

July 07, 2015

MEMORANDUM

TO: Representative John L. Zimmerman and Senator Cisco McSorley, Co-Chairs,
Tobacco Settlement Revenue Oversight Committee

FROM: Peter van Moorsel, Chief Economist, Legislative Finance Committee.

SUBJECT: Request for Information – Comparing FY08 and FY16 Tobacco Funds

At the June 24 meeting of the Tobacco Settlement Revenue Oversight Committee, members of the committee requested additional information regarding Tobacco Master Settlement Agreement (MSA) funding. Please refer to the attached tables, which represent the response to the request:

- I) A comparison of the tobacco settlement permanent fund's contribution to total general fund reserves in FY08 and FY16; and
- II) A comparison of appropriations of tobacco MSA funds in FY08 and FY16.

The committee also asked whether other states consider the balance of their tobacco settlement funds among general fund reserves, as is the practice in New Mexico. I am still researching this issue, and will report to the committee when I am able to develop a response.

Comparing FY08 and FY16 Tobacco Settlement Permanent Fund Reserve Balances

	Actual FY08	Estimated FY16
Beginning Balance	\$116.7	\$227.9
Transfers In	\$44.9	\$40.1
Appropriation to Tobacco Settlement Program Fund	-\$22.5	-\$20.1
Gains (Losses)	-\$3.3	\$17.1
Laws 2009, CH. 3(SB79)	\$0.0	-\$20.1
Ending Balance	\$135.9	\$245.0
General Fund Ending Balances	\$735.1	\$467.7
As percentage of Recurring Appropriations	13.0%	7.5%
TSPF Share of GF Reserves	18.5%	52.4%

Source: LFC Files

Comparing FY08 and FY16 Tobacco MSA Funding Appropriations

Agency	Purpose	FY 08	FY16
609 Indian Affairs	Tobacco Cessation Programs	\$500.0	\$249.3
630 Human Services Department	Breast and cervical cancer	\$1,500.0	\$1,312.4
630 Human Services Department	Medicaid expansion	\$3,515.0	\$7,907.3
630 Human Services Department	Medicaid (spend 2nd 50% of MSA)		\$20,800.0
665 Department of Health	Tobacco cessation and prevention	\$9,115.4	\$5,682.0
665 Department of Health	Diabetes prevention and control	\$1,000.0	\$748.0
665 Department of Health	HIV/AIDS services	\$470.0	\$293.0
665 Department of Health	Breast and cervical cancer screening	\$200.0	\$128.6
670 Veterans Affairs	Lung cancer detection		\$0.0
952 University of New Mexico HSC	Research and clinical care programs in lung and tobacco-related illness	\$1,000.0	\$0.0
952 University of New Mexico HSC	Instruction and General Purposes	\$1,000.0	\$607.9
952 University of New Mexico HSC	Project ECHO		
952 University of New Mexico HSC	Research in genomics and environmental health	\$1,500.0	\$979.8
952 University of New Mexico HSC	Poison control center	\$450.0	\$590.2
952 University of New Mexico HSC	Pediatric oncology program	\$400.0	\$261.4
952 University of New Mexico HSC	Telemedicine program	\$150.0	\$0.0
952 University of New Mexico HSC	Los Pasos program	\$50.0	\$0.0
952 University of New Mexico HSC	Area health education centers	\$50.0	\$0.0
952 University of New Mexico HSC	Specialty education in trauma	\$400.0	\$261.4
952 University of New Mexico HSC	Specialty education in pediatrics	\$400.0	\$261.4
Total Appropriations		\$21,700.4	\$40,082.7

Source: LFC Files