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THE GENERAL ASSEMBLY OF PENNSYLVANIA

---

HOUSE BILL

No. 386      Session of  
2001

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INTRODUCED BY MUNDY, BEBKO-JONES, M. COHEN, BELARDI, SHANER,  
ORIE, SANTONI, YOUNGBLOOD, GEORGE, STURLA, LAUGHLIN, MANN,  
SOLOBAY, STERN, TIGUE, GRUCELA, WOJNAROSKI, STABACK, BISHOP,  
YUDICHAK, HARHAI, MICHLOVIC, FREEMAN, C. WILLIAMS, JOSEPHS,  
HORSEY, STEELMAN, ROBINSON, GRUITZA, MYERS AND MANDERINO,  
JANUARY 31, 2001

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REFERRED TO COMMITTEE ON HEALTH AND HUMAN SERVICES,  
JANUARY 31, 2001

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AN ACT

1 Establishing the Public Health Trust Fund and Public Health  
2 Trust Fund Board; authorizing a grant program for community-  
3 based public health initiatives and the use of funds for  
4 certain purposes related to public health; providing for  
5 powers and duties of the Department of Health and the State  
6 Treasurer; and making an appropriation.

7 The General Assembly finds and declares that:

8       (1) The Commonwealth of Pennsylvania will receive over  
9 \$11,000,000,000 in the settlement of litigation against  
10 tobacco companies.

11       (2) As the settlement is to compensate for losses  
12 incurred for medical treatments, this money should be used to  
13 improve the health of Pennsylvanians.

14       (3) The Commonwealth has a limited system of public  
15 health services, and these services are often provided by  
16 community organizations, local schools and private  
17 foundations.

1           (4) A portion of the money from the tobacco settlement  
2           should be invested in improving the public health services of  
3           these entities, particularly for services relating to tobacco  
4           use and prevention.

5           (5) Certain demographic groups and geographic regions  
6           within this Commonwealth suffer from unusually high rates of  
7           tobacco-related diseases and are therefore in great need of  
8           public health services.

9           (6) A program offering challenge grants to local  
10          organizations for public health services would enable these  
11          bodies to expand their initiatives and improve health in  
12          their communities.

13          (7) Because of the limited public health system, the  
14          Commonwealth also lacks information on the health of its  
15          citizens.

16          (8) Grants to support information sharing and compiling  
17          would improve the understanding of public health needs and  
18          encourage the spread of successful programs.

19          The General Assembly of the Commonwealth of Pennsylvania  
20 hereby enacts as follows:

21 Section 1. Short title.

22          This act shall be known and may be cited as the Public Health  
23 Trust Fund Act.

24 Section 2. Definitions.

25          The following words and phrases when used in this act shall  
26 have the meanings given to them in this section unless the  
27 context clearly indicates otherwise:

28          "Board." The Public Health Trust Fund Board of Trustees  
29 established in section 4.

30          "Department." The Department of Health of the Commonwealth.

1 "Fund." The Public Health Trust Fund established in section  
2 3.

3 "Master settlement agreement." The settlement agreement and  
4 related documents entered into on November 23, 1998, by the  
5 Commonwealth and leading United States tobacco product  
6 manufacturers and approved by the court in Commonwealth v.  
7 Philip Morris, April Term 1997, No.2443 (C.P. Philadelphia  
8 County), on January 13, 1999.

9 Section 3. Public Health Trust Fund.

10 (a) Establishment.--The Public Health Trust Fund is hereby  
11 established as a special nonlapsing fund in the State Treasury.  
12 The sum of \$30,000,000 is hereby appropriated to the Public  
13 Health Trust Fund from the first payment to the Commonwealth  
14 under the master settlement agreement. This appropriation shall  
15 be a continuing appropriation and shall not lapse at the end of  
16 the fiscal year.

17 (b) Trust fund.--All moneys in the fund shall be held in  
18 trust and shall not be considered general revenue of the  
19 Commonwealth but shall be used only to effectuate the purposes  
20 of this act. Expenditures from the fund shall be subject to  
21 audit by the State Treasurer and Auditor General as provided by  
22 law.

23 (c) Additional deposits.--All interest, dividends and  
24 capital gains earned from the deposit of moneys accumulated in  
25 the fund shall be deposited in the fund for the same use.

