

JOINT BUDGET COMMITTEE



STAFF FIGURE SETTING FY 2024-25

TOBACCO REVENUE

JBC WORKING DOCUMENT - SUBJECT TO CHANGE
STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

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COLORADO'S TOBACCO REVENUE STREAMS

Colorado receives annual TABOR-exempt tobacco revenue from three sources:

- 1 The Tobacco Master Settlement Agreement (MSA), a 1998 legal settlement between tobacco manufacturers and states that sued manufacturers to recover Medicaid and other health-related costs incurred by treating smoking-related illnesses;
- 2 A 2004 constitutional amendment (Amendment 35), imposing tobacco taxes through Section 21 of Article X of the Colorado Constitution; and
- 3 House Bill 20-1427 (Cigarette Tobacco and Nicotine Products Tax), which referred a tobacco, cigarette, and nicotine product tax to the ballot (Proposition EE), approved by the voters and taking effect January 1, 2021.

Amendment 35 and MSA dollars are distributed via formula while Proposition EE revenue distribution is largely specified in H.B. 20-1427. Long Bill appropriations are determined based on the forecasted revenue provided by Legislative Council Staff (LCS). More details about the forecasted distribution of TABOR-exempt tobacco revenue are included in the following sections.

GOVERNOR'S FY 2024-25 BUDGET LETTER

On page seven of attachment two of the Governor's November first budget request letter, it refers to a revenue classification correction surrounding cigarette revenue. The letter states "the Executive Branch has also identified around \$32.1 million in gaming and cigarette revenue that is currently being counted against the TABOR cap. However, the revenue is used to support local governments and is a pass-through revenue stream for the State, and therefore should not count against the State's TABOR cap. The Executive Branch will work with legislators during the 2024 legislative session to address the correct classification of this revenue stream."

Staff believes this is in reference to another source of State tobacco revenue, as that is the only revenue subject to TABOR. In 1964, the State created a 20.0 percent tax on other tobacco products and in 1986 it created a tax of one cent per cigarette. The revenue from these taxes is deposited into the General Fund and is subject to TABOR. While this legislative change would not impact the appropriations recommended in this document related to tobacco revenue, staff believes this is an important issue for the Committee to be aware of during the legislative session.

TOBACCO MASTER SETTLEMENT AGREEMENT

The 1998 Tobacco Master Settlement Agreement provides Colorado with an annual revenue stream as a result of legal action to recover expenses states incurred for the treatment of tobacco-related illnesses. Under the MSA, states and other governments consented to release Participating Manufacturers from health-related claims associated with the use, manufacture, and marketing of tobacco products in return for perpetual annual payments. MSA revenue is exempt from TABOR as a damage award.

The size of the [annual MSA payment](#) is largely determined by (1) U.S. inflation rates, (2) nationwide cigarette consumption, and (3) cigarette manufacturers' income. The annual base payment is \$9.0 billion, which is then adjusted by these factors. Colorado's portion of the MSA payment is based on its allocable share as defined in the MSA of 1.4 percent. Payments received in April are based on sales

and adjustments from the prior year, so the payment received by Colorado in April 2024 will be adjusted based on 2023 figures. Payment calculations remain open for four years and can be continually adjusted throughout that time.

INFLATION ADJUSTMENT

The inflation adjustment is equal to either 3.0 percent or the Consumer Price Index (CPI) percentage change for the calendar year being used to determine the payment, whichever is greater. The Independent Auditor for the MSA, Price Waterhouse Coopers, calculates the inflation adjustment each March using CPI-U. Of the 24 years since the inception of the Tobacco Master Settlement Agreement, there have been eight years when CPI was greater than 3.0 percent, including 2021 (7.0 percent) and 2022 (6.5 percent). The March 2023 rate was calculated at 3.4 percent.

U.S. CIGARETTE CONSUMPTION (VOLUME ADJUSTMENT)

Cigarette consumption is measured by excise taxes collected on containers of roll-your-own tobacco and on packs of cigarettes bearing state excise tax stamps. The pandemic increased demand for cigarettes nationwide, disrupting the decades long trend of declining sales.

