



## DEPARTMENT OF HEALTH

Wes Moore, Governor · Aruna Miller, Lt. Governor · Laura Herrera Scott, M.D., M.P.H., Secretary

March 20, 2024

The Honorable Marc Korman  
Chair, Environment and Transportation Committee  
Room 251, House Office Building  
Annapolis, MD 21401-1991

### **RE: Senate Bill 589 – Tri-County Council for Southern Maryland - Southern Maryland Agricultural Development Commission - Funding – Letter of Support w/ Amendments**

Dear Chair Korman and Committee members:

The Maryland Department of Health (Department) respectfully submits this letter of support with amendments for Senate Bill (SB) 589 – Tri-County Council for Southern Maryland - Southern Maryland Agricultural Development Commission - Funding. SB 589 increases the annual Cigarette Restitution Fund (CRF) allocation to the Tri-County Council for Southern Maryland (the Council) from \$900,000 to \$1,000,000 beginning in fiscal year (FY) 2025. Also, SB 589 allows the Governor to allocate in the annual budget an amount equal to five percent of the yearly Master Settlement Agreement (MSA) payment made from tobacco companies to Maryland to the Council.

The Cigarette Restitution Fund (CRF) was established in 2000 to receive MSA dollars resulting from a settlement between 46 states, including Maryland, five territories, the District of Columbia and major tobacco companies and to ensure funds were spent on statewide tobacco prevention and control efforts and related programs.<sup>1,2</sup> The CRF is a critical source of funding for several Department programs, including tobacco prevention and control and cancer prevention, education, screening, and treatment.

The Department supports the legislative intent of SB 589 as it funds the Council and the Southern Maryland Agricultural Development Commission for public health programs that improve the health and well-being of Marylanders. However, as written, SB 589 jeopardizes critical CRF funding that supports statewide tobacco and cancer prevention programs by allowing the Governor to allocate up to five percent of the annual MSA payment to the Council. If SB 589 were currently in effect and the Governor had allocated funds to the Council, funding allocated to other CRF programs would be reduced by over \$10 million in fiscal year 2024.<sup>3</sup> This

<sup>1</sup> Chapter 172 of the Acts of 1999 (SB 334). Accessed 9 Feb 2024 at <<https://mgaleg.maryland.gov/mgawebsite/Search/Legislation?target=/1999rs/billfile/sb0334.htm>>.

<sup>2</sup> Chapter 173 of the Acts of 1999 (HB 751). Accessed 9 Feb 2024 at <<https://mgaleg.maryland.gov/mgawebsite/Search/Legislation?target=/1999rs/billfile/hb0751.htm>>.

<sup>3</sup> Department of Budget and Management, "Exhibit H - Cigarette Restitution Fund - Fiscal Year 2024," Accessed 9 Feb 2024 at <<https://dbm.maryland.gov/budget/FY2024FiscalDigest/Exhibit-H-Fiscal-Digest-CRF-FY24.pdf>>.

is a significant concern because Maryland is already well below recommended funding levels for tobacco control and prevention efforts set by the Centers for Disease Control and Prevention.<sup>4,5</sup> The Department supports an amendment that removes this five percent allocation but keeps the permanent \$1,000,000 allocation to the Council.

SB 589 would have a significant financial impact on the Department and could reduce funding to CRF programs that address tobacco use prevention, cancer prevention, and others if the five percent allocation language is not removed.

If you would like to discuss this further, please do not hesitate to contact Sarah Case-Herron, Director of Governmental Affairs at [sarah.case-herron@maryland.gov](mailto:sarah.case-herron@maryland.gov).

Sincerely,



Laura Herrera Scott, M.D., M.P.H.  
Secretary

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<sup>4</sup> American Lung Association, State of Tobacco Control Maryland, 2024, Accessed 9 Feb 2024 at <https://www.lung.org/research/sotc/state-grades/maryland>

<sup>5</sup>Centers for Disease Control and Prevention. Best Practices for Comprehensive Tobacco Control Programs - 2014. Atlanta: U.S. Department of Health and Human Services, Centers for Disease Control and Prevention, National Center for Chronic Disease Prevention and Health Promotion, Office on Smoking and Health, 2014. <https://www.cdc.gov/tobacco/stateandcommunity/guides/pdfs/2014/comprehensive.pdf>