

**ANALYSIS OF THE COMMUNITY HEALTH TRUST FUND FOR THE 2023-25 AND 2025-27 BIENNIUMS
(REFLECTING LEGISLATIVE ACTION THROUGH APRIL 22, 2025)**

	2023-25 Biennium		2025-27 Biennium	
Beginning balance		\$31,973,946		\$40,475,258
Add estimated revenues				
Transfers to date from the tobacco settlement trust fund	\$42,734,549 ¹		\$0	
Projected transfers from the tobacco settlement trust fund	0 ²		40,000,000 ²	
JUUL Labs, Inc., settlement proceeds (2023 HB 1004)	1,390,271 ²		1,000,000 ²	
Refund of prior biennium expenditures from the fund	45		0	
Total estimated revenues		44,124,865²		41,000,000²
Total available		\$76,098,811		\$81,475,258
Less estimated expenditures and adjustments				
Department of Health and Human Services - Public Health (2023 HB 1004 and HB 1477; 2025 HB 1012)				
Tobacco prevention and control program grants to local public health units for tobacco prevention and control	\$5,950,000		\$6,250,000	
Tobacco prevention and control, including the Tobacco Quitline, cessation grants, other program grants, and operating expenses	4,943,000 ³		4,549,698 ³	
Tobacco cessation grants	500,000		500,000	
Youth vaping prevention grants	300,000		300,000	
Women's Way program	329,500		329,500	
Behavioral Risk Factor State Survey	200,000		200,000	
Dentists' loan repayment program	360,000 ⁴		360,000 ⁴	
Behavioral health loan repayment program	234,500 ⁵		234,500 ⁵	
Cancer programs	580,324		580,324	
Domestic violence offender treatment	1,000,000 ⁶		1,000,000 ⁶	
Domestic violence prevention	1,000,000 ⁶		3,250,000 ⁶	
Local public health state aid	3,275,000 ⁷		3,275,000 ⁷	
Forensic examiner contract	1,000,000 ⁸		0 ⁸	
One-time funding for a statewide health strategies initiative	1,500,000 ⁹			
Grants to rural emergency medical services and rural ambulance service districts (2023 HB 1477)	7,000,000 ¹⁰		7,000,000 ¹⁰	
Food and lodging management information system			335,000	
Department of Health and Human Services - Human Services (2023 SB 2012; 2025 HB 1012 and SB 2200)				
Child support computer replacement project - Funding provided in 2023 SB 2012 is continued to the 2025-27 biennium (Section 28 of 2025 HB 1012)	33,729		20,366,271	
988 crisis hotline program, including \$500,000 appropriated in 2025 SB 2200	1,867,500		2,367,500	
Cross-Disability Advisory Council	700,000		0	
Basic care funding rate study	600,000		0	
Health Care Task Force	750,000		0	
Vocational rehabilitation information technology system			1,000,000	
Law enforcement rural crisis support program			1,000,000	

Develop partial hospitalization/intensive day treatment			2,000,000
Critical access hospital networking			1,000,000
Intermediate care facility grant			4,400,000
Youth crisis stabilization			1,500,000
Juvenile justice services			500,000
University of North Dakota School of Medicine and Health Sciences - Clinically integrated network grant (2023 SB 2012)	3,500,000		0
University of North Dakota - Funding to establish a North Dakota Center for Aerospace Medicine is in addition to \$250,000 provided from federal funds (2025 HB 1612)			250,000
Department of Corrections and Rehabilitation - Grant to establish a diversion and deflection center in Fargo (2025 SB 2015)			5,000,000
Total estimated expenditures and adjustments		35,623,553	67,547,793
Estimated ending balance		\$40,475,258	\$13,927,465

¹Through April 21, 2025, the state has received tobacco settlement payments totaling \$42,734,549 for the 2023-25 biennium, all of which has been transferred from the tobacco settlement trust fund to the community health trust fund. Total transfers of \$217,812,453 have been made from the tobacco settlement trust fund to the community health trust fund.

²Revenues - Interest earned on the community health trust fund is deposited in the general fund. Community health trust fund revenues for the 2023-25 biennium are based on actual revenues received through April 21, 2025, and the March 2025 legislative revenue forecast for the remainder of the 2023-25 biennium. The estimated revenues for the 2025-27 biennium are based on the March 2025 legislative revenue forecast.

