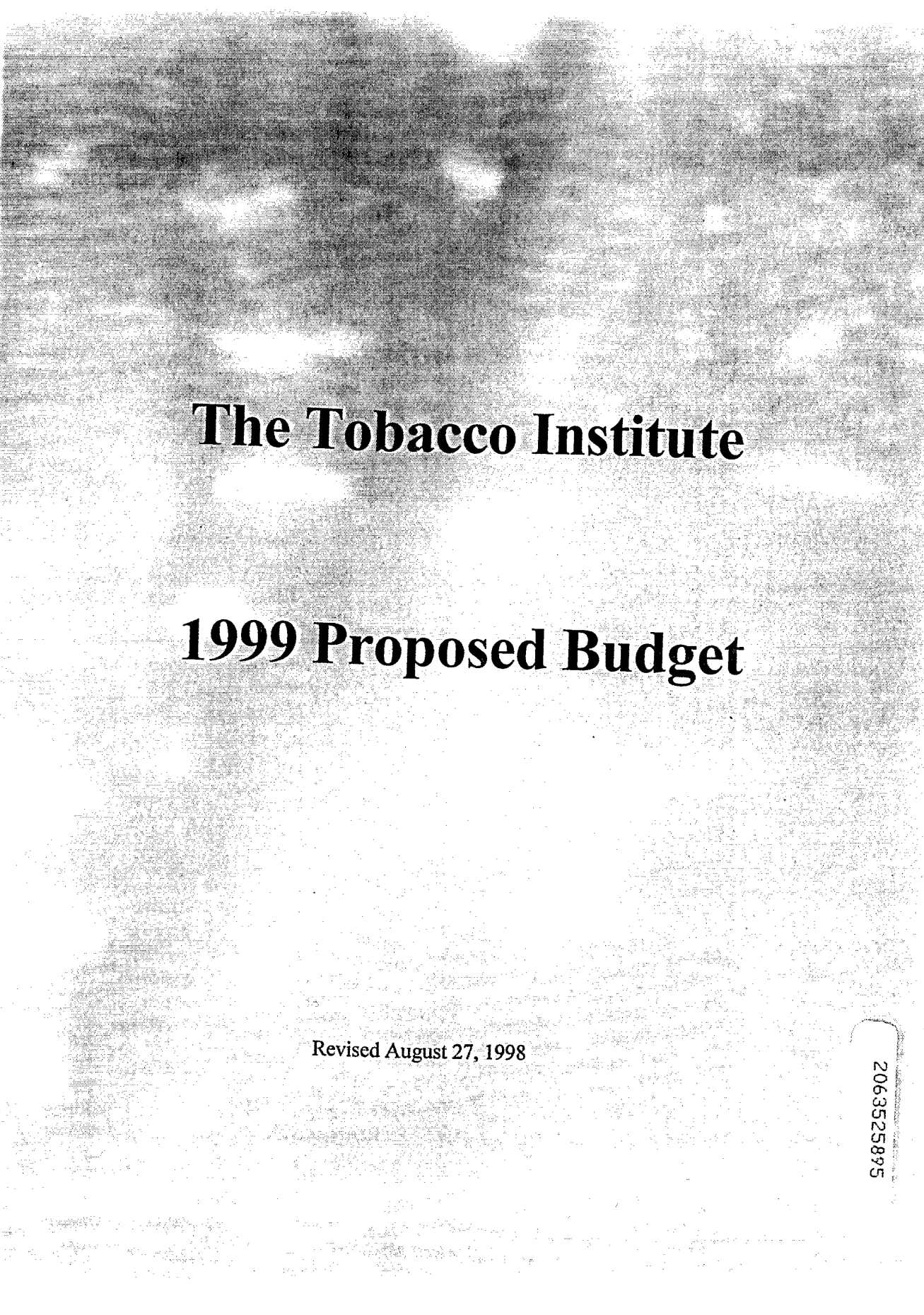




The Tobacco Institute

1999 Proposed Budget

Revised August 27, 1998

2063525895

THE TOBACCO INSTITUTE

1875 I STREET, NORTHWEST
WASHINGTON, DC. 20006
202/457-4800 • 800/898-4433

SAMUEL D. CHILCOTE, JR.
President

MEMORANDUM

September 11, 1998

TO: Howard S. Liebengood
Tommy J. Payne
Ernest Pepples
Arthur J. Stevens

FROM: Samuel D. Chilcote, Jr. 

SUBJECT: 1999 Tobacco Institute Budget

Attached for your review is a copy of The Tobacco Institute's proposed 1999 budget. This budget reflects the fact that The Institute and the industry are in somewhat of a holding pattern while tobacco settlement talks and legislative proposals continue to ferment.

The original budget prepared by my staff provided for a 6% increase in our 1999 operating budget. We have made cuts to reduce the proposed increase in our operating budget to 3%.

The Institute's operations continue to be severely restrained by the 20% decrease in our operating budget that was imposed on us in 1998.

Please call Bill Adams or me if you have any questions.

Attachment

cc: Kenneth J. Lapiejko
Ellen Merlo
Peter J. Marzullo
Carl L. Schoenbachler
Harry G. Steele
Stanley L. Temko

2063525896

The Tobacco Institute
1999 Proposed Budget
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I. Summary

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THE TOBACCO INSTITUTE

1999 Budget
Total Budget

	1998		1999		
	Budget (\$000)	Estimated Expenditures (\$000)	Authorized Positions	Budget (\$000)	Authorized Positions Requested
Federal Relations Division	\$2,406	\$2,406	6	\$2,490	6
State Activities Division	8,518	8,517	20	8,750	20
Public Affairs Division	5,581	5,543	13	5,671	13
Administrative Division	1,709	1,747	12	1,808	12
Operating Budget	\$18,214	\$18,213	51	\$18,719	51
Product Liability Litigation	12,000	12,000	-	12,000	-
Unified Youth Program	5,000	5,000	-	5,000	-
One-time Preparations for Washington, DC Office Sublease				169	
One-time Year 2000 Compliance				145	
Initiative Pass-Through Payments	288	288	-	-	-
Total Budget	\$35,502	\$35,501	51	\$36,033	51
					< 100% >
					1%

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The Tobacco Institute
1999 Budget
Summary by Account

Acct Description	Federal Relations Division	State Activities Division	Public Affairs Division	Unified Youth Program	Administrative Division	General Contingency Funds	Init. Pass Through Payments	Product Liability Litigation	Year 2000 Upgrades	FDA Matters	Total 1999 Budget
2800 Staff Compensation	\$998	\$1,554	\$978	\$0	\$1,551	\$0	\$0	\$0	\$0	-	\$5,081
3200 Employee Benefits	269	420	264	0	418	0	0	0	0	-	1,371
3900 Travel	490	575	65	0	39	0	0	0	0	-	1,169
4000 Conferences & Meetings	0	150	0	0	7	0	0	0	0	-	157
4100 Automobiles-Regional VPs	0	61	0	0	0	0	0	0	0	-	61
4300 Rent - Space	0	88	0	0	851	<72>	0	0	0	-	867
4600 Other Occupancy Expense	0	14	5	0	31	0	0	0	0	-	50
4700 Furniture, Fixtures & Equipment	2	8	0	0	31	190	0	0	0	-	231
4800 Books & Subscriptions	5	4	50	0	4	0	0	0	0	-	63
4900 Equip., Repairs & Maintenance	0	4	0	0	36	0	0	0	0	-	40
5000 Office Supplies	0	10	2	0	61	0	0	0	0	-	73
5100 Postage & Delivery Services	7	25	43	803	28	0	0	0	0	-	906
5200 Reproduction & Printing	2	8	20	920	55	0	0	0	0	-	1,005
5300 Telephone & Fax	8	108	10	0	101	0	0	0	0	-	227
5400 Other Office Expense	74	4	5	0	65	0	0	0	0	-	148
5500 Staff Training & Memberships	10	10	10	0	14	0	0	0	0	-	44
5800 Legal Fees	60	500	15	0	120	0	0	12,000	0	-	12,695
6000 Legislative Consultants	0	3,189	0	0	0	0	0	0	0	-	3,189
6200 Advertising Expense	0	0	0	0	0	0	0	0	0	-	0
6600 Business Taxes	0	160	1	0	15	0	0	0	0	-	176
6900 Employee Recruitment & Relocation	0	15	10	0	15	0	0	0	0	-	40
7200 Miscellaneous Expense	0	0	2	0	0	0	0	0	0	-	2
7300 Professional Fees	10	420	551	3,277	36	51	0	0	0	-	4,345
7400 Purchased Administrative Services	0	0	1	0	0	0	0	0	0	-	1
7500 Suprt Tob & Other Organizations	35	430	2,964	0	0	0	0	0	0	-	3,429
7700 State Campaign Contributions	0	435	2	0	0	0	0	0	0	-	437
8000 Computer Services	15	0	100	0	24	0	0	0	145	-	284
9100 Data Processing Allocation	68	122	136	0	<326>	0	0	0	0	-	0
9300 TTTL Administrative Allocation	0	0	0	0	<57>	0	0	0	0	-	<57>
9400 Occup. & Office Expense Allocation	437	437	437	0	<1,311>	0	0	0	0	-	0
TOTALS	\$2,490	\$8,750	\$5,671	\$5,000	\$1,808	\$169	-	\$12,000	\$145	-	\$36,033

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The Tobacco Institute

1999 Budget

Summary by Account Part 1 of 3

Acct Description	Federal Relations				State Activities				Public Affairs				Unified Youth Program				Administrative			
	1998		1999		1998		1999		1998		1999		1998		1999		1998		1999	
	Budget	Estimated	Budget	Budget	Budget	Estimated	Budget	Budget	Budget	Estimated	Budget	Budget	Budget	Estimated	Budget	Budget	Budget	Estimated	Budget	Budget
2800 Staff Compensation	\$953	\$950	\$998	\$1,479	\$1,440	\$1,554	\$959	\$945	\$978	-	-	-	-	-	-	\$1,480	\$1,501	\$1,551	-	-
3200 Employee Benefits	258	257	269	399	389	420	259	255	264	-	-	-	-	-	-	399	405	418	-	-
3900 Travel	455	495	490	500	639	575	80	80	65	-	-	-	-	-	-	39	37	39	-	-
4000 Conferences & Meetings	-	-	-	150	180	150	-	-	-	-	-	-	-	-	-	7	23	7	-	-
4100 Automobiles-Regional VPs	-	-	-	57	57	61	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4300 Rent - Space	-	-	-	81	80	88	-	-	-	-	-	-	-	-	-	762	762	851	-	-
4600 Other Occupancy Expense	-	-	-	14	13	14	5	5	5	-	-	-	-	-	-	31	30	31	-	-
4700 Furniture,Fixtures & Equipment	2	1	2	10	7	8	-	-	-	-	-	-	-	-	-	24	33	31	-	-
4800 Books & Subscriptions	5	3	5	6	5	4	30	50	50	-	-	-	-	-	-	4	4	4	-	-
4900 Equip., Repairs & Maintenance	-	-	-	5	3	4	-	-	-	-	-	-	-	-	-	41	41	36	-	-
5000 Office Supplies	-	-	-	15	11	10	2	2	2	-	-	-	-	-	-	62	61	61	-	-
5100 Postage & Delivery Services	7	3	7	25	29	25	43	43	43	-	-	-	-	-	-	30	30	28	-	-
5200 Reproduction & Printing	2	1	2	9	7	8	85	70	20	-	-	-	-	-	-	65	60	55	-	-
5300 Telephone & Fax	5	10	8	150	179	108	10	10	10	-	-	-	-	-	-	115	115	101	-	-
5400 Other Office Expense	45	63	74	3	7	4	10	5	5	-	-	-	-	-	-	65	65	65	-	-
5500 Staff Training & Memberships	10	4	10	10	12	10	10	10	10	-	-	-	-	-	-	14	14	14	-	-
5800 Legal Fees	100	55	60	500	450	500	25	15	15	-	-	-	-	-	-	120	120	120	-	-
6000 Legislative Consultants	11	10	-	3,131	3,110	3,189	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6200 Advertising Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6600 Business Taxes	-	-	-	157	140	160	1	1	1	-	-	-	-	-	-	-	-	-	-	-
6900 Employee Recruitment & Relocation	-	-	-	25	5	15	10	10	10	-	-	-	-	-	-	17	15	15	-	-
7200 Miscellaneous Expense	-	-	-	-	-	-	2	2	2	-	-	-	-	-	-	15	15	15	-	-
7300 Professional Fees	10	10	10	413	410	420	454	419	551	-	-	-	-	-	-	38	43	36	-	-
7400 Purchased Administrative Services	-	-	-	-	-	-	1	1	1	-	-	-	-	-	-	-	-	-	-	-
7500 Suprt Tob & Other Organizations	35	35	35	423	394	430	2,929	2,954	2,964	-	-	-	-	-	-	-	-	-	-	-
7700 State Campaign Contributions	-	-	-	407	403	435	2	2	2	-	-	-	-	-	-	-	-	-	-	-
8000 Computer Services	15	15	15	-	-	-	100	100	100	-	-	-	-	-	-	44	36	24	-	-
9100 Data Processing Allocation	70	70	68	125	125	122	140	140	136	-	-	-	-	-	-	<335>	<335>	<326>	-	-
9300 TTTL Administrative Allocation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	<36>	<56>	<57>	-	-
9400 Occup. & Office Expense Allocation	424	424	437	424	424	437	424	424	437	-	-	-	-	-	-	<1,272>	<1,272>	<1,311>	-	-
TOTALS	\$2,407	\$2,406	\$2,490	\$8,518	\$8,519	\$8,748	\$5,581	\$5,543	\$5,671	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$1,709	\$1,747	\$1,808	-	-

