Testimony of Carol Kelly, Pivot Point Inc.
in Support of

LD 1772: An Act To Support Public Health and Establish the
Maine Commission on Public Health and Prevention

January 7, 2026

Senator Ingwersen, Representative Meyer, and members of the Joint Standing Committee on Health and Human Services. My name is Carol Kelly and I am a public health planning and policy consultant in Portland. I am here to strongly support the amended version LD 1772, An Act To Support Public Health and Establish the Maine Commission on Public Health and Prevention.

I have watched and worked with this Committee over many years as you wrestle with complicated issues that often have been decades in the making and require sustained effort to unravel. The multi-generational targeting of our young people with commercial tobacco products is certainly the challenge I know best, but your work to prevent illness and support good health spans so many aspects of daily life.

From clean water to safe housing to good jobs and affordable health coverage, this Committee's work is far more cross-cutting than most. I'm thrilled to see a bill that matches the complexity of your work with real capacity and innovation – maximizing the use of our public health dollars to enhance planning and policymaking for the benefit of Maine people and communities.

As amended, LD 1722 strengthens Maine's prevention and public health policymaking in three important ways.

- First, it establishes the Maine Commission on Public Health and Prevention, a 15-member body overseen by this Committee that can analyze data, assess community needs, inventory governmental and non-governmental programs and funding, respond to areas of interest or inquiry, and make public health policy and funding recommendations to the Maine Legislature.
- Second, it supports the Maine CDC with additional capacity to develop, publish, and promote a comprehensive state health plan that augments their current planning efforts with the resources to take a broad and integrated view of health-related conditions and strategies.
- Third, it creates the Fund for a Healthy Maine (FHM) Stabilization Account, utilizing a portion of each year's disputed tobacco settlement payments to re-establish the long lost FHM "savings account" (part of the Fund's original structure) and creating more financial security and resilience for the Fund and its health-related mission.

A review of the powers, duties, and reporting requirements of the proposed Maine Commission on Public Health and Prevention (bill component #1) make it clear how valuable this new capacity will be to the regular work of this Committee, as well as to the Appropriations Committee and other legislative committees that are considering both anticipated and emergent public health-related policies.

The design of the Maine Commission on Public Health and Prevention is intentionally integrative of the highest value components gleaned from other commissions in Maine and elsewhere. In fact, inspiration for this commission model began with the Vermont Public Health Caucus. This is a first-of-its-kind effort by state legislators to create a body that can connect them with trusted, science-informed public health partners, including content experts, community members, and nonprofit organizations, to deepen their understanding and help them make informed policy decisions that impact the health of Vermonters.

Additional components of the Commission structure proposed in LD 1772 have been sourced from:

- The Maine Education Policy Research Institute (MEPRI), a nonpartisan entity which provides the Education and Cultural Affairs Committee with data, research, and evaluation to assess educational needs, trends, services, and impacts. This model also includes a Steering Committee and a research team of UMaine faculty, staff, and graduate students bringing a range of expertise in education.
- The Permanent Commission on the Status of Racial, Indigenous, and Tribal Populations, which models the importance of coordination and research capacity, detailed reporting expectations, and the option to add a few additional Commission members as gaps are identified. To be clear, the Maine Commission on Public Health and Prevention is not designed to be an independent Commission as the Permanent Commission is structured. Rather, this HHS Committee would oversee and direct the work and work products of the Commission on Public Health.
- The Substance Use Disorder Services Commission, which offers an example in Maine statute of how content experts and people with lived experience can convene regularly to advise and assist policymakers toward common public health objectives. This approach works best with a paid coordinator of the group's process and collective work, and the Commission on Public Health and Prevention is structured to adjust for this learning from the SUD Services Commission model.

In parallel, adding capacity to the Maine CDC's planning efforts (bill component #2) can be nothing but value added, allowing for a connecting of the dots among departments, agencies, nonprofit organizations, and other non-governmental entities working on public health and prevention initiatives - improving efficiency and outcomes for everyone. State and local policymakers will benefit from a comprehensive blueprint to prepare and act on health-related opportunities, trends, and developing risks with evidence-informed and intersectional policies and investments.

