

COMMUNITY HEALTH GRANT PROGRAM IMPLEMENTATION - BACKGROUND MEMORANDUM

North Dakota Century Code (NDCC) Section 23-38-02, as amended in 2003 Senate Bill No. 2297 (attached as an appendix), provides for the State Health Officer to report to the Legislative Council by no later than September 30, 2004, regarding the implementation of the community health grant program. The Legislative Council assigned this responsibility to the Budget Committee on Health Care.

HISTORY OF THE TOBACCO SETTLEMENT TRUST FUND

The 1999 Legislative Assembly passed House Bill No. 1475, which created a tobacco settlement trust fund for the deposit of all tobacco settlement money received by the state. The bill provides that interest on the money in the tobacco settlement trust fund must be retained in the fund and that the principal and interest are to be allocated 10 percent to the community health trust fund, 45 percent to the common schools trust fund, and 45 percent to the water development trust fund. Tobacco settlement revenues collected to date have been transferred immediately to the proper trust funds; therefore, no interest has been earned by the tobacco settlement trust fund. The transfer of money from the tobacco settlement trust fund to the community health trust fund, common schools trust fund, and water development trust fund is to occur within 30 days from the deposit of the funds into the tobacco settlement trust fund.

Through June 30, 2003, North Dakota has received tobacco settlement trust fund collections totaling \$106,231,329, \$10,623,133 of which has been transferred to the community health trust fund. The tobacco settlement proceeds for the 2001-03 biennium were estimated to be \$61,143,578 at the end of the 1999 legislative session. Actual collections were \$53,330,545. The decrease in tobacco settlement revenues collected for the biennium of \$7,813,033 is the result of volume adjustments made to payments received. A volume adjustment is an adjustment made to a settlement payment to reflect increases or decreases in tobacco manufacturers' operating income from cigarette sales. The original estimate was calculated before the anticipated effect of volume adjustments on tobacco settlement collections was determined. The total original estimated tobacco settlement collections made during the 1999 legislative session and the total estimated collections as revised by the Office of Management and Budget to reflect anticipated volume adjustments are:

	1999 Original Estimated Collections	Office of Management and Budget Revised Estimated Collections
1999-2001	\$57,593,770	\$52,900,784
2001-03	61,143,578	53,330,545
2003-05	51,271,214	45,944,134
2005-07	51,271,214	45,944,134
2007-17	411,155,400	368,436,330
(\$82,231,080/ \$73,687,266 per biennium)		
2017-25	234,365,960	210,015,328
(\$58,591,490/ \$52,503,832 per biennium)		
Total	\$866,801,136	\$776,571,255

2001-03 BIENNIUM COMMUNITY HEALTH GRANT PROGRAM ACTIONS

During the 2001-03 biennium the State Department of Health established a Community Health Grant Program Advisory Committee and a community health grant program with the primary purpose of preventing or reducing tobacco usage in the state. The program must, to the extent funding is available, follow the Centers for Disease Control and Prevention guidelines for tobacco prevention. A total of \$4.7 million was appropriated from the community health trust fund for the community health grant program for the 2001-03 biennium. The funds for the program must be allocated pursuant to NDCC Section 23-38-01, as follows:

1. **Student tobacco programs** - 40 percent (\$1,880,000) for grants to the public health units for programs to reduce student tobacco use.
2. **County tobacco programs** - 40 percent (\$1,880,000) for grants to public health units for programs to reduce tobacco use by residents living in the counties served by the public health units. A program may address other chronic diseases.
3. **State aid** - 20 percent (\$940,000) for grants to public health units to supplement existing state aid from other sources.

In addition to the \$4.7 million appropriated for the community health grant program, the 2001 Legislative Assembly appropriated \$350,000 from the community health trust fund; \$100,000 for funding the Community Health Grant Program Advisory Committee; and \$250,000 for funding grants to cities and counties on a dollar-for-dollar matching basis for city and county employee tobacco education and cessation programs.

2003-05 LEGISLATIVE APPROPRIATION

House Bill No. 1004 (2003) appropriates \$4.7 million from the community health trust fund for the community health grant program for the 2003-05 biennium, which will be allocated between student tobacco programs, county tobacco programs, and state aid the same as the 2001-03 biennium. Senate Bill No. 2297 (2003) provides an appropriation from the community health trust fund for the Community Health Grant Program Advisory Committee (\$100,000) and for providing grants for city, county, and state employee tobacco education and cessation programs (\$500,000). The grants to cities and counties are to be matched with a \$1 local match for every \$3 of state funds. The 2001-03 appropriation did not provide for state employee tobacco education and cessation programs and the grants to cities and counties required a dollar-for-dollar match. Any unexpended 2001-03 funds for city and county tobacco cessation and education programs, estimated to be \$200,000 by the State Department of Health, may be continued into the 2003-05 biennium.

The 2003 Legislative Assembly authorized \$680,000 from the community health trust fund for a tobacco "quit line." The tobacco "quit line" will provide telephone-based cessation counseling and support to a large number of tobacco users, including low-income, rural, and racial/ethnic populations, many of whom otherwise do not have access to cessation services.

