

Shortsighted Policies Spell End for Trust Fund for Public Health

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Don't eat your seed corn – Ancient Proverb

One of the most underreported stories of the recent legislative special session was the evisceration of the Trust Fund for Public Health. The quiet death of the fund says everything about the short-term mentality of public policy making in Nevada and the dismally low priority placed by most state policy makers on public health.

The Trust Fund for Public Health

The Trust Fund for Public Health grew out of the 1998 Master Settlement Agreement between US states and four of the largest tobacco companies, who agreed to make annual payments to the states until 2025 as reimbursement for past tobacco-related public health and health care costs.

During the 1999 session, the Nevada Legislature approved two bills which determined how tobacco dollars received by the State of Nevada would be distributed. Fifty percent of settlement dollars would go the Fund for Healthy Nevada to support a wide range of health care programs, including tobacco control and prevention activities; forty percent for Millennium Scholarships; and ten percent to the Trust Fund for Public Health.

In a rare combination of fiscal foresight and concern for the public's health, the legislature directed Trust Fund for Public Health dollars to be invested, as is the case with other state funds overseen by the State Treasurer's Office, with only the interest on accumulating principal to be used to support public health projects.

The Trust Fund was explicitly directed by the legislature to address three pressing areas of public health need in Nevada: health promotion and disease prevention activities, research on issues related to public health, and the provision of direct health care services to children and senior citizens.

Since 2001, 72 projects have been funded by the Trust Fund for Public Health for a total of \$5.7 million – public health programs, services, and research that, again, have been funded exclusively on the interest earned on growing principal in the fund over the past decade.

Trust Fund awards have ranged from small community not-profit programs to university-based research projects. They have addressed diverse public health activities for underserved populations in both rural and urban areas of Nevada.

Noteworthy projects include:

- A program developed by the Saint Mary's Foundation to prevent low birth weight and premature births through oral health education, general dentistry, and dental services to at-risk pregnant women with the goal of eliminating preventable dental problems to achieve full-term healthy deliveries in northern Nevada.
- A public health research project undertaken by the Lili Claire Foundation on fetal alcohol syndrome (FAS) – a project that has produced an intervention model proving to be beneficial to clients, their families, health professionals, and, most importantly, FAS children. FAS disorders are a major cause of birth defects, learning and behavior problems, and mental retardation in Nevada.
- The Communities in Schools project in Elko County that has delivered nutrition services and immunizations to school-aged children, leveraging resources and expertise in the community to expand the variety of services needed to improve the lives of children in Elko County – a project with considerable potential for replication in other underserved areas of rural and frontier Nevada.

In its relatively brief existence, the Trust Fund has improved public health in Nevada by supporting much needed investments in health promotion, disease prevention, clinical services, and public health research.

The Quiet Death of the Trust Fund

The 24th Special Session of the Nevada State Legislature, which began and ended on June 27, was convened to address the budget shortfall faced by the State of Nevada. The future of public health programs in Nevada was dealt a serious blow as a result of multiple decisions by lawmakers to revert or redirect the following dollars to the state's general fund:

- \$27.3 million from the Trust Fund for Public Health – that is, the entire remaining principal in the fund was reverted to the state general fund, as \$9.5 million was taken earlier in the first round of budget cuts earlier this year.
- \$4.4 million in estimated receipts of the Trust Fund for Public Health for the current fiscal year.
- \$4.2 million of the portion of tobacco settlement payments for the current fiscal year not allocated to the Senior Program and the Disability Rx Program that would have been deposited in the Fund for a Healthy Nevada.

In other words, of the \$275 million needed by lawmakers to shore up existing and projected budget shortfalls, \$35.9 million or 13 percent of those cuts have come from public health programs. Worse, \$31.7 million was raided from dollars put in a publicly-overseen "trust" explicitly set aside by the legislature to improve the health of Nevadans over the long term.

In her recent District Health Officer's report to the Washoe County Board of Health, Dr. Mary Anderson notes that "moving the money to the General Fund does not 'reduce expenditures,' but does reduce the potential for progress in public health throughout Nevada." In effect, she concludes, "the Trust Fund has been obliterated for the foreseeable future."

The Future of Public Health in Nevada

We live in state in which, on the eve of the special session, a sitting member of the Board of Regents opined that "all government activity (including presumably support for higher education in Nevada) inherently involves some destruction of human wellbeing by taking money, property or rights from people and businesses." With friends like this in high places, who needs enemies?

In the case of public health, I am less than optimistic that the same policymakers who gutted the Trust Fund last month will support public health in the future, much less restore revenue streams, such as our state's allocation of the tobacco master settlement agreement, whose primary purpose was to improve public health in Nevada in the first place.

The seed corn, as it were, has been eaten.

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