

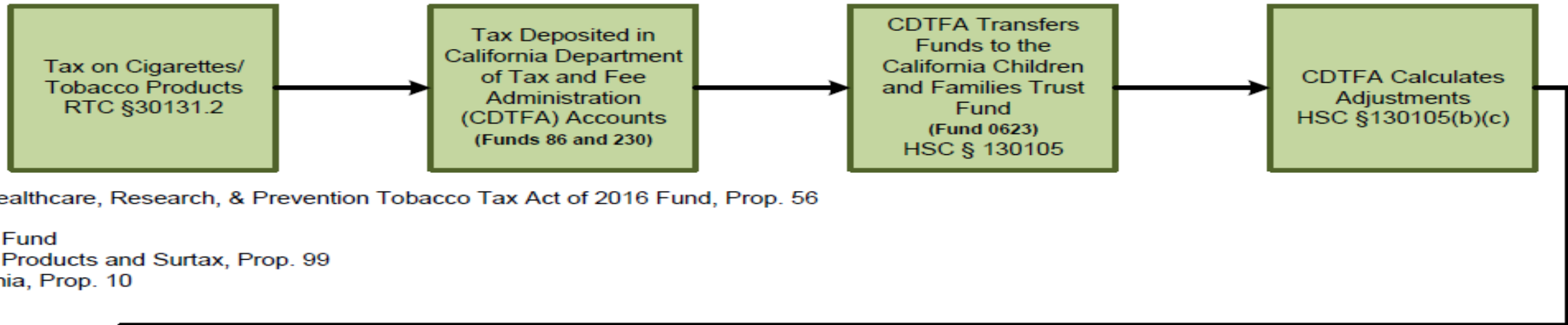
Financial Update

January 25, 2024

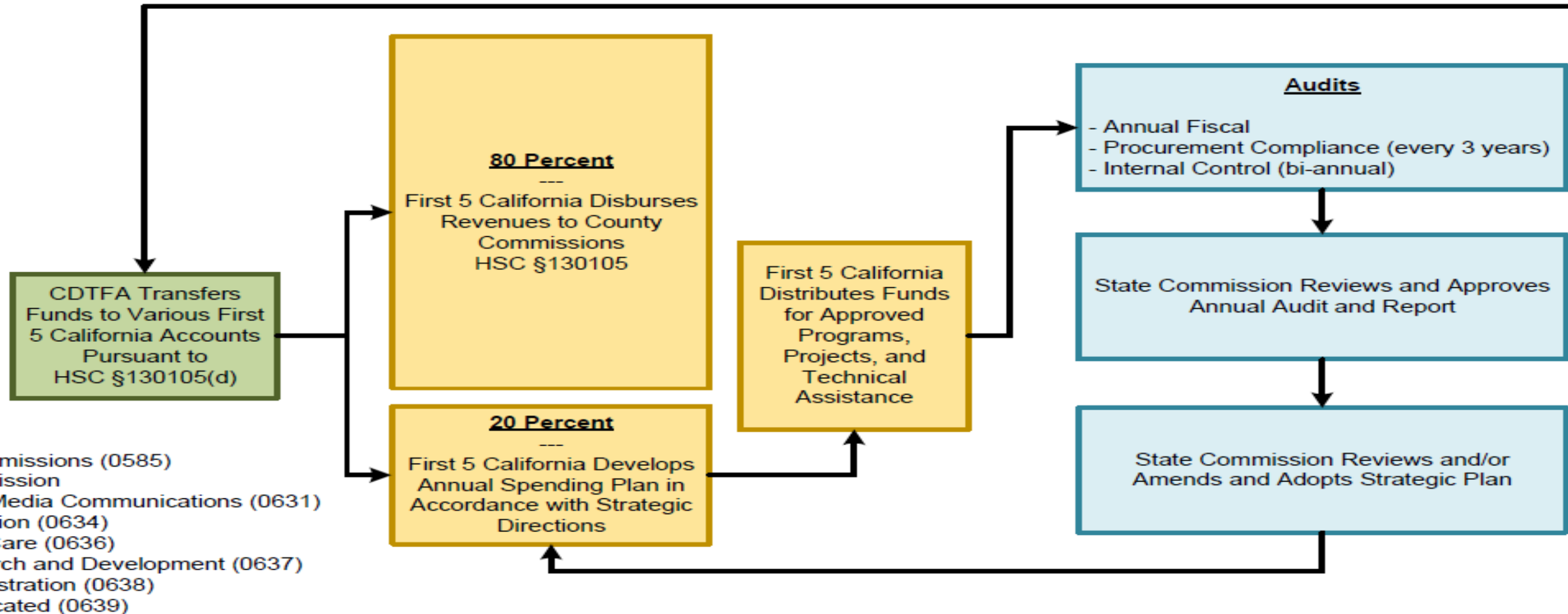




Funding Overview

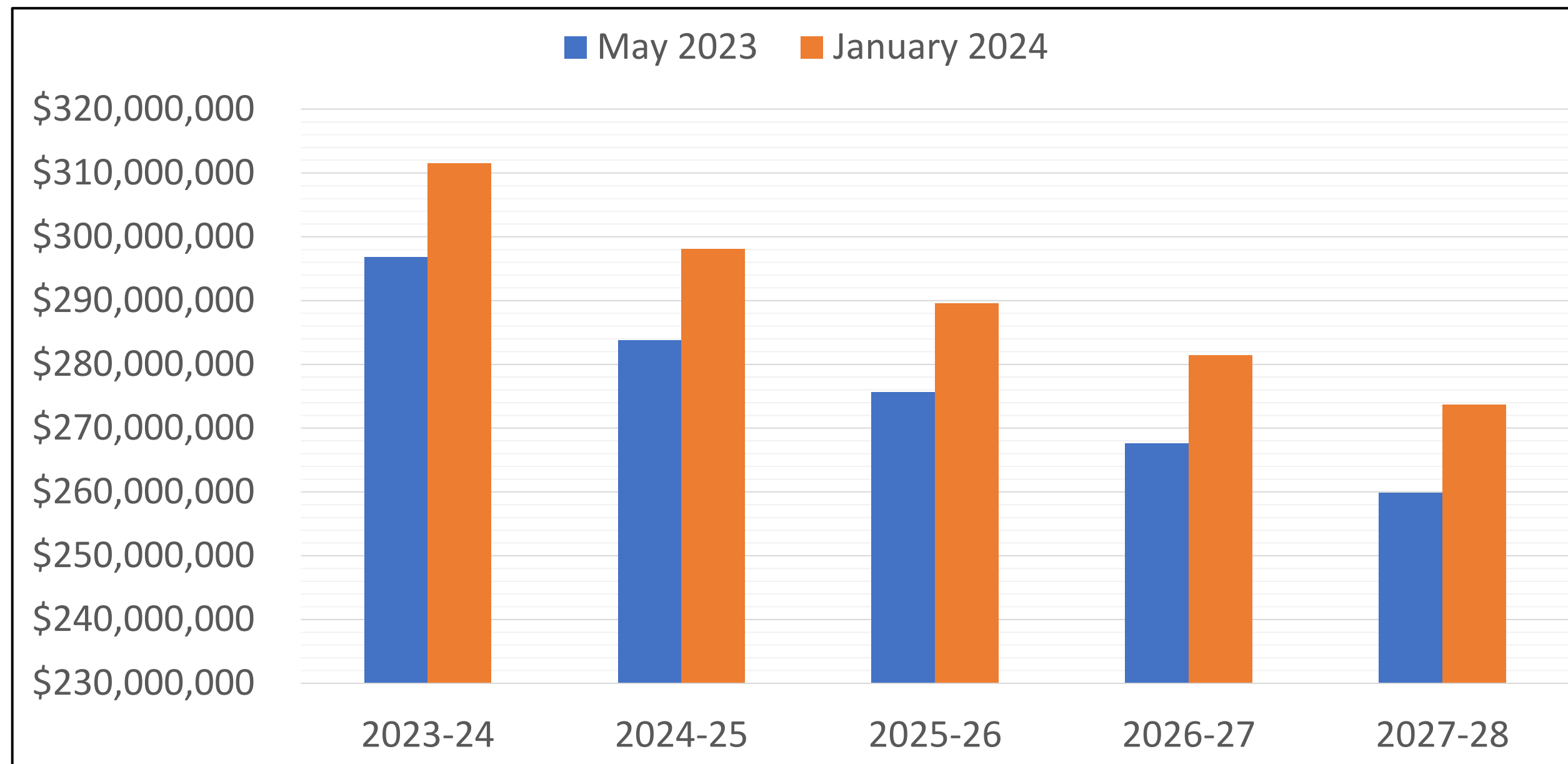


Total Tax = \$2.87
 \$2.00 = California Healthcare, Research, & Prevention Tobacco Tax Act of 2016 Fund, Prop. 56
 2¢ = Breast Cancer
