

TOBACCO SETTLEMENT PAYMENTS FORECAST

REVENUE ESTIMATING CONFERENCE

February 11, 2005

Tobacco Settlement Payments to Florida
Settlement Payments (in \$ Millions)

Fiscal Year Ending	Gross Payments	Annual Payment Florida Share @ 5.5%	Initial Payment Florida Share @ 5.5%	Total Payments
1998		750.0		750.0
1999	4,000	220.0	123.5	343.5
2000	4,500	247.5	464.6	712.1
2001	5,000	275.0	464.6	739.6
2002	6,500	357.5	464.6	822.1
2003	6,500	357.5	232.8	590.3
2004	8,000	440.0		440.0
2005	8,000	440.0		440.0
2006	8,000	440.0		440.0
2007	8,000	440.0		440.0
2008	8,000	440.0		440.0
2009	8,000	440.0		440.0
2010	8,000	440.0		440.0
2011	8,000	440.0		440.0
2012	8,000	440.0		440.0
2013	8,000	440.0		440.0
2014	8,000	440.0		440.0
2015	8,000	440.0		440.0
2016	8,000	440.0		440.0
2017	8,000	440.0		440.0
2018	8,000	440.0		440.0
2019	8,000	440.0		440.0
2020	8,000	440.0		440.0
2021	8,000	440.0		440.0
2022	8,000	440.0		440.0
2023	8,000	440.0		440.0
2024	8,000	440.0		440.0
2025	8,000	440.0		440.0
2026	8,000	440.0		440.0
2027	8,000	440.0		440.0
2028	8,000	440.0		440.0
2029	8,000	440.0		440.0
2030	8,000	440.0		440.0
2031	8,000	440.0		440.0
2032	8,000	440.0		440.0
2033	8,000	440.0		440.0

**Tobacco Settlement Payments to Florida
Inflation Adjustment**

Fiscal Year Ending	December Consumer Price Index	Annual Change in CPI-U	Tobacco Inflation Factor	Tobacco Inflation Index	Payment Inflation Adjustment
1998	161.3		0.000%	100.000	1.0000
1999	163.9	1.612%	3.000%	100.000	1.0000
2000	168.3	2.685%	3.000%	103.000	1.0300
2001	174.0	3.387%	3.387%	106.489	1.0649
2002	176.7	1.552%	3.000%	109.683	1.0968
2003	180.9	2.434%	3.000%	112.974	1.1297
2004	184.3	1.879%	3.000%	116.363	1.1636
2005	190.3	3.256%	3.256%	120.152	1.2015
2006	192.9	1.378%	3.000%	123.756	1.2376
2007	196.3	1.741%	3.000%	127.469	1.2747
2008	200.3	2.057%	3.000%	131.293	1.3129
2009	204.7	2.181%	3.000%	135.232	1.3523
2010	209.3	2.251%	3.000%	139.289	1.3929
2011	214.5	2.492%	3.000%	143.467	1.4347
2012	220.2	2.660%	3.000%	147.772	1.4777
2013	226.2	2.702%	3.000%	152.205	1.5220
2014	232.2	2.663%	3.000%	156.771	1.5677
2015	238.4	2.671%	3.000%	161.474	1.6147
2016	244.8	2.671%	3.000%	166.318	1.6632
2017	251.3	2.671%	3.000%	171.308	1.7131
2018	258.0	2.671%	3.000%	176.447	1.7645
2019	264.9	2.671%	3.000%	181.740	1.8174
2020	272.0	2.671%	3.000%	187.193	1.8719
2021	279.2	2.671%	3.000%	192.808	1.9281
2022	286.7	2.671%	3.000%	198.593	1.9859
2023	294.3	2.671%	3.000%	204.550	2.0455
2024	302.2	2.671%	3.000%	210.687	2.1069
2025	310.3	2.671%	3.000%	217.007	2.1701
2026	318.6	2.671%	3.000%	223.518	2.2352
2027	327.1	2.671%	3.000%	230.223	2.3022
2028	335.8	2.671%	3.000%	237.130	2.3713
2029	344.8	2.671%	3.000%	244.244	2.4424
2030	354.0	2.671%	3.000%	251.571	2.5157
2031	363.4	2.671%	3.000%	259.118	2.5912
2032	373.1	2.671%	3.000%	266.892	2.6689
2033	383.1	2.671%	3.000%	274.899	2.7490

