

THE TOBACCO INSTITUTE  
1986 BUDGET  
INDEX

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A

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THE TOBACCO INSTITUTE  
1987 BUDGET

EXECUTIVE SUMMARY

The Tobacco Institute's 1987 budget has been prepared on a consistent basis for the activities of all Divisions. The budgets for the Public Affairs Division and the State Activities Division have been reviewed and approved by the respective advisory committees. The budget for legal fees, which are charged to the various using divisions, has been reviewed and approved by the Committee of Counsel.

The overall budget includes a 6% increase for salary and benefits and a 3.5% inflation factor for other items. Both of these are based upon guidance that was received from the Budget Committee at its July 1986 meeting.

A request for specific additional funding is included to cover three items. The amount requested for legal fees has been increased over the 1986 budget by \$1,300,000 to recognize the additional costs anticipated due to the press of ongoing litigation, as well as to address environmental smoke and other industry directed legal issues. An additional \$500,000 has been requested to support the increased utilization of the scientific witnesses. An additional \$200,000 has been requested to fund the new computer for the full year of 1987. It was installed in mid-1986.

In the area of staffing, the number of authorized, full-time positions remains unchanged at 114 positions. During the year, certain functions and positions were transferred from the Administration Division to the newly titled Public Affairs Division. In addition, the Scientific Affairs Division has been made part of the Public Affairs Division and its budget will be transferred on January 1, 1987.

Mr. Kornegay, Chairman, has announced his retirement effective January 1, 1987. He will become a special consultant for one year.

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THE TOBACCO INSTITUTE

1987 BUDGET

<u>Division</u>	-----1986-----			-----1987-----		<u>% CHANGE 1986 EST vs 1987 BUDGET</u>
	<u>BUDGET (\$000)</u>	<u>ESTIMATED EXPENDITURES (\$000)</u>	<u>AUTHORIZED POSITIONS</u>	<u>PROPOSED BUDGET (\$000)</u>	<u>AUTHORIZED POSITIONS REQUESTED</u>	
Administrative	\$ 5,007	\$ 5,661	32	\$ 5,969	26	5%
Federal Relations	3,510	3,832	16	4,177	16	9%
Public Affairs	9,277	8,007	22	9,696	28	21%
Scientific Affairs	1,167	1,497	3	1,685	3	13%
State Activities	<u>9,490</u>	<u>10,181</u>	<u>41</u>	<u>10,096</u>	<u>41</u>	<u>&lt;1%&gt;</u>
	<u>\$28,451</u>	<u>\$29,178</u>	<u>114</u>	<u>\$31,623</u>	<u>114</u>	<u>8%</u>

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THE TOBACCO INSTITUTE  
1987 SUMMARY PROGRAM BUDGET

	<u>Positions Authorized</u>	<u>Dollars (\$000)</u>
Existing Programs (1986 Estimated Expenditures)	114	\$29,178
1987 Additions <Deletions>		
Advertising Issue Program		734
Media Relations Program		240
Data Processing (computer lease payments)		182
General Coalitions Program		169
Public Smoking Program		168
Scientific Consultants		162
State Activities Division Professional Fees		<404>
Federal Relations Professional Fees		<149>
Other		322
Economic Change (Inflation)		<u>1,021</u>
Totals (1987 Budget)	<u>114</u>	<u>\$31,623</u>

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The Tobacco Institute

1987 Budget

Account	Description	Admini- strative Division	Federal Relations Division	Public Affairs Division	Scientific Affairs Division	State Activities Division	TOTALS
2800	Staff Compensation	\$1,512	\$1,010	\$1,176	\$139	\$2,088	\$5,925
3200	Employee Benefits	409	273	318	38	550	1,588
3900	Travel	170	510	445	35	602	1,762
4000	Conferences & Meetings	134	0	30	0	242	406
4100	Field Automobiles	0	0	0	0	106	106
4300	Rent - Space	1,171	0	0	0	105	1,276
4600	Other Occupancy Expense	32	0	0	0	12	44
4700	Furniture, Fixtures & Equipment	332	0	3	0	13	348
4800	Books & Subscriptions	4	0	45	0	11	60
4900	Equipment Repair & Maint.	193	0	1	0	5	199
5000	Office Supplies	91	0	11	0	13	115
5100	Postage & Delivery	95	8	270	1	120	494
5200	Reproduction, Printing & Drafting	144	5	1,144	1	103	1,397
5300	Telephone & Telecopy	193	0	0	0	99	292
5400	Other Office Expense	68	110	60	0	23	261
5500	Membership & Staff Training	39	30	17	3	38	127
5800	Legal Fees - General	1,715	450	100	180	295	2,740
6000	Legislative Counsel	0	1,146	0	0	2,549	3,695
6200	Advertising & Promotion	0	0	750	0	0	750
6600	Business Taxes	43	0	0	0	143	186
6900	Employee Recruitment & Relocation	75	0	0	0	80	155
7200	Miscellaneous Expense	0	0	0	0	16	16
7300	Professional Fees	102	210	3,133	1,287	1,588	6,320
7400	Purchased Administrative Services	17	10	5	1	29	62
7500	Support of Tobacco & Other Orgs.	0	0	1,740	0	565	2,305
7700	State Campaign Support Program	0	0	0	0	311	311
8000	Computer Services	600	25	58	0	0	683
9100	Data Processing Allocation	(1,170)	390	390	0	390	0
Totals		\$5,969	\$4,177	\$9,696	\$1,685	\$10,096	\$31,623

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**B**

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THE TOBACCO INSTITUTE

1987 BUDGET

ADMINISTRATIVE DIVISION

	-----1986-----			-----1987-----		
	<u>BUDGET</u> <u>(\$000)</u>	<u>ESTIMATED</u> <u>EXPENDITURES</u> <u>(\$000)</u>	<u>AUTHORIZED</u> <u>POSITIONS</u>	<u>PROPOSED</u> <u>BUDGET</u> <u>(\$000)</u>	<u>AUTHORIZED</u> <u>POSITIONS</u> <u>REQUESTED</u>	<u>% CHANGE</u> <u>1986 EST</u> <u>vs 1987</u> <u>BUDGET</u>
4 General Administration	\$5,007	\$5,664	20	\$5,969	20	5%
Data Processing	1,112	1,137	6	1,360	6	20%
Data Processing Allocations	<1,112>	<1,112>	-	<1,360>	-	-%
Information Center	282	254	6	-*	-*	-%
Information Center Allocations	<282>	<282>	-	-*	-*	-%
	<u>\$5,007</u>	<u>\$5,661</u>	<u>32</u>	<u>\$5,969</u>	<u>26</u>	<u>5%</u>

\* Transferred to Public Relations Division for 1987.

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THE TOBACCO INSTITUTE  
 ADMINISTRATIVE DIVISION  
 1987 SUMMARY PROGRAM BUDGET

	<u>Positions Authorized</u>	<u>Dollars (\$000)</u>
Existing Programs (1986 Estimated Expenditures)	32	\$5,661
1987 Additions <Deletions>		
Personnel (salary & benefits)		
Information Services Manager	<1>	- *
Assistant Librarian/Indexer	<1>	- *
Reference/Research Librarian	<1>	- *
Information Specialist	<1>	- *
Library Technician	<2>	- *
Legal Fees		70
Other		40
Economic Change (Inflation)		<u>198</u>
Totals (1987 Budget)	<u>26</u>	<u>\$5,969</u>

\* Allocated cost of Information Center in 1986.

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THE TOBACCO INSTITUTE

1987 BUDGET

COST CENTER NAME General Administraton No. 1101

Authorized Positions 1986 - 20

Authorized Positions Requested 1987 - 20

Account Number	Description	Page Ref.	1986 Budget (\$000)	1986 Estimated (\$000)	1987 Budget (\$000)
2800	Staff Compensation.....	..7.	\$1,261	\$1,261	\$1,336
3200	Employee Benefits.....	....	341	341	361
3900	Travel.....	....	175	170	160
4000	Conferences & Meetings.....	..8.	123	130	134
4300	Rent - Space.....	..9.	1,171	1,124	1,171
4600	Other Occupancy Expense.....	....	19	26	27
4700	Furniture, Fixtures & Equipment....	....	32	32	32
4800	Books & Subscriptions.....	....	3	4	4
4900	Equipment Repairs & Maintenance....	....	32	32	35
5000	Office Supplies.....	....	70	60	62
5100	Postage & Delivery.....	.10.	97	90	93
5200	Reproduction, Printing & Drafting..	.10.	116	131	140
5300	Telephone & Telecopy.....	.10.	190	185	190
5400	Other Office Expense.....	....	51	65	68
5500	Membership & Staff Training.....	....	18	25	26
5800	Legal Fees - General.....	.11.	920	1,590	1,715
6600	Business Taxes.....	.11.	35	32	43
6900	Employee Recruitment & Relocation..	....	75	75	75
7300	Professional Fees.....	.11.	97	101	102
7400	Purchased Administrative Services..	....	3	12	5
9100	Data Processing Allocation.....	....	178	178	190
TOTALS.....			\$5,007	\$5,664	\$5,969

