

**LD 1523 AND LD 1693**

**TRUST FOR A HEALTHY MAINE WORK SESSION**

**HHS COMMITTEE**

**PRESENTED BY LUKE LAZURE, SENIOR ANALYST  
OFFICE OF FISCAL AND PROGRAM REVIEW**

**FEBRUARY 18, 2022**

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# FHM DOCUMENTS TO OUTLINE THE CURRENT FHM STRUCTURE

- FHM Statute
  - FHM – 10-year Allocations through SFY 2023
  - FHM Status – SFY 22 - 23
  - Review of Revenue Sources and Expenditures/Uses thru SFY 2021
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# FHM STATUTE

- PL 1999, c. 401, Pt. V, §1 originally created the Fund for a Healthy Maine
  - Created after the Master Settlement Agreement (MSA) was finalized
  - Funds have always been identified separately
    - Originally, they were included in the Other Special Revenue Funds (014), though identified for tracking purposes in separate units
    - PL 2011, c. 701, §2 – created a NEW fund (024) where all FHM revenue and expenditures are now tracked
  - Legislature allocates the FHM funds and the department expends the funds as outlined by the allocations
  - Any unspent funds at the end of the year lapse back in the FHM for future use
  - If you are wondering “How did we get here?” This is the Statute for you
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# FHM STATUTE

## PART I

### 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).]

- §2 A. - Master Settlement Agreement (MSA)
- §2 B. - 10% of the Hollywood Casino slots revenue
- §2 C. - Interest earned on FHM funds

**LD 1523 and LD 1693 both make minor changes to this section - If Trust is repealed all funding goes back to the Fund for a Healthy Maine**

# FHM STATUTE

## PART II

**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).]

- Any unencumbered balance lapses back to FHM
  - You will see these lapsing funds on the Status document we will discuss later
- No FHM funding is available without specific legislative approval
  - This approval is the allocating of funds done in the budget or a bill and you can see past allocations on the FHM 10-year Allocations document we will discuss later

**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).]

- §4 – Allocations must “supplement, not supplant, appropriations from the General Fund”
  - This does not bind the ability of the legislature to supplant other funding by “notwithstanding” this language in a piece of legislation. Essentially, previously enacted statutes do not bind future legislatures, they provide a roadmap of a previous legislatures intent (*Note: If notwithstanding language is not included, the bill is still valid. Allocating funding is enough, but the notwithstanding language clarifies the current legislatures intent.*)
- §5 – FHM funds cannot be transferred to the General Fund without legislative approval

**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).]

- The current legislature can decide to spend funds in a way that does not specifically meet one of these purposes:
  - They could use “notwithstanding” language in a piece of legislation (*Note: If notwithstanding language is not included, the bill is still valid. Allocating funding is enough, but the notwithstanding language clarifies the current legislatures intent.*)
  - or
  - They could add a purpose to this subsection

# FHM STATUTE

## PART III

**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).]

- Any piece of legislation that includes new or increased funding for the Fund for a Healthy Maine and has the support of a majority of the committee, must be reviewed by the committee with jurisdiction over health and human services matters (i.e. YOU)
- The HHS committee will review the bill and potential impact on the FHM and report back to the committee with jurisdiction over the original bill
- This report back from HHS is NOT binding, but provides the committee additional information to make their final decision.

# FHM 10-YEAR ALLOCATIONS

- Outlines total allocations for a 10 year span
    - Current file covers SFY 2013-14 through SFY 2022-23
  - Broken down by each Department and Program
  - Includes legislative position count, personal services, all other, capital and a program total
  - Also notes year-to-year % increase (decrease)
  - If you are wondering “How much FHM funding have we provided to program X in the past?” this is the document that answers that question
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Updated September 10, 2021

**Fund for a Healthy Maine (FHM) Allocations  
Adjusted for Departmental Reorganizations\*  
Allocations through 130th Legislature 1st Special Session  
FY 2013-14 to FY 2022-23**

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
<b>DEPARTMENT OF THE ATTORNEY GENERAL</b>										
024-26A-0947-01 FHM - ATTORNEY GENERAL (FORMERLY 011-26A-0947)										
Pos. - Leg.	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
Pers. Serv.	93,309	99,303	116,600	\$118,540	121,765	\$127,517	140,826	\$147,220	109,765	\$115,063
All Other	21,224	51,029	21,542	19,628	19,628	19,628	20,860	20,860	21,164	21,164
Program Total	114,533	150,332	138,142	138,168	141,393	147,145	161,686	168,080	130,929	136,227
Annual % Increase	-9.43%	31.26%	-8.11%	0.02%	2.33%	4.07%	9.88%	3.95%	-22.10%	4.05%
<b>DEPARTMENT OF THE ATTORNEY GENERAL</b>										
Pos. - Leg.	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
Pers. Serv.	93,309	99,303	116,600	118,540	121,765	127,517	140,826	147,220	109,765	115,063
All Other	21,224	51,029	21,542	19,628	19,628	19,628	20,860	20,860	21,164	21,164
Dept. Total	114,533	150,332	138,142	138,168	141,393	147,145	161,686	168,080	130,929	136,227
Annual % Increase	-9.43%	31.26%	-8.11%	0.02%	2.33%	4.07%	9.88%	3.95%	-22.10%	4.05%
<b>DEPARTMENT OF EDUCATION</b>										
024-05A-Z068-01 FHM - SCHOOL BREAKFAST PROGRAM (FORMERLY 011-05A-Z068-01)										
All Other	213,720	213,720	213,720	213,720	213,720	213,720	213,720	213,720	213,720	213,720
Program Total	213,720	213,720	213,720	213,720	213,720	213,720	213,720	213,720	213,720	213,720
Annual % Increase	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>DEPARTMENT OF EDUCATION</b>										
Pos. - Leg.	(0,000)	(0,000)	(0,000)	(0,000)	(0,000)	(0,000)	(0,000)	(0,000)	(0,000)	(0,000)
Pers. Serv.	0	0	0	0	0	0	0	0	0	0
All Other	213,720	213,720	213,720	213,720	213,720	213,720	213,720	213,720	213,720	213,720
Dept. Total	213,720	213,720	213,720	213,720	213,720	213,720	213,720	213,720	213,720	213,720
Annual % Increase	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>FINANCE AUTHORITY OF MAINE</b>										
024-94F-0950-02 FHM - HEALTH EDUCATION CENTERS (FORMERLY 011-94F-0950-02)										
All Other	105,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000
Program Total	105,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000
Annual % Increase	4.63%	4.76%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
024-94F-0951-01 FHM - DENTAL EDUCATION (FORMERLY 011-94F-0951-01)										
All Other	237,740	237,740	237,740	237,740	237,740	237,740	237,740	237,740	237,740	237,740
Program Total	237,740	237,740	237,740	237,740	237,740	237,740	237,740	237,740	237,740	237,740
Annual % Increase	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Updated September 10, 2021

