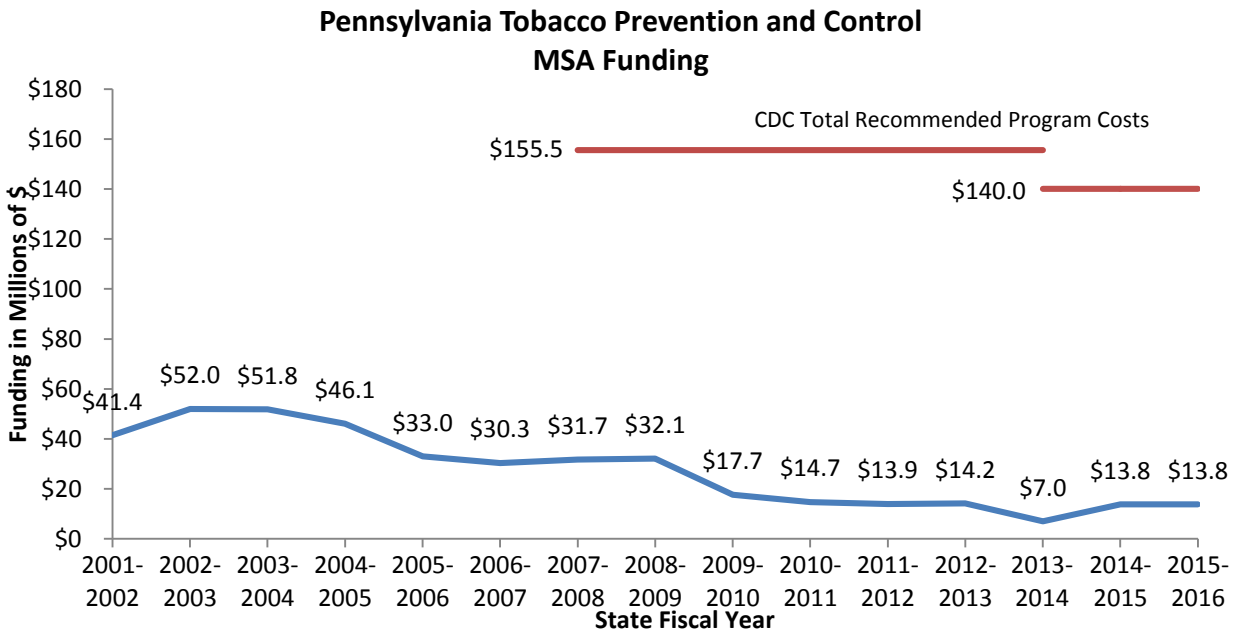
Tobacco Settlement Fund Overview

The Tobacco Settlement Fund (TSF) includes all revenues from the Master Settlement Agreement (MSA). The MSA was reached with the five major tobacco companies on December 17, 1999 and requires payments from these companies as compensation for the medical cost of caring for those with illnesses caused by smoking. However, under the Master Settlement Agreement the use of the funds is solely at the discretion of the states.

In Pennsylvania, the Tobacco Settlement Fund was established to provide funding for tobacco prevention and cessation programs and other healthcare programs. The tobacco prevention and cessation programs are legislated through Act 77 to receive 12 percent of MSA funding annually.

Since 2004, funding for tobacco prevention and cessation programs has been greatly reduced.



Sources: PA DOH, Act 77 Annual Report, SFY2002 to SFY2008; PA DOH 2009-2010 Budget; PA DOH 2010-2011 Budget; PA Appropriations Committee 2011-2012 Budget; PA DOH 1/7/13 email; PACT email 7/17/13; PA Office of the Budget 2013-14 Mid-Year Budget Briefing; PA DOH email 7/18/2014; PACT email

Sustaining this funding allows essential tobacco prevention and cessation programs to be maintained to help reduce tobacco related disease across the Commonwealth and help reduce the burden of health care costs associated with tobacco use and exposure.