OBJECTIVE OF THE COMMUNITY HEALTH GRANT PROGRAM

The role of the Community Health Grant Program Advisory Committee, as provided in NDCC Section 23-38-02, is to advise the State Department of Health on program implementation. The advisory committee includes the State Health Officer who serves as the chairman; the state tobacco control administrator; one high school student; one student of a postsecondary institution in the state; one representative of a nongovernmental tobacco control organization; and one law enforcement officer. In addition, the committee includes various representatives of state government and the private sector who are appointed by the State Health Officer.

The State Department of Health is responsible for assisting the Community Health Grant Program Advisory Committee with:

- Evaluating programs;
- Promoting media advocacy by working with statewide media associations;
- Implementing smoke-free policies by involving antitobacco groups in promoting the need for smoke-free public buildings;
- Working to reduce minors' access to tobacco in all communities;
- Facilitating the coordination of program components with the local level;
- Involving state agencies, law enforcement, and local government in the administration and management of the program; and
- Assisting the state in screening and implementing the grants.

The State Department of Health, in establishing the community health grant program, is to build upon the state's existing tobacco control grant program activities. The department is to encourage grant applicants to monitor program accountability with respect to tobacco-related behaviors, attitudes, and health outcomes and to include in its plans:

1. Community programs that:
 - a. Engage youth in the development and implementation of interventions;
 - b. Develop partnerships with local organizations;
 - c. Conduct educational programs at local levels;
 - d. Promote government and voluntary health policies, such as clean indoor air, youth access, and treatment coverage;
 - e. Restrict minors' access to tobacco; and
 - f. Deter smoking in public places.
2. Promotion of school programs by partnering with public health organizations, school boards, education associations, and other organizations in each county to provide school programs that promote:
 - a. Tobacco-free policies;
 - b. Evidence-based curricula;
 - c. Teacher training;
 - d. Parental involvement; and
 - e. Cessation services for students and staff.

RECENT LEGISLATIVE COUNCIL STUDIES

2001-02 Budget Committee on Government Services

The 2001-02 Budget Committee on Government Services received reports from representatives of the State Department of Health, pursuant to Section 2 of 2001 Senate Bill No. 2380, regarding the implementation of the community health grant program and the allocation of the \$4.7 million 2001-03 biennium appropriation from the community health trust fund. The funding was distributed as grants to local public health units for student tobacco programs, county tobacco programs, and state aid. All 28 local public health units applied for and were awarded community health grant program funds. Grants originally awarded totaled \$4,689,279--\$1,878,718 for student tobacco programs, \$1,870,561 for community tobacco programs, and \$940,000 for state aid. The \$10,721 of unallocated funds was the result of one local public health unit not applying for its full allocation and was to be made available to other local public health units.

In addition, the committee received reports regarding the establishment of the Community Health Grant Program Advisory Committee and grants for city and county employee tobacco education and cessation programs. The committee made no recommendations as a result of the community health grant program study.

1999-2000 Budget Committee on Health Care

The 1999-2000 Budget Committee on Health Care studied the plan developed by the State Department of

Health for a community health grant program. The State Department of Health presented alternative uses for money in the community health trust fund, including implementing recommendations of the United States Centers for Disease Control and Prevention "best practices" for tobacco use prevention and control, and the establishment of Healthy Schools, Healthy Families, and Healthy Communities grant programs.

The "best practices" guidelines were developed by the Centers for Disease Control and Prevention to help states carry out effective tobacco control programs and establish funding ranges to guide states in the development of these programs. Each funding range is calculated based on a formula established by the Centers for Disease Control and Prevention using a combination of minimum or base funding and per capita funding based on the state's population. For North Dakota, the proposed funding ranges for all components total \$12.73 to \$25.82 per capita, or approximately \$8.2 million to \$16.5 million per year. The "best practices" address the following nine components of comprehensive tobacco control programs:

1. Community programs to reduce tobacco use.
2. Chronic disease prevention and early detection programs to reduce the burden of tobacco-related diseases.
3. School tobacco prevention and cessation programs.
4. Enforcement of tobacco control policies.
5. Statewide tobacco prevention and cessation programs to provide technical assistance to local programs, promote media advocacy, implement smoke-free policies, and reduce minor's access to tobacco products.
6. Counter-marketing programs to counteract pro-tobacco influences.
7. Statewide tobacco cessation assistance programs.
8. A surveillance and evaluation system to monitor the performance of tobacco control programs.
9. An administration and management system to facilitate the coordination of program components, the involvement of multiple state agencies and levels of local government, and the involvement of statewide voluntary health organizations and community groups.

The committee recommended 2001 Senate Bill No. 2028, which provided that the interest earned on money deposited in the community health trust fund remains in that fund. The committee also recommended 2001 Senate Bill No. 2029, which provided that the interest earned on money in the water development trust fund be transferred to the community health trust fund. Senate Bill Nos. 2028 and 2029 failed to pass.

PROPOSED STUDY PLAN

The following is a proposed study plan for the committee's responsibility regarding the community health grant program:

1. Receive a report from the State Health Officer no later than September 30, 2004, regarding implementation of the community health grant program, pursuant to NDCC Section 23-38-02.
2. Receive a report from representatives of the Community Health Grant Program Advisory Committee regarding the responsibilities and accomplishments of the committee.
3. Receive information from other interested organizations, entities, and individuals regarding the community health grant program.
4. Develop recommendations and related bill drafts necessary to implement the recommendations.
5. Prepare a final report for submission to the Legislative Council.

ATTACH:1