**Fund for a Healthy Maine (FHM) Allocations  
Adjusted for Departmental Reorganizations\*  
Allocations through 130th Legislature 1st Special Session  
FY 2013-14 to FY 2022-23**

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
<b>024-94F-Z229-01 MAINE HARVESTED FOOD PRODUCTS FOR RESIDENTS WITH FOOD INSECURITY</b>										
All Other	0	0	0	3,000,000	0	0	0	0	0	0
Program Total	0	0	0	3,000,000	0	0	0	0	0	0
Annual % Increase	0.00%	0.00%	0.00%	0.00%	-100.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>FINANCE AUTHORITY OF MAINE</b>										
Pos. - Leg.	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Pos. - Other	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Pers. Serv.	0	0	0	0	0	0	0	0	0	0
All Other	342,740	347,740	347,740	3,347,740	347,740	347,740	347,740	347,740	347,740	347,740
Dept. Total	342,740	347,740	347,740	3,347,740	347,740	347,740	347,740	347,740	347,740	347,740
Annual % Increase	1.37%	1.46%	0.00%	862.71%	-89.61%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES (FORMERLY DHS)</b>										
<b>024-10A-0143-25 MAINE CENTER FOR DISEASE CONTROL AND PREVENTION (ACCOUNT NAME: ORAL HEALTH) (FORMERLY FHM - BUREAU OF HEALTH - ORAL HEALTH 011-10A-0953-01)</b>										
All Other	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Program Total	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Annual % Increase	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>024-10A-0143-30 MAINE CENTER FOR DISEASE CONTROL AND PREVENTION (ACCOUNT NAME: TOBACCO PREVENTION AND CONTROL) (FORMERLY FHM - BUREAU OF HEALTH - TOBACCO PREVENTION AND CONTROL 011-10A-0953-02)</b>										
Pos. - Leg.	(7.000)	(7.000)	(6.000)	(6.000)	(5.000)	(5.000)	(5.000)	(5.000)	(5.000)	(5.000)
Pers. Serv.	574,885	595,191	485,716	500,277	421,714	433,766	429,777	455,616	461,328	471,236
All Other	5,821,987	5,821,987	5,821,987	5,821,987	3,824,805	3,825,247	8,825,247	8,825,247	3,825,247	3,825,247
Program Total	6,396,872	6,417,178	6,307,703	6,322,264	4,246,519	4,259,013	9,255,024	9,280,863	4,286,575	4,296,483
Annual % Increase	0.10%	0.32%	-1.71%	0.23%	-32.83%	0.29%	117.30%	0.28%	-53.81%	0.23%
<b>024-10A-0143-31 MAINE CENTER FOR DISEASE CONTROL AND PREVENTION (ACCOUNT NAME: FHM - SUBSTANCE ABUSE PREVENTION)</b>										
All Other	0	0	0	0	777,504	777,504	777,504	777,504	777,504	777,504
Program Total	0	0	0	0	777,504	777,504	777,504	777,504	777,504	777,504
Annual % Increase	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>024-10A-0143-26 MAINE CENTER FOR DISEASE CONTROL AND PREVENTION (ACCOUNT NAME: COMMUNITY/ SCHOOL GRANTS &amp; STATEWIDE COORDINATION) (FORMERLY FHM - BUREAU OF HEALTH - COMMUNITY/SCHOOL GRANTS 011-10A-0953-07)</b>										
Pos. - Leg.	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Pers. Serv.	227,374	237,752	204,118	212,539	256,270	262,731	272,447	286,307	295,591	298,900
All Other	4,781,144	4,781,144	4,781,144	4,781,144	1,750,939	2,351,108	2,511,108	2,511,108	2,511,108	2,511,108
Program Total	5,008,518	5,018,896	4,985,262	4,993,683	2,007,209	2,613,839	2,783,555	2,797,415	2,806,699	2,810,008
Annual % Increase	-0.07%	0.21%	-0.67%	0.17%	-59.81%	30.22%	6.49%	0.50%	0.33%	0.12%

Updated September 10, 2021

**Fund for a Healthy Maine (FHM) Allocations  
Adjusted for Departmental Reorganizations\*  
Allocations through 130th Legislature 1st Special Session  
FY 2013-14 to FY 2022-23**

