



Issue Note

**Tobacco
Settlement
Revenue –
Investments
in Youth**

Tobacco Settlement Revenue Recent State Actions and Opportunities for Youth Programs

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Introduction

The Master Settlement Agreement (MSA) between the Attorneys General of 46 states and tobacco manufacturers has provided those states with roughly \$71 billion in unrestricted revenue since payments first began in 2000.¹ While state policy makers have allocated MSA payments to a wide array of different purposes, including expanding health services, balancing state budget deficits, and large-scale infrastructure projects, many states have also used the MSA as an opportunity to invest in their youth populations.²

States and communities have, for example, used MSA payments to support out-of-school time programs, literacy initiatives, and school health services; often linking these investments to broader state MSA priorities, such as tobacco control or health promotion. As of 2005, states had allocated roughly \$3 billion in total MSA payments to education initiatives and billions more to social service programs, smoking prevention and health initiatives serving both youth and adults.³

Although many states have already dedicated current and future MSA payments to specific purposes, state and local policy makers who are concerned about investments in children and youth, as well as youth program leaders and

¹ Estimate provided by The Finance Project. Estimate utilizes GAO reports for MSA payments and securitized proceeds for fiscal years 2000-2006 and Campaign for Tobacco Free Kids 2008 Report for estimated MSA payments and securitized proceeds for fiscal years 2007-2008.

² Based on conversations with State Budget Offices, and review of MSA expenditure data provided by their staff, from February – April, 2008.

³ United States Government Accountability Office, Testimony before the Committee on Health, Education, Labor and Pensions, US Senate, GAO-07-534T, *Tobacco Settlement: States' Allocations of Payments from Tobacco Companies for Fiscal Years 2002 through 2025* (February 2007).



The **FINANCE PROJECT**

Upcoming related products from The Finance Project will include:

- 1) An online searchable database which will highlight state data on MSA revenues and allocations in recent years. The database will also highlight pending legislation impacting allocations and examples of how MSA funds are supporting youth programs.
- 2) Promising practices highlighting innovative state and local uses of MSA funds to invest in youth development initiatives.
- 3) Strategy briefs and tools for state and local decision-makers looking to access MSA funds to support initiatives for youth.

advocates may continue to find opportunities in their annual state budget processes to access tobacco settlement funds for new or expanded youth services. Moreover, new MSA revenue, known as the Strategic Contribution Fund (SCF) is available to states beginning in 2008, and offers another source of flexible funding that could support efforts to improve outcomes for young people.

This policy brief provides an update on the use of MSA payments across the 46 states party to the agreement; highlights the unique opportunity provided by the increased payments under the SCF; and offers strategies for policymakers, community and program leaders to access MSA funds for youth programs.

This brief is the first in a series of resources by The Finance Project that will provide state and community decision makers with information and tools to enhance the use of MSA revenues to support services for youth.

Background

In November 1998, the Attorneys General of 46 states, the District of Columbia and five U.S. territories signed an agreement with the five larg-

est tobacco manufacturers, known as the Master Settlement Agreement (MSA). The MSA arose out of a number of separate state lawsuits against tobacco manufacturers seeking reimbursement for their Medicaid and other smoking-related health costs.⁴ The four states not included in this settlement- Florida, Texas, Mississippi, and Minnesota- previously reached separate settlement agreements with tobacco companies and, therefore, were not included in the master settlement.

MSA payment revenues are estimated to total approximately \$200 billion over the first 25 years (2000-2025) of the agreement, with payments continuing in perpetuity.⁵ States receive annual base payments based on a complex calculation that includes, among other factors, the prevalence of smoking and cigarette sales in a state, and an inflation index.⁶ In addition to these base payments, states will receive additional revenue from the Strategic Contribution Fund (SCF), between 2008 -2017. The SCF, which was part of the original master settlement agreement, is estimated at \$861 million for 2008. SCF funding will be allocated to states, based on a formula developed by the Attorneys General, to reflect each state's contribution toward resolution of the state lawsuits against tobacco companies.⁷

⁴Cohen, Carol and V. Wegener, *Adapting to Changing Conditions: Accessing State Tobacco Settlement Revenue for Out-of-School Time and Community School Initiatives* (Washington, D.C.: The Finance Project, December 2000).

⁵Ibid, 3. Note that this estimate does not take into account adjustments made to payment amounts by tobacco companies. More recent estimates have put the figure closer to \$246 billion (see 2007 Campaign for Tobacco Free Kids report).

⁶A. McKinley, L. Dixon, and A. Devore, *State Management and Allocation of Tobacco Settlement Revenue 2003* (National Council of State Legislatures, September, 2003).

