

**COLORADO GENERAL ASSEMBLY
JOINT BUDGET COMMITTEE**



**FY 2013-14 STAFF FIGURE SETTING
TOBACCO SETTLEMENT FUNDED PROGRAMS**

**JBC Working Document - Subject to Change
Staff Recommendation Does Not Represent Committee Decision**

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February 14, 2013**

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TOBACCO SETTLEMENT FUNDED PROGRAMS

Purpose of Presentation

This presentation incorporates a forecast of the amount of tobacco settlement revenue that will be received in April 2013, based on the Legislative Council January 2013 interim forecast. This forecast serves as the basis for the estimated allocation of settlement revenues among settlement-supported programs in FY 2013-14 that is shown in the number pages, an allocation that is driven by statutory rules. Once approved by the Committee, this distribution will be used by other JBC analysts in setting FY 2013-14 appropriations to settlement-supported programs.

Overview: Calculating Tobacco Distributions

Tobacco Settlement allocations and appropriations

- Statute at 24-75-1104.5 (1), C.R.S. specifies that the total tobacco settlement funds allocated to programs be based on the *prior year's* tobacco settlement receipts.
- The distribution of this amount among programs is governed by statute, with the key provisions contained in Section 24-75-1104.5 (1) and (1.5), C.R.S. The Treasury uses these formulas to divide settlement moneys among the various tobacco programs. Additional information on the statutory allocation process is included in the appendix.
- The General Assembly appropriates the allocated funds. Without such appropriations, most programs can't spend the settlement money that they have been allocated.

Appropriations are based on a tobacco settlement revenue forecast

Most of the appropriations in the Long Bill to settlement-supported programs depend upon the amount of settlement revenue received in the prior fiscal year. At the same time, all or most of settlement revenue arrives in April, after the Long Bill is written. As a result, each year's Long Bill is based upon a forecast of settlement payments. *Thus, for FY 2013-14, even though actual receipts will be known by mid-April 2013, figures in the Long Bill will be based on the January 2013 Legislative Council Staff forecast.*

The table below compares, for the last five years, the total projected receipts in Legislative Council Staff projections for tobacco settlement revenues used for JBC staff figure setting, with the actual revenue received. As shown, at least in recent years, the variance has been relatively small, although it appears to have been greater in some of the preceding years.

Receipt Year	Distribution Year	Legislative Council Projection Used for Figure Setting	Actual Funds Received	Actual Above/(Below) Projection	Percent Variance from Projection
FY 08	FY 09	\$106,653,988	\$103,640,385	(\$3,013,603)	-2.8%
FY 09*	FY 10*	103,302,921	105,419,646	2,116,725	2.0%
FY 10	FY 11	96,231,588	94,587,045	(1,644,543)	-1.7%
FY 11	FY 12	90,397,679	89,065,763	(1,331,916)	-1.5%
FY 12	FY 13	89,297,600	90,809,964	1,512,364	1.7%

*Actual amounts shown in this year exclude \$7.4 million in special payments received related to the non-participating manufacturers dispute.

Minor differences between the forecast and final tobacco settlement receipts

Staff anticipates that minor differences of 5.0 percent or less between forecasted appropriations reflected in the Long Bill and actual funds available based on revenue received will **not** result in appropriation changes for FY 2013-14.

- If actual receipts fall below appropriations, no appropriation adjustment is required because an appropriation is an expenditure cap, rather than an expenditure floor.
- This year, the JBC is sponsoring H.B. 13-1181 to address the need for supplemental adjustments that have historically been required for programs when tobacco revenue has exceeded the projection. This bill, if adopted, will enable affected programs to carry forward amounts equaling up to five percent of prior year appropriations in program-specific cash funds. These amounts can then be appropriated in the next fiscal year. (Other tobacco settlement-funded programs already have program-specific cash funds that may be used to carry forward balances.)

The Legislative Council Staff Revenue Forecast

The table below reflects the Legislative Council Staff tobacco settlement revenue forecast along with actual tobacco settlement revenues in recent years.