MANUFACTURER INCOME (PROFIT ADJUSTMENT)

The profit adjustment is applied to the volume adjustment. If the income collected by cigarette manufacturers in a given year exceeds a certain inflation-adjusted threshold, then MSA payments will be increased. In recent years, the largest manufacturers that participate in the MSA have begun moving toward higher-priced premium products and non-cigarette tobacco products, and away from lower-cost products, resulting in higher incomes for tobacco manufacturers.

MASTER SETTLEMENT AGREEMENT DISTRIBUTIONS

The LCS January 2024 forecast of Tobacco Master Settlement Agreement revenue serves as the basis for the Long Bill appropriations of MSA revenues in FY 2024-25. The State receives the annual MSA payment in April, which is after the Long Bill is typically sent to the Governor. As a result, even though actual receipts are known by mid-April, appropriations in the Long Bill are based on the January forecast. The allocation percentages are determined by statute and are shown in Appendix A. Once approved by the Committee, JBC analysts use the FY 2024-25 allocations to set appropriations for Tobacco Master Settlement Agreement-supported programs in their respective Departments.

TOBACCO MASTER SETTLEMENT AGREEMENT ALLOCATIONS AND APPROPRIATIONS

The following statutes and processes direct the distribution of Tobacco Master Settlement Agreement revenue.

- Section 24-75-1104.5 (1.3) (a), C.R.S., specifies that the total Tobacco Master Settlement Agreement funds distributed to programs will be based on the prior year's Tobacco Master Settlement Agreement receipts.
- The allocation across programs is governed by statute, with the key provisions contained in Section 24-75-1104.5 (1.7), C.R.S. The Treasury uses the formula to distribute the revenue to the specified programs.
- The General Assembly appropriates the distributed funds in the Long Bill, providing spending authority for programs receiving funding.

➔ DISTRIBUTION OF TOBACCO MASTER SETTLEMENT REVENUE

Staff recommends that the Committee approve the distribution of MSA revenue as shown in the table below. The recommendation is based on a LCS projected MSA payment of \$86,746,208 in FY 2024-25.

TOBACCO MASTER SETTLEMENT AGREEMENT FY 2024-25 DISTRIBUTIONS				
PROGRAM	PERCENTAGE	FY 2022-23 ACTUAL	FY 2023-24 PRELIMINARY	FY 2024-25 ESTIMATE
Department of Law				
Tobacco Settlement Defense Account	2.5%	\$2,221,120	\$2,326,821	\$2,168,655
Department of Human Services				
Nurse Home Visitors	26.7	23,721,560	24,850,452	23,161,238
Tony Gramscas Youth Services	7.5	6,663,360	6,980,464	6,505,966
Department of Health Care Policy and Financing				
Children's Basic Health Plan Trust	18.0	15,992,063	16,753,114	15,614,317
Autism Treatment	2.0	1,776,896	1,861,457	1,734,924
Department of Higher Education				
CU Health Sciences Center ¹	17.5	15,547,839	16,287,749	15,180,586
Department of Public Health and Environment				
AIDS Drug Assistance	5.0	4,442,240	4,653,643	4,337,310
HIV Prevention	3.5	3,109,568	3,257,550	3,036,117
Immunizations	2.5	2,221,120	2,326,821	2,168,655
Health Services Corps	1.0	888,448	930,729	867,462
Dental Loan Repayment	1.0	888,448	930,729	867,462
Capital Construction				
Fitzsimons Trust Fund	8.0	7,107,584	7,445,828	6,939,697
Department of Personnel and Administration				
Supplement State Employee Insurance Plans	2.3	2,043,430	2,140,676	1,995,163
Department of Military and Veterans Affairs				
Veterans Trust Fund	1.0	888,448	930,729	867,462
Unallocated Portion²	1.5	1,332,671	1,396,093	1,301,193
Total Funds Distributed	100.0%	\$88,844,795	\$93,072,854	\$86,746,208

Source: Department of the Treasury and Legislative Council Staff Forecast

¹Of this amount, 2.0% is required to be spent for tobacco-related in-state cancer research

²Unallocated amounts remain in the Tobacco Litigation Settlement Cash Fund, reducing future accelerated payments from the fund

Individual staff analysts will recommend FY 2024-25 appropriation amounts for programs in their budget areas that are supported by Tobacco Master Settlement Agreement funds. Staff recommendations will take into consideration this revenue forecast and the balance of tobacco moneys expected to be available in related program cash funds.

