

SUBCOMMITTEE RECOMMENDATION

SB 5541

Tobacco Settlement Funds Account

To: Ways and Means Full Committee
From: Capital Construction Subcommittee
Carrier: Senator Thomsen

SB 5441 is the 2021-23 allocation bill for revenue received under the Tobacco Master Settlement Agreement (or MSA). The MSA provides an ongoing source of revenue to 46 states and U.S. territories as part of an agreement reached in 1998 with major tobacco companies.

The measure allocates \$148.2 million in available revenue for the following purposes:

- \$30.9 million to fund debt service on Oregon Health and Science University bonds
- \$100.2 million to the Oregon Health Authority for the Oregon Health Plan
- \$13 million to OHA for community mental health programs
- \$3.3 million to the Oregon Department of Education for physical education grants
- \$750,000 to the Oregon Department of Justice for MSA enforcement activities

The use of MSA revenue for these programs has not changed from prior biennia. This revenue has already been budgeted in the primary agency budget bills for these programs to support current service levels in 2021-23; there are no program enhancements or reductions resulting from these revenue allocations.

The Capital Construction Subcommittee recommends SB 5541 be amended by the -2 amendment and be reported out do pass, as amended.