

February 8, 2010

# Proposition 99 Overview

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LEGISLATIVE ANALYST'S OFFICE

Presented to:

Assembly Budget Committee

Hearing on the Every Women Counts Program

Hon. Noreen Evans, Chair





## Funding Allocations for Proposition 99 Accounts

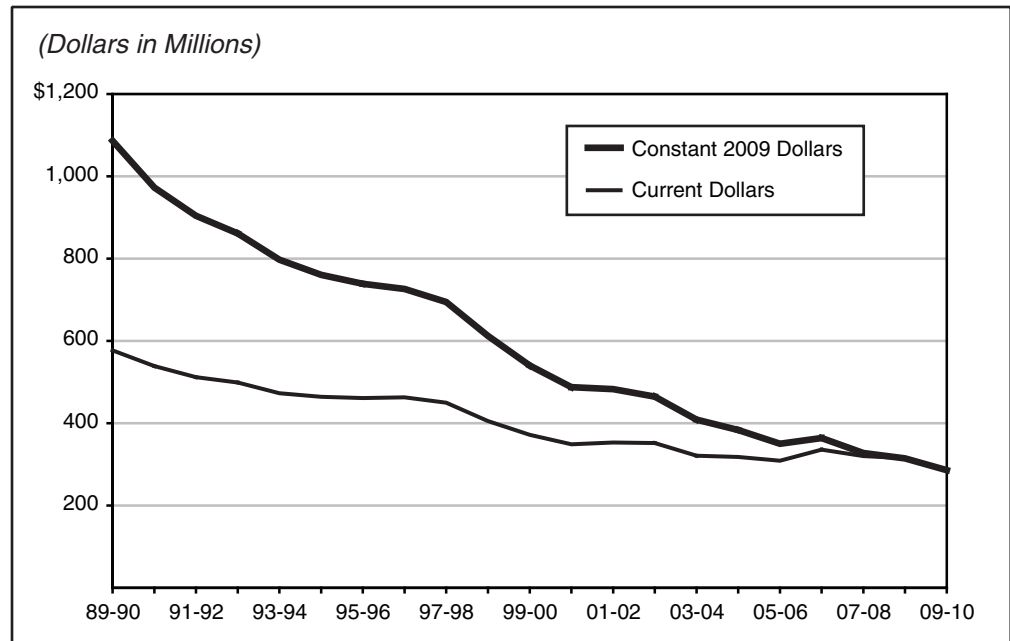
Account	Percentage of Revenues (2009-10 Projections)	Statutorily Defined Uses	Major Programs
Health Education Account	20 percent (\$56 million)	Prevention and reduction of tobacco use	<ul style="list-style-type: none"> <li>California Tobacco Control Program</li> <li>In-School Tobacco Use Prevention and Education program</li> </ul>
Research Account	5 percent (\$14 million)	Tobacco-related disease research	<ul style="list-style-type: none"> <li>California Cancer Registry</li> <li>Tobacco-Related Disease Research Program</li> </ul>
Public Resources Account	5 percent (\$14 million)	Programs for fish, waterfowl, and wildlife habitat; state and local park and recreation resources	<ul style="list-style-type: none"> <li>State parks</li> <li>Habitat restoration programs</li> </ul>
Hospital Services Account	35 percent (\$97 million)	Hospital services for persons who cannot afford to pay for services	<ul style="list-style-type: none"> <li>Orthopedic hospital settlement (Medi-Cal)</li> <li>Indigent health and community clinic programs</li> <li>Access for Infants and Mothers (AIM)</li> </ul>
Physician Services Account	10 percent (\$28 million)	Physician services for persons who cannot afford to pay for services	<ul style="list-style-type: none"> <li>Major Risk Medical Insurance Program (MRMIP)</li> </ul>
Unallocated Account	25 percent (\$69 million)	Any of the uses defined above	<ul style="list-style-type: none"> <li>Breast Cancer Early Detection—Every Woman Counts (EWC)</li> <li>Asthma Program</li> <li>Other health programs</li> </ul>

**Uses of Proposition 99 Funds Are Strictly Defined.** Proposition 99 is comprised of six different accounts, and each account has restrictions on the types of programs it can fund.

**Majority of Proposition 99 Funds Used for Health Programs.** The Hospital Services, Physician Services, and Unallocated accounts receive 70 percent of Proposition 99 revenues. These accounts have been used to fund various state and local health care programs.



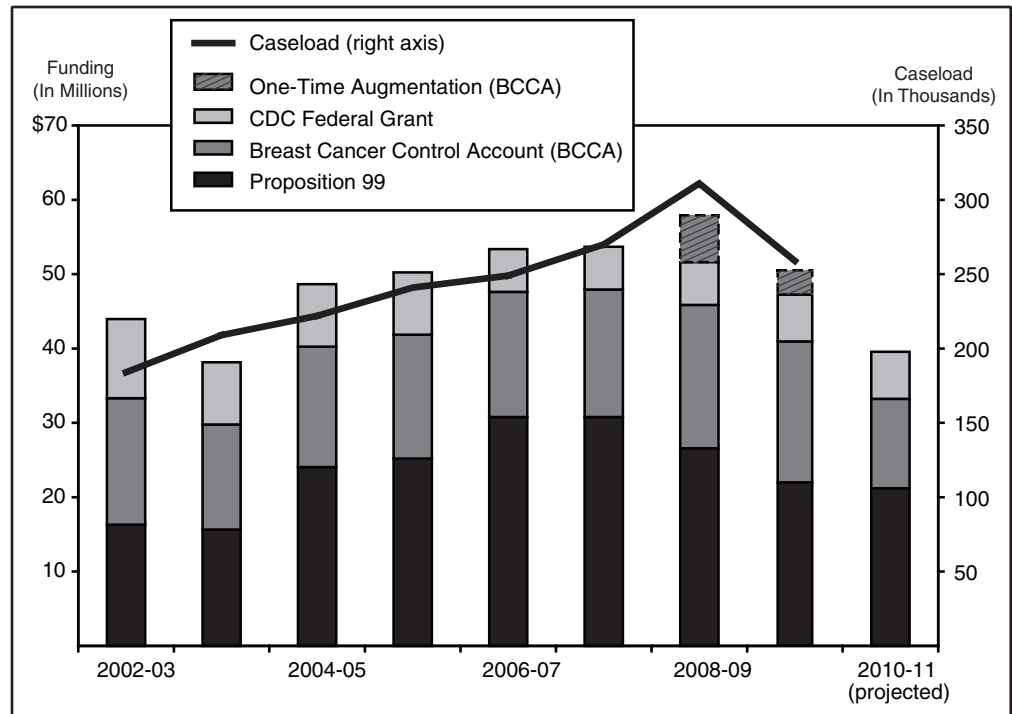
## Proposition 99 Revenue Declining



- Inflation and Decreases in Tobacco Consumption Reduce Revenues.*** Revenues collected under Proposition 99 have declined substantially since its inception, from about \$575 million in 1989-90 to \$285 million in 2009-10. In inflation-adjusted dollars, this decline is even more substantial.
- Declining Revenue Source Leads to Difficult Budget Decisions.*** Aligning revenues and expenditures in some Proposition 99 programs means either policy changes to contain costs or augmenting funding to support program growth.



## Caseload and Funding History for the Every Women Counts (EWC) Program



**Program Funding Has Not Kept Pace With Increased Demand.** Proposition 99 support for EWC has decreased since 2007-08. A one-time augmentation of unobligated Breast Cancer Control Accounts funds have helped to sustain the program in 2008-09 and 2009-10.