



**OFFICE OF FISCAL AND PROGRAM REVIEW**

**FHM Statute and Status Update**

**as presented to the**

**AFA Committee on 01-05-21**

## Title 22: HEALTH AND WELFARE

### Subtitle 2: HEALTH

#### Part 3: PUBLIC HEALTH HEADING: PL 1989, C. 487, §11 (RPR)

#### Chapter 260-A: SETTLEMENT FUNDS HEADING: PL 1999, C. 401, PT. V, §1 (NEW)

### §1511. Fund for a Healthy Maine established

**1. Fund established.** The Fund for a Healthy Maine, referred to in this chapter as the "fund," is established for the purposes specified in this chapter as a separate and distinct fund for accounting and budgetary reporting purposes.

[PL 2011, c. 701, §1 (AMD).]

**2. Sources of fund.** The State Controller shall credit to the fund:

A. All money received by the State in settlement of or in relation to the lawsuit State of Maine v. Philip Morris, et al., Kennebec County Superior Court, Docket No. CV-97-134; [PL 1999, c. 401, Pt. V, §1 (NEW).]

B. Money from any other source, whether public or private, designated for deposit into or credited to the fund; and [PL 1999, c. 401, Pt. V, §1 (NEW).]

C. Interest earned or other investment income on balances in the fund. [PL 1999, c. 401, Pt. V, §1 (NEW).]

[PL 1999, c. 401, Pt. V, §1 (NEW).]

**3. Allocation; amounts.**

[PL 2001, c. 358, Pt. Q, §1 (RP).]

**3-A. Unencumbered balances.** Any unencumbered balance remaining at the end of any fiscal year lapses back to the Fund for a Healthy Maine, the account within the Department of Administrative and Financial Services established pursuant to this section, and may not be made available for expenditure without specific legislative approval.

[PL 2001, c. 559, Pt. AA, §3 (NEW); PL 2001, c. 559, Pt. AA, §5 (AFF).]

**3-B. Departmental indirect cost allocation plans.** Any revenue transfer made on or after July 1, 2000 from a Fund for a Healthy Maine account to another account pursuant to an approved departmental indirect cost allocation plan is determined by the Legislature to be an authorized use of revenue credited to the Fund for a Healthy Maine. The State Budget Officer shall reduce allotment for the amount of any transfer made from a Fund for a Healthy Maine account for the purpose authorized in this subsection.

[PL 2003, c. 513, Pt. Y, §1 (NEW).]

**4. Restrictions.** This section does not require the provision of services for the purposes specified in subsection 6. When allocations are made to direct services, services to lower income consumers must have priority over services to higher income consumers. Allocations from the fund must be used to supplement, not supplant, appropriations from the General Fund.

[PL 1999, c. 401, Pt. V, §1 (NEW).]

**5. General Fund limitation.** Notwithstanding any provision to the contrary in this section, any program, expansion of a program, expenditure or transfer authorized by the Legislature using the Fund for a Healthy Maine may not be transferred to the General Fund without specific legislative approval.

[PL 1999, c. 401, Pt. V, §1 (NEW).]

**6. Health promotion purposes.** Allocations are limited to the following prevention and health promotion purposes:

A. Smoking prevention, cessation and control activities, including, but not limited to, reducing smoking among the children of the State; [PL 1999, c. 401, Pt. V, §1 (NEW).]

A-1. Prevention, education and treatment activities concerning unhealthy weight and obesity; [PL 2011, c. 617, §1 (NEW).]

B. Prenatal and young children's care including home visits and support for parents of children from birth to 6 years of age; [PL 1999, c. 401, Pt. V, §1 (NEW).]

C. Child care for children up to 15 years of age, including after-school care; [PL 1999, c. 401, Pt. V, §1 (NEW).]

D. Health care for children and adults, maximizing to the extent possible federal matching funds; [PL 1999, c. 401, Pt. V, §1 (NEW).]

E. Prescription drugs for adults who are elderly or disabled, maximizing to the extent possible federal matching funds; [PL 1999, c. 401, Pt. V, §1 (NEW).]

F. Dental and oral health care to low-income persons who lack adequate dental coverage; [PL 1999, c. 401, Pt. V, §1 (NEW).]

G. Substance use disorder prevention and treatment; and [PL 2017, c. 407, Pt. A, §71 (AMD).]

H. Comprehensive school health and nutrition programs, including school-based health centers. [PL 2007, c. 539, Pt. IIII, §3 (AMD).]

