-Chapel Hill, University Libraries to create and maintain a documents depository in accordance with the final consent judgement resolving the Juul Labs Incorporated (JLI) case. The depository is a public archive of nearly five (5) million internal company documents from Juul Labs Incorporated for purposes of public access, historic and research uses.

Evaluation and Reach:

- From January to July 2025, 26,800 documents were uploaded to the depository, bringing the total to over 3 million documents.
- As of July 2025, seven (7) publications have cited the Juul NC documents, with several forthcoming.
- The online Juul Labs Collection has received 7,130 page views

Appendix A:

USE OF JUUL SETTLEMENT FUNDS

Session Law 2023-134

SECTION 9H.4.(a) There is appropriated from the Youth Electronic Nicotine Dependence Abatement Fund created in Section 9G.10(a) of S.L. 2021-180 to the Department of Health and Human Services, Division of Public Health (DPH), the sum of eleven million two hundred fifty thousand dollars (\$11,250,000) in nonrecurring funds for the 2023-2024 fiscal year and the sum of eleven million two hundred fifty thousand dollars (\$11,250,000) in nonrecurring funds for the 2024-2025 fiscal year to be allocated and used as follows:

- (1) Up to seven hundred fifty thousand dollars (\$750,000) in nonrecurring funds for each year of the 2023-2025 fiscal biennium shall be used to support data monitoring to track tobacco/nicotine use and exposure among youth and young adults and populations at risk; for independent evaluation of the reach, effectiveness, and outcomes of the State's evidence based programs designed to help youth addicted to nicotine through electronic cigarettes and other new and emerging tobacco and nicotine products quit; and to prepare the report required by subsection (c) of this section.
- (2) The remainder of these allocated funds for each year of the 2023-2025 fiscal biennium shall be used to fund evidence-based electronic cigarette and nicotine dependence prevention and cessation activities targeting students in grades four through 12.

SECTION 9H.4.(b) Funds allocated under subsection (a) of this section shall remain available for expenditure in the amounts and for the purposes specified in subsection (a) of this section until expended.

SECTION 9H.4.(c) Annually, beginning November 1, 2023, the Department of Health and Human Services shall report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on the expenditures made from the Youth Electronic Nicotine Dependence Abatement Fund during the preceding fiscal year. The report shall include at least all of the following:

- (1) An itemized list of expenditures and for each expenditure, an indication of the authority under this section for the expenditure.
- (2) An evaluation of the reach, effectiveness, and outcomes of each activity funded pursuant to subdivision (a)(2) of this section.
- (3) An evaluation of the reach, effectiveness, and outcomes of each activity funded by Section 9G.10 of S.L. 2021-180, as amended by Section 9G.3 of S.L. 2022-74.