

Department of Legislative Services
Maryland General Assembly
2000 Session

FISCAL NOTE

House Bill 1177 (Delegate Busch, *et al.*)
Environmental Matters

Cigarette Restitution Fund - Community Health Coalition Program

This bill establishes a Community Health Coalition Program within the Department of Health and Mental Hygiene (DHMH) to coordinate the development and implementation of local antitobacco initiatives. The bill requires the Governor to include at least \$30 million in the State budget each year beginning in fiscal 2002 for the program. Funds may be provided through the Cigarette Restitution Fund.

Fiscal Summary

State Effect: General and/or special fund expenditures could increase by \$30 million annually beginning in FY 2002. DHMH could administer the program with existing resources. Revenues would not be affected.

Local Effect: Slight increase in local government expenditures associated with establishing community health coalitions. Many counties are already in the process of doing this.

Small Business Effect: Minimal. Nonprofit organizations could realize additional funding.

Analysis

Bill Summary: The bill provides for the distribution of funds by DHMH to local health departments for antitobacco efforts based upon a proportionate funding formula established by regulation. The formula developed by DHMH may take into account the following factors for each county:

- population;
- rates of smoking-related illness;

- individuals and areas disproportionately targeted by tobacco manufacturers in marketing and promoting tobacco products;
- rural population;
- rates of smoking among children; and
- any other factor DHMH determines will further the purposes of the program.

Each local health department is required to establish a community health coalition to assist the local health department in addressing unmet community health needs. DHMH is required to report to the Governor and the General Assembly by September 1 of each year on antitobacco initiatives undertaken by each community health coalition and the effectiveness of each. DHMH is required to adopt regulations to implement the program.

Current Law: None.

State Fiscal Effect: The Cigarette Restitution Act of 1999 outlined nine legislative spending priorities (mentioned above) for the Cigarette Restitution Fund addressing health- and tobacco-related issues. While the statute mandates that at least 50% of the spending should be focused on the nine priority areas, the Governor has considerable latitude in constructing a budget proposal for the use of the funds. The Governor's proposed fiscal 2001 budget meets the statutory requirements, with \$100.5 million, or 67% of the settlement funds, allocated to health- and tobacco-related programs. The total fiscal 2001 allowance for the Cigarette Restitution Fund is \$150.4 million.

This bill provides at least \$30 million in State funds to the community health coalition program to be administered by DHMH. The Cigarette Restitution Act of 1999 outlined nine legislative spending priorities for the Cigarette Restitution Fund addressing health- and tobacco-related issues. While the statute mandates that at least 50% of the spending should be focused on the nine priority areas, the Governor has considerable latitude in constructing a budget proposal for the use of the funds. The \$30 million in State funds for the implementation of the community health coalition program could be either funded with general funds or through the Cigarette Restitution Fund. The bill does not specifically require the Governor to fund the program out of the Cigarette Restitution Fund.

DHMH advises that administering the program established by the bill would result in a slight increase in workload, but that any increase can be handled with existing budgeted resources.

Local Fiscal Effect: Local community health coalitions would receive \$30 million in State funds beginning in fiscal 2002. Local government health departments could incur additional expenditures to administer the program, although, these expenditures are assumed to be minimal and able to be handled with existing resources. In addition, DHMH may appoint a person to coordinate the community health coalition program if the local government health

department is unable to do so.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Comptroller of the Treasury (Alcohol and Tobacco Tax Division), Department of Health and Mental Hygiene, Maryland Association of Counties, Department of Legislative Services

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