2011 HOUSE APPROPRIATIONS

HB 1025

2011 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Human Resources Division
Roughrider Room, State Capitol

HB 1025
January 14, 2011
12913

☐ Conference Committee

Committee Clerk Signature Julia Hoffer

Explanation or reason for introduction of bill/resolution:

To provide an appropriation for defraying the expenses of the comprehensive tobacco control advisory committee

Minutes:

Chairman Pollert called hearing to order on HB 1025. Clerk took role and quorum declared. **Jeanne Prom**, executive director of the Center for Tobacco Prevention and Control Policy, presented testimony as attachment **ONE** in support of HB 1025. Questions asked by committee members throughout testified and questions and answers included as follows.

Vice Chairman Bellew: Measure three requires a portion of the money that ND receives from the Master Settlement Agreement (attachment **ONE**, first paragraph). Can you define what a portion means?
Jeanne Prom: It is illustrated in the law. A portion means that it's actually 9 0f 10 of payments that state receives between 2008 and 2017. They're called strategic contribution fund payments.

Chairman Pollert: Office of Management and Budget or Legislative Council, can you get us this schedule? I think there are two payments; one is main one and other is strategic one, which just kicked in the last year or two, right?
Jeanne Prom: Yes, actually there was a Schedule prepared for the interim bugect section.

Representative Nelson: sales tax data can be measured in different areas. Do you plan to collect data or have data that measures how many people go on reservations to purchase tobacco because of lower tax rate and then take it off the reservation?
Jeanne Prom we don't have data on that, however anecdotal information from multiple sources states that the price of tobacco is not that much less on than off the reservations. In fact the prices off the reservation are the same as on the Standing Rock reservation. Based on information from New York (NY), individuals do go to the reservations to purchase tobacco if live within 30 miles if reservation. In ND there has been minimal effect on where you buy your tobacco and we are hearing that it's not really making any impact
Representative Nelson: I have viewed this in my area, so that's why I was wondering about data.

Representative Kreidt: on the budget part, there are enhancements (46,614); is that interest or what is an enhancement?
Jeanne Prom The enhancements are the compensation package for the employees; the increase in health insurance, increase in salary and benefits. I will go over that briefly in our budget request.

Legislative Council: to get the information sooner, you can go to the trust section (J23) in the green books to see a schedule of the tobacco prevention and control trust fund. It shows the breakdown of the payments, a question that came up earlier. It shows the subsection two payment which is that extra bump and the years they will be getting that and it shows the subsection one payment and the way that's split the three different ways.
Chairman Pollert: in the second column, that's the total payment; the third column would be the payment that goes to the tobacco advisory committee and then the four, five, six is settlement A divided 45, 45, 10 in the last three columns.

Legislative Council that's correct. The extra bump is what's in the third column and the second column with numbers. You can see that payment ends in 17.

Chairman Pollert: do you have any programs on the reservations? Have you tried to do that?
Jeanne Prom: We have funding that is granted to us to be used in the counties for programs thus this includes reservations; therefore on reservations we do have programs.

Representative Nelson: doesn't the CDC have three separate levels on their funding, high, medium, lower level and we are in the medium?
Jeanne Prom: The latest CDC best practices recommendation gives one recommendation per state, one level.
Representative Nelson: Was there more than one CDC level?
Jeanne Prom: there was a CDC best practice recommendation from 1999 that had given ranges, and of course you can still be within the range of the level given by CDC. But their recommendation is the one number.
Representative Nelson: Does Alaska fund their CDC program at the same level as ND?
Jeanne Prom: Each state's number is specific to that state, so Alaska funds what the state of Alaska is suppose to fund. I am not familiar with the other states.

Vice Chairman Bellew: could you get us the report what the United States of America Center for Disease Control and Prevention recommends regarding funding level? Because you said that your budget and the two that are you in health dept meet that requirement.
Jeanne Prom: That's correct. That's 9.3 million dollars per year, so 18.6 million a biennium. With this appropriation of 12.8 million plus the community health trust fund, 80% of that goes to tobacco prevention and control, and the Dept of Health has a CDC grant. Those three funding streams together equal the CDC level.
Vice Chairman Bellew: Is that a floating number (9.3 a year) or a stable number?
Jeanne Prom: It is a stable number. It's adjusted for inflation based on the consumer price index.

Chairman Pollert: out of the 24.5 million dollars that you'll receive in the 09-11 biennium, you're going to be putting roughly 11 million dollars in a reserve account somewhere.

Jeanne Prom: Yes, what isn't spent is in reserve.
Chairman Pollert: Where is that reserve at right now?
Jeanne Prom: It's in the tobacco and control trust fund which is in the State Bank of ND. It comes through the state treasurer's office for deposit.

Representative Nelson: are you aware of how that trust fund is growing? Do you know what the interest rate is? In this committee, we were surprised by the relatively stagnate growth. Are you satisfied with how that money is being treated?
Jeanne Prom: We get interest reported to us every month. The rate is based on average daily balance and it is very low, but it's what the state gets on all its funds.
Representative Nelson: we are going to look into that closer, right?
Chairman Pollert: we will have the Legislative Council get what the rate of return is for your account. We want to see if there is a pattern. This is no reflection on you guys as we figure out what the return is on all the trust funds is in our section.
Jeanne Prom I remember it being under 1%.

Representative Kreidt: The four FTEs, does that include you? Is it three and you?
Jeanne Prom: The four includes me, the executive director.
Representative Kreidt: the enhancement amount is that based on the three on three that we're talking about for state employees or what type of increase is your salary percentagewise comes out to?
Jeanne Prom: That number was provided to us by Office of Management and Budget based on the Governors' recommendation.

Representative Kreidt: do you rent office space here in Bismarck?
Jeanne Prom: Yes
Representative Kreidt: Could you get us square footage of that office and how much you pay per month?
Jeanne Prom: Yes, I can get you that information.

Chairman Pollert: we ask these types of questions of the budgets.
Representative Kaldor: yes, we did this in the Govt Ops division as well.

Chairman Pollert: In the fiscal year 2010, you said 1.8 million fewer packs sold? As you can't tell how much comes across MN state border lines, it's still 1.8 million fewer packs sold?
Jeanne Prom Yes. I did ask the tax dept who provided this information if they would have information on the county level (was interested about Cass County), but it is not available.

Representative Nelson: what is the current cigarette tax in MN and what are they talking about going to?
Jeanne Prom: I believe it's about $1.57 per pack and I don't know of a plan to raise it, but they do have budget issues we do not have.
Chairman Pollert: ND has a 44 cent per pack tax?
Jeanne Prom: Yes, since 1993 and it's one of the lowest in the nation.
Chairman Pollert: How about South Dakota (SD) and Montana (MT)?
Jeanne Prom: MT's is about $1.72 and $1.50 for SD. We would feel that as far as cross border sales, it would be the MN sales that would affect us.

Chairman Pollert: Do you keep track of SD and MN as far as if their tobacco rates have dropped since we're on the CDC plan? Do you see a correlation with other states as compared to ND at 44 or because we have the program in place, you can't make a correlation? If you raise the price of a pack of cigarettes then less people will smoke. Is that true of SD, MT and MN as compared to ND?
Jeanne Prom: I don't have the exact numbers of those states. There has been a reduction in smoking every time the price of cigarettes increases however there are no exact figures on those states. It is part of the law to get an independent, comprehensive evaluation of the program to get at just what you brought up, so we will have this evaluation done. Referring to chart in attachment **ONE**, the most significant decline was in this past year.
Chairman Pollert: I would like to see a study done (not funded by the state) that examines whether there's a correlation between SD, for instance, and the decline in pack purchases at a $1.50 increase, and ND with a much cheaper tax but taking into account the tax spent per capita on the CDC programs. So, we could see if there would be better success in just raising the tax versus putting money forward for CDC and consequently better usage of this money somewhere else.
Jeanne Prom: It would be interesting to see that. On pg two (attachment **ONE**), according to CDC, as states spend more on programs which are also educational programs to prevent tobacco use and create a tobacco free social norm, larger declines in smoking rates occur even when they controlled for other factors including tobacco prices.
Chairman Pollert: I'm just wondering if there's a difference without the other states, SD and MT, doing anything; simply raising the tax, not the other programs. There's probably not that data.
Jeanne Prom: The data shows that the comprehensive approach works.

Representative Kaldor: the local health units actually sought out people, asking them if they wanted to quit. How many called the quit line without having been contact? In other words, voluntary?
Jeanne Prom: the quit line asked how people heard about the quit line and that's broken out more generally like health care professional, nurse and we don't if that came from private entities or local public health. However our local public health units are very aware of what's happening in their own building and they know that they're certainly referring like they never have before.

Chairman Pollert: I believe the tobacco quit line has a little over a million dollars coming out of the health dept or out of the community health trust fund. Do you have any money going to quit line as well or it is all done though the Dept of Health?
Jeanne Prom: It all comes out the Dept of Health; we promote people referring to that.

Representative Wieland: Percent doesn't mean anything unless we know numbers; what they started with and what they ended up with. For instance, in Washington (WA) we know smoking rates decreased for 50% of the youth, but we need to know what they started with in terms of total population of the state. Regarding the study in WA, what is the criterion for saying that 13,000 premature deaths and 36,000 hospitalizations were prevented after a decade of the comprehensive program being implemented?
Jeanne Prom: First of all, Percentages can be cross applied despite the specific population, thus it's a consistent measure. As far as your other question, I have the WA study and they used a very completed economic model that goes beyond my

understanding and it was done by experts in the field, with a similar study done in California (CA). I can share copies of that with you.
Representative Wieland: I understand the percentages being cross applied (regardless), except that how does that compare to ND though? What I really want to know is how many actual smokers we have in the state of ND because we talk about 20% but then there kids one to ten that are included in that population we have and I don't think they're smoking before age ten. I would really like some numbers to utilize so we can watch the progress in terms of numbers. And, that study from WA wouldn't do me any good because if you can't understand it, I'm not going to be able to understand it. I would really like to know what kind of assumptions people make when they make those kinds of reports. Another question, if it is true that the federal government does not subsidize tobacco anymore, when did they stop subsidizing and was it a 100% subsidy?
Jeanne Prom: I would have to get you the subsidy information. In regards to your question, I do know there are about 90,000 adult smokers in our state, but I'm not sure the number of youth.

Vice Chairman Bellew: what is considered an adult?
Jeanne Prom: an adult is 18 and older.

Vice Chairman Bellew: there are 90,000 adult smokers in ND, so 1% of 90,000 is what?
Jeanne Prom: 1% of the 20% that are smokers, so when we drop by 1% to 18.6% to 17.6%, it's not 1% of the 90,000.

Chairman Pollert: in referencing pg 11 of testimony, can you expand on the meaning of 44.6 million?
Jeanne Prom: That's a long term number that results from a 1% decline, so it's stemmed off of the 1%

Chairman Pollert: In MA, when they reduced their funding in 2003, did they increase a pack of cigarettes at that time or did they leave unchanged? Normally if you reduce funding, you raise a tax somewhere.
Jeanne Prom: They cut the program funding because they thought they needed the money for other purposes.
Chairman Pollert: if government cuts funding because they don't have the money or they want it to go somewhere else, they usually raise the tax somewhere to also help compensate for the cost. That would be my guess.
Jeanne Prom: I do not know.
Chairman Pollert: I have a mental problem with all of this. My dad smoked and he died early; I know that. I have a difficult time understanding why people just can't quit. I remember my father packing every morning and it's just something I just never did.
Jeanne Prom: Last month, there was a new surgeon generals' report on second hand smoke about how it causes change to the body and part of that report said, that as they look into how tobacco industries manufactures the cigarettes, they have been making the cigarettes more addictive. It is a highly addictive product, so that's why it's hard to quit.
Representative Nelson: explain the strategy you use to provide outreach to counties and cities? Do you contact every city? How do you determine what specific cities have a need for this.

Jeanne Prom: we fund every local health unit where they go out to their community members and provide education. They go through community based coalitions to enact change on a macro level regarding policies.

Representative Kreidt: going back to your two dollar tobacco tax, what would you do with those funds?
Jeanne Prom: That's a legislative action. It's always a good thing to look at taking tobacco tax revenues and using them for health related problems.
Representative Kreidt: how did you arrive at the two dollar figure; why not five dollars? Maybe then everyone would quit smoking.
Jeanne Prom: the advisory committee felt that this was a doable level. It was above where the national average was at and we want our goals to be high. We looked at where other states were and thought about what the health benefits were that we wanted to reap from that.

Chairman Pollert: are you aware of any legislation coming forward this session regarding workplace smoking?
Jeanne Prom: there's a bill that bans smoking in restaurant/bar combination entities when children are present. Another piece of legislation is banning smoking in cars with children under age 13.

Vice Chairman Bellew: on pg 14, the total budget request is 12992... while on appendix E of the testimony, it states the total 12922...?
Jeanne Prom: That is a mistake. The correct request is 12922.

Chairman Pollert: Do you have three and half temporary positions right now? Are the staff for these hired? When do you want to bring them on full time?
Jeanne Prom: there are actually four positions, one's a half time position, and I will be explaining those. They are not hired at this point. The base budget has them as temp employees and the optional budget request would have them as permanent. I do want to point out that our committee has no one time spending requests. Referenced attachment **ONE** and explained the positions and correlating benefits and salaries.

Chairman Pollert: the four permanent and temporary are not state employees?
Jeanne Prom: They are state employees.
Representative Wieland: they do fall in the category as FTEs? The initiated measure, did that mention specifically number of employees?
Jeanne Prom: They do fall under FTEs. The initiated measure did not mention number of employees.
Chairman Pollert: since they're state employees, the pension and insurance benefits is paid out of this fund? If those funds don't happen, then do the employees just disappear? They're currently funded through not a general fund.
Jeanne Prom: Yes, that's correct.
Chairman Pollert: All the contributions, those are paid by whatever we call that fund?
Jeanne Prom: Yes. Every dollar we spend is from that trust fund.
Chairman Pollert: At some point, down the road the ways, there will be a decision by the state because the strategic payments are going to vanish, right?
Jeanne Prom: Yes. The last payment the state will receive will be in 2017.

Chairman Pollert: You are building reserves to continue on the committee, right?
Jeanne Prom: Yes

Representative Nelson: they are to manage the grants that are currently managed by the Dept of Health. We are going to detail the health budget prior to Jeanne coming back, correct.
Chairman Pollert: They're going to have to be in correlation. They will have to be here at the same time as dept of health. The Dept of Health won't be until the week of January 31.
Representative Nelson: The question needs to be raised, with the Dept of Health, if those positions are granted to the committee, is there is any offset at the Dept of Health. They're might be some overlap there.
Chairman Pollert: you are trying to move all of that over to the tobacco advisory committee. So if that's the case, then there should be a drop in FTEs with the Dept of Health.
Representative Nelson: are there problems with the Dept of Health handling the grant requests now? Is it going to be more efficient if it's in your office? Or are they saying it's too much for them.
Jeanne Prom: That transferred occurred in July 2009 and we have been managing those grants. Adequate staffing is a critical issue. Grants were transferred to us from the Dept of Health at the beginning of the biennium. Originally the Dept had agreed to managed those grants with existing Dept staff and that's why we requested 4.0 FTE last biennium and not another amount of FTE. Major changes in a brand new program aren't uncommon so in exchange for taking those grants, the Dept of health has provided us on a contractual basis accounting and human resources services. That arrangement has been very helpful to us, but that arrangement wasn't meant to be perpetual. We still do need more staff because we are managing more grants that anticipated.

Chairman Pollert: is there a staffing requirement in connection with grant money? How many FTEs are needed for 10 or 20 grants? That is information we will have to look into.
Jeanne Prom continued to explain the different positions requested using attachment **ONE**.

Chairman Pollert: You're doing 51 now, but you will be doing 75
Jeanne Prom: Yes. That number is fluid.

Chairman Pollert: Jeanne, we will do detailing at a later day; most likely the week of January 31. This will be done the same week as the Dept of Health.

Chairman Pollert: of the 12.8 million we did last biennium, are you going to spend all of that?
Jeanne Prom: We are about 40% spent. We started from nothing. That reflects we were a start up and our 40% spent is about a quarter behind. I do expect some will go unspent.
Chairman Pollert: Will the money that's unspent, go into their reserve fund.
Office of Management and Budget: there's just one fund so the balance of that fund remains there.
Chairman Pollert: of the 24 million that will be coming in, that money stays in a checking account. If we are going to collect this much, shouldn't there be a reserve fund, instead?