⁷Campaign for Tobacco-Free Kids, *A Broken Promise to Our Children: The 1998 State Tobacco Settlement Nine Years Later* (December 2007). A third payment type, Phase 2 payments, are only allocated to certain tobacco growing states and are not discussed in this report.

How State Allocation Decisions are Made

All MSA payments to states are unrestricted, meaning that they can and have been used for any number of purposes, at the discretion of state lawmakers. Initially, most states set up a dedicated fund for at least a portion of their MSA payments in order to set monies aside for priority funding areas. This was often in the form of:

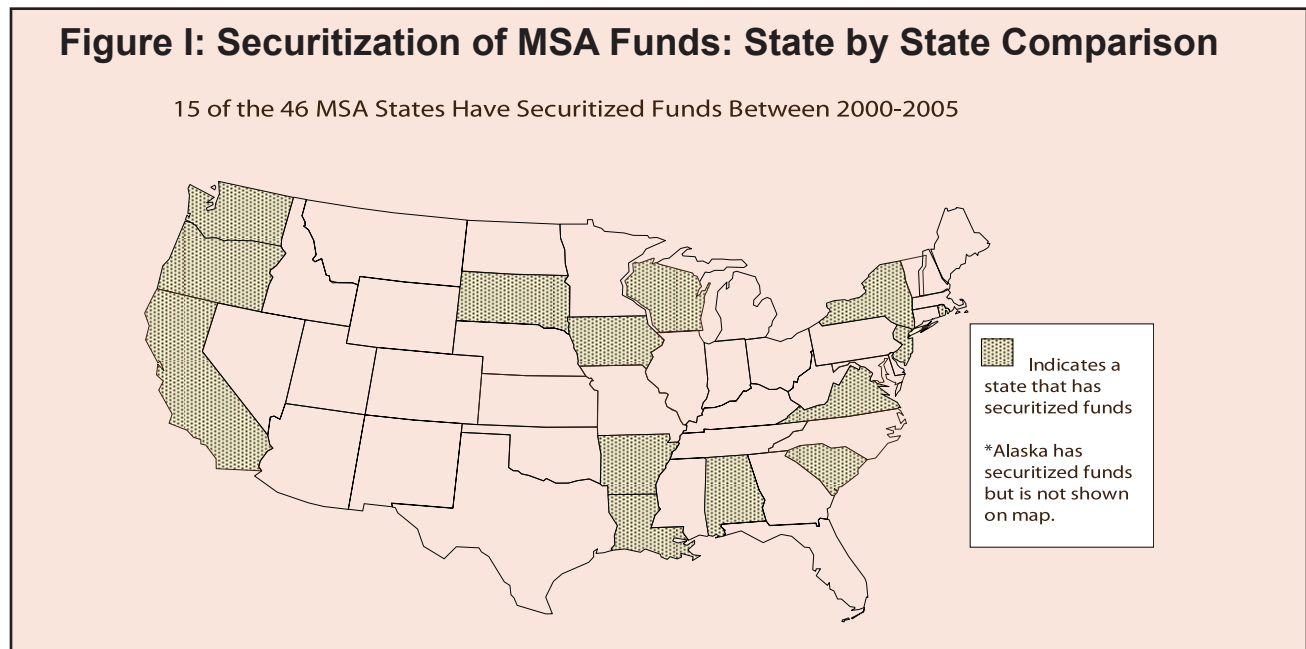
- a **trust fund**⁸, where states can spend the principal and interest earned or;
- an **endowment**, where states are restricted to spending only the interest earned by the fund.

Of the 46 states that were part of the MSA, 36 had set up either a trust fund or an endowment to manage all or a portion of their settlement payments, as of 2001.⁹ Over time, however, a growing share of MSA funds have been diverted to state general funds, debt service, or other critical programming needs such Medicaid. By 2003, more than half of the states reported changes to their initial framework for using MSA

revenues; the most common change being legislation dedicating a portion of MSA funds to a new purpose.¹⁰

More recently, while most of those trust funds that were initially established still remain intact, funding levels have varied significantly from year to year for many, and some have altered the portfolio of programs and services.¹¹

Additionally, many states have chosen to “securitize” a portion or all of their MSA revenues, meaning that they have sold the rights to future MSA revenues to investors in exchange for an up-front payment. Securitization has been a popular strategy for state leaders to cover budget shortfalls and finance large-scale capital expenses. In cases where MSA funds are securitized, states are then obligated to dedicate MSA payments to pay the debt service on the bonds issued for years to come, leaving funds unavailable for other purposes. As of 2005, 15 states had securitized a portion, or all, of their



⁸The U.S. Government Accountability Office, in its reports, refers to special funds and endowment funds, with special funds correlating to what we have called Trust Funds here.