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THE TOBACCO INSTITUTE

1987 BUDGET

COST CENTER General Administration No. 1101

STAFFING SCHEDULE

Months of Employment

<u>Employee Name</u>	<u>Title/Position</u>	<u>1986 Budget</u>	<u>1986 Estimated</u>	<u>1987 Budget</u>
H. Kornegay	Chairman	12	12	12
S. Chilcote	President	12	12	12
D. Milway	Sr. Vice President-Administration	12	12	12
W. O'Flaherty	Counselor to The Institute	12	12	12
J. Hilderley	Corporate Secretary & Off. Mgr.	12	12	12
W. Adams	Controller	12	12	12
M. Masi	Accounting Manager	12	12	12
L. Van Sickle	Accounts Payable Administrator	12	12	12
S. Froelicler	Payroll Administrator	12	12	12
E. Quinn	Accounting Administrator	12	12	12
S. Evans	Production Assistant	12	12	12
A. Watkins	Executive Assistant	12	12	12
D. Thomas	Administrative Assistant	12	12	12
M. Burton	Administrative Assistant	12	12	12
L. Buran	Administrative Assistant	12	12	12
J. Rusk	Receptionist	12	12	12
G. Cox	Word Processor Coordinator	12	12	12
M. Steele	Personnel Clerk	12	12	12
R. Grays	Office Services Supervisor	12	12	12
C. Jones	Office Services Assistant	12	12	12
		<u>240</u>	<u>240</u>	<u>240</u>

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THE TOBACCO INSTITUTE

1987 BUDGET

COST CENTER General Administration No. 1101

	<u>1986 Budget (\$000)</u>	<u>1986 Estimated (\$000)</u>	<u>1987 Budget (\$000)</u>
<u>Account #4000 - Conferences &amp; Meetings</u>			
Tobacco Institute Winter Meeting	\$140	\$145	\$150
Winter Meeting Registration Fees	<30>	<28>	<29>
Executive Committee Meetings in New York City and Washington, D.C.	9	9	9
Committee of Counsel, Pension Committee, Budget Committee, and miscellaneous	<u>4</u>	<u>4</u>	<u>4</u>
	<u>\$123</u>	<u>\$130</u>	<u>\$134</u>

THE TOBACCO INSTITUTE

1987 BUDGET

COST CENTER	<u>General Administration</u>		No. <u>1101</u>
	<u>1986 Budget (\$000)</u>	<u>1986 Estimated (\$000)</u>	<u>1987 Budget (\$000)</u>
<u>Account #4300 - Rent - Space</u>			
Washington, D.C. - International Square Phase II (expiration date 5/31/89)			
Base rent (22,412 sq. ft. @ \$25.00)	\$ 560	\$ 560	\$ 560
Operating expense pass-through	145	102	138
Basement storage space	10	10	10
Washington, D.C. - International Square Phase III (expiration date 5/31/89)			
Base rent (33,809 sq. ft.)			
1986 - 4 months @ \$32.78, 8 months @ \$33.77	1,131	1,131	1,165
1987 - 4 months @ \$33.77, 8 months @ \$34.78			
Operating expense pass-through	196	168	224
Richmond, Virginia office (expiration date 12/31/88)	18	18	18
Income from subleasing space in Inter- national Square Phase III			
1986 - 24,090 sq. ft., 12 months @ \$25.13	<605>	<605>	<624>
- 4,305 sq. ft., 12 months @ \$27.58	<119>	<119>	<122>
1987 - 24,090 sq. ft., 12 months @ \$25.89			
4,305 sq. ft., 12 months @ \$28.41			
Sublease share of operating expense pass- through	<u>&lt;165&gt;</u>	<u>&lt;141&gt;</u>	<u>&lt;198&gt;</u>
	<u>\$1,171</u>	<u>\$1,124</u>	<u>\$1,171</u>

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THE TOBACCO INSTITUTE

1987 BUDGET

COST CENTER General Administration No. 1101

	1986 Budget (\$000)	1986 Estimated (\$000)	1987 Budget (\$000)
<u>Account #5100 - Postage &amp; Delivery</u>			
Postage	\$ 62	\$ 63	\$ 65
Delivery	<u>35</u>	<u>27</u>	<u>28</u>
	<u>\$ 97</u>	<u>\$ 90</u>	<u>\$ 93</u>

Account #5200 - Reproduction, Printing & Drafting

Graphics, artwork and printing	\$ 40	\$ 40	\$ 37
Copier lease payments	34	31	40
Copier supplies and maintenance	28	35	37
Copier meter usage	<u>14</u>	<u>25</u>	<u>26</u>
	<u>\$116</u>	<u>\$131</u>	<u>\$140</u>

Account #5300 - Telephone & Telecopy

WATS and long distance calls from Washington, D.C.	\$131	\$126	\$129
Washington, D.C. local calls and service	53	53	55
Richmond, Virginia - office service and long distance	<u>6</u>	<u>6</u>	<u>6</u>
	<u>\$190</u>	<u>\$185</u>	<u>\$190</u>

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THE TOBACCO INSTITUTE  
1987 BUDGET

COST CENTER General Administration No. 1101

	<u>1986 Budget (\$000)</u>	<u>1986 Estimated (\$000)</u>	<u>1987 Budget (\$000)</u>
<u>Account #5800 - Legal Fees</u>			
Covington & Burling			
. general legal services	\$295	\$ 400	\$ 415
. product liability litigation	500	640	700
Allowance for litigation on specific cases by firms other than Covington & Burling	<u>125</u>	<u>550</u>	<u>600</u>
	<u>\$920</u>	<u>\$1,590</u>	<u>\$1,715</u>

Account #6600 - Business Taxes

D.C. personal property tax	\$ 25	\$ 26	\$ 37
D.C. sales and use tax	8	4	4
Other	<u>2</u>	<u>2</u>	<u>2</u>
	<u>\$ 35</u>	<u>\$ 32</u>	<u>\$ 43</u>

Account #7300 - Professional Fees

Statistical/taxation consultant (J.Sears)	\$ 33	\$ 33	\$ 33
Audit of The Institute by an outside CPA firm	28	35	36
Employee benefits plan consultants and fees	1	3	3
Contingency reserve for special studies	<u>35</u>	<u>30</u>	<u>30</u>
	<u>\$ 97</u>	<u>\$ 101</u>	<u>\$ 102</u>

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THE TOBACCO INSTITUTE

1987 BUDGET

COST CENTER NAME Data Processing No. 1103

Authorized Positions 1986 - 6

Authorized Positions Requested 1987 - 6

Account Number	Description	Page Ref.	1986 Budget (\$000)	1986 Estimated (\$000)	1987 Budget (\$000)
2800	Staff Compensation.....	.13.	\$ 156	\$ 152	\$ 176
3200	Employee Benefits.....	....	42	41	48
3900	Travel.....	....	20	15	10
4600	Other Occupancy Expense.....	....	5	5	5
4700	Furniture, Fixtures & Equipment....	.14.	161	161	300
4900	Equipment Repairs & Maintenance....	.15.	137	115	158
5000	Office Supplies.....	.15.	29	26	29
5100	Postage & Delivery.....	....	2	2	2
5200	Reproduction, Printing & Drafting..	....	2	3	4
5300	Telephone & Telecopy.....	....	1	3	3
5500	Membership and Staff Training.....	.15.	30	30	13
7400	Purchased Administrative Services..	....	-	1	12
8000	Computer Services.....	.16.	527	583	600
	Subtotals.....	....	<u>\$1,112</u>	<u>\$1,137</u>	<u>\$1,360</u>
9100	Data Processing Allocations				
	. Administration Division (1101)		<178>	<178>	<190>
	. Federal Relations Division (1201)		<178>	<178>	<390>
	. Public Affairs Division (1301)		<233>	<233>	<390>
	. State Activities Division (1401)		<u>&lt;523&gt;</u>	<u>&lt;523&gt;</u>	<u>&lt;390&gt;</u>
	TOTALS.....	....	<u>\$ -</u>	<u>\$ 25</u>	<u>\$</u>

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THE TOBACCO INSTITUTE

1987 BUDGET

COST CENTER	<u>Data Processing</u>		No. <u>1103</u>
	1986 Budget (\$000)	1986 Estimated (\$000)	1987 Budget (\$000)
<u>Account #4700 - Furniture, Fixtures &amp; Equipment</u>			
DEC VAX 8200 mainframe computer and associated hardware and software (payments on 36-month lease which expires in September, 1989)	\$ 62	\$ 62	\$246
DEC 32 line terminal server	-	-	30
Computer room expansion	75	75	-
Micro-processors, terminals, communications devices, and other support equipment	24	24	24
	<u>\$161</u>	<u>\$161</u>	<u>\$300</u>