Office of Management and Budget: these funds are identifiers for these pots of money. The money is put into CDs, with interest being allocated, so the money continues to grow. It's all at the Bank of ND.
Chairman Pollert: in the counting in how much they haven't spent and what's going to carry over past the payments in 2017 and then your dept will live off of that fund?
Jeanne Prom: Yes, whatever the balance is of those funds.

Representative Nelson: did you go through the cost of your OARs? What's the total cost of permanent versus temporary positions?
Jeanne Prom: The cost remains the same, although the benefits of temporary are a little less.
Representative Nelson: and what is that number?
Jeanne Prom: it's not on the attachment.
Chairman Pollert: we'll get that at a later date.

Chairman Pollert: we'll want to know what you won't be spending in the 09 biennium, so if you can bring that back when we do the detailing.

Chairman Pollert: during the testimony last session, I believe there was some material out there that talked about the CDC practices at a lower, middle and high point, because I've had that discussion with other legislators, asking how the 12.8 came up and was there discussion on the low point. Because of our discussion on a low point, I believe there are materials out there on the different levels. When we get to the detail, there will be more discussion there.

Representative Nelson: in the attachment of the detail, it would be broken out in addition to the fringe package. The net would be the 401 minus the 25.

Representative Kaldor: Office of Management and Budget, was there some rationale for making them temporary rather than permanent?
Office of Management and Budget: we've been trying to hold FTE levels down.

Megan Smith Houn, Executive Director of Tobacco Free North Dakota, testified verbally in support of HB 1025. The mission of my organization is to protect the health of all north Dakotans impacted by tobacco use and keep tobacco use minimal. It is the number one cause of preventable death in our death. **Megan Smith Houn** provided a personal anecdote about losing her father to tobacco use.

Chairman Pollert stated public input regarding the Health Department budget will be taken Wednesday February 2, from 8:30 am to 10:30 am.

Chairman Pollert reviewed the schedule for next week to include the bills (1044 and 1152) being heard on Wednesday (January 19) morning. **Chairman Pollert** stated "we're here on an informational basis only" and "I want us to be asking questions." **Chairman Pollert** closed the hearing on HB 1025.

2011 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Human Resources Division
Roughrider Room, State Capitol

HB 1025
February 3, 2011
13987

☐ Conference Committee

Committee Clerk Signature Julia Dreifke

Explanation or reason for introduction of bill/resolution:

To provide an appropriation for defraying the expenses of the comprehensive tobacco control advisory committee

Minutes:

Chairman Pollert called committee back to order and opened hearing on HB 1025. Chairman Pollert started hearing with public testimony on HB 1025, prior to the budget detailing.

Theresa Will, CCHD, ND lobbyist EC, provided written testimony (labeled as attachment **ONE**) in support of HB 1025 (evidence base for comprehensive state tobacco control programs written by Dr. Terry Pechancek). Letter provided to committee, written by Theresa Will, on February 7, to address concerns from committee that came up during budget detailing. Letter is included with attachment **ONE**.

Karen Macdonald, ND Nurses Associations, provided written testimony (labeled as attachment **TWO**) in support of HB 1025.

Representative Nelson: what did you do to help the 3 cities that passed the smoke free legislation this past year?
Karen Macdonald: That would be better addressed by that group. I am more cognizant of the work we did in Bismarck. I do know it's a lot of legwork, work within the community, and is misunderstood by bar owners, restaurant owners.

Chairman Pollert: In referring your testimony, am I correct in saying that tobacco use is one of the contributors to heart disease? Is there funding going to the heart disease groups from the tobacco groups?
840
Karen Macdonald: I can only tell you what we did in our practice in MedCenter One. Every time someone with a heart problem who has had bypass surgery, lights up a cigarettes an immediate physiological response with the blood cells ensues and places them at risk. It decreases the amount of oxygen that goes to tissue and impedes healing; in fact many surgeons won't even do surgery on someone who smokes as it leads to disastrous results if they continue to smoke. The effort has to be that I could encourage people to quit smoking, but I needed to give them some very concrete steps about what you can do.

Using the quit line was number one. Talking to ex-smokers about what other avenues to cease smoking is another means.

Representative Kaldor: Yesterday we had on testimony from Go Red. Sometimes it seems like we have silos of cause i.e. one for tobacco prevention and control, another for diabetes, another for heart disease. Could you explain the value of prevention that, that has on the cardiology effort? Have you seen concrete results in your own practice?
Karen Macdonald: I can only give you anecdotal notes. Based on assessments I've done, it is extremely rare to see a person with heart disease who doesn't have a history of tobacco use.

Representative Metcalf: the cancer in most cases (anecdotal) started in another portion of the body and it works its way up into the lungs. It seems like individuals die from lung cancer/lung disease versus the actual cancer that person started with. Am I wrong with this information?
Karen Macdonald: You are dealing with two different things. Primary lung cancer is predominantly caused by exposure to the tars in nicotine. Thus primary lung cancer is rare in those who haven't smoked or been exposed to second hand smoke or third hand smoke (those exposed by an individual who smokes outside but brings particles on body, clothes, hair inside). Metastatic lung cancer (cancer that was present in another part of the body) typically comes from bone, prostate, and that is where it will metastasize or spread.
Representative Metcalf: when I ask what these individuals died from, the answer is lung cancer. I don't know which level of lung cancer it was. If they died from metastatic lung cancer, why isn't the cancer named after the organ it started in.
Karen Macdonald: From a laymen's perspective, breathing is very important and you might have prostate cancer, which is not going to kill you, but if you have something that moves to your breathing apparatus, that is going to be very harmful. I think the statistics that you can read (I can provide these), we are talking about primary lung cancer. When you talk about silos, I don't see, in the nursing profession, that we are building silos. What we are trying to do is position affect on lifestyle and it doesn't make any difference what the area is. What we want is for our citizens to live longer by making lifestyle changes, like quitting smoking, watching your weight, getting exercise; nursing works in all those areas.

Chairman Pollert: I see silos being built in the appropriations process between groups in the legislature, not between individuals that we have coming up and testifying

Representative Kreidt: in regards to heart disease, isn't there a heredity factor involved in that?
Karen Macdonald: That is part of our assessment. For instance, women who present with heart disease have much higher changes of death as they are not as in touch with their symptoms, genetic history, etc. However there is not a single cause. If we wipe out tobacco smoking, we will still have heart disease, however the deaths related to it, won't be as tragic as it wasn't self imposed.

Beth Hughes, ND Society for Respiratory Care, presented written testimony in support of HB 1025 and is labeled as attachment **THREE.**

Kimberlee Schneider, Manager of Advocacy and Tobacco Control with the American Lung Association in ND, provided testimony, labeled as attachment **FOUR.**

Pat McGeary, ND Tobacco Prevention and Control Advisory Committee, provided testimony, labeled as attachment **FIVE.**

Representative Nelson: what strategies did you incorporate in the 3 cities that enacted smoke free legislation?
Pat McGeary: The resources that we spend are on promoting documentation, bringing forth documents, organizing people, building our coalitions, developing our tobacco policy with our decision makers, organizing fact sheets, building our capacity, and doing broad public education in our whole community. We had many individuals come to us requesting help in getting clean air where they work such as employees at bars, artists, musicians, etc.
Representative Nelson: it was a combined effort of people on the committee, but the volunteer effort was the major impetus for on the ground work?
Pat McGeary: Correct
Representative Nelson: I always thought that one of the goals that was considered early and was one of the most effective policies, was a higher cigarette tax, especially for younger people, to make it unaffordable. Yet, the committee didn't choose to go forward with a tax increase. Why?
Pat McGeary: We have a lot of ground work on education to do on cigarette tax. As you can see from the summary of the things we have accomplished, we are in the early stages of doing some public education on the cigarette tax and the great benefits from it.
Representative Nelson: who wasn't ready? You raise the taxes on cigarette packs, the number of smokers go down. Isn't it that black and white?
Pat McGeary: Yes, that's right.
Representative Nelson: from a strategy regarding the tobacco use in bars, why wasn't there an effort of a statewide ban? Wasn't that another goal?
Pat McGeary: We received from the direction from the legislators to work city by city and come back to the session to ask for a smoking ban.

Kayla Meter, Health Pros (Peers Reaching Out) at the University of Mary, provided testimony, labeled as attachment **SIX.**

Chairman Pollert: Do you have other groups at other universities?
Kayla Meyer: I am not sure.

Representative Kaldor: what do you see happening on the campus at U of Mary? Was there a change that took place as a result of this? Were there a lot of students smoking before that are now quitting?
Kayla Meyer: A couple of weeks ago, we did pass a tobacco free policy campus wide which will be implemented in the fall 2011.

Representative Nelson: the expansion to smoke free on the campus, how will you phase that in?
Kayla Meyer: starting in fall 2011, for the first six months we are going to start with education and we will serve warnings (no fines) and after these six months, we are going to have a process of the policy getting phased in.

Representative Nelson: is this somewhat self policed? For instance, if you see another student smoking, you turn that person in?
Kayla Meyer: The Deans are going to be in charge of the faculty members and then students to students.

Representative Kreidt: Before you got into this, did you a survey on campus of how many students are smoking? Are you going to do follow up?
Kayla Meyer: In the spring of 2010, the exercise science program did a poll, resulting in data showing 13% of students and faculty use tobacco products on campus. We will resurvey again and haven't come to a date on that yet.

Due to there being no further testimony, **Jeanne Prom**, executive director of the Center for Tobacco Prevention and Control Policy, provided and went through information, labeled as attachment **SEVEN.**

Vice Chairman Bellew: can you give me an explanation for temporary salaries?
Jeanne Prom: Reflects the addition of 3.5 FTE (1 for grants management, 1 for community intervention coordinator (outreach), 1 for evaluation coordinator, .5 for accountant)
Vice Chairman Bellew: if these are FTEs, how come they are temps?
Jeanne Prom: We requested permanent, but in the governor's budget they are temp
Vice Chairman Bellew: what type of benefits do they have?
Jeanne Prom: Yes, last session, the legislature allowed for health insurance for temp employees.

Representative Nelson: Are there retirement benefits for these employees?
Jeanne Prom: there are no retirement benefits for temp

Representative Wieland: you are paying $40,000 a biennium to DOH for accounting services?
Jeanne Prom: That is correct.
Representative Wieland: when you move it to your dept, how much will that be?
Jeanne Prom: $84,848 for the biennium, including the benefits

Representative Kaldor: in the recommended budget, is the .5 accountant considered in the salaries line item? Or in contracts?
Jeanne Prom: Both, we have a transition period where there will be a few thousand dollars needed. Our board members are considered in that line item as well.

Representative Nelson: on the grants manager, are you contracting that with DOH?
Jeanne Prom: We want to expand the number of grants as we build our capacity so we need another person
Representative Nelson: in any of these three positions, are you contracting these services with DOH?
Jeanne Prom: The only area was the half time accountant with DOH

Vice Chairman Bellew: the board members are paid per diem?
Jeanne Prom: $135 per meeting, plus travel.

Representative Kaldor: you've issued 51 grants and I anticipate you issuing more. How are you monitoring those grants right now?
Jeanne Prom: We are spreading that around. As we move beyond this point, we need to do more training and technical assistance and the time is now to start that. Current grants and several more as well as issue service the procurement officer, proposal, award bids,

Chairman Pollert: your current FTE load, you are managing 51 grants for how much money? Grants of $4.8M?
Jeanne Prom: There are details of the grants in the attachment **SEVEN.** There are 51 grants and there are two major types of grants that go to our local public health units and those total $5.9M. Those are the grants that we assumed from the DOH. In addition, there are a few extra pages of other grants that we initiated and those are the grants that we see are expanding with additional grantees and also moving into the evaluation piece of our program. There are seven in addition to the 51.
Chairman Pollert: did you say you were going to be going up to 75-76?
Jeanne Prom: yes, in the documents, that is anticipated for next biennium.
Chairman Pollert: currently, you are doing 51 and you're estimating to go to 75 or 76.
Jeanne Prom: yes, it's around that number.
Chairman Pollert: are you attempting to get grants from other locations?
Jeanne Prom: we have the authority (by law, not spending authority) to do that if we want. We only have spending authority to spend this amount which we already have. We are not pursing any other funding source at this time.

Representative Kaldor: the grant line item; I can't find the $5.9M you are talking about.
Jeanne Prom: what you have before you is a request by the legislative council to report where all of our grants go (attachments **NINE** and **TWELVE).**

Vice Chairman Bellew: you have $8.8M for grants for this biennium. Do you have a breakout of where you anticipate that grant money going?
Jeanne Prom: Yes, you have that on the last page of attachment **SEVEN.**
Vice Chairman Bellew: I am referring to next biennium. They will be proposed grants, but you had to have a way to come up with that figure.
Jeanne Prom: that is one of the inclusions in our budget request
Chairman Pollert confirmed that Office of Management and Budget can provide this

Representative Kreidt: I had asked for information on your buildings you are leasing.
Jeanne Prom: We have documents with that information.
Representative Kreidt: you have nine members on the advisory committee. Did we get a list of the committee members?
Jeanne Prom: I can provide that

Chairman Pollert: you have a substantial increase in rental lease so could you tell me where you are at right now. Do you have to lease more parts of the building? I am trying to see where the $27,000 comes from.
Jeanne Prom: this information is included on the last page of attachment **EIGHT.** It's $26,000 this biennium and that's for 4.0 staff people. We do have a small conference room as well. I figured we would need more space in the current building.

Chairman Pollert: it would be in the current building so everything would be in one central location. You are looking for more appropriation for more space.
Jeanne Prom: There currently is space available in our building so we could hopefully expand where we are.
Chairman Pollert: On the grants line item, you've got $94,000. Is that money to local public health units?
Jeanne Prom: that is correct
Chairman Pollert: the next page would be grants going to all local public health units?
Jeanne Prom: yes, two different kinds of grants but for the most part, just about the same. The first $940,000 goes to every single health unit, all 28, and the second list goes directly or indirectly to all 28 local public health units (both non-competitively). The first smaller amount of $1M is to incorporate the AAR and the second group of grants ($6M) is for the full program.
Chairman Pollert: are you giving any grants to the American Heart Association or anywhere else or is all your money being funneled through the local public health units?
Jeanne Prom: It is also available for other agencies that share our mission. We are in process of offering grants again and certainly organizations like the Heart Association would be eligible to apply. We have offered grants two times in the past and it was opened to anyone who would want to apply.
Chairman Pollert: so have any grants been given to other entities that aren't tobacco related but tobacco could be in cardiovascular. Have you done any grants to them or have the grants been turned down that have been applied for?
Jeanne Prom: There have been applications that haven't been awarded funding because they weren't specific to our particular call for proposals. It doesn't make the agency ineligible, just the particular proposal.
Chairman Pollert: could a person apply for a grant and be given money for that, as long as it's related to tobacco?
Jeanne Prom: As long as it fits into our mission and we are required to do CDC best practices. That can encompass a lot. We want more and more agencies to be interested in our funding and partner with us.
Chairman Pollert: in looking at attachment **SEVEN**, you are giving $25,000 to the American Nonsmokers' Rights Foundation in Berkley, California. Can you explain this?
Jeanne Prom: That is correct. They serve as a fiscal agent to help our communities with education on smoke free.
Chairman Pollert: there is nobody in ND to do that?
Jeanne Prom: They are an expert in the nation on that topic area. They are providing great technical assistance to our communities and certainly go beyond the expertise that we have in our state currently.

Representative Nelson: how much of the IT is increased equipment and service because of the additional people and how much of it is increased charges for existing service?
Jeanne Prom: It's both and the fees from IT did increase so they were figured at the increased level and at 8 people.
Representative Nelson: they changed their methods of assessing state agencies and it's by the number of hook ups.
Jeanne Prom: There are two lines: data processing and telecommunications. It reflects an increase in fee schedule from IT and doubling the number of people

Representative Nelson: in those three items, the IT data processing, IT telecommunications, and IT contractual services, all of that isn't through ITD? Are there contractual services you have outside of that?
Jeanne Prom: ITD includes IT data processing and IT communications and the IT contractual is an anticipated large contract with a company that we are currently working with and the health dept has also been in a contractual relationship for several years. They actually were working together on a project to upgrade and improve the electronic reporting of expenditure reports and all grants and we are in partnership with DOH on that .because we serve the same kind of grantees and that is the $200,000 in contractual services.