⁹Meanwhile, ten states had either allocated their payments to the general fund or had not decided on a structure. United States GAO. Report to Congress Requesters. GAO 01-851, *Tobacco Settlement: States Use of Master Settlement Agreement Payments* (June 2001).”

¹⁰United 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).

¹¹Based on analysis of MSA expenditure data provided by State Budget Officers to The Finance Project.

Tobacco Settlement Revenues

MSA payments, totaling roughly \$16 billion. (See Figure I for detailed information on which states have securitized MSA funds.)¹²

Trends in State Allocations

The policy areas that have received the greatest share of the MSA funding since payments began in 2000 have been health care and budget shortfalls. Education, social services, and tobacco control have also received significant funds. (See Figure II for average allocations from 2000 - 2005). Within many of these broad policy categories, states have used funding for a range of initiatives supporting youth and adults, and in some cases, specific high-risk populations.

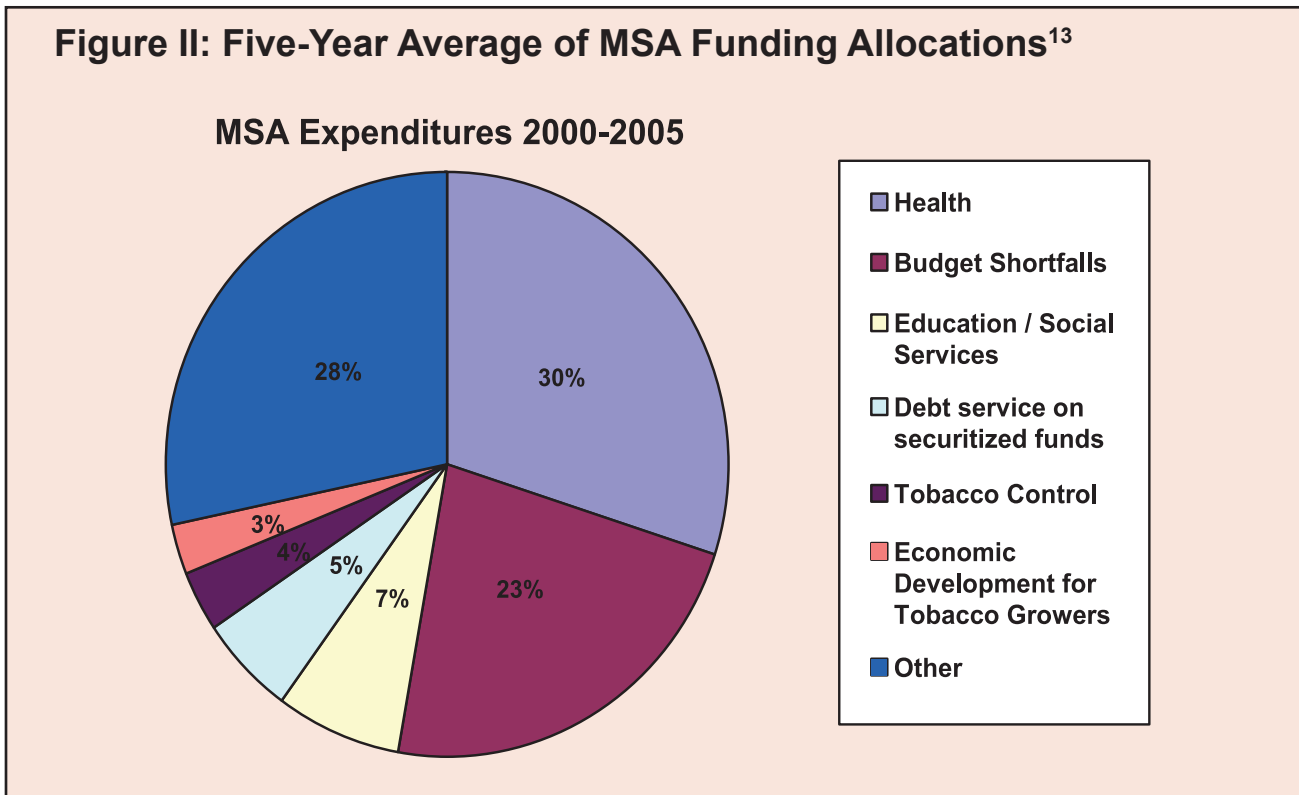
How states have used their MSA funds from year to year has varied widely, depending both on state economic conditions and changes in political priorities - often with significant implications for funding youth programs. For example, while states spent nearly 50 percent of their MSA

funds on balancing their budgets in 2004, spending in this area fell to around two percent by 2006. Similarly, whereas initially very few states chose to securitize their MSA funds, as recently as 2006, nearly one third of all MSA payments were going toward debt service on securitized funds. (See Figure III for more detail on selected policy areas funded by MSA funds.)¹⁴