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THE TOBACCO INSTITUTE

1987 BUDGET

COST CENTER

Data Processing

No. 1103

	1986 Budget (\$000)	1986 Estimated (\$000)	1987 Budget (\$000)
<u>Account #8000 - Computer Software and Services</u>			
<u>Account 8010 - Custom Software</u>			
8011 Administrative			
Software conversions (DEC 20 to VAX 8200)	\$ 60	\$ 60	\$ 60
Communications system	30	25	60
System software maintenance	10	10	12
Budget system	15	8	10
	<u>\$115</u>	<u>\$103</u>	<u>\$142</u>
8012 Federal Relations			
Congressional system	\$ 45	\$ 60	\$ 65
PAC reporting	5	6	10
	<u>50</u>	<u>66</u>	<u>75</u>
8013 Public Affairs			
Resource management system	40	-	-
Library software maintenance	5	25	15
Speaker scheduling	15	-	-
Mailing list management	15	-	-
Publications inventory	15	-	15
Media tracking	-	-	10
	<u>\$ 90</u>	<u>\$ 25</u>	<u>\$ 40</u>
8014 State Activities			
TAN data base	40	100	50
Legislative tracking	15	30	60
Contributions/honoraria tracking	5	10	20
	<u>\$ 60</u>	<u>\$140</u>	<u>\$130</u>

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## THE TOBACCO INSTITUTE

## 1987 BUDGET

COST CENTER

Data Processing

No. 1103

	<u>1986 Budget (\$000)</u>	<u>1986 Estimated (\$000)</u>	<u>1987 Budget (\$000)</u>
<u>Account 8020 - Purchased Software</u>			
8021 Administrative			
DEC VAX 8200 System			
. VMS operating system	\$ 60	\$ 60	\$ 65
. 1032 data base manager	50	56	7
. Control 32 applications generator	25	20	3
Ross accounting system	50	63	8
Hardware/software evaluation studies	10	19	20
DEC 20 System			
. Tops 20 operating system	-	8	8
. 1022 data base manager	-	4	4
. Control 1020 applications generator	-	2	2
	<u>\$195</u>	<u>\$232</u>	<u>\$117</u>
 8022 Federal Relations	 \$ -	 \$ -	 \$ 5
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5</u>
 8023 Public Affairs			
Microcomputer software	\$ -	\$ 1	\$ -
Library software	-	-	45
	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 45</u>
 8024 State Activities			
Microcomputer software	\$ -	\$ -	\$ 25
Networking for Pro 350's	-	-	6
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31</u>
 8030 Purchased Computer Services			
Timesharing	\$ 2	\$ 2	\$ 3
Payroll processing service	8	8	9
Outside report printing	7	6	3
	<u>\$ 17</u>	<u>\$ 16</u>	<u>\$ 15</u>
 8000 Totals	 <u>\$527</u>	 <u>\$583</u>	 <u>\$600</u>

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THE TOBACCO INSTITUTE  
1987 BUDGET

COST CENTER NAME Information Center No. 1104

Authorized Positions 1986 - 6  
Authorized Positions Requested 1987 - 0

Account Number	Description	Page Ref.	1986 Budget (\$000)	1986 Estimated (\$000)	1987 Budget (\$000)
2800	Staff Compensation.....	.19.	\$121	\$ 87	\$ -*
3200	Employee Benefits.....	....	33	24	-*
3900	Travel.....	....	3	2	-*
4800	Books & Subscriptions.....	....	45	45	-*
4900	Equipment Repairs & Maintenance....	....	1	1	-*
5000	Office Supplies.....	....	2	2	-*
5100	Postage & Delivery.....	....	1	2	-*
5200	Reproduction, Printing & Drafting..	....	4	4	-*
5400	Other Office Expense.....	.20.	45	50	-*
5500	Membership and Staff Training.....	....	2	2	-*
7400	Purchased Admin. Services.....	....	-	5	-*
8108	Outside data bases.....	.20.	25	30	-*
Totals.....			\$282	\$254	\$ -*

9200 Information Center Allocations

. Federal Relations Division (1201)	\$ <59>	\$ <59>	\$ -
. Public Relations Division (1301)	\$ <150>	<150>	-
. Scientific Affairs Division (1601)	<17>	<17>	-
. State Activities Division (1401)	<56>	<56>	-
Totals.....	\$ -	\$ <28>	\$

\* Included in Public Affairs Division for 1987.

THE TOBACCO INSTITUTE

1987 BUDGET

COST CENTER Information Center No. 1104

STAFFING SCHEDULE

Months of Employment

<u>Employee Name</u>	<u>Title/Position</u>	<u>1986 Budget</u>	<u>1986 Estimated</u>	<u>1987 Budget</u>
J. Lyons	Information Services Manager	12	7	-*
L. Picciano	Ass't Librarian/Indexer	12	12	-*
Vacant	Reference/Research Librarian	12	10	-*
S. Ransome	Information Specialist	12	12	-*
N. Williams	Library Technician	12	12	-*
Vacant	Library Technician/ Secretary	12	10	-*
		<u>72</u>	<u>63</u>	<u>-*</u>

\* Transferred to Public Relations Division for 1987.

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THE TOBACCO INSTITUTE  
1987 BUDGET

COST CENTER Information Center No. 1104

	1986 Budget (\$000)	1986 Estimated (\$000)	1987 Budget (\$000)
<u>Account #5400 - Other Office Expense</u>			
Expenditures for TV and radio transcripts, video cassettes, clipping services, etc. Items are purchased upon request.	\$ 45	\$ 50	\$ -*
 <u>Account #8018 - Computer Outside Data Bases</u>			
Subscriptions to commercial data bases, e.g. NEXIS, DIALOG	\$ 25	\$ 30	\$ -*

\* Included in Public Affairs Division for 1987.

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THE TOBACCO INSTITUTE  
1987 BUDGET

FEDERAL RELATIONS DIVISION

	-----1986-----	-----1987-----	% CHANGE 1986 EST vs 1987 BUDGET
BUDGET (\$000)			
ESTIMATED EXPENDITURES (\$000)	\$3,832	PROPOSED BUDGET (\$000)	AUTHORIZED POSITIONS REQUESTED
	\$3,510	\$4,177	16
Federal Relations Division			9%

THE TOBACCO INSTITUTE  
 1987 SUMMARY PROGRAM BUDGET  
 FEDERAL RELATIONS DIVISION

	<u>Positions Authorized</u>	<u>Dollars (\$000)</u>
Existing Programs (1986 Estimated Expenditures)	16	\$3,832
1987 Additions <Deletions>		
Personnel (salary & benefits)		
Lobbyist	- *	79
Lobbyist	- *	64
Lobbyist	- *	64
Secretary	- *	20
Data Processing Allocation		206
Professional Fees		<149>
Postage and Delivery		<75>
Other		2
Economic Change (Inflation)		<u>134</u>
Totals (1987 Budget)	<u>16</u>	<u>\$4,177</u>

\* Authorized position which was vacant for all or part of 1986.

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THE TOBACCO INSTITUTE

1987 BUDGET

COST CENTER NAME Federal Relations Division No. 1201

Authorized Positions 1986 - 16  
 Authorized Positions Requested 1987 - 16

Account Number	Description	Page Ref.	1986 Budget (\$000)	1986 Estimated (\$000)	1987 Budget (\$000)
2800	Staff Compensation.....	.24.	\$ 949	\$ 785	\$1,010
3200	Employee Benefits.....	....	256	212	273
3900	Travel.....	....	465	510	510
5100	Postage & Delivery.....	.25.	3	80	8
5200	Reproduction, Printing & Drafting..	....	5	5	5
5400	Other Office Expense.....	....	110	105	110
5500	Membership and Staff Training.....	....	25	30	30
5800	Legal Fees.....	.25.	110	465	450
6000	Legislative Consultants.....	.25.	990	1,016	1,146
7300	Professional Fees.....	.26.	336	347	210
7400	Purchased Administrative Services..	....	6	15	10
8000	Computer Services.....	....	18	25	25
9100	Data Processing Allocation.....	....	178	178	390
9200	Information Center Allocation.....	....	59	59	-
TOTALS.....			<u>\$3,510</u>	<u>\$3,832</u>	<u>\$4,177</u>

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THE TOBACCO INSTITUTE

1987 BUDGET

COST CENTER Federal Relations Division No. 1201

STAFFING SCHEDULE

Months of Employment

<u>Employee Name</u>	<u>Title/Position</u>	<u>1986 Budget</u>	<u>1986 Estimated</u>	<u>1987 Budget</u>
R. Lewis	Division Director	12	12	12
D. White	Director, Democratic Liaison	12	12	12
R. Vinovich	Director, Republican Liaison	12	12	12
R. Walters	Lobbyist	12	4	12
T. Payne	Lobbyist	12	4	12
New Hire	Lobbyist	12	2	12
H. Leggett	Director, Agricultural Relations	12	12	12
J. Wiedemeier	Director, Agency Liaison	12	12	12
P. McGovern	Assistant Lobbyist/PAC Officer	12	12	12
G. Yenowine	Director, Federal Programs	12	12	12
M. Judge	Legislative/Regulatory Analyst	12	12	12
S. Ratliff	Secretary	12	12	12
S. Ruyle	Secretary/Asst. PAC officer	12	12	12
D. Lundquist	Secretary	12	12	12
S. Etemadi	Secretary	12	12	12
New Hire	Secretary	12	2	12
		<u>192</u>	<u>156</u>	<u>192</u>