ISR.SUM1 (TYP6)

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The Tobacco Institute

1999 Budget

Summary by Account Part 2 of 3

Acct Description	General Contingency Funds		Init. Pass-Through Pymts		Product Liability Litigation		Year 2000 Upgrades		FDA Matters	
	1998 Budget	1998 Estimated Budget	1999 Budget	1998 Estimated Budget	1998 Budget	1998 Estimated Budget	1998 Budget	1998 Estimated Budget	1998 Budget	1999 Budget
2800 Staff Compensation	-	-	-	-	-	-	-	-	-	-
3200 Employee Benefits	-	-	-	-	-	-	-	-	-	-
4300 Rent - Space	-	-	<72>	-	-	-	-	-	-	-
4700 Furniture, Fixtures & Equipment	-	-	190	-	-	-	-	-	-	-
5800 Legal Fees	-	-	-	-	12,000	12,000	-	-	-	-
6000 Legislative Consultants	-	-	288	288	-	-	-	-	-	-
7300 Professional Fees	-	-	51	-	-	-	-	-	-	-
8000 Computer Services	-	-	-	-	-	-	-	145	-	-
TOTALS	-	-	\$169	\$288	-	\$12,000	\$12,000	\$12,000	-	\$145

ISR.SUM1 (TYP6)

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The Tobacco Institute
1999 Budget
Summary by Account Part 3 of 3

Acct Description	1998 Budget	1998 Estimated	1999 Budget
2800 Staff Compensation	\$4,871	\$4,836	\$5,081
3200 Employee Benefits	1,315	1,306	1,371
3900 Travel	1,074	1,251	1,169
4000 Conferences & Meetings	157	203	157
4100 Automobiles-Regional VPs	57	57	61
4300 Rent - Space	843	842	867
4600 Other Occupancy Expense	50	48	50
4700 Furniture,Fixtures & Equipment	36	41	231
4800 Books & Subscriptions	45	62	63
4900 Equip., Repairs & Maintenance	46	44	40
5000 Office Supplies	79	74	73
5100 Postage & Delivery Services	908	908	906
5200 Reproduction & Printing	1,081	1,058	1,005
5300 Telephone & Fax	280	314	227
5400 Other Office Expense	123	140	148
5500 Staff Training & Memberships	44	40	44
5800 Legal Fees	12,745	12,640	12,695
6000 Legislative Consultants	3,429	3,408	3,189
6200 Advertising Expense	-	-	-
6600 Business Taxes	175	156	176
6900 Employee Recruitment & Relocation	50	30	40
7200 Miscellaneous Expense	2	2	2
7300 Professional Fees	4,192	4,159	4,345
7400 Purchased Administrative Services	1	1	1
7500 Suprt Tob & Other Organizations	3,387	3,383	3,429
7700 State Campaign Contributions	409	405	437
8000 Computer Services	159	151	284
9100 Data Processing Allocation	-	-	-
9300 TTTL Administrative Allocation	<56>	<56>	<57>
9400 Occup. & Office Expense Allocation	-	-	-
TOTALS	\$35,502	\$35,503	\$36,032

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2. Fed. Relations Div.

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THE TOBACCO INSTITUTE
1999 Budget
Federal Relations Division

	1998		1999		
	Budget (\$000)	Estimated Expenditures (\$000)	Authorized Positions	Budget (\$000)	Authorized Positions Requested
1201 Federal Relations Division	\$2,406	\$2,406	6	\$2,490	6
					3%
Total Budget	\$2,406	\$2,406	6	\$2,490	6
					3%

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The Tobacco Institute
1999 Budget
Federal Relations Division

FEDERAL RELATIONS DIVISION

Cost Center No. 1201

Authorized Positions 1998 - 6

Authorized Positions Requested 1999 - 6

	1998 Budget (\$000)	1998 Estimated (\$000)	1999 Budget (\$000)
2800 Staff Compensation	\$953	\$950	\$998
3200 Employee Benefits	258	257	269
3900 Travel	455	495	490
4700 Furniture,Fixtures & Equipment	2	1	2
4800 Books & Subscriptions	5	3	5
5100 Postage & Delivery Services	7	3	7
5200 Reproduction & Printing	2	1	2
5300 Telephone & Fax	5	10	8
5400 Other Office Expense	45	63	74
5500 Staff Training & Memberships	10	4	10
5800 Legal Fees	100	55	60
6000 Legislative Consultants	11	10	0
7300 Professional Fees	10	10	10
7500 Suprt Tob & Other Organizations	35	35	35
8000 Computer Services	15	15	15
9100 Data Processing Allocation	70	70	68
9400 Occup. & Office Expense Allocation	424	424	437
Totals	\$2,406	\$2,406	\$2,490

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The Tobacco Institute
1999 Budget
Federal Relations Division

FEDERAL RELATIONS DIVISION

Cost Center No. 1201

STAFFING SCHEDULE

8/27/98

Months of Employment

<u>Employee Name</u>		<u>1998 Budget</u>	<u>1998 Estimated</u>	<u>1999 Budget</u>
S. Wilson	Sr. V.P./Division Director	12	12	12
R. Tallon	V.P./Legislative Representative	12	12	12
R. Vinovich	V.P./Legislative Representative	12	12	12
R. White	V.P./Legislative Representative	12	12	12
S. Ruyle	Administrative Assistant	12	12	12
D. Sentipal	Staff Assistant	12	12	12
Totals		72	72	72

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The Tobacco Institute
1999 Budget
Federal Relations Division

FEDERAL RELATIONS DIVISION

Cost Center No. 1201

	1998 Budget (\$000)	1998 Estimated (\$000)	1999 Budget (\$000)
<u>Account #5801 Legal Fees</u>			
Covington & Burling - federal legislative matters	\$100	\$55	\$60
Total	\$100	\$55	\$60

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The Tobacco Institute
1999 Budget
Federal Relations Division

FEDERAL RELATIONS DIVISION

Cost Center No. 1201

	1998 Budget (\$000)	1998 Estimated (\$000)	1999 Budget (\$000)
<u>Account #7300 Professional Fees</u>			
Honoraria payments to charities	\$10	\$10	\$10
Total	\$10	\$10	\$10

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The Tobacco Institute
1999 Budget
Federal Relations Division

FEDERAL RELATIONS DIVISION

Cost Center No. 1201

	1998 Budget (\$000)	1998 Estimated (\$000)	1999 Budget (\$000)
<u>Account #8000 Computer Services</u>			
Access fees to "Washington Alert" and other legislative tracking services	\$15	\$15	\$15
Total	\$15	\$15	\$15

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3. State Activities Div.

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THE TOBACCO INSTITUTE
1999 Budget
State Activities Division

	1998		1999		
	Budget (\$000)	Estimated Expenditures (\$000)	Authorized Positions	Budget (\$000)	Authorized Positions Requested
National Headquarters Administration	\$7,725	\$7,667	6	\$7,968	6
Regional Offices	792	850	14	782	14
					< 8% >
Total Budget	\$8,518	\$8,517	20	\$8,750	20
					3%

SAD.DSR (TYP1)

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The Tobacco Institute
1999 Budget
State Activities Division

NATIONAL HEADQUARTERS

Cost Center No. 1401

Authorized Positions 1998 - 6

Authorized Positions Requested 1999 - 6

	1998 Budget	1998 Estimated	1999 Budget
2800 Staff Compensation	\$1,479,000	\$1,440,000	\$1,554,000
3200 Employee Benefits	399,000	389,000	420,000
3900 Travel	58,000	141,000	100,000
4000 Conferences & Meetings	150,000	180,000	150,000
4800 Books & Subscriptions	1,000	500	800
5000 Office Supplies	300	300	300
5100 Postage & Delivery Services	9,450	16,700	10,000
5200 Reproduction & Printing	2,000	1,000	1,500
5300 Telephone & Fax	20,000	31,800	20,800
5400 Other Office Expense	1,200	3,700	1,700
5500 Staff Training & Memberships	1,900	3,800	2,500
5800 Legal Fees	500,000	450,000	500,000
6000 Legislative Consultants	3,130,500	3,109,500	3,189,000
6600 Business Taxes	156,000	139,000	159,000
6900 Employee Recruitment & Relocation	25,000	5,000	15,000
7300 Special Projects	413,000	410,000	419,500
7500 Suprt Tob & Other Organizations	422,875	393,600	429,525
7700 National Political Orgs. Contributions	407,000	402,950	435,000
9100 Data Processing Allocation	125,000	125,000	122,000
9400 Occup. & Office Expense Allocation	424,000	424,000	437,000
Totals	<u>\$7,725,225</u>	<u>\$7,666,850</u>	<u>\$7,967,625</u>

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The Tobacco Institute
1999 Budget
State Activities Division

STATE ACTIVITIES DIVISION

Cost Center No. 1401

STAFFING SCHEDULE

8/27/98

Months of Employment

Employee Name		1998 Budget	1998 Estimated	1999 Budget
P. Donoho	Sr. V.P./Division Director	12	12	12
Vacant	V.P. Special Projects	12	8	12
M. Carson	Regional Vice President	12	12	12
R. Rizzo	Regional Vice President	12	12	12
D. Horazdovsky	Regional Vice President	12	12	12
Ra. Morris	Regional Vice President	12	12	12
D. Howle	Regional Vice President	12	12	12
J. Shipper	Regional Vice President	12	12	12
Ro. Morris	Regional Vice President	12	12	12
G. Anderson	Regional Vice President	12	12	12
Vacant	Director, Administrative Services	12	12	12
J. Brock	Administrative Assistant	12	12	12
D. Pearson	Staff Assistant	12	12	12
B. Percynski	Staff Assistant	12	12	12
T. Baldwin	Administrative Secretary	12	12	12
M. Byrne	Administrative Secretary	12	12	12
V. Brown	Administrative Secretary	12	12	12
A. Vanloon	Administrative Secretary	12	12	12
T. Olivares	Administrative Secretary	12	12	12
W. Blair	Administrative Secretary	12	12	12
Totals		240	236	240