**Tobacco Settlement Payments to Florida
Volume Adjustment**

Fiscal Year Ending	FEA U.S. Cigarette Volume (Billions)	% chg.	Florida Definition Volume as share of U.S. volume	Florida Definition Volume (Billions)	% chg.	Volume Ratio
1998	480.000		98.18%	471.248		1.0000
1999	465.000	-3.13%	96.62%	449.288	-4.66%	0.9534
2000	435.000	-6.45%	92.93%	404.252	-10.02%	0.8578
2001	430.000	-1.15%	92.53%	397.858	-1.58%	0.8443
2002	425.000	-1.16%	89.38%	379.860	-4.52%	0.8061
2003	415.000	-2.35%	87.07%	361.335	-4.88%	0.7668
2004	400.000	-3.61%	85.15%	340.603	-5.74%	0.7228
2005	390.000	-2.50%	85.96%	335.232	-1.58%	0.7114
2006	382.187	-2.00%	85.00%	324.859	-3.09%	0.6894
2007	376.727	-1.43%	85.00%	320.218	-1.43%	0.6795
2008	371.007	-1.52%	85.00%	315.356	-1.52%	0.6692
2009	365.454	-1.50%	85.00%	310.636	-1.50%	0.6592
2010	359.971	-1.50%	85.00%	305.975	-1.50%	0.6493
2011	354.317	-1.57%	85.00%	301.169	-1.57%	0.6391
2012	348.302	-1.70%	85.00%	296.057	-1.70%	0.6282
2013	342.735	-1.60%	85.00%	291.325	-1.60%	0.6182
2014	337.288	-1.59%	85.00%	286.695	-1.59%	0.6084
2015	332.013	-1.56%	85.00%	282.211	-1.56%	0.5989
2016	326.567	-1.64%	85.00%	277.582	-1.64%	0.5890
2017	321.217	-1.64%	85.00%	273.034	-1.64%	0.5794
2018	316.063	-1.60%	85.00%	268.654	-1.60%	0.5701
2019	310.851	-1.65%	85.00%	264.223	-1.65%	0.5607
2020	305.557	-1.70%	85.00%	259.724	-1.70%	0.5511
2021	300.383	-1.69%	85.00%	255.325	-1.69%	0.5418
2022	295.108	-1.76%	85.00%	250.842	-1.76%	0.5323
2023	289.941	-1.75%	85.00%	246.449	-1.75%	0.5230
2024	284.923	-1.73%	85.00%	242.185	-1.73%	0.5139
2025	280.072	-1.70%	85.00%	238.061	-1.70%	0.5052
2026	275.359	-1.68%	85.00%	234.055	-1.68%	0.4967
2027	270.937	-1.61%	85.00%	230.296	-1.61%	0.4887
2028	266.563	-1.61%	85.00%	226.579	-1.61%	0.4808
2029	262.271	-1.61%	85.00%	222.931	-1.61%	0.4731
2030	258.046	-1.61%	85.00%	219.339	-1.61%	0.4654
2031	253.873	-1.62%	85.00%	215.792	-1.62%	0.4579
2032	249.727	-1.63%	85.00%	212.268	-1.63%	0.4504
2033	245.622	-1.64%	85.00%	208.779	-1.64%	0.4430