JBC Staff Figure Setting – FY 2013-14
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Fiscal Year Payment Is Received	This Payment Determines Allocations in FY:	Full Payment	Amount Withheld (Disputed)*	Special Payments (Disputed Amounts)*	Total Payment
Actual Payments (in millions of \$):					
2003-04	2004-05	\$86.1	\$0.0	\$0.0	\$86.1
2004-05	2005-06	87.4	0.0	0	87.4
2005-06	2006-07	91.1	(10.9)	0	80.2
2006-07	2007-08	92.7	(8.8)	0	83.9
2007-08	2008-09	111.4	(7.7)	0	103.7
2008-09	2009-10	112.5	(7.1)	7.4	112.8
2009-10	2010-11	103.3	(8.7)	0	94.6
2010-11	2011-12	102.7	(13.6)	0	89.1
2011-12	2012-13	102.4	(11.6)	0	90.8
Legislative Council Staff Forecast:					
2012-13*	2013-14	102.7	(12.5)	0	90.2
2013-14*	2014-15	101.8	(10.8)	0	91.0
2014-15*	2015-16	101.6	(11.5)	0	90.1
2015-16*	2016-17	101.4	(10.5)	0	90.9

*Forecasted amounts do not incorporate potential resolution of the non-participating manufacturers dispute.

Tobacco settlement revenue has varied based on a number of factors. Actual allocations owed in any year equals the amount owed in the prior year, modified by:

- A volume adjustment, which reflects changes in the volume of cigarettes distributed by participating manufactures nationwide;
- An inflation adjustment, which equals the higher of 3% or the actual rate of inflation during the preceding year; and
- Disputed payments adjustments, associated with the legal dispute over whether states are "diligently enforcing" laws concerning tobacco manufacturers who are not part of the settlement agreement.

The Legislative Council forecast is based on the following assumptions:

- Volume will decline approximately 3.3 percent from 2011 to 2012 and will continue to decline in 2013 and 2014.
- Inflation will be at the settlement floor of 3.0 percent.
- All of the participating manufacturers will continue to withhold.

- Although the diligent enforcement dispute may be resolved during the forecast period, the impact of any resolution on Colorado distributions cannot be predicted at this time.

Staff recommends that the Committee approve the above forecast and the resulting allocation of settlement revenue shown in the numbers pages. The detailed staff recommendation by line item is based on an Legislative Council Staff projection for the April 2013 tobacco settlement revenue: **\$90,166,336** (unrounded). Staff used this figure to calculate allocations to individual programs following the rules outlined in the appendix to this packet.

- Amounts shown in the numbers pages reflect projected FY 2013-14 allocations based on current law. Staff has rounded figures in the recommendation by one digit to help acknowledge the fact that figures are based on a projection.
- Staff has also prepared a second table reflecting the impact of two JBC bills.
- The two JBC bills—H.B. 13-1180 and H.B. 13-1181—will modify funding available to some programs. *Staff is hopeful that both bills will be adopted prior to Long Bill introduction. However, because this is not certain, JBC staff whose programs are affected by these bills will set figures based on current law but will modify Long Bill appropriations if the bills are enacted prior to the Long Bill.*
- Calculations shown do not incorporate any of the options discussed below for limiting the state’s risk related to the current legal dispute. Any option that restricted allocations in FY 2013-14 would drive different funding amounts. Staff assumes that any such adjustments would be included in a separate bill, as statutory change would be required.

Staff will convey the allocations shown to other analysts who will use it as the basis for their own recommendations for FY 2013-14 appropriations to tobacco-settlement-supported programs. In some cases, an amount indicated in the numbers pages will directly translate into a single Long Bill appropriation. In other cases, a balance in a cash fund that supports a program may supply additional revenues for the appropriation.

Risk to FY 2013-14 Forecasted Revenue

Legal dispute with participating manufacturers – FY 2013-14 resolution?

Final tobacco receipts could differ substantially from the forecast if ongoing legal disputes with participating tobacco manufacturers are resolved. Due to issues of timing, the Legislative Council Staff forecast and figures in this packet do not incorporate any adjustments related to ongoing legal action. *However, resolution of key legal issues is likely to occur during FY 2013-14.* This could have substantial impacts on tobacco program funding and the General Fund in FY 2013-14.

*JBC Staff Figure Setting – FY 2013-14
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- If resolution results in substantial *increases* in receipts out of escrowed “disputed payments” accounts, the moneys will be deposited to the General Fund. No further adjustments will be required, although the General Assembly may make related policy decisions about how to use the funds.
- *If the resolution includes a reduction in Colorado’s April 2014 receipts, it could affect FY 2013-14 funding available for tobacco settlement programs and could even drive a need for General Fund backfill for moneys already spent.* This is because most of the dollars Colorado allocates to tobacco settlement programs in FY 2013-14 (about \$76 million) will be based on moneys received in April 2014.