Chairman Pollert: that has nothing to do with the ITD?
Jeanne Prom: The ITD had to bless any kind of contract like this, so they are involved, but this is not contracting with ITD.

Representative Nelson: the DOH has that particular service and you are duplicating that in your office?
Jeanne Prom: We are sharing. DOH allowed us to be part of that system because we have the same contractees.

Representative Wieland: you are expected to pay whatever sum of money (it looks substantial) for a non new program, mostly software and you have the same agency.
Jeanne Prom: We, as the DOH, have some of the same organizations that we contract with; for example, local public health units. This is not for an individual client kind of tracking system. This is highly technical work to create a new system that can do so much more. It works well for simple requests for reimbursement, but we want to expand that so everything is online.

Representative Kaldor: is this something that is expected to occur or is this a ramping up cost that will normalize or level out at a lower level?
Jeanne Prom: This is a ramping up and this will serve us well for years after we upgrade.

Chairman Pollert: personal fees and services, why the $2M reduction?
Jeanne Prom: We budgeted for more in personal fees and services that really should have been in grants and this reflects that we are going to be spending the same amount of money but in the more appropriate line item.

Vice Chairman Bellew: could we get a list of employees like we do in the other areas, Office of Management and Budget?
Office of Management and Budget: yes (attachment **ELEVEN**).

Chairman Pollert: how much money are you thinking you are going to have spent of that budget? you aren't going to spend all the $12.8M? How much money will be put into the trust fund? How much will be the difference be with 09-11 and now?
Jeanne Prom: I have copies of that (attachment **TEN** – tobacco prevention and control trust fund status statement)

Chairman Pollert: at the end of 09 you had a balance in the trust fund of $14.1M. If you would have spent the whole $12.8M, it would have been $29M and the revised forecast is $25M.
Jeanne Prom: The deposits haven't been as great as forecasted.
Chairman Pollert: I thought the fund would grow if you weren't spending all the money?
Office of Management and Budget: we have not received the same deposits from the tobacco companies that were projected at the beginning of the time of the lawsuit.
Chairman Pollert: the difference between the $26M, revised in 11 and the $12.9M gets to $37M. When measure 3 was passed, do you think the voters were voting to have a trust fund set up for after the year 2017?
Jeanne Prom: Yes, I believe the information shared with them was this amount of money is time limited, but it will provided enough money for a 20 year program that will significantly reduce tobacco use in our state. It wasn't called a legacy fund, but it operates as such.

Vice Chairman Bellew: what are special initiative grants?
Jeanne Prom: these allow either places that already have a contract with us or those that don't, an opportunity to apply for competitive funding for special projects that are outlined. The policy is to support a best practice which is smoke free policy or another kind of policy, the education of the public on that, but as it was discussed before, those are private/public partnerships and this is the public side of it. The special initiative grant for statewide organizing is to take those organizations that have an interest in tobacco use prevention and provide specific education for their members on tobacco use prevention. The other is going to allow for opportunities to take advantage of those as they arise.

Representative Nelson: your total budget is only increasing $40,000; most of which will be salaries. Also, you speak of your grants going from 51 to 76. The non competitive grants (the $940,000 that you're granting this biennium) are that going to stay the same to the public health units in the next biennium?
Jeanne Prom: Yes, that's going to stay the same.
Representative Nelson: when we get into the competitive grants, they'll be at a lesser dollar figure? How do you plan on administering more grants with limited increase in funding?
Jeanne Prom: We may have more, but they'd be smaller.

Chairman Pollert: in looking at the list of state aid or grants, should I be seeing the American Heart Association, Women's Way, etc? Wouldn't that be part of CDC or tobacco related?
Jeanne Prom: Some of it is there like the AAR that is implemented at the local public health unit level in all their client based programs which includes the programs you mentioned. We would love to have partnership with some of the other chronic disease areas so we could work on common goals.
Chairman Pollert: we are being asked to increase Heart and Stroke for instance, but couldn't they get funding through your organization?
Jeanne Prom: if it meets CDC best practices.
Chairman Pollert: you should be funding something to Women's Way or Breast Cancer or Stroke and Heart (if it's tobacco related), but we really don't know that
Jeanne Prom: we are funding that right now through the AAR program
Chairman Pollert: how many dollars worth is that?

Jeanne Prom: The first grant is $940,000.
Chairman Pollert: could that be going for other things on a local basis?
Jeanne Prom: The $940,000 in tobacco settlement state aide is to support the connecting of people who use tobacco if they are in a client based program at the local public health unit (i.e. Woman's Way) to connect them with the cessation services that are available, usually the quit line. That's integrated throughout the local public health unit programs whether they are focused on cancer or heart disease or childhood immunizations.
Chairman Pollert: if you are giving grant dollars to the local public health units, should we be funding them FTEs or would they have FTEs paid from your grants?
Jeanne Prom: with this funding, 11 employees have been added on to the local public health units, in addition to those that may have been there before.

Representative Nelson: can you provide the committee with CDC best practices cheat sheet so we can be cognizant of what qualifies for CDC?
Jeanne Prom: this information has been provided (labeled as attachment **EIGHT**).

Chairman Pollert informed **Jeanne Prom** that clerk would notify her when amendments will be discussed on HB 1025 and adjourned hearing.

2011 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Human Resources Division
Roughrider Room, State Capitol

HB 1025
February 17, 2011
14721

☐ Conference Committee

Committee Clerk Signature Julia Zeigle

Explanation or reason for introduction of bill/resolution:

To provide an appropriation for defraying the expenses of the comprehensive tobacco control advisory committee

Minutes:

Chairman Pollert called committee back to order and opened hearing on HB 1025.**Jeanne Prom**, Executive Director of ND Tobacco Prevention and Control Advisory/Executive Committee, provided document for committee's information, labeled as attachment **ONE** which described the organization's work related to the 2011-2013 budget request as outlined in HB 1025. **Tobacco Free ND** also provided a document, labeled as attachment **TWO**, for the committee's information outlining facts and statistics to support measure 3. Chairman Pollert reported that he would be referring to the ND Tobacco Prevention and Control Advisory/Executive Committee as the tobacco group for simplicity. Proposed amendments were distributed by committee members for discussion.

Vice Chairman Bellew: I am proposing amendment .01003 (attachment **THREE**). Currently their budget is a one line budget and I changed that so they have to show that there is salary line item, operating expense line item, and a grants line item which is just like what other agencies do. In the temporary salary line item, I removed $518,000 (temp salaries with benefits) because I believe we should give this money out for grants. Four employees are enough to manage the grants. Also, they had a $200,000 contract with Nexius innovations to sign for next biennium. I don't see a need in it as they got by without it this biennium. I'd like to see that money go to grants. The more grants, the better it is for the smoking cessation program.

Chairman Pollert: you are basically doing the same things as all the other agency budgets and my amendment does the same thing.
Vice Chairman Bellew: that's correct.
Chairman Pollert: Legislative Council, when you drafted this, you went off of the information that was provided to you from the tobacco group's information on salaries, grants, etc.?
Legislative Council: that's correct. I used their detailed testimony.
Vice Chairman Bellew: I move to adopt amendment .01003
Representative Kreidt: second

Representative Kaldor: these FTEs are temporary because that's what has been required.
Vice Chairman Bellew: these were just the temporary salaries being requested in the upcoming budget
Chairman Pollert: you're removing the 3.5 FTEs requested and the $200,000 for the temp salaries.
Vice Chairman Bellew: that's correct. They asked for 3 FTEs in their budget presentation which was all put into temp salaries and there wasn't an FTE included in their budget.
Chairman Pollert confirmed that for the dollar amount, Vice Chairman Bellew flipped that right back into grants that they can expend out
Representative Kaldor: the reason for the request is that they're grants are growing and that will continue to grow. I want them to have control and be able to monitor those grants and in testimony, they communicated they need these people. We need people to make sure we are issuing the right grants to the right people and if this doesn't occur, that would be failure to provide an oversight.
Representative Nelson: they were sharing some of that program with DOH and it was for reporting purposes and we require some of these reports and the uses of the grant money and that is what this was intended to do.
Chairman Pollert: the $200,000 for the computer system is what you mean.
Representative Nelson: yes, sorry.
Vice Chairman Bellew: the purpose is to put more money in the grants line item because that's where the effectiveness is for increased smoking cessation.

Due to no further discussion, roll call vote taken on amendment .01003 resulting in 2 yes, 5 no, and 0 absent thus motion failed.

Chairman Pollert went over amendment .01002 (attachment **FOUR**) and moved to adopt amendment .01002.
Representative Nelson: second

Representative Kaldor: laying it out like this will be more amenable to the legislature. My concern is about those 2.5 FTEs. Half of that FTE is for that accountant position?
Chairman Pollert: what they want to do they can do as it is a dollar amount. If they decided they want to do two part time positions, we would be authorizing that. Is that correct, Legislative Council?
Legislative Council: the position you gave them was $151,824 and that's in the temporary line, so it's however they want to use that.
Representative Kaldor: this is a better move and I appreciate it. I'm still going to resist the amendment but I don't necessarily disagree with the accountant position being retained in DOH based on earlier testimony. As I see this, we would be constraining their abilities. Those two are important positions. If part of that reduction had gone into operating, we could have given them more flexibility. I'll resist the amendment, with some reservations.
Representative Nelson: the total employee package for smoking prevention and cessation programs between the NDDOH and the tobacco group has grown one FTE with the changes we've made. It's a strong message. I agree with the changes as far as reporting to the budget section, however I thought the overview and the detailing of this budget was the most understandable budget of any I've heard the first half of the session.

Due to no further discussion, roll call vote taken on amendment .01002 resulting in 6 yes, 1 no, and 0 absent thus motion carried.

Chairman Pollert went over amendment .01004 (attachment **FIVE**) and moved for committee to adopt amendment.
Representative Wieland: second

Due to no further discussion, roll call vote taken on amendment .01004 resulting in yes, 5 no, and 0 absent thus motion failed.

Representative Kreidt: moved do pass as amended for HB 1025
Representative Nelson: second

Due to no further discussion, roll call vote taken on HB 1025 for do pass as amended resulting in 7 yes, 0 no, 0 absent thus motion carried.
Chairman Pollert assigned self to be carrier of the bill.

Chairman Pollert adjourned hearing on HB 1025.

2011 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Committee
Roughrider Room, State Capitol

HB 1025
2/21/11
14758

☐ Conference Committee

Committee Clerk Signature Julia Gegle

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the comprehensive tobacco control advisory committee; and to provide for reports

Minutes:

Chairman Delzer: Called the committee to order. Roll was called and a quorum was declared. Opened hearing on HB 1025. Information provided by Tobacco Free ND for committee's information, labeled as attachment **TWO.**

Representative Pollert: Introduced HB 1025 and explained amendment .01005 (see attachment **ONE**). I move to adopt amendment .01005.

Vice Chairman Bellew: second

Chairman Delzer: On the operating expenses of almost $3 million, does that include direct advertising?

Representative Pollert: A lot of their items will be professional services, as well as grants.

Chairman Delzer: Questions by the committee?

Representative Kaldor: On the capital asset line item, could you clarify? I'm assuming that is where the computer system was originally funded.

Sheila Sandness, Legislative Council: the $200,000 is actually in contractual services in the operating line.

Representative Kaldor: In capital assets then, what were those dollars intended to be used for? Is that for expenditures over $5000?

Sandness: They would have used that for equipment over $5000. I do not have a breakdown with me.

Amendment .01005 carries by voice vote

Representative Bellew: I move for a verbal amendment to remove money from temporary FTE line and move to grants line ($151,824) and remove authority for the one FTE. The grants go from 39 to 56; however they have four FTE which is more than sufficient thus I propose to remove the temporary FTE.

Representative Dosch: Second

Representative Kaldor: I oppose this, and this similar amendment was defeated in section and I would hope that the full committee would do the same. I would oppose removing any of the authority for the FTE because of the increased grants and increased requirements for oversight of the grants that have already been extended. The money needs to be ensured that it is being used for the purposes intended. This is what I would describe as due diligence. We've removed that flexibility from their budget completely with the amendments that were just adopted and this would create one more problem for them.

Roll call vote for adoption of voice amendment resulted in 8 yes, 12 no, and 1 absent, thus motion failed.

Representative Pollert: I move a Do Pass as Amended for HB 1025

Representative Wieland: Second

Chairman Delzer: Discussion?

Representative Glassheim: does this eliminate the initiated measure?

Chairman Delzer: Not in this bill.

Representative Kaldor: It does not. This is the funding level bill. The constraint we've put on them is we've defined how they can utilize their resources, but we've not reduced their funding.

Chairman Delzer: it is the mid level CDC recommendation?

Representative Kaldor: that all depends on what happens with HB 1004 and HB 1353. We've got two other bills that interact with this that have a relationship to the CDC level.

Representative Pollert: HB 1025 is reducing the governor's recommended of the 3.5 FTEs and the temporary salary line down 2.5 and keeping 1 in there. The dollars that were called back were put in the grants line item so total dollars stayed the same

Chairman Delzer: It also splits it into the line item

Roll call vote taken, resulting in 14 yes, 6 no and 0 absent, thus motion passed for a Do Pass as Amended on HB 1025. **Representative Pollert** was assigned as the carrier to the floor. Hearing was closed on HB 1025.

- Attachment THREE

11.8120.01003
Title.
Fiscal No. 3

Prepared by the Legislative Council staff for
Representative Bellew
February 16, 2011

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1025

Page 1, replace line 11 with:

"Salaries and wages	$517,456	$96,699	$614,155
Operating expenses	4,696,815	(1,929,206)	2,767,609
Capital assets	13,764	(13,764)	0
Grants	7,653,965	1,886,885	9,540,850"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1025 - Tobacco Prevention & Control Exec Comm - House Action

	Executive Budget	House Changes	House Version
Salaries and wages		$614,155	$614,155
Operating expenses		2,767,609	2,767,609
Grants		9,540,850	9,540,850
Tobacco Prevention and Control Exec Comm	12,922,614	(12,922,614)	
Total all funds	$12,922,614	$0	$12,922,614
Less estimated income	12,922,614	0	12,922,614
General fund	$0	$0	$0
FTE	4.00	0.00	4.00

Department No. 305 - Tobacco Prevention & Control Exec Comm - Detail of House Changes

	Provides Multiple Line Appropriation[1]	Removes 3.5 Temporary FTEs[2]	Increases Grant Funding[3]	Removes IT Contract Services Funding[4]	Total House Changes
Salaries and wages	$1,132,494	($518,339)			$614,155
Operating expenses	2,967,609			(200,000)	2,767,609
Grants	8,822,511		718,339		9,540,850
Tobacco Prevention and Control Exec Comm	(12,922,614)				(12,922,614)
Total all funds	$0	($518,339)	$718,339	($200,000)	$0
Less estimated income	0	(518,339)	718,339	(200,000)	0
General fund	$0	$0	$0	$0	$0
FTE	0.00	0.00	0.00	0.00	0.00

[1] This amendment removes the comprehensive tobacco control line item and provides funding by object code line items.

[2] This amendment removes the salaries and wages and fringe benefits for the following temporary FTE positions:

- .50 accountant - $86,787.

- 1.00 community intervention coordinator - $127,904.
- 1.00 evaluation coordinator - $151,824.
- 1.00 grants manager - $151,824.

[3] Funding for grants is increased.

[4] This amendment removes funding for information technology contract services.