Coming Changes and Opportunities

With the arrival of nearly \$1 billion of additional MSA funds in 2008, as part of the first installment of the Strategic Contribution Fund (SCF), states are receiving a much needed boost in funding at a time when the slowing economy is making it difficult to maintain education, health care and other social services. The new funding provides states with both an opportunity to think about new and innovative ways to allocate the

Figure II: Five-Year Average of MSA Funding Allocations¹³

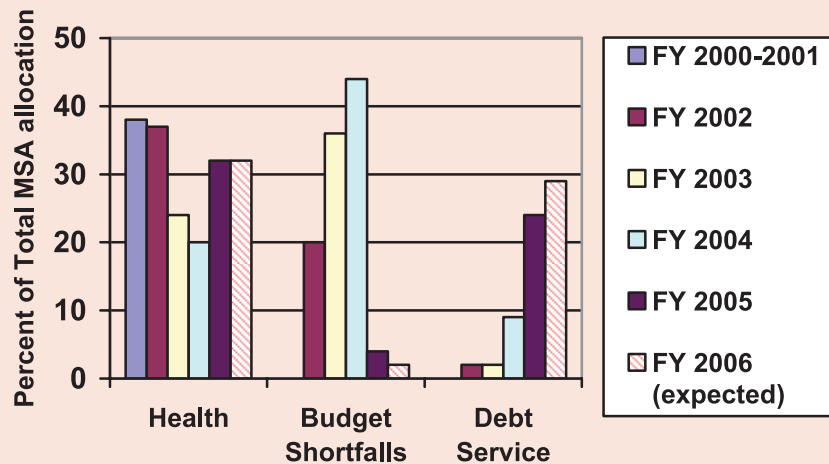


¹²United States Government Accountability Office, Report to Congressional Requesters, GAO-06-502, *Tobacco Settlement: States' Allocations of Fiscal Year 2005 and Expected Fiscal Year 2006 Payments* (April 2006).

¹³Ibid, 3. Note that the category "Other" collapses three categories from the GAO report including "Infrastructure" and "Unallocated" into the Other category.

¹⁴Ibid, 3.

Figure III: State Allocations of Combined MSA Payments and Securitized Proceeds for FY 2000 – FY 2005, and Expected FY 2006 Allocations¹⁵:



additional funds and a chance to reflect on the effectiveness of their current strategies for using their MSA base payments.

Decisions about how states will use this new funding will likely be influenced by whether they need to fill budget shortfalls or simply to sustain current programming. Given that many states have made investing in youth a high priority in recent years, the infusion of new flexible funding provides an opportune time to consider expansions of youth services.

The new funding also presents a fresh opportunity for state leaders to assess how well the initial investments with MSA funds have paid off, to what extent performance targets and goals have been met, and how to re-allocate funds in the future to meet their goals. (See Figure IV for more detail on state options for allocating funds.)