 10¢ = Cigarette Tax Fund
 25¢ = Cigarette Tax Products and Surtax, Prop. 99
 50¢ = First 5 California, Prop. 10



80% - County Commissions (0585)
 20% - State Commission
 6% Mass Media Communications (0631)
 5% Education (0634)
 3% Child Care (0636)
 3% Research and Development (0637)
 1% Administration (0638)
 2% Unallocated (0639)

Projected Revenue by Fiscal Year



	2023-24	2024-25	2025-26	2026-27	2027-28
May 2023	\$ 296,813,619	\$ 283,715,619	\$ 275,603,619	\$ 267,629,619	\$ 259,877,139
January 2024	\$ 311,453,604	\$ 298,095,581	\$ 289,592,581	\$ 281,358,581	\$ 273,689,581



Revenue Projections

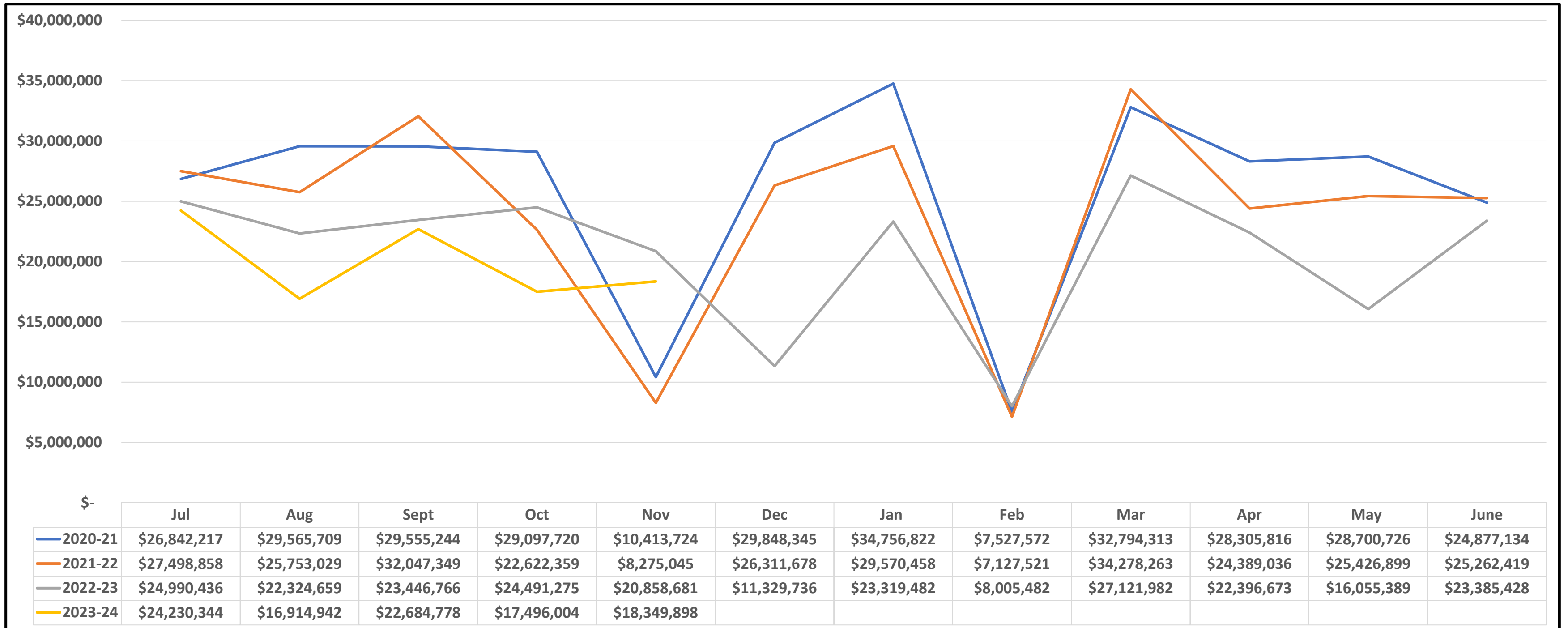
What goes into them?