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
<b>024-10A-0143-27 MAINE CENTER FOR DISEASE CONTROL AND PREVENTION (ACCOUNT NAME: PUBLIC HEALTH INFRASTRUCTURE) (FORMERLY FHM - PUBLIC HEALTH INFRASTRUCTURE 011-10A-0953-08)</b>										
Pos. - Leg.	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(7,000)	(7,000)	(7,000)	(7,000)
Pers. Serv.	91,390	97,609	544,187	714,255	524,984	545,296	1,270,949	1,356,042	606,688	623,348
All Other	1,258,314	1,258,314	1,990,109	1,944,926	1,638,542	1,594,225	2,057,483	2,237,980	2,237,980	2,237,980
Cap. Exp.	0	0	0	0	0	0	0	0	0	0
Program Total	1,349,704	1,355,923	2,534,296	2,659,181	2,163,526	2,139,521	3,328,432	3,594,022	2,844,668	2,861,328
Annual % Increase	-1.07%	0.46%	86.91%	4.93%	-18.64%	-1.11%	55.57%	7.98%	-20.85%	0.59%
<b>024-10A-0143-28 MAINE CENTER FOR DISEASE CONTROL AND PREVENTION (ACCOUNT NAME: DONATED DENTAL) (FORMERLY FHM - DONATED DENTAL 011-10A-0958-01)</b>										
All Other	36,463	36,463	36,463	36,463	36,463	36,463	36,463	36,463	36,463	36,463
Program Total	36,463	36,463	36,463	36,463	36,463	36,463	36,463	36,463	36,463	36,463
Annual % Increase	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>024-10A-0143-29 MAINE CENTER FOR DISEASE CONTROL AND PREVENTION (ACCOUNT NAME: IMMUNIZATION) (FORMERLY FHM - IMMUNIZATION 011-10A-Z048-01)</b>										
All Other	1,078,884	1,078,884	0	0	0	0	0	0	0	0
Program Total	1,078,884	1,078,884	0	0	0	0	0	0	0	0
Annual % Increase	0.00%	0.00%	-100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>024-10A-0545-04 HEAD START (FORMERLY FHM - HEAD START 011-10A-0959-01)</b>										
All Other	1,354,580	1,354,580	1,929,580	1,929,580	1,354,580	1,354,580	1,354,580	1,354,580	1,354,580	1,354,580
Program Total	1,354,580	1,354,580	1,929,580	1,929,580	1,354,580	1,354,580	1,354,580	1,354,580	1,354,580	1,354,580
Annual % Increase	0.00%	0.00%	42.45%	0.00%	-29.80%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>024-10A-0147-01 MEDICAL CARE - PAYMENTS TO PROVIDERS (FORMERLY FHM - MEDICAL CARE 011-10A-0960-01)</b>										
All Other	26,310,905	27,668,900	25,901,244	26,036,930	31,036,930	31,036,930	31,036,930	27,118,732	29,605,116	30,865,455
Program Total	26,310,905	27,668,900	25,901,244	26,036,930	31,036,930	31,036,930	31,036,930	27,118,732	29,605,116	30,865,455
Annual % Increase	34.24%	5.16%	-6.39%	0.52%	19.20%	0.00%	0.00%	-12.62%	9.17%	4.26%
<b>024-10A-0228-01 PURCHASED SOCIAL SERVICES (FORMERLY FHM - PURCHASED SOCIAL SERVICES 011-10A-0961-01)</b>										
All Other	1,971,118	1,971,118	1,971,118	1,971,118	1,971,118	1,971,118	4,471,118	4,471,118	1,971,118	1,971,118
Program Total	1,971,118	1,971,118	1,971,118	1,971,118	1,971,118	1,971,118	4,471,118	4,471,118	1,971,118	1,971,118
Annual % Increase	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	126.83%	0.00%	-55.91%	0.00%
<b>024-10A-0202-01 LOW-COST DRUGS TO MAINE'S ELDERLY (FORMERLY FHM - DRUGS OF THE ELDERLY AND DISABLED 011-10A-Z015-01)</b>										
All Other	6,897,869	6,897,869	6,217,798	6,082,095	6,082,095	6,082,095	6,082,095	6,082,095	6,082,095	6,082,095
Program Total	6,897,869	6,897,869	6,217,798	6,082,095	6,082,095	6,082,095	6,082,095	6,082,095	6,082,095	6,082,095
Annual % Increase	-32.67%	0.00%	-9.86%	-2.18%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Updated September 10, 2021

**Fund for a Healthy Maine (FHM) Allocations**  
**Adjusted for Departmental Reorganizations\***  
**Allocations through 130th Legislature 1st Special Session**  
**FY 2013-14 to FY 2022-23**

