

13N - ORANGE COUNTY TOBACCO SETTLEMENT

Operational Summary

Description:

To administer the 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 the next 25 years. After certain adjustments the payments are distributed on a population basis, with California estimated to receive (2000 census) about 12.0%. California's share is split 50-50 between the State and the eligible cities and Counties. Orange County's portion of the local share is about 8.4%.

Although there are not any conditions placed on the use of TSR local share by the MSA or State statute, Measure "H", which takes effect on July 1, 2001 restricts the use of TSR to specific health and public safety initiatives. Measure "H" which has been upheld in the Superior Court, requires the use of TSR be restricted to specific health related categories, 80% and public protection programs, 20%. The specific categories are described herein at the Activity level.

Due to the possibility that tobacco companies could fall into bankruptcy as the result of having to make large payments with litigants, there was a doubt as to whether all dollars budgeted will be fully received in FY 03-04. The actual FY 03-04 payments as of April 30, 2004 were \$181K more than the budgeted amount (\$30.1 million).

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 2003-2004 Actual Expenditure + Encumbrance:	41,639,745
Total Final FY 2004-2005 Budget:	36,111,293
Percent of County General Fund:	N/A
Total Employees:	0.00

Strategic Goals:

- Administer the County's share of Tobacco Settlement Revenue received on or after July 1, 2001, in strict accordance with the requirements of voter approved Measure "H".

SENIORS & PERSONS WITH 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.

CHILDREN & FAMILY HEALTH SERVICES - 20% is allocated to this Measure "H" category.

COMPREHENSIVE EMERGENCY ROOM SERVICES/TRAUMA CNTRS - 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, \$1,531,921 will be 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, \$4,559,864 is allocated to the Theo Lacy Branch Jail Expansion, Phase III (Building "B").

Budget Summary

Plan for Support of the County's Strategic Priorities:

The revenue in this fund will be used in accordance to Measure "H" and will reimburse the Health Care Agency and the Sheriff-Coroner for applicable costs.

Final Budget and History:

Sources and Uses	FY 2002-2003 Actual Exp/Rev	FY 2003-2004 Budget As of 6/30/04	FY 2003-2004 Actual Exp/Rev ⁽¹⁾ At 6/30/04	FY 2004-2005 Final Budget	Change from FY 2003-2004 Actual	
					Amount	Percent
Total Revenues	53,453,958	50,156,930	50,338,375	36,111,293	(14,227,082)	-28.26
Total Requirements	33,422,033	50,156,930	41,639,745	36,111,293	(5,528,452)	-13.28
FBA	20,031,925	0	8,698,630	0	(8,698,630)	-100.00

(1) Amounts include prior year expenditures and exclude current year encumbrances. Therefore, the totals listed above may not match Total FY 2003-04 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 545.

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Summary of Final Budget by Revenue and Expense Category:

Revenues/Appropriations	FY 2002-2003 Actual Exp/Rev	FY 2003-2004 Budget As of 6/30/04	FY 2003-2004 Actual Exp/Rev ⁽¹⁾ At 6/30/04	FY 2004-2005 Final Budget	Change from FY 2003-2004 Actual	
					Amount	Percent
Intergovernmental Revenues	\$ 35,852,841	\$ 0	\$ 0	\$ 30,458,926	\$ 30,458,926	0.00%
Miscellaneous Revenues	0	30,125,005	30,306,450	0	(30,306,450)	-100.00
Total FBA	17,601,117	20,031,925	20,031,925	5,652,367	(14,379,558)	-71.78
Total Revenues	53,453,958	50,156,930	50,338,375	36,111,293	(14,227,082)	-28.26
Other Financing Uses	33,422,033	50,156,930	41,639,745	36,111,293	(5,528,452)	-13.28
Total Requirements	33,422,033	50,156,930	41,639,745	36,111,293	(5,528,452)	-13.28
Balance	\$ 20,031,925	\$ 0	\$ 8,698,630	\$ 0	\$ (8,698,630)	-100.00%

(1) Amounts include prior year expenditures and exclude current year encumbrances. Therefore, the totals listed above may not match Total FY 2003-04 Actual Expenditure + Encumbrance included in the "At a Glance" section.