FY 2013-14 Projected Monthly Tobacco Settlement Allocations by When Revenue is Received					
	Prior Year Revenue (April 2013 Payment)	Current Year Revenue (April 2014 Payment)		Total Monthly Allocation	Cumulative Spending of April 2014 Payment
		Allocated Prior to Receipt	Allocated After Receipt		
July	\$ 7,403,091	\$ -	\$ -	\$ 7,403,091	\$ -
August	5,681,396	1,721,695	-	7,403,091	1,721,695
September	-	7,403,091	-	7,403,091	9,124,786
October	-	7,403,091	-	7,403,091	16,527,877
November	-	7,403,091	-	7,403,091	23,930,968
December	-	7,403,091	-	7,403,091	31,334,059
January	-	7,403,091	-	7,403,091	38,737,150
February	-	7,403,091	-	7,403,091	46,140,241
March	-	7,403,091	-	7,403,091	53,543,332
April	-	3,701,545	3,701,546	7,403,091	60,946,423
May	-	-	7,403,091	7,403,091	68,349,514
June	-	-	7,403,091	7,403,091	75,752,605
TOTAL*	\$ 13,084,487	\$ 57,244,877	\$ 18,507,728	\$ 88,837,092	
Percent	14.7%	64.4%	20.8%	100.0%	

*Balance is not allocated and is used to reduce accelerated payments

Status of the legal dispute

As the Committee is aware, Colorado and 34 other states have been engaged since June 2012 in state-specific arbitration hearings. The hearings concern whether loss of market share by participating tobacco manufacturers is due to the failure of states to diligently enforce state laws related to non-participating manufacturers. The results of the arbitration proceedings were originally anticipated in late CY 2013 or early CY 2014, and based on recent events, could come earlier.

Participating manufacturers assert that they are entitled to reduce their settlement payments as a result. Two of the major manufacturers, Reynolds and Lorillard, have been withholding funds annually, beginning with an adjustment for 2003 withheld in 2006. Phillip Morris began to withhold payments in 2011.

Thus far, withholdings for disputed payments have been proportionately allocated among states. However, the result of the arbitration will change the allocation of responsibility and fiscal liability among the states. Under the original terms of the agreement, if only one state is found to have failed to diligently enforce non-participating manufacturer provisions, that one state can be held financially responsible for participating manufacturers' loss of market share nationwide; however, the maximum adjustment penalty faced by a state cannot exceed the total amount of tobacco settlement funds the state received in the year in question.

The situation has become more complicated in recent months because 19 of the 52 states, districts and territories in the tobacco settlement agreement, including 17 of the states in state-specific arbitration proceedings, have now signed on to a settlement agreement with the participating manufacturers.¹

- This settlement agreement likely cannot take effect in the absence of action by the arbitration panel to release disputed payments from escrow, and many questions remain about what the panel will decide. The panel will hold hearings on March 7 and 8 concerning whether they will instruct the independent auditor to release moneys from the disputed payments account consistent with the settlement agreement. A related decision is likely to be issued by the end of March. This decision may have implications for states that are not participating in the settlement, as well as those that are participating.
- For states that are settling, under the terms of the agreement (if implemented), the manufacturers receive 46 percent of disputed non-participating manufacturer adjustments for 2003 through 2012, and the settling states receive 54 percent. The participating states receive a large one-time payment out of escrow totaling approximately half of each state's annual receipts in 2013, but in the subsequent four years (2014 through 2017) would have their annual receipts reduced by close to 10 percent per year related to the settlement/prior year disputed payments. These reductions would be in addition to reductions for more recent non-participating manufacturer adjustments. The settlement also modifies how the non-participating manufacturer adjustments are calculated going forward.
- **States which, like Colorado, do not participate in the settlement will continue to operate within the terms of the original agreement, whether or not the settlement is fully implemented.**

¹ Settling states are Alabama, Arizona, Arkansas, California, Georgia, Kansas, Louisiana, Michigan, Nebraska, Nevada, New Hampshire, New Jersey, North Carolina, Tennessee, Virginia, West Virginia and Wyoming. Also settling are Puerto Rico and the District of Columbia.

Depending upon the results of this legal dispute for Colorado, the outcome related solely to 2003 disputed payments could range from:

- Receipt of an additional \$10.9 million (payout of amounts withheld); to
- Loss of the entire 2003 tobacco allocation for the state (\$86.1 million).

The State faces similar potential additional payouts and financial risks related to 2004 and subsequent years.

Results of the arbitration for 2003 could be released earlier than anticipated (possibly as early as this summer) because of the number of states participating in the settlement.

Preparing for potential FY 2013-14 mid-year impacts: options

The General Fund might need to backfill lost tobacco revenue in FY 2013-14, in the event of an adverse finding by the arbitration panel. Colorado chose not to participate in the settlement agreement due in part to its confidence that it *did* diligently enforce its laws related to non-participating manufacturers. However, **if the likelihood of an adverse finding appears low, the cost of an adverse finding could be high.**

As reflected in the table above, of the tobacco settlement funds allocated to programs in FY 2013-14, \$76 million is projected to be based on moneys received in April 2014, under the current “accelerated payments” structure, while the balance of \$13 million will be based on the April 2013 payment.