Funding for the first two components of LD 1772 will come from the third. A small and reasonable budget is recommended to support the work of the Commission and augment - not replace or duplicate - the Maine CDC's state health planning efforts. You'll find the proposed budget on page 3 of the amended bill text.

The FHM Stabilization Account (bill component #3) is based on the well-understood premise that it's better to be prepared than surprised, especially when it comes to our finances. When the FHM was created, 10% of each payment was designated to be set aside in a separate savings account – an FHM "rainy day fund" of sorts – in case of unexpected shifts in settlement payments after community initiatives were already up and running. This was a good idea in 1999 and it's an even better idea today, as both tobacco settlement payments and federal support for state public health efforts are unsteady at present.

The FHM Stabilization Account is initiated and maintained using funds we are already slated to receive, but that aren't as predictable in their timing. Because these disputed payments can't be consistently counted upon in any given year, they are not accounted for in budgets until they are ultimately received. As a result, they are often used for one-time allocations or are added to FHM funds carried over to the following year.

In the current biennium, the FHM budget is fully balanced without disputed payments, so LD 1772 wisely proposes using those two years of disputed payments to establish the FHM Stabilization Account. In all subsequent years, just 10% of each disputed payment (approximately $1 million each year) is set aside in the Stabilization Account.

Currently, the FHM operates on a loan from the General Fund for the first 9 months of every fiscal year. This is called a working capital advance (WCA). The scheduled settlement payment that is received each April is used to repay the WCA loan and fund the final 3 months of FHM programs and positions in that same fiscal year. Relying on a future payment rather than funds in the bank is an inherently risky financial structure, especially for the FHM and the longer-term nature of its program priorities.

We are in a moment of opportunity to get the Fund for a Healthy Maine out ahead of the need for a working capital advance and create a fresh and fiscally responsible start for the use of settlement payments. Utilizing the dispute payments as proposed in LD 1772 will get us to a place where all April settlement payments can be allocated to FHM programs in the fiscal year <u>following</u> the year in which they are received. This would be a tremendous outcome in our shared efforts to stabilize and secure the Fund for the future.

Attached is a flowchart comparing the current flow of settlement payments to the new flow of payments when the FHM Stabilization Account has been established.

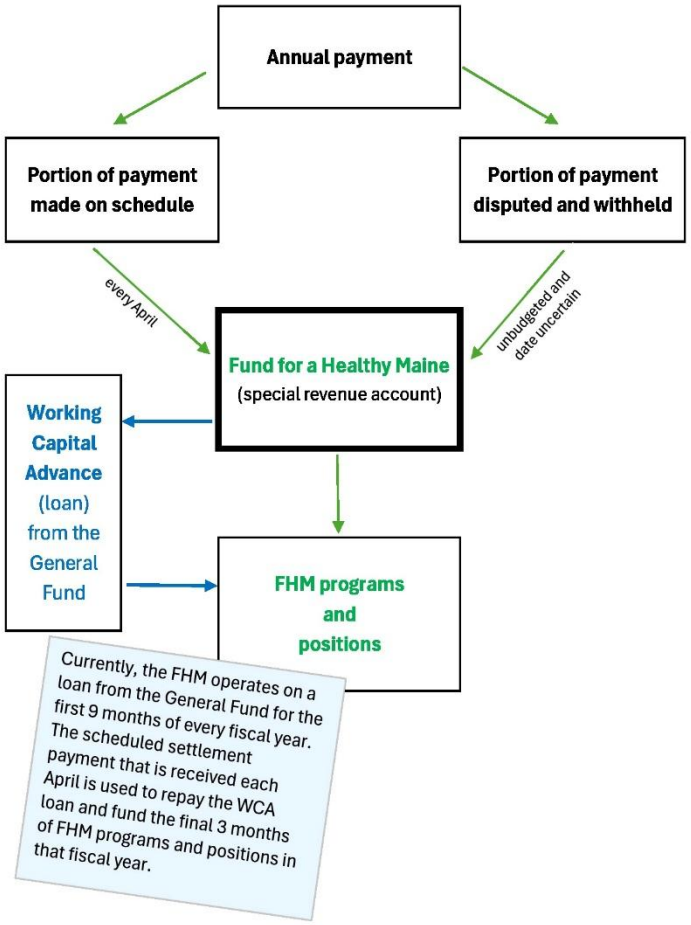
It's important to note that this new structure does not move any funds out of the Fund for a Healthy Maine, nor does it allow any funds in the Stabilization Account to be used for non-FHM purposes. The Stabilization Account is a sub-account within the FHM that is used first (and modestly) to fund the work of the Commission on Public Health and support the Maine CDC's planning efforts, then to reduce and ultimately eliminate the need for the working capital advance. All remaining funds in the Stabilization Account can then be saved or allocated within FHM categories, as the Legislature see fit.

