

ANALYSIS OF THE COMMUNITY HEALTH TRUST FUND FOR THE 2001-03 AND 2003-05 BIENNIUMS

	<u>2001-03 Biennium</u>	<u>2003-05 Biennium</u>
Beginning balance	\$5,290,078	\$5,528,378
Add estimated revenues		
Transfers to date from the tobacco settlement trust fund	\$5,333,055 ¹	
Remaining transfers from the tobacco settlement trust fund		\$4,594,414
Total estimated revenues	<u>5,333,055²</u>	<u>4,594,414²</u>
Total available	\$10,623,133	\$10,122,792
Less estimated expenditures		
State Department of Health		
Tobacco prevention and control (2001 SB 2004; 2003 HB 1004)	\$4,700,000 ³	\$4,700,000 ³
Dentists' loan program (2001 SB 2276; 2003 HB 1004)	80,000 ⁴	380,000 ⁴
Community health grants (2001 SB 2380; 2003 SB 2297)	200,000 ⁵	750,000 ⁵
Tobacco "quit line" (2003 HB 1004)	0	680,000 ⁶
Department of Human Services		
Breast and cervical cancer assistance (2001 HB 1472; 2003 SB 2012)	<u>114,755⁷</u>	<u>114,755⁷</u>
Total estimated expenditures	<u>5,094,755³</u>	<u>6,624,755³</u>
Estimated ending balance	<u><u>\$5,528,378⁴</u></u>	<u><u>\$3,498,037</u></u>

¹ As of May 1, 2003, nine transfers have been made from the tobacco settlement trust fund totaling \$5,333,055. Total transfers of \$10,623,133 have been made to date from the tobacco settlement trust fund to the community health trust fund.

² Revenues - Interest earned on the community health trust fund is deposited in the state general fund. The tobacco settlement revenues for the community health trust fund were estimated to be \$6,114,358 for the 2001-03 biennium at the end of the 1999 legislative session. The decrease in the amount of revenues collected from the tobacco settlement trust fund of \$781,303 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 revenues for the community health trust fund originally estimated during the 1999 legislative session and the estimated collections as revised by the Office of Management and Budget to reflect anticipated volume adjustments are:

Biennium	1999 Original Estimated Collections	Office of Management and Budget Revised Estimated Collections
1999-2001	\$5,759,377	\$5,290,078
2001-03	6,114,358	5,333,055
2003-05	5,127,121	4,594,414
2005-07	5,127,121	4,594,414
2007-17 (\$8,223,108/\$7,368,727 per biennium)	41,115,540	36,843,633
2017-25 (\$5,859,149/\$5,250,383 per biennium)	23,436,596	21,001,532
Total	\$86,680,113	\$77,657,126

³ 1999 House Bill No. 1475 (North Dakota Century Code (NDCC) Section 54-27-25) provides that money in the community health trust fund may be used by the State Department of Health, subject to legislative appropriation, for community-based public health programs and other public health programs, including programs with

emphasis on preventing or reducing tobacco usage. The Legislative Assembly provided an appropriation of \$4.7 million, the same as the 2001-03 biennium appropriation, to the State Department of Health for tobacco prevention and control programs.

⁴ 2001 Senate Bill No. 2276 provided an appropriation of \$180,000 to the State Health Council for a dentists' loan repayment program. Each year the State Health Council is to select up to three dentists who agree to provide dental services in the state. The dentists are eligible to receive funds for the repayment of their educational loans. The funds are payable over a four-year period and may not exceed \$80,000 per applicant. The 2001 Legislative Assembly added intent to Senate Bill No. 2276 that the 2003 Legislative Assembly provide sufficient funds for continuation of the program. The annual selection of the dentists is to be based on the size of the community that will be served as follows:

- One dentist serving a community with less than 2,500 residents.
- One dentist serving a community with less than 10,000 residents.
- One dentist serving a community with 10,000 or more residents.

Three dentists were accepted into the program during the 2001-03 biennium, two serving communities over 10,000 residents (both Minot) and one serving a community with less than 2,500 residents (Larimore). Actual 2001-03 expenditures are anticipated to be \$80,000, due to only one dentist applying for the four available loan repayment programs for dentists who agree to practice in a community with less than 10,000 residents. The Legislative Assembly, as provided in 2003 Senate Bill No. 2378, changed the dental loan repayment program effective for the 2003-05 biennium from requiring one dentist from each of the community size categories to providing the highest priority for acceptance into the program to dentists willing to serve the smallest and most underserved communities in North Dakota.

⁵ The community health grant program was established in 2001 Senate Bill No. 2380 (NDCC Section 23-38-01) with the intent to prevent or reduce tobacco usage. The 2001 Legislative Assembly appropriated \$350,000 for funding the Community Health Grant Advisory Committee (\$100,000) and to provide grants to cities and counties for tobacco education and cessation programs (\$250,000). The State Department of Health estimates actual 2001-03 biennium expenditures for city and county government cessation programs to be \$100,000. The Legislative Assembly, as provided in 2003 Senate Bill No. 2297, appropriated \$600,000 for funding the Community Health Grant Advisory Committee (\$100,000) and for providing for city, county, and state employee tobacco education and cessation programs (\$500,000). In addition, the Legislative Assembly authorized any unexpended 2001-03 appropriated funds for city and county tobacco cessation and education programs, estimated to be \$150,000, to be carried forward to the 2003-05 biennium. The grants to cities and counties for cessation programs are to be matched with a \$1 local match for every \$3 of state funds.

⁶ The Legislative Assembly appropriated \$680,000 for establishing a telephone tobacco "quit line."

⁷ The Legislative Assembly appropriated \$114,755, the same as the 2001-03 biennium, to the Department of Human Services for providing medical assistance coverage for women screened and found to have breast and cervical cancer.

FUND HISTORY

The community health trust fund was created by the 1999 Legislative Assembly through passage of House Bill No. 1475. This bill creates a tobacco settlement trust fund for the deposit of all tobacco settlement money obtained by the state. Money in the fund must be transferred as follows, within 30 days of its deposit in the fund:

- Ten percent to the community health trust fund.
- Forty-five percent to the common schools trust fund.
- Forty-five percent to the water development trust fund.