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
<b>024-10A-Z202-41 OFFICE OF SUBSTANCE ABUSE - MEDICAD SEED (FORMERLY OFFICE OF SUBSTANCE ABUSE - MEDICAD SEED 024-14G-0844-01)</b>										
All Other	1,301,714	1,306,059	1,306,059	1,306,059	1,306,059	1,306,059	1,306,059	1,141,178	1,245,808	1,298,843
Program Total	1,301,714	1,306,059	1,306,059	1,306,059	1,306,059	1,306,059	1,306,059	1,141,178	1,245,808	1,298,843
Annual % Increase	2.04%	0.33%	0.00%	0.00%	0.00%	0.00%	0.00%	-12.62%	9.17%	4.26%
<b>024-10A-Z199-01 OFFICE OF SUBSTANCE ABUSE (FORMERLY OFFICE OF SUBSTANCE ABUSE 024-14G-0679-01)</b>										
All Other	1,848,306	1,848,306	1,848,306	1,848,306	1,070,802	1,070,802	1,698,223	2,075,644	1,070,802	1,070,802
Program Total	1,848,306	1,848,306	1,848,306	1,848,306	1,070,802	1,070,802	1,698,223	2,075,644	1,070,802	1,070,802
Annual % Increase	0.00%	0.00%	0.00%	0.00%	-42.07%	0.00%	58.59%	22.22%	-48.41%	0.00%
<b>024-10A-Z199-02 OFFICE OF SUBSTANCE ABUSE (FORMERLY OFFICE OF SUBSTANCE ABUSE 024-14G-0679-01)</b>										
All Other	0	0	0	0	0	0	2,000,000	3,500,000	1,000,000	1,000,000
Program Total	0	0	0	0	0	0	2,000,000	3,500,000	1,000,000	1,000,000
Annual % Increase	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	75.00%	-71.43%	0.00%
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES (FORMERLY DHS)</b>										
Pos. - Leg.	(8,000)	(8,000)	(7,000)	(7,000)	(6,000)	(6,000)	(12,000)	(12,000)	(12,000)	(12,000)
Pers. Serv.	893,649	930,552	1,234,021	1,427,071	1,202,968	1,241,793	1,973,173	2,097,965	1,363,607	1,393,484
All Other	52,961,284	54,323,624	52,103,808	52,058,608	51,149,837	51,706,131	62,456,810	60,431,649	52,017,821	53,331,195
Dept. Total	53,854,933	55,254,176	53,337,829	53,485,679	52,352,805	52,947,924	64,429,983	62,529,614	53,381,428	54,724,679
Annual % Increase	6.69%	2.60%	-3.47%	0.28%	-2.12%	1.14%	21.69%	-2.95%	-14.63%	2.52%
<b>MAINE STATE HOUSING AUTHORITY</b>										
<b>024-99H-Z267-01 LEAD ABATEMENT FUND</b>										
All Other	0	0	0	0	0	4,000,000	0	0	0	0
Program Total	0	0	0	0	0	4,000,000	0	0	0	0
Annual % Increase	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-100.00%	0.00%	0.00%	0.00%
<b>MAINE STATE HOUSING AUTHORITY</b>										
All Other	0	0	0	0	0	4,000,000	0	0	0	0
Dept. Total	0	0	0	0	0	4,000,000	0	0	0	0
Annual % Increase	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-100.00%	0.00%	0.00%	0.00%
<b>GRAND TOTALS - ALL DEPARTMENTS</b>										
Pos. - Leg.	(9,000)	(9,000)	(8,000)	(8,000)	(7,000)	(7,000)	(13,000)	(13,000)	(13,000)	(13,000)
Pers. Serv.	986,958	1,029,855	1,350,621	1,545,611	1,324,733	1,369,310	2,113,999	2,245,185	1,473,372	1,508,547
All Other	53,538,968	54,936,113	52,686,810	55,639,696	51,730,925	56,287,219	63,039,130	61,013,969	52,600,445	53,913,819
Grand Total	54,525,926	55,965,968	54,037,431	57,185,307	53,055,658	57,656,529	65,153,129	63,259,154	54,073,817	55,422,366
Annual % Increase	4.22%	2.64%	-3.45%	5.83%	-7.22%	8.67%	13.00%	-2.91%	-14.52%	2.49%

Notes:  
 \*FHM programs and allocations have been modified to reflect the transfer of all FORMERLY BDS funding to new accounts in the FORMERLY DHS Department.

# FHM STATUS DOCUMENT

- Outlines the available funds in the Fund for a Healthy Maine account
  - Broken down into 3 parts:
    1. All Revenue (resources)
    2. All Legislatively Approved Allocations (uses)
    3. Total change and ending balance
  - The bottom of the page includes notes about the data included in the file
  - If you are asking “Do we have the money to do X?” this is the file that balances the checkbook
-

# FHM STATUS SFY 22 AND 23 – THROUGH THE DECEMBER REVENUE FORECAST - RESOURCES

This file is through the December 2021 Revenue Forecasting Committee and includes all activity from the 1<sup>st</sup> Regular and 1<sup>st</sup> Special Sessions.

Updated 1/11/2022

## FUND FOR A HEALTHY MAINE (FHM) STATUS

With the December 2021 Revenue Forecast <sup>1</sup>

	FY 22	FY 23
<b>FHM RESOURCES:</b>		
<b>Revenue:</b>		
December 2020 Base Revenue Estimate	\$42,504,640	\$40,909,864
May 2021 Revenue Forecast	\$430,542	\$547,708
December 2021 Revenue Forecast	\$2,495,587	\$6,250,546
<b>Subtotal - Revenue</b>	<b>\$45,430,769</b>	<b>\$47,708,118</b>
<b>Other Resources and Adjustments</b>		
Adjustments to Prior Year Balances	\$0	\$0
Lapsed Balances from Unexpended Funds	\$0	\$0
<b>Subtotal - Other Resources and Adjustments</b>	<b>\$0</b>	<b>\$0</b>
<b>Total FHM Resources</b>	<b>\$45,430,769</b>	<b>\$47,708,118</b>

The revenue identified in the RFC, which comes from the sources noted in Statute – MSA, Slots and Interest

All RFC's during the biennium.

Accounting adjustments for previous years.

Unexpended allocations – legislature allocated \$1m and the dept spent \$750K, so \$250K would lapse back to FHM

Total cash available for the year.

**FHM STATUS SFY 22 AND 23 -  
THROUGH THE DECEMBER REVENUE FORECAST - ALLOCATIONS AND OTHER USES**

Any legislatively approved transfers in or out of the FHM.

Part Q of the Supp. Budget.

