

ANALYSIS OF THE COMMUNITY HEALTH TRUST FUND FOR THE 2003-05 AND 2005-07 BIENNIUMS

	<u>2003-05 Biennium</u>	<u>2005-07 Biennium</u>
Beginning balance	\$5,753,089	\$4,334,394
Add estimated revenues		
Transfers to date from the tobacco settlement trust fund	\$4,631,002 ¹	
Remaining transfers from the tobacco settlement trust fund		\$4,594,414
Total estimated revenues	<u>4,631,002²</u>	<u>4,594,414²</u>
Total available	\$10,384,091	\$8,928,808
Less estimated expenditures		
State Department of Health		
Tobacco prevention and control	\$4,700,000 ³	\$4,700,000 ³
Dentists' loan program	300,000 ⁴	420,000 ⁴
Community health grants	180,000 ⁵	495,000 ⁵
Tobacco "quit line"	550,000 ⁶	884,000 ⁶
Tobacco cessation coordinator and operating expenses		111,000 ⁷
Department of Human Services		
Breast and cervical cancer assistance	<u>319,697⁸</u>	<u>254,356⁸</u>
Total estimated expenditures	<u>6,049,697</u>	<u>6,864,356</u>
Estimated ending balance	<u><u>\$4,334,394</u></u>	<u><u>\$2,064,452</u></u>

¹As of March 1, 2005, six transfers have been made from the tobacco settlement trust fund totaling \$4,631,002. Total transfers of \$15,284,716 have been made to date 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. The tobacco settlement revenues for the community health trust fund were estimated to be \$5,127,121 for the 2003-05 biennium at the end of the 1999 legislative session. The decrease in the amount of revenues collected from the tobacco settlement trust fund of \$496,119 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	5,363,636
2003-05	5,127,121	4,631,002
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	\$77,724,295

³House Bill No. 1475 (1999) (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 2005 Legislative Assembly provided an appropriation of \$4.7 million, the same as the 2003-05 biennium, to the State Department of Health for tobacco prevention and control programs.

⁴Senate Bill No. 2276 (2001) provided for the creation of a dentists' loan repayment program to be maintained by the State Health Council. 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, not to exceed a total of \$80,000 per applicant, for the repayment of their educational loans. The funds are payable over a four-year period (\$20,000 per year). Senate Bill No. 2276 (2001) provided for one dentist to be selected annually for the program from each of the following community-size categories: small (less than 2,500 residents), medium (less than 10,000 residents), and large (10,000 or more residents). The 2003 Legislative Assembly, as provided in Senate Bill No. 2378, changed the dental loan repayment program effective for the 2003-05 biennium, providing that the highest priority for acceptance into the program be given to dentists willing to serve the smallest and most underserved communities in North Dakota.

Biennium (Number of Dentists Accepted Into Program)	Communities Served
2001-03 biennium (3)	Minot (2) Larimore
2003-05 biennium (6)	Fargo Community Health Center New Rockford Grand Forks Fargo Bismarck West Fargo

⁵The 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 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 the total unexpended 2001-03 appropriated funds of \$204,052 for city and county tobacco cessation and education programs to be carried forward to the 2003-05 biennium. The State Department of Health, however, anticipates expenditures for cessation programs will be only \$80,000 during the 2003-05 biennium. The grants to cities and counties for cessation programs are to be matched with \$1 of local funds for every \$3 of state funds. The 2005 Legislative Assembly authorized \$495,000 for tobacco cessation grants (\$395,000) and for the Community Health Grant Advisory Committee (\$100,000).

⁶The 2003 Legislative Assembly appropriated \$680,000 for establishing a telephone tobacco "quit line." However, due to the start date of the program, it is anticipated only approximately \$550,000 will be spent during the 2003-05 biennium. The executive recommendation includes \$884,000 to operate the "quit line" for the entire 2005-07 biennium.

⁷The Legislative Assembly authorized one FTE tobacco prevention coordinator position and related funding for salaries and wages (\$95,666) and operations (\$15,334).

⁸The 2003 Legislative Assembly appropriated \$114,755 from the community health trust fund to the Department of Human Services for breast and cervical cancer treatment services. Because of greater than anticipated demand for the services, the department anticipates using additional special funds spending authority from within its 2003-05 biennium budget and spending a total of \$319,697 from the community health trust fund for the program. For the 2005-07 biennium, the Legislative Assembly appropriated \$254,356, an increase of \$139,601 from the 2003-05 biennium appropriation, 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.