**Tobacco Settlement Payments to Florida
Youth Adjustment (per 01-June-2001 agreement)**

Fiscal Year Ending	Volume Ratio	Volume Adjustment (1 - vol. ratio)	Youth Adjustment (volume adj. X .98)	Payment Volume Adjustment (1 - youth adj.)
1998	1.0000			
1999	0.9534			
2000	0.8578	0.1422	0.1393	0.8607
2001	0.8443	0.1557	0.1526	0.8474
2002	0.8061	0.1939	0.1900	0.8100
2003	0.7668	0.2332	0.2286	0.7714
2004	0.7228	0.2772	0.2717	0.7283
2005	0.7114	0.2886	0.2829	0.7171
2006	0.6894	0.3106	0.3044	0.6956
2007	0.6795	0.3205	0.3141	0.6859
2008	0.6692	0.3308	0.3242	0.6758
2009	0.6592	0.3408	0.3340	0.6660
2010	0.6493	0.3507	0.3437	0.6563
2011	0.6391	0.3609	0.3537	0.6463
2012	0.6282	0.3718	0.3643	0.6357
2013	0.6182	0.3818	0.3742	0.6258
2014	0.6084	0.3916	0.3838	0.6162
2015	0.5989	0.4011	0.3931	0.6069
2016	0.5890	0.4110	0.4027	0.5973
2017	0.5794	0.4206	0.4122	0.5878
2018	0.5701	0.4299	0.4213	0.5787
2019	0.5607	0.4393	0.4305	0.5695
2020	0.5511	0.4489	0.4399	0.5601
2021	0.5418	0.4582	0.4490	0.5510
2022	0.5323	0.4677	0.4584	0.5416
2023	0.5230	0.4770	0.4675	0.5325
2024	0.5139	0.4861	0.4764	0.5236
2025	0.5052	0.4948	0.4849	0.5151
2026	0.4967	0.5033	0.4933	0.5067
2027	0.4887	0.5113	0.5011	0.4989
2028	0.4808	0.5192	0.5088	0.4912
2029	0.4731	0.5269	0.5164	0.4836
2030	0.4654	0.5346	0.5239	0.4761
2031	0.4579	0.5421	0.5312	0.4688
2032	0.4504	0.5496	0.5386	0.4614
2033	0.4430	0.5570	0.5458	0.4542

Tobacco Settlement Payments to Florida
Calculated Settlement Payments Liability

Fiscal Year Ending	Total Settlement Payments (\$ Millions)	Payment Inflation Adjustment	Payment Volume Adjustment	Calculated Settlement Liability (\$ Millions)
1998	750.0			750.0
1999	343.5			343.5
2000	712.1	1.0300	0.8607	631.3
2001	739.6	1.0649	0.8474	667.4
2002	822.1	1.0968	0.8100	730.3
2003	590.3	1.1297	0.7714	514.5
2004	440.0	1.1636	0.7283	372.9
2005	440.0	1.2015	0.7171	379.1
2006	440.0	1.2376	0.6956	378.8
2007	440.0	1.2747	0.6859	384.7
2008	440.0	1.3129	0.6758	390.4
2009	440.0	1.3523	0.6660	396.3
2010	440.0	1.3929	0.6563	402.2
2011	440.0	1.4347	0.6463	408.0
2012	440.0	1.4777	0.6357	413.3
2013	440.0	1.5220	0.6258	419.1
2014	440.0	1.5677	0.6162	425.1
2015	440.0	1.6147	0.6069	431.2
2016	440.0	1.6632	0.5973	437.1
2017	440.0	1.7131	0.5878	443.1
2018	440.0	1.7645	0.5787	449.3
2019	440.0	1.8174	0.5695	455.4
2020	440.0	1.8719	0.5601	461.3
2021	440.0	1.9281	0.5510	467.4
2022	440.0	1.9859	0.5416	473.3
2023	440.0	2.0455	0.5325	479.3
2024	440.0	2.1069	0.5236	485.4
2025	440.0	2.1701	0.5151	491.8
2026	440.0	2.2352	0.5067	498.4
2027	440.0	2.3022	0.4989	505.4
2028	440.0	2.3713	0.4912	512.5
2029	440.0	2.4424	0.4836	519.7
2030	440.0	2.5157	0.4761	527.0
2031	440.0	2.5912	0.4688	534.4
2032	440.0	2.6689	0.4614	541.9
2033	440.0	2.7490	0.4542	549.3

Tobacco Settlement Payments to Florida
Net Operating Profit Adjustment Liability (per 01-June-2001 agreement)

