



Testimony of Maine Public Health Association in Support of: LD 1658: An Act to Preserve and Strengthen the Fund for a Healthy Maine

Joint Standing Committee on Health and Human Services
Room 209, Cross Building
Wednesday, January 7, 2026

Good afternoon, Senator Ingwersen, Representative Meyer, and distinguished members of the Joint Standing Committee on Health and Human Services. My name is Rebecca Boulos. I am the executive director of Maine Public Health Association. MPHA is in support of LD 1658: “An Act to Preserve and Strengthen the Fund for a Healthy Maine,” as amended.

MPHA is the state’s oldest, largest, and most diverse association for public health professionals. We represent nearly 950 individual and 80 organizational members across the state, and our mission is to advance the health of all people and places in Maine.

We strongly support an annual transfer of a portion of the state’s tobacco excise tax into the Fund for a Healthy Maine (FHM).

Tobacco use is the leading cause of preventable cancer diagnoses and cancer deaths in the United States. According to our recently released toolkit, “Reducing Maine’s Cancer Burden,” increasing the tax on tobacco products is an evidence-based strategy for decreasing youth and adult smoking rates. In fact, every 10% increase in the real price of cigarettes is associated with a 6-10% decrease in youth smoking.¹ That’s why we were grateful to the legislature for its leadership last session in increasing the Maine’s tobacco tax for the first time in 20 years. And, because Maine passed tobacco tax equalization, emerging products – like electronic cigarettes and nicotine pouches that are popular among youth – will also see an equivalent tax increase.

Tax increases on tobacco products are successful because they increase the product price, which makes them more cost prohibitive to youth. Tax increases are also successful when paired with investments in tobacco prevention and treatment programming. Indeed, a 2021 analysis found that, “tobacco tax increases are less likely to be regressive when accompanied by a broad framework of demand-side measures that enhance the capacity of low-income smokers to quit tobacco use.”² Allocating a portion of the tax to the FHM will align the tax with its purpose – supporting the health of people in Maine, and giving smokers the resources and help they need to quit.

Further, the FHM faces a structural deficit. The original Master Settlement Agreement was based on the health harms of combustible cigarettes – e-cigarettes and nicotine pouches were not on the market then and so aren’t included in the Settlement Agreement. That means that as fewer people smoke combustible cigarettes and more switch to nicotine alternatives, Maine is receiving fewer MSA funds, causing a structural deficit. The FHM houses several programs that support the health of people in Maine, including the state’s tobacco prevention and treatment programs, school-based health centers, and other substance use prevention programs. With this annual transfer, we can make the FHM “whole” and ensure consistent funding for these critical public health programs.

Every year in Maine, the tobacco industry spends \$45 million on product marketing, and 2,400 people die prematurely from smoking-related illnesses. We also pay \$942 million in direct health care costs associated with tobacco use each year. We support LD 1658 because we should align the purpose of the tobacco tax with

its use – supporting the health and wellbeing of people in Maine. This ongoing transfer of a portion of the tax will secure the Fund for a Healthy Maine for the future and is good economic and fiscal policy. We respectfully request the committee vote LD 1658 “Ought to Pass.” Thank you for considering our testimony.

¹ Association of State and Territorial Health Officials. Taxation strategies to reduce tobacco use. 2019.

<https://www.astho.org/topic/brief/taxation-strategies-to-reduce-tobacco-use>.

² Verguet S, Kearns PKA, Rees VW. Questioning the regressivity of tobacco taxes: A distributional accounting impact model of increased tobacco taxation. *Tobacco Control* 2021;30:245-257.



Secure the Fund for a Healthy Maine for the Future

For 25 years, Maine people have protected their investment in the **Fund for a Healthy Maine** (FHM), the state's repository for payments from the 1998 Master Settlement Agreement. The state has been a national leader in aligning the purpose of this funding with its uses, investing in youth tobacco use prevention, addiction treatment, and access to health services and care.

The FHM has been approaching a financial crossroads for several years, caused by declining payments from the settlement, which are based on national cigarette sales and do not include nicotine pouches and vaping products. The 2027 fiscal year marks the exhaustion of the FHM carryover funds that have been masking its looming structural deficit, which could mean cuts to programming if nothing is changed.

In the continuing services budget passed in March 2025, Maine lawmakers stepped up to protect the FHM in the current biennium. Taking this action in such a challenging environment is much appreciated by Maine's public health professionals and acknowledges the value of prevention for Maine people and communities. But this was a one-time solution for an ongoing problem, so the future of the Fund remains uncertain.

We are in a moment of opportunity. We can take one final step to assure the Fund and its critical public health and prevention programs are financially stable and secure in the years ahead.

There is a straightforward solution that aligns tobacco-related revenue with tobacco-related expenses.

We, the undersigned public health professionals, support the transfer of a portion of tobacco excise tax revenue from the General Fund to the FHM as an annual and ongoing solution to the structural deficit in the Fund.

Maine should be proud of our FHM legacy. We have consistently used the FHM to support the health of youth and communities across the state. We can and must protect Maine's only dedicated source of funding for tobacco prevention and public health by securing the FHM for future generations.

We urge the Maine Legislature to pass LD 1658 and secure the future of the Fund for a Healthy Maine.

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