

**State Impact**

This bill calls for depositing 100% of the funds from the Master Settlement Agreement into the Tobacco Settlement Restricted Account, instead of 40% (FY 2004). This diversion would be in effect for FY 2004 and FY 2005. Beginning in FY 2006, the split goes to 40% to the Restricted Account and 60% to the Permanent Trust Fund. For the two fiscal years of the diversion, the funding difference goes to the Medicaid budget after the other statutory obligations are met. The additional funding going to the Medicaid budget would be eligible for matching federal funds.

	<u><b>FY 04 Approp.</b></u>	<u><b>FY 05 Approp.</b></u>	<u><b>FY 04 Revenue</b></u>	<u><b>FY 05 Revenue</b></u>
Federal Funds	\$40,656,700	\$29,099,900	\$40,656,700	\$29,099,900
Restricted Funds	\$16,126,400	\$11,542,400	\$16,126,400	\$16,043,200
Trust Funds	\$0	\$0	(\$16,126,400)	(\$16,043,200)
<b>TOTAL</b>	<u><u><b>\$56,783,100</b></u></u>	<u><u><b>\$40,642,300</b></u></u>	<u><u><b>\$40,656,700</b></u></u>	<u><u><b>\$29,099,900</b></u></u>

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**Individual and Business Impact**

Individuals covered by Medicaid may experience easier access to medical services and more covered services than is currently projected.

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**Office of the Legislative Fiscal Analyst**