



County of Orange  
California

**James D. Ruth**  
County Executive Officer

July 29, 2004

Tom Staple, Foreman  
FY 03/04 Grand Jury  
Superior Court of California  
700 Civic Center Drive West  
Santa Ana, CA 92702

Subject: Response to Orange County Grand Jury Report, "Tobacco  
Settlement Revenue in Orange County"

Dear Mr. Staple:

Per your request, and in accordance with Penal Code 993, enclosed please find the County of Orange response to the subject report as approved by the Board of Supervisors. If you have any questions, please contact Brian Wayt at the County Executive Office who will either assist you or direct you to the appropriate individual.

Very truly yours,

A handwritten signature in cursive script that reads "James D. Ruth".

James D. Ruth  
County Executive Officer

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Third Floor  
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**2003-2004 Grand Jury Report  
“Tobacco Settlement Revenue in Orange County”  
Response to Findings and Recommendations**

**Response to Findings:**

1. The impact of the Tobacco Settlement Revenue (TSR) in Orange County on the categories of medical services specified in Measure H has been immense, particularly to the emergency-room physicians and specialists who have been treating uninsured patients without compensation.

**Response: Agrees with Finding**

3. TSR funds have improved the broad range of services and programs to the medically needy and the senior citizens of Orange County.

**Response: Agrees with Finding**

4. Programs and services funded by Tobacco Settlement Revenues are being administered properly and efficiently by the Health Care Agency and the Sheriff-Coroner.

**Response: Agrees with Finding**

5. No other California county has passed an initiative like Orange County’s Measure II that restricts the county’s use of the Tobacco Settlement Funds.

**Response: Agrees with Finding**

**Response to Recommendations:**

1. The Health Care Agency continue to follow the provisions outlined in Measure H, and ensure that the programs and services continue to be carried out properly and efficiently.

**Response: The recommendation has been implemented**

The distribution of Tobacco Settlement Revenue (TSR) has been and will continue to be based upon the allocation percentages included in Measure H. The TSR spending plan is developed annually in coordination with community health representatives, and is submitted to the Board of Supervisors for their review and approval. A report on TSR programs and expenditures is also presented annually to the Board of Supervisors.

3. The Board of Supervisors continue to ensure that Orange County's share of Tobacco Settlement Funds are applied in accordance with the provisions of Measure H, for the benefit of, and with input from, the people of Orange County.

**Response: The recommendation has been implemented**

In July 2001, the Board of Supervisors established a separate fund (13N) to account for TSR funds. Each year the Board adopts a budget for this fund in accordance with the provisions of Measure H. The County Executive Office monitors this fund throughout the year to ensure that actual expenditures are in line with the adopted budget and Measure H.