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**The Tobacco Institute
1999 Budget
State Activities Division**

NATIONAL HEADQUARTERS

Cost Center No. 1401

	<u>1998 Budget</u>	<u>1998 Estimated</u>	<u>1999 Budget</u>
<u>Account #4001 Conferences & Meetings</u>			
NATIONAL HEADQUARTERS			
National lobbyist meeting	\$150,000	\$180,000	\$150,000
Total	<u>\$150,000</u>	<u>\$180,000</u>	<u>\$150,000</u>

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**The Tobacco Institute
1999 Budget
State Activities Division**

NATIONAL HEADQUARTERS

Cost Center No. 1401

	<u>1998 Budget</u>	<u>1998 Estimated</u>	<u>1999 Budget</u>
<u>Account #5100 Postage & Delivery Services</u>			
NATIONAL HEADQUARTERS			
Overnight delivery, postage/ freight (permits, BRM fees, materials, shipments)	\$9,450	\$16,700	\$10,000
Total	<u>\$9,450</u>	<u>\$16,700</u>	<u>\$10,000</u>

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The Tobacco Institute
1999 Budget
State Activities Division

NATIONAL HEADQUARTERS

Cost Center No. 1401

	<u>1998 Budget</u>	<u>1998 Estimated</u>	<u>1999 Budget</u>
<u>Account #5800 Legal Fees</u>			
NATIONAL HEADQUARTERS			
Covington & Burling - state and local legislative matters	\$500,000	\$450,000	\$500,000
Total	<u>\$500,000</u>	<u>\$450,000</u>	<u>\$500,000</u>

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The Tobacco Institute
1999 Budget
State Activities Division

NATIONAL HEADQUARTERS COST CENTER

No. 1401

	1998 Budget	1998 Estimated	1999 Budget
<u>Account #6000 Legislative Consultants</u>			
	\$3,130,500	\$3,109,500	\$3,189,000
	<u>\$3,130,500</u>	<u>\$3,109,500</u>	<u>\$3,189,000</u>

The Tobacco Institute
1999 Budget
State Activities Division

NATIONAL HEADQUARTERS

Cost Center No. 1401

	1998 Budget	1998 Estimated	1999 Budget
<u>Account #6000 Legislative Consultants</u>			
ALABAMA			
Lester White	\$52,500	\$52,500	\$52,500
ALASKA			
Sam Kito	55,000	50,000	50,000
ARIZONA			
Don Isaacson	72,500	72,500	76,000
ARKANSAS			
Stewart Bell	32,000	32,000	33,000
CALIFORNIA			
Phil Dowd	165,000	165,000	165,000
COLORADO			
Frank Hays	70,000	70,000	75,000
CONNECTICUT			
Bourke Spellacy	97,500	97,500	97,500
DELAWARE			
Dave Poffenberger	38,000	38,000	38,000
FLORIDA			
Guy M. Spearman	82,000	82,000	82,000
Arthur R. Collins (Public Private Partnership)	40,000	40,000	40,000
GEORGIA			
Boyd Pettit	60,000	60,000	60,000
HAWAII			
Norman Suzuki	65,000	65,000	65,000
IDAHO			
William Roden	40,000	40,000	43,000

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**The Tobacco Institute
1999 Budget
State Activities Division**

NATIONAL HEADQUARTERS

Cost Center No. 1401

	<u>1998 Budget</u>	<u>1998 Estimated</u>	<u>1999 Budget</u>
<u>Account #6000 Legislative Consultants (Continued)</u>			
ILLINOIS			
John O'Connell	\$72,500	\$72,500	\$74,000
INDIANA			
Thomas F. Fruechtenicht	44,000	44,000	45,000
IOWA			
Charles Wasker	65,000	65,000	67,500
KANSAS			
Pat Hubbell	45,000	45,000	46,000
KENTUCKY			
Roy Strange	40,000	40,000	40,000
LOUISIANA			
Johnny Koch	70,000	70,000	72,500
MAINE			
Severin Beliveau	72,500	72,500	72,500
MARYLAND			
Bill Pitcher	72,000	72,000	72,000
MASSACHUSETTS			
John Burke	78,000	78,000	79,500
MICHIGAN			
Governmental Consultant Services, Inc.	90,000	90,000	93,000
MINNESOTA			
Tom Kelm	120,000	120,000	120,000
MISSISSIPPI			
Clare Hester	36,000	36,000	40,000
MISSOURI			
John Britton	62,000	62,000	64,000

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**The Tobacco Institute
1999 Budget
State Activities Division**

NATIONAL HEADQUARTERS

Cost Center No. 1401

	1998 Budget	1998 Estimated	1999 Budget
<u>Account #6000 Legislative Consultants (Continued)</u>			
MONTANA			
Jerome Anderson	\$52,000	\$52,000	\$54,000
NEBRASKA			
Bill Peters	33,000	33,000	35,000
NEVADA			
Jack Jeffrey	47,000	47,000	50,000
NEW HAMPSHIRE			
George Jones	38,000	40,000	44,000
NEW JERSEY			
Roger Bodman	80,000	80,000	80,000
NEW MEXICO			
Bob Barberousse	44,000	44,000	46,000
NEW YORK			
Daniel Adams	70,000	70,000	70,000
Jeff Hill	60,000	60,000	60,000
NORTH CAROLINA			
Roger W. Bone	58,000	58,000	60,000
NORTH DAKOTA			
Tom Smith	29,000	29,000	30,000
OHIO			
Pete O'Grady	52,000	52,000	53,000
OKLAHOMA			
Ken Nance	54,000	54,000	56,000
OREGON			
Richard Koesan	52,500	52,500	52,500

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**The Tobacco Institute
1999 Budget
State Activities Division**

NATIONAL HEADQUARTERS

Cost Center No. 1401

	1998 Budget	1998 Estimated	1999 Budget
<u>Account #6000 Legislative Consultants (Continued)</u>			
PENNSYLVANIA			
Eugene Knopf	\$82,000	\$82,000	\$82,000
RHODE ISLAND			
Wally Gernt	40,000	40,000	40,000
SOUTH CAROLINA			
Ken Kinard	45,000	45,000	45,000
SOUTH DAKOTA			
Jeremiah Murphy	44,500	44,500	45,500
TENNESSEE			
Cleve Smith	57,500	57,500	57,500
TEXAS			
Susan Longley	94,500	94,500	94,500
UTAH			
Jim Stewart (Jones, Waldo)	57,000	57,000	60,000
VERMONT			
Edward Miller	37,000	37,000	39,000
VIRGINIA			
Anthony Troy	70,000	70,000	70,000
WASHINGTON			
Todd Mielke	60,000	50,000	50,000
WEST VIRGINIA			
Rodney Berry	37,000	37,000	40,000
WISCONSIN			
Peter Theo	80,000	47,000	65,000
WYOMING			
William Thomson	45,000	45,000	47,000

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**The Tobacco Institute
1999 Budget
State Activities Division**

NATIONAL HEADQUARTERS

Cost Center No. 1401

	<u>1998 Budget</u>	<u>1998 Estimated</u>	<u>1999 Budget</u>
<u>Account #6000 Legislative Consultants (Continued)</u>			
NATIONAL HEADQUARTERS			
Additional lobbyists/contingency	<\$25,000>	\$0	\$0
Total	<u>\$3,130,500</u>	<u>\$3,109,500</u>	<u>\$3,189,000</u>

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**The Tobacco Institute
1999 Budget
State Activities Division**

NATIONAL HEADQUARTERS

Cost Center No. 1401

	<u>1998 Budget</u>	<u>1998 Estimated</u>	<u>1999 Budget</u>
<u>Account #6600 Business Taxes</u>			
NATIONAL HEADQUARTERS			
The Tobacco Institute, because it makes state and local political contributions, is a "political organization" as defined in section 527(f) of the Internal Revenue Code. Such political organizations are subject to a 35% tax on their taxable income. For The Institute, taxable income is defined as the lesser of net investment income or campaign contributions. The Institute expects to have approximately \$410,000 taxable income in 1998. The tax on this income will be payable in 1999.	\$141,000	\$124,000	\$144,000
Sales taxes on state legislative consultant fees (PA, CT, and SD) and miscellaneous business taxes	15,000	15,000	15,000
Total	<u>\$156,000</u>	<u>\$139,000</u>	<u>\$159,000</u>

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The Tobacco Institute
1999 Budget
State Activities Division

NATIONAL HEADQUARTERS COST CENTER

No. 1401

	1998 Budget	1998 Estimated	1999 Budget
<u>Account #7300 Professional Fees</u>			
Local Legislative Consultants (7310)	\$273,000	\$270,000	\$286,500
State & Local Special Projects (7320)	140,000	140,000	133,000
	<u>\$413,000</u>	<u>\$410,000</u>	<u>\$419,500</u>

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**The Tobacco Institute
1999 Budget
State Activities Division**

NATIONAL HEADQUARTERS

Cost Center No. 1401

	1998 Budget	1998 Estimated	1999 Budget
<u>Account #7310 Consultants</u>			
ILLINOIS			
Cook County (Tom Lyons)	\$30,000	\$30,000	\$30,000
Chicago (Tom Lyons)	30,000	30,000	30,000
Local consult. (J. O'Connell)	22,500	22,500	24,000
MINNESOTA			
Tom Briant	40,000	40,000	40,000
NEW HAMPSHIRE			
Local contingency	3,000	0	0
NEW YORK			
Norm Adler	62,500	62,500	62,500
NATIONAL HEADQUARTERS			
Professional fees in connection with a limited local legislative program	85,000	85,000	100,000
Total	\$273,000	\$270,000	\$286,500

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The Tobacco Institute
1999 Budget
State Activities Division

NATIONAL HEADQUARTERS

Cost Center No. 1401

	1998 Budget	1998 Estimated	1999 Budget
<u>Account #7320 Special Projects</u>			
ARIZONA			
Local govt. projects	\$0	\$0	\$10,000
ARKANSAS			
Local govt. projects	0	0	5,000
CALIFORNIA			
Local govt. projects	0	0	50,000
COLORADO			
Local govt. projects	0	0	10,000
Hispanic coalition	0	0	1,000
KANSAS			
Local govt. projects	0	0	5,000
MISSOURI			
Local govt. projects	0	0	5,000
MONTANA			
Tax project	0	0	10,000
NEVADA			
Nevada tax project	0	0	10,000
NEW MEXICO			
NM Tax Project	0	0	3,000
OREGON			
Local govt. projects	0	0	15,000
UTAH			
UT Tax Project	0	0	5,000
WYOMING			
WY Tax Project	0	0	4,000

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The Tobacco Institute
1999 Budget
State Activities Division

NATIONAL HEADQUARTERS

Cost Center No. 1401

	<u>1998 Budget</u>	<u>1998 Estimated</u>	<u>1999 Budget</u>
<u>Account #7320 Special Projects (Continued)</u>			
NATIONAL HEADQUARTERS			
National Initiative Strategy Team	\$140,000	\$140,000	\$0
Total	<u>\$140,000</u>	<u>\$140,000</u>	<u>\$133,000</u>

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The Tobacco Institute

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State Activities Division

NATIONAL HEADQUARTERS COST CENTER

No. 1401

	1998 Budget	1998 Estimated	1999 Budget
<u>Account #7500 Support to Other Organizations</u>			
Wholesaler Organizations (7510)	\$169,750	\$169,750	\$181,500
Contributions to state tobacco wholesaler organizations for purpose of maintaining and improving relationships with these organizations.			
National/State Organizations (7520)	253,125	223,850	248,025
Contributions made to national and state organizations for purposes of maintaining and improving relationships and political and legislative conatacts.			
	<u>\$422,875</u>	<u>\$393,600</u>	<u>\$429,525</u>

The Tobacco Institute
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State Activities Division