**FHM ALLOCATIONS AND OTHER USES: <sup>2</sup>**

**Transfers**

EFY 21 Supplemental Budget (LD 220; PL 2021, c.1)

Subtotal - Transfers

Allocations

Allocations through 129th Leg. / 2022-2023 Baseline  
 EFY 21 Supplemental Budget (LD 220; PL 2021, c.1)  
 Biennial Budget (LD 715; PL 2021 c. 29) Adjustments  
 Supplemental Biennial Budget (LD 221 - PL 2021, c. 398) Adjustments

Subtotal - Allocations

**Total Allocations and Other Uses**

All legislatively approved allocations - Baseline from the 22-23 Budget, All Initiatives in the 21 Supplemental Budget, All Initiatives in the 22-23 Biennial Budget, All Initiatives in the 22-23 Supplemental Biennial Budget, all other enacted bills.

<b>FY 22</b>	<b>FY 23</b>
<b>(\$14,500,000)</b>	\$0
<b>(\$14,500,000)</b>	\$0
\$54,565,578	\$54,600,753
\$0	\$0
(\$107,214)	(\$178,691)
(\$384,547)	\$1,000,304
\$54,073,817	\$55,422,366
<b>\$39,573,817</b>	<b>\$55,422,366</b>

Total of ALL allocations and transfers.

# FHM STATUS SFY 22 AND 23 - THROUGH THE DECEMBER REVENUE FORECAST - TOTAL CHANGE AND ENDING BALANCE

Total Revenue - Total allocations = Net Change for the Year

Ending Balance from SFY 2021

Beginning Balance - Net Change for SFY 22 = Ending Balance

	FY 22	FY 23
<b>Net Change</b> (Resources minus Allocations and Uses)	\$5,856,952	(\$7,714,248)
<b>BEGINNING BALANCE</b>	\$31,746,116	\$37,603,068
<b>NET CHANGE (FROM ABOVE)</b>	\$5,856,952	(\$7,714,248)
<b>ENDING BALANCE</b>	<b>\$37,603,068</b>	<b>\$29,888,820</b>

Beginning Balance - Net Change for SFY 23 = Ending Balance for the Biennium

**Notes:**

- <sup>1</sup> Reflects all actions through the end of the 130th Legislature 1st Special Session and the December 2021 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.

Prepared by the Office of Fiscal and Program Review

This document is prepared by OFPR for each budget and after each RFC Report and at the end of each fiscal year



# REVENUE AND EXPENDITURE FILE FROM THE COMPENDIUM

The revenue identified in the RFC, which comes from the sources noted in Statute – MSA, Slots and Interest

**Table OSR-4 Fund for a Healthy Maine (FHM) Revenue - Fiscal Years 2017 - 2021**

REVENUE SOURCES	2017		2018		2019		2020		2021	
	\$	% of Total	\$	% of Total	\$	% of Total	\$	% of Total	\$	% of Total
<b>Tobacco Settlement Payments:</b>										
Base Payments	\$42,587,291	77.1%	\$46,658,590	65.0%	\$45,465,742	55.3%	\$46,272,664	93.4%	\$48,584,349	95.1%
Strategic Contribution Payments	\$8,794,086	15.9%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
<b>Tobacco Settlement Payments - Subtotal</b>	<b>\$51,381,377</b>	<b>93.0%</b>	<b>\$46,658,590</b>	<b>65.0%</b>	<b>\$45,465,742</b>	<b>55.3%</b>	<b>\$46,272,664</b>	<b>93.4%</b>	<b>\$48,584,349</b>	<b>95.1%</b>
<b>Racino Revenue</b>	<b>\$3,797,297</b>	<b>6.9%</b>	<b>\$3,680,035</b>	<b>5.1%</b>	<b>\$3,640,004</b>	<b>4.4%</b>	<b>\$2,773,875</b>	<b>5.6%</b>	<b>\$3,376,375</b>	<b>6.6%</b>
<b>Interest Earnings</b>	<b>\$49,454</b>	<b>0.1%</b>	<b>\$146,419</b>	<b>0.2%</b>	<b>\$583,469</b>	<b>0.7%</b>	<b>\$496,816</b>	<b>1.0%</b>	<b>\$115,798</b>	<b>0.2%</b>
<b>Other Sources<sup>1</sup></b>	<b>\$0</b>	<b>0.0%</b>	<b>\$21,242,332</b>	<b>29.6%</b>	<b>\$32,488,828</b>	<b>39.5%</b>	<b>\$0</b>	<b>0.0%</b>	<b>(\$994,035)</b>	<b>-1.9%</b>
<b>Total - All FHM Revenue</b>	<b>\$55,228,128</b>	<b>100.0%</b>	<b>\$71,727,376</b>	<b>100.0%</b>	<b>\$82,178,042</b>	<b>100.0%</b>	<b>\$49,543,354</b>	<b>100.0%</b>	<b>\$51,082,487</b>	<b>100.0%</b>

The total of Revenue by year.

