

STATE OF COLORADO
DEPARTMENT OF THE TREASURY

Cary Kennedy
State Treasurer



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PRESS RELEASE

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TREASURER PROTECTS HEALTH CARE SERVICES

Colorado State Treasurer Cary Kennedy finds a way to prevent cuts and provide health care services

DENVER-Colorado State Treasurer Cary Kennedy today proposed a change in statute to protect funding for health care services. The services are funded from payments received from tobacco companies subject to the Master Settlement Agreement. Payments as a result of the settlement are expected to drop by as much as \$20 million next year over a dispute as to what tobacco companies owe Colorado.

The state is due to receive \$18.7 million as part of the Strategic Contribution Fund Payment in April 2008. The payment is due to states that were early participants in the tobacco settlement of 1998. However, current laws do not allow for that money to be spent until the start of the next year.

"Families and children in need of health care services can't wait for years," said Kennedy. She proposed legislation to change the timing of when the Strategic Fund Payment can be spent. "By allowing these funds to be spent in the same year in which they're received, we can fill the shortfall," Kennedy said.

"This elegant and effective solution will ensure that hundreds of families in need all around Colorado will continue to benefit from critical services," said John Walsh, chair of Invest in Kids, an early childhood health and education group affected by the potential cuts.

Under current statute, funds received from the tobacco settlement are spent in the following year. Kennedy's proposal would allow a portion of those funds to be spent in the same year in which they are received.

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