13N - Orange County Tobacco Settlement

Operational Summary

Description:

This fund administers the allocation and use of the County's share of the national Tobacco Settlement in accordance with the conditions set forth in a local initiative, Measure H, approved by the voters on November 7, 2000.

On November 23, 1998 the major American cigarette manufacturers agreed to a settlement (Master Settlement Agreement [MSA]) of litigation brought by the Attorneys General of 46 States (including California), five U.S. territories and the District of Columbia. In addition to restrictions related to cigarette advertising and underage smoking, the MSA requires that the tobacco companies pay the participants an estimated $206 billion over a 25 year period. After certain adjustments, the payments are distributed on the basis of population (2000 census), with California estimated to receive about 12.0%. Fifty percent of California's allocation remains at the State level; the other 50% is distributed among eligible cities and counties. Orange County's portion of the local share is about 7.56% of the allocable local government share.

Although no conditions are placed on the use of Tobacco Settlement Revenue (TSR) local share by the MSA or State statute, Measure H, which took effect on July 1, 2001, restricts the use of TSR to specific health and public safety initiatives. Measure H was upheld in the Superior Court and requires that 80% of the TSR be restricted to specific health related categories, with the remaining 20% restricted to public protection programs. The specific categories, by program, are described in the Strategic Goals section.

Beginning in fiscal year 2005-06, participating tobacco manufacturers withheld approximately 10% of the payment to the State claiming that a decline in cigarette sales is due to a lack of diligence by the State in enforcing the Master Settlement Agreement laws. The 2006-07 budget was modified to reflect this decrease in revenue and a similar decrease was factored into the 2007-08 budget.

Measure H applies only to TSR received after July 1, 2001. Please see Fund 14X in program VII for TSR received by the County prior to July 1, 2001.

At a Glance:

Total FY 2006-2007 Actual Expenditure + Encumbrance:	29,392,308
Total Final FY 2007-2008	34,540,172
Percent of County General Fund:	N/A
Total Employees:	0.00

Strategic Goals:

- The revenue in this fund is used in accordance with Measure H and reimburses the Health Care Agency and the Sheriff-Coroner according to their claims for applicable costs and the available balance.

Seniors & Persons w/Disabilities - 19% is allocated to this Measure H category.

Emergency Room Physicians & Specialists - 23% is allocated to this Measure H category.

Tobacco Prevention & Control - 12% is allocated to this Measure H category.

Child & Family Health Services - 20% is allocated to this Measure H category.

Comprehensive E.R. Services/Trauma Centers - 6% is allocated to this Measure H category.

Public Safety Program & Services - 20% is allocated to this Measure H category. Of the total in the public safety category, $1,935,472 is budgeted for the operation of the 64-bed secured substance abuse program at the Theo Lacy Branch Jail. The remainder of the public safety category balance, $4,556,826, is allocated to the Theo Lacy Branch Jail Expansion, Phase III (Building B).

Budget Summary

Final Budget History:

Sources and Uses	FY 2005-2006 Actual Exp/Rev	FY 2006-2007 Budget As of 6/30/07	FY 2006-2007 Actual Exp/Rev(1) As of 6/30/07	FY 2007-2008 Final Budget	Change from FY 2006-2007 Actual Amount	Change from FY 2006-2007 Actual Percent
Total Revenues	35,716,474	33,112,549	34,154,504	34,540,172	385,668	1.13
Total Requirements	31,117,824	33,112,549	29,392,309	34,540,172	5,147,863	17.51
Balance	4,598,649	0	4,762,196	0	(4,762,196)	-100.00

(1) Amounts include prior year expenditure and exclude current year encumbrance. Therefore, the totals listed above may not match Total FY 2006-07 Actual Expenditure + Encumbrance included in the "At a Glance" section.

Detailed budget by expense category and by activity is presented for agency: Orange County Tobacco Settlement in the Appendix on page A140

13N - Orange County Tobacco Settlement

Summary of Final Budget by Revenue and Expense Category:

Revenues/Appropriations	FY 2005-2006 Actual Exp/Rev	FY 2006-2007 Budget As of 6/30/07	FY 2006-2007 Actual Exp/Rev(1) As of 6/30/07	FY 2007-2008 Final Budget	Change from FY 2006-2007 Actual Amount	Change from FY 2006-2007 Actual Percent
Miscellaneous Revenues	$ 28,237,181	$ 28,513,900	$ 29,555,855	$ 30,895,402	$ 1,339,547	4.53%
Total FBA	7,479,293	4,598,649	4,598,649	3,644,770	(953,879)	-20.74
Total Revenues	35,716,474	33,112,549	34,154,504	34,540,172	385,668	1.13
Other Financing Uses	31,117,824	33,112,549	29,392,309	34,540,172	5,147,863	17.51
Total Requirements	31,117,824	33,112,549	29,392,309	34,540,172	5,147,863	17.51
Balance	$ 4,598,649	$ 0	$ 4,762,196	$ 0	$ (4,762,196)	-100.00%

(1) Amounts include prior year expenditure and exclude current year encumbrance. Therefore, the totals listed above may not match Total FY 2006-07 Actual Expenditure + Encumbrance included in the "At a Glance" section.

