

From: Baker, Josh
To: Soura, ChristianChristianSoura@gov.sc.gov
Date: 1/2/2014 6:54:57 PM
Subject: Re: HHS

This appears to be correct with your note that the 153 includes match transfer and they have not reduced her estimate per our earlier email. This will shift a little as we fix DDSN and I sit down with the detail. It's a good back of envelope.

Sent from my iPhone

On Jan 2, 2014, at 4:34 PM, "Soura, Christian" <ChristianSoura@gov.sc.gov> wrote:

Don't send this to them yet...take a look, and let me know what you think first:

Their current model has them at \$424M at the end of FY 2014-15, assuming they self-fund \$40M of projects and then receive \$58M from MSA, \$130.8M from cigarette taxes, \$3.9M from inbound match transfer, \$153M in recurring GF increases, and \$11.8M in one-time funding.

That \$424M would shift as follows, based upon these assumption changes...

- \$431M, after increasing the MSA revenue number from \$58M to \$68.972M.
- \$421M, after reducing cigarette tax revenue from \$130.8M to \$120.8M.
- \$409M, after having HHS self-fund the \$11.8M in one-time asks instead of having us fund them.
- \$301M, after reducing the recurring GF increase from \$153M to \$45M (Q: Does using \$153M here double-count the incoming match transfer?).
- \$326M, after giving them \$25M NR.
- \$350M, after they recognize \$24M in savings initiatives.

This does not have us giving them either the existing \$2.4M GF balance we have or shifting GF growth currently slotted to DDSN. Note also the question I raised about how we count the incoming match transfer. I suspect we'd do a fraction of both.

Anyway, does this make sense to you? Is anything else missing? And do we have the ability to replace these "to the nearest million" figures with actual numbers before we send something to HHS? Thanks.

CLS

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