NATIONAL HEADQUARTERS

Cost Center No. 1401

	1998 Budget	1998 Estimated	1999 Budget
<u>Account #7510 Suprt Tob & Other Organizations</u>			
CALIFORNIA			
CDA - Wholesalers	\$30,000	\$30,000	\$30,000
COLORADO			
CO Wholesalers	3,000	3,000	3,000
FLORIDA			
FL Wholesalers	5,000	5,000	5,000
IDAHO			
ID Wholesale Marketers Assn	0	0	1,000
ILLINOIS			
Illinois Whloesalers	25,000	25,000	25,000
KENTUCKY			
	3,000	3,000	3,000
LOUISIANA			
Louisana Wholesale Candy/Tobacco	750	750	1,500
MARYLAND			
Maryland Wholesalers	10,000	10,000	10,000
MICHIGAN			
Michigan Wholesalers	20,000	20,000	20,000
MINNESOTA			
MN Wholesaler Assn	12,000	12,000	12,000
MISSOURI			
MO Tobacco & Candy Distributors	0	0	3,000
MONTANA			
MT Wholesalers	6,000	6,000	6,000
NEVADA			
NV Wholesalers	2,000	2,000	2,500

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The Tobacco Institute
1999 Budget
State Activities Division

NATIONAL HEADQUARTERS

Cost Center No. 1401

	1998 Budget	1998 Estimated	1999 Budget
<u>Account #7510 Suprt Tob & Other Organizations (Continued)</u>			
NEW YORK			
NY State Wholesalers & Marketers	\$0	\$0	\$5,000
OHIO			
Ohio Wholesalers	10,000	10,000	10,000
OKLAHOMA			
	5,000	5,000	5,000
PENNSYLVANIA			
Pennsylvania Wholesalers	10,000	10,000	10,000
SOUTH DAKOTA			
SD Wholesalers	3,000	3,000	3,000
TEXAS			
TX Wholesalers	2,500	2,500	3,500
VIRGINIA			
Virgina Wholesalers	5,000	5,000	5,000
WEST VIRGINIA			
	10,000	10,000	10,000
WYOMING			
WY Wholesalers	7,500	7,500	8,000
Total	<u>\$169,750</u>	<u>\$169,750</u>	<u>\$181,500</u>

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The Tobacco Institute
1999 Budget
State Activities Division

NATIONAL HEADQUARTERS

Cost Center No. 1401

	1998 Budget	1998 Estimated	1999 Budget
<u>Account #7520 Support of Nat'l/State Orgs.</u>			
ALABAMA			
Alabama Retail Association	\$1,250	\$750	\$1,250
Alabama Grocers Association	500	600	500
Alabama Oil Jobbers	500	500	500
Alabama Candy & Tobacco Assn	500	500	0
Black Caucus Foundation	2,500	1,250	2,500
ALASKA			
Alaska Taxpayers Association	500	500	500
Alaska Restaurant Association	250	250	250
ARIZONA			
Arizona Licensed Beverage Assn	1,000	1,000	1,000
Arizona Restaurant Association	700	1,000	1,000
Arizona Retail Association	250	250	0
Tucson Chamber of Commerce	250	250	250
Arizona Tax Research Association	250	250	250
Arizona Food Marketing Alliance	1,000	1,000	1,000
ARKANSAS			
Arkansas Civic Organizations	1,500	0	0
Arkansas Hospitality Assn	800	275	300
Arkansas Retailers Association	500	500	500
Arkansas Oil Marketers Assn	300	300	300

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The Tobacco Institute
1999 Budget
State Activities Division

NATIONAL HEADQUARTERS

Cost Center No. 1401

	1998 Budget	1998 Estimated	1999 Budget
Account #7520 Support of Nat'l/State Orgs. (Continued)			
CALIFORNIA			
California Licensed Beverage Assn	\$15,000	\$5,000	\$10,000
California Manufacturers Assn	5,000	5,000	2,500
California Retailers Assn	2,500	2,500	2,500
California Taxpayers Assn	1,100	1,100	1,500
Golden Gate Restaurant Assn	1,000	1,100	0
Latino Legislative Caucus	0	0	2,000
COLORADO			
CO Public Expenditure Council	500	500	500
CO-WY Petroleum Marketers Assn	500	500	500
Rocky Mt Food Industry Assn	500	500	500
CO Retail Council	300	300	500
CONNECTICUT			
Connecticut Restaurant Assn	0	0	1,000
Connecticut Business Assn	1,000	1,000	1,000
DELAWARE			
Delaware Restaurant Assn	500	500	500
FLORIDA			
Associated Industries of Fla.	1,500	1,500	1,500
Florida Conf. of Black Leg.	3,500	1,750	3,500
Florida Restaurant Association	1,000	1,000	1,000
Florida Grocers Association	500	500	500
GEORGIA			
Georgia Convenience Store Assn	1,000	700	700
Georgia Food Industry Assn	0	300	300

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The Tobacco Institute
1999 Budget
State Activities Division

NATIONAL HEADQUARTERS

Cost Center No. 1401

	1998 Budget	1998 Estimated	1999 Budget
Account #7520 Support of Nat'l/State Orgs. (Continued)			
HAWAII			
Hawaii Restaurant Association	\$500	\$500	\$500
Tax Foundation of Hawaii	3,000	1,500	3,000
Hawaii Hotel/Motel Association	500	500	500
IDAHO			
Idaho Assn of Commerce & Industry	1,000	1,000	1,000
Idaho Retail Association	750	750	750
Idaho Restaurant Association	500	250	0
Idaho Petroleum Association	500	250	500
Idaho Taxpayers Association	250	250	250
ILLINOIS			
Illinois Retail Merchants Assn	5,000	5,000	5,000
Illinois Taxpayer Federation	1,500	1,500	1,500
Illinois Petroleum Mkt Assn	2,000	1,000	2,000
Illinois Restaurant Association	2,000	2,000	2,000
INDIANA			
Indiana Manufacturers Assn	2,500	2,500	2,500
Indiana Retail Council	3,000	3,000	3,000
Indiana Rest. & Hosp. Assn	2,000	1,000	2,000
Indiana Retail Grocers Assn	2,000	2,000	2,000
Indiana Oil Marketers Assn	1,000	1,000	1,000
IOWA			
Iowa Hospitality Assn	2,000	1,000	1,000
Iowa Retail Federation	500	500	500
Iowa Grocery Industry Assn	1,000	500	500

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**The Tobacco Institute
1999 Budget
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NATIONAL HEADQUARTERS

Cost Center No. 1401

	1998 Budget	1998 Estimated	1999 Budget
<u>Account #7520 Support of Nat'l/State Orgs. (Continued)</u>			
KANSAS			
Kansas Civil Law Forum	\$0	\$500	\$500
Kansas Restaurant Assn	1,000	0	500
Kansas Oil Marketers Assn	1,000	0	500
Kansas Ferterlizer Chem Assn	1,000	0	0
KENTUCKY			
Kentucky Retail Federation	1,000	800	1,000
Associated Industries of KY	650	650	650
Kentucky League of Cities	250	250	250
KY Association of Counties	250	250	250
KY County Judge/Exec. Assn	200	200	200
Kentucky Grocers Association	625	625	625
LOUISIANA			
Louisiana Assn of Bus. & Ind.	750	600	600
Louisiana Retailers Assn	750	500	1,000
Convenience Store Oper. Assn	0	0	500
Louisiana Restaurant Assn	750	250	1,000
Public Affairs Research Council	1,000	500	0
Louisiana Legislative Black Caucus	0	1,000	1,000
MAINE			
Maine Grocers Association	1,000	500	1,000

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The Tobacco Institute
1999 Budget
State Activities Division

NATIONAL HEADQUARTERS

Cost Center No. 1401

	1998 Budget	1998 Estimated	1999 Budget
<u>Account #7520 Support of Nat'l/State Orgs. (Continued)</u>			
MARYLAND			
Restaurant Assn of Metro Washington	\$1,500	\$1,500	\$1,500
Maryland Retail Merchants Assn	1,000	800	1,000
Maryland Chamber of Commerce	1,000	500	1,000
Maryland Licensed Bev. Assn	1,000	1,000	1,000
Mid-Atlantic Food Dealers	2,000	2,000	2,000
Maryland Hotel & Motel Assn	1,000	1,000	1,000
Maryland Assn of Counties	500	250	500
MASSACHUSETTS			
New England Conv. Store Assn	1,000	1,000	1,000
MICHIGAN			
Michigan Restaurant Association	0	0	2,000
Special projects (civic funds)	10,000	10,000	8,000
Michigan Chamber of Comm.	2,000	2,000	2,000
Michigan Food Dealers	2,000	1,000	0
MINNESOTA			
MN Retail Merchants Assn	10,000	5,000	5,000
Minnesota Chamber of Commerce	2,000	2,500	2,500
Minnesota Grocers Association	2,000	1,500	1,500
MN Licensed Beverage Assn	1,000	1,000	1,000
MN Petroleum Marketers Assn	1,000	1,000	1,000
MN Tobacco Store Association	0	0	1,000

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**The Tobacco Institute
1999 Budget
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NATIONAL HEADQUARTERS

Cost Center No. 1401

	1998 Budget	1998 Estimated	1999 Budget
<u>Account #7520 Support of Nat'l/State Orgs. (Continued)</u>			
MISSISSIPPI			
MS Black Caucus Foundation	\$2,500	\$1,250	\$2,500
MS Wholesale Distributors Assn	600	600	600
MS Assn of Convenience Stores	800	400	800
MS Manufacturers Association	500	250	500
MISSOURI			
Smokers' Alliance	0	0	500
MO Retailers	0	0	2,500
Burley Tobacco Council	0	0	1,000
MONTANA			
Montana Chamber of Commerce	300	500	300
Montana Retail Association	300	300	300
Montana Tax Foundation	400	400	400
Montana Liability Coalition	700	500	700
NEBRASKA			
NE Retail Federation	1,000	1,000	750
NE Tax Research Council	500	500	500
NE Petroleum Marketers Assn	500	500	500
NE Chamber of Comm. & Industry	500	500	500
NE Retail Grocers	1,000	500	750
NEVADA			
Nevada Taxpayers Association	2,000	1,000	2,000
Retail Association of Nevada	1,000	1,000	1,000
Nevada Petroleum Marketers	1,000	500	1,000
Nevada Restaurant Assn	0	0	500

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**The Tobacco Institute
1999 Budget
State Activities Division**

NATIONAL HEADQUARTERS

Cost Center No. 1401

	1998 Budget	1998 Estimated	1999 Budget
<u>Account #7520 Support of Nat'l/State Orgs. (Continued)</u>			
NEW HAMPSHIRE			
NH Grocers Association	\$2,500	\$2,500	\$2,500
NEW JERSEY			
NJ Food Council	1,000	500	1,000
NJ Retail Council	500	250	500
NEW MEXICO			
NM Retail Association	500	250	500
NM Retail Grocery Association	0	0	500
NM Hispanic Chamber of Comm	2,000	2,000	2,000
NEW YORK			
Business Council of NY State	2,500	1,250	2,500
NY Assn Convenience Stores	1,500	750	1,500
Empire State Rest. & Tavern Assn	1,000	500	1,000
NY Restaurant Association	500	0	0
NORTH CAROLINA			
North Carolina Free	500	500	500
North Carolina Farm Bureau	500	250	500
NC Business & Industry Assn	1,000	500	1,000
NC Retail Merchants Assn	1,000	1,000	1,000
NC Legis. Black Caucus Fdn	500	500	500
NORTH DAKOTA			
Greater ND Assn	1,000	1,000	1,000
ND Retail Assn	1,000	1,000	1,000
ND Grocers Assn	500	500	500

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The Tobacco Institute
1999 Budget
State Activities Division