As noted above, we are in a unique moment of opportunity for the financial future of the Fund for a Healthy Maine. The three components in LD 1772 could be high value additions to your policymaking toolbox. I hope you'll consider them carefully and push past the initially complex financial backdrop so this opportunity won't be lost. I'd be happy to answer any questions you might have.

Thank you for your consideration of this bill and for your strong and consistent support for the Fund for a Healthy Maine.

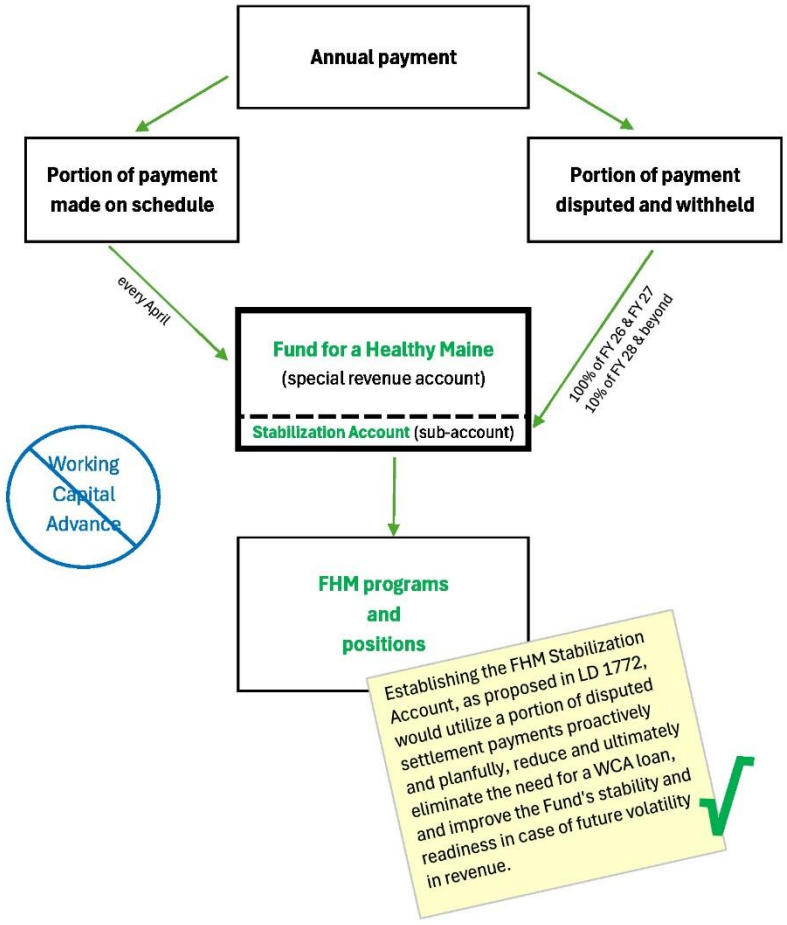
Carol Kelly, Managing Director, Pivot Point, Inc *15 Briggs Street, Portland, ME 04102, (207) 210-0789*

Tobacco Settlement Payments
Current Flow and Timing



Currently, the FHM operates on a loan from the General Fund for the first 9 months of every fiscal year. The scheduled settlement payment that is received each April is used to repay the WCA loan and fund the final 3 months of FHM programs and positions in that fiscal year.

Tobacco Settlement Payments
After Creation of the FHM Stabilization Account (LD 1772)



Establishing the FHM Stabilization Account, as proposed in LD 1772, would utilize a portion of disputed settlement payments proactively and planfully, reduce and ultimately eliminate the need for a WCA loan, and improve the Fund's stability and readiness in case of future volatility in revenue. ✓