Opportunities to Access Tobacco Settlement Funds for Youth Programs

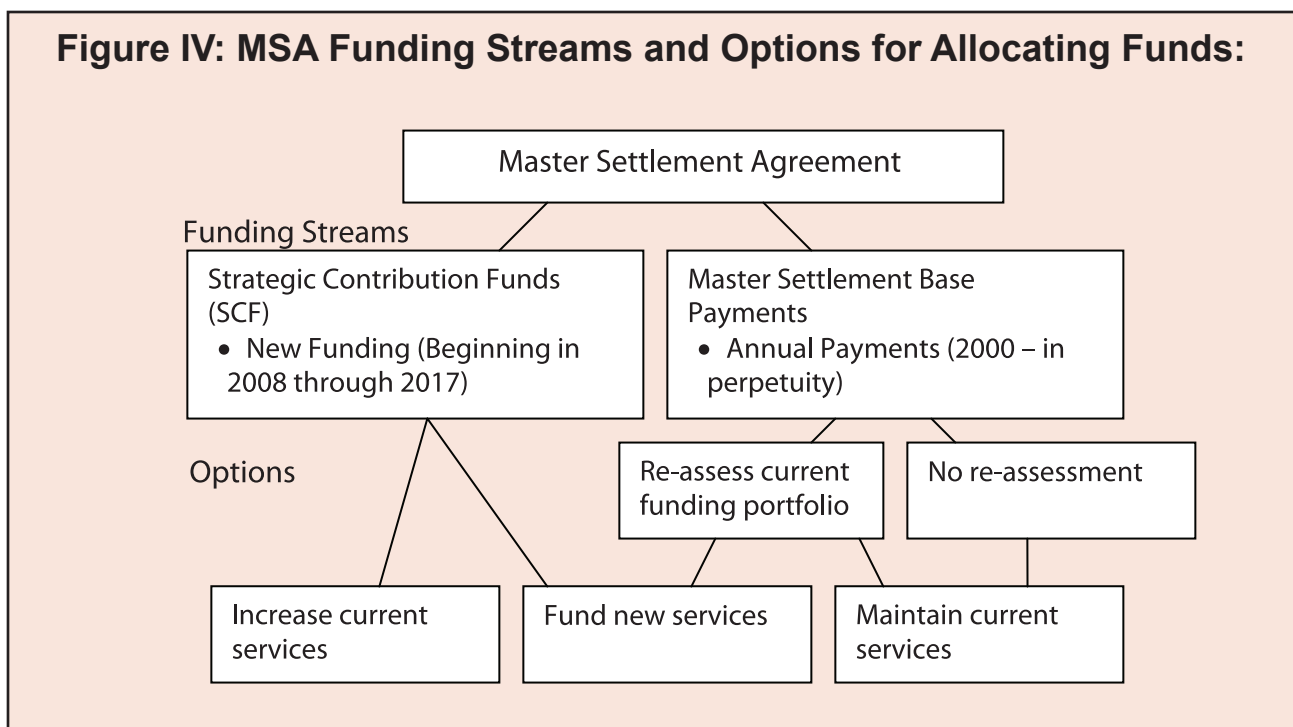
For policymakers, community leaders and program developers seeking resources for youth programs, MSA payments may provide a valuable and flexible source of funding. Given the wide variety of approaches that states have taken to using tobacco settlement revenues, opportunities and potential strategies will vary considerably from state to state.

The following steps will be critical in considering and ultimately pursuing MSA payments as a potential funding source for youth programs:

1. Understand how MSA funds are allocated;
2. Determine how MSA funds could best support youth programs in a particular state or community; and
3. Develop strategies to influence MSA allocations to support youth programs.

¹⁵bid, 11.

Figure IV: MSA Funding Streams and Options for Allocating Funds:



1) Understand how MSA funds are allocated

The first step to accessing MSA funds is to find out how funding decisions are currently made in a particular state, and what restrictions are tied to the funds. States generally allocate their funds through the annual state budget process or through a trust fund or endowment fund. Many states use multiple approaches for different portions of their funding, typically dividing MSA funds between a trust fund and other programming needs, while other states may have more than one trust fund.

- **Trust Fund / Endowment:** Trust funds or endowments are separate funds within the state treasury and are typically dedicated to a broad purpose, such as health or education. Funds received by the trust fund or endowment are earmarked through the budget appropriations process for specific programs and purposes (e.g., health care, education, social services, infrastructure, or to pay debt service). Program funding is typically renewed annually in order to sustain services. Lawmakers in some states have set up special commissions to make annual funding decisions in accordance with the terms and funding priorities outlined in the charter

for their trust fund or endowment. In some cases, such as in **Kansas, Alabama, and Maine**, these dedicated funds were established to support services for children and youth; while in other cases, they support broader state initiatives, such as improving health care or smoking cessation for both young people and adults.

- **Annual Budget Process:** State leaders also make MSA funding decisions on an annual basis through their regular executive and legislative budget processes. In general, this option places monies under the same rules as state general funds, although some states have put special restrictions on their uses of tobacco dollars. In states such as **Wyoming and Colorado**, where MSA allocations are determined through the annual budget process, state policymakers have recently dedicated funds to youth programs.

Past securitization of funds may also have significant implications for the availability of MSA funding that can support youth programs. In states where significant portions of funding have been securitized, there will likely be more limited opportunities to access MSA revenues for new purposes. (See Figure I for detailed information on which states have securitized MSA funds.)

