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FISCAL IMPACT REPORT

ORIGINAL DATE 02/09/21

SPONSOR Campos LAST UPDATED _____ HB _____

SHORT TITLE Tobacco Settlement Permanent Fund SB 187

ANALYST Esquibel/Iglesias

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY21	FY22	FY23		
	(\$6,000.0)		Nonrecurring	Tobacco Settlement Permanent Fund
	\$6,000.0		Nonrecurring	Tobacco Settlement Program Fund

(Parenthesis () Indicate Revenue Decreases)

Relates to Appropriation in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files

SUMMARY

Synopsis of Bill

Senate Bill 187 requires the remaining 50 percent of distributions to the tobacco settlement permanent fund for FY22 to be distributed to the tobacco settlement program fund. The bill was endorsed by the Tobacco Settlement Revenue Oversight Committee and the Legislative Finance Committee.

FISCAL IMPLICATIONS

The bill is similar to past years' legislation when the Legislature diverted the 50 percent of tobacco funds that would go to the tobacco settlement permanent fund and placed all the revenue in the tobacco settlement program fund for legislative appropriation.

Due to ongoing arbitration, the office of Attorney General, Department of Finance and Administration (DFA), and LFC staff are projecting a total of \$12 million in revenue from the tobacco Master Settlement Agreement for FY22 instead of the usual \$30 million to \$35 million.

The LFC FY22 budget recommendation would appropriate all of the projected \$12 million in revenue for programs that currently receive tobacco settlement funds while equally reducing the

programs' tobacco funds due to the overall reduced amount of tobacco revenue. The Executive FY22 budget recommendation proposes appropriating \$17 million in tobacco funds (see attached).

SIGNIFICANT ISSUES

The LFC FY22 budget recommendation endeavored to offset the reduced tobacco revenue with general fund when possible. However, reduced general fund revenue for FY22 limits the ability to fully supplant the reduced tobacco settlement funds. Passage of this bill will maintain tobacco funding for current programs to the greatest extent possible based on current revenue projections.

RAE/DI/sb

Tobacco Settlement Fund Revenue
FY22

		FY19	FY20	FY20 Prelim. Actual	FY21 Adjusted	FY22 Request	FY22 LFC Recomm	FY22 Exec Recomm
1	(in thousands of dollars)							
2	Estimated Tobacco Revenues							
3	Beginning Balance Permanent Fund	158,650.6	228,514.0	228,514.0	241,311.5	251,405.5	251,405.5	251,405.5
4	Estimated Tobacco Revenue	34,703.1	35,000.0	33,902.0	32,928.7	31,983.3	12,000.0	12,000.0
5	Appropriation to Program Fund	(17,351.6)	(17,500.0)	(16,951.0)	(32,928.7)	(34,000.0)	(12,000.0)	(17,000.0)
6	Gains/Losses	12,511.9	14,853.4	(4,153.5)	10,094.0	13,829.6	20,247.9	13,829.6
7	Additional Transfer to Permanent Fund	40,000.0	0.0	0.0	0.0	0.0	0.0	0.0
8	Additional Transfer to Program Fund	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9	Total Program Fund Appropriations	17,351.6	17,500.0	16,951.0	32,928.7	34,000.0	12,000.0	17,000.0
10	Ending Balance Permanent Fund	228,514.0	260,867.4	241,311.5	251,405.5	263,218.4	271,653.4	260,235.1
11								
12	Tobacco Fund Appropriations							
13	Agency							
13	Purpose							
14	609 Indian Affairs Department							
	Tobacco Cessation Programs	240.3	249.3	241.5	241.4	249.3	171.0	249.3
15	630 Human Services Department	1,255.4	1,255.4	1,216.0	1,215.8	1,255.4	860.8	1,255.4
16	630 Human Services Department	6,764.1	6,563.9	6,358.0	5,872.9	6,063.9	4,500.8	6,063.9
17	630 Human Services Department	0.0	0.0	0.0	16,464.5	17,000.0	0.0	0.0
18	Subtotal Human Services Department	8,019.5	7,819.3	7,574.0	23,553.2	24,319.3	5,361.6	7,319.3
19	665 Department of Health	5,239.5	5,435.2	5,264.7	5,264.1	5,435.2	3,727.3	5,435.2
20	665 Department of Health	689.7	715.5	693.1	693.0	715.5	490.6	715.5
21	665 Department of Health	282.5	293.0	283.8	283.8	293.0	200.9	293.0
22	665 Department of Health	124.0	128.6	124.5	124.5	128.6	88.1	128.6
23	Subtotal Department of Health	6,335.7	6,572.3	6,366.1	6,365.4	6,572.3	4,507.0	6,572.3
24	952 University of New Mexico HSC	560.5	581.5	563.2	563.2	581.5	398.7	581.5
25	952 University of New Mexico HSC	903.6	937.4	908.2	907.9	937.4	642.9	937.4
26	952 University of New Mexico HSC	569.0	590.2	572.0	571.6	590.2	404.9	590.2
27	952 University of New Mexico HSC	241.0	250.0	242.0	242.0	250.0	171.3	250.0
28	952 University of New Mexico HSC	241.0	250.0	242.0	242.0	250.0	171.3	250.0
29	952 University of New Mexico HSC	241.0	250.0	242.0	242.0	250.0	171.3	250.0
30	Subtotal University of New Mexico Health Sciences Center	2,756.1	2,859.1	2,769.4	2,768.7	2,859.1	1,960.5	2,859.1
31	Total Appropriations	17,351.6	17,500.0	16,951.0	32,928.7	34,000.0	12,000.0	17,000.0