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THE TOBACCO INSTITUTE

1987 BUDGET

COST CENTER	Federal Relations Division			No. 1201
	1986 Budget (\$000)	1986 Estimated (\$000)	1987 Budget (\$000)	
<u>Account #5100 - Postage &amp; Delivery</u>				
Federal legislative TAN mobilization mailings	\$ 3	\$ 80	\$ 8	
<u>Account #5800 - Legal Fees</u>				
Covington & Burling - federal legislative matters	\$ 90	\$ 350	\$ 350	
Expert Witnesses for congressional hearings (Blackwell, Mendelson, Wind, etc.)	10	75	50	
Product liability matters (Crowell & Moring, The Product Liability Alliance, American Tort Reform Association, etc.)	10	40	50	
	<u>\$110</u>	<u>\$ 465</u>	<u>\$ 450</u>	
<u>Account #6000 - Legislative Consultants</u>				
Bishop, Lieberman, Cook & Purcell	\$240	\$ 240	\$ 240	
Gold & Liebengood, Inc.	240	240	250	
Walter D. Huddleston	200	200	200	
Black, Manafort, Stone & Kelly	120	120	180	
Lipsen, Hamberger, Whitten & Hamberger	60	60	70	
Paul, Hastings, Janofsky & Walker	70	50	50	
James N. Juliana Associates	-	36	36	
A-K Associates	-	30	60	
Allowance for additional legislative consultants	60	40	60	
	<u>\$990</u>	<u>\$1,016</u>	<u>\$1,146</u>	91083802

THE TOBACCO INSTITUTE

1987 BUDGET

COST CENTER Federal Relations Division No. 1201

	<u>1986 Budget (\$000)</u>	<u>1986 Estimated (\$000)</u>	<u>1987 Budget (\$000)</u>
<u>Account #7300 - Professional Fees</u>			
Honoraria payments	\$100	\$100	\$100
The Martin Haley Companies (total fee)	155	160	120
. Less allocation to State Activities Division	<77>	<80>	<60>
Morris (Tiny) Weintraub, taxation/vending consultant (total fee)	75	-	-
. Less allocation to State Activities Division	<37>	-	-
Gray & Company, government relations consultant	10	5	-
William Prendergast, in-house consultant	10	32	-
David N. Henderson, in-house consultant	50	80	-
Allowance for consultant fees for assis- tance in fighting anti-tobacco legisla- tion which may be introduced in Congress	<u>50</u>	<u>50</u>	<u>50</u>
	<u>\$336</u>	<u>\$347</u>	<u>\$210</u>

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THE TOBACCO INSTITUTE

1987 BUDGET

PUBLIC AFFAIRS DIVISION

	-----1986-----			-----1987-----		% CHANGE
	BUDGET	ESTIMATED	AUTHORIZED	PROPOSED	AUTHORIZED	1986 EST
	(\$000)	EXPENDITURES	POSITIONS	BUDGET	POSITIONS	vs 1987
		(\$000)		(\$000)	REQUESTED	BUDGET
General Administration	\$2,441	\$2,389	22	\$ 2,591	28	8%
Media Relations	421	438	-	693	-	58%
Excise Issue	830	1,136	-	1,080	-	<5%>
Fire Prevention Issue	575	621	-	628	-	1%
General Coalitions	1,260	1,036	-	1,241	-	20%
Advertising Issue	2,398	902	-	1,668	-	85%
Public Smoking Issue	1,352	1,485	-	1,705	-	15%
Subtotals	9,277	8,007	22	9,606	28	20%
Information Center	125*	141*	6	90	-	<36%>
	<u>\$9,402</u>	<u>\$8,148</u>	<u>28</u>	<u>\$ 9,696</u>	<u>28</u>	<u>19%</u>

\* Included in Administrative Division in 1986

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PUBLIC AFFAIRS DIVISION  
1987 BUDGET

EXECUTIVE SUMMARY

The 1987 budget proposed by The Institute management for the Public Affairs Division was examined and approved by the Communications Committee at its meeting on September 18, 1986.

The budget, reflecting a 5% increase over the 1986 budget, was drafted by the Division's issues and activities managers and, after management review, redrafted and presented to the Communications Committee with a carefully drawn operational plan. In summary, the Division's objectives for 1987 as approved by the Committee are:

- ° Taxation: Providing The Institute's Federal and State Divisions with increasing resources and broadening public constituencies in opposition to excises.
- ° Advertising: Demonstrating to any interested audiences the tobacco industry's ethical, adult-targeted brand advertising principles and practices.
- ° Fire Prevention: Maintaining awareness among public officials and fire service leadership of the tobacco industry's responsible role in fire prevention education.
- ° General Coalitions: Expanding relationships with organizations and persons who share tobacco industry positions on public affairs issues.
- ° Public Smoking: Preservation of the rights and privileges of persons who choose to smoke tobacco.
- ° Media Relations: Achievement of fairer media coverage of public affairs subjects and issues.
- ° Management and Support: Providing efficient direction, adequate research and documentation, and high quality publications and graphics in support of all the objectives of The Institute and the Division.

The Division's 1987 action plans are based on assessments of continuing and substantial public policy examinations of the critical tax, environmental tobacco smoke, advertising and fire prevention issues. Legislative and regulatory activity will continue intensively regarding federal and state revenue requirements; restrictions by federal, state and local governments on tobacco product advertising and promotion, and on places indoors where smoking is permitted, a question subject to action by private managers as well; and revived interest in fire prevention at federal and state levels is expected to accompany completion of a federal study of possible cigarette manufacturing techniques aimed at reduction of accidental fires.

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THE TOBACCO INSTITUTE  
PUBLIC AFFAIRS DIVISION  
1987 SUMMARY PROGRAM BUDGET

	<u>Positions Authorized</u>	<u>Dollars (\$000)</u>
Existing Programs (1986 Estimated Expenditures)	22	\$8,007
1987 Additions <Deletions>		
Personnel (salary & benefits)		
Director, Information Center	1 *	43
Assistant Librarian/Indexer	1 *	23
Reference/Research Librarian	1 *	29
Library Technician	2 *	43
Secretary	1 *	18
Advertising Issue Program		734
Media Relations Program		240
General Coalitions Program		169
Public Smoking Program		168
Information Center		90 *
Excise Tax Program		<96>
Other		<52>
Economic Change (Inflation)		<u>280</u>
Totals (1987 Budget)	<u>28</u>	<u>\$9,696</u>

\* Transferred from Administrative Division.

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THE TOBACCO INSTITUTE

1987 BUDGET

COST CENTER NAME Public Affairs - General Administration No. 1301

Authorized Positions 1986 - 22  
 Authorized Positions Requested 1987 - 28

Account Number	Description	Page Ref.	1986 Budget (\$000)	1986 Estimated (\$000)	1987 Budget (\$000)
2800	Staff Compensation.....	.30.	\$ 978	\$ 981	\$1,176
3200	Employee Benefits.....	....	264	265	318
3900	Travel.....	....	15	55	75
4000	Conferences & Meetings.....	....	4	-	-
5000	Office Supplies.....	....	-	2	4
5100	Postage & Delivery.....	.31.	186	175	155
5200	Reproduction, Printing & Drafting..	.31.	191	239	208
5400	Other Office Expense.....	....	4	4	4
5500	Membership & Staff Training.....	....	8	8	8
5800	Legal Fees.....	.31.	75	100	100
6200	Advertising.....	....	-	4	5
6900	Employee Recruitment & Relocation..	....	-	1	-
7300	Professional Fees.....	.31.	275	116	145
7400	Purchased Administrative Services..	....	3	3	3
7500	Support of Tob./Other Organizations	....	10	-	-
7600	Motion Picture Services.....	....	45	53	-
9100	Data Processing Allocation.....	....	233	233	390
9200	Information Center Allocation.....	....	150	150	-
TOTALS.....			<u>\$2,441</u>	<u>\$2,389</u>	<u>\$2,591</u>

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THE TOBACCO INSTITUTE

1987 BUDGET

COST CENTER Public Affairs - General Administration No. 1301

STAFFING SCHEDULE

Months of Employment

<u>Employee Name</u>	<u>Title/Position</u>	<u>1986 Budget</u>	<u>1986 Estimated</u>	<u>1987 Budget</u>
W. Kloepfer	Senior Vice President	12	12	12
P. Sparber	Vice President	12	12	12
A. Duffin	Vice President	12	12	12
W. Merryman	Vice President	12	12	12
F. Panzer	Vice President	12	12	12
S. Stuntz	Director of Issues Management	12	12	12
. Stapf	Media Relations Director	12	10	12
A. Browder	Assistant to President	12	12	12
B. Moran	Assistant to President	12	12	12
Vacant	Assistant to President	12	9	12
J. Ross	Issues Manager	12	12	12
R. Sievers	Editor	12	12	12
L. Osborne	Issues Coordinator	12	12	12
Vacant	Project Coordinator	12	10	12
J. Smith	Program Planner	12	12	12
A. Dedick	Production Services Director	12	12	12
N. Nordahl	Production Services Coordinator	12	12	12
J. Lyons	Information Services Manager	*	*	12
L. Picciano	Assistant Librarian/Indexer	*	*	12
Vacant	Reference/Research Librarian	*	*	12
S. Ransome	Information Specialist	*	*	12
N. Williams	Library Technician	*	*	12
Vacant	Library Technician/Secretary	*	*	12
M. Stark	Administrative Assistant	12	12	12
D. Baumann	Secretary	12	11	12
M. Buckley	Secretary	12	12	12
L. Davis	Secretary	12	12	12
I. Pinkney	Secretary	12	11	12
		<u>264</u>	<u>255</u>	<u>336</u>

Included in Administrative Division in 1986.