Ongoing Investments in Youth through Different MSA Allocation Approaches

Kansas Endowment for Youth

According to 1999 legislation, all MSA funding is distributed to the Kansas Endowment for Youth (KEY) Fund to support youth programs. Funds are to remain in this Fund, except when transferred to the Kansas Children's Initiative Fund or other transfers as authorized by law. The 1999 law also created the Kansas Children's Cabinet, a board of appointees from the Governor and Legislature, responsible for recommendations on how to spend MSA funds in the endowment. The Legislature appropriates the KEY funds after reviewing the Children's Cabinet's recommendations. Funds support several initiatives for youth, including:

- Juvenile justice and sanction grants
- Children's mental health initiative
- Child care and child welfare community services; and
- School violence prevention

Colorado- Annual Appropriations Process

Colorado allocates its MSA payments through its annual budget appropriations process, where past appropriations have funded programming in areas such as education, health, social services, and tobacco control. The state currently dedicates funding toward the Tony Grampas Youth Services (TGYS) grant program. TGYS grants provide funding to community-based organizations that serve children, youth and their families with services designed to reduce youth crime and violence and to prevent child abuse and neglect. The TGYS program embraces a positive youth development approach in working with children, youth, and families. MSA funding also supports the Read to Achieve program, supporting literacy in elementary schools as well as tobacco cessation programs for youth.

Learn More About State MSA Allocations

To learn more about how a particular state has historically managed and allocated MSA funds, as well as any implications of current funding for youth programs, view the Tobacco Master Settlement Agreement State Profiles developed by The Finance Project, available online at: <http://www.financeproject.org/tobacco>

Considerations

- State and local leaders seeking to increase investments in youth programs should first review whether existing uses of MSA payments align with their program goals. For example, MSA funds in some states already support grant programs that can fund youth programs. In other cases, there may be opportunities to collaborate or partner with an existing MSA-funded initiative, such as a statewide youth smoking prevention campaign.
- For those states that have already dedicated much of their current and future MSA payments to specific purposes, opportunities may be available to support youth programming within a state's existing framework. For example, if a trust fund has been statutorily dedicated to promoting the overall health of the state's residents, this fund may support youth programs that promote healthy nutrition and fitness.
- In states where funds have already been securitized, it is important to determine whether there is still funding available to support new

purposes. For example, has a state securitized all or some of its future MSA payments? Will new funding from the SCF be available to support new programs? Answers to these questions will help to determine if pursuing MSA funds for youth programs is a viable strategy in a particular state.

- Since competition for MSA funds may be intense, it is important for community leaders and program developers to be sensitive to the potential turf battles that may arise when making the case for youth programs, particularly where existing initiatives are long-time recipients of MSA funds. Even allies such as health care providers may feel that new funding directed to youth programs threatens their ability to draw additional support for their programs.

2) Determine How MSA Funds Can Best Support Youth Programs

The landscape of youth programming is varied, with some programs focusing on a particular activity, such as arts enrichment or skill development, while others connect multiple service providers to comprehensive services. Programs range from large multi-site initiatives affiliated with national and regional organizations to small

independent programs operating in community centers or local libraries.¹⁶ Youth programs may offer preventive or intervention services and may often focus on one or more of the following domains:

- Academics
- Workforce preparation
- Leadership and civic engagement; and
- Health and well-being¹⁷

In recent years, many youth programs have adopted a positive youth development approach, helping young people to strengthen the key assets critical to healthy transitions to adulthood.¹⁸

Decisions about how MSA funding can best support youth programs will depend on a range of factors, including the need for additional programs, the political climate in a state, and how youth program goals may align with current state MSA priorities.

In addition to supporting direct services for youth, state leaders may also consider accessing MSA payments to support infrastructure - or the costs associated with the underlying support services or systems that make direct programming possible. This may include, for example, planning,

Positive Youth Development: A Research-Based Approach to Working with Youth

This research-tested approach to working with youth helps to orient providers and programs to developing the skills, assets and competencies of the youth they serve in order to help them experience a healthy adolescence and a successful transition to adulthood. Programs that incorporate elements of positive youth development can be effective in building youth assets, skills and competencies. They can also help reduce specific problem behaviors such as smoking, misbehaving in school, and using drugs and alcohol. The positive youth development approach encourages broad community engagement and collaboration to provide youth with the supports, services and opportunities they need to grow and thrive.¹⁹

¹⁶Dobbins-Harper, Dionne and S. Bhat. *Finding Funding: A Guide to Federal Sources for Youth Programs* (Washington D.C.: The Finance Project, January 2007).

¹⁷Ibid

¹⁸R. Catalano, et al, *Positive Youth Development in the United States: Research Findings on Evaluations of Positive Youth Development Programs* (Washington, D.C.: U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation, November 1998), at <http://aspe.hhs.gov/hsp/PositiveYouthDev99/>.