DISPUTED PAYMENTS, ARBITRATION, AND SETTLEMENTS

Participating Manufacturers have withheld portions of past payments based on the Non-Participating Manufacturer (NPM) Adjustment clause within the MSA, termed disputed payments. Under the MSA, resolution of these NPM Adjustment disputes require the states and Participating Manufacturers to enter into arbitration. The arbitration process is lengthy and can take many years to complete. For the 2003 NPM Adjustment dispute, the states and Participating Manufacturers began a process to define that multistate arbitration in 2006. That arbitration began in June 2010 and ended in 2013.

In order to avoid the lengthy arbitration processes, many states and the Participating Manufacturers entered into the NPM Adjustment Settlement Agreement (NPMASA). Colorado joined this settlement in 2018, settling the NPM Adjustment disputes 2004-2022. The settlement:

- Released all disputed payments withheld from Colorado;

- Ended NPM Adjustment withholding from future annual payments ; and
- Determined percentage splits/credits for the no-longer-withheld but disputed funds between states and Participating Manufacturers.

As a result, Colorado received a one-time payment of approximately \$113.3 million in 2018, which was credited to the General Fund. Additionally, Colorado's receipts modestly increased in 2019, 2020, and 2023, and modestly decreased in 2021 and 2022. This moderate increase for the 2023 payment is enhanced, in part, by the inflation adjustment. States that have entered into the NPMASA have the option to negotiate out future years to extend this settlement. In the absence of a settlement extension, 2023 would be the next sales year for which an NPM Adjustment arbitration could occur.

ACCELERATED PAYMENTS

Initially, expenditures for MSA-funded programs were based on actual MSA payment revenue received the prior fiscal year. During the 2009 recession, the General Assembly opted to borrow against the MSA payment to increase the available General Fund at the time. It did this by making the annual payment received each April fund programs in both the fiscal year in which it is received as well as the following fiscal year. This created an ongoing annual General Fund obligation for a bridge loan, or "accelerated payment," made to fund MSA programs between the date when the prior year's payment is exhausted and the date when the current year's payment arrives.

Prior to the COVID-19 pandemic, the General Assembly had taken steps to gradually reduce the size of this obligation on the General Fund. However, the General Assembly again increased the accelerated payment as a budget-balancing measure during the pandemic-induced recession. The timeline of the changes to accelerated MSA payments is as follows:

- In FY 2009-10, \$65.0 million was transferred from the State's 2010 MSA payment to the General Fund and \$65.0 million from the State's 2011 MSA payment was allocated to programs in FY 2010-11.
- House Bill 12-1247 (Reduce Tobacco Settlement Accelerated Payments) began to gradually reduce the use of these advances and required that spending from current year revenue be reduced each year by any unallocated MSA funds, currently 1.5 percent, and other residual funds in the Tobacco Litigation Settlement Cash Fund.
- In April 2014, the accelerated payment was reduced by \$11.4 million.
- In April 2017, the accelerated payment was reduced by \$15.0 million.
- House Bill 20-1380 (Move Tobacco Litigation Settlement Moneys General Fund) transferred \$20.0 million from the State's 2020 MSA payment to the General Fund and \$20.0 million from the state's 2021 MSA payment was allocated to programs in FY 2020-21, increasing the accelerated payment to just above \$60.0 million.
- The total remaining accelerated payment amount was \$58,743,309 in FY 2022-23, and is expected to decrease to \$57,410,638 in FY 2023-24 and \$56,109,445 in FY 2024-25.

The size of the accelerated payment is a concern if there is a possibility that the April payment will be significantly lower than the amount that was used to set the appropriation. If this occurs, there will be a portion of General Fund that has been expended which cannot be paid back with MSA money, thus resulting in an unaccounted for General Fund expenditure during that fiscal year.