THE TOBACCO INSTITUTE

1987 BUDGET

COST CENTER Public Affairs - General Administration No. 1301

	1986 Budget (\$000)	1986 Estimated (\$000)	1987 Budget (\$000)
<u>Account #5100 - Postage &amp; Delivery</u>			
The Tobacco Observer/Newsletter	\$140	\$120	\$120
TAN Newsletter	16	25	-*
Miscellaneous	30	30	35
	<u>\$186</u>	<u>\$175</u>	<u>\$155</u>
<u>Account #5200 - Reproduction &amp; Printing</u>			
The Tobacco Observer	\$150	\$140	\$165
TAN Newsletter	15	55	-*
Production & printing of new titles	10	20	25
Committee presentations	10	15	5
Newsletter	6	9	13
	<u>\$191</u>	<u>\$239</u>	<u>\$208</u>
<u>Account #5800 - Legal Fees</u>			
Covington & Burling	<u>\$ 75</u>	<u>\$100</u>	<u>\$100</u>
<u>Account #7300 - Professional Fees</u>			
Roper Reports	\$ 45	\$ 40	\$ 45
Focus panels	30	10	-
Public Affairs Division general contingency reserve	200	66	100
	<u>\$275</u>	<u>\$116</u>	<u>\$145</u>

\* Transferred to State Activities Division in 1987.

THE TOBACCO INSTITUTE

1987 BUDGET

COST CENTER NAME Public Affairs - Media Relations No. 1303

Account Number	Description	Page Ref.	1986 Budget (\$000)	1986 Estimated (\$000)	1987 Budget (\$000)
3900	Travel.....	.....	\$190	\$190	\$220
4000	Conferences & Meetings.....	.33.	30	25	30
4800	Books and Subscriptions.....	.....	-	1	-
5000	Office Supplies.....	.....	1	2	5
5100	Postage & Delivery.....	.33.	5	30	33
5200	Reproduction, Printing & Drafting..	.33.	30	50	100
5400	Other Office Expenses.....	.....	-	4	54
55**	Membership and Training.....	.....	-	-	1
6200	Advertising.....	.33.	20	15	20
7300	Professional Fees.....	.33.	145	120	225
8108	Outside data bases.....	.....	-	1	5
TOTALS.....			\$421	\$438	\$693

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THE TOBACCO INSTITUTE

1987 BUDGET

COST CENTER Public Affairs - Media Relations No. 1303

	1986 Budget (\$000)	1986 Estimated (\$000)	1987 Budget (\$000)
<u>Account #4000 - Conference and Meetings</u>			
Tobacco College	\$ 30	\$ 25	\$ 30
<u>Account #5100 - Postage &amp; Delivery</u>			
Mailgrams	\$ 5	\$ 10	\$ 12
Targeted mailings	-	20	-
Targeted op-ed mailings (24)	-	-	3
Targeted radio/TV news mailings (12)	-	-	9
Targeted print issue mailings (24)	-	-	9
	<u>\$ 5</u>	<u>\$ 30</u>	<u>\$ 33</u>
<u>Account #5200 - Reproduction, Printing &amp; Drafting</u>			
Preparation of mailing materials	\$ 10	\$ 30	\$ 45
Production of video & audio materials	20	20	-
. "Behind the Headlines"	-	-	20
. Issue B-roll tapes (5)	-	-	35
	<u>\$ 30</u>	<u>\$ 50</u>	<u>\$100</u>
<u>Account #6200 - Advertising</u>			
Media team promotional ads	\$ 20	\$ 15	\$ 20
<u>Account #7300 - Professional Fees</u>			
Media relations	\$125	\$120	\$135
Media audit	20	-	-
PR counsel in five key markets	-	-	90
	<u>\$145</u>	<u>\$120</u>	<u>\$225</u>

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THE TOBACCO INSTITUTE

1987 BUDGET

COST CENTER NAME Public Affairs - Information Center No. 1304

Authorized Positions 1986 - 0  
 Authorized Positions Requested 1987 - 0

Account Number	Description	Page Ref.	1986 Budget (\$000)	1986 Estimated (\$000)	1987 Budget (\$000)
4800	Books & Subscriptions.....	.....	\$ -*	\$ -*	\$ 45
4900	Equipment Repairs & Maintenance....	.....	-*	-*	1
5000	Office Supplies.....	.....	-*	-*	2
5100	Postage & Delivery.....	.....	-*	-*	2
5200	Reproduction, Printing & Drafting..	.....	-*	-*	3
5500	Membership and Staff Training.....	.....	-*	-*	3
7400	Purchased Admin. Services.....	.....	-*	-*	1
8030	Purchased Computer Services.....	.....	-*	-*	33**
Totals .....			\$ -*	\$ -*	\$ 90

\* Included in Administrative Division for 1986.

\*\*Subscriptions to commercial data bases, e.g. NEXIS, DIALOG.

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THE TOBACCO INSTITUTE

1987 BUDGET

COST CENTER NAME Public Affairs - Excise Issue No. 1305

Account Number	Description	Page Ref.	1986 Budget (\$000)	1986 Estimated (\$000)	1987 Budget (\$000)
5200	Reproduction, Printing & Drafting..	.36.	\$160	\$216	\$110
5500	Membership & Training.....	....	-	2	-
7300	Professional Fees.....	.36.	500	724	730
7500	Support of Tob./Other Organizations	.36.	170	194	235
8108	Outside Data Bases.....	....	-	-	5
TOTALS.....			<u>\$830</u>	<u>\$1,136</u>	<u>\$1,080</u>

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THE TOBACCO INSTITUTE

1987 BUDGET

COST CENTER Public Affairs - Excise Issue No. 1305

	1986 Budget (\$000)	1986 Estimated (\$000)	1987 Budget (\$000)
<u>Account #5200 - Reproduction, Printing &amp; Drafting</u>			
TI tax publications	\$ 50	\$ 55	\$ 60
Chase Econometrics economic impact study materials	50	141	-
Tax materials for other organizations	60	20	50
	<u>\$160</u>	<u>\$216</u>	<u>\$110</u>

Account #7300 - Professional Fees

PR counsel and economic consultants to represent TI to media, corporate and allied audiences.			
. PR counsel	\$150	\$155	\$150
. Economic consultants for PR use	100	158	150
. Chase promotion	-	140	-
. Economic consultant (DeSeve)	-	20	-
. Surveys	-	31	50
. Coalition work	250	220	250
. Health care costs	-	-	50
Economic studies and research	-	-	80
	<u>\$500</u>	<u>\$724</u>	<u>\$730</u>

Account #7500 - Support of Tobacco & Other Organizations

Support for Labor Management Committee	\$ -	\$ -	\$150
Citizens for Tax Justice	50	139	-
National Assoc. of Convenience Stores	20	10	-
Minority groups	50	25	35
Other (CART, state coalitions)	50	20	50
	<u>\$170</u>	<u>\$194</u>	<u>\$235</u>

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THE TOBACCO INSTITUTE

1987 BUDGET

COST CENTER NAME Public Affairs - Fire Prevention Issue No. 1306

Account Number	Description	Page Ref.	1986 Budget (\$000)	1986 Estimated (\$000)	1987 Budget (\$000)
5200	Reproduction, Printing & Drafting..	.38.	\$120	\$ 98	\$130
5400	Other Office Expense.....	....	-	2	-
7300	Professional Fees.....	.38.	260	295	248
7500	Support of Tob./Other Organizations	.38.	195	226	245
8108	Outside Data Bases.....	....	-	-	5
TOTALS.....			<u>\$575</u>	<u>\$621</u>	<u>\$628</u>

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THE TOBACCO INSTITUTE

1987 BUDGET

COST CENTER	<u>Public Affairs - Fire Prevention Issue</u>		No. <u>1306</u>
	1986 Budget (\$000)	1986 Estimated (\$000)	1987 Budget (\$000)
<u>Account #5200 - Reproduction, Printing &amp; Drafting</u>			
Production of new materials			
. "FireCare" Senior Citizens Program	\$ 10	\$ 3	\$ -
. "FireSense" hearing impaired program	30	20	10
. Fire prevention case study	20	-	10
Reproduction of existing materials			
. Articles and studies	10	5	5
. "FireCare"	10	35	30
. Nat'l. Vol. Fire Council materials	10	5	15
. Smoke detector programs	30	30	30
. "FireSense"	-	-	30
	<u>\$120</u>	<u>\$ 98</u>	<u>\$130</u>
<u>Account #7300 - Professional Fees</u>			
TriData, Inc.			
. General consulting	\$180	\$200	\$248
. Study fire prevention practices in four cities (3rd in series)	80	80	-
Other	-	15	-
	<u>\$260</u>	<u>\$295</u>	<u>\$248</u>
<u>Account #7500 - Support of Tobacco &amp; Other Organizations</u>			
Fire safety grant program	\$140	\$132	\$ -
. Grants	-	-	120
. Model fire programs	-	-	25
. Smoke detector program	-	-	10
"FireSense" hearing impaired program	50	50	10
Burn Concerns/American Burn Assn.	-	21	35
Int'l. Assn. of Fire Chiefs Seminar	-	-	25
National Volunteer Fire Council	5	-	20
. Executive council meetings	-	16	-
. Other support	-	7	-
	<u>\$195</u>	<u>\$226</u>	<u>\$245</u>