Final Budget Summary of Seniors & Persons with Disabilities:

Revenues/Appropriations	FY 2002-2003 Actual Exp/Rev	FY 2003-2004 Budget As of 6/30/04	FY 2003-2004 Actual Exp/Rev ⁽¹⁾ At 6/30/04	FY 2004-2005 Final Budget	Change from FY 2003-2004 Actual	
					Amount	Percent
Intergovernmental Revenues	\$ 35,852,841	\$ 0	\$ 0	\$ 5,787,196	\$ 5,787,196	0.00%
Miscellaneous Revenues	0	30,125,005	30,306,450	0	(30,306,450)	-100.00
Total FBA	17,601,117	20,031,925	20,031,925	5,652,367	(14,379,558)	-71.78
Total Revenues	53,453,958	50,156,930	50,338,375	11,439,563	(38,898,812)	-77.27
Other Financing Uses	33,322,033	20,567,604	41,639,745	10,865,536	(30,774,209)	-73.91
Total Requirements	33,322,033	20,567,604	41,639,745	10,865,536	(30,774,209)	-73.91
Balance	\$ 20,131,925	\$ 29,589,326	\$ 8,698,630	\$ 574,027	\$ (8,124,603)	-93.40%

Final Budget Summary of Emergency Room Physicians & Specialists:

Revenues/Appropriations	FY 2002-2003 Actual Exp/Rev	FY 2003-2004 Budget As of 6/30/04	FY 2003-2004 Actual Exp/Rev ⁽¹⁾ At 6/30/04	FY 2004-2005 Final Budget	Change from FY 2003-2004 Actual	
					Amount	Percent
Intergovernmental Revenues	\$ 0	\$ 0	\$ 0	\$ 7,005,553	\$ 7,005,553	0.00%
Total Revenues	0	0	0	7,005,553	7,005,553	0.00
Other Financing Uses	0	9,069,166	0	7,005,553	7,005,553	0.00
Total Requirements	0	9,069,166	0	7,005,553	7,005,553	0.00
Balance	\$ 0	\$ (9,069,166)	\$ 0	\$ 0	\$ 0	0.00%

Final Budget Summary of Tobacco Prevention & Control:

Revenues/Appropriations	FY 2002-2003 Actual Exp/Rev	FY 2003-2004 Budget As of 6/30/04	FY 2003-2004 Actual Exp/Rev ⁽¹⁾ At 6/30/04	FY 2004-2005 Final Budget	Change from FY 2003-2004 Actual	
					Amount	Percent
Intergovernmental Revenues	\$ 0	\$ 0	\$ 0	\$ 3,655,071	\$ 3,655,071	0.00%
Total Revenues	0	0	0	3,655,071	3,655,071	0.00
Other Financing Uses	0	5,172,216	0	3,839,368	3,839,368	0.00
Total Requirements	0	5,172,216	0	3,839,368	3,839,368	0.00
Balance	\$ 0	\$ (5,172,216)	\$ 0	\$ (184,297)	\$ (184,297)	0.00%

Final Budget Summary of Child & Family Health Services:

Revenues/Appropriations	FY 2002-2003 Actual Exp/Rev	FY 2003-2004 Budget As of 6/30/04	FY 2003-2004 Actual Exp/Rev ⁽¹⁾ At 6/30/04	FY 2004-2005 Final Budget	Change from FY 2003-2004 Actual	
					Amount	Percent
Intergovernmental Revenues	\$ 0	\$ 0	\$ 0	\$ 6,091,785	\$ 6,091,785	0.00%
Total Revenues	0	0	0	6,091,785	6,091,785	0.00
Other Financing Uses	0	6,892,076	0	6,091,785	6,091,785	0.00
Total Requirements	0	6,892,076	0	6,091,785	6,091,785	0.00
Balance	\$ 0	\$ (6,892,076)	\$ 0	\$ 0	\$ 0	0.00%

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

Revenues/Appropriations	FY 2002-2003 Actual Exp/Rev	FY 2003-2004 Budget As of 6/30/04	FY 2003-2004 Actual Exp/Rev ⁽¹⁾ At 6/30/04	FY 2004-2005 Final Budget	Change from FY 2003-2004 Actual	
					Amount	Percent
Intergovernmental Revenues	\$ 0	\$ 0	\$ 0	\$ 1,827,536	\$ 1,827,536	0.00%
Total Revenues	0	0	0	1,827,536	1,827,536	0.00
Other Financing Uses	0	1,916,977	0	1,827,536	1,827,536	0.00
Total Requirements	0	1,916,977	0	1,827,536	1,827,536	0.00
Balance	\$ 0	\$ (1,916,977)	\$ 0	\$ 0	\$ 0	0.00%

Final Budget Summary of Public Safety Program & Services:

Revenues/Appropriations	FY 2002-2003 Actual Exp/Rev	FY 2003-2004 Budget As of 6/30/04	FY 2003-2004 Actual Exp/Rev ⁽¹⁾ At 6/30/04	FY 2004-2005 Final Budget	Change from FY 2003-2004 Actual	
					Amount	Percent
Intergovernmental Revenues	\$ 0	\$ 0	\$ 0	\$ 6,091,785	\$ 6,091,785	0.00%
Total Revenues	0	0	0	6,091,785	6,091,785	0.00
Other Financing Uses	100,000	6,538,891	0	6,481,515	6,481,515	0.00
Total Requirements	100,000	6,538,891	0	6,481,515	6,481,515	0.00
Balance	\$ (100,000)	\$ (6,538,891)	\$ 0	\$ (389,730)	\$ (389,730)	0.00%