The Controller will advance working capital (General Fund) to programs during the fiscal year pending the April 2014 receipt of funds. **Depending upon if and when the State becomes aware that the 2013 or 2014 payment will be reduced, the General Fund could be forced backfill any reductions.** For example, if the State only learns in late FY 2013-14 that an April 2014 payment will be lower than expected, it may be too late to reduce FY 2013-14 allocations and expenditures.

- In this worst-case scenario, staff assumes that the State would need to rely on the General Fund reserve to cover the tobacco programs’ “bad debt”. In such a **worst-case scenario, this could be for an amount of up to \$76 million.**
- Even if Colorado learned earlier in the year that it would not receive much of its FY 2013-14 payment, substantial General Fund backfill would likely still be required. For example:
 - **\$28.9 million** of the total tobacco funding is directed to the Children’s Basic Health Plan. This amount would likely need to be replaced with General Fund if the tobacco funds were not available.
 - **\$7.2 million** is directed to the Fitzsimons Lease Purchase. This amount would likely need to be replaced with General Fund if the State wishes to avoid a default on the Medical Center COP.

- For many other programs, suddenly eliminating all tobacco funding might be politically unpalatable, whether or not it is feasible. At a minimum, time might be needed to wind-down programs such as Nurse Home Visitor which rely heavily or entirely on the tobacco funding source.

In light of these considerations, **staff recommends:**

- **That the Committee sponsor legislation that would allow the State to address the worst-case scenario in an orderly fashion if the General Assembly is not in session; and**
- **That the Committee take this “worst case” scenario into consideration when setting the General Fund reserve level for FY 2013-14.**

Staff specifically recommends that the Committee sponsor legislation that includes the following provisions. Staff has explored these options with the Office of Legislative Legal Services, the Department of Law, the Treasurer’s Office, and the State Controller, and believes they are workable.

- The Attorney General shall immediately notify the Governor, the Treasurer, and the JBC/legislative leadership of any finding by an arbitration panel concerning disputed tobacco payments that would result in a reduction to one or more tobacco settlement payments to Colorado.
- The notification may result in a transfer of moneys from the General Fund to the Tobacco Litigation Settlement if all of the following conditions are met:
 - The General Assembly is not in session;
 - The tobacco settlement payment to be received is anticipated to be reduced by more than \$35.0 million from the amount projected by Legislative Council Staff when the General Assembly was last in session. (Staff assumes that if the reduction is less than \$35 million, the General Assembly will be able to address the issue when it is in session, as tobacco expenditures for February through June = \$37 million);
 - The funds to be reduced were previously anticipated to be received within 12 months of the arbitration panel finding;
 - The Governor requests such a transfer and specifies an amount to be transferred based on: (1) the amount required to cover working-capital advanced from the General Fund for programs funded with the Tobacco Litigation Settlement Cash Fund prior to the arbitration panel finding; and (2) any additional amount required to enable programs to meet critical state obligations and to reduce program expenditures in an orderly manner through the month of January when the General Assembly convenes.
 - The amount transferred shall in no event exceed \$40 million. (The tobacco expenditures from August through January of moneys not yet received are

estimated to be \$39 million. Staff thus assumes that no more than \$40 million will be required before the General Assembly comes into session and can take affirmative action on the issue.)

- Modify statutory provisions related to when the Governor is required to make automatic spending reductions based on reserve levels, so that this trigger-point becomes half of the reserve plus \$40 million (at least for FY 2013-14). Staff views this statutory change as particularly important if the General Assembly does not provide for a reserve greater than 4.0 percent.

Other options. The JBC could also consider other options for limiting the amount of state spending that occurs prior to the receipt of the tobacco funds and thus reducing the risk to the General Fund. However, unless the General Assembly wishes to transfer a large amount of General Fund into the Tobacco Litigation Settlement Cash Fund or to dramatically reduce tobacco allocations for FY 2013-14, staff would still recommend some version of the statutory changes outlined above in addition to these other options.

