



Financing and Sustaining Youth Programs

2009 Master Settlement Agreement (MSA) Payment Highlights

Overview

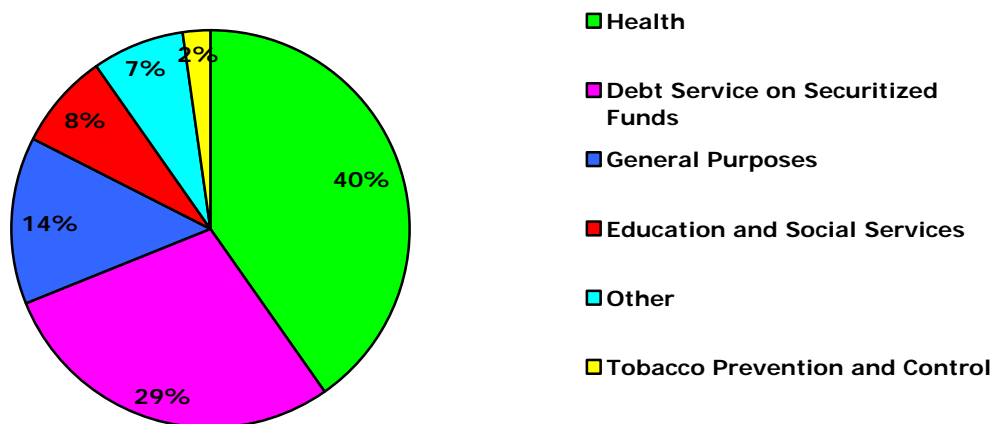
In April, 2009, states received over \$7 billion as part of their annual tobacco Master Settlement Agreement (MSA) payment. These unrestricted payments began in 2000 and will be made to the states in perpetuity, with total payments estimated at more than \$246 billion over the first 25 years. States continue to use MSA funds to support a variety of programs and services, including tobacco prevention and control, health, education, and debt service on securitized funds. Fifteen states have allocated a portion of MSA funds to invest in their youth populations in areas such as afterschool, literacy, child welfare, smoking prevention, and health promotion.

The following summary, based on available data from 28 of the 46 states party to the agreement, highlights key trends in the allocation of 2009 MSA funds, with a focus on how states use MSA funds to support youth. For more information, visit our [interactive database](#) detailing how MSA funding is allocated in each state, and [promising practice profiles](#) highlighting state and local uses of MSA funds for youth programs and services.

2009 Key Findings

- ✓ States received roughly \$7 billion in MSA payments.¹
- ✓ The majority of states allocated their MSA payments to health (40%), debt service on securitized funds (29%), and general purposes (14%).
- ✓ Fifteen states use a portion of their MSA funds to support services for youth.
- ✓ Six states (AL, KY, KS, MI, NC and VA) have created children's trust funds or other mechanisms to allocate funding across youth programs.
- ✓ Seventeen states have securitized a portion or all of their MSA payments since 2000; MI and SD securitized funds in 2009.

2009 MSA Expenditures by Allocation Area



Source: Based on interviews with State Budget Offices, and a review of MSA expenditure data provided by their staff, in 28 of the 46 states party to the agreement, February-June 2009.

¹ The \$7 billion reflects 2009 payments made to all states party to the MSA.

Highlights of States Investing MSA Funds in Youth Services

- ✓ **Alabama** allocates up to \$70 million annually in MSA funding to a children's trust fund. Funds support alternative schools, [therapeutic foster care](#), child advocacy centers, juvenile detention and probation services, SCHIP, child abuse prevention, children's mental health services, and tobacco prevention, treatment and enforcement.
- ✓ **Kansas** created a [Children's Cabinet](#) to oversee MSA expenditures which are held in the Kansas Endowment for Youth Fund. Ninety-five percent of the MSA funds are dedicated to improve the health and well-being of children and youth in the state. Fund support early care, child welfare, child mental health, juvenile prevention and intervention grants, immunization outreach, and smoking prevention.
- ✓ **Virginia** allocates ten percent of MSA funding to the [Virginia Tobacco Settlement Foundation](#) to provide services dedicated to preventing and reducing smoking among youth. Funds support classroom programs, a multimedia youth marketing campaign, cutting-edge research and enforcement of tobacco-access laws, reaching more than 60,000 children across the Commonwealth every year.
- ✓ **Wyoming** allocates the majority of MSA funds to support a statewide [substance abuse control plan](#). Programs and services targeting youth include the development of a juvenile drug court system, expansion of intensive supervised probation and treatment services for juveniles, and investments in law enforcement and community-based strategies to decrease youth access to alcohol and tobacco.

