

LD 1658: An Act To Preserve and Strengthen the Fund for a Healthy Maine

Testimony of Carol Kelly, Pivot Point Inc.

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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 today in strong support of LD 1658, An Act To Preserve and Strengthen the Fund for a Healthy Maine.

My first job in public health was in the early days of the tobacco settlement and the creation of the Fund for a Healthy Maine (FHM). The Fund is an inspiring example of collaborative and responsible policymaking that has been making a real difference in the health of Maine youth and in the vibrancy of our communities.

Thank you for all you do, every year, to protect and defend this special source of funding – Maine’s primary source of funding - for prevention and public health.

While the mission of the Fund is highly-valued, the financial health of the Fund has been destabilized by declining tobacco settlement payments. The structural deficit in the Fund that has been looming for several years is now unavoidable.

The budget this Legislature passed last year for fiscal years 2026 and 2027 addressed the Fund’s structural shortfall with a one-time transfer from the General Fund. This followed a unanimous recommendation from this committee to use a portion of tobacco excise tax revenue to assure the Fund for a Healthy Maine could continue its baseline operations in what is now the current biennium.

It would be difficult to articulate how much the public health community appreciated what you did, in such an uncertain environment, to make sure the important prevention and public health initiatives funded by the Fund for a Healthy Maine could continue. But the root problem is not yet solved.

LD 1658 looks ahead to fiscal year 2028 and beyond and proposes a simple and ongoing solution to the Fund’s structural deficit. LD 1658 mirrors this committee’s recommendation by proposing a specific percentage of tobacco excise tax revenue be credited each year to the FHM.

Using tobacco excise tax revenue to create a third revenue stream flowing annually into the Fund for a Healthy Maine is a particularly appropriate alignment of funding sources and uses, as both the tobacco settlement and the tobacco excise tax are intended to prevent chronic illness and support good health and productivity among Maine people and communities. In this way, designating a portion of tobacco excise tax revenue to the Fund for a Healthy Maine is like designating the proceeds of a new legal settlement.

LD 1658 is structured to make sure funds for baseline prevention and public health initiatives are available when and where you need them - before the Legislature's budget-building process begins. In practice, this is no different than what many of strive to do with our household budgets, which is put a portion of each paycheck aside so we have the resources in place to fix the roof before it leaks, replace the car tires before they are unsafe, or make other priority investments in our health and safety.

LD 1658 creates an annual and ongoing transfer of a portion of tobacco excise tax revenue into the Fund for a Healthy Maine. In doing so, LD 1658 finally resolves the structural deficit in the Fund for a Healthy Maine and secures it for the benefit of future generations. I urge you to support LD 1658 and I'd be happy to answer any questions you might have.

Thank you.

Carol Kelly

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