1. A transfer into the Tobacco Litigation Settlement Cash Fund from the projected FY 2012-13 excess General Fund reserve of a specified amount. This transfer could be of any size, up to \$76 million. This could be viewed as “repaying” the Cash Fund for dollars that were transferred to the General Fund or used for other state needs when the accelerated payments structure was implemented.
2. Temporarily reducing or eliminating selected tobacco settlement allocations for FY 2013-14. Depending upon the program(s) adjusted, General Fund backfill might or not be provided.
3. Capping the total amount allocated to all tobacco settlement programs in FY 2013-14 at a level lower than the projection. For example, capping amounts distributed through the allocation formula at \$80 million, rather than the \$90.2 million currently projected to be available. The full savings from such a cap would not, however, be \$10 million, as for some programs, the State would have to make up the difference between tobacco revenue and the General Fund.
4. Some combination of the options above. For example, the General Assembly could both transfer some excess General Fund reserve into the Tobacco Litigation Settlement Cash Fund *and* reduce tobacco program allocations for FY 2013-14.

Any of the above options would require statutory change.

Additional background on the accelerated payments structure

Prior to FY 2007-08, all allocations were based on revenue received in the prior fiscal year. Pursuant to H.B. 07-1359, for FY 2008-09, the General Assembly began to rely on current year receipts for Strategic Contribution Fund payments to support current year allocations, which allowed it to redirect one-time funds of \$15.4 million to other purposes without reducing support for tobacco programs. Pursuant to S.B. 09-269, for FY 2010-11, the General Assembly

expanded the use of current year revenue, using this mechanism to access \$65.0 million in one-time funding without reducing support for tobacco programs.

Provisions included in H.B. 12-1247 will gradually reduce accelerated payments. Accelerated payments were reduced by \$1.9 million for FY 2012-13 and are expected to be reduced by \$1.3 million in FY 2013-14. However, this slow process will provide little assistance if Colorado is faced with a substantial reduction in tobacco receipts during FY 2013-14. In light of the history, a transfer of General Fund to reduce accelerated payments could be viewed as a repayment of tobacco moneys that were redirected to the General Fund during the recession.

Appendix – Formula Distributions to Programs

Section 24-75-1104.5, C.R.S., divides tobacco-settlement programs into two tiers. Settlement moneys are first allocated among the tier 1 programs, which will use approximately two thirds of the total. The remainder is allocated among the tier 2 programs. The tables below list the tier 1 and tier 2 settlement programs and provide an overview of each program's statutory funding rule. Note that the Children's Basic Health Plan receives allocations from both tier 1 and tier 2.

Tier 1 Programs

Recipient	Portion of the Total Amount Distributed
Children's Basic Health Plan	27.0%, not to exceed \$33.0 million and not less than \$17.5 million
Nurse Home Visitor (NHV) Program and the General Fund (GF)	<p>Current Law</p> <ul style="list-style-type: none"> • The combined allocation to the NHV program and the GF equals 16.0% in FY 2012-13, and 17% in FY 2013-14, rising 1.0% annually to 19.0% in FY 2015-16, not to exceed \$19.0 million in any year. • The NHV allocation equals \$12.7 million in FY 2012-13, 15.0% in FY 2013-14, 16.0% in FY 2014-15, rising 1.0% annually to 19.0% in FY 2017-18, not to exceed \$19.0 million in any year. • The difference between the combined allocation and the NHV allocation is transferred to the GF. <p>With H.B. 13-1180</p> <p>The NHV allocation equals \$12.7 million in FY 2012-13, 17% less \$1.0 million in FY 2013-14, 18 percent less \$1.0 million in FY 2014-15, and 19.0 percent in FY 2015-15 and subsequent years, not to exceed \$19.0 million in any year.</p>
Fitzsimons lease purchase	8.0%, not to exceed \$8.0 million or the actual lease purchase payment
Early Literacy Program (H.B. 12-1238)	5.0%, not to exceed \$8.0 million
Tony Grampsas Youth Services Program	4.0%, not to exceed \$5.0 million
HIV/AIDS Drug Assistance Program	3.5%, not to exceed \$5.0 million
HIV and AIDS Prevention Grant Program	2.0%, not to exceed \$2.0 million
State Veterans Trust Fund	1.0%, not to exceed \$1.0 million (10.0% of the state veterans allocation is retained in the State Veterans Trust Fund and the remaining 90.0%, plus interest earned by the trust, is expended)
Litigation Settlement Defense Account	<p>With H.B. 13-1180</p> <p>\$1.8 million in FY 2012-13, \$1.0 million in FY 2013-14, \$1.0 million in FY 2014-15.</p>
Autism Treatment Fund	\$1,000,000 annually (fixed)
Child Mental Health Treatment Act	\$300,000 annually (fixed)
Dental Loan Repayment Program	\$200,000 annually (fixed)

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Tier 2 Programs

Recipient	Portion of the Residual Distributed
	after Tier 1 Program Allocations
University of Colorado Health Sciences Center	49.0%
Children's Basic Health Plan	14.5%
Mental health services for juvenile and adult offenders	12.0%
Local public health services	7.0%
Supplemental state contribution for state employee group benefit plans	4.5%
Colorado Immunization Program	4.0%
Alcohol and drug abuse and treatment programs	3.0%
Health Services Corps (Health Care Professional Loan Forgiveness Program)	\$250,000 (fixed)
State Auditor's Office	\$89,0000 (fixed)
Retained in Tobacco Litigation Settlement Cash Fund	6.0% less fixed Tier 2 allocations
Total	100.0%

The table below summarizes projected distributions in order of size of allocation.