Date: 2/17/11
Roll Call Vote # 1

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1025

House Appropriations Human Resources Division **Committee**

☐ Check here for Conference Committee

Legislative Council Amendment Number .01003

Action Taken: ☐ Do Pass ☐ Do Not Pass ☐ Amended ☒ Adopt Amendment

☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Rep. Bellew Seconded By Rep. Kreidt

Representatives	Yes	No	Representatives	Yes	No
Chairman Chet Pollert		✓	Rep. Lee Kaldor		✓
Vice Chairman Larry Bellew	✓		Rep. Ralph Metcalf		✓
Rep. Gary Kreidt	✓				
Rep. Jon Nelson		✓			
Rep. Alon Wiedland		✓			

Total (Yes) 2 No 5

Absent 0

Floor Assignment

If the vote is on an amendment, briefly indicate intent:

see attachment THREE

Motion Failed

- Attachment Four

11.8120.01002
Title.
Fiscal No. 2

Prepared by the Legislative Council staff for
Representative Pollert
February 16, 2011

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1025

Page 1, replace line 11 with:

"Salaries and wages	$517,456	$248,524	$765,980
Operating expenses	4,696,815	(1,729,206)	2,967,609
Capital assets	13,764	(13,764)	0
Grants	7,653,965	1,535,060	9,189,025"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1025 - Tobacco Prevention & Control Exec Comm - House Action

	Executive Budget	House Changes	House Version
Salaries and wages		$765,980	$765,980
Operating expenses		2,967,609	2,967,609
Grants		9,189,025	9,189,025
Tobacco Prevention and Control Exec Comm	12,922,614	(12,922,614)	
Total all funds	$12,922,614	$0	$12,922,614
Less estimated income	12,922,614	0	12,922,614
General fund	$0	$0	$0
FTE	4.00	0.00	4.00

Department No. 305 - Tobacco Prevention & Control Exec Comm - Detail of House Changes

	Provides Multiple Line Appropriation[1]	Removes 2.5 Temporary FTEs[2]	Increases Grant Funding[3]	Total House Changes
Salaries and wages	$1,132,494	($366,514)		$765,980
Operating expenses	2,967,609			2,967,609
Grants	8,822,511		366,514	9,189,025
Tobacco Prevention and Control Exec Comm	(12,922,614)			(12,922,614)
Total all funds	$0	($366,514)	$366,514	$0
Less estimated income	0	(366,514)	366,514	0
General fund	$0	$0	$0	$0
FTE	0.00	0.00	0.00	0.00

[1] This amendment removes the comprehensive tobacco control line item and provides funding by object code line items.

[2] This amendment removes the salaries and wages and fringe benefits for the following temporary FTE positions:

- .50 accountant - $86,786.

- 1.00 community intervention coordinator - $127,904.
- 1.00 evaluation coordinator - $151,824.

3 Funding for grants is increased.

Date: 2/17/11
Roll Call Vote # 2

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1025

House Appropriations Human Resources Division **Committee**

☐ Check here for Conference Committee

Legislative Council Amendment Number .01002

Action Taken: ☐ Do Pass ☐ Do Not Pass ☐ Amended ☒ Adopt Amendment
☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Chairman Pollert Seconded By Rep. Nelson

Representatives	Yes	No	Representatives	Yes	No
Chairman Chet Pollert	✓		Rep. Lee Kaldor		✓
Vice Chairman Larry Bellew	✓		Rep. Ralph Metcalf	✓	
Rep. Gary Kreidt	✓				
Rep. Jon Nelson	✓				
Rep. Alon Wiedland	✓				

Total (Yes) 6 No 1

Absent 0

Floor Assignment

If the vote is on an amendment, briefly indicate intent:

see attachment four

- Attachment FIVE

11.8120.01004
Title.

Prepared by the Legislative Council staff for
Representative Pollert
February 17, 2011

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1025

Page 1, after line 13, insert:

"**SECTION 2. REPORTS TO THE BUDGET SECTION.** The tobacco prevention and control executive committee shall provide written reports to the budget section quarterly during the 2011-12 interim. The reports must include detailed information on expenditures for contract services, professional fees and services, and grants."

Renumber accordingly

Date: 2/17/11
Roll Call Vote # 3

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1025

House Appropriations Human Resources Division **Committee**

☐ Check here for Conference Committee

Legislative Council Amendment Number .01004

Action Taken: ☐ Do Pass ☐ Do Not Pass ☐ Amended ☒ Adopt Amendment

☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Chairman Pollert Seconded By Rep. Wieland

Representatives	Yes	No	Representatives	Yes	No
Chairman Chet Pollert	✓		Rep. Lee Kaldor	✓	
Vice Chairman Larry Bellew	✓		Rep. Ralph Metcalf	✓	
Rep. Gary Kreidt	✓				
Rep. Jon Nelson	✓				
Rep. Alon Wiedland	✓				

Total (Yes) 7 No 0

Absent 0

Floor Assignment

If the vote is on an amendment, briefly indicate intent:

see attachment FIVE

Date: 2/17/11
Roll Call Vote # 4

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1025

House Appropriations Human Resources Division **Committee**

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: ☒ Do Pass ☐ Do Not Pass ☒ Amended ☐ Adopt Amendment
☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Rep. Kreidt Seconded By Rep. Nelson

Representatives	Yes	No	Representatives	Yes	No
Chairman Chet Pollert	✓		Rep. Lee Kaldor	✓	
Vice Chairman Larry Bellew	✓		Rep. Ralph Metcalf	✓	
Rep. Gary Kreidt	✓				
Rep. Jon Nelson	✓				
Rep. Alon Wiedland	✓				

Total (Yes) 7 No 0

Absent 0

Floor Assignment Chairman Pollert

If the vote is on an amendment, briefly indicate intent:

11.8120.01005
Title.02000
Fiscal No. 4

Prepared by the Legislative Council staff for
House Appropriations - Human Resources
February 18, 2011

VK 2/21/11 1052

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1025

Page 1, line 2, after "committee" insert "; and to provide for reports"

Page 1, replace line 11 with:

"Salaries and wages	$517,456	$248,524	$765,980
Operating expenses	4,696,815	(1,729,206)	2,967,609
Capital assets	13,764	(13,764)	0
Grants	7,653,965	1,535,060	9,189,025"

Page 1, after line 13, insert:

"**SECTION 2. REPORTS TO THE BUDGET SECTION.** The tobacco prevention and control executive committee shall provide written reports to the budget section quarterly during the 2011-12 interim. The reports must include detailed information on expenditures for contract services, professional fees and services, and grants."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1025 - Tobacco Prevention & Control Exec Comm - House Action

	Executive Budget	House Changes	House Version
Salaries and wages		$765,980	$765,980
Operating expenses		2,967,609	2,967,609
Grants		9,189,025	9,189,025
Tobacco Prevention and Control Exec Comm	12,922,614	(12,922,614)	
Total all funds	$12,922,614	$0	$12,922,614
Less estimated income	12,922,614	0	12,922,614
General fund	$0	$0	$0
FTE	4.00	0.00	4.00

Department No. 305 - Tobacco Prevention & Control Exec Comm - Detail of House Changes

	Provides Multiple Line Appropriation[1]	Removes 2.5 Temporary FTE Positions[2]	Increases Grant Funding[3]	Total House Changes
Salaries and wages	$1,132,494	($366,514)		$765,980
Operating expenses	2,967,609			2,967,609
Grants	8,822,511		366,514	9,189,025
Tobacco Prevention and Control Exec Comm	(12,922,614)			(12,922,614)
Total all funds	$0	($366,514)	$366,514	$0
Less estimated income	0	(366,514)	366,514	0
General fund	$0	$0	$0	$0
FTE	0.00	0.00	0.00	0.00

[1] This amendment removes the comprehensive tobacco control line item and provides funding by object code line items.

[2] This amendment removes the salaries and wages and fringe benefits for the following temporary FTE positions:

- .50 accountant - $86,786.
- 1.00 community intervention coordinator - $127,904.
- 1.00 evaluation coordinator - $151,824.

[3] Funding for grants is increased.

A section is added to provide for quarterly written reports to the Budget Section during the 2011-12 interim.

Date: 2/21
Roll Call Vote #: 1

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1025

House Appropriations Committee

Legislative Council Amendment Number 01005

Action Taken: ☐ Do Pass ☐ Do Not Pass ☐ Amended ☒ Adopt Amendment

☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Rep. Pollert Seconded By Rep. Bellew

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer			Representative Nelson		
Vice Chairman Kempenich			Representative Wieland		
Representative Pollert					
Representative Skarphol					
Representative Thoreson			Representative Glassheim		
Representative Bellew			Representative Kaldor		
Representative Brandenburg			Representative Kroeber		
Representative Dahl			Representative Metcalf		
Representative Dosch			Representative Williams		
Representative Hawken					
Representative Klein					
Representative Kreidt					
Representative Martinson					
Representative Monson					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

voice vote carries

Date: 2/21
Roll Call Vote #: 2

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1025

House Appropriations Committee

Legislative Council Amendment Number _____

Action Taken: ☐ Do Pass ☐ Do Not Pass ☐ Amended ☒ Adopt Amendment
☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Rep. Bellew Seconded By Rep. Dosch

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer	X		Representative Nelson		X
Vice Chairman Kempenich			Representative Wieland		X
Representative Pollert		X			
Representative Skarphol		X			
Representative Thoreson	X		Representative Glassheim		X
Representative Bellew	X		Representative Kaldor		X
Representative Brandenburg	X		Representative Kroeber		X
Representative Dahl		X	Representative Metcalf		X
Representative Dosch	X		Representative Williams		X
Representative Hawken		X			
Representative Klein	X				
Representative Kreidt	X				
Representative Martinson		X			
Representative Monson	X				

Total (Yes) 6 No 12

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

remove the temporary FTE $151,824
move the money to the grants line

motion fails

Voice vote uncertain

Date: 2/21
Roll Call Vote #: 3

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1025

House Appropriations Committee

Legislative Council Amendment Number 01005

Action Taken: ☒ Do Pass ☐ Do Not Pass ☒ Amended ☐ Adopt Amendment
☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Rep Pollert Seconded By Rep. Wieland

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer	X		Representative Nelson	X	
Vice Chairman Kempenich			Representative Wieland	X	
Representative Pollert	X				
Representative Skarphol	X				
Representative Thoreson	X		Representative Glassheim		X
Representative Bellew		X	Representative Kaldor		X
Representative Brandenburg	X		Representative Kroeber		X
Representative Dahl	X		Representative Metcalf		X
Representative Dosch	X		Representative Williams		X
Representative Hawken	X				
Representative Klein	X				
Representative Kreidt	X				
Representative Martinson	X				
Representative Monson	X				

Total (Yes) 14 No 6

Absent 1

Floor Assignment Rep. Pollert

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1025: Appropriations Committee (Rep. Delzer, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 6 NAYS, 1 ABSENT AND NOT VOTING). HB 1025 was placed on the Sixth order on the calendar.

Page 1, line 2, after "committee" insert "; and to provide for reports"

Page 1, replace line 11 with:

"Salaries and wages		$517,456	$248,524
$765,980			
Operating expenses	4,696,815	(1,729,206)	2,967,609
Capital assets	13,764	(13,764)	0
Grants	7,653,965	1,535,060	9,189,025"

Page 1, after line 13, insert:

"**SECTION 2. REPORTS TO THE BUDGET SECTION.** The tobacco prevention and control executive committee shall provide written reports to the budget section quarterly during the 2011-12 interim. The reports must include detailed information on expenditures for contract services, professional fees and services, and grants."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1025 - Tobacco Prevention & Control Exec Comm - House Action

	Executive Budget	House Changes	House Version
Salaries and wages		$765,980	$765,980
Operating expenses		2,967,609	2,967,609
Grants		9,189,025	9,189,025
Tobacco Prevention and Control Exec Comm	12,922,614	(12,922,614)	
Total all funds	$12,922,614	$0	$12,922,614
Less estimated income	12,922,614	0	12,922,614
General fund	$0	$0	$0
FTE	4.00	0.00	4.00

Department No. 305 - Tobacco Prevention & Control Exec Comm - Detail of House Changes

	Provides Multiple Line Appropriation[1]	Removes 2.5 Temporary FTE Positions[2]	Increases Grant Funding[3]	Total House Changes
Salaries and wages	$1,132,494	($366,514)		$765,980
Operating expenses	2,967,609			2,967,609
Grants	8,822,511		366,514	9,189,025
Tobacco Prevention and Control Exec Comm	(12,922,614)			(12,922,614)
Total all funds	$0	($366,514)	$366,514	$0
Less estimated income	0	(366,514)	366,514	0
	$0	$0	$0	$0

General fund				
FTE	0.00	0.00	0.00	0.00

---

[1] This amendment removes the comprehensive tobacco control line item and provides funding by object code line items.

[2] This amendment removes the salaries and wages and fringe benefits for the following temporary FTE positions:

- .50 accountant - $86,786.
- 1.00 community intervention coordinator - $127,904.
- 1.00 evaluation coordinator - $151,824.

[3] Funding for grants is increased.

A section is added to provide for quarterly written reports to the Budget Section during the 2011-12 interim.

2011 SENATE APPROPRIATIONS

HB 1025

2011 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee
Harvest Room, State Capitol

HB 1025
03-07-2011
Job # 15045

☐ Conference Committee

Committee Clerk Signature AT · Alice Delzer

Explanation or reason for introduction of bill/resolution:

A BILL to provide an appropriation for defraying the expenses of the comprehensive tobacco control advisory committee; and to provide for reports.

Minutes: See Attached Testimony"

Chairman Holmberg called the committee back to order on Monday, March 7, 2011 at 2:00 pm in reference to HB 1025. All committee members were present. Becky J. Keller, Legislative Council and Lori Laschkewitsch, OMB were also present.

Jeanne Prom, Executive Director of the Center for Tobacco Prevention and Control Policy. Testified in favor of HB 1025 and provided Testimony attached # 1. The Center is the office created with funding from the NDTPCEC (North Dakota Tobacco Prevention and Control Executive Committee.) The agency is responsible for the comprehensive tobacco control program in ND. Her testimony gives extensive information regarding the following: new agency's mission; tobacco use problems in ND; agency's accomplishments in its first 20 months of existence. Only proven-effective interventions were funded. Quitline use is up. Cigarette sales are down. Adult smoking has dropped in counties where data is available. Healthcare cost savings we will realize as we continue to reduce tobacco use in the 2011-2013 budget requests.

Chairman Holmberg asks to go back to the chart on page 6 and put together on page 7. We had a substantial increase in federal cigarette tax in 2009 and how much of that can you quantify in the reduction of cigarettes sold is your credit, or is it because the federal government increased the tax? What is your impact on the rise of the federal tax on cigarettes?

Jeanne Prom asks committee to look on top of page 7, there was the federal tax increase, compare those bars to fiscal year 2010, they are much higher. At beginning of 2010, no local public health unit had access to Quitline, before and after, that is what the actual table is on the next page. Yes, we can attribute some of the increase use to the Quitline from the tax increase, but for right now, as a response, ask your local public health unit how many people they referred to the Quitline in fiscal year 2009, compared to fiscal year 2010, and see it go to a 100% increase.

Chairman Holmberg states that the Quitline is funded by an appropriation through the health department and the Quitline is separate from the tobacco control group.

Jeanne Prom states that Chairman Holmberg's statement is correct. It is paid for by the community health trust fund. Jeanne continues on page 8 of her testimony. The good news being, we can actually have health care costs savings. Also, we can have an impact on Medicare costs which are tax funded. Two smoking related health issues, such as heart attack and chronic obstructive pulmonary disease, and we know what Medicare pays out to treat these. The medium Medicare payment made to Altru, Med Center One and Trinity, range from $5300 to almost $12,000 per person for a heart attack. That is tax payer funded. We know when we make places, smoke free, heart attacks are reduced. Exposure to second hand smoke can cause an immediate heart attack with some people. To treat COPD disease, that can range from $4000 to $8000 per person, to treat those patients in our state.

Senator Fischer asks when you refer to the $247 million in health care costs, related to smoking or are you relating to COPD and lung diseases such as emphysema? When you are looking at any hospital in the state, you are talking about heart attacks or other diseases, are you are counting every one as tobacco related? How do you get that information?

Jeanne Prom states the $247 million is smoking related healthcare costs.

Senator Fischer asks if this figure is related to tobacco?