AMENDMENT 35

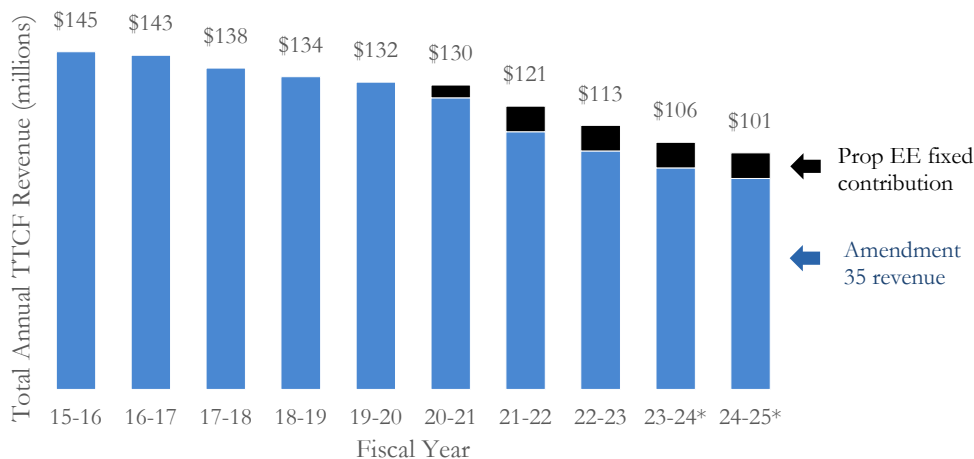
Amendment 35, approved by voters in 2004, added the following cigarette and tobacco taxes to Section 21 of Article X of the Colorado Constitution:

- An additional \$0.64 tax on each pack of cigarettes sold in Colorado (a pack equals twenty cigarettes); and
- A statewide tobacco products tax equal to 20.0 percent of the manufacturer's list price, on the sale, use, consumption, handling, or distribution of tobacco products by distributors.

The constitutional amendment dictated the distribution of revenue and was codified in Section 24-22-117, C.R.S. Amendment 35 revenue is distributed to various state agencies including the Departments of Health Care Policy and Financing, Public Health and Environment, and Human Services. Appendix B summarizes which departments and programs receive Amendment 35 tobacco tax revenue.

Revenue from Amendment 35 is first deposited in the Tobacco Tax Cash Fund (TTCF) before being distributed to programs on a monthly basis. Amendment 35 revenues have been declining over time, as shown in the chart below, due mainly to decreasing consumption of cigarettes in Colorado. This revenue decline has been slightly offset in the short term by increased revenue from Proposition EE taxes, which transferred \$5.5 million in FY 2020-21 and \$11.0 million in FY 2021-22 and onwards into the TTCF.

Annual Tobacco Tax Cash Fund revenue from Amendment 35 has been consistently declining, and is being supplemented by fixed annual amounts from Proposition EE.



*FY23-24 and FY24-25 based on forecasted revenue

→ DISTRIBUTION OF AMENDMENT 35 REVENUE

The December 2023 LCS revenue forecast projects Amendment 35 revenues will equate to **\$90,314,321** in FY 2024-25, with an additional **\$10,950,000** from Proposition EE. Dollars from both of these revenue streams are held in the Tobacco Tax Cash Fund (TTCF), and distributed from there via the formula outlined in the table below. The following table summarizes staff's recommendation of the distribution of TTCF dollars for FY 2024-25.

Staff recommends that the Committee approve the distribution shown in the table below, which includes both Amendment 35 and Proposition EE revenue. Staff also requests permission to adjust the distribution if the March 2024 LCS forecast is significantly different than the December 2023 forecast. Other JBC staff with TTCF funded programs may provide additional information on the use of these dollars during their respective figure setting presentations.