Final Budget Summary of Seniors & Persons w/Disabilities:

Revenues/Appropriations	FY 2005-2006 Actual Exp/Rev	FY 2006-2007 Budget As of 6/30/07	FY 2006-2007 Actual Exp/Rev(1) As of 6/30/07	FY 2007-2008 Final Budget	Change from FY 2006-2007 Actual Amount	Change from FY 2006-2007 Actual Percent
Miscellaneous Revenues	$ 5,365,064	$ 5,417,641	$ 5,615,612	$ 5,870,125	$ 254,513	4.53%
Total FBA	7,479,293	4,598,649	4,598,649	3,644,770	(953,879)	-20.74
Total Revenues	12,844,357	10,016,290	10,214,262	9,514,895	(699,367)	-6.85
Other Financing Uses	12,233,825	9,031,013	9,722,645	9,153,908	(568,737)	-5.85
Total Requirements	12,233,825	9,031,013	9,722,645	9,153,908	(568,737)	-5.85
Balance	$ 610,532	$ 985,277	$ 491,617	$ 360,987	$ (130,630)	-26.57%

Final Budget Summary of Emergency Room Physicians & Specialists:

Revenues/Appropriations	FY 2005-2006 Actual Exp/Rev	FY 2006-2007 Budget As of 6/30/07	FY 2006-2007 Actual Exp/Rev(1) As of 6/30/07	FY 2007-2008 Final Budget	Change from FY 2006-2007 Actual Amount	Change from FY 2006-2007 Actual Percent
Miscellaneous Revenues	$ 6,494,552	$ 6,558,197	$ 6,797,847	$ 7,105,943	$ 308,096	4.53%
Total Revenues	6,494,552	6,558,197	6,797,847	7,105,943	308,096	4.53
Other Financing Uses	6,265,831	6,809,458	6,724,663	7,105,942	381,279	5.67
Total Requirements	6,265,831	6,809,458	6,724,663	7,105,942	381,279	5.67
Balance	$ 228,721	$ (251,261)	$ 73,184	$ 1	$ (73,183)	-100.00%

Final Budget Summary of Tobacco Prevention & Control:

Revenues/Appropriations	FY 2005-2006 Actual Exp/Rev	FY 2006-2007 Budget As of 6/30/07	FY 2006-2007 Actual Exp/Rev[1] As of 6/30/07	FY 2007-2008 Final Budget	Change from FY 2006-2007 Actual Amount	Change from FY 2006-2007 Actual Percent
Miscellaneous Revenues	$ 3,388,462	$ 3,421,668	$ 3,546,703	$ 3,707,448	$ 160,745	4.53%
Total Revenues	3,388,462	3,421,668	3,546,703	3,707,448	160,745	4.53
Other Financing Uses	4,004,599	3,900,026	3,615,156	3,755,219	140,063	3.87
Total Requirements	4,004,599	3,900,026	3,615,156	3,755,219	140,063	3.87
Balance	$ (616,137)	$ (478,358)	$ (68,453)	$ (47,771)	$ 20,682	-30.21%

Final Budget Summary of Child & Family Health Services:

Revenues/Appropriations	FY 2005-2006 Actual Exp/Rev	FY 2006-2007 Budget As of 6/30/07	FY 2006-2007 Actual Exp/Rev[1] As of 6/30/07	FY 2007-2008 Final Budget	Change from FY 2006-2007 Actual Amount	Change from FY 2006-2007 Actual Percent
Miscellaneous Revenues	$ 5,647,436	$ 5,702,780	$ 5,911,171	$ 6,179,081	$ 267,910	4.53%
Total Revenues	5,647,436	5,702,780	5,911,171	6,179,081	267,910	4.53
Other Financing Uses	7,986,028	5,715,960	5,372,730	6,179,081	806,351	15.01
Total Requirements	7,986,028	5,715,960	5,372,730	6,179,081	806,351	15.01
Balance	$ (2,338,592)	$ (13,180)	$ 538,441	$ 0	$ (538,441)	-100.00%

Final Budget Summary of Comprehensive E.R. Services/Trauma Centers:

Revenues/Appropriations	FY 2005-2006 Actual Exp/Rev	FY 2006-2007 Budget As of 6/30/07	FY 2006-2007 Actual Exp/Rev[1] As of 6/30/07	FY 2007-2008 Final Budget	Change from FY 2006-2007 Actual Amount	Change from FY 2006-2007 Actual Percent
Miscellaneous Revenues	$ 1,694,231	$ 1,710,834	$ 1,773,351	$ 1,853,724	$ 80,373	4.53%
Total Revenues	1,694,231	1,710,834	1,773,351	1,853,724	80,373	4.53
Other Financing Uses	79,472	1,726,073	1,694,396	1,853,724	159,328	9.40
Total Requirements	79,472	1,726,073	1,694,396	1,853,724	159,328	9.40
Balance	$ 1,614,759	$ (15,239)	$ 78,955	$ 0	$ (78,955)	-100.00%

Final Budget Summary of Public Safety Program & Services:

Revenues/Appropriations	FY 2005-2006 Actual Exp/Rev	FY 2006-2007 Budget As of 6/30/07	FY 2006-2007 Actual Exp/Rev[1] As of 6/30/07	FY 2007-2008 Final Budget	Change from FY 2006-2007 Actual Amount	Change from FY 2006-2007 Actual Percent
Miscellaneous Revenues	$ 5,647,436	$ 5,702,780	$ 5,911,171	$ 6,179,081	$ 267,910	4.53%
Total Revenues	5,647,436	5,702,780	5,911,171	6,179,081	267,910	4.53
Other Financing Uses	548,069	5,930,019	2,262,719	6,492,298	4,229,579	186.92
Total Requirements	548,069	5,930,019	2,262,719	6,492,298	4,229,579	186.92
Balance	$ 5,099,367	$ (227,239)	$ 3,648,452	$ (313,217)	$ (3,961,669)	-108.58%