Jeanne Prom states that is correct. That information is available through various sources the health department has and health insurance and we know what our smoking rates are.
Also, your next questions, deals with what I shared with you were the costs for COPD or a heart attack, whether they are caused by smoking or not. Another Medicaid expense, tax payer funded, is births, and we know that pregnant women, who smoke, are exposed to other smoke, can have complications that can average $1100-$1300 per birth and can be prevented. On Pages 9 and 10, is a fact sheet on what I just said. On the top of page 10, the chart indicates the savings, the first year from preventing a smoking affected birth. We do know what works, to bring our tobacco use rates down and to bring related health care costs down. We need to have adequately funded programs and they work. Our programs need to be insulated by the inevitable attempts, by the tobacco industry, to reduce program funding and otherwise interfere with the success of the program. This program needs to be sustained over time, to not only to protect the initial accomplishments, but also to achieve those further cuts, when we see the exponential increase to our health care savings.
In reference to our budget, page 13, the bottom line of our budget, increased from this biennium, by $40,614 which is the compensation package to cover the increases in salary, benefits, health insurance, retirement and employee assistance program. All of our funds are special funds from the Strategic Contribution Fund payments from the tobacco settlement. The vast majority of our funds are grants. In fact, together grants plus the portion of operating that goes into contracts for professional fees and services is almost 90% of our whole budget. So there is not much in operating costs and salaries after that. The executive committee requests 4 FTE's and also 3.5 temporary positions, with an optional request of having those positions be permanent. Please refer to attachments C, D and E, and they would provide you with our budget information. Adequate staffing is our critical issue. The Executive Committee supports

the governor's executive budget for the 2011-2013 biennium with special consideration for our optional request. The House amendments removed the line item budget and instead funded 4 object codes salaries operating capital assets and grants. They denied salaries and raises and fringe for 2.5 temporary positions that were requested. They transferred the amount, that would have funded those temp positions, to grants, and required, as we have done this past interim, the committee to report to the budget section. The impact of those amendments is that we maintain an unresolved critical issue in our agency. Which is the staffing to manage an additional 51 grants transferred from the Dept. of Health in 2009. Without the transfer of any FTE's, we have had to realign staff assignments and reprioritize our other programs, which we are required by law to do. We still have the issue of staffing and in addition to that the House opted to place staffing funds into the grants line item with the expectation that we actually award more grants. It is hard to award the grants we have with staff we had and now we are expected to do more of that. A new critical issue is staffing to manage those additional grants. We can manage additional grants in a few different ways. We had started with temp salaries, being one of those ways but we could also increase our operating budget, to allow for contracting for the management of those additional grants. Now that we are object code budgeting instead of line item budget, we are basically committed to those levels in the operating. Right now, in our operating line, 10% is dated operations and 90% is already committed to contracts and professional services. The House did increase our grants line item but not our operations line item. That puts us in a difficult position, if we have to contract for this work. We would need to secure emergency commission approval to increase any of those line items, like operating, and I am advised that not everyone thinks of those issues, as true emergencies, all the time.

V. Chair Bowman asks, "When you are talking about grants, is someone applying for grants and you have to administrate that?

Jeanne Prom states some are noncompetitive, some are competitive, A lot of what we do is the paperwork to get the grants out the door. On the back end a lot of technical assistance, day to day, to make sure that the grants are delivering.

V. Chair Grindberg asks, "Do you have any additional information on the organization and the bylaws or mission. I have a very simple question. Where do you fit in the state organizational chart?

Jeanne Prom states we are under Boards and Commissions. This is directly under the governor.

Senator Christmann asks about the 28 local public health units, are those people under the grants line item?

Jeanne Prom states "yes" they are part of the grants. They are employees of the local health unit, not of our organization.

Question is asked, "Are they county employees?"

Jeanne Prom states she is not sure if all of them are county or some may be considered city.

There are different organizational structures for public health units. They are not state employees.

Statement made that the 4 FTE's are state employees.

Sherry Adams, Executive Officer for the Southwestern District Health Unit testified in favor of HB 1025 and provided written Testimony attached # 2. I hope you will restore the original Measure 3 language that was amended out in HB 1004.

Chairman Holmberg asks Lori if she could you tell us how the tobacco control group fits into the state structure?

Lori Laschkewitsch states that they started out as an executive committee but they are a regular state agency under the Health and Human Services agencies. They have a budget like other state agencies.

V. Chair Grindberg asks if they would come under state agencies and they wouldn't have their own box, they would be under Health and Human Services?

Lori Laschkewitsch states yes, they would be under the Health and Human Services box, which would be all the 300 numbered agencies.

Dawn Aberle, speaking on her own behalf, **Respiratory Therapist**, who is a **certified tobacco treatment specialist**, testified in favor of HB 1025 and provided written Testimony attached # 3.

Senator Kilzer asked, "When you became certified, what was your course of study, did you pass an exam?"

Dawn Aberle states she did pass an exam, took classes and was completed by passing an exam.

Teresa Knox read highlights from Jane Croeker, UND Health and Wellness Promotion Specialist. Testimony attached # 4 in support of HB 1025.

Karen Macdonald, represents the ND Nurses Association, testified in favor of HB 1025 and ask that you restore the 80% requirement on the Community Health Trust Fund and provided written Testimony attached # 5.

Ellen Bjelland, representing the 14 organizations that make up the Barnes County ACHIEVE Partnership testified in favor of HB 1025 and provided written Testimony attached # 6.

Kayla Meier, Health Pro (Peers Reaching Out) from the University of Mary testified in favor of HB 1025 and provided written Testimony attached # 7.

Beth Hughes, represents ND Society for Respiratory Care, Respiratory Therapist and Educator in the state for 30 years. I am here to provide testimony and support of HB 1025 and fully funded with restoration of the 80% community health trust fund.
Respiratory Therapy practioners across the state have been enabled to help more patients quit their addiction to tobacco use through the use of ASK, ADVISE AND REFER system. We have been able to learn how to provide better education to communities, about the dangers of secondhand smoke and we have been helped to understand, how to use language that encouraged youth never to start. Evidenced based medicine is experts look at which practices, known as the best practices, provide the best quality, in the most cost effective manner and provide that information, as healthcare practioners, to the broader healthcare community for implementation. Through the efforts of the Center for Tobacco Prevention and Control Policy Center and the implementation of the CDC best practices, Respiratory Therapists across the state, for the first time, have had the opportunity to do well at what we have worked at for so very long. That is saving lives and as a bonus, saving the state of ND money at the same time.

Brenda Warren, Vice President of legislation for Tobacco Free ND, testified in favor of HB 1025 and provided written Testimony attached # 8. This is a statewide coalition of voluntary individuals, organizations and agencies working to promote a healthy society that chooses not use tobacco; and a state free from death, disease, disability and excess taxes caused by tobacco use. I speak from my heart. I am the lone supporter of a smoking ban. I had to battle the mayor, even a petition attempt to recall me. I stood firm because I knew I was standing firm for my constituents.

Holly Ebel, for herself, testified in favor of HB 1025 and provided written Testimony attached # 09,

Lyle Best, Physician from Rolette, ND testified in favor of HB 1025 and provided written Testimony attached # 1f and to restore the 80% requirement from Community Health Trust Fund.

Chairman Holmberg closes the hearing on HB 1025.

Additional Testimony Attached that was not heard by committee on HB 1025.

***Evidence Based for Comprehensive State Tobacco Control Programs**
Terry Pechacek, PhD.

***Health Educator at NDSU**
Stacey Holm

***ND Farmers Union**

***Curbing smoking means changing norms**
Grand Forks Herald/Tu-Uyen Tran

***American Lung Association**
Kimberlee Schneider, Program Manager

***Essentia Health**
Cheri Thomson, Tobacco Treatment Specialist

***Sharon Laxdahl, RN, Walsh County Tobacco Prevention Coordinator**

***James B. Burh, MD, Family Medicine, Valley City.**

***Anne Ottney, Pharmacist and Tobacco Treatment Specialist @ Healthcare Center/Fargo**

***Nancy Thoen, Director of Tobacco Prevention and Control @Central Valley District, Jamestown.**

***Karla Smith, ND Society for Respiratory Care**

2011 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee
Harvest Room, State Capitol

HB 1025 subcommittee
March 21, 2011
Job # 15719

☐ Conference Committee

Committee Clerk Signature Rose Laning

Explanation or reason for introduction of bill/resolution:

A subcommittee hearing on defraying the expenses of the comprehensive tobacco control advisory committee

Minutes: See attached testimony # A - C

Subcommittee **Chairman Kilzer** called the subcommittee meeting on HB 1025 to order. Subcommittee members **Senator Fischer** and **Senator Robinson**.
Sara Chamberlin - Legislative Council; **Lori Laschkewitsch** - OMB.

Senator Kilzer said that usually they work with budget bills. But this bill is a different situation with a committee instead of an agency. Some of the committee work is action and some is work. What I'd like to do is get more information, so I'm asking for a couple things:

1) Exact copy of text of measure #3. (House has taken some actions that don't fit with measure #3.)
2) The total budget of the organization is quite detailed. I looked at the executive budget and what I want is not there. I want the FTEs , their qualifications, their salaries, the contracts on the grants that are going out. I would also like information on the amount of money that's gone into the Community Health Trust Fund and what the amount of money is from the new agreement and what is anticipated.

Other member, are there other things you would want?

Senator Fischer: On this spread sheet there are totals and the second page has totals for salaries. Are you looking for more details?

Senator Kilzer: I would like to know what the qualifications of the FTE's are. Are they high school graduates? Are they people who have their masters in Psychology? Have they taken an additional fellowship of a year or two associated with this topic?

Senator Fischer: Can you find out- In the Health Dept budget is where it shows , when they move money around they used community health care money for something else. If we're going to take it back to where it belongs, could you find out what that money was used for?

Lori Laschkewitsch They actually didn't remove anything. All they did was added $1.6M more of additional program funding out of the Community Trust Fund which actually puts it in the whole $1.5 M. As it stands, the money that comes from the tobacco settlement – there still remains the 80%- more if you count other programs.

Senator Fischer: Asked about the FTEs because of uniqueness of the tobacco cessation committee.

Lori Laschkewitsch – Their name is ND Tobacco Prevention and Control. They are a state agency. They have a nine person committee appointed by the governor. The set up is same thing. They supply a budget. The FTEs (4 currently) and their optional requests was for 3.5 additional FTEs. That would be 7.5 for their agency.

Senator Kilzer: The three on executive committee are 3 of the 9 person committee. And the FTEs are chosen by that 3 person executive committee? Or are you chosen as the director and then you choose the other 3?

Jeanne – The executive committee has the statutory authority to hire or to designate that I do the hiring of others.

Senator Fischer: but we need to authorize those FTEs.

Lori Laschkewitsch – That is correct. Just as other agencies have to have them legislatively authorized.

Senator Robinson: at some point it would be nice for you to walk thru 1025.

Jeanne Prom, Executive Director, Center for Tobacco Prevention and Control added additional testimony – see attached # A. Referring to page 13 of Testimony 1 – The governor's Executive Budget was $12,922,614 and the House it left as it was. A significant portion goes to contracts or grants. Not much is for day to day expenses or for salaries or wages.

Senator Robinson: Those grants are across the state?

Jeanne – correct. All 53 counties are served.

Senator Robinson: Do you have grants other than the 28 public health units?

Jeanne – We do. The House requested a list of all the grants.(Handed out Tobacco Grants to Local Public Health Units – see attached # B; and the FTE list – see attached # C) The list is there of all the grant programs and their amounts.

They discussed various grants.

Senator Kilzer: You make grants to local health units and they in turn make grants to the schools?

Jeanne – Sometimes they have a subcontract with the school coordinator that does some work and sometimes they don't. Whatever works out for them best locally. But they are all required at their local public health unit to engage all of their schools in tobacco free campus policy efforts.

Senator Fischer: Could you explain about that Berkeley, CA and what they do for you?

Jeanne- American Nonsmokers' Rights Foundation is the only organization of its kind in the nation. They provide technical assistance and training for states and communities especially that are working on smoke free environmental policy change. We have contracted with them to provide technical assistance and training to us in North Dakota. They did come to North Dakota to do the training for all our local public health units. They are available to anyone – any community working on smoke free policy.

Senator Fischer: Do you have materials to provide or do your grantees have materials to supply to schools?

Jeanne -- Our main emphasis at schools is promoting tobacco free campuses. In the past the community health grant was invested in school curricula, but we found that it didn't make a difference in the rate of smoking. They want an environment that agrees with what they are learning in health classes and other classes. That is why we are going not into curricula but into school policy. We do have a model policy.

Senator Fischer: Of sons and nephew, 1 out of 6 smoke and they got me to quit.

Jeanne: We are not discouraging the curriculum. We just invested a lot in it and it is well established but it does need to be supported by the policy too.

Senator Kilzer – These grants are for the present biennium. Did you anticipate more or larger grants for the upcoming biennium?

Jeanne – We expect more and want to increase the amounts.

Senator Kilzer: Where is the greatest amount of smoking?

Jeanne – Everywhere. Yet we find that Cass and Burleigh County, the smoking rates are going down in those two counties.

Senator Kilzer: Reservations have high smoking rate, but too early with data to tell.

Jeanne – Smoking rates is higher in areas with lower socio-economic status or in this case the Native American population tends to have higher rates of smoking. Jeanne highlighted their issues. They thought they would manage 24 grants, but ended up with 51 grants to all of public health units. They got an additional 51 grants to manage. They need additional salary to hire more staff. (Last two paragraphs on page 13 of Testimony 1) This grant would provide the grantees the training they need to implement the programs. We are a grant making agency which means we are not the end user of those moneys, but we want to make sure the moneys

are effective. If grantees are not helped with the implementation process, they may not be successful. We need additional oversight on that.

Senator Kilzer: In the health dept, how many people were involved with these 51 grants?

Jeanne- Our initial arrangement with them was that they would have their tobacco control staff which includes about 7.45 FTEs to assist with managing this. This would have been primarily part of the time of 2 of their outreach coordinators.

They discussed the staffing for managing the grants.

Senator Robinson: You have one community intervention coordinator, and you are asking for another one. Would the responsibilities be divided geographically? How do you cover the state?

Jeanne- we can do geographically or sometimes we group counties that are alike in some ways. Some health units are multi-county and some are single-county. It is possible that one of these coordinators would be placed in the field. There was a delay in the grant processing because they had to shift their duties when they received those other 51 grants. The House amended to allow 1 temp but they denied the 2.5 temporary positions. They transferred the amount of money in salaries to grants and they expresses that they would like to see us actually give out more grants. I'm not sure we have made any headway in resolving the critical staffing issue that we have. (Listed on page 15 of original testimony #1) Also referred to the bottom of page 16.

Senator Kilzer – At the top of page 16 of original testimony #1, the last bullet point under the heading 2011-2013 House Amendments says "requiring the executive committee to report to the interim budget section"... That is vague. What are they supposed to report on?

Jeanne – Yes, they did spell that out in their amendments. They want to know the status of your grants. It is similar to what we were required to report quarterly during the 09-11 interim. The critical issue remains staffing. Another amendment the House made was to adjust our budget from a line item budget to a object code budget. With a small agency of $13 M and a new agency with 20 months of budget history and with an object code in operation that is dedicated, about 90% of that object code is professional services and fee, for example a contract we will let with a vendor for statewide evaluation piece. That creates another critical issue for us because it really restricts something that we don't always have a lot of control over and that is if a certain amount of money that we want to award in a contract, if procurement thinks that a contract for professional services, that's an operating expense not a grant so it would come out of the operations object code and not the grant object code. That is why it is preferable to have the one line item budget because it does allow us with a small agency with not a lot of wiggle room in any of those object codes and also not a lot of budget history to be able to work within the procurement rules in the interim without going to the emergency commission to request that we have more money in operation. That is the second critical issue created by the House amendment. She went over attachment A and asked to restore the Governor's Executive Budget.

Senator Kilzer: Why is an Emergency Commission action needed to adjust the amounts in the object codes?

Jeanne – explained how money is budgeted and moved to different object codes.

Senator Kilzer: does your revenue come in different then other agencies. I think the master settlement agreement money is usually paid out in April.

Jeanne- Yes, it is paid out about April 15 of every year. It is an electronic transaction and it all comes in in one or two transactions. It's all lumped together.

Senator Kilzer: Does that present much of a problem?

Jeanne – It was designed to be a trust fund and we were not supposed to spend to it all right away. We were going to spend a portion of it. It doesn't present a problem that we would be in a dire cash flow situation.

Senator Kilzer: Closed the hearing on HB 1025.