DISTRIBUTION OF TOBACCO TAX CASH FUND (TTCF) DOLLARS					
DEPT.	PROGRAM AND/OR FUND	PERCENT	FY 24-25 A35 DISTRIBUTION	FY 24-25 PROP EE DISTRIBUTION	TOTAL FY 24-25 DISTRIBUTION
HCPF	Health Care Expansion Fund	46.0%	\$41,544,587	\$5,037,000	\$46,581,587
HCPF	Primary Care Fund	19.0%	17,159,721	2,080,500	19,240,221
PHE	Tobacco Education Programs Fund	16.0%	14,450,291	1,752,000	16,202,291
PHE	Prevention, Early Detection and Treatment Fund	16.0%	14,450,291	1,752,000	16,202,291
HCPF	Old Age Pension Fund	1.5%	1,354,715	164,250	1,518,965
REV	Local governments to compensate for lost revenue from tobacco taxes	0.9%	812,829	98,550	911,379
PHE	Immunizations performed by small local public health agencies.	0.3%	270,943	32,850	303,793
HCPF	Children's Basic Health Plan	0.3%	270,943	32,850	303,793
Total Distribution		100.0%	\$90,314,321	\$10,950,000	\$101,264,321

Money that is credited to the Prevention Early Detection and Treatment (PEDT) Fund is further divided among: (1) the Breast and Cervical Cancer Program, (2) the Health Disparities Program Fund, and (3) the Center for Health and Environmental Data. Whatever remains in the fund is then allocated to the Cancer, Cardiovascular Disease, and Chronic Pulmonary Disease (CCPD) Program. The following table summarizes how the total funds credited to the PEDT Fund are distributed.

BREAKDOWN OF MONEY CREDITED TO THE PREVENTION, EARLY DETECTION AND TREATMENT (PEDT) FUND				
	ALLOCATION	FY 24-25 A35 DISTRIBUTION	FY 24-25 PROP EE DISTRIBUTION	TOTAL FY 24-25 DISTRIBUTION
Total amount credited to PEDT Fund		\$14,450,291	\$1,752,000	\$16,202,291
Breast and Cervical Cancer Program	20.0%	2,890,058	350,400	3,240,458
Health Disparities Program Fund	15.0%	2,167,544	262,800	2,430,344
Center for Health and Environmental Data	Fixed \$	116,942	0	116,942
<i>Remains in the Prevention, Early Detection and Treatment Fund*</i>		<i>9,275,747</i>	<i>1,138,800</i>	<i>10,414,547</i>

*Whatever remains in the PEDT Fund is distributed to the CCPD Program

PROPOSITION EE

Proposition EE was a ballot measure created by H.B. 20-1427 (Cigarette, Tobacco, and Nicotine Products Tax) and approved by voters during the November 2020 election. The measure raised taxes on cigarettes and other tobacco products, as indicated in the table below, and created a tax on nicotine products such as vaping devices. The forecasted distributions as outlined in statute can be found in Appendix C of this document.

INCREMENTAL TOBACCO TAX CHANGES			
CATEGORY	JAN 2021 - JUN 2024	JUL 2024 - JUN 2026	JUL 2026 ONWARD
<i>Cigarettes</i>			
Before Jan 1, 2021	\$0.84	\$0.84	\$0.84
Prop EE Tax Increase ¹	\$1.10	\$1.40	\$1.80
TOTAL	\$1.94	\$2.24	\$2.64
<i>Other Tobacco Products (OTP)</i>			
Before Jan 1, 2021	40%	40%	40%
Prop EE Tax Rate Increase ¹	10%	16%	22%
TOTAL	50%	56%	62%
<i>Nicotine</i>			
Before Jan 1, 2021	0%	0%	0%
Prop EE Tax Rate Increase ¹	50%	56%	62%
TOTAL	50%	56%	62%

¹Prop EE tax and tax rates reflect passage of Proposition II in November 2023

Tax revenue from Proposition EE is deposited in the 2020 Tax Withholding Fund and distributed on an ongoing basis throughout the year, with dollars going to the funds outlined in statute first, and any remaining revenue being distributed to the State Education Fund and Preschool Programs Cash Fund after the other obligations have been fulfilled. If revenue is insufficient to cover initial obligations dollars are dispersed on a proportional basis.