NATIONAL HEADQUARTERS

Cost Center No. 1401

	1998 Budget	1998 Estimated	1999 Budget
<u>Account #7520 Support of Nat'l/State Orgs. (Continued)</u>			
OHIO			
Central OH Licensed	\$5,000	\$2,500	\$5,000
OH Council of Retail Merchants	2,500	2,500	2,500
Ripley Tobacco Festival	1,000	1,000	1,000
OH Grocers Association	1,000	1,000	1,000
Buckeye Institute	1,000	500	1,000
OKLAHOMA			
OK Restaurant Assn	2,000	0	500
Will Rogers NCO Assn	500	500	500
OK Grocers Assn	2,000	0	0
OREGON			
OR Consumer Prod. Mktg. Group	15,000	10,000	0
Associated OR Industries	2,500	1,250	2,500
OR Food Industry	500	250	500
NFIB	500	250	500
OR Restaurant Association	500	250	500
OR Hotel Association	500	250	500
PENNSYLVANIA			
PA Food Merchants Association	1,500	800	1,500
SOUTH CAROLINA			
SC Chamber of Commerce	1,000	500	1,000
SC Merchants Assn	500	500	500
SC Assn of Convenience Stores	500	250	500

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The Tobacco Institute
1999 Budget
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NATIONAL HEADQUARTERS

Cost Center No. 1401

	1998 Budget	1998 Estimated	1999 Budget
<u>Account #7520 Support of Nat'l/State Orgs. (Continued)</u>			
SOUTH DAKOTA			
SD Petroleum Marketers	\$0	\$0	\$500
SD Retailers Assn	5,000	5,000	4,500
SD Innkeepers Association	3,000	3,000	3,000
Sioux Falls Chamber of Comm.	500	500	500
TENNESSEE			
TN Grocers Assn	500	250	500
TN Retailers Association	500	250	500
TN Restaurant Association	200	200	200
TN Black Caucus Assn	3,000	1,500	3,000
TEXAS			
TX Association of Businesses	500	0	0
TX Retail Grocers	0	0	500
TX Restaurant Association	500	300	500
TX Petroleum & Convenience Store Association	0	0	500
UTAH			
Utah Taxpayers Association	1,500	750	1,500
UT Western Petroleum Mktrs Assn	500	250	500
Utah Food Industry Association	500	500	500
Utah Hotel & Lodging Association	500	250	500
UT Petroleum Marketers	500	500	500
UT Retail Merchants	0	0	500
VERMONT			
Vermont Grocers Association	3,000	1,500	3,000

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The Tobacco Institute
1999 Budget
State Activities Division

NATIONAL HEADQUARTERS

Cost Center No. 1401

	1998 Budget	1998 Estimated	1999 Budget
<u>Account #7520 Support of Nat'l/State Orgs. (Continued)</u>			
VIRGINIA			
VA Free	\$1,000	\$1,000	\$1,000
VA Association of Counties	500	500	0
VA Retail Merchants Assn	500	250	500
VA Farm Bureau	500	500	500
Greater Richmond Chamber of Commerce	500	500	0
WASHINGTON			
WA State Association of Neighborhood Stores	5,000	2,500	5,000
WA State Licensed Beverage Association	250	250	250
WA Restaurant Association	250	250	250
WA State Hotel Association	250	250	250
WEST VIRGINIA			
WV Wholesalers Legislative Reception	1,000	1,000	1,000
WISCONSIN			
PMAW/WACS	1,500	2,000	1,500
Wisconsin Growers & Leaf Tobacco Dealers	4,000	4,000	4,000
WI Merchants Federation	4,000	5,000	4,000
WI Manufacturing & Commerce	1,000	1,000	1,000
WI Grocers Association	4,000	5,000	4,000
Taverns League of WI	2,000	2,000	2,000

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The Tobacco Institute
1999 Budget
State Activities Division

NATIONAL HEADQUARTERS

Cost Center No. 1401

	1998 Budget	1998 Estimated	1999 Budget
<u>Account #7520 Support of Nat'l/State Orgs. (Continued)</u>			
WYOMING			
WY Lodging & Restaurant Assn	\$500	\$500	\$500
WY Retail Merchants	500	500	500
Wyoming Taxpayers Association	500	250	500
BUDGET ADJUSTMENT TO BE ALLOCATED	<27,100>	0	0
NATIONAL HEADQUARTERS			
National Taxpayers Assn	0	0	800
American Legislative Exchange Council (ALEC)			
General support	10,000	10,000	7,500
Council of State Gov'ts (CSG)			
CSG Annual Meeting	5,000	5,000	5,000
Eastern Regional CSG	2,500	2,500	2,500
Southern Regional CSG	2,500	2,500	2,500
Mid-West Regional CSG	2,500	2,500	2,500
Western Regional CSG	2,500	2,500	2,500
Contingency for other organizations			
SLLF-Nat'l Speakers Conf.	5,000	5,000	5,000
Nat'l Retail Federation	2,000	2,000	2,000
FIAE	2,000	2,000	2,000
Republican Governors Assn	0	5,000	0
Total	\$253,125	\$223,850	\$248,025

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The Tobacco Institute
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State Activities Division

NATIONAL HEADQUARTERS COST CENTER

No. 1401

	<u>1998 Budget</u>	<u>1998 Estimated</u>	<u>1999 Budget</u>
<u>Account #7700 Campaign Support Program</u>			
State Campaign Contributions (7710)	\$380,500	\$375,450	\$413,000
Local Campaign Contributions (7720)	26,500	27,500	22,000
	<u>\$407,000</u>	<u>\$402,950</u>	<u>\$435,000</u>

**The Tobacco Institute
1999 Budget
State Activities Division**

NATIONAL HEADQUARTERS

Cost Center No. 1401

	<u>1998 Budget</u>	<u>1998 Estimated</u>	<u>1999 Budget</u>
<u>Account #7710 State Campaign Contributions</u>			
ALABAMA	\$4,000	\$7,900	\$8,000
ARKANSAS	6,000	6,000	7,000
CALIFORNIA	80,000	80,000	80,000
COLORADO	10,000	10,000	10,000
DELAWARE	1,000	1,000	1,000
FLORIDA	80,000	76,100	80,000
GEORGIA	6,000	6,000	10,000
HAWAII	8,000	8,000	8,000
IDAHO	5,000	5,000	5,000
ILLINOIS	30,000	30,000	30,000
INDIANA	20,000	18,000	20,000
KANSAS	0	7,250	10,000
LOUISIANA	15,000	15,000	18,000

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**The Tobacco Institute
1999 Budget
State Activities Division**

NATIONAL HEADQUARTERS

Cost Center No. 1401

	<u>1998 Budget</u>	<u>1998 Estimated</u>	<u>1999 Budget</u>
<u>Account #7710 State Campaign Contributions (Continued)</u>			
MAINE			
	\$3,000	\$2,500	\$3,000
MARYLAND			
	2,500	2,500	2,500
MISSISSIPPI			
	6,000	6,000	10,000
MISSOURI			
	20,000	20,000	22,000
NEVADA			
	15,000	13,700	18,000
NEW JERSEY			
	15,000	14,700	15,000
NEW MEXICO			
	6,000	5,500	6,000
NEW YORK			
	5,000	4,500	5,000
OREGON			
	7,000	7,000	7,000
SOUTH CAROLINA			
	2,000	3,800	2,000
UTAH			
	4,000	4,000	4,000
VERMONT			
	0	0	1,500
VIRGINIA			
	20,000	11,000	20,000

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**The Tobacco Institute
1999 Budget
State Activities Division**

NATIONAL HEADQUARTERS

Cost Center No. 1401

	<u>1998 Budget</u>	<u>1998 Estimated</u>	<u>1999 Budget</u>
<u>Account #7710 State Campaign Contributions (Continued)</u>			
WASHINGTON			
	<u>\$10,000</u>	<u>\$10,000</u>	<u>\$10,000</u>
Total	<u>\$380,500</u>	<u>\$375,450</u>	<u>\$413,000</u>

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**The Tobacco Institute
1999 Budget
State Activities Division**

NATIONAL HEADQUARTERS

Cost Center No. 1401

	<u>1998 Budget</u>	<u>1998 Estimated</u>	<u>1999 Budget</u>
<u>Account #7720 Local Campaign Contributions</u>			
CALIFORNIA			
	\$17,000	\$17,000	\$15,000
COLORADO			
	2,000	2,000	2,000
HAWAII			
	2,500	0	0
ILLINOIS			
	5,000	5,000	5,000
INDIANA			
	0	2,000	0
VERMONT			
	0	1,500	0
Total	<u>\$26,500</u>	<u>\$27,500</u>	<u>\$22,000</u>

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THE TOBACCO INSTITUTE
1999 Budget
State Activities Division - Regional Offices

	1998		1999		
	Budget	Estimated Expenditures	Authorized Positions	Budget	Authorized Positions Requested
Region I: Martin Carson	\$83,100	\$79,800	2	\$78,200	2
Region II: Ray Rizzo	96,050	81,650	2	87,750	2
Region III: David Horadovsky	114,600	136,700	2	118,000	2
Region IV: Randy Morris	139,400	178,200	2	138,800	2
Region V: Dan Howle	127,400	119,100	2	115,000	2
Region VI: John Shipper	71,600	71,600	1	69,000	1
Region VII: Ronald Morris	63,800	89,800	1	86,000	1
Region VIII: Gary Anderson	96,400	93,300	2	89,500	2
Total Budget	\$792,350	\$850,150	14	\$782,250	14
					% Change 1998 Estimate vs. 1999 Budget
					< 2% >
					7%
					< 14% >
					< 22% >
					< 3% >
					< 4% >
					< 4% >
					< 4% >
					< 8% >

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**The Tobacco Institute
1999 Budget
State Activities Division**

REGION I - MARTIN CARSON

Cost Center No. 1410

Authorized Positions 1998 - 2

Authorized Positions Requested 1999 - 2

	1998 Budget	1998 Estimated	1999 Budget
3900 Travel	\$40,000	\$31,000	\$32,000
4100 Automobiles-Regional VPs	7,100	7,100	8,500
4300 Rent - Space	15,500	15,500	15,500
4700 Furniture,Fixtures & Equipment	500	0	500
4800 Books & Subscriptions	1,000	1,500	1,000
4900 Equip., Repairs & Maintenance	1,000	1,000	1,000
5000 Office Supplies	1,100	1,000	1,000
5100 Postage & Delivery Services	1,700	1,200	1,200
5200 Reproduction & Printing	500	3,500	3,500
5300 Telephone & Fax	14,000	16,000	12,000
5400 Other Office Expense	0	1,000	1,000
5500 Staff Training & Memberships	700	1,000	1,000
Totals	\$83,100	\$79,800	\$78,200

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The Tobacco Institute
1999 Budget
State Activities Division

REGION II - RAY RIZZO

Cost Center No. 1420

Authorized Positions 1998 - 2

Authorized Positions Requested 1999 - 2

	1998 Budget	1998 Estimated	1999 Budget
3900 Travel	\$45,000	\$37,000	\$40,000
4100 Automobiles-Regional VPs	6,700	6,700	9,000
4300 Rent - Space	10,500	10,500	12,000
4600 Other Occupancy Expense	3,000	3,000	3,000
4700 Furniture,Fixtures & Equipment	3,250	3,250	3,250
4800 Books & Subscriptions	200	200	200
4900 Equip., Repairs & Maintenance	800	800	800
5000 Office Supplies	2,000	1,600	2,000
5100 Postage & Delivery Services	3,600	2,000	2,500
5200 Reproduction & Printing	1,000	600	1,000
5300 Telephone & Fax	18,000	14,000	12,000
5400 Other Office Expense	500	500	500
5500 Staff Training & Memberships	1,500	1,500	1,500
Totals	\$96,050	\$81,650	\$87,750

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**The Tobacco Institute
1999 Budget
State Activities Division**