**Table OSR-5 Fund for a Healthy Maine (FHM) Expenditures and Uses - Fiscal Years 2017 - 2021**

EXPENDITURES/USES	2017		2018		2019		2020		2021	
	\$	% of Total	\$	% of Total	\$	% of Total	\$	% of Total	\$	% of Total
<b>Expenditures</b>										
Smoking Cessation and Prevention	\$7,936,988	15.1%	\$6,709,723	12.9%	\$5,879,694	8.4%	\$10,278,975	17.8%	\$10,343,569	18.2%
Child Care and Child Development	\$4,309,949	8.2%	\$3,477,324	6.7%	\$7,399,630	10.6%	\$4,885,396	8.5%	\$6,325,249	11.1%
Medicaid Initiatives	\$26,036,930	49.5%	\$31,036,930	59.7%	\$31,036,930	44.3%	\$31,036,930	53.8%	\$27,118,732	47.8%
Prescription Drugs	\$5,938,539	11.3%	\$5,887,334	11.3%	\$5,872,781	8.4%	\$5,789,196	10.0%	\$5,476,649	9.6%
Dirigo Health Program	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Other Health Initiatives	\$5,449,949	10.4%	\$2,672,988	5.1%	\$3,362,730	4.8%	\$4,663,409	8.1%	\$6,549,956	11.5%
Substance Abuse	\$2,745,071	5.2%	\$2,056,415	4.0%	\$1,730,865	2.5%	\$889,810	1.5%	\$864,784	1.5%
Attorney General	\$132,750	0.3%	\$131,135	0.3%	\$119,632	0.2%	\$98,583	0.2%	\$96,742	0.2%
<b>Subtotal FHM Expenditures</b>	<b>\$52,550,176</b>	<b>100.0%</b>	<b>\$51,971,849</b>	<b>100.0%</b>	<b>\$55,402,262</b>	<b>79.1%</b>	<b>\$57,642,300</b>	<b>100.0%</b>	<b>\$56,775,680</b>	<b>100.0%</b>
<b>Other Uses</b>										
Smoking Cessation and Prevention Transfer	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Transfers to (from) General Fund	\$0	0.0%	\$0	0.0%	\$106,075	0.2%	\$0	0.0%	\$0	0.0%
Trust Fund for Healthy Maine Transfer	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Transfer to Maine Home Repair Program Account <sup>2</sup>	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Transfer to the MaineCare Stabilization Fund <sup>5</sup>	\$0	0.0%	\$0	0.0%	\$14,500,000	20.7%	\$0	0.0%	\$0	0.0%
<b>Subtotal Other Uses</b>	<b>\$0</b>	<b>0.0%</b>	<b>\$0</b>	<b>0.0%</b>	<b>\$14,606,075</b>	<b>20.9%</b>	<b>\$0</b>	<b>0.0%</b>	<b>\$0</b>	<b>0.0%</b>
<b>Total - All Uses</b>	<b>\$52,550,176</b>	<b>100.0%</b>	<b>\$51,971,849</b>	<b>100.0%</b>	<b>\$70,008,337</b>	<b>100.0%</b>	<b>\$57,642,300</b>	<b>100.0%</b>	<b>\$56,775,680</b>	<b>100.0%</b>

Yearly expenditures for Medicaid Initiatives.

Yearly expenditures for Low-cost Drugs to ME's Elderly.

The total of Uses (expenditures and transfers) by year.

Notes about the data above.

<sup>1</sup> In fiscal year 2018 and 2019 there was a one-time settlement received from tobacco manufacturers to settle the Non-Participating Manufacturer (NPM) Adjustment dispute for the years 2004 through 2017.

<sup>2</sup> In fiscal year 2016, PL 2015 c. 267 Part MMMM, transferred \$200,000 from the FHM to the Maine Home Repair Program, Other Special Revenue Funds account within the Maine State Housing Authority to provide loans and grants to low-income homeowners for repairs to remediate arsenic in drinking water.

<sup>3</sup> In fiscal year 2019, PL c.343 Part BBBB, transferred \$14,500,000 from the FHM to the MaineCare Stabilization Fund.

# NEW STRUCTURE FOR FHM TRUST

- FHM Allocations – Current vs. FHM Trust
  - Fiscal Impact of FHM Trust Bills (as drafted)
  - Designated Disbursements of the FHM Trust
  - Administrative Costs of the FHM Trust
  - Other Notes from the FHM Trust Bills
  - Questions that Arise from the FHM Trust Bills
-

# FHM ALLOCATIONS – CURRENT BASELINE VS. FHM TRUST AS DRAFTED

**If no Changes between now and 2023-24 Baseline allocations**

Prog and Name	SFY 2022	SFY 2023	SFY 2024	SFY 2025
143 - Maine Center for Disease Control and Prevention	\$ 11,051,909	\$ 11,081,786	\$ 11,126,378	\$ 11,172,397
147 - Medical Care - Payments to Providers	\$ 29,605,116	\$ 30,865,455	\$ 30,865,455	\$ 30,865,455
202 - Low-cost Drugs To Maine's Elderly	\$ 6,082,095	\$ 6,082,095	\$ 6,082,095	\$ 6,082,095
228 - Purchased Social Services	\$ 1,971,118	\$ 1,971,118	\$ 1,971,118	\$ 1,971,118
545 - Head Start	\$ 1,354,580	\$ 1,354,580	\$ 1,354,580	\$ 1,354,580
921 - Fund for a Healthy Maine	\$ -	\$ -	\$ -	\$ -
947 - FHM - Attorney General	\$ 130,929	\$ 136,227	\$ 139,909	\$ 143,709
950 - FHM - Health Education Centers	\$ 110,000	\$ 110,000	\$ 110,000	\$ 110,000
951 - FHM - Dental Education	\$ 237,740	\$ 237,740	\$ 237,740	\$ 237,740
Z068 - FHM - School Breakfast Program	\$ 213,720	\$ 213,720	\$ 213,720	\$ 213,720
Z199 - Office of Substance Abuse and Mental Health Services	\$ 2,070,802	\$ 2,070,802	\$ 1,070,802	\$ 1,070,802
Z202 - Office of Substance Abuse & Mental Health Srv-Medicaid Seed	\$ 1,245,808	\$ 1,298,843	\$ 1,298,843	\$ 1,298,843
<b>Grand Total</b>	<b>\$ 54,073,817</b>	<b>\$ 55,422,366</b>	<b>\$ 54,470,640</b>	<b>\$ 54,520,459</b>