¹⁹Adapted from Deich, S. and Hayes, C., *Thinking Broadly: Financing Strategies for Youth Programs* (Washington, D.C.: The Finance Project, January 2007).

Figure V: Domains and Categories for Youth Programming²⁰

Academic Success	Career and Workforce Development	Youth Leadership and Engagement	Health and Well being	Other Supportive Services	Youth Development Systems Supports
<ul style="list-style-type: none"> • Academic support • Arts / Culture education • Drop out prevention and recovery • General educational development • English as a second language 	<ul style="list-style-type: none"> • Career exploration • Entrepreneurship • Job placement • Summer Employment • Work experience • Vocational education 	<ul style="list-style-type: none"> • Leadership development • Volunteering and Community service • Mentoring • Civic Education • Character building 	<ul style="list-style-type: none"> • Recreation / fitness • Nutrition • Medical / Dental care • Reproductive health services • Mental and behavioral health sciences • Substance abuse • Delinquency prevention 	<ul style="list-style-type: none"> • Housing • Transportation • Guidance and counseling • Financial literacy • Child care 	<ul style="list-style-type: none"> • Case Management • Facilities • Planning, coordination, collaboration • Evaluation • Technical assistance and training • Technology services • System-building services

evaluation or coordination efforts or the provision of technical assistance and training to youth program providers. The flexibility of MSA funds provides an opportunity to support a range of infrastructure investments that are critical to building effective service systems but are not allowable under many categorical grants that support youth programs.

For example, in **Alabama**, the Department of Human Resources was able to use some of its MSA funding to implement a new assessment process for children in need of therapeutic foster care or residential care, while the State Department of Mental Health and Mental Retardation used part of its funds to provide training for mental health professionals on children’s mental health issues.

Figure V provides a framework for the various types of youth programming and services that states may consider supporting with MSA funding.

Considerations

- Given the flexibility of MSA funding, the availability of additional funds through the SCF may provide an opportune time to conduct, or use an existing, needs assessment to determine a state’s most critical gaps in its system of services for youth. For example, states might consider whether they have the greatest need for services for youth of a specific age (middle school vs. high school) or for specific types of services (ex. drop-out prevention or civic education programs)? Or could new funding be most valuable in supporting the development of state-level youth development infrastructure?
- Policy makers may also want to look at where they can get the biggest “bang for their buck” in terms of using tobacco settlement funds to attract matching federal or leverage additional private sector funding. Many states have dedicated a significant portion of funding to their Medicaid programs for the very reason that they are able to draw down significant

²⁰Ibid, 15.

Examples of Youth Initiatives Across Youth Development Domains:

Academic Success:

- In **Michigan**, MSA funds support Merit Award scholarships and tuition incentive grants for youth entering college.
- **Colorado** helps to support its “Read to Achieve” initiative through MSA funding, aimed at promoting literacy in elementary schools.

Career and Workforce Development:

- In **Virginia**, the Tobacco Indemnification and Community Revitalization Trust Fund supports education and job training programs in tobacco growing regions of the State, some of which may be available to youth.

Health and Well-Being:

- In **Alabama**, MSA grants are available for “at-risk” children and teens through community based programs, while MSA funds also support community based services for children and families in crisis.
- **Idaho** has used funding to implement a number of smoking cessation/ reduction programs targeted towards youth, including smoking prevention in primary and secondary schools, support for youth tobacco free coalitions in various counties, and for inspections of stores to prevent selling tobacco to under aged youth.
- In **Ohio**, MSA funds support a juvenile aftercare program that provides community-based alcohol and other drug treatment to youth placed on probation by the Department of Youth Services (DYS).

federal matching funds. Given that there are dozens of federal programs that provide matching funds for state investments in youth programs, policy leaders may consider specific uses of MSA funds that offer the greatest potential of leveraging additional funding by increasing their matching funds.²¹

- Given the competition for MSA funds from year to year, consider building an evaluation component into any new investments in youth programs. This will enable program leaders to document the impact of programming, to learn which program components are most effective, and to make the case for additional funding in years to come.

3) Develop Strategies to Influence MSA Allocations to Support Youth Programs

Policymakers, intermediaries, and youth program and community leaders can all play a role in influencing future allocations of MSA funding to support youth programs. While specific strategies will vary considerably from state to state, youth program leaders may consider building coalitions or groups with common goals to help garner support for youth programs. Figure VI outlines tips for various individuals or entities looking to access tobacco funds for youth programs.

²¹For more information on federal funding sources supporting youth programs see: Dobbins-Harper, Dionne and Soumya Bhat, *Finding Funding: A Guide to Federal Sources for Youth Programs* (Washington, D.C.: The Finance Project, January 2007).