THE TOBACCO INSTITUTE

1987 BUDGET

COST CENTER NAME Public Affairs - General Coalitions No. 1307

Account Number	Description	Page Ref.	1986 Budget (\$000)	1986 Estimated (\$000)	1987 Budget (\$000)
3900	Travel & Entertainment.....	....	\$ 150	\$130	\$ 150
4700	Furniture, Fixtures & Equipment....	....	-	18	3
5000	Office Supplies.....	....	-	-	-
5200	Reproduction, Printing & Drafting..	.40.	195	73	90
5400	Other Office Expense.....	....	-	2	2
55**	Membership & Staff Training.....	....	-	1	5
6200	Advertising.....	.40.	100	75	75
7300	Professional Fees.....	.40.	260	490	350
7400	Purchased Admin. Services.....	....	-	2	1
7500	Support of Tob./Other Organizations	.40.	555	245	565
TOTALS.....			<u>\$1,260</u>	<u>\$1,036</u>	<u>\$1,241</u>

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THE TOBACCO INSTITUTE

1987 BUDGET

POST CENTER Public Affairs - General Coalitions No. 1307

	1986 Budget (\$000)	1986 Estimated (\$000)	1987 Budget (\$000)
<u>Account #5200 - Reproduction, Printing &amp; Drafting</u>			
Tobacco Heritage	\$150	\$ 53	\$ 50
Issues newsletter	5	-	-
Production of materials for other organs.	40	20	40
	<u>\$195</u>	<u>\$ 73</u>	<u>\$ 90</u>
<u>Account #6200 - Advertising</u>			
Miscellaneous placements with allied groups	\$ 50	\$ 75	\$ 75
Chase results in trade publications	50	-	-
	<u>\$100</u>	<u>\$ 75</u>	<u>\$ 75</u>
<u>Account #7300 - Professional Fees</u>			
Labor consultants	\$ 85	\$ -	\$ -
. Griffin Media (NY, State Activities)	-	50	-
. Labor counsel	-	90	100
. Labor relations	-	125	100
Minority consultants	50	150	75
Opinion research on minority views on tobacco issues	50	-	-
Consultants on other allied groups	75	75	75
	<u>\$260</u>	<u>\$490</u>	<u>\$350</u>
<u>Account #7500 Support of Tobacco and Other Organizations</u>			
National Tobacco Education Council	\$300	\$ 25	\$300
Tobacco Industry Labor Management Comm.	110	75	100
Tobacco Growers Information Committee	48	48	48
Other tobacco "family" support	-	-	20
Minority groups	50	50	50
Women's groups	30	30	30
Veterans' groups	17	17	17
	<u>\$555</u>	<u>\$245</u>	<u>\$565</u>

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THE TOBACCO INSTITUTE

1987 BUDGET

COST CENTER NAME Public Affairs - Advertising Issue No. 1308

Account Number	Description	Page Ref.	1986 Budget (\$000)	1986 Estimated (\$000)	1987 Budget (\$000)
5100	Postage & Delivery.....	.42.	\$ 310	\$ 70	\$ 80
5200	Reproduction, Printing & Drafting..	.42.	538	190	338
6200	Advertising.....	.42.	865	147	650
7300	Professional Fees.....	.43.	270	181	330
7500	Support of Tob./Other Organizations	.43.	415	314	265
8030	Outside Data Bases.....	.....	-	-	5
TOTALS.....			<u>\$2,398</u>	<u>\$ 902</u>	<u>\$1,668</u>

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THE TOBACCO INSTITUTE

1987 BUDGET

COST CENTER Public Affairs - Advertising Issue No. 1308

	<u>1986 Budget (\$000)</u>	<u>1986 Estimated (\$000)</u>	<u>1987 Budget (\$000)</u>
<u>Account #5100 - Postage &amp; Delivery</u>			
"Helping Youth Decide" (HYD) booklets distribution	\$200	\$ 50	\$ 60
Spanish HYD	110	20	20
	<u>\$310</u>	<u>\$ 70</u>	<u>\$ 80</u>
<u>Account #5200 - Reproduction, Printing &amp; Drafting</u>			
HYD booklet (1987 - 200,000 copies)	\$250	\$150	\$ 80
"Helping Youth Say No" booklet (1987 - 200,000)	140	-	200
Spanish HYD printing	80	-	-
Misc. printing, reprints, etc.	30	15	30
HYD discussion card sets	10	10	-
HYD parent education tape sets	10	-	20
HYD ad reprint (1987 - 200,000)	6	-	3
New success story folder printing (1987 - 20,000)	5	5	5
Peer pressure pub update	3	3	-
Gen'l. advertising issue publication	3	7	-
Success story ad reprint	1	-	-
	<u>\$538</u>	<u>\$190</u>	<u>\$338</u>
<u>Account #6200 - Advertising</u>			
HYD national insertions	\$610	\$147	\$150
"Helping Youth Say No"	150	-	500
HYD success story national and local insertions	105	-	-
	<u>\$865</u>	<u>\$147</u>	<u>\$650</u>

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THE TOBACCO INSTITUTE

1987 BUDGET

COST CENTER Public Affairs - Advertising Issue No. 130

	<u>1986 Budget (\$000)</u>	<u>1986 Estimated (\$000)</u>	<u>1987 Budget (\$000)</u>
<u>Account #7300 - Professional Fees</u>			
Advertising creative fees	\$100	\$ 7	\$ 50
Case study economic & public opinion research	60	-	-
Public relations counsel	50	50	75
James Petterson	-	70	30
Jolly Ann Davidson	50	50	75
Economic, behavioral and opinion research	-	-	100
Tobacco & religion research	10	4	-
	<u>\$270</u>	<u>\$181</u>	<u>\$330</u>
<u>Account #7500 - Support of Tobacco &amp; Other Organizations</u>			
National Association of State Boards of Education (NASBE)	\$300	\$300	\$150
1st Amendment activity	55	10	80
Other educational groups	30	2	30
CASE support	20	2	5
Contingency	10	-	-
	<u>\$415</u>	<u>\$314</u>	<u>\$265</u>

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THE TOBACCO INSTITUTE

1987 BUDGET

COST CENTER NAME Public Affairs - Public Smoking Issue No. 1309

Account Number	Description	Page Ref.	1986 Budget (\$000)	1986 Estimated (\$000)	1987 Budget (\$000)
5200	Reproduction, Printing & Drafting..	.45.	\$ 150	\$ 105	\$ 165
6200	Advertising.....	....	-	15	-
7300	Professional Fees.....	.45.	857	1,105	1,105
7500	Support of Tob./Other Organizations	.46.	345	260	430
8030	Outside Data Bases.....	....	-	-	5
TOTALS.....			\$1,352	\$1,485	\$1,705

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THE TOBACCO INSTITUTE

1987 BUDGET

POST CENTER	Public Affairs - Public Smoking Issue		No. 1309
	1986 Budget (\$000)	1986 Estimated (\$000)	1987 Budget (\$000)
<u>Account #5200 - Reproduction, Printing &amp; Drafting</u>			
Smoking in the workplace kit			
. production	\$ 10	\$ 10	\$ 10
. printing	40	40	40
. reprints of articles	5	5	5
Restaurant materials	25	-	-
Other public smoking publications/ reproductions	70	50	50
Video			
. Workplace	-	-	30
. Restaurant	-	-	30
	<u>150</u>	<u>\$105</u>	<u>\$165</u>

Account #7300 - Professional Fees

PR counsel/corporate	\$ 30	\$ 120	\$100
Personnel expert	50	-	-
PR counsel/labor	-	150	150
Direct mail expert	10	-	-
Consultants to conduct research and represent TI to media, corporate, labor, and technical audiences			
. Local voter surveys (10 @ \$10,000)	180	150	100
. Local restriction cost studies (8 @ \$10,000)	112	80	80
. Science consultants	100	10	-
. Local economists	80	40	25
. Police studies of law enforcement	50	15	-
. Ventilation consultants	40	100	150
. Economic (Solmon)	30	20	25
. Miscellaneous opinion research	25	15	25
. Planning & design (Environetics)	20	-	-
. Labor/airline consultants (Paul, Hastings)	100	180	125
. American Assoc. for Affirmative Action	15	5	-
. Labor consultant (Wilkinson, Barker)	-	120	150
. Workplace consultant (Alan Katzenstein)	-	50	80
. Social Costs research	-	50	50
. Arbitrator	-	-	45
. Contingency	15	-	-
	<u>\$857</u>	<u>\$1,105</u>	<u>\$1,105</u>