26 Section 4. Public Health Trust Fund Board.

27 (a) Board created.--The Public Health Trust Fund Board is  
28 created in the Department of Health. The board shall administer  
29 the program and award grants. The department shall perform  
30 budgetary, accounting, procurement and other support services.

(b) Board composition.--The board shall consist of 13 members, as follows:

(1) Two members of the Senate, one each appointed by the Majority Leader and the Minority Leader, and two members of the House of Representatives, one each appointed by the Majority Leader and the Minority Leader.

(2) The Secretary of Health.

(3) The Physician General.

(4) The Attorney General.

(5) Six public members. Two public members shall be appointed by the Governor, and one each shall be appointed by the President pro tempore of the Senate, the Minority Leader of the Senate, the Speaker of the House of Representatives and the Minority Leader of the House of Representatives.

Public members appointed under this subsection shall demonstrate knowledge in public health issues, be representative of the demographic composition of this Commonwealth and, to the extent possible, be representative of the providers and recipients of public health services. Public members shall be subject to the advice and consent of the Senate.

(c) Term of office.--The term of each public member shall be three years and until a successor is appointed and qualified. However, of the public members initially appointed, the members appointed by the Governor shall serve for three years, the members appointed by the President pro tempore of the Senate and the Minority Leader of the Senate shall serve for two years and the members appointed by the Speaker of the House of Representatives and the Minority Leader of the House of Representatives shall serve for one year. A public member shall

1 serve no more than two consecutive terms, whether partial or  
2 full. A vacancy shall be filled for the balance of the unexpired  
3 term in the same manner as the original appointment.

4 (d) Officers and rules.--The Secretary of Health shall serve  
5 as chairperson of the board. The board may elect other officers  
6 annually and establish committees as it deems necessary and has  
7 provided for in the regulations it promulgates. Business  
8 transacted by the board shall be conducted in accordance with 65  
9 Pa.C.S. Ch. 7 (relating to open meetings).

10 (e) Meetings.--The board shall meet not less than four times  
11 annually at the call of the chairperson.

12 (f) Compensation.--Board members shall serve without  
13 compensation but shall be reimbursed for actual and reasonable  
14 expenses incurred in the performance of their official duties.  
15 Reimbursements shall be allocated from general funds.

16 Section 5. Powers and duties of board.

17 The board shall:

18 (1) Develop a program to award grants from the fund to  
19 community organizations, schools and foundations to support  
20 regional and local public health initiatives or Statewide  
21 public health information sharing. Grants may be used for  
22 public health education or outreach programs and community  
23 health improvement projects, including, but not limited to,  
24 baseline health assessments. In developing the grant program,  
25 the board shall consider the needs of demographic groups and  
26 geographic regions which suffer from disproportionately high  
27 rates of lung cancer or other tobacco-related diseases. The  
28 board shall require applicants to provide evidence of  
29 matching funds equal to the amount awarded as a condition of  
30 receiving an award. Grants shall be awarded on an annual

1 basis.

2 (2) Promulgate regulations providing for the criteria  
3 for the granting of fund moneys and provide for publicizing  
4 the grant program.

5 (3) Administer the program and award grants, including,  
6 but not limited to, establishing procedures and utilizing  
7 forms as may be necessary to implement this act, and monitor  
8 the expenditure of fund moneys.

9 (4) Provide for publicizing successful public health  
10 initiatives funded by the grant program and facilitating the  
11 exchange of information among public health providers.

12 (5) Report to the Governor and the General Assembly  
13 annually on the grants awarded, the impact on grantees, the  
14 amount of funds spent, the amount projected to be spent and  
15 the amount projected to be received.

16 Section 6. Powers and duties of department.

17 The department shall carry out its duties and  
18 responsibilities under this act through staff employed by the  
19 department.

20 Section 7. Powers and duties of State Treasurer.

21 On an annual basis, the State Treasurer shall make available  
22 to the board for its use, consistent with section 5, such fund  
23 moneys as are requested by the board, and such funds are hereby  
24 appropriated to the board for the purposes set forth in this  
25 act.

26 Section 8. Effective date.

27 This act shall take effect immediately.