



Financing and Sustaining Youth Programs

2010 Master Settlement Agreement (MSA) Payment Highlights

Overview

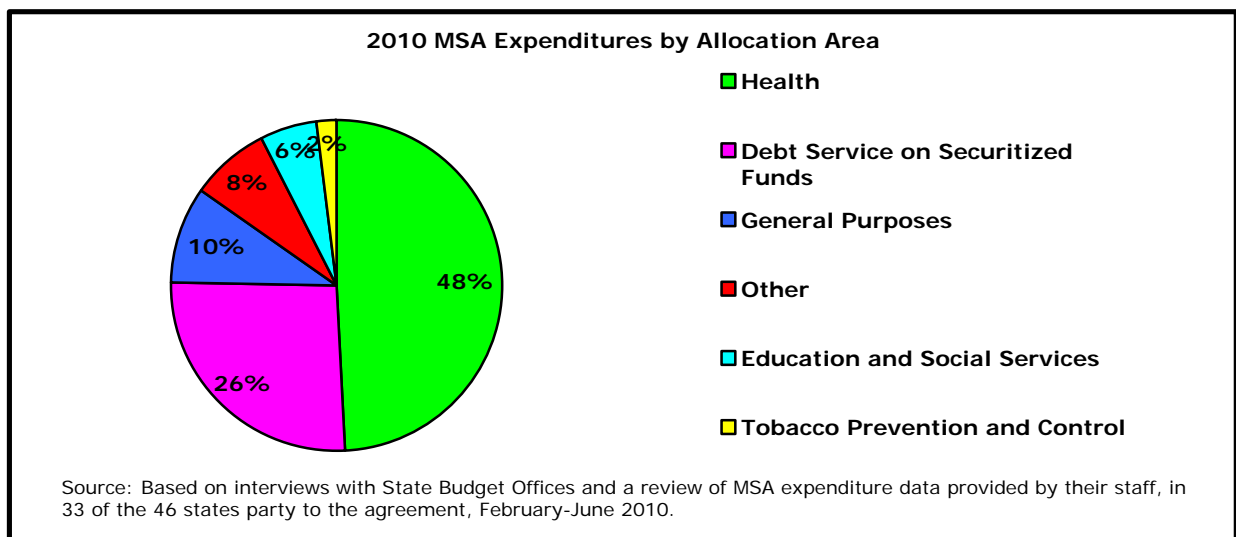
In April, 2010, states received \$6.38 billion as part of their annual tobacco Master Settlement Agreement (MSA) payment.¹ These unrestricted payments began in 2000 and will be made to the states in perpetuity, with total payments estimated at more than \$246 billion over the first 25 years. States continue 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. Nineteen 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 is based on available data from 33 of the 46 states party to the agreement. It highlights key trends in the allocation of 2010 MSA funds, with a focus on how MSA revenues can support initiatives that promote the positive development of youth. For more information, visit our [interactive database](#) detailing how MSA payments are allocated in each state, and [promising practice profiles](#) for innovative examples of how states use MSA funds to support youth programs and services.

2010 Key Findings

In 2010, states continued to allocate their MSA funding across the same categories as in 2009, with funding for health services accounting for nearly half of all MSA expenditures. Compared to 2009, funding for health services increased slightly (40% to 48%), while funding for education and social services dipped (9% to 6%), and funding for smoking prevention and control remained level, at just 2 percent of all payments. Despite the economic downturn, the majority of states reported no significant changes in the allocation of MSA funds. Other key findings include:

- ✓ States received roughly \$6.38 billion in MSA payments.
- ✓ The majority of states allocated their MSA payments to health (48%), debt service on securitized funds (26%), and general purposes (10%). Funding for tobacco prevention and control continues at just 2 percent.
- ✓ One state (MI) securitized a portion of their MSA payments in 2010. Eighteen states have securitized a portion or all of their MSA payments since 2000.
- ✓ Nineteen states use a portion of their MSA funds to support services for youth.
- ✓ Six states (AL, KY, KS, MI, NC and VA) continue to utilize children's trust funds or other mechanisms to allocate funding across youth programs.



¹ The \$6.38 billion reflects 2010 payments made to all states party to the MSA. See National Associations of Attorneys General web site www.naag.org/backpages/naag/tobacco/msa-payment-info/2010-04-20_Summary_of_April_2010_MSA_Payments.pdf