Distribution of Tobacco Settlement Funds by Size of Allocation*			
Program	Department	FY 2013-14	Percent
Children's Basic Health Plan Trust	HCPF	\$28,376,500	31.5%
Nurse Home Visitor	CDPHE	14,328,277	15.9%
CU Health Sciences Center	DHE	13,623,989	15.1%
Fitzsimons Trust Fund	DHE	7,213,307	8.0%
Early Literacy Program	EDU	4,508,317	5.0%
Tony Grampas Youth Services	CDPHE	3,606,653	4.0%
Offender Mental Health Services	HUM	3,336,487	3.7%
HIV/AIDS Drug Assistance Program (Ryan White)	CDPHE	3,155,822	3.5%
Local Public Health Agencies	CDPHE	1,946,284	2.2%
AIDS & HIV Prevention Grants	CDPHE	1,803,327	2.0%
Retained in Tobacco Fund	n/a	1,329,243	1.5%
Supplemental State Benefits Contribution	PER	1,251,183	1.4%
Colorado Immunization Fund	CDPHE	1,112,162	1.2%
Tobacco Litigation Defense Account	LAW	1,000,000	1.1%
Autism Treatment	HCPF	1,000,000	1.1%
State Veterans Trust Fund	MIL	901,663	1.0%
Alcohol & Drug Abuse Services	HUM	834,122	0.9%
Child Mental Health Treatment Act	HUM	300,000	0.3%
Health Services Corps	CDPHE	250,000	0.3%
Dental Loan Repayment	CDPHE	200,000	0.2%
State Auditor's Office	LEG	89,000	0.1%
Total		\$90,166,336	

*Includes the anticipated impact of H.B. 13-1180 and H.B. 13-1181.

**FY 2013-14 Joint Budget Committee Figure Setting
Tobacco Settlement Funded Programs**

	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
	Actual	Actual	Projection based	LCS Projection As
	Allocation	Allocation	April 2012	of Jan 2013 -
			receipts	Allocations -
				Current Law

This table shows the transfer of tobacco settlement money to settlement supported programs or to the cash funds that support those programs. The appropriations are classified as cash funds, except for the transfer to the Department of Public Health and Environment, which is reappropriated funds transferred from other programs.

OVERSIGHT - LEGISLATURE AND CDPHE

Office of the State Auditor	112,831	94,587	89,000	89,000
Public Health and Environment Administration Division - RF	28,000	28,000	28,000	28,000
SUBTOTAL - OVERSIGHT	140,831	122,587	117,000	117,000

EDUCATION

Assistance to Public Schools

Read-to-achieve/Early Literacy Grant Program	4,706,694	4,457,736	4,540,498	4,508,320
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HEALTH CARE POLICY AND FINANCING

Indigent Care Program

Children's Basic Health Plan Trust	26,910,569	28,322,469	28,712,284	28,376,500
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Comprehensive Primary And Preventive Care Fund /1	2,824,017	0	0	0
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Pediatric Specialty Hospital	307,000	0	0	0
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Medical Services Premiums

Children with Autism	1,000,000	1,000,000	1,000,000	1,000,000
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SUBTOTAL - HEALTH CARE POLICY AND FINANCING	31,041,586	29,322,469	29,712,284	29,376,500
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	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
	Actual	Actual	Projection based	LCS Projection As
	Allocation	Allocation	April 2012	of Jan 2013 -
			receipts	Allocations -
				Current Law

HIGHER EDUCATION

Regents of the University of Colorado

University of Colorado Health Sciences Center	15,674,327	14,364,414	14,171,456	13,623,990
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HUMAN SERVICES

Mental Health and Alcohol and Drug Abuse Services

Residential Mental Health Treatment for Youth	300,000	300,000	300,000	300,000
Treatment, Detoxification, and Prevention Contracts	959,653	879,454	867,640	834,120
Offender Mental Health Services	3,838,611	3,517,816	3,470,561	3,336,490

SUBTOTAL - HUMAN SERVICES	5,098,264	4,697,270	4,638,201	4,470,610
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LAW