Fiscal Year Ending	Tobacco Inflation Factor	Base Profit Inflation Adjustment	Inflation Adj. Net Operating Base Profits (\$ Millions)	Estimated Net Operating Profit (\$ Millions)	Estimated Net Operating Profit Growth Rate	Increase in profit from adjusted base (\$ Millions)	Calculated Florida Profit Adjustment (5.5% of 25%) (\$ Millions)
1998	0.000%		3,114.6	3,114.6			
1999	3.000%	1.0300	3,208.0	#N/A			
2000	3.000%	1.0609	3,304.3	4,667.3		1,363.0	18.7
2001	3.387%	1.0968	3,416.2	4,898.1	4.9%	1,481.9	20.4
2002	3.000%	1.1297	3,519.2	4,885.2	-0.3%	1,366.0	18.8
2003	3.000%	1.1636	3,624.8	4,530.6	-7.3%	905.8	12.5
2004	3.000%	1.1985	3,732.9	854.7	-81.1%	-2,878.2	0.0
2005	3.256%	1.2376	3,854.5	3,852.0	350.7%	-2.5	0.0
2006	3.000%	1.2747	3,970.1	3,970.1	3.1%	-0.1	0.0
2007	3.000%	1.3129	4,089.3	3,970.1	0.0%	-119.2	0.0
2008	3.000%	1.3523	4,211.9	3,970.1	0.0%	-241.9	0.0
2009	3.000%	1.3929	4,338.3	3,970.1	0.0%	-368.2	0.0
2010	3.000%	1.4347	4,468.4	3,970.1	0.0%	-498.4	0.0
2011	3.000%	1.4777	4,602.5	3,970.1	0.0%	-632.4	0.0
2012	3.000%	1.5220	4,740.6	3,970.1	0.0%	-770.5	0.0
2013	3.000%	1.5677	4,882.8	3,970.1	0.0%	-912.7	0.0
2014	3.000%	1.6147	5,029.3	3,970.1	0.0%	-1,059.2	0.0
2015	3.000%	1.6632	5,180.1	3,970.1	0.0%	-1,210.1	0.0
2016	3.000%	1.7131	5,335.5	3,970.1	0.0%	-1,365.5	0.0
2017	3.000%	1.7645	5,495.6	3,970.1	0.0%	-1,525.6	0.0
2018	3.000%	1.8174	5,660.5	3,970.1	0.0%	-1,690.4	0.0
2019	3.000%	1.8719	5,830.3	3,970.1	0.0%	-1,860.2	0.0
2020	3.000%	1.9281	6,005.2	3,970.1	0.0%	-2,035.2	0.0
2021	3.000%	1.9859	6,185.4	3,970.1	0.0%	-2,215.3	0.0
2022	3.000%	2.0455	6,370.9	3,970.1	0.0%	-2,400.9	0.0
2023	3.000%	2.1069	6,562.1	3,970.1	0.0%	-2,592.0	0.0
2024	3.000%	2.1701	6,758.9	3,970.1	0.0%	-2,788.9	0.0
2025	3.000%	2.2352	6,961.7	3,970.1	0.0%	-2,991.6	0.0
2026	3.000%	2.3022	7,170.5	3,970.1	0.0%	-3,200.5	0.0
2027	3.000%	2.3713	7,385.6	3,970.1	0.0%	-3,415.6	0.0
2028	3.000%	2.4424	7,607.2	3,970.1	0.0%	-3,637.2	0.0
2029	3.000%	2.5157	7,835.4	3,970.1	0.0%	-3,865.4	0.0
2030	3.000%	2.5912	8,070.5	3,970.1	0.0%	-4,100.4	0.0
2031	3.000%	2.6689	8,312.6	3,970.1	0.0%	-4,342.6	0.0
2032	3.000%	2.7490	8,562.0	3,970.1	0.0%	-4,591.9	0.0
2033	3.000%	2.8315	8,818.8	3,970.1	0.0%	-4,848.8	0.0

Tobacco Settlement Payments to Florida
Total Payments (\$ Millions, per 01-June-2001 agreement)