REGION III - DAVID HORAZDOVSKY

Cost Center No. 1430

Authorized Positions 1998 - 2

Authorized Positions Requested 1999 - 2

	1998 Budget	1998 Estimated	1999 Budget
3900 Travel	\$60,000	\$86,000	\$68,000
4100 Automobiles-Regional VPs	7,100	7,500	7,100
4300 Rent - Space	14,500	14,500	19,000
4600 Other Occupancy Expense	4,200	4,200	4,600
4700 Furniture,Fixtures & Equipment	1,000	1,000	1,000
4800 Books & Subscriptions	0	100	0
4900 Equip., Repairs & Maintenance	1,000	300	1,000
5000 Office Supplies	3,000	2,000	1,000
5100 Postage & Delivery Services	2,000	2,000	3,500
5200 Reproduction & Printing	0	100	0
5300 Telephone & Fax	20,000	17,000	11,000
5400 Other Office Expense	0	200	0
5500 Staff Training & Memberships	1,800	1,800	1,800
Totals	\$114,600	\$136,700	\$118,000

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The Tobacco Institute
1999 Budget
State Activities Division

REGION IV - RANDY MORRIS

Cost Center No. 1440

Authorized Positions 1998 - 2

Authorized Positions Requested 1999 - 2

	1998 Budget	1998 Estimated	1999 Budget
3900 Travel	\$75,000	\$99,000	\$85,000
4100 Automobiles-Regional VPs	7,200	7,200	7,200
4300 Rent - Space	11,100	10,300	10,800
4600 Other Occupancy Expense	2,000	600	600
4700 Furniture,Fixtures & Equipment	2,000	2,000	2,000
4800 Books & Subscriptions	300	200	200
4900 Equip., Repairs & Maintenance	0	100	0
5000 Office Supplies	3,000	2,000	2,000
5100 Postage & Delivery Services	3,000	3,000	3,000
5200 Reproduction & Printing	3,000	1,000	1,000
5300 Telephone & Fax	30,000	50,000	25,000
5400 Other Office Expense	1,000	1,000	200
5500 Staff Training & Memberships	1,000	1,000	1,000
6600 Business Taxes	800	800	800
Totals	\$139,400	\$178,200	\$138,800

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**The Tobacco Institute
1999 Budget
State Activities Division**

REGION V - DAN HOWLE

Cost Center No. 1450

Authorized Positions 1998 - 2

Authorized Positions Requested 1999 - 2

	1998 Budget	1998 Estimated	1999 Budget
3900 Travel	\$65,000	\$65,000	\$67,500
4100 Automobiles-Regional VPs	7,500	7,500	7,500
4300 Rent - Space	18,300	18,600	19,000
4600 Other Occupancy Expense	2,600	2,900	3,000
4700 Furniture,Fixtures & Equipment	2,500	0	500
4800 Books & Subscriptions	1,500	200	200
4900 Equip., Repairs & Maintenance	750	0	500
5000 Office Supplies	3,000	1,800	1,500
5100 Postage & Delivery Services	2,750	1,300	2,500
5200 Reproduction & Printing	1,500	100	500
5300 Telephone & Fax	20,000	20,000	10,500
5400 Other Office Expense	0	200	300
5500 Staff Training & Memberships	1,500	1,000	1,000
6600 Business Taxes	500	500	500
Totals	\$127,400	\$119,100	\$115,000

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**The Tobacco Institute
1999 Budget
State Activities Division**

REGION VI - JOHN SHIPPER

Cost Center No. 1460

Authorized Positions 1998 - 1

Authorized Positions Requested 1999 - 1

	1998 Budget	1998 Estimated	1999 Budget
3900 Travel	\$60,000	\$57,900	\$60,000
4100 Automobiles-Regional VPs	7,100	7,100	7,100
4800 Books & Subscriptions	0	600	0
5300 Telephone & Fax	4,000	5,500	1,400
5500 Staff Training & Memberships	500	500	500
Totals	\$71,600	\$71,600	\$69,000

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The Tobacco Institute
1999 Budget
State Activities Division

REGION VII - RONALD MORRIS

Cost Center No. 1470

Authorized Positions 1998 - 1

Authorized Positions Requested 1999 - 1

	1998 Budget	1998 Estimated	1999 Budget
3900 Travel	\$50,000	\$75,000	\$75,000
4100 Automobiles-Regional VPs	7,300	7,300	7,300
4800 Books & Subscriptions	1,300	1,300	1,300
5300 Telephone & Fax	5,000	6,000	2,200
5500 Staff Training & Memberships	200	200	200
Totals	\$63,800	\$89,800	\$86,000

The Tobacco Institute
1999 Budget
State Activities Division

REGION VIII - GARY ANDERSON

Cost Center No. 1480

Authorized Positions 1998 - 2

Authorized Positions Requested 1999 - 2

	1998 Budget	1998 Estimated	1999 Budget
3900 Travel	\$47,000	\$47,000	\$47,000
4100 Automobiles-Regional VPs	7,000	7,000	7,000
4300 Rent - Space	11,000	11,000	11,800
4600 Other Occupancy Expense	2,100	2,100	2,300
4700 Furniture,Fixtures & Equipment	750	500	500
4800 Books & Subscriptions	650	400	500
4900 Equip., Repairs & Maintenance	1,000	500	1,000
5000 Office Supplies	3,000	2,000	2,000
5100 Postage & Delivery Services	2,500	2,500	2,500
5200 Reproduction & Printing	750	200	500
5300 Telephone & Fax	19,000	19,000	13,000
5400 Other Office Expense	750	200	500
5500 Staff Training & Memberships	900	900	900
Totals	\$96,400	\$93,300	\$89,500

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4. Public Affairs Div.

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THE TOBACCO INSTITUTE
1999 Budget
Public Affairs Division

	1998		1999		
	Budget (\$000)	Estimated Expenditures (\$000)	Authorized Positions	Budget (\$000)	Authorized Positions Requested
1301 General Administration	\$5,351	\$5,313	13	\$5,441	13
1316 National Tobacco Council	230	230	-	230	-
					% Change 1998 Estimate vs. 1999 Budget
					2%
					-
Total Budget	\$5,581	\$5,543	13	\$5,671	13
					2%

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The Tobacco Institute
1999 Budget
Public Affairs Division

GENERAL ADMINISTRATION

Cost Center No. 1301

Authorized Positions 1998 - 13

Authorized Positions Requested 1999 - 13

	1998 Budget (\$000)	1998 Estimated (\$000)	1999 Budget (\$000)
2800 Staff Compensation	\$959	\$945	\$978
3200 Employee Benefits	259	255	264
3900 Travel	75	75	60
4600 Other Occupancy Expense	5	5	5
4800 Books & Subscriptions	30	50	50
5000 Office Supplies	2	2	2
5100 Postage & Delivery Services	40	40	40
5200 Reproduction & Printing	80	65	15
5300 Telephone & Fax	10	10	10
5400 Other Office Expense	10	5	5
5500 Staff Training & Memberships	10	10	10
5800 Legal Fees	25	15	15
6600 Business Taxes	1	1	1
6900 Employee Recruitment & Relocation	10	10	10
7200 Miscellaneous Expense	1	1	1
7300 Professional Fees	449	414	546
7400 Purchased Administrative Services	1	1	1
7500 Suprt Tob & Other Organizations	2,720	2,745	2,755
8000 Computer Services	100	100	100
9100 Data Processing Allocation	140	140	136
9400 Occup. & Office Expense Allocation	424	424	437
Totals	\$5,351	\$5,313	\$5,441

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The Tobacco Institute
1999 Budget
Public Affairs Division

GENERAL ADMINISTRATION

Cost Center No. 1301

STAFFING SCHEDULE
8/27/98
Months of Employment

Employee Name		1998 Budget	1998 Estimated	1999 Budget
W. Woodson	Sr. V.P./ Division Director	12	12	12
W. Orzechowski	Chief Economist	12	12	12
M. Rita Gore	Director-Legislative Information	12	12	12
W. Merryman	V.P./Director of Communications	12	12	12
T. Lauria	Assistant to the President	12	12	12
M. Giamberardino	Issue Manager	12	12	12
Vacant	Manager-Communications	12	4	0
B. Kelahan	Manager-Legislative Information	12	11	12
P. Gay	Issue Manager	12	12	12
R. Walker	Director-Issues Management	12	12	12
S. Russell	Administrative Assistant	3	12	12
D. Sullivan	Administrative Assistant	12	12	12
A. Bratich	Staff Assistant	12	12	12
L. Gorman	Staff Assistant	12	12	12
Totals		159	159	156

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The Tobacco Institute
1999 Budget
Public Affairs Division

GENERAL ADMINISTRATION

Cost Center No. 1301

	1998 Budget (\$000)	1998 Estimated (\$000)	1999 Budget (\$000)
<u>Account #4801 Books & Subscriptions</u>			
Information Center Periodicals & Materials	\$30	\$50	\$50
Total	\$30	\$50	\$50

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The Tobacco Institute
1999 Budget
Public Affairs Division

GENERAL ADMINISTRATION

Cost Center No. 1301

	1998 Budget (\$000)	1998 Estimated (\$000)	1999 Budget (\$000)
<u>Account #5101 Postage & Delivery Services</u>			
Mailing of newsletters, reports, Tax Burden, etc.	\$10	\$10	\$10
Nationwide media mailings	5	5	5
Targeted print/broadcast mailings	5	5	5
Total	\$20	\$20	\$20

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The Tobacco Institute
1999 Budget
Public Affairs Division

GENERAL ADMINISTRATION

Cost Center No. 1301

	1998 Budget (\$000)	1998 Estimated (\$000)	1999 Budget (\$000)
<u>Account #5102 Postage & Delivery Services</u>			
Overnight deliveries to the Executive Committee and other Institute oversight committees	\$20	\$20	\$20
Total	\$20	\$20	\$20

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The Tobacco Institute
1999 Budget
Public Affairs Division

GENERAL ADMINISTRATION

Cost Center No. 1301

	1998 Budget (\$000)	1998 Estimated (\$000)	1999 Budget (\$000)
<u>Account #5201 Reproduction & Printing</u>			
Congressional hearing transcripts	\$25	\$0	\$0
TI Publications			
Tax Burden on Tobacco	20	20	15
State data card reprints (50 states)	15	10	0
Fire Program Materials	5	10	0
Issue Fact Sheets & TIP	5	10	0
Letterhead and miscellaneous	5	10	0
Committee presentations	5	5	0
Total	\$80	\$65	\$15

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The Tobacco Institute
1999 Budget
Public Affairs Division

GENERAL ADMINISTRATION

Cost Center No. 1301

	1998 Budget (\$000)	1998 Estimated (\$000)	1999 Budget (\$000)
<u>Account #5401 Other Office Expense</u>			
Video monitoring services, transcripts, and news clips	\$9	\$5	\$5
General office	1	0	0
Total	\$10	\$5	\$5

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The Tobacco Institute
1999 Budget
Public Affairs Division

GENERAL ADMINISTRATION

Cost Center No. 1301

	<u>1998 Budget (\$000)</u>	<u>1998 Estimated (\$000)</u>	<u>1999 Budget (\$000)</u>
<u>Account #5801 Legal Fees</u>			
Covington & Burling - General	\$25	\$15	\$15
Total	<u>\$25</u>	<u>\$15</u>	<u>\$15</u>

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The Tobacco Institute
1999 Budget
Public Affairs Division

GENERAL ADMINISTRATION

Cost Center No. 1301

	1998 Budget (\$000)	1998 Estimated (\$000)	1999 Budget (\$000)
<u>Account #7301 Professional Fees</u>			
Tri Data, Inc. for general consulting, data analyses, coalition building and fire safety research	\$158	\$158	\$158
Support to state and federal tax legislation -			
Economic Impact Op-Eds	0	0	50
State crossborder studies	30	20	30
Crossborder retailer surveys (data collection from merchants)	30	20	20
Update and promote economic impact study	40	25	0
Regressivity analysis	30	0	0
Agriculture/Tax (David Senter) consultant	0	10	100
Litigation consultant	40	70	50
Tax and IAQ strategy consultant (Steve McMahon)	36	48	48
Federal/state testimony on tax issues	50	40	40
Public relations support as required by State Activities/Federal Relations Divisions; Media Relations consultants on breaking news stories and, promotion of other industry positions; satellite media activity	25	13	25
ETS Scientific Analyses	0	0	15
Public Affairs Division general contingency reserve	10	10	10
Total	\$449	\$414	\$546