Defense Account of Tobacco Litigation Settlement CF /4	0	0	0	0
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MILITARY AND VETERANS AFFAIRS

Division of Veterans Affairs

State Veterans	941,339	891,547	908,100	901,660
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PERSONNEL AND ADMINISTRATION

Supplemental State Contribution Fund	1,439,479	1,319,181	1,301,460	1,251,180
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	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
	Actual Allocation	Actual Allocation	Projection based April 2012 receipts	LCS Projection As of Jan 2013 - Allcoations - Current Law

PUBLIC HEALTH AND ENVIRONMENT

<i>Local Public Health Planning and Support</i>				
Local, District and Regional Health Department Distribution:	2,239,190	2,052,059	2,024,494	1,946,280
<i>Disease Control and Environmental Epidemiology Division</i>				
Immunizations	1,279,537	1,172,605	1,156,854	1,112,160
AIDS and HIV Prevention Grants (CHAPP)	1,882,678	1,783,094	1,816,199	1,803,330
<i>Prevention Services Division</i>				
Short Term Innovative Health Programs Grants /2	1,919,305	1,508,908	0	0
Health Services Corps Fund (Provider Loan Repayment) /3	0	250,000	250,000	250,000
Dental Loan Repayment Program	200,000	200,000	200,000	200,000
Nurse Home Visitor Program /4	13,178,744	12,737,350	12,737,350	13,524,950
Tony Grampsas Youth Services Program	3,765,355	3,566,189	3,632,399	3,606,650
<i>Disease Control and Environmental Epidemiology Division</i>				
AIDS Drug Assistance Program (ADAP; Ryan White)	3,294,686	3,120,415	3,178,349	3,155,820
SUBTOTAL - PUBLIC HEALTH AND ENVIRONMENT	27,759,495	26,390,620	24,995,645	25,599,190

CAPITAL CONSTRUCTION

<i>Department of Higher Education</i>				
Fitzsimons Lease Purchase Payments	7,546,687	7,145,538	7,264,797	7,213,310

OTHER

Amount Diverted from Nurse Home Visitor to General Fund /·	0	635,858	1,792,244	1,803,330
Amount not allocated (formerly Health Programs/ now used to reduce accelerated payments)			1,396,279	1,329,250

	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
	Actual	Actual	Projection based	LCS Projection As
	Allocation	Allocation	April 2012	of Jan 2013 -
			receipts	Allocations -
				Current Law
TOTAL ALLOCATION TO TOBACCO-SUPPORTED PROGRAMS /5	94,320,702	89,319,220	90,809,964	90,166,340

1/ Amounts in italics reflect initial allocations; the entire FY 2010-11 amount was transferred to the General Fund by S.B. 11-216.

2/ Amounts in italics reflect initial allocations; all allocations except those directed to other programs via statute (\$308,249) were transferred to the General Fund in FY 2010-11. Balance was transferred to the Tobacco Litigation Settlement Fund at close of FY 2011-12. This program is repealed for FY 2012-13.

3/ \$90,700 was transferred from the Short-term Innovative Health Programs Grant Fund to this program in FY 2010-11.

4/ Amounts for FY 2012-13 and FY 2013-14 modified by H.B. 13-1180, if adopted prior to Long Bill.

5/ Excludes the reappropriated amount for the Department of Public Health and Environment in the Oversight category.

FY 2013-14 Joint Budget Committee Figure Setting
Funds Available - Tobacco Settlement Funded Programs with New Legislation

	FY 2013-14			Total Funds Projected Available with H.B. 13-1180 and H.B. 13-1181 (Shaded are Dependent on Statutory Change)
	LCS Projection As of Jan 2013 - Current Law	Revised FY 2013-14 Distributions if H.B. 13-1180 (Nurse Home Visitor) is Adopted	Additional Fund Balance Available, due to FY 2012-13 receipts exceeding projections (shaded require passage of H.B. 13-1181 for carry-forward)	
<i>This table shows the transfer of tobacco settlement money to settlement supported programs or to the cash funds that support those programs. The appropriations are classified as cash funds, except for the transfer to the Department of Public Health and Environment, which is reappropriated funds transferred from other programs.</i>				
OVERSIGHT - LEGISLATURE AND CDPHE				
Office of the State Auditor	89,000	89,000	0	89,000
Public Health and Environment Administration Division - RF	28,000	28,000	0	28,000
SUBTOTAL - OVERSIGHT	117,000	117,000	0	117,000
EDUCATION				
<i>Assistance to Public Schools</i>				
Read-to-achieve/Early Literacy Grant Program	4,508,320	4,508,320	75,618	4,583,938
HEALTH CARE POLICY AND FINANCING				
<i>Indigent Care Program</i>				
Children's Basic Health Plan Trust	28,376,500	28,376,500	481,804	28,858,304
Comprehensive Primary And Preventive Care Fund	0	0	0	0
Pediatric Specialty Hospital	0	0	0	0
<i>Medical Services Premiums</i>				
Children with Autism	1,000,000	1,000,000	0	1,000,000
SUBTOTAL - HEALTH CARE POLICY AND FINANCING	29,376,500	29,376,500	481,804	29,858,304
HIGHER EDUCATION				
<i>Regents of the University of Colorado</i>				
University of Colorado Health Sciences Center	13,623,990	13,623,990	248,256	13,872,246
HUMAN SERVICES				
<i>Mental Health and Alcohol and Drug Abuse Services</i>				