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THE TOBACCO INSTITUTE

1987 BUDGET

COST CENTER Public Affairs - Public Smoking Issue No. 1309

	1986 Budget (\$000)	1986 Estimated (\$000)	1987 Budget (\$000)
<u>Account #7500 - Support of Tobacco &amp; Other Organizations</u>			
Grants to assist in implementation of voluntary policies			
. Workplace	\$ 75	\$ 40	\$ 40
. Restaurant	75	40	40
American Assn. for Affirmative Action	-	-	10
Grants to localities to study building air quality (75 @ \$4,000)	120	150	300
Law enforcement grant	50	-	-
Labor Management Committee (re workplace smoking materials)	-	30	15
Air quality seminar	25	-	25
	<u>\$345</u>	<u>\$260</u>	<u>\$430</u>

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THE TOBACCO INSTITUTE

1987 BUDGET

SCIENTIFIC AFFAIRS DIVISION

	-----1986-----			-----1987-----		
	<u>BUDGET</u> <u>(\$000)</u>	<u>ESTIMATED</u> <u>EXPENDITURES</u> <u>(\$000)</u>	<u>AUTHORIZED</u> <u>POSITIONS</u>	<u>PROPOSED</u> <u>BUDGET</u> <u>(\$000)</u>	<u>AUTHORIZED</u> <u>POSITIONS</u> <u>REQUESTED</u>	<u>% CHANGE</u> <u>1986 EST</u> <u>vs 1987</u> <u>BUDGET</u>
Scientific Affairs Division	<u>\$1,167</u>	<u>\$1,497</u>	<u>3</u>	<u>\$1,685</u>	<u>3</u>	<u>13%</u>

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THE TOBACCO INSTITUTE  
 SCIENTIFIC AFFAIRS DIVISION  
 1987 SUMMARY PROGRAM BUDGET

	<u>Positions Authorized</u>	<u>Dollars (\$000)</u>
Existing Programs (1986 Estimated Expenditures)	3	\$1,497
1987 Additions <Deletions>		
Scientific Consultants		162
Other		<26>
Economic Change (Inflation)	<u>          </u>	<u>52</u>
Totals (1987 Budget)	<u>3</u>	<u>\$1,685</u>



THE TOBACCO INSTITUTE

1987 BUDGET

COST CENTER NAME Scientific Affairs No. 1601

Authorized Positions 1986 - 3

Authorized Positions Requested 1987 - 3

Account Number	Description	Page Ref.	1986 Budget (\$000)	1986 Estimated (\$000)	1987 Budget (\$000)
2800	Staff Compensation.....	.50.	\$ 136	\$ 131	\$ 139
3200	Employee Benefits.....	....	41	36	38
3900	Travel.....	....	40	40	35
5100	Postage & Delivery.....	....	1	1	1
5200	Reproduction, Printing & Drafting..	....	1	1	1
5500	Membership and Staff Training.....	....	3	3	3
5800	Legal Fees.....	.51.	140	180	180
7300	Professional Fees.....	.51.	787	1,087	1,287
7400	Purchased Administrative Services..	....	1	1	1
9200	Information Center Allocation.....	....	17	17	-
TOTALS.....			\$1,167	\$1,497	\$1,685

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THE TOBACCO INSTITUTE

1987 BUDGET

COST CENTER Scientific Affairs No. 1601

STAFFING SCHEDULE

<u>Employee Name</u>	<u>Title/Position</u>	<u>1986 Budget</u>	<u>1986 Estimated</u>	<u>1987 Budget</u>
M. Kastenbaum	Director of Statistics	12	12	12
D. Schoonmaker	Science Issues Analyst	12	12	12
Vacant	Secretary	12	12	12
		<u>36</u>	<u>36</u>	<u>36</u>

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THE TOBACCO INSTITUTE

1987 BUDGET

COST CENTER Scientific Affairs No. 1601

	<u>1986 Budget (\$000)</u>	<u>1986 Estimated (\$000)</u>	<u>1987 Budget (\$000)</u>
<u>Account #5800 - Legal Fees</u>			
Covington & Burling - supervision and administration of scientific consultants	<u>\$140</u>	<u>\$ 180</u>	<u>\$ 180</u>
 <u>Account #7300 - Professional Fees</u>			
In-house consultants			
. Dr. Waite	\$ 17	\$ 17	\$ 17
. Other consultants	35	35	35
Special Scientific Studies	35	35	35
Scientific consultants retained to			
. review literature			
. attend hearings			
. prepare testimony for legislative hearings			
. attend and participate in meetings of professional societies			
. participate in media briefings	<u>.700</u>	<u>1,000</u>	<u>1,200</u>
	<u>\$787</u>	<u>\$1,087</u>	<u>\$1,287</u>

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The Tobacco Institute  
 1987 Budget  
 State Activities Division

23-Oct

	-----1986-----			-----1987-----		
	Budget (\$000)	Estimated Expenditures (\$000)	Authorized Positions	Proposed Budget (\$000)	Authorized Positions requested	%Change 1986 Est vs 1987 Budget
Headquarters Administration	6,997	7,596	14	7,446	14	-2.0%
Field Staff	2,493	2,584	27	2,650	27	2.5%
	9,490	10,181	41	10,096	41	-0.8%

STATE ACTIVITIES DIVISION  
1987 BUDGET

EXECUTIVE SUMMARY

The proposed 1987 budget for the State Activities Division represents an increase of 6.4% over the 1986 budget and a decrease of 1% from expected expenditures anticipated for this year.

In submitting this budget proposal for next year, it is recognized that legislative challenges faced by the industry in 1987 will continue at a high level. Anti-tobacco sentiment will not permit a decline in long-time tax and smoking restriction issues. Further, it is now anticipated that new emphasis will be placed on ad/promotion bans along with certain product liability issues. Local issues will continue to require more time and resources.

The key elements of the Institute's State Activities program continue to be its fifty state lobbyist group, headquarters and field staff, coalition activity and the delivery of needed legislative resources. The Division will continue to coordinate closely with the Public Affairs Division, which is responsible for the development and delivery of many new or expanded resources.

Next year is the first year of the two-year cycle of most state legislatures. Although every legislative situation cannot be anticipated, it is believed that this budget proposal addresses the obvious trouble spots and will provide the resources with which we can be successful.

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THE TOBACCO INSTITUTE  
STATE ACTIVITIES DIVISION  
1987 SUMMARY PROGRAM BUDGET

	<u>Positions Authorized</u>	<u>Dollars (\$000)</u>
Existing Programs (1986 Estimated Expenditures)	41	\$10,181
1987 Additions <Deletions>		
Legislative Consultants		77
Business Taxes		73
Professional Fees		<404>
Data Processing Allocation		<151>
Information Center Allocation		<56>
Other		20
Economic Change (Inflation)	<u>          </u>	<u>356</u>
Totals (1987 Budget)	<u>41</u>	<u>\$10,096</u>

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The Tobacco Institute

1987 Budget

COST CENTER - State Activities Division - Headquarters No. 1401

Authorized Positions 1986 - 14

Authorized Positions 1987 - 14

Account Number	Description	Page Ref.	1986 BUDGET	1986 ESTIMATED	1987 BUDGET
2800	Staff Compensation	55	679,000	745,000	786,000
3200	Employee Benefits		183,000	188,000	198,000
3900	Travel		149,000	144,000	147,000
4000	Conferences & Meetings	56	237,000	235,000	242,000
4700	Furniture, Fixtures & Equipment		0	20,000	10,000
5000	Office Supplies		3,000	2,000	2,000
5100	Postage & Delivery	57	25,000	25,000	58,000
5200	Reproduction, Printing & Drafting	58	32,000	34,200	49,000
5400	Other Office Expense		4,000	4,000	4,000
5500	Membership & Staff Training		11,000	10,700	11,700
5800	Legal Fees - General	59	185,000	297,000	295,000
6000	Legislative Counsel		2,505,350	2,388,250	2,549,000
6600	Business Taxes	60	123,000	65,000	141,000
7000	Employee Recruitment & Relocation	61	67,000	77,000	80,000
7200	Miscellaneous Expense		8,000	10,000	9,000
7300	Professional Fees	62	1,335,500	1,924,250	1,588,000
7400	Purchased Administrative Services		20,000	7,000	10,000
7500	Support of Tob./Other Organizations	63	552,800	535,900	564,800
7700	State Campaign Support Program	64	298,000	304,800	311,500
9100	Data Processing Allocation		523,000	523,000	390,000
9200	Information Center Allocation		56,000	56,000	0
TOTALS			\$6,996,650	\$7,596,100	\$7,446,000