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The Tobacco Institute
1999 Budget
Public Affairs Division

GENERAL ADMINISTRATION

Cost Center No. 1301

	1998 Budget (\$000)	1998 Estimated (\$000)	1999 Budget (\$000)
<u>Account #7501 Suprt Tob & Other Organizations</u>			
The Tax Foundation	\$20	\$20	\$10
Americans for Tax Reform	0	0	10
Small Business Survival	0	0	10
Citizens Against Government Waste	0	0	10
National Taxpayers Union	0	0	10
Fire Safety Program		0	0
Programs for local fire safety organizations	3	1	1
National Association of State Fire Marshals	3	1	1
National Volunteer Fire Council	2	1	1
Congressional Fire Services Institute	2	1	1
Washington Legal Foundation	20	20	0
Alexis de Tocqueville Institute	10	0	0
Other support	1	1	1
Total	\$61	\$45	\$55

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**The Tobacco Institute
1999 Budget
Public Affairs Division**

GENERAL ADMINISTRATION

Cost Center No. 1301

	1998 Budget (\$000)	1998 Estimated (\$000)	1999 Budget (\$000)
<u>Account #7502 Support to Labor Mgmt Comm.</u>			
Support of Tobacco Industry Labor Management Committee activities including, national consultants, state and regional consultants, National Energy Management Institute, national and state fair tax groups, allied labor organizations, special projects, administrative management, and legal counsel.	\$2,659	\$2,700	\$2,700
Total	\$2,659	\$2,700	\$2,700

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The Tobacco Institute
1999 Budget
Public Affairs Division

GENERAL ADMINISTRATION

Cost Center No. 1301

	1998 Budget (\$000)	1998 Estimated (\$000)	1999 Budget (\$000)
<u>Account #8001 Computer Services</u>			
News and data retrieval services access and usage charges	\$100	\$100	\$100
Total	\$100	\$100	\$100

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**The Tobacco Institute
1999 Budget
Public Affairs Division**

NATIONAL TOBACCO COUNCIL

Cost Center No. 1316

	1998 Budget (\$000)	1998 Estimated (\$000)	1999 Budget (\$000)
3900 Travel	\$5	\$5	\$5
5100 Postage & Delivery Services	3	3	3
5200 Reproduction & Printing	5	5	5
7200 Miscellaneous Expense	1	1	1
7300 Consultants	5	5	5
7500 Suprt Tob & Other Organizations	209	209	209
7700 National Political Orgs. Contributions	2	2	2
Totals	\$230	\$230	\$230

**The Tobacco Institute
1999 Budget
Public Affairs Division**

NATIONAL TOBACCO COUNCIL

Cost Center No. 1316

	<u>1998 Budget (\$000)</u>	<u>1998 Estimated (\$000)</u>	<u>1999 Budget (\$000)</u>
<u>Account #3901 Travel</u>			
Meetings with allies and legislators.	\$5	\$5	\$5
Total	\$5	\$5	\$5

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The Tobacco Institute
1999 Budget
Public Affairs Division

NATIONAL TOBACCO COUNCIL

Cost Center No. 1316

	<u>1998 Budget (\$000)</u>	<u>1998 Estimated (\$000)</u>	<u>1999 Budget (\$000)</u>
<u>Account #5101 Postage & Delivery Services</u>			
Mass mailings to agricultural organizations.	\$3	\$3	\$3
Total	\$3	\$3	\$3

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The Tobacco Institute
1999 Budget
Public Affairs Division

NATIONAL TOBACCO COUNCIL

Cost Center No. 1316

	1998 Budget (\$000)	1998 Estimated (\$000)	1999 Budget (\$000)
<u>Account #5201 Reproduction & Printing</u>			
Mass mailings to agricultural organizations	\$3	\$3	\$3
NTC stationery	1	1	1
Ads and promotional projects	1	1	1
Total	\$5	\$5	\$5

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**The Tobacco Institute
1999 Budget
Public Affairs Division**

NATIONAL TOBACCO COUNCIL

Cost Center No. 1316

	1998 Budget (\$000)	1998 Estimated (\$000)	1999 Budget (\$000)
<u>Account #7310 Consultants</u>			
Media training	\$5	\$5	\$5
Total	\$5	\$5	\$5

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The Tobacco Institute
1999 Budget
Public Affairs Division

NATIONAL TOBACCO COUNCIL

Cost Center No. 1316

	1998 Budget (\$000)	1998 Estimated (\$000)	1999 Budget (\$000)
<u>Account #7501 Suprt Tob & Other Organizations</u>			
Grants to reorganized tobacco growers groups	\$209	\$209	\$209
Total	\$209	\$209	\$209

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The Tobacco Institute
1999 Budget
Public Affairs Division

NATIONAL TOBACCO COUNCIL

Cost Center No. 1316

	1998 Budget (\$000)	1998 Estimated (\$000)	1999 Budget (\$000)
<u>Account #7730 National Political Orgs. Contributions</u>			
	\$2	\$2	\$2
Total	\$2	\$2	\$2

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5. Unified Youth Prog.

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**The Tobacco Institute
1999 Budget
Unified Youth Program**

UNIFIED YOUTH PROGRAM

Cost Center No. 1302

	1998 Budget (\$000)	1998 Estimated (\$000)	1999 Budget (\$000)
5100 Postage & Delivery Services	803	803	803
5200 Reproduction & Printing	920	920	920
7300 Professional Fees	3,277	3,277	3,277
Totals	\$5,000	\$5,000	\$5,000

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**The Tobacco Institute
1999 Budget
Unified Youth Program**

UNIFIED YOUTH PROGRAM

Cost Center No. 1302

	1998 Budget (\$000)	1998 Estimated (\$000)	1999 Budget (\$000)
<u>Account #5101 Postage & Delivery Services</u>			
Program fulfillment	\$803	\$803	\$803
Total	\$803	\$803	\$803

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The Tobacco Institute
1999 Budget
Unified Youth Program

UNIFIED YOUTH PROGRAM

Cost Center No. 1302

	1998 Budget (\$000)	1998 Estimated (\$000)	1999 Budget (\$000)
<u>Account #5201 Reproduction & Printing</u>			
Materials printing and development	\$920	\$920	\$920
Total	\$920	\$920	\$920

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The Tobacco Institute
1999 Budget
Unified Youth Program

UNIFIED YOUTH PROGRAM

Cost Center No. 1302

	1998 Budget (\$000)	1998 Estimated (\$000)	1999 Budget (\$000)
Account #7301 Professional Fees			
Training seminars for state associations, retailers and wholesaler conventions, and others	\$1,939	\$1,939	\$1,939
Outreach and recruitment	904	904	904
Public relations support (including activities in states)	295	295	295
Research	139	139	139
Total	<u>\$3,277</u>	<u>\$3,277</u>	<u>\$3,277</u>

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6. Administration Div.

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THE TOBACCO INSTITUTE
1999 Budget
Administration Division

	1998		1999		
	Budget (\$000)	Estimated Expenditures (\$000)	Authorized Positions	Budget (\$000)	Authorized Positions Requested
1101 General Administration	\$1,725	\$1,763	10	\$1,808	10
1103 Data Processing	326	326	2	326	2
Data Processing Allocation	< 342 >	< 342 >	-	< 326 >	-
					% Change 1998 Estimate vs. 1999 Budget
					3%
					-
					5%
Total Budget	\$1,709	\$1,747	12	\$1,808	12
					3%

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The Tobacco Institute
1999 Budget
Administrative Division

GENERAL ADMINISTRATION

Cost Center No. 1101

Authorized Positions 1998 - 10

Authorized Positions Requested 1999 - 10

	1998 Budget (\$000)	1998 Estimated (\$000)	1999 Budget (\$000)
2800 Staff Compensation	\$1,329	\$1,347	\$1,390
3200 Employee Benefits	358	363	375
3900 Travel	35	36	35
4000 Conferences & Meetings	7	23	7
4300 Rent - Space	762	762	851
4600 Other Occupancy Expense	28	28	28
4700 Furniture,Fixtures & Equipment	4	4	0
4800 Books & Subscriptions	3	3	3
4900 Equip., Repairs & Maintenance	8	8	8
5000 Office Supplies	40	40	38
5100 Postage & Delivery Services	30	30	28
5200 Reproduction & Printing	65	60	55
5300 Telephone & Fax	110	110	95
5400 Other Office Expense	65	65	65
5500 Staff Training & Memberships	12	12	12
5800 Legal Fees	120	120	120
6600 Business Taxes	17	15	15
6900 Employee Recruitment & Relocation	15	15	15
7300 Professional Fees	38	43	36
9100 Data Processing Allocation	7	7	0
9300 TITL Administrative Allocation	<56>	<56>	<57>
9400 Occup. & Office Expense Allocation	<1,272>	<1,272>	<1,311>
Totals	\$1,725	\$1,763	\$1,808

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The Tobacco Institute
1999 Budget
Administrative Division

GENERAL ADMINISTRATION

Cost Center No. 1101

STAFFING SCHEDULE

8/27/98

Months of Employment

Employee Name		1998 Budget	1998 Estimated	1999 Budget
S. Chilcote	President	12	12	12
W. Adams	Sr. V.P./Division Director	12	12	12
J. Maleckar	Controller	12	12	12
L. Schmitt	Staff Accountant	12	12	12
M. Tero	Director, Administration & Meetings	12	12	12
D. Thomas	Executive Assistant to the President	12	12	12
N. Caputo	Administrative Assistant	12	12	12
S. Lundahl	Receptionist	12	12	12
W. Mickens	Office Services Supervisor	12	12	12
S. Evans	Office Services Assistant	12	12	12
Totals		120	120	120

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The Tobacco Institute
1999 Budget
Administrative Division

GENERAL ADMINISTRATION

Cost Center No. 1101

	1998 Budget (\$000)	1998 Estimated (\$000)	1999 Budget (\$000)
<u>Account #3201 Employee Benefits</u>			
Health Insurance	\$583	\$600	\$640
Payroll Taxes	305	320	336
401(k) Employee Savings Plan	220	253	275
Group Life Insurance	66	76	80
Employee Parking-Washington, DC	45	45	45
Workman's Compensation	30	30	30
Long Term Disability Insurance	35	42	45
Supplemental Executive Retirement Plan, Contingency and other	50	173	205
Allocation to other cost centers	<976>	<1,176>	<1,281>
Total	\$358	\$363	\$375

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The Tobacco Institute
1999 Budget
Administrative Division

GENERAL ADMINISTRATION

Cost Center No. 1101

	1998 Budget (\$000)	1998 Estimated (\$000)	1999 Budget (\$000)
<u>Account #4001 Conferences & Meetings</u>			
Annual meeting and Executive Committee meetings in New York City and Washington, D.C.	\$4	\$20	\$4
Committee of Counsel, Pension Committee, Finance Committee, and miscellaneous	3	3	3
Total	\$7	\$23	\$7

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The Tobacco Institute
1999 Budget
Administrative Division

GENERAL ADMINISTRATION

Cost Center No. 1101

	1998 Budget (\$000)	1998 Estimated (\$000)	1999 Budget (\$000)
<u>Account #4301 Rent - Space</u>			
Washington, DC Headquarters -			
(22,412 s/f @ \$32.00 x 12 mos)	\$718	\$718	\$0
(22,412 s/f @ \$32.00 x 5 mos)	0	0	299
(22,412 s/f @ \$40.00 x 7 mos)	0	0	523
CPI escalation and operating expense pass throughs (cumulative from 06/01/94)	25	25	10
Basement storage space (1,437 s/f @ \$13.00)	19	19	19
Total	\$762	\$762	\$851