Baseline allocations

**If LD 1693 or LD 1523 passes as drafted**

Prog and Name	SFY 2022	SFY 2023	SFY 2024	SFY 2025
143 - Maine Center for Disease Control and Prevention	\$ 11,051,909	\$ 11,081,786	\$ -	\$ -
147 - Medical Care - Payments to Providers	\$ 29,605,116	\$ 30,865,455	\$ 9,331,912	\$ -
202 - Low-cost Drugs To Maine's Elderly	\$ 6,082,095	\$ 6,082,095	\$ 3,696,556	\$ 3,724,280
228 - Purchased Social Services	\$ 1,971,118	\$ 1,971,118	\$ -	\$ -
545 - Head Start	\$ 1,354,580	\$ 1,354,580	\$ -	\$ -
921 - Fund for a Healthy Maine	\$ -	\$ -	\$ -	\$ -
947 - FHM - Attorney General	\$ 130,929	\$ 136,227	\$ -	\$ -
950 - FHM - Health Education Centers	\$ 110,000	\$ 110,000	\$ -	\$ -
951 - FHM - Dental Education	\$ 237,740	\$ 237,740	\$ -	\$ -
Z068 - FHM - School Breakfast Program	\$ 213,720	\$ 213,720	\$ -	\$ -
Z199 - Office of Substance Abuse and Mental Health Services	\$ 2,070,802	\$ 2,070,802	\$ -	\$ -
Z202 - Office of Substance Abuse & Mental Health Srv-Medicaid Seed	\$ 1,245,808	\$ 1,298,843	\$ -	\$ -
<b>Grand Total</b>	<b>\$ 54,073,817</b>	<b>\$ 55,422,366</b>	<b>\$ 13,028,468</b>	<b>\$ 3,724,280</b>

Updated allocations

# FISCAL IMPACTS FROM FHM TRUST BILLS AS DRAFTED

## Fiscal Impacts from LD 1961

	SFY 2024	SFY 2025	
<b>1 Deallocation from FHM</b>	<b>\$ (41,442,172)</b>	<b>\$ (50,796,179)</b>	
<b>2 Transfers</b>			
Transfer from Fund for a Healthy Maine	\$ (31,106,373)	\$ (31,106,373)	
Transfer to Trust for a Healthy Maine Trust Fund	\$ 31,106,373	\$ 31,106,373	<i>Estimated Tobacco Settlement Payments in DEC RFC</i>
<b>Net Impact of Transfers</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>3 General Fund Cost</b>	<b>\$ 23,919,082</b>	<b>\$ 33,223,270</b>	<i>0147 (Medicaid) and 0202 (DEL) Accounts</i>
		<b>\$ 57,142,352</b>	<b>Net Impact in the Next Biennium</b>

# FISCAL NOTE FOR LD 1961 FROM THE 129<sup>TH</sup> LEGISLATURE

Completed: 08/27/20



## 129th MAINE LEGISLATURE

LD 1961

LR 3068(02)

**An Act To Establish the Trust for a Healthy Maine**

**Fiscal Note for Bill as Amended by Committee Amendment " "**

**Committee: Health and Human Services**

**Fiscal Note Required: Yes**

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### Fiscal Note

Future biennium cost increase - General Fund

Potential future biennium impact - Fund for a Healthy Maine

#### Fiscal Detail and Notes

This bill establishes the Trust for a Healthy Maine to receive money, beginning July 1, 2023, paid to the State pursuant to the tobacco settlement payment (TSP), as defined in the Maine Revised Statutes, Title 22, section 1514, subsection 7, and from other sources and to distribute that money to state agencies or designated agents of the State to fund tobacco use prevention and control, ensure adequate resources for other disease prevention efforts, promote public health, plan and deliver public health and prevention programs and services, support accreditation of the Department of Health and Human Services, Maine Center for Disease Control and Prevention and support public health workforce development. The bill also requires the allocation of the TSP funds to be determined by the Trust for a Healthy Maine board and this new allocation process could lead to funding decreases in some areas. Without new funding, the impact of these changes on program areas that are decreased in the FHM cannot be determined at this time.

Additionally, the bill lowers the amount available for the purpose of providing medical care in fiscal year 2023-24 to .40 of the TSP funds projected to be received in fiscal year 2023-24 and for fiscal year 2024-25 to .20 of the TSP funds projected to be received in fiscal year 2024-25 and to zero beginning in fiscal year 2025-26. This will decrease the funding for the purpose of providing medical care coming from the Fund for a Healthy Maine, which will increase the general fund cost for that same purpose. The exact amount of this increase will be dependant on the amount of each years TSP.

# DESIGNATED DISBURSEMENT FOR SFY 2023-24- AS OUTLINED IN FHM TRUST BILLS

Total of Available Tobacco Settlement Payment Funding	\$	31,106,373
US CDC Recommended Funding Level for Tobacco Prevention and Cessation Services (from report produced in 2014)	\$	15,900,000

**§1517. Funding disbursement plan**

**3. Funding disbursement plans.**

**2023-24**

The funding disbursement plan approved by the board pursuant to subsection 1 for fiscal year 2023-24 must disburse an amount equal to 0.30 of the settlement funds projected to be received in fiscal year 2023-24 for the purpose of providing medical care. The funding disbursement plan approved by the board for fiscal year 2024-25 and subsequent years may not disburse funds for the purpose of providing medical care. When approving other elements of the funding disbursement plans, the board shall consider funding levels in the most recent fiscal year and disburse funding in amounts that minimize disruption of existing programs and ensure smooth and efficient transitions to the funding levels required under subsection 4.