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THE TOBACCO INSTITUTE

1987 Budget

COST CENTER State Activities Division - Headquarters

No. 1401E

STAFFING SCHEDULE

Months of Employment

<u>Employee Name</u>	<u>Title Position</u>	<u>1986 Budget</u>	<u>1986 Estimated</u>	<u>1987 Budget</u>
R. Mozingo	Senior Vice President	12	12	12
G. Minshew	Sector Vice President	12	12	12
H. Marshall	Sector Vice President	12	12	12
W. Cannell	Vice President - Administrative Services	12	12	12
E. Battison	Economist	12	12	12
K. Becker	Issues Analyst	12	12	12
P. Duhaime	Issues Analyst	12	12	12
W. Woodson	Communications Manager	12	12	12
C. Yoe	Legislative Affairs Manager	12	12	12
G. Curl	Administrative Assistant	12	12	12
D. Avedon	Word Processor Operator	12	12	12
K. Caperton	Secretary	12	12	12
S. Carter	Secretary	12	12	12
Y. Lewis	Secretary/Research Asst.	12	12	12
		<u>168</u>	<u>168</u>	<u>168</u>

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The Tobacco Institute

1987 Budget

COST CENTER - State Activities Division - Headquarters No. 1401

Account: 4000 - Conferences & Meetings

	1986 BUDGET	1986 ESTIMATED	1987 BUDGET
NATIONAL HEADQUARTERS			
Annual lobbyists' meetings	180,000	185,000	190,000
Field staff meetings . one national meeting and regional meetings as required	30,000	28,000	30,000
Special meetings with lobbyists and staff for local legislative planning; issue seminars; Tobacco College attendance; lobbyists' participation in NCSL, CSG, and other meetings.	25,000	20,000	20,000
State Activities Policy Committee meetings	2,000	2,000	2,000
TOTALS	----- \$237,000 -----	----- \$235,000 -----	----- \$242,000 -----

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22-Oct

The Tobacco Institute

1987 Budget

COST CENTER - State Activities Division - Headquarters No. 1401

Account: 5100 - Postage & Delivery

	1986 BUDGET	1986 ESTIMATED	1987 BUDGET
NATIONAL HEADQUARTERS			
National TAN mobilizations (4) including direct mail projects	15,000	15,000	30,000
Communications Program			
Tobacco Action News (2 editions x 16,000)	-*	-*	6,000
Insider Update (3 issues x 9 regions x 16,000)	-*	-*	13,000
Contingency for unanticipated postage/freight (permits, BRM fees, materials and display shipments)	10,000	10,000	9,000
TOTALS	----- \$25,000 -----	----- \$25,000 -----	----- \$58,000 -----

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The Tobacco Institute

1987 Budget

COST CENTER - State Activities Division - Headquarters No. 1401

Account: 5200 - Reproduction, Printing & Drafting

	1986 BUDGET	1986 ESTIMATED	1987 BUDGET
NATIONAL HEADQUARTERS DRAFTING			
National TAN mobilizations (4)	7,000	10,000	10,000
Communications Program			
Tobacco Action News (2 editions x 16,000)	-*	-*	8,000
Insider Update (3 issues x 9 regions x 16,000)	-*	-*	8,000
Reprints of other TAN literature; new Tan activist brochure	5,000	3,000	5,000
Special projects (awards, tobacco leaf pins, specialty advertising, etc.)	7,000	7,000	6,000
Enrollment cards	2,000	-	-
Legislative Report Summary	6,000	7,200	6,000
Miscellaneous printing (e.g. T.I. stationery, slide repro- duction, letterheads, mobili- zations, etc.)	5,000	7,000	6,000
TOTALS	----- \$32,000 -----	----- \$34,200 -----	----- \$49,000 -----

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22-Oct

The Tobacco Institute

1987 Budget

COST CENTER - State Activities Division - Headquarters No. 1401

Account: 5800 - Legal Fees - General

	1986 BUDGET	1986 ESTIMATED	1987 BUDGET
NATIONAL HEADQUARTERS			
Covington & Burling - state and local legislation matters	160,000	278,000	275,000
Nielsen, Hodgson, Parrinello - general legal matters, campaign reporting and filing	15,000	12,000	15,000
Local legal matters:			
P. Sricula (Rossie vs Wisconsin Department of Revenue)	-	4,000	-
Miscellaneous	10,000	3,000	5,000
TOTALS	----- \$185,000 -----	----- \$297,000 -----	----- \$295,000 -----

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22-Oct

The Tobacco Institute

1987 Budget

COST CENTER - State Activities Division - Headquarters No. 1401

Account: 6600 - Business Taxes

	1986	1986	1987
	BUDGET	ESTIMATED	BUDGET

NATIONAL HEADQUARTERS

In 1983 when it began making state and local campaign contributions, The Institute became a "political organization" as defined in section 527(f) of the Internal Revenue Code. Such political organizations are subject to a 46% tax on their taxable income. For The Institute, taxable income is defined as the lesser of:

- . net investment income
- . campaign contributions

In 1986, the tax was less than 46% of campaign contributions because The Institute's 1984 net investment income was reduced as a result of certain non-recurring losses associated with Institute office space held for sublease.

The amount of tax due in 1987 is projected to be 46% of The Institute's 1986 campaign contributions.

	123,000	65,000	141,000
	-----	-----	-----
TOTALS	\$123,000	\$65,000	\$141,000
	-----	-----	-----

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22-Oct

The Tobacco Institute

1987 Budget

COST CENTER - State Activities Division - Headquarters No. 1401

Account: 6900 - Employee Recruitment & Relocation

	1986 BUDGET	1986 ESTIMATED	1987 BUDGET
NATIONAL HEADQUARTERS RELOCATION			
Recruitment and/or replacement of headquarters & field staff as the result of unplanned terminations.	40,000	60,000	60,000
Housing differential payments to relocated State Activities Division employees.	27,000	17,000	20,000
TOTALS	----- \$67,000 -----	----- \$77,000 -----	----- \$80,000 -----

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The Tobacco Institute

1987 Budget

COST CENTER - State Activities Division - Headquarters No. 1401

	1986 BUDGET	1986 ESTIMATED	1987 BUDGET
Account: 7300 - Professional Fees			
Consultants (7310)			
Legal counsel, lobbyists and public relations firms retained to represent and/or consult with TI on legislative and regulatory matters of interest to the industry at the municipal, county and state levels.	1,026,500	1,222,250	1,227,500
Special Projects (7320)			
Professional fees for cost impact studies, opinion polls, start-up costs for initiatives and referenda campaigns, fiscal analyses, ventilation studies and other projects in support of legislative programs.	174,000	595,500	245,500
Honoraria Program (7330)			
Allowances for honoraria payments in selected states.	75,000	46,500	55,000
Legislative Reporting (7340)			
Tracking and reporting of local, city, county and state legislation and regulation; includes computer connect time (Public Affairs Information Co.)	60,000	60,000	60,000
	-----	-----	-----
	\$1,335,500	\$1,924,250	\$1,588,000
	-----	-----	-----

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The Tobacco Institute

1987 Budget

COST CENTER - State Activities Division - Headquarters No. 1401

	1986 BUDGET	1986 ESTIMATED	1987 BUDGET
Account: 7500 - Support of Tobacco & Other Organizations			
Wholesaler Association (7510)			
Contributions to state tobacco whole- saler organizations for purpose of legislative support on key industry issues according to letter of agree- ment.	434,500	431,000	450,000
National/State Organizations (7520)			
Contributions made to national and state organizations for the purpose of maintaining and improving rela- tionships and political and legis- lative contacts.	118,300	104,900	114,800
	----- \$552,800 -----	----- \$535,900 -----	----- \$564,800 -----

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The Tobacco Institute

1987 Budget

COST CENTER - State Activities Division - Headquarters No. 1401

	1986 BUDGET	1986 ESTIMATED	1987 BUDGET
Account: 7700 - State Campaign Support Program			
State Campaign Contributions (7710)	252,500	264,300	266,000
Local Campaign Contributions (7720)	35,500	30,500	35,500
National Governors' Associations/ National Political Organizations (7730)	10,000	10,000	10,000
	----- \$298,000 -----	----- \$304,800 -----	----- \$311,500 -----

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THE TOBACCO INSTITUTE  
1987 BUDGET

COST CENTER		State Activities Division - Field Offices				
Region	1986 Authorized Positions	1987 Positions Requested	1986 Budget (\$000)	1986 Estimated (\$000)	1987 Budget (\$000)	
I MA/CT/ME/NH/RI/VT	3	3	\$ 97	\$ 105	\$ 101	
II NY/NJ/PA	3	3	110	130	114	
III IN/IL/MI/OH	3	3	103	135	108	
IV WI/LA/MN/NE/ND/SD	3	3	110	122	115	
V WA/AK/HI/ID/MT/OR	3	3	99	99	103	
VI GA/DE/DC/MD/NC/SC/ VA/WV	3	3	99	90	99	
VII KY/AL/AR/LA/MS/TN/FL	3	3	113	130	120	
VIII CO/KS/NM/OK/TX/WY/MO	3	3	112	130	125	
IX CA/AZ/NV/UT	3	3	107	100	111	
Staff Compensation			1,215	1,215	1,302	
Employee Benefits			328	328	352	
TOTALS	27	27	\$2,493	\$2,584	\$2,650	

-----Staffing-----Budget-----