

The Finance Project

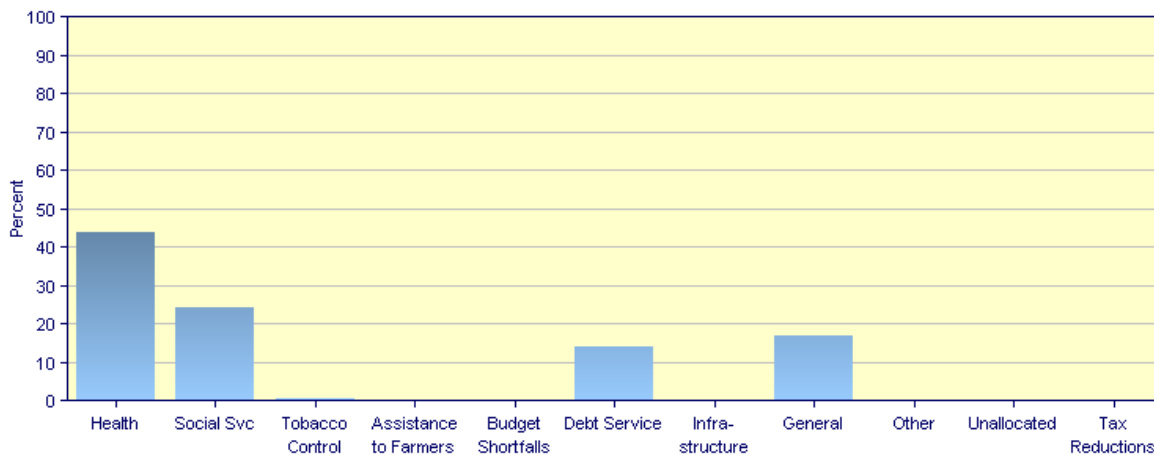
Tobacco Master Settlement Agreement State Profile: Alabama

The Finance Project has developed state profiles to show how Master Settlement Agreement (MSA) funds have been allocated between 2000 and the present fiscal year. Profiles also highlight how states are using MSA funds to support programs and initiatives for youth.

Revenue Received by Year (Dollar amounts in thousands)

	Revenue Received	Securitized Revenue	TOTAL Revenue	Notes
2000/2001	\$228,618	\$0	\$228,618	
2002	\$121,568	\$103,760	\$225,328	
2003	\$118,558	\$0	\$118,558	
2004	\$101,872	\$0	\$101,872	
2005	\$101,871	\$0	\$101,871	
2006	\$94,554	\$0	\$94,554	
2007	\$98,969	\$0	\$98,969	
2008	\$106,149	\$0	\$106,149	
2009	\$116,588	\$0	\$116,588	
2010	\$97,246	\$0	\$97,246	
2011	\$92,001	\$0	\$92,001	
Total	\$1,277,994	\$103,760	\$1,381,754	

FY11 Allocation of Funds



Background

Alabama allocates \$13 million annually in MSA funds to the 21st Century Fund to pay the debt service on industrial development bonds for the state. The state then transfers a total of up to \$70 million annually to the Children's First Trust Fund. Remaining funds are transferred to the General Fund and earmarked for Medicaid as well as senior services programs.

Implications for Youth Programs

MSA funds currently support programs and services for youth through the Children First Trust Fund including:

- alternative schools;
- children's health;
- foster family payments;

- special needs adoptions;
- Child Advocacy Centers;
- grants for at-risk children and teens through community-based programs;
- community-based services for children and families in crisis;
- juvenile probation officers; and
- facilities for secure beds for incarcerated youth.

Highlights

- For more information, see Alabama's Promising Practice Profiles on [Therapeutic Foster Care](#) and the [Children First Trust Fund](#).

Legislative Proposals

None listed

Allocation of Funds (Dollar amounts in thousands)

	Health	Social Services/ Education	Tobacco Control	Assistance to Tobacco Farmers/ Economic Development	Budget Shortfalls	Debt Service on Securitized Funds	Infra-structure	General Purpose/ Rainy Day Reserves	Other	Unallocated Funds	Tax Reduction	Total
2000/2001	\$84,667	\$104,556	\$560	\$16,000				\$19,543				\$225,326
2002	\$52,159	\$39,261	\$660			\$11,000		\$18,487				\$121,568
2003	\$52,182	\$44,438	\$630			\$13,000		\$8,307				\$118,558
2004	\$43,934	\$36,883	\$531			\$13,000		\$7,524				\$101,872
2005	\$45,450	\$36,883	\$531			\$13,000		\$6,008				\$101,871
2006	\$41,707	\$23,132	\$487			\$13,000		\$16,227				\$94,554
2007	\$43,965	\$24,384	\$513			\$13,000		\$17,106				\$98,969
2008	\$47,637	\$26,421	\$556			\$13,000		\$18,534				\$106,149
2009	\$52,972	\$29,386	\$619			\$13,000		\$20,612				\$116,588
2010	\$43,084	\$23,896	\$503			\$13,000		\$16,763				\$97,246
2011	\$40,402	\$22,408	\$472			\$13,000		\$15,719				\$92,001

*GAO did not collect data on budget shortfalls in FY2000-2001

Allocation of Funds (Percentages)

	Health	Social Services/ Education	Tobacco Control	Assistance to Tobacco Farmers/ Economic Development	Budget Shortfalls	Debt Service on Securitized Funds	Infra-structure	General Purpose/ Rainy Day Reserves	Other	Unallocated Funds	Tax Reduction
2000/2001	38%	46%	0%	7%				9%			
2002	43%	32%	1%			9%		15%			
2003	44%	37%	1%			11%		7%			
2004	43%	36%	1%			13%		7%			
2005	45%	36%	1%			13%		6%			
2006	44%	24%	1%			14%		17%			
2007	44%	25%	1%			13%		17%			
2008	45%	25%	1%			12%		17%			
2009	45%	25%	1%			11%		18%			
2010	44%	25%	1%			13%		17%			
2011	44%	24%	1%			14%		17%			

ALLOCATION CATEGORIES: The allocation categories used in these charts were developed by the U.S. Government Accountability Office (GAO).

Sources

- McKinley, L. Dixon, and A. Devore. National Conference of State Legislatures, *State Management and Allocation of Tobacco Settlement Revenue 2003* (September 2003)
- Campaign for Tobacco-Free Kids, *A Broken Promise to Our Children: The 1998 State Tobacco Settlement Nine Years Later* (December 2007)
- United States Government Accountability Office, *Report to Congressional Requesters, GAO-03-407, Tobacco Settlement: States' Allocations of Fiscal Years 2002 and 2003 Master Settlement Agreement Payments* (February 2003)
- United States Government Accountability Office, *Report to Congressional Requesters, GAO-04-518, Tobacco Settlement: States' Allocations of Fiscal Year 2003 and Expected Fiscal Year 2004 Payments* (March 2004).
- United States Government Accountability Office, *Report to Congressional Requesters, GAO-05-312, Tobacco Settlement: States' Allocations of Fiscal Year 2004 and Expected Fiscal Year 2005 Payments* (March 2005)
- United States Government Accountability Office, *Report to Congressional Requesters, GAO-06-502, Tobacco Settlement: States' Allocations of Fiscal Year 2005 and Expected Fiscal Year 2006 Payments* (April 2006)
- 2006-2011 data provided by the Alabama Executive Budget Office