- Revenue Projections from the Department of Finance (DOF)
 - Cigarette and Other Tobacco Products
 - Prop 56 Backfill to Proposition 10
 - (New) California Electronic Cigarette Excise Tax (CECET)
- Estimated Interest Revenue from CA Children and Families Trust Fund
- Less Backfill to Proposition 99 and Breast Cancer Fund
- Less Statewide Assessments
- Less estimated CA Department of Tax and Fee Administration (CDTFA) Administrative costs and refunds
- Equals the estimated amount of revenue to transfer
- 80 percent of the estimated revenue transfer is allocated to counties, 20 percent to the State Commission

Statutory Distribution

Counties Account	Statutory Distribution	Distribution Conversion
Disbursed to 58 County Commissions	80%	N/A
State Accounts		
State Accounts	Statutory Distribution	Distribution Conversion
Mass Media Communications	6%	30%
Education	5%	25%
Child Care	3%	15%
Research and Development	3%	15%
Unallocated	2%	10%
Administration	1%	5%
Total	20%	100%

Proposition 10 Transfers from CA Department of Tax and Fee Administration



Proposition 10 Revenues only – does not include Prop 56 (backfill), CECET, Interest Revenue, etc.



Revenue Trends – Prop 56 (backfill)

Fiscal Year	¹ Proposition 56 Backfill to Proposition 10	Proposition 10 Backfill to Prop 99 and Breast Cancer Fund
2019-20	\$91,195,000	\$12,715,000
2020-21	\$93,884,000	\$11,757,000
2021-22	\$96,700,000	\$12,167,000
2022-23	\$84,712,000	\$9,454,000

¹ Revenues received in fiscal year is to backfill funds affected by changes in consumption during the previous fiscal year.



Budget Letter

No. BL-23-27

- Take measures to ensure more prudent spending given the fiscal outlook.
- Take action to reduce expenditures which may consist of, but not limited to, the following:
 - New goods and services must be mission critical.
 - Minimal office supplies shall be ordered and kept in stock.
 - Limit non-essential travel.
 - Evaluate and scrutinize other costs, such as but not limited to, subscriptions, training, purchases.

Administration Account (0638)

	Fiscal Year				
	2023-24	2024-25	2025-26	2026-27	2027-28
Projected Expenditures	\$ 2,635,349.00	\$ 2,817,199.00	\$ 2,684,630.00	\$ 2,684,630.00	\$ 2,780,332.00
Projected Revenues	\$ 3,114,536.00	\$ 2,980,956.00	\$ 2,895,926.00	\$ 2,813,586.00	\$ 2,736,896.00
Difference	\$ 479,187.00	\$ 163,757.00	\$ 211,296.00	\$ 128,956.00	\$ (43,436.00)

Fiscal Attachments

- Funding Structure Overview (Attachment A)
- Financial Plan (Attachment B)
- Fund Condition Summary (Attachment C)



Financial Plan

How do the
Projections tie into
the Financial Plan?

ALL FIRST 5 CALIFORNIA FUNDS									
Total Prior-year Carryover									
Total Revenue									
Total Interest									
Total Federal Kit Reimbursement									
Total Resources Per Year									
Total Expenditures (Committed & Under Consideration)									
Total Over/Under									
Total 15% Reserve									
Net After Reserve									

Questions?



Thank you!