Figure VI: Tips for Accessing MSA Funding:

Policy Makers	Intermediaries/ Youth Advocates	Program and Community Leaders
<ul style="list-style-type: none"> • Get to know guidelines/ rules and priorities for MSA allocations and consider effective strategies for accessing funds within this framework. • Review existing or commission a new needs assessment to determine how flexible funding can best fill gaps in youth programming. 	<ul style="list-style-type: none"> • Get to know guidelines/ rules and priorities for MSA allocations and consider effective strategies for accessing funds within this framework. • Develop coalitions or community groups that already have connections to decision-makers • Conduct a statewide needs assessment to determine how flexible funding can best fill gaps in youth programming. • Demonstrate the effectiveness of ongoing youth programming to policy leaders to make the case for new funding. 	<ul style="list-style-type: none"> • Join coalitions or community groups that already have connections to decision-makers • Demonstrate the effectiveness of ongoing youth programming to policy leaders to make the case for new funding.

Conclusion

Tobacco settlement funds, including new funding available through the Strategic Contribution Fund, offer a potential opportunity to support new and expanded programs for children and youth. The long-term nature of the revenue stream and the flexibility of the funds provide an opportunity to increase support for youth development initiatives and fill needs unmet by other funding sources. By better understanding how MSA funds are managed and allocated in their respective states, policymakers, intermediaries and program leaders can develop new strategies to access a portion of settlement payments to invest in youth programs.

Relevant Resources

Publications from The Finance Project

Sandel, K., Bhat, S., *Financing and Sustaining Out-Of-School Time Programs in Rural Communities*, Washington, D.C.: The Finance Project, January 2008. Available at <http://www.financeproject.org/publications/OSTRuralYouth.pdf>

Torrice, Roxana, *Using CDBG to Support Community-Based Youth Programs*, Washington, D.C.: The Finance Project, January 2008. Available at <http://www.financeproject.org/publications/CDBGyouthprograms.pdf>

Relave, N., M. Flynn-Khan, *Using TANF to Finance Out-of-School Time Initiatives*, Washington, D.C., The Finance Project, June 2007. Available at <http://76.12.61.196/publications/TANFtoFinanceOST.pdf>.

Deich, Sharon, G and Hayes, D. Cheryl, *Thinking Broadly: Financing Strategies for Youth Programs*, Washington, DC: The Finance Project, January 2007. Available at http://76.12.61.196/publications/Thinkingbroadly_PM.pdf.

Dobbins-Harper, Dionne and Soumya Bhat, *Finding Funding: A Guide to Federal Sources for Youth Programs*, Washington, DC: The Finance Project, January 2007. Available at http://76.12.61.196/publications/findingfunding_PM.pdf.

Relave, N. and Deich, S., *A Guide to Successful Public-Private Partnerships for Youth Programs*, Washington, D.C.: The Finance Project, January 2007. Available at http://financeproject.org/publications/PublicPrivate_PM.pdf.

Relave, N., *Finding Resources to Support Workforce Development Services for Youth*, Washington, D.C.: The Finance Project, April 2006. Available at http://financeproject.org/publications/workforce_youth.pdf.

Cohen, Carol and Victoria Wegener, *Adapting to Changing Conditions: Accessing State Tobacco Settlement Revenue for Out of School Time and Community Initiatives*. Washington, DC: The Finance Project, December 2000.

Dixon, Lee, Patrick Johnson, Nicole Kendell, Carol Cohen, and Richard May, *Using Tobacco Settlement Revenues for Children's Services: State Opportunities and Actions*, The Finance Project, Washington, DC: October 1999. Available at <http://76.12.61.196/publications/tobaccorep.htm>.

Other Resources

Campaign for Tobacco-Free Kids, *a Broken Promise to Our Children: The 1998 State Tobacco Settlement Nine Years Later* (December 2007). <http://www.tobaccofreekids.org/reports/settlements/2008/fullreport.pdf>

United States Government Accountability Office, *Testimony before the Committee on Health, Education, Labor and Pensions, US Senate, GAO-07-534T, Tobacco Settlement: States' Allocations of Payments from Tobacco Companies for Fiscal Years 2002 through 2025* (February 2007). <http://www.gao.gov/new.items/d07534t.pdf>

A McKinley, L. Dixon, and A. Devore, *State Management and Allocation of Tobacco Settlement Revenue 2003* (Washington, D.C.: National Council of State Legislatures, September, 2003). <http://ncsl.org/programs/press/2003MSA.pdf>