In September 2022, the Attorney General's office announced an agreement had been reached between JUUL Labs, Inc., and 34 states and territories regarding JUUL Labs Inc., e-cigarette marketing and sales practices. Of the \$438.5 million total settlement, North Dakota was awarded \$6,028,211, which will be paid in installments over a period of 6 to 10 years. The Legislative Assembly, in House Bill No. 1004 (2023), provided 80 percent of funding deposited in the Attorney General refund fund from the JUUL Labs, Inc., settlement during the 2021-23 biennium be transferred to the community health trust fund and requires 80 percent of additional funding received from the settlement be deposited directly in the community health trust fund beginning in the 2023-25 biennium.

³North Dakota Century Code Section 54-27-25 provides money in the community health trust fund may be appropriated for community-based public health programs and other public health programs, including programs with an emphasis on preventing or reducing tobacco usage. The 2003 Legislative Assembly authorized the establishment of a telephone "Tobacco Quitline." The 2007 Legislative Assembly increased the funding for the Tobacco Quitline to provide nicotine replacement therapy and cessation counseling.

⁴In 2023 the Legislative Assembly provided a total of \$585,200 for the dentists' loan repayment program, of which \$360,000 is from the community health trust fund and \$225,200 is from the general fund. The Senate version of House Bill No. 1012 (2025) provides a total of \$585,200 for the dentists' loan repayment program, of which \$360,000 is from the community health trust fund and \$225,200 is from the general fund.

⁵In 2023 the Legislative Assembly provided a total of \$528,480 for the behavioral health loan repayment program, of which \$234,500 is from the community health trust fund and \$293,980 is from the general fund. The Senate version of House Bill No. 1012 (2025) provides a total of \$426,000 for the behavioral health loan repayment program, of which \$234,500 is from the community health trust fund and \$191,500 is from the general fund.

⁶In 2023 the Legislative Assembly increased funding for domestic violence offender treatment to provide \$1,000,000 from the community health trust fund. In addition, the Legislative Assembly increased funding for domestic violence prevention to provide a total of \$5,936,285, of which \$4,596,285 is from the general fund, \$1,000,000 is from the community health trust fund, and \$340,000 is from the domestic violence and sexual assault prevention fund which receives revenue from marriage license fees. The Senate version of House Bill No. 1012 (2025) provides a total of \$1,000,000 from the community health trust fund for domestic violence offender treatment and \$8,186,285 for domestic violence prevention, of which \$4,596,285 is from the general fund, \$3,250,000 is from the community health trust fund, and \$340,000 is from the domestic violence and sexual assault prevention fund which receives revenue from marriage license fees.

⁷In 2023 the Legislative Assembly increased funding from the community health trust fund by \$2,750,000 to provide a total of \$8,000,000 for local public health unit state aid grants, of which \$4,725,000 is from the general fund and \$3,275,000 is from the community health trust fund. The Senate version of House Bill No. 1012 (2025) provides a total of \$8,000,000 for local public health unit state aid grants, of which \$4,725,000 is from the general fund and \$3,275,000 is from the community health trust fund.

⁸In 2023 the Legislative Assembly provided \$1,000,000 from the community health trust fund for Public Health's forensic examiner contract with the University of North Dakota School of Medicine and Health Sciences and increased funding for the contract from the general fund to \$755,292, to provide a total of \$1,755,292 for the 2023-25 biennium. The Senate version of House Bill No. 1012 (2025) provides a total of \$2,755,292 from the general fund for Public Health's forensic examiner contract with the University of North Dakota School of Medicine and Health Sciences.

⁹In 2021 the Legislative Assembly provided one-time funding of \$1.5 million from the community health trust fund for a statewide health strategies initiative totaling \$3 million. The Legislative Assembly provided the one-time funding from the community health trust fund for the statewide health strategies initiative, is contingent on the State Department of Health securing \$1.5 million in dollar-for-dollar matching funds. In House Bill No. 1004 (2023), the Legislative Assembly allowed Public Health to continue the \$3 million of one-time funding, appropriated during the 2021-23 biennium for a statewide health strategies initiative, to the 2023-25 biennium and provided the \$1.5 million continued from the community health trust fund is contingent on the department securing dollar-for-dollar matching funds. The Senate version of House Bill No. 1012 (2025) does not include funding for statewide health strategies.