[PL 2017, c. 407, Pt. A, §71 (AMD).]

## **7. Investment; plan; report.**

[PL 2001, c. 358, Pt. Q, §3 (RP).]

**8. Report by Treasurer of State.** The Treasurer of State shall report at least annually on or before the 2nd Friday in December to the joint standing committee of the Legislature having jurisdiction over appropriations and financial affairs and the joint standing committee of the Legislature having jurisdiction over health and human services matters. The report must summarize the activity in any funds or accounts directly related to this section.

[PL 2001, c. 358, Pt. Q, §4 (NEW).]

**9. Working capital advance.** Beginning July 1, 2003, the State Controller is authorized to provide an annual advance up to \$37,500,000 from the General Fund to the fund to provide money for allocations from the fund. This money must be returned to the General Fund as the first priority from the amounts credited to the fund pursuant to [subsection 2, paragraph A](#).

[PL 2001, c. 714, Pt. OO, §1 (NEW).]

## **10. Restricted accounts.**

[PL 2003, c. 687, Pt. B, §6 (RP); PL 2003, c. 687, Pt. B, §11 (AFF).]

**11. Restricted accounts.** The State Controller is authorized to establish separate accounts within the fund in order to segregate money received by the fund from any source, whether public or private, that requires as a condition of the contribution to the fund that the use of the money contributed be restricted to one or more of the purposes specified in subsection 6. Money credited to a restricted account established under this subsection may be applied only to the purposes to which the account is restricted.

[PL 2003, c. 687, Pt. A, §9 (NEW); PL 2003, c. 687, Pt. B, §11 (AFF).]

**12. Adjustment to allocations.** For state fiscal years beginning on or after July 1, 2008, the State Budget Officer is authorized to adjust allocations if actual revenue collections for the fiscal year are less

than the approved legislative allocations. The State Budget Officer shall review the programs receiving funds from the fund and shall adjust the funding in the All Other line category to stay within available resources. These adjustments must be calculated in proportion to each account's allocation in the All Other line category in relation to the total All Other allocation for fund programs. Notwithstanding any other provision of law, the allocation for the identified amounts may be reduced by financial order upon the recommendation of the State Budget Officer and approval of the Governor. The State Budget Officer shall report annually on the allocation adjustments made pursuant to this subsection to the joint standing committee of the Legislature having jurisdiction over appropriations and financial affairs and the joint standing committee of the Legislature having jurisdiction over health and human services matters by May 15th.

[PL 2009, c. 1, Pt. F, §1 (NEW).]

**13. Separate accounts; annual reporting.** A state agency that receives allocations from the fund and a contractor or vendor that receives funding allocated from the fund shall maintain that money in a separate account and shall report by September 1st of each year to the Commissioner of Administrative and Financial Services providing a description of how those funds for the prior state fiscal year were targeted to the prevention and health-related purposes listed in subsection 6. The Commissioner of Administrative and Financial Services shall by October 1st of each year compile the reports provided under this subsection and forward the information in a report to the Legislature.

[PL 2011, c. 701, §2 (NEW).]

**REVISOR'S NOTE: (Subsection 13 as enacted by PL 2011, c. 655, Pt. M, §1 is REALLOCATED TO TITLE 22, SECTION 1511, SUBSECTION 15)**

**14. Legislative committee review of legislation.** Whenever a proposal in a resolve or bill before the Legislature, including but not limited to a budget bill, affects the fund, the joint standing committee of the Legislature having jurisdiction over the proposal shall hold a public hearing and determine the level of support for the proposal among members of the committee. If there is support for the proposal among a majority of the members of the committee, the committee shall request the joint standing committee of the Legislature having jurisdiction over health and human services matters to review and evaluate the proposal as it pertains to the fund. The joint standing committee of the Legislature having jurisdiction over health and human services matters shall conduct the review and report to the committee of jurisdiction and to the joint standing committee of the Legislature having jurisdiction over appropriations and financial affairs.

[PL 2011, c. 701, §2 (NEW).]