Fiscal Year Ending	Calculated Settlement Liability	Adjustments For over/under Payments	Adjusted Settlement Payments	Calculated Florida Profit Adjustment Liability	Adjustments For over/under Payments	Adjusted Profit Adjustment Payments	Total Adjusted Settlement Payments	Actual (cash) Settlement Payments
1998	750.0	0.0	750.0				750.0	562.5
1999	343.5	0.0	343.5				343.5	531.0
2000	631.3	0.0	631.3	37.4	3.3	40.7	672.0	640.9
2001	667.4	0.0	667.4	40.8	0.0	40.8	708.2	743.4
2002	730.3	-5.6	724.7	37.6	0.0	37.6	762.3	765.7
2003	514.5	-3.7	510.8	25.0	-3.0	22.0	532.8	546.4
2004	372.9	-11.5	361.4	0.0	0.0	0.0	361.4	364.0
2005	379.1	-2.5	376.6	0.0	0.0	0.0	376.6	378.3
2006	378.8	-1.7	377.1	0.0	0.0	0.0	377.1	377.1
2007	384.7	0.0	384.7	0.0	0.0	0.0	384.7	384.7
2008	390.4	0.0	390.4	0.0	0.0	0.0	390.4	390.4
2009	396.3	0.0	396.3	0.0	0.0	0.0	396.3	396.3
2010	402.2	0.0	402.2	0.0	0.0	0.0	402.2	402.2
2011	408.0	0.0	408.0	0.0	0.0	0.0	408.0	408.0
2012	413.3	0.0	413.3	0.0	0.0	0.0	413.3	413.3
2013	419.1	0.0	419.1	0.0	0.0	0.0	419.1	419.1
2014	425.1	0.0	425.1	0.0	0.0	0.0	425.1	425.1
2015	431.2	0.0	431.2	0.0	0.0	0.0	431.2	431.2
2016	437.1	0.0	437.1	0.0	0.0	0.0	437.1	437.1
2017	443.1	0.0	443.1	0.0	0.0	0.0	443.1	443.1
2018	449.3	0.0	449.3	0.0	0.0	0.0	449.3	449.3
2019	455.4	0.0	455.4	0.0	0.0	0.0	455.4	455.4
2020	461.3	0.0	461.3	0.0	0.0	0.0	461.3	461.3
2021	467.4	0.0	467.4	0.0	0.0	0.0	467.4	467.4
2022	473.3	0.0	473.3	0.0	0.0	0.0	473.3	473.3
2023	479.3	0.0	479.3	0.0	0.0	0.0	479.3	479.3
2024	485.4	0.0	485.4	0.0	0.0	0.0	485.4	485.4
2025	491.8	0.0	491.8	0.0	0.0	0.0	491.8	491.8
2026	498.4	0.0	498.4	0.0	0.0	0.0	498.4	498.4
2027	505.4	0.0	505.4	0.0	0.0	0.0	505.4	505.4
2028	512.5	0.0	512.5	0.0	0.0	0.0	512.5	512.5
2029	519.7	0.0	519.7	0.0	0.0	0.0	519.7	519.7
2030	527.0	0.0	527.0	0.0	0.0	0.0	527.0	527.0
2031	534.4	0.0	534.4	0.0	0.0	0.0	534.4	534.4
2032	541.9	0.0	541.9	0.0	0.0	0.0	541.9	541.9
2033	549.3	0.0	549.3	0.0	0.0	0.0	549.3	549.3

TOBACCO SETTLEMENT TRUST FUND

FINANCIAL OUTLOOK STATEMENT
 FY2004-05 and FY 2005-06
 (\$ MILLIONS)

DATE: 11-Feb-05
 TIME: 03:31 PM

	<u>RECURRING</u>	<u>NON- RECURRING</u>	<u>TOTAL</u>
FUNDS AVAILABLE 2004-05			
Balance forward from 2003-04	0.0	7.3	7.3
Initial settlement payment	378.3	0.0	378.3
Profit adjustment estimate	0.0	0.0	0.0
Transfer from Lawton Chiles Endowment - Regular	36.0	0.0	36.0
Transfer from Lawton Chiles Endowment - Biomedical TF	3.4	0.0	3.4
Reversion of unused funds from DACS (HB1879)	0.0	1.1	1.1
Midyear reversions	0.0	3.2	3.2
Interest earnings	<u>1.0</u>	<u>0.0</u>	<u>1.0</u>
Total 2004-05 funds available	418.7	11.6	430.3
EFFECTIVE APPROPRIATIONS 2004-05			
Agency for Health Care Administration	170.1	0.0	170.1
Department of Children and Family Services	164.1	0.0	164.1
Department of Elder Affairs	24.8	0.0	24.8
Department of Health	52.5	0.0	52.5
Transfer to Biomedical Research TF (Sec. 215.5601, F.S.)	<u>3.4</u>	<u>0.0</u>	<u>3.4</u>
Total 2004-05 effective appropriations	<u>414.9</u>	<u>0.0</u>	<u>414.9</u>
AVAILABLE RESERVES	3.8	11.6	15.4
FUNDS AVAILABLE 2005-06			
Balance forward from 2004-05	0.0	15.4	15.4
Initial settlement estimate	377.1	0.0	377.1
Profit adjustment estimate	0.0	0.0	0.0
Transfer from Lawton Chiles Endowment - Regular	35.0	0.0	35.0
Transfer from Lawton Chiles Endowment - Biomedical TF	3.3	0.0	3.3
Interest earnings	<u>1.0</u>	<u>0.0</u>	<u>1.0</u>
Total 2005-06 funds available	416.4	15.4	431.8