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The Tobacco Institute
1999 Budget
Administrative Division

GENERAL ADMINISTRATION

Cost Center No. 1101

	1998 Budget (\$000)	1998 Estimated (\$000)	1999 Budget (\$000)
<u>Account #4601 Other Occupancy Expense</u>			
Off-premises documents storage	\$11	\$11	\$11
Office maintenance	6	6	6
Parking for Washington, DC pool automobile	5	5	5
Office security system	4	4	4
Overtime charges on HVAC	2	2	2
Total	<u>\$28</u>	<u>\$28</u>	<u>\$28</u>

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The Tobacco Institute
1999 Budget
Administrative Division

GENERAL ADMINISTRATION

Cost Center No. 1101

	1998 Budget (\$000)	1998 Estimated (\$000)	1999 Budget (\$000)
<u>Account #5201 Reproduction & Printing</u>			
Copier lease payments, supplies and maintenance, and per page charges	\$55	\$55	\$50
Graphics, artwork, and printing	10	5	5
Total	<u>\$65</u>	<u>\$60</u>	<u>\$55</u>

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The Tobacco Institute
1999 Budget
Administrative Division

GENERAL ADMINISTRATION

Cost Center No. 1101

	1998 Budget (\$000)	1998 Estimated (\$000)	1999 Budget (\$000)
<u>Account #5301 Telephone & Fax</u>			
Long distance calls from/to Washington, DC, local service, and cellular service.	\$110	\$110	\$95
Total	\$110	\$110	\$95

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**The Tobacco Institute
1999 Budget
Administrative Division**

GENERAL ADMINISTRATION

Cost Center No. 1101

	1998 Budget (\$000)	1998 Estimated (\$000)	1999 Budget (\$000)
<u>Account #5401 Other Office Expense</u>			
Liability and other general insurance	\$29	\$29	\$29
Office cleaning and plant service	16	16	16
Benefits for Washington, DC employees (e.g., coffee, subsidized sodas, kitchen supplies, etc.)	12	12	12
Employee Christmas party	8	8	8
Total	\$65	\$65	\$65

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The Tobacco Institute
1999 Budget
Administrative Division

GENERAL ADMINISTRATION

Cost Center No. 1101

	1998 Budget (\$000)	1998 Estimated (\$000)	1999 Budget (\$000)
<u>Account #5801 Legal Fees</u>			
Covington & Burling - general legal services	\$120	\$120	\$120
Total	\$120	\$120	\$120

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The Tobacco Institute
1999 Budget
Administrative Division

GENERAL ADMINISTRATION

Cost Center No. 1101

	1998 Budget (\$000)	1998 Estimated (\$000)	1999 Budget (\$000)
<u>Account #6601 Business Taxes</u>			
DC personal property tax	\$14	\$12	\$12
DC sales and use tax	3	3	3
Total	<u>\$17</u>	<u>\$15</u>	<u>\$15</u>

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**The Tobacco Institute
1999 Budget
Administrative Division**

GENERAL ADMINISTRATION

Cost Center No. 1101

	1998 Budget (\$000)	1998 Estimated (\$000)	1999 Budget (\$000)
<u>Account #7301 Professional Fees</u>			
Audit of The Institute and The Institute's Pension Plan by PriceWaterhouseCoopers	\$22	\$22	\$22
Employee benefits plan consultants and fees	11	11	12
Contingency and other	5	10	2
Total	\$38	\$43	\$36

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The Tobacco Institute
1999 Budget
Administrative Division

GENERAL ADMINISTRATION

Cost Center No. 1101

	1998 Budget (\$000)	1998 Estimated (\$000)	1999 Budget (\$000)
<u>Account #9401 Occup. & Office Expense Allocation</u>			
Federal Relations (1201)	<\$424>	<\$424>	<\$437>
State Activities (1401)	<424>	<424>	<437>
Public Affairs (1301)	<424>	<424>	<437>
Administration (1101) allocation out	<104>	<104>	<107>
Administration (1101) allocation in	104	104	107
Total	<\$1,272>	<\$1,272>	<\$1,311>

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The Tobacco Institute
1999 Budget
Administrative Division

DATA PROCESSING

Cost Center No. 1103

Authorized Positions 1998 - 2

Authorized Positions Requested 1999 - 2

	1998 Budget (\$000)	1998 Estimated (\$000)	1999 Budget (\$000)
2800 Staff Compensation	\$151	\$154	\$161
3200 Employee Benefits	41	42	43
3900 Travel	4	1	4
4600 Other Occupancy Expense	3	2	3
4700 Furniture,Fixtures & Equipment	20	29	31
4800 Books & Subscriptions	1	1	1
4900 Equip., Repairs & Maintenance	33	33	28
5000 Office Supplies	22	21	23
5300 Telephone & Fax	5	5	6
5500 Staff Training & Memberships	2	2	2
8000 Computer Services	44	36	24
Subtotals	326	326	326
9100 Data Processing Allocation	<342>	<342>	<326>
Totals	<\$16>	<\$16>	\$0

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**The Tobacco Institute
1999 Budget
Administrative Division**

DATA PROCESSING

Cost Center No. 1103

STAFFING SCHEDULE

8/27/98

Months of Employment

<u>Employee Name</u>		<u>1998 Budget</u>	<u>1998 Estimated</u>	<u>1999 Budget</u>
R. Miller	Director of Management Information Systems	12	12	12
G. Dieman	LAN Systems Administrator	12	12	12
Totals		24	24	24

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The Tobacco Institute
1999 Budget
Administrative Division

DATA PROCESSING

Cost Center No. 1103

	1998 Budget (\$000)	1998 Estimated (\$000)	1999 Budget (\$000)
<u>Account #4701 Furniture,Fixtures & Equipment</u>			
Replacement of obsolete 386 and 486 class equipment.	\$20	\$29	\$31
Total	\$20	\$29	\$31

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The Tobacco Institute
1999 Budget
Administrative Division

DATA PROCESSING

Cost Center No. 1103

	1998 Budget (\$000)	1998 Estimated (\$000)	1999 Budget (\$000)
<u>Account #4901 Equip., Repairs & Maintenance</u>			
Computer hardware maintenance			
Headquarters office personal computers and local area network	\$25	\$25	\$20
On-site coverage of field office equipment	8	8	8
Total	\$33	\$33	\$28

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The Tobacco Institute
1999 Budget
Administrative Division

DATA PROCESSING

Cost Center No. 1103

	1998 Budget (\$000)	1998 Estimated (\$000)	1999 Budget (\$000)
<u>Account #5001 Office Supplies</u>			
Computer toner cartridges, cables, connectors and ribbons for the Institute's systems, and hardware purchases costing less than \$300 each	\$19	\$18	\$20
Additional computer supplies for field office computers	3	3	3
Total	\$22	\$21	\$23

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The Tobacco Institute
1999 Budget
Administrative Division

DATA PROCESSING

Cost Center No. 1103

	1998 Budget (\$000)	1998 Estimated (\$000)	1999 Budget (\$000)
<u>Account #8000 Computer Services</u>			
Payroll and payroll taxes processing service bureau fees	\$11	\$11	\$11
Local Area Network software maintenance and support	20	20	13
Internal accounting system software maintenance and support	3	3	0
State legislative tracking system, software maintenance, and support	2	1	0
State historical/legislative and miscellaneous database software maintenance and support	1	1	0
Purchased software for personal computers and the Local Area Network	7	0	0
Total	\$44	\$36	\$24

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The Tobacco Institute
1999 Budget
Administrative Division

DATA PROCESSING

Cost Center No. 1103

	1998 Budget (\$000)	1998 Estimated (\$000)	1999 Budget (\$000)
<u>Account #9100 Data Processing Allocation</u>			
Federal Relations (1201)	<\$70>	<\$70>	<\$68>
State Activities (1401)	<125>	<125>	<122>
Public Affairs (1301)	<140>	<140>	<136>
Administration (1101)	<7>	<7>	0
Total	<\$342>	<\$342>	<\$326>

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7. Product Liability
Litigation

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The Tobacco Institute
1999 Budget
Contingency Funds

PRODUCT LIABILITY LITIGATION		Cost Center No. 1902		
		1998 Budget (\$000)	1998 Estimated (\$000)	1999 Budget (\$000)
<u>Account #5801 Legal Fees</u>				
Product Liability Litigation - Covington & Burling		\$6,000	\$5,500	\$5,500
Product Liability Litigation - Other firms		5,950	6,350	6,500
Legal fees for defense of tobacco industry contractors		50	150	0
Total		\$12,000	\$12,000	\$12,000

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8. Washington, DC
Office Sublease

2063526008

**The Tobacco Institute
1999 Budget
Contingency Funds**

GENERAL CONTINGENCY FUNDS

Cost Center No. 1901

	1998 Budget (\$000)	1998 Estimated (\$000)	1999 Budget (\$000)
4300 Rent - Space	\$0	\$0	<\$72>
4700 Furniture,Fixtures & Equipment	0	0	190
7300 Professional Fees	0	0	51
Totals	\$0	\$0	\$169

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The Tobacco Institute
1999 Budget
Contingency Funds

GENERAL CONTINGENCY FUNDS

Cost Center No. 1901

	1998 Budget (\$000)	1998 Estimated (\$000)	1999 Budget (\$000)
<u>Account #4301 Rent - Space</u>			
Washington, DC Sublease Income -			
(4,267 s/f @ \$29.00 x 7 mos)	\$0	\$0	<\$72>
Total	\$0	\$0	<\$72>

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The Tobacco Institute
1999 Budget
Contingency Funds

GENERAL CONTINGENCY FUNDS

Cost Center No. 1901

	1998 Budget (\$000)	1998 Estimated (\$000)	1999 Budget (\$000)
<u>Account #4701 Furniture, Fixtures & Equipment</u>			
Buildout of Washington, DC office space to sublease tenant, and general reconditioning of space occupied by The Institute.	\$0	\$0	\$190
Total	\$0	\$0	\$190

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**The Tobacco Institute
1999 Budget
Contingency Funds**

GENERAL CONTINGENCY FUNDS

Cost Center No. 1901

	1998 Budget (\$000)	1998 Estimated (\$000)	1999 Budget (\$000)
<u>Account #7301 Professional Fees</u>			
Sublease of The Insitute's Washington, DC office space			
Office space layout and design consultant	\$0	\$0	\$24
Real estate broker's commission	0	0	27
Total	\$0	\$0	\$51

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9. Y2K Compliance

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**The Tobacco Institute
1999 Budget
Contingency Funds**

YEAR 2000 UPGRADES

Cost Center No. 1903

	1998 Budget (\$000)	1998 Estimated (\$000)	1999 Budget (\$000)
Account #8000 Computer Services			
Conversion and rewrite of The Institute's custom computer software to make it year 2000 compliant. Programs to be upgraded include:	\$0	\$0	\$112
State and federal legislative tracking and reporting system			
Cigarette tax reporting system			
Cigarette retail price survey system			
State campaign contributions tracking system			
Mailing list system			
Internal budgeting system			
Internal fixed asset system			
Upgrades to Local Area Network server operating systems, server software, backup software, and antivirus system to make them year 2000 compliant.	0	0	25
Upgrade Audix telephone voice mail system to make it year 2000 compliant.	0	0	8
Total	\$0	\$0	\$145

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10. Initiative Pass
Through

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The Tobacco Institute
1999 Budget
Initiative Pass-Through Pymnts

INITIATIVE PASS-THROUGH PYMNTS

Cost Center No. 3401

	1998 Budget (\$000)	1998 Estimated (\$000)	1999 Budget (\$000)
<u>Account #6001 Legislative Consultants</u>			
CALIFORNIA			
California Bar Initiative	\$288	\$288	\$0
Total	\$288	\$288	\$0

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