2011 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee
Harvest Room, State Capitol

HB 1025 Subcommittee
March 23, 2011
Job # 15881

☐ Conference Committee

Committee Clerk Signature Rose Laning

Explanation or reason for introduction of bill/resolution:

A subcommittee hearing on defraying the expenses of the comprehensive tobacco control advisc committee

Minutes: See attached testimony - # D - M.

Subcommittee Chairman Senator Kilzer called the committee hearing to order on HB 1025. Subcommittee members **Senators Fischer** and **Robinson** were present.

Sheila M. Sandness – Legislative Council; **Lori Laschkewitsch** – OMB.

Senator Kilzer: Were you able to get a copy of Measure 3?

Jeanne Prom, Exec. Director, Center for Tobacco Prevention and Control: I have the Attachment #E is the actual statute. Attachment #F explains it. Additional details requested a Attachments # G - #M.

Handed out: Memo to Chairman Kilzer and members of the Senate Appropriations Committee - #D
Measure #3 (effective December 4, 2008) – attached # E
Measure 3 fact page – attached # F
NDCC 54-27-25 – attached # G
Tobacco Prevention and Control Trust Fund – Projected Revenues – attached # H
Analysis of the Tobacco Prevention and Control Trust Fund – attached # I
Tobacco Prevention Control Committee – Total FTE – attached # J
Recommendation Detail by Program (12-22-10) – attached # K
Center for Tobacco Prevention and Control Policy Executive Director – attached # L
Breathe ND – attached # M

Senator Kilzer: Your revenues are from the two tobacco funds. Are they the master settleme agreement and that other agreement that was much later?

Jeanne – On Attachment #H, page 2 this was created for the budget section by the legislative council October. It shows from 2008 to 2025 all of the settlement money coming into the state and how it divided up. The first column is all the money from all the sources. The second column is what the cen received or is expected to receive. The last three columns are Common Schools Trust Fund deposi

the deposits into the Water Development Trust Fund and into the Community Health Trust Fund. T Community Health Trust Fund goes to the Health Department.

Senator Kilzer: I am still not clear. Is this just master settlement agreements from December of 19 from that agreement or does this include the more recent agreement that was signed about 3 or 4 yea ago?

Sheila M. Sandness: The actual original agreement included a bump payment to parties in the fi lawsuit. That bump payment is what is in that second column. They are all pursuant to the sar agreement. However there were two sections to that agreement. The section two payments didn't st until 2009.

Senator Kilzer: The first master settlement agreement in 1998 there were just four ... that had to pay about 42 states. The first agreement was just for states including Minnesota but not North Dakota. It i include that there would be a later updating for new tobacco companies which came in 3 or 4 years a or so. That is included in the strategic bump there?

Sheila M. Sandness – I don't know about additional companies being added later.

Lori Laschkewitsch – I don't know details of the companies and when and why.

Sheila M. Sandness: If you look at the Community HealthTrust Fund – the column way to the rigl that is the account that the 80% of the money is what is set up to go to tobacco prevention based on t initiated measure as well. That is to continue into perpetuity.

Senator Kilzer: So out of the very last bottom line $45.1 M, 80% of that goes to the....?

Sheila M. Sandness: It goes to the Health Department for tobacco prevention and control – that is t column that the 80% pertains to.

Senator Kilzer: The perpetuity – Does the master settlement agreement that was originated in 1998 into perpetuity?

Sheila M. Sandness: I believe so. I can't speak to that. Go to Attachment #H. On page 1, line 6 paragraph 3 it mentions that Subsection 1 goes into perpetuity while Subsection 2 goes through 2017.

Senator Kilzer: Do we have a sheet that shows the anticipated revenue for each one of those at lea through 2017?

Sheila M. Sandness: That is on page two of Attachment #H. The 2nd column shows when the paymer begin. And you can see where it says N/A that the payments stop in 2017. In the last three columr those are payments under subsection one and they continue on.

Senator Kilzer: So this bump was only for 5 years?

Jeanne – 10 years actually and the first payment actually was not deposited in the Tobacco Preventi and Control Trust Fund. There wasn't such a thing at that time. So 9 out of 10 of those payments will deposited in the Tobacco Prevention and Control Trust Fund.

Senator Kilzer: I see, each one of these is a biennium rather than an annual.

Sheila M. Sandness: If you look at April of 2008 which is the very first payment on your schedule says not applicable under column two. That is because it was prior to the initiated measure bei passed. So that payment actually got split and put into those other three trust funds.

Senator Kilzer: I'd like to see one more column to right – the anticipated income derived from both these funds.

Senator Kilzer: I'd like to see two more columns that show the 80% and the last one would be to revenue of tobacco.

Sheila M. Sandness: The 80% goes to the Health Dept, it doesn't go to Tobacco. The Health Dept h to use it for tobacco prevention. You're looking for the total of the two. Would you also like to see t federal dollars?

Senator Kilzer: I'd be interested in that in HB 1004, but not here.

Sheila M. Sandness: It's in the Health Dept. – Yes.

Jeanne – Analysis of tobacco control trust fund (Attachment #H, page 2) in the 1st column, we wo spend the entire amount deposited. So the 80% from CHTF is actually expended, the trust is deposit but not expended.

Senator Kilzer: One of the things with appropriations committees is that we are 1) not to commit futu legislatures to funding things. We are obligated to stay away from doing things that obligate futu legislatures.
2) carryover or excess money – most budgets – if there is carryover. If it's a building not completed ir years, we allow carryover. If it's a regular ongoing budget and there is excess money, we ask that it turned back. If we look at your budget for the present biennium and the next biennium, if there excess money, we look that it's money spent prudently. We have to answer to taxpayers. We a expected to prudently manage money. If there is excess money, there are ways of handling it. I do know the feeling of your people; it looks like you've been prudent.

Senator Fischer: One thing we're starting to do this session because there was some question on th by the public is that, for example the Dept of Human Services had $8.3M left over. They left it a wanted to build on it. Historically they would be allowed to do that. One thing proposed is to turn it ba it's a paper exchange, and they would start their budget from zero.

Lori Laschkewitsch – It is important to distinguish the difference – The money the Dept of Hum Services had is general fund money. Since it's money from stimulus funding and can't go to rainy d fund, we have put a statute in their bills to allow them to use that for their budget for other general fu expenses then we didn't need to add additional $12.8 M into the budget. The difference with t Tobacco Prevention is that this is a special fund, it is not general fund. Special funds don't ever g turned back to the general fund. They just remain in that special fund and their appropriation is limited whatever balance or less than what they have in that special fund. In the case of the Tobac Prevention and Control they would never turn back any revenue.

Senator Kilzer: Is that in code? Or in Measure 3 someplace?

Lori Laschkewitsch: It's in Measure 3. Unless there is specific language, special funds stay in spec funds.

Senator Kilzer: Aren't we as legislators supposed to be legislating? Wouldn't that be a conflict if \ don't have the choice?

Lori Laschkewitsch: You are doing the appropriating. They can't spend until you appropriate. Y have the option of appropriating more or less if you choose.

Senator Kilzer: What happens if it doesn't get appropriated?

Lori Laschkewitsch It would just remain in the trust fund and continue to grow.

Senator Fischer: What about other agencies that are special funded?

Lori Laschkewitsch: Both federal and special funds remain in their funds. If all that money is appropriated, it remains for future use.

Senator Robinson: Workforce Safety's fund grows and collects interest, but they can't spend it unles: is appropriated.

Senator Kilzer: Bank of ND, State Mill & Elevator? What about the State Game and Fish Dept? A these shielded from doing it? They are building up quite a lot of money.

Lori Laschkewitsch: They too cannot spend that money unless you appropriate it. Maybe Insuran Tax Distribution Fund – that money reverts back. But for most instances like the ones you listed th can only spend what you appropriate.

Senator Fischer – The general funds in any agencies get turned back, right?

Lori Laschkewitsch: That is correct – there is a statute that does allow capital and IT projects to go the carryover committee and ask for that money to be carried over one biennium.

Sheila M. Sandness: Or sometimes you can put a section in the appropriation bill that allows them carry it over.

Senator Fischer: The other piece is we let them use money without that language in there.

Senator Fischer – We have some dilemmas before us from the House. As far as this bill, what can \ do to abide by Measure 3?

Sheila M. Sandness: There were no changes to measure 3 with this bill.

Senator Fischer: So everything in this bill remains the same?

Lori Laschkewitsch: The House made changes, but not to Measure 3. There was a Health Dept I that made changes to Measure 3. The House did change the operating structure of this budget from o single special line to traditional salaries operating and grants which the agency was requesting to . back to Governor's Executive Budget.

Senator Kilzer: Could someone explain what the House did – something about code.

Jeanne – The House changed our budget from a line item budget to operating codes and capital ass and grants. Monday walked thru – if we'd have large amount of money – with operating codes whe we don't have a lot of room. It doesn't work well with grants and contracts.

Senator Kilzer: I had a question related to your grants. I went thru the list of public health units that y gave grants. The grants have the same amount of money for the next biennium. When you pass c grants, do you consider increased costs for their employees – for example to allow for a 3% raise other increases in employee benefits? From their point of view, how do they anticipate those increas when they are given the same amount as the previous biennium?

Jeanne- They apply for the money, and if they need more money, they add more to salaries line. V will be reviewing the formulas for the next biennium. If they need adjustments, we can make them. V just issued our next round of grants and we did allow for any local public health unit to tell us if th needed more money than what we were going to provide them, especially those areas like salaries. oil counties, they had to raise their salaries to match the market. If there are any local public health un impacted by an increase in population an increase in salaries if they have to keep up they can apply more money.

Senator Kilzer: They can apply for more than one grant if they have an increase.

Jeanne – We have special initiative grants that are available throughout the year.

Senator Kilzer – I'm hopeful to conclude with the next meeting.

Senator Robinson: There are so many issues. It may be helpful for Legislative Council to break down on a page or two. With 1004 there are a number of issues. I don't want to forget anything; it's ju a thought. I've got a lot of notes. If we could capture the Governor's Executive Budget, the Hou changes, and the requests for changes and additions – then we could move our notes to the side a focus on the issues before us.

Sheila M. Sandness: You are not looking for dollar amounts – you're looking for .....

Senator Robinson: The concerns or issues

Sheila M. Sandness: By section?

Senator Robinson: That would be helpful. There is always another issue coming to the table.

Senator Kilzer – Do you want to include the 80% that the House took out in 1004 on this bill? Why dic appear in 1004 and not on this bill?

Sheila M. Sandness: The Community Health Trust Fund funding actually goes to the Health Dept. I appropriated for tobacco prevention and control.

Senator Kilzer: I think that is probably the biggest issue of all – Even though it's in 1004, it's not 1025. Thank you for getting that stuff to us. Does anyone want any amendments drawn up?

Senator Fischer: Arvy put one together. There is nothing here. There are other things in 1004 that a affected if we change that.

Senator Kilzer: 3.5 FTEs for your grants. Is that in this one?

Jeanne: The 3.5 FTEs is in the Governor's Executive Budget on an optional request and the Hou amended the governor's budget so they gave us one temporary EFT and they denied 2.5. We wo love to see 1025 amended back to our optional request which would be 3.5 permanent FTEs.

Senator Kilzer: I think it would be good if we drafted that amendment and in the next meeting I will ha questions about the 51 grants and how many FTEs are in the Health Dept. that are currently worki with that grant. Would you need more or less than what the Health Dept has now? Are you going administer the grants in a different way? How did you come up with the number 3.5? I know you have certain number for your 24 grants. You have 4 FTEs now and you want 3.5 more to take care of the additional 51 grants.

Jeanne – Initially, we had anticipated we would manage 24 grants basically our special initiative gra and the local grants would be administered by the Health Dept. They'd have two outreach coordinat that would provide the technical assistance. They were already providing technical assistance to th own grantees. In June of 2009 the Health Dept. decided they didn't want to administer our funded gra program. We would administer those. We had felt all along that it takes two outreach coordinators provide day to day technical assistance for the 51 grantees. We do have one community interventi coordinator providing that technical assistance already. We have that person on staff so we needed additional community intervention coordinator with the additional grants. Also as part of the ini staffing pattern we had thought we would have a full time accountant that would also serve us in ot capacities. But when the Dept of Health decided they didn't want to administer the center funded gra program there was negotiation and we have a contract with the Dept of Health to serve as our fis agent. They provide accounting services, payroll and procurement. So that has been a very go arrangement but it wasn't meant to be permanent. Our half position would be a half time accountant. V will also have an addition because they are tripling the amount of grants we are managing. A full ti grants manager will do a lot of the procurement and the business end of things. 75 grants when were managing 24 grants with 4 staff people. Then we have added a full time evaluation coordinat We are the lead agency and by Measure 3 law every biennium we have to report to the State Hea Officer and the governor the impact the program is having so we need to have an independ statewide evaluation done of the impact of our program. That is the third full time position. So we a adding a community intervention coordinator to provide day to day technical assistance to 51 additio grants in addition to the 24 we had anticipated. We are adding a half time accountant to take the pla of the contract we have right now with the Dept of Health. And because we are tripling the amount grants we are adding a grants manager to do that procurement which is being done by the Dept Health now as well as the business management of triple the number of grants. Because we a required by law to do that evaluation we added an evaluation coordinator full time.

Senator Kilzer: Does the evaluation coordinator make sure the work was done and look at the results

Jeanne – Yes. Ultimately the coordinator says you did all this work, what difference did it make.

Senator Kilzer: Do you anticipate renewing all of the grants?

Jeanne: Yes, we hope that these are ongoing programs.

Senator Kilzer: The present biennium will have to be evaluated?

Jeanne: Yes.

Senator Kilzer closed the hearing on HB 1025 and will meet again next week.

Sheila M. Sandness: This is what the House did – they renewed the temporary funding for those 2 You just wanted to know that and then they bumped up the grants number.

2011 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee
Harvest Room, State Capitol

HB 1025
March 30, 2011
Job # 16189

☐ Conference Committee

Committee Clerk Signature Rose Senings

Explanation or reason for introduction of bill/resolution:

A subcommittee hearing on defraying the expenses of the comprehensive tobacco control advisory committee

Minutes: See attached testimony # N.

Senator Kilzer called the committee hearing to order on HB 1025 .
Subcommittee members **Senators Fischer** and **Robinson** were present.

Sheila M. Sandness – Legislative Council; **Sheila Peterson** – OMB.

Senator Kilzer: I would like to go thru 5 bills rather quickly 1025, 1152, 1266, 1041 and then we will start to talk about 1044. Are there any requests from committee members before we go through them?

Senator Kilzer: I have asked Jeanne for a complete request for any grants or consultations that we don't have record of, particularly the money amounts. I also requested from Jeanne the salary payments to the 9 member advisory board members, the executive committee (the 3 members) and anybody else.

Jeanne Prom, Executive Director, Center for Tobacco Prevention handed out the budget request information from the ND Tobacco Prevention and Control Executive Committee – see attachment # N. She pointed out the expenses to date for 2011. (See attachment #N, page 4.) The salaries of the committee members ($41,554) include the stipend of $135/official meeting and some expenses. This shows when they met in 2009. The next pages show a calendar year of meetings for 2010 & 2011, but amounts are biennial amounts. The staff met weekly but they hope to meet bi-weekly. The advisory committee meets every other month. They meet during May and during legislative session. The last page is contracts for professional services as well as IT.

Senator Kilzer: Do these go back to the beginning or is this just the current biennium?

Jeanne Prom – Just this biennium - Things weren't processed until June after you left. There were no expenditures to report.

Senator Fischer: On top of last page – ND Dept of Health is no longer going to be your fiscal agent?

Jeanne Prom – We've requested a half time accountant that would take the place of that fiscal agent.

Senator Kilzer: There were no other large items during June of 2009?

Jeanne Prom – The expenses incurred prior to this fiscal year were for board members and their stipends and expenses and fees that required rental of room equipment.

Senator Kilzer: When you say board stipends you just mean money for the meetings?

Jeanne: Yes.

Senator Robinson: I think we have everything we need on this bill. This information today helps and we can decide where we want to go.

Senator Fischer: I think we need the amendments to put 1025 back.

Senator Kilzer: There was a request for 3.5 and 0.5 financial person.

Senator Robinson: There was that line item issue.

There was discussion about the line item budgets and whether it afforded the agency as much flexibility in their budgeting and expenditures. Multiple line item budgets are hard to deal with when an agency has a short history.