FLORIDA TOBACCO SETTLEMENT TRUST FUND

	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
SOURCES:											
Carryforward		552.5	3.1	20.3	(22.2)	55.7	4.9	7.3	15.4	0.0	0.0
Initial tobacco settlement	562.5	407.5	222.8	250.8	317.1	316.2	364.0	378.3	377.1	384.7	390.4
Amended Settlement 9/17/98		123.5	418.1	423.6	419.4	208.3					
Profit adjustment				68.9	29.3	22.0	0.0	0.0	0.0	0.0	0.0
Transfer to Lawton Chiles Endowment Fund		(944.8)	(155.2)	(200.0)	(200.0)	(200.0)					
Transfer from Lawton Chiles Endowment - Regular				28.0	43.2	46.8	37.5	36.0	35.0	34.5	34.5
Transfer from Lawton Chiles Endowment - Biomed Res TF						4.4	3.6	3.4	3.3	3.3	3.3
Cancelled warrants/refunds/other nonoperating		0.0	17.6	1.3	0.7	3.1	0.1	1.1			
Midyear reversions					7.9	7.0	3.7	3.2			
Interest earned	13.2	67.6	10.6	14.1	8.4	2.9	1.9	1.0	1.0	1.0	1.0
TOTAL SOURCES	575.7	206.3	517.0	606.9	603.7	466.3	415.6	430.3	431.8	423.5	429.2
USES:											
Agency for Health Care Administration											
Operations			1.7	1.4	1.7	1.2	1.2	1.2			
Kidcare/Healthy Kids		4.2	22.3	57.7	68.4	68.4	68.4	68.4			
Pharmaceutical Expense Assistance					7.8	7.0					
Medikids		2.5	7.4	8.1	7.7	8.2	8.2	8.2			
Children's Medical Services Network		15.1	17.0	10.3	10.3	10.3	10.3	10.3			
Other Medicaid Services		58.2	60.3	69.9	130.8	68.3	95.3	82.0			
Dept. of Children and Families											
Operations		14.5	67.8	40.6	27.7	25.8	26.2	24.2			
Contingency fund for ICF/DD			10.0	30.0							
Services			97.7	116.2	184.7	186.0	137.7	139.9			
Fixed Capital Outlay			9.6	0.4							
Dept. of Elder Affairs			17.2	25.1	25.0	24.8	24.8	24.8			
Dept. of Health											
Operations and Other Services	0.4	9.6	56.6	28.1	35.5	33.0	33.1	33.1			
Full Service Schools		11.0	11.0	10.0	8.5	8.5	8.5	8.5			
School Health Services		4.5	4.5	4.5	9.9	9.9	9.9	9.9			
Fixed Capital Outlay		14.8	60.1	10.3							
Tobacco Pilot	20.7	59.0	37.2	39.1	28.0	37.4	1.0	1.0			
Dept. of Business Regulation	2.2	8.4	5.1	5.1							
Other special appropriations and uses		3.9	2.3	205.0	6.0	6.1	3.6	3.4			
Replace Moffitt Center Distribution			15.0	10.7	10.2	10.2	10.2	0.0			
Unused appropriations/reversions		(2.3)	(6.4)	(43.4)	(14.2)	(43.7)	(30.0)				
TOTAL USES	23.2	203.2	496.7	629.1	548.0	461.4	408.4	414.9			
DIFFERENCE	552.5	3.1	20.3	(22.2)	55.7	4.9	7.3	15.4			