→ DISTRIBUTION OF PROPOSITION EE REVENUE

Staff recommends that the Committee approve the distribution of Proposition EE revenue as shown in the table below. The recommendation is based on LCS's December 2023 forecast which projects Prop EE taxes will total \$202.2 million in revenue in FY 2023-24, \$240.6 million in FY 2024-25, and \$239.3 million in FY 2025-26. Prop EE revenue is forecasted on an accrual basis and distributions are made on a cash basis, which can lead to discrepancies between total revenue and distributions shown in the table below.

PROPOSITION EE FY 2024-25 REVENUE DISTRIBUTION FORECASTS			
PROGRAM/FUND	FY 2023-24	FY 2024-25	FY 2025-26
General Fund	\$4,050,000	\$4,050,000	\$4,050,000
Tobacco Education Programs Fund	-	-	20,000,000
Tobacco Tax Cash Fund ¹	10,950,000	10,950,000	10,950,000
Preschool Programs Cash Fund ²	-	214,523,157	204,735,513
Rural Schools Fund	35,000,000	-	-
Housing Development Grant Fund	11,167,000	-	-
Eviction Legal Defense Fund	500,000	-	-
State Education Fund ²	139,337,065	-	-
Total	\$203,618,730	\$229,523,157	\$239,735,513

Source: Legislative Council Staff December 2023 Forecast

¹ Dollars distributed to the Tobacco Tax Cash Fund are accounted for in the considerations for A35 distributions

² These funds will begin seeing revenue after the other fund obligations outlined in statute have been fulfilled

LONG BILL FOOTNOTES AND REQUESTS FOR INFORMATION

REQUEST FOR INFORMATION

Staff recommends CONTINUING AND MODIFYING the following request for information:

- 1 Department of Health Care Policy and Financing, Medical Services Premiums; Indigent Care Program, Children's Basic Health Plan Medical and Dental Costs; Department of Higher Education, Colorado Commission on Higher Education, Special Purpose, University of Colorado, Lease Purchase of Academic Facilities at Fitzsimons; Governing Boards, Regents of the University of Colorado; Department of Human Services, Division of Child Welfare, Tony Grampas Youth Services Program; Office of Early Childhood, Division of Community and Family Support, Nurse Home Visitor Program; Department of Military and Veterans Affairs, Division of Veterans Affairs, Colorado State Veterans Trust Fund Expenditures; Department of Personnel, Division of Human Resources, Employee Benefits Services, H.B. 07-1335 Supplemental State Contribution Fund; Department of Public Health and Environment, Disease Control and Environmental Epidemiology Division, Administration, General Disease Control, and Surveillance, Immunization Operating Expenses; Special Purpose Disease Control Programs, Sexually Transmitted Infections, HIV and AIDS Operating Expenses, and Ryan White Act Operating Expenses; Prevention Services Division, Chronic Disease Prevention Programs, Oral Health Programs; Primary Care Office -- Each Department is requested to provide the following information to the Joint Budget Committee by October 1, ~~2023~~st **of each year** for each program funded with Tobacco Master Settlement Agreement money: the name of the program; the amount of Tobacco Master Settlement Agreement money received and expended by the program for the preceding fiscal year; a description of the program including the actual number of persons served and the services provided through the program; information evaluating the operation of the program, including the effectiveness of the program in achieving its stated goals.

COMMENT: This request for information was added in FY 2015-16 and replaced a statutory report from the Department of Public Health and Environment and the State Board of Health. The request for information was added to improve the accountability of each program that receives Tobacco Master Settlement Agreement funding. The responses to the request for information are reviewed by the JBC staff analyst during the tobacco revenue streams briefing in the fall.

