

# CIF BUDGET RECOMMENDATIONS

June 7, 2024



## Background

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In April 2024, the National Association of Attorneys General reported that Kansas had received \$49,929,498 from the annual tobacco settlement payout. This is the lowest Master Settlement Agreement (MSA) annuity since 2017, down from \$55,986,294 in 2023 and a high of \$61,332,864 in 2022. The historical average hovers around \$53 million over the 25-year history.

The MSA formula is calculated on national sales of cigarettes. Initiatives like federal and state adoption of the Tobacco 21 Initiative, the rise in use of nicotine products not covered by the MSA (e-cigarettes and other vaping products). The Consensus Revenue Estimating Group (CREG) downgraded expectations for tobacco sales by \$5 million in their April forecast for the coming year. This resulted CREG issuing a reduction in the estimate for the MSA annuity from \$47 million to \$45 million for FY25.

In the budget table below, there are some key considerations:

- Items marked with a **dash** were discontinued in prior budget cycles and simply show up here due to the fiscal years being depicted.
- Items showing **tbd** are new for FY25. The intention is to have a board discussion about whether to recommend they continue or are treated as one-time appropriations.
- The \$5 million Public-Private Partnership line item was designated as a one-time expenditure by the legislature.
- Items with an **\*** are serving as full or partial share of required Maintenance of Effort funding.
- Items highlighted in  are serving as full or partial share of required Match funding.
- Items with an **\*\*** are new line items added in FY25.
- The table below shows funding continuing at FY25 levels for FY26. This is intended to be the baseline for discussion at our board meeting.

## CIF Budget

CIF Program	FY 2024	FY 2025	FY 2026 Recommendation
<b>Human Services</b>			
<i>Department for Children and Families</i>			
*Child Care Services	\$5,033,679	\$5,033,679	\$5,033,679
Family Preservation	\$3,241,062	-	-
**Workforce Registry	-	\$1,100,000	-
<b>Total -- Children and Families</b>	<b>\$8,274,741</b>	<b>\$6,133,679</b>	<b>\$5,033,679</b>
<i>Health and Environment</i>			
Healthy Start/Home Visitor	\$1,652,876	\$1,652,876	\$1,652,876
*Infants & Toddlers Program	\$5,800,000	\$5,800,000	\$5,800,000
Smoking Prevention Grants	\$1,001,960	\$1,001,960	\$1,001,960
SIDS Network Grant	\$122,106	\$122,106	\$122,106
**Child Care Health and Safety Grants		\$1,300,000	-
<b>Total -- KDHE - Health</b>	<b>\$8,576,942</b>	<b>\$9,876,942</b>	<b>\$8,576,942</b>
<b>Total -- Human Services</b>	<b>\$16,851,683</b>	<b>\$16,010,621</b>	<b>\$13,610,621</b>
<b>Education</b>			
<i>Department of Education</i>			
Children's Cabinet Accountability Fund	\$375,000	\$375,000	\$375,000
CIF Grants (ECBG)	\$23,720,493	\$23,720,493	\$23,720,493
Parent Education (PAT)	\$9,437,635	\$9,437,635	\$9,437,635
Pre-K Pilot Program	\$4,200,000	\$4,200,000	\$4,200,000
Early Childhood Infrastructure	\$1,408,512	\$1,408,512	\$1,408,512
Imagination Library (DPIL)	\$1,500,000	\$1,500,000	\$1,500,000
<b>Total -- Dept of Education</b>	<b>\$40,641,640</b>	<b>\$40,641,640</b>	<b>\$40,641,640</b>
<b>**Public Private Partnership (one time match)</b>	<b>-</b>	<b>\$5,000,000</b>	<b>-</b>
<b>Total -- Public Private Partnership</b>	<b>-</b>	<b>\$5,000,000</b>	<b>-</b>
<b>Total Expenditures</b>	<b>\$57,493,323</b>	<b>\$61,652,261</b>	<b>\$54,252,261</b>