Sheila M. Sandness – The House is the one that broke out the salaries. We would need an amendment to put it back into one line.

Senator Kilzer: That is what I am suggesting, one line for the 2011 2013 biennium but after that it would be like a veteran organization. I am not comfortable with adding 3.5 FTEs – do one or two and take it from there. I understand there are additional duties. With 51 additional grants, 1 or two additional people should be able to handle them. 3.5 is a little broad.

Senator Robinson: Going to one would shortchange the agency. There is a significant amount of work in the grant application process. We have that info. I'd hope we would not go down to one.

Senator Kilzer: I would be willing to compromise, these people haven't been thru grant process. The first time around is challenging; the second time around – it's pretty much the same. So we would put that at 2 and I wouldn't mind putting them as permanent so they would get benefits, that this the distinction, right?

Jeanne Prom: You can offer some benefits to temps but not the complete benefit package.

Senator Robinson: That is a good point about the benefit package. That positions the agency to attract the right kind of employees.

Senator Kilzer: I would like to see the half time financial person put in there also.

Senator Fischer: I will just draft the amendments.

There was discussion about exactly what should be in the amendments.

Senator Kilzer closed the hearing on HB 1025.

2011 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee
Harvest Room, State Capitol

HB 1025
03-31-2011
Job # 16208

☐ Conference Committee

Committee Clerk Signature Alice Delzer

Explanation or reason for introduction of bill/resolution:

A ROLL CALL VOTE ON THE COMPREHENSIVE TOBACCO CONTROL ADVISORY COMMITTEE

Minutes: You may make reference to "attached testimony."

Chairman Holmberg opened the hearing on HB 1025. Lori Laschkewitsch, OMB and Becky J. Keller, Legislative Council were also present.

Senator Kilzer explained amendment #11.810.02002. Our amendments were first of all relating to the number of FTE's. They have 4 FTE's right now, and they wanted to add 3 ½ more for their grants review and evaluation and we cut that back to 2, the House had removed them all and so we allowed 2 of the 3 ½ that they requested. Another one is the half-time finance officer that they wanted and we kept that in. That's the main things about we made changes in the bill. He added out the amendments to the committee.

Senator Robinson: I was on the committee and we had a series of meetings and Senator Kilzer describes it right. There's one other issue they requested and OMB is supportive. They're a relatively new agency and the way their budget is presented they ask for some flexibility in the budget presentation. We approved that for one more biennium. The need is there when they appropriate dollars back for grants to local health units across the state. I am supportive of the amendments. The additional FTE's were needed 50 some grants that the Health Department had been administering. The administration of those grants have all been transferred to this tobacco committee and there in is the reason for the additional FTE , the additional work load. It's important, all of us want transparency and accountability to stay on top of that many grants, we're talking a lot of money here, they needed the additional FTE's that Senator Kilzer spoke to.

Senator Kilzer: That's right. Presently they are administering 24 grants and they are going to be taking on an additional 51 grants. And I asked the Health Department how many people will you be able to cut when you are not doing these anymore and it was a little over one, that's why we ended up with the two and we also recommended that they be permanent rather than temporary employees on the two additional grant reviewers and letters.

Senator Kilzer moved the Amendment 11.8120.02002. Seconded by Senator Robinson.

Chairman Holmberg: This will go to conference committee you can rest assured.

Senator Christmann: I am just wondering the general thought from the tobacco control people. Is this something they are pleased with or are we rotten for not doing nearly enough? What is their response to this?

Senator Kilzer: The number one thing about the control committee, and that's what they go by, is that the House took away the 80% out of the Community Health Care Trust Fund and that's in the Health Department bill, but that's their number one issue. This would be secondary to that. Of course, they wanted the 3 ½ additional FTE's but they'll live with it. As it came to us they were getting 0 additional ones. They wanted 3 ½ and we gave them two.

Senator Robinson: I spoke to Jeanne Prom yesterday after our subcommittee and they were very pleased. I for one felt, they did a very good job presenting their case, whether you agree with the tobacco settlement or not, we are into it. I think they are doing everything possible to be transparent, to be accountable. I felt she was on top of her game. She knew what she was talking about and when we requested information it was there right now. I think they are pleased.

Senator Fischer: I agree with Senator Robinson and Senator Kilzer as far as the tobacco committee and I believe this Executive Director will make some differences that we haven't seen before where we've had some issues of accountability and communication.

Chairman Holmberg: It was an interesting subcommittee that we had because of a number of the subcommittee members have been skeptical of how they've been running their show and it's nice to hear that you're getting that sense that maybe it's moving in the right direction. Whould you call the roll on the amendments #02002 onHB 1025.

A roll call vote was taken on amendment # .02002. Yea: 12; Nay: 0; Absent: 1. Motion carried.

Chairman Holmberg: Could we have a motion on the bill as amended.

Senator Robinson Moved a Do Pass as Amended. Seconded by Senator Fischer.

A ROLL CALL VOTE WAST TAKEN ON A DO PASS AS AMENDED ON HB 1025. YEA: 12; NAY: 0; ABSENT: 1. MOTION CARRIED. Senator Robinson will carry the bill on the floor.

The hearing was closed HB 1025.

11.8120.02002
Title.03000
Fiscal No. 2

Prepared by the Legislative Council staff for
Senate Appropriations
March 30, 2011

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1025

Page 1, replace lines 11 through 14 with:

"Comprehensive tobacco control	$12,882,000	$40,614	$12,922,614"

Page 1, replace line 16 with:

"Full-time equivalent positions	4.00	2.50	6.50"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1025 - Tobacco Prevention & Control Exec Comm - Senate Action

	Executive Budget	House Version	Senate Changes	Senate Version
Salaries and wages		$765,980	($765,980)	
Operating expenses		2,967,609	(2,967,609)	
Grants		9,189,025	(9,189,025)	
Tobacco Prevention and Control Exec Comm	12,922,614		12,922,614	12,922,614
Total all funds	$12,922,614	$12,922,614	$0	$12,922,614
Less estimated income	12,922,614	12,922,614	0	12,922,614
General fund	$0	$0	$0	$0
FTE	4.00	4.00	2.50	6.50

Department No. 305 - Tobacco Prevention & Control Exec Comm - Detail of Senate Changes

	Adds 2.5 Permanent FTE Positions[1]	Restores Single Line Appropriation[2]	Total Senate Changes
Salaries and wages	$366,514	($1,132,494)	($765,980)
Operating expenses		(2,967,609)	(2,967,609)
Grants	(366,514)	(8,822,511)	(9,189,025)
Tobacco Prevention and Control Exec Comm		12,922,614	12,922,614
Total all funds	$0	$0	$0
Less estimated income	0	0	0
General fund	$0	$0	$0
FTE	2.50	0.00	2.50

[1] This amendment adds the following permanent full-time equivalent positions that were included as temporary positions in the executive recommendation:

- .5 FTE accountant - $86,786.
- 1 FTE community intervention coordinator - $127,904.
- 1 FTE grants manager - $151,824.

The House removed the .5 FTE accountant and the 1 FTE community intervention coordinator and transferred the funding to the grants line item, but maintained the 1 FTE grants manager as a temporary position.

In addition, the House removed funding for the temporary evaluation coordinator position ($151,824) and transferred the funding to the grants line item. This amendment restores the temporary evaluation coordinator position and reduces funding for grants by the same amount.

[2] This amendment restores the comprehensive tobacco control line item provided in the executive recommendation and removes the funding by object code line items provided by the House.

Date: 3-31-11
Roll Call Vote # 1

2011 SENATE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. 1025

Senate APPROPRIATIONS Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number Kilzer 11.8120.02002

Action Taken: ☑ Do Pass ☐ Do Not Pass ☐ Amended ☑ Adopt Amendment

☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Kilzer Seconded By Robinson

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg	✓		Senator Warner	✓	
Senator Bowman	✓		Senator O'Connell	✓	
Senator Grindberg	✓		Senator Robinson	✓	
Senator Christmann	✓				
Senator Wardner	✓				
Senator Kilzer	✓				
Senator Fischer	✓				
Senator Krebsbach	✓				
Senator Erbele	✓				
Senator Wanzek	✓				

Total (Yes) 12 No

Absent 1

Floor Assignment

If the vote is on an amendment, briefly indicate intent:

Date: 3-31-11
Roll Call Vote # 2

2011 SENATE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. 1025

Senate APPROPRIATIONS Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: ☑ Do Pass ☐ Do Not Pass ☑ Amended ☐ Adopt Amendment

☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Robinson Seconded By Fischer

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg	✓		Senator Warner	✓	
Senator Bowman	✓		Senator O'Connell	a	
Senator Grindberg	✓		Senator Robinson	✓	
Senator Christmann	✓				
Senator Wardner	✓				
Senator Kilzer	✓				
Senator Fischer	✓				
Senator Krebsbach	✓				
Senator Erbele	✓				
Senator Wanzek	✓				

Total (Yes) 12 No 0

Absent 1

Floor Assignment Robinson

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1025, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (12 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). Engrossed HB 1025 was placed on the Sixth order on the calendar.

Page 1, replace lines 11 through 14 with:

"Comprehensive tobacco control	$12,882,000	$40,614	$12,922,614"

Page 1, replace line 16 with:

"Full-time equivalent positions	4.00	2.50	6.50"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1025 - Tobacco Prevention & Control Exec Comm - Senate Action

	Executive Budget	House Version	Senate Changes	Senate Version
Salaries and wages		$765,980	($765,980)	
Operating expenses		2,967,609	(2,967,609)	
Grants		9,189,025	(9,189,025)	
Tobacco Prevention and Control Exec Comm	12,922,614		12,922,614	12,922,614
Total all funds	$12,922,614	$12,922,614	$0	$12,922,614
Less estimated income	12,922,614	12,922,614	0	12,922,614
General fund	$0	$0	$0	$0
FTE	4.00	4.00	2.50	6.50

Department No. 305 - Tobacco Prevention & Control Exec Comm - Detail of Senate Changes

	Adds 2.5 Permanent FTE Positions[1]	Restores Single Line Appropriation[2]	Total Senate Changes
Salaries and wages	$366,514	($1,132,494)	($765,980)
Operating expenses		(2,967,609)	(2,967,609)
Grants	(366,514)	(8,822,511)	(9,189,025)
Tobacco Prevention and Control Exec Comm		12,922,614	12,922,614
Total all funds	$0	$0	$0
Less estimated income	0	0	0
General fund	$0	$0	$0
FTE	2.50	0.00	2.50

[1] This amendment adds the following permanent full-time equivalent positions that were included as temporary positions in the executive recommendation:

- .5 FTE accountant - $86,786.
- 1 FTE community intervention coordinator - $127,904.
- 1 FTE grants manager - $151,824.

The House removed the .5 FTE accountant and the 1 FTE community intervention coordinator and transferred the funding to the grants line item, but maintained the 1 FTE grants manager as a temporary position.
In addition, the House removed funding for the temporary evaluation coordinator position

($151,824) and transferred the funding to the grants line item. This amendment restores the temporary evaluation coordinator position and reduces funding for grants by the same amount.

[2] This amendment restores the comprehensive tobacco control line item provided in the executive recommendation and removes the funding by object code line items provided by the House.

2011 HOUSE APPROPRIATIONS

CONFERENCE COMMITTEE

HB 1025

2011 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Human Resources Division
Roughrider Room, State Capitol

HB 1025
April 13, 2011
16536

☒ Conference Committee

Committee Clerk Signature Julia Heigle

Explanation or reason for introduction of bill/resolution:

To provide an appropriation for defraying the expenses of the comprehensive tobacco control advisory committee

Minutes:

Chairman Bellew opened conference committee meeting. Clerk took role and quorum declared. Chairman Bellew instructed the Senate to explain the amendment that they proposed.

Chairman Kilzer: we put back some FTE positions. As you know, they were having an additional 51 grants to give out. As I recall, we added 2 people in the grant division (community intervention coordinator and a grants manager). In addition the 51 new grants, they had given out 24 previously. We also gave them the .5 accountant as they do a lot of contract work and have a $12M budget. There was going back to the one line versus the more detailed object code in their accounting code; we granted them the one line.

Chairman Bellew: why did you decide on that?

Chairman Kilzer: It's easier for book keeping doing it this way.

Chairman Bellew: any comments? We are in disagreement with the FTEs and the line item.

Chairman Kilzer: why do you feel that adding 51 grants and all the work that goes with that would not require additional FTEs?

Chairman Bellew: it's my perception that 51 grants in 2 years are not that much. They have 4 FTEs and they should be able to handle it within their allotment of FTEs and still have time left over. It's not that complicated. As far as the budget line item, we separated that so we know exactly how much is going to salaries, operating expenses, and grants. We feel it is better accounting this way. They were getting their accounting work done through the Dept of Health, thus the accountant wouldn't be needed.

Representative Kreidt: when this came about after the initiated measure, we had a lot of discussion. They want to become a separate govt entity, so I feel in order to do that, they

need to follow the same budget coding system as every other dept, thus we would be able to track and follow it a lot easier. At this point, I feel that those 4 FTEs are adequate to do the work and I stand firm on that.

Representative Kaldor: I'm one of those that dissented from the changes made in the House. My understanding is that you did have input from Office of Management and Budget about that regarding a new agency like this and until they get more history, this is a better way for them to operate or function. Also, we could possibly request reports, as we already are, that at that point in time, that could be included in the report as to how they allocate their resources. I hope that's something that we can consider as we talk this through. 51 grants are more than doubling what they are working on and most of these grants are small grants. They are overseeing a lot of different entities and how they expend the funds that are granted to them. I want to make sure that those grants are overseen and expended judiciously rather than just pushing money out the door.

Chairman Kilzer: This is dealing with more than $12M in a biennium and I think 4 full time employees is not very many when you are thinking about the wise use and the appropriate accounting in the moral sense of the funds because we should have lots of questions about the details of how those $12M are used. Also, they have $27M of revenues coming in so they are stockpiling more than half of what they bring in. There is accountability of management of money. I am not suggesting that FTEs are responsible for the overall managing of the money. That comes to the executive committee of those 3 people that are doing that. I would hope that the office manager (full time), the executive director, the finance officer, the people that are dealing with the grants; all of these people have a check and balance system with each other. As their duties increase, we should probably allow the FTEs that they feel they want and we feel that they need. We have to keep the budget in a prospective and growing manner. This is an unusual situation as our hands are tied from the initiated measure, as we are limited in how we appropriated, but we still have to have a proper way of getting at the information and if we keep our numbers too low as far as the employees are concerned, then it's not going to work very well.

Representative Kaldor: section 2 of the bill provides for the reports to the budget section and detailed information on contract services for professional fees services and grants so you have addressed that issue.

Chairman Bellew closed hearing.

2011 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Human Resources Division
Roughrider Room, State Capitol

HB 1025
April 14, 2011
16588

☒ Conference Committee

Committee Clerk Signature Julia Ziegler

Explanation or reason for introduction of bill/resolution:

To provide an appropriation for defraying the expenses of the comprehensive tobacco control advisory committee

Minutes:

Chairman Bellew opened conference committee meeting. Let the record show that all the conferees are here. Chairman Bellew opened the hearing on HB 1025. Any opening comments?

Senator Fischer: We intend to stay where we are at.

Chairman Kilzer: the material that we received from ND Tobacco Prevention and Control Executive Committee is convincing (attachment **ONE**). Are you denying it?

Chairman Bellew: No. For 51 grants, I can't justify another 2.5 FTEs. It's an expansion that I don't think is necessary.

Senator Robinson: Our concern was accountability and transparency and that is where the agency was coming from as well. We can't have it both ways.

Chairman Bellew: If they are assuming that much responsibility from the Health Dept, perhaps we should take 2.5 FTEs from the Health Dept.

Senator Robinson: We can visit about that when we discuss 1004. 51 grants is a considerable responsible. We're talking millions of dollars on the table and it's granted to agencies across the state of ND. The case is solid, in my opinion.

Representative Kaldor: We are quibbling over dollars, but rather over the way those dollars are managed. The evidence that was brought forth to our committee early on and is being shown here today is that if we want that money managed in the very best way, we need the oversight. We basically have 2 differences. It seems to me that we are quibbling over something that doesn't make sense or square with our chamber's wishes that agencies do proper oversight over grants. It seems ironic that we would oppose putting people in the position so that we can ensure that everything that is done according to these grants is done correctly.