APPENDIX A: ALLOCATION OF TOBACCO MASTER SETTLEMENT AGREEMENT REVENUE

TOBACCO MASTER SETTLEMENT AGREEMENT REVENUE ALLOCATION		
DEPARTMENT	PROGRAM	PERCENTAGE
Human Services	Nurse Home Visitor Program	26.7%
Health Care Policy and Financing	Children's Basic Health Plan Trust	18.0
Higher Ed ¹	CU Health Sciences Center ¹	17.5
Capital Construction	Fitzsimons Trust Fund	8.0
Human Services	Tony Gramscas Youth Services	7.5
Public Health and Environment	AIDS Drug Assistance	5.0
Public Health and Environment	AIDS & HIV Prevention Grants	3.5
Public Health and Environment	CO Immunization Fund	2.5
Law	Tobacco Settlement Defense Account	2.5
Personnel	Supplemental State Employee Insurance Plans	2.3
Health Care Policy and Financing	Children with Autism	2.0
Unallocated Amount	Reduce accelerated payments	1.5
Military and Veterans Affair	Veterans Trust Fund	1.0
Public Health and Environment	Dental Loan Repayment Program	1.0
Public Health and Environment	Health Services Corps (Loan Repayment)	1.0
Total Distributions		100.0%

¹Of this share, 2.0 percent must be expended for tobacco-related in-state cancer research

APPENDIX B: ALLOCATION OF AMENDMENT 35 REVENUE

ALLOCATION OF AMENDMENT 35 TOBACCO TAX REVENUE		
DEPARTMENT	PROGRAM AND/OR FUND	PERCENT
Health Care Policy and Financing	Health Care Expansion Fund, to provide funding to the Children's Basic Health Plan and Medicaid.	46.0%
Health Care Policy and Financing	Primary Care Fund, to provide funding to clinics and hospitals that offer health care services to the uninsured or medically indigent.	19.0
Public Health and Environment	Tobacco Education Programs Fund, to support grants for tobacco education, prevention and cessation.	16.0
Public Health and Environment	Prevention, Early Detection and Treatment Fund (PEDT Fund)	16.0
Human Services	Old Age Pension Fund	1.5
Revenue	Local governments, to compensate for lost revenue from tobacco taxes	0.9
Public Health and Environment	Immunizations performed by small local public health agencies	0.3
Health Care Policy and Financing	Children's Basic Health Plan	0.3
Total Distributions		100.0%

ALLOCATION OF MONEY CREDITED TO THE PREVENTION, EARLY DETECTION AND TREATMENT (PEDT) FUND	
PROGRAM	PERCENT
Total Amount Credited to the PEDT Fund	16.0% of total A35 revenue
Breast and Cervical Cancer Screening Program	20% of PEDT fund
Health Disparities Program Fund	15% of PEDT fund
Center for Health and Environmental Data	Fixed Amount (\$116,942)
Cancer, cardiovascular and pulmonary disease prevention, detection, and treatment grants	Remaining amount in PEDT Fund

APPENDIX C: ALLOCATION OF PROPOSITION EE REVENUE

PROPOSITION EE REVENUE DISTRIBUTION - BASED ON LCS DECEMBER 2023 FORECAST*					
PROGRAM/FUND	FY 21-22 ACTUAL	FY 22-23 ACTUAL	FY 23-24 FORECAST	FY 24-25 FORECAST	FY 25-26 FORECAST
General Fund	\$4,050,000	\$4,050,000	\$4,050,000	\$4,050,000	\$4,050,000
Tobacco Education Programs Fund	-	-	-	20,000,000	20,000,000
Tobacco Tax Cash Fund	10,950,000	10,950,000	10,950,000	10,950,000	10,950,000
Preschool Programs Cash Fund ¹	-	-	188,618,730	194,523,157	204,735,513
Rural Schools Fund ²	30,000,000	35,000,000	-	-	-
Housing Development Grant Fund ²	11,167,000	11,167,000	-	-	-
Eviction Legal Defense Fund	500,000	500,000	-	-	-
State Education Fund ^{1,2}	151,320,011	139,337,065	-	-	-
Total	\$207,987,011	\$201,004,065	\$203,618,730	\$229,523,157	\$239,735,513

¹These funds will begin seeing revenue after the other fund obligations outlined in statute have been fulfilled.

²Allocations only exist from FY20-21 through FY22-23.

*Prop EE revenue is forecasted on an accrual basis and distributions are made on a cash basis which can lead to discrepancies between total revenue and total distributions.