¹⁰In 2023 the Legislative Assembly, in House Bill No. 1477 increased funding for emergency medical services by providing \$7,000,000 from the community health trust fund to aid the functions and operations of rural emergency medical services and rural ambulance service districts, to provide a total of \$14,721,000 for emergency medical services, of which \$6,596,000 is from the general fund, \$7,000,000 is from the community health trust fund, and \$1,125,000 is from the insurance tax distribution fund, for the 2023-25 biennium. The Senate version of House Bill No. 1012 (2025) provides a total of \$14,721,000 for emergency medical services, of which \$6,446,000 is from the general fund, \$7,000,000 is from the community health trust fund, \$150,000 is from other special funds, and \$1,125,000 is from the insurance tax distribution fund.

FUND HISTORY

Section 54-27-25, created by House Bill No. 1475 (1999), established the community health trust fund. This section created a tobacco settlement trust fund for the deposit of all tobacco settlement money obtained by the state. Money in the fund must be transferred within 30 days of its deposit in the fund as follows:

- 10 percent to the community health trust fund. In House Bill No. 1012 (2017), the Legislative Assembly suspended transfers from the tobacco settlement trust fund to the common schools trust fund during the 2017-19 biennium and increased transfers from the tobacco settlement trust fund to the community health trust fund from 10 to 55 percent of the tobacco settlement revenues deposited in the tobacco settlement trust fund.
- 45 percent to the common schools trust fund. In House Bill No. 1012 (2017), the Legislative Assembly suspended transfers from the tobacco settlement trust fund to the common schools trust fund during the 2017-19 biennium and increased transfers from the tobacco settlement trust fund to the community health trust fund from 10 to 55 percent of the tobacco settlement revenues deposited in the tobacco settlement trust fund.
- 45 percent to the water development trust fund.

Section 54-27-25, as amended in Senate Bill No. 2012 (2019), provided all money in the fund must be transferred within 30 days of receipt to the community health trust fund.

In the November 2008 general election, voters approved Initiated Measure No. 3 that amended Section 54-27-25 to establish a tobacco prevention and control trust fund. The measure provides for a portion of tobacco settlement funds received by the state to be deposited in this new fund rather than the entire amount in the tobacco settlement trust fund. Tobacco settlement money received under subsection IX(c)(1) of the Master Settlement Agreement, which continues in perpetuity, will continue to be deposited into the tobacco settlement trust fund and allocated pursuant to Section 54-27-25. In 2009, tobacco settlement money received under subsection IX(c)(2) of the Master Settlement Agreement, relating to strategic contribution payments, which began in 2008 and continued through 2017, was deposited into the tobacco prevention and control trust fund. The measure also provided 80 percent of the funds allocated to the community health trust fund from the tobacco settlement trust fund be used for tobacco prevention and control. However, in Senate Bill No. 2004 (2017), the Legislative Assembly amended Section 54-27-25 to remove the 80 percent restriction on transfers to the community health trust fund.

The Legislative Assembly, in Senate Bill No. 2003 (2015), amended Section 54-27-25 related to the tobacco settlement trust fund to provide the principal and interest of the fund may be appropriated to the Attorney General for the enforcement of the Master Settlement Agreement and any disputes with the agreement. Appropriations made to the Attorney General for enforcement of the Master Settlement Agreement reduce the amount available for transfer from the tobacco settlement trust fund to the community health trust fund. The Legislative Assembly, in Senate Bill No. 2012 (2019), removed this authorization. In Senate Bill No. 2004 (2021), the Legislative Assembly repealed the tobacco prevention and control trust fund and required the Office of Management and Budget to transfer any money remaining in the tobacco prevention and control trust fund to the community health trust fund on July 1, 2021.

The Legislative Assembly, in House Bill No. 1004 (2023), created a new section to Chapter 54-27 to provide for the deposit of funds to be received pursuant to an agreement reached between the Attorney General's office and JUUL Labs, Inc. In September 2022, the Attorney General's office announced an agreement had been reached between JUUL Labs, Inc., and 34 states and territories regarding JUUL Labs, Inc., e-cigarette marketing and sales practices. Of the \$438.5 million total settlement, North Dakota was awarded \$6,028,211, which will be paid in installments over a period of 6 to 10 years. The Legislative Assembly, in House Bill No. 1004 (2023), provided 80 percent of funding deposited in the Attorney General refund fund from the JUUL Labs, Inc., settlement during the 2021-23 biennium be transferred to the community health trust fund and requires 80 percent of additional funding received from the settlement be deposited directly in the community health trust fund beginning in the 2023-25 biennium.