**15. (REALLOCATED FROM T. 22, §1511, sub-§13) Attrition adjustment.** For state fiscal years beginning on or after July 1, 2012, the State Budget Officer is authorized to adjust allocations to address shortfalls that occur as a direct result of Personal Services allocation reductions for projected vacancies. Accrued savings generated from vacant positions within a Fund for a Healthy Maine account's allocation for Personal Services or available balances in the Fund for a Healthy Maine program within the Department of Administrative and Financial Services may be transferred by financial order to offset Personal Services shortfalls in other Fund for a Healthy Maine accounts except that these transfers are subject to review by the joint standing committee of the Legislature having jurisdiction over appropriations and financial affairs.

[RR 2011, c. 2, §24 (RAL).]

SECTION HISTORY

PL 1999, c. 401, §V1 (NEW). PL 2001, c. 358, §§Q1-4 (AMD). PL 2001, c. 559, SAA3 (AMD). PL 2001, c. 559, SAA5 (AFF). PL 2001, c. 714, §O01 (AMD). IB 2003, c. 1, §6 (AMD). PL 2003, c. 513, §Y1 (AMD). PL 2003, c. 687, §§A9,B6 (AMD). PL 2003, c. 687, §B11 (AFF). PL 2007, c. 539, Pt. IIII, §3 (AMD). PL 2009, c. 1, Pt. F, §1 (AMD). RR 2011, c. 2, §24 (COR). PL 2011, c. 617, §1 (AMD). PL 2011, c. 655, Pt. M, §1 (AMD). PL 2011, c. 701, §§1, 2 (AMD). PL 2017, c. 407, Pt. A, §71 (AMD).

**FUND FOR A HEALTHY MAINE (FHM) STATUS****with December 2020 Revenue Forecast<sup>1</sup>**

	<b>FY 20</b>	<b>FY 21</b>
<b><u>FHM RESOURCES:</u></b>		
Revenue:		
December 2018 Base Revenue Estimate	\$49,851,601	\$49,911,520
May 2019 Revenue Forecast	(\$1,028,991)	(\$10,197,364)
Dec 2019 Revenue Forecast	\$47,565	(\$119,499)
Mar 2020 Revenue Forecast	\$73,576	(\$218)
Aug 2020 Revenue Forecast	\$0	\$4,032,665
Dec 2020 Revenue Forecast	\$0	\$1,124,815
Revenue Variances (Actual minus Budgeted Revenue)	\$599,603	\$0
Subtotal - Revenue	\$49,543,354	\$44,751,919
<u>Other Resources and Adjustments</u>		
Adjustments to Prior Year Balances	(\$560,732)	\$0
Lapsed Balances from Unexpended Funds	\$5,776,255	\$0
Subtotal - Other Resources and Adjustments	\$5,215,523	\$0
<b>Total FHM Resources</b>	<b>\$54,758,877</b>	<b>\$44,751,919</b>
<b><u>FHM ALLOCATIONS AND OTHER USES: <sup>2</sup></u></b>		
<u>Transfers</u>		
Transfers through 129th Legislature, 2nd Regular Session	\$0	\$0
Subtotal - Transfers	\$0	\$0
<u>Allocations</u>		
2020-2021 Biennial Budget (LD 1001 - PL 2019, c. 343) Baseline	\$52,177,942	\$52,232,930
2020-2021 Biennial Budget (LD 1001 - PL 2019, c. 343) Adjustments <sup>3</sup>	\$11,587,766	\$13,344,461
129-1 Other Enacted Bills	\$1,387,421	\$1,764,842
Subtotal - Allocations	\$65,153,129	\$67,342,233
<b>Total Allocations and Other Uses</b>	<b>\$65,153,129</b>	<b>\$67,342,233</b>
<b>Net Change (Resources minus Allocations and Uses)</b>	<b>(\$10,394,252)</b>	<b>(\$22,590,314)</b>
<b>BEGINNING BALANCE</b>	<b>\$49,108,880</b>	<b>\$38,714,628</b>
<b>NET CHANGE (FROM ABOVE)</b>	<b>(\$10,394,252)</b>	<b>(\$22,590,314)</b>
<b>ENDING BALANCE</b>	<b>\$38,714,628</b>	<b>\$16,124,314</b>

**Notes:**

<sup>1</sup> Reflects all actions through the end of the 129th Legislature, 2nd Regular Session with FY 20 closing transactions, the Special August 2020 Revenue Forecast and the December 2020 Revenue Forecast.

<sup>2</sup> For the purposes of this summary, transfers out are treated as an expenditure/use and are positive amounts, while transfers in are negative amounts.

<sup>3</sup> Allocation Changes Enacted in the 2020-2021 Biennial Budget.