

The Tobacco Industry Labor Management Committee has a budget totaling \$3,472,000 for 1991. All activities of the Committee, including payments to consultants, support groups, LMC projects and expenses are required to fall within that amount.

If unanticipated expenditures occur -- either new projects or projects that run over budget -- then monies must be identified from within the existing budget to cover them.

As of September 1, 1991, the TILMC is projected to be \$250,000 over budget by year's end:

- . For excise tax issues, the LMC is projected to be \$205,000 over its authorized budget of \$732,000. All of these funds are devoted to support to fair tax organizations at the national and state levels, as well as support to specific projects.
- . In the general coalitions area, the Committee is projected to be \$310,000 over its authorized budget of \$1,780,000. This is a result of the retention of LMC consultants in states that were not approved for 1991 (Florida, Texas, California, Mid-Atlantic), and overruns in regional and national consultants coordinating these expanded activities.
- . The public smoking area has managed to make up \$265,000 of the shortfall, principally due to NEMI's lateness in submitting a proposal for grant renewal, the lack of activity on the part of AFGE and its Safe Workplace Air Coalition, and a reduction in the number of indoor air briefings offered in the states.

Thus, \$250,000 in savings needs to be identified and implemented to ensure that the Committee stays within its budget for the year.

Attached are LMC line items, expenditures to date and estimated expenditures at year end. These include unbudgeted expenditures to date and estimated at year end.