

ANALYSIS OF THE COMMUNITY HEALTH TRUST FUND FOR THE 2007-09 BIENNIUM

	2007-09 Biennium	
Beginning balance - July 1, 2007		\$2,392,943
Add estimated revenues		
Transfers to date from the tobacco settlement trust fund	\$3,648,108 ¹	
Projected remaining transfers from the tobacco settlement trust fund	3,500,145	
Total estimated revenues		7,148,253 ²
Total available		\$9,541,196 ³
Less estimated expenditures and transfers		
State Department of Health (2007 HB 1004)		
Tobacco prevention and control	4,700,000 ⁴	
Dentists' loan program	360,000 ⁵	
Community health grant programs	226,562 ⁶	
Community Health Grant Program Advisory Committee	100,000 ⁷	
Tobacco Quitline	1,069,000 ⁸	
Tobacco cessation coordinator and operating expenses	139,397 ⁹	
Physician loan repayment program	40,000 ¹⁰	
Colorectal cancer screening initiative	150,000 ¹¹	
Emergency medical services grants	300,000 ¹²	
Dental grant program (2007 SB 2152)	0 ¹³	
Governor's office		
Governor's Prevention and Advisory Council (2007 SB 2276)	100,000 ¹⁴	
Department of Human Services		
Breast and cervical cancer assistance (2007 SB 2012)	213,904 ¹⁵	
Total estimated expenditures and transfers		7,398,863
Estimated ending balance - June 30, 2009		\$2,142,333

¹For the 2007-09 biennium, two transfers totaling \$3,648,108 have been made from the tobacco settlement trust fund as of May 1, 2008. Total transfers of \$23,315,635 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 state general fund.

³In 2006 certain tobacco companies began reducing their tobacco payments to North Dakota contending that the Master Settlement Agreement allows for the payments to be reduced if they lose sales to small cigarette makers that did not participate in the agreement and if states do not enforce laws intended to make smaller tobacco companies set aside money for legal claims. The Attorney General's office has filed a lawsuit against the tobacco companies to collect the full payment. Due to the uncertainty of the lawsuit, the Office of Management and Budget has further reduced remaining estimated tobacco settlement revenues for the 2007-09 biennium by 5 percent. The community health trust fund share of the 5 percent reduction represents \$368,436 for the 2007-09 biennium. 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 and legal challenges 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	5,363,637
2003-05	5,127,121	4,631,001
2005-07	5,127,121	4,365,495
2007-09	8,223,108	7,000,290
2009-11	8,223,108	7,368,727
2011-17 (\$8,223,108/\$7,368,727 per biennium)	24,669,324	22,106,181
2017-25 (\$5,859,149/\$5,250,383 per biennium)	23,436,596	21,001,532
Total	\$86,680,113	\$77,126,941

⁴North 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 2007 Legislative Assembly appropriated \$4.7 million, the same as the 2005-07 biennium appropriation, to the State Department of Health for tobacco prevention and control programs.

⁵The dentists' loan repayment program, which is administered by the Health Council, was established in 2001 Senate Bill No. 2276 (NDCC Chapter 43-28.1). Each year the 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). The dental loan repayment program is to provide the highest priority for acceptance into the program to dentists willing to serve the smallest and most underserved communities in North Dakota. Senate Bill No. 2152 (2007) provides that a dentist practicing in Bismarck, Fargo, or Grand Forks must have received dental medical payments of at least \$20,000 in the form of medical assistance reimbursement or practiced at least two full workdays per week at a public health clinic or nonprofit dental clinic in order to qualify for the dentists' loan repayment program. Dentists accepted into the program per biennium include:

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
2005-07 biennium (4)	Fargo Community Health Center Bismarck (serving special populations) Mott Minot
2007-09 biennium (6 to date)	Park River Bismarck Grand Forks Cando/Devils Lake Rugby Wishek

⁶The 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 grants to cities and counties for cessation programs are to be matched with \$1 of local funds for every \$3 of state funds.

⁷The Community Health Grant Program Advisory Committee is to advise the State Department of Health regarding the community health grant program.

⁸The 2003 Legislative Assembly authorized the establishment of a telephone "Tobacco Quitline." The 2007 Legislative Assembly appropriated \$1,069,000, an increase of \$185,000 from the 2005-07 biennium appropriation of \$884,000 to operate the "quitline" for the 2007-09 biennium. The 2007 Legislative Assembly increased the funding for the "quitline" to provide nicotine replacement therapy and cessation counseling.

⁹The 2007 Legislative Assembly authorized 1 FTE tobacco prevention coordinator position and related funding for salaries and wages (\$117,101) and operating expenses (\$22,296) for the position.

¹⁰North Dakota Century Code Chapter 43-17.2 provides for the state community matching physician loan repayment program. A qualifying physician may receive up to \$22,500 per year for up to two years for a total of \$45,000. Section 43-12.2-01 provides for mid-level practitioners to receive up to \$2,500 per year for up to four years for a total of \$10,000. Communities must contribute an amount at least equal to the amount of the state contribution for the physicians and mid-level practitioners. The 2007 Legislative Assembly appropriated \$150,000 from the community health trust fund for this program. The total 2007-09 biennium funding for this program is \$75,000 from the general fund and \$150,000 from the community health trust fund. Physicians accepted into the program per biennium include:

Biennium (Number of Physicians Accepted Into Program)	Communities Served
2007-09 biennium (3 to date)	Dickinson Devils Lake Wishek

Biennium (Number of Mid-Level Practitioners Accepted Into Program)	Communities Served
2007-09 biennium (2 to date)	Grafton Williston

¹¹The 2007 Legislative Assembly appropriated \$150,000 from the community health trust fund and \$50,000 from the general fund for a grant to the North Dakota Cancer Coalition to provide for a colorectal cancer screening initiative.

¹²The 2007 Legislative Assembly appropriated \$300,000 from the community health trust fund for emergency medical services training grants.

¹³Senate Bill No. 2152 (2007) provides for a dental grant program. A dentist who has graduated from an accredited dental school within the previous five years and is licensed to practice in North Dakota may submit an application to the Health Council for a grant for the purpose of establishing a dental practice in North Dakota cities with a population of 7,500 or less. The Health Council may award a maximum of two grants per year with a maximum grant award of \$50,000 per applicant to be used for buildings, equipment, and operating expenses. The community in which the dentist is locating must provide a 50 percent match. The grant must be distributed in equal amounts over a five-year period and the dentist must commit to practice in the community for five years. To date, the Health Council has not received any applications for this grant program.

¹⁴Senate Bill No. 2276 (2007) provides an appropriation from the community health trust fund to the Governor for the Governor's Prevention and Advisory Council.

¹⁵The 2007 Legislative Assembly appropriated \$213,904, a decrease of \$40,452 from the 2005-07 biennium appropriation of \$254,356, to the Department of Human Services for providing the state matching funds for medical assistance coverage for women screened and found to have breast and cervical cancer.

NOTE: The estimated June 30, 2009, balance made at the end of the 2007 legislative session was \$1,381,653. The increase in the estimated balance of \$760,680 is due to the actual July 1, 2007, balance of \$2,392,943 being \$389,279 more than the July 1, 2007, balance estimated at the close of the 2007 legislative session of \$2,003,664, actual 2008 transfers from the tobacco settlement trust fund being \$147,963 more than estimated, and revised 2007-09 estimated expenditures being \$223,438 less than estimated at the end of the 2007 legislative session.

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 within 30 days of its deposit in the fund as follows:

- 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.