\$ 9,331,911.90 30%

**4. Designated disbursements. Each funding disbursement plan approved by the board must disburse funds in accordance with the following designated disbursements:**

**2023-24**

A. An amount of the settlement funds received in the previous fiscal year must be disbursed to the Department of Health and Human Services, Maine Center for Disease Control and Prevention or its designated agent for purposes of providing evidence-based tobacco prevention and control programs in the State in accordance with the following:  
(1) For fiscal year 2023-24, an amount that is at least 0.70 of the level recommended by the United States Department of Health and Human Services, Centers for Disease Control and Prevention; and

\$ 11,130,000.00 70%

B. An amount of the settlement funds received in the previous fiscal year must be disbursed to the Department of the Attorney General in accordance with the following:  
(1) Beginning in fiscal year 2023-24, an amount equal to 0.005 of the settlement funds; and

\$ 155,531.87 0.50%

C. An amount of the settlement funds received in the previous fiscal year must be disbursed to the administration fund established pursuant to section 1519, subsection 1 in accordance with the following:  
(1) Beginning in fiscal year 2023-24, an amount equal to 0.003; and

\$ 93,319.12 0.30%

D. An amount not to exceed 0.05 of the settlement funds received in the previous fiscal year may be disbursed to the internal stabilization account established in subsection 6;

\$ 1,555,318.65 5.00%

E. An amount not to exceed 0.05 of the settlement funds received in the previous fiscal year may be disbursed to the internal flexible account established in subsection 7; and

\$ 1,555,318.65 5.00%

**F. The funds remaining after making the disbursements required by paragraphs A to C and authorized by paragraphs D and E must be disbursed to the health equity and health improvement account established in subsection 5.**

\$ 7,284,972.82 23.42%

# ADMINISTRATIVE COSTS WITHIN THE FHM TRUST BILLS

## §1515. Trust for a Healthy Maine; Trust for a Healthy Maine Board

**11. Expenses; reimbursement.** Trustees are not entitled to compensation for service on the board, except that, in accordance with Title 5, section 12004-G, subsection 14-J, the trust may reimburse travel and other board-related expenses.

## §1517. Funding disbursement plan

**10. Audit.** The trust must be audited at least annually by an independent certified public auditor. A copy of the audit must be provided to the Governor and to the joint standing committee of the Legislature having jurisdiction over public health matters.

## §1519. Administration

**1. Administration fund.** ...The trust may annually deposit funds authorized to be used for administrative costs under this subchapter into the administration fund. Any interest on funds in the administration fund must be credited to the administration fund, ... The board may also use the administration fund to contract for reasonable professional assistance to help review input received from interested parties, to develop the funding disbursement plan under section 1517 and to allow the board to fulfill its responsibilities under this subchapter. **This is the .003 of total settlement funds in Section 1517 subsection 4 Paragraph C subparagraph (1) which is estimated to be \$93,912**

**2. Coordinator.** The board shall appoint, using a full and competitive search process, a qualified full-time coordinator of the trust. ... The coordinator shall assist the board in gathering and disseminating information, preparing for meetings, analyzing public health issues at the direction of the board, communicating with stakeholders, writing reports and such other board support and administrative functions as the board may assign. The board shall establish the rate and amount of compensation of the coordinator. The coordinator may exercise any powers lawfully delegated to the coordinator by the board.

## §1520-D. Liability

**1. Bond.** All officers, trustees, employees and other agents of the trust entrusted with the custody of funds of the trust or authorized to disburse the funds of the trust must be bonded either by a blanket bond or by individual bonds with a minimum of \$100,000 coverage for each person, or equivalent fiduciary liability insurance, conditioned upon the faithful performance of their duties. The premiums for the bond or bonds are administrative costs of the trust.

**2. Indemnification.** Each trustee must be indemnified by the trust against expenses actually and necessarily incurred by the trustee in connection with the defense of any action or proceeding in which the trustee is made a party by reason of being or having been a trustee and against any final judgment rendered against the trustee in that action or proceeding.

## OTHER NOTES FROM THE FHM TRUST BILLS

### Nonlapsing Funds within the FHM Trust bills

#### §1520-E. Trust for a Healthy Maine Trust Fund

1. Establishment. The Trust for a Healthy Maine Trust Fund is established as a nonlapsing fund administered exclusively by the trust solely for the purposes established in this subchapter.

#### §1519. Administration

1. Administration fund. ... any funds unspent in any fiscal year carry forward and remain in the administration fund to be used to defray administrative costs.

### Zero-based Budgeting

#### §1517. Funding disbursement plan

2. Input from interested parties. ... When considering the input of interested parties, the trust must consider principles of zero-based budgeting, as defined in Title 35-A, section 102, subsection 25, and long-term returns on investment.

#### MRSA Title 35-A, section 102, subsection 25

25. (REALLOCATED FROM T. 35-A, §102, sub-§24) Zero-based budgeting. "Zero-based budgeting" means a method of budgeting in which programs and activities are justified for a budgetary period using cost-benefit analysis without regard to the amount that was budgeted for those programs and activities in a prior budgetary period.



## QUESTIONS THAT ARISE WHEN CONTEMPLATING LD 1693 AND 1523

- What percentage of FHM funding goes to MaineCare and what effect would these bills have on the funding?
- What is the effect on Low-cost Drugs for Maine's Elderly (DEL) of losing FHM funding?
- Where does the remaining FHM funding go?
- Is there an effect on the other programs currently receiving FHM funds?
- Technical aspects of the current funding – Who receives the funds? How do they get moved?
- How are these funds identified in the budget for review by the Committee?