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I-146 Work Group of Healthy Kids/Healthy Montana Group Recommendations

Background:

Governor Elect Brian Schweitzer asked Healthy Kids Healthy Montana to serve as the taskforce to implement the tobacco tax initiative that won with 63% of the vote in 2004 and the master settlement initiative that won with 62% of the vote in 2002.

State Auditor Morrison serves as the Chair of the taskforce. The group is in the process of finalizing its proposal for the Governor and the legislature. Five workgroups have been created to research and make proposals as to how resources within I-146 and I-149 should be spent.

The I-146 Work Group's goal is to present to Governor-elect Schweitzer and the legislature a proposal for implementing I-146: The Tobacco Disease Prevention Program as it was intended by the voters in 2002, to make enforcement recommendations, and tobacco tracking recommendations.

Assumptions made for the proposal: MSA revenue estimate of \$21.531M for FY06 and \$21.254M for FY07.

Program	MSA % earmarked in I-146	Projected MSA Payment Annual	Proposal - Annual Appropriation	FY06	FY07
MCHA & CHIP	17%	\$3.66M	<p>CHIP:</p> <ul style="list-style-type: none"> Fund the CHIP baseline budget of 9600 kids from the general fund Fund 1300 kids. This represents the caseload increase during FY 03-04 Fund CHIP expansion above the 1300 with I-149 new revenue Fund the outreach for CHIP to fill the expanded slots through I-146 & I-149 & educate on children who could be on Medicaid <p>MCHA:</p> <ul style="list-style-type: none"> Fund premium assistance (low-income) program as top MCHA priority @ at least 55% subsidy and eliminate the waiting list Cover some of the program losses with growth of 400 new enrollees per year 	<p>\$3.31M GF</p> <p>\$426,397 MSA</p> <p>(See CHIP workgroup proposal) *\$150,000 MSA</p> <p>\$1M-\$2M MSA</p> <p>\$1.2M GF</p>	<p>\$3.57M GF</p> <p>\$426,397 MSA</p> <p>(See CHIP workgroup proposal) *\$150,000 MSA</p> <p>\$1M-\$2M MSA</p> <p>\$1.2M GF</p>
MTUPP	32%	\$6.89	<p>MTUPP:</p> <ul style="list-style-type: none"> Fund the program at \$9.3 M 	\$6.89M MSA	\$6.80M MSA

			<p>(CDC minimum recommendation)</p> <ul style="list-style-type: none"> Of which fund with \$6.89 through I-146, \$183,992 General Fund, \$2M new revenue, taxes on other tobacco products or general fund surplus 	<p>(I-146) \$183,992 GF \$2.23M New Revenue GF</p>	<p>(I-146) \$2.5M New Revenue GF</p>
Other Prevention & Stabilization Account Programs	-----	-----	<ul style="list-style-type: none"> These programs should not be funded with such an unstable funding source and should be a part of the state's core budget; Fund with general revenue surplus; tobacco tax revenue going to the general fund; taxes on other tobacco products; trust fund interest; taxes from January 1- June 30, 2005. 	\$6.4M GF	\$6.4M GF
Tobacco Tax and Enforcement			<ul style="list-style-type: none"> Fund the increased need for enforcement with the new revenue generated by the tobacco tax increase that is going into the general fund One time start-up costs The increase in enforcement will serve as a deterrent for illegal activities associated with tobacco sales and distribution; Ensure tobacco companies are abiding by the Master Settlement Agreement and that payments continue to come to Montana. 	<p>\$350,000</p> <p>\$68,000</p>	\$350,000
Tracking of Cigarette Sales			<ul style="list-style-type: none"> Work with the Department of Revenue on tracking tobacco sales in Montana as a health policy. Currently sales are only tracked at the wholesaler level and data is extrapolated A process should be set up to track sales by brand and by county and if possible by retailer Fund with the new revenue generated by the tobacco tax increase that is going into the general fund 	TBA	TBA