FY 2013-14				
	LCS Projection As of Jan 2013 - Current Law	Revised FY 2013-14 Distributions if H.B. 13- 1180 (Nurse Home Visitor) is Adopted	Additional Fund Balance Available, due to FY 2012-13 receipts exceeding projections (shaded require passage of H.B. 13-1181 for carry-forward)	Total Funds Projected Available with H.B. 13-1180 and H.B. 13-1181 (Shaded are Dependent on Statutory Change)
Residential Mental Health Treatment for Youth	300,000	300,000	0	300,000
Treatment, Detoxification, and Prevention Contracts	834,120	834,120	15,200	849,320
Offender Mental Health Services	3,336,490	3,336,490	60,801	3,397,291
SUBTOTAL - HUMAN SERVICES	4,470,610	4,470,610	76,001	4,546,611
LAW				
Defense Account of Tobacco Litigation Settlement CF	0	1,000,000	0	1,000,000
				0
MILITARY AND VETERANS AFFAIRS				0
<i>Division of Veterans Affairs</i>				0
State Veterans	901,660	901,660	15,120	916,780
				0
PERSONNEL AND ADMINISTRATION				0
Supplemental State Contribution Fund	1,251,180	1,251,180	22,800	1,273,980
PUBLIC HEALTH AND ENVIRONMENT				0
<i>Local Public Health Planning and Support</i>				0
Local, District and Regional Health Department Distributions	1,946,280	1,946,280	35,464	1,981,744
<i>Disease Control and Environmental Epidemiology Division</i>				0
Immunizations	1,112,160	1,112,160	20,264	1,132,424
AIDS and HIV Prevention Grants (CHAPP)	1,803,330	1,803,330	30,249	1,833,579
<i>Prevention Services Division</i>				0
Short Term Innovative Health Programs Grants	0	0	0	0
Health Services Corps Fund (Provider Loan Repayment)	250,000	250,000	0	250,000
Dental Loan Repayment Program	200,000	200,000	0	200,000
Nurse Home Visitor Program	13,524,950	14,328,280	0	14,328,280
Tony Grampas Youth Services Program /2	3,606,650	3,606,650	60,499	3,667,149
<i>Disease Control and Environmental Epidemiology Division</i>				0
AIDS Drug Assistance Program (ADAP; Ryan White) /2	3,155,820	3,155,820	52,929	3,208,749
SUBTOTAL - PUBLIC HEALTH AND ENVIRONMENT	25,599,190	26,402,520	199,405	26,601,925
CAPITAL CONSTRUCTION				

FY 2013-14				
	LCS Projection As of Jan 2013 - Current Law	Revised FY 2013-14 Distributions if H.B. 13- 1180 (Nurse Home Visitor) is Adopted	Additional Fund Balance Available, due to FY 2012-13 receipts exceeding projections (shaded require passage of H.B. 13-1181 for carry-forward)	Total Funds Projected Available with H.B. 13-1180 and H.B. 13-1181 (Shaded are Dependent on Statutory Change)
<i>Department of Higher Education</i>				
Fitzsimons Lease Purchase Payments	7,213,310	7,213,310	120,987	7,334,297
OTHER				
Amount Diverted from Nurse Home Visitor to General Fund	1,803,330	0	n/a	0
Amount not allocated (formerly Health Programs/ now used to reduce accelerated payments)	1,329,250	1,329,250	n/a	1,329,250
TOTAL ALLOCATION TO TOBACCO-SUPPORTED PROGRAMS /1	90,166,340	90,166,340	1,239,991	91,406,331

1/ Excludes the reappropriated amount for the Department of Public Health and Environment in the Oversight category.

2/ These two programs will have new cash funds created by H.B. 13-1181; therefore the letternote source for the entire appropriation will need to be modified to reference the new funds if H.B. 13-1181 is adopted.