Chairman Bellew: If we were to grant the 2.5 FTEs, which would mean a $3.6M reduction in grants. The grants are the most important thing.

Senator Fischer: In both chambers, accountability has been most important. Now we have an opportunity with a director that I really believe (given the proper tools) will satisfy the legislature in these squabbles over the measure 3 or the tobacco fund.

Senator Robinson: We did receive testimony from the Health Dept. that the FTEs that we put into this bill were justified. The work is there. This is not low key. We've been all about transparency and accountability and there have been all kinds of questions about where the money is going and what's happening to it and are we reducing and having an impact on smoking cessation. That's why these positions are important so that we have assurance, transparency and accountability.

Chairman Bellew: Due to no more discussion, we will adjourn and reschedule.

2011 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Human Resources Division
Roughrider Room, State Capitol

HB 1025
April 15, 2011
16646

☒ Conference Committee

Committee Clerk Signature

Explanation or reason for introduction of bill/resolution:

To provide an appropriation for defraying the expenses of the comprehensive tobacco control advisory committee

Minutes:

Chairman Bellew called conference committee to order noting that all the conferees are present. He opened the hearing on HB 1025. The primary aspect that we are in disagreement on is with the 2.5 FTEs.

Representative Kaldor: one could argue that is there is a need, they could probably contract for some of the services that are provided by the FTES, but the cost of doing contracting for that is actually greater than the cost of the FTEs. I don't know if we have considered that or if the discussion was held in the Senate. I think it ought to be something to consider at least.

Senator Fischer: we discussed yesterday that the Health Dept will no longer be doing their accounting, so .5 FTE is to do the accounting for themselves. The other two positions (community intervention coordinator and grants manager) are more outreach than sitting in an office managing grants and that was the reason that we felt that the 2.5 were appropriate. We had a discussion yesterday about doubling the grants and how many people it should take, so what I am saying is for information purposes in response to the discussion yesterday.

Chairman Bellew: any other discussion? Any proposals?

Committee was silent

Chairman Bellew: Okay, due to no further discussion nor proposals, we will adjourn and re-schedule.

2011 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Human Resources Division
Roughrider Room, State Capitol

HB 1025
April 16, 2011
Job #16692

☒ Conference Committee

Committee Clerk Signature Mary Maier

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the comprehensive tobacco control advisory committee; and to provide for reports

Minutes:

Chairman Bellew: Senators; it is still our position that the 2½ FTEs are not needed. Do you have anything to add at this time?

Senator Kilzer: As you know the committee did ask for three or four FTEs to take care of their additional load and they listed the duties. The latest document that I have shows that with the 2 FTEs and the ½ time accountant, those 2½ FTEs will cost about $360,000 dollars over the biennium for those people to be on board and to do their work. If we don't authorize it, the executive committee will be hiring the same duties out on contract and it will cost a little over a million dollars. I guess you can make the choice; add the FTEs and let them do their work for $360,000 or if we don't authorize them, it will be contracted out for a little over a million dollars. That's where we stand.

Senator Robinson: That's why the package should come over from the Senate as what it is. We thought this was a good investment of dollars and it made a lot of sense and it had strong support on the Senate side.

Chairman Bellew: Any further comments? We are adjourned.

2011 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Human Resources Division
Roughrider Room, State Capitol

HB 1025
April 18, 2011
16716

☒ Conference Committee

Committee Clerk Signature Julia Hoffe

Explanation or reason for introduction of bill/resolution:

To provide an appropriation for defraying the expenses of the comprehensive tobacco control advisory committee

Minutes:

Chairman Bellew: Called the committee to order and noted that all members were present. Jeanne Prom, executive director of tobacco control advisory committee, provided information on estimated salaries fringe for 2011-13 (attachment **ONE**). It is still the House position that they don't need the 2.5 FTEs.

Senator Robinson: I would just state that contracting would be much more expensive. I would reiterate that we want this agency and we can argue tobacco cessation until the cows come home. All of us not only want it to get off to a good start, but continue to have full accountability and transparency and that's why we funded it at the level we did.

Senator Kilzer: I move we accept the 2.5 FTEs with an appropriation of $360,000

Senator Fischer: Second

Senator Kilzer: We don't want the legislature to be spending unnecessary money. $360,000 in the motion is comparable to a little short of $1M when you compare apples to apples. But when they contract it out, they will put it out for over $1M. Each one of the items in the contracting form costs twice as much. In our motion, we have cut back one of the FTEs that they wanted. If we don't pass this motion, we, as a legislature if we adopt the House's position, will be costing them more money than is necessary.

Chairman Bellew: Further discussion on the motion?

Representative Kreidt: You're reducing 1 FTE?

Senator Kilzer: As you can see, the evaluation coordinator is not highlighted in the FTES, and it is highlighted in the contracting.

Roll call vote taken on motion to go to **2.5 FTEs with an appropriation of $360,000**, resulting in 4 yes, 2 no, 0 absent (2 no on House of Representatives), thus **motion fails**.

Chairman Bellew adjourned hearing.

2011 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Human Resources Division
Roughrider Room, State Capitol

HB 1025
April 19, 2011
16756

☒ Conference Committee

Committee Clerk Signature Julia Yaeger

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the comprehensive tobacco control advisory committee; and to provide for reports

Minutes:

Chairman Bellew called conference committee to order, noting that all conferees were present. He opened hearing on HB 1025.

Representative Kreidt: I would move to add 1 additional FTE to the tobacco control advisory committee which would bring it up to 5 FTE. I would leave it up to the tobacco control advisory committee to select the 1 FTE that would be most beneficial to have on board.

Chairman Bellew: the motion dies for a lack for a second.

Senator Kilzer: one way or another, they will get their 7.5 FTEs. They presently have 4 and whatever is not granted by this committee and by the legislature, will be contracted out for the additional 3.5 FTE workings. That is the way it stands. If we don't give them a finance officer, etc., they will have to contract it out.

Chairman Bellew: We understand that. Due no further discussion, we will adjourn and meet again.

2011 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Human Resources Division
Roughrider Room, State Capitol

HB 1025
April 21, 2011
16821

☒ Conference Committee

Committee Clerk Signature Julia George

Explanation or reason for introduction of bill/resolution:

To provide an appropriation for defraying the expenses of the comprehensive tobacco control advisory committee

Minutes:

Chairman Pollert called conference committee to order. Clerk took role and quorum declared. He opened hearing on HB 1025, asking committee members to share information that conference committee has been discussing as he is the new member to the committee. Chairman Bellew was replaced with Chairman Pollert on the conference committee.

Representative Kaldor: we have been discussing the difference between the 2.5 FTEs and contracting for the same services. We've been brought materials that indicate that contracting is possible, but is regarded as more expensive than doing the FTEs.

Representative Kreidt: At the last meeting, I had proposed to allow for 1 more FTE (1.5 FTE reduction net), allowing the tobacco group to decide wherever they needed to use that individual. I made the motion for this proposal; however there was not a second to that motion.

Chairman Pollert: The Senate amendments were to have 2.5 FTEs on a permanent basis in additional to the 4 already in place?

Senator Kilzer: They have 4 permanent on staff right now.

Chairman Pollert: (distributed **amendment .02003**). The House had changed the tobacco group budget from a one line item to break out. This amendment takes it back to the one line item and increases the budget by 1 permanent FTE. Because we go back to the original one line item (as in the governor's budget), they have the option of hiring additional part time FTEs if they think they need them. It moves further than the governor's budget because it authorizes 1 permanent FTE.

Senator Robinson: This sounds like Representative Kreidt's motion that did not get a second. On the Senate side, we had significant discussion about this and whether you like the tobacco initiative or not, it's the law. There is an administer in place that is doing a great

job. It was our feeling that we want the program to be successful, transparent and fully accountable. To manage the additional grants coming forward this time around, to work across the state, 1 FTE sells it short. You suggest they go out and hire people. The problem is when you hire part time people, for the most part; you get a part time effort. I think it's important we have people in here that are skilled, are on top of these grants and the work they do in all 53 counties and have continuity so we can build a solid program. I would encourage us to hang tough and do this thing right. I think the case was made on the Senate side that there's certainly a need for more than the 1 FTE.

Representative Kaldor: I don't believe the term part time is what you intended. In the department before, these are full time temporaries. In other words, they don't have the enhancements that another full time employee would have. It's a little bit different than what Representative Kreidt offered the other day.

Senator Kilzer: Ok, so you meant temporary full time.

Chairman Pollert: Yes

Representative Kreidt: From our discussion, we do realize that contracting would be a greater expense. Thus, I would **move** amendment .02003.

Senator Kilzer: Second

Representative Kaldor: I believe they need the full time FTEs and agree with Senator Robinson on that. I think it would be better for the committee that those positions were fill with full time employees who were under the temporary position category. One of our circumstances is that we don't want to add FTEs anywhere and as a consequence we use a lot of what are full time temporary positions. It's not necessarily a favorable situation in any agency to do that, but sometimes it's necessary. I appreciate the move in a favorable direction, but I will not be supporting the amendment.

Senator Fischer: Office of Management and Budget, if they hire full time temporaries, can they add benefits to that?

Office of Management and Budget: 2 biennia ago, the legislature passed the ability for agencies to be able to pay the benefits on temporary salaries if they choose.

Senator Robinson: I would prefer that if we are going to have some movement, we look at a minimum of 2 FTEs. The Senate has been at 2.5 FTEs. There was a move on the part of the House to consider reducing that by 1 FTE. If we had 2 FTEs with the flexibility, I would prefer that versus this approach.

Chairman Pollert: Legislative Council, is everything correct by what I have said?

Legislative Council: That is correct. They would have the flexibility to hire temporary full time positions with the one line item budget.

Chairman Pollert: We give flexibility to multiple other agencies as well to hire extra temporary FTEs if needed. If the agency proves that they need the FTEs, they can come back in the next biennium and hire them on as permanent FTEs. We agree to have the 1 FTE. We are saying that by going to one line item, that gives them the authority to go to temporary full time help and don't have to contract.

Representative Kaldor: We may want to discuss the actual positions. In the Senate's provisions, the 2.5 FTEs were identified as the grants manager, the community intervention coordinator, and the half time accountant. The one that remains and would then be a contract position would be the evaluation coordinator (if that's the way they decide to do this). I'm assuming they could do it anyway they wanted to. Under almost any circumstance, the cost to grants will be equivalent to the cost it would be to hire or employ a full time temporary. Is there any consideration to restore the temporary positions (3.5 FTEs)? They will be allowed to contract for 1 of those 3 positions and all of those under contract are almost double what they are as a position. In other words, you would add $151,824 to that $366,514 and decrease the grants funding by an equivalent amount, thus they would not have to contract for that evaluation coordinator. Legislative Council, does this make sense?

Legislative Council: The amendment restores those positions that were removed by the House. The House did not remove that other position so it is technically still there. This reverses what the House did and adds the FTE. With the one line item budget, they have that flexibility in the temporary positions.

Roll call vote taken on adopting **amendment .02003**, resulting in 4 yes, 2 no, 0 absent, thus **motion carries**.

Representative Kreidt: I move that the Senate recede from Senate amendments and further amend HB 1025.

Senator Kilzer: Second

Roll call vote taken on the motion for the **Senate to recede from Senate amendments and amend as follows**, resulting in 6 yes, 0 no, 0 absent, thus **motion carries**

Chairman Pollert closed hearing.

2011 HOUSE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: House Appropriations Human Resources Division

Bill/Resolution No. 1025 as (re) engrossed

Date: _____

Roll Call Vote #: _____

Action Taken

- ☐ HOUSE accede to Senate amendments
- ☐ HOUSE accede to Senate amendments and further amend
- ☐ SENATE recede from Senate amendments
- ☐ SENATE recede from Senate amendments and amend as follows

House/Senate Amendments on HJ/SJ page(s) _____

- ☐ Unable to agree, recommends that the committee be discharged and a new committee be appointed

((Re) Engrossed) _____ was placed on the Seventh order of business on the calendar

Motion Made by: _____ Seconded by: _____

Representatives	4/15	4/13	4/14	4/16	Yes	No		Senators	4/15	4/13	4/14	4/16	Yes	No
Chairman Bellew	✓	✓	✓	✓				Chairman Kilzer	✓	✓	✓	✓		
Representative Kreidt	✓	✓	✓	✓				Senator Fischer	✓	✓	✓	✓		
Representative Kaldor	✓	✓	✓	✓				Senator Robinson	✓	✓	✓	✓		

Vote Count Yes: _____ No: _____ Absent: _____

House Carrier _____ Senate Carrier _____

LC Number _____ . _____ of amendment

LC Number _____ . _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

2011 HOUSE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: House Appropriations Human Resources Division

Bill/Resolution No. 1025 as (re) engrossed

Date: _____

Roll Call Vote #: _____

Action Taken

- ☐ HOUSE accede to Senate amendments
- ☐ HOUSE accede to Senate amendments and further amend
- ☐ SENATE recede from Senate amendments
- ☐ SENATE recede from Senate amendments and amend as follows

House/Senate Amendments on HJ/SJ page(s) --

- ☐ Unable to agree, recommends that the committee be discharged and a new committee be appointed

((Re) Engrossed) _____ was placed on the Seventh order of business on the calendar

Motion Made by: _____ Seconded by: _____

Representatives	4/19			Yes	No		Senators	4/19			Yes	No
Chairman Bellew	✓						Chairman Kilzer	✓				
Representative Kreidt	✓						Senator Fischer	✓				
Representative Kaldor	✓						Senator Robinson	✓				

Vote Count Yes: _____ No: _____ Absent: _____

House Carrier _____ Senate Carrier _____

LC Number _____ . _____ of amendment

LC Number _____ . _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

2011 HOUSE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: House Appropriations Human Resources Division

Bill/Resolution No. 1025 as (re) engrossed

Date: 4/18

Roll Call Vote #: 1

Action Taken

- ☐ HOUSE accede to Senate amendments
- ☐ HOUSE accede to Senate amendments and further amend
- ☐ SENATE recede from Senate amendments
- ☐ SENATE recede from Senate amendments and amend as follows

House/Senate Amendments on HJ/SJ page(s) --

- ☐ Unable to agree, recommends that the committee be discharged and a new committee be appointed

((Re) Engrossed) _____ was placed on the Seventh order of business on the calendar

Motion Made by: Sen. Kilzer Seconded by: Sen. Fischer

Representatives	4/18			Yes	No		Senators	4/18			Yes	No
Chairman Bellew	X				X		Chairman Kilzer	X			X	
Representative Kreidt	X				X		Senator Fischer	X			X	
Representative Kaldor	X			X			Senator Robinson	X			X	

Vote Count Yes: 4 No: 2 Absent: _____

House Carrier _____ Senate Carrier _____

LC Number _____ . _____ of amendment

LC Number _____ . _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

go to 2.5 FTEs with $360,000 appropriation

motion fails

2011 HOUSE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: House Appropriations Human Resources Division

Bill/Resolution No. 1025 as (re) engrossed

Date: 4/21/11

Roll Call Vote #: 1

Action Taken

- ☐ HOUSE accede to Senate amendments
- ☐ HOUSE accede to Senate amendments and further amend
- ☐ SENATE recede from Senate amendments
- ☐ SENATE recede from Senate amendments and amend as follows

House/Senate Amendments on HJ/SJ page(s) --

- ☐ Unable to agree, recommends that the committee be discharged and a new committee be appointed

((Re) Engrossed) _____ was placed on the Seventh order of business on the calendar

Motion Made by: Rep. Kreidt Seconded by: Senator Kilzer

Representatives	4/21			Yes	No		Senators	4/21			Yes	No
Chairman Pollert	✓			✓			Chairman Kilzer	✓			✓	
Representative Kreidt	✓			✓			Senator Fischer	✓			✓	
Representative Kaldor	✓				✓		Senator Robinson	✓				✓

Vote Count Yes: 4 No: 2 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number _____ . _____ of amendment

LC Number _____ . _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

Adopt amendment .02003

Motion Carries

11.8120.02003
Title.04000
Fiscal No. 1

Prepared by the Legislative Council staff for
Conference Committee
April 20, 2011

IR
4/21/11
1082

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1025

That the Senate recede from its amendments as printed on pages 1368 and 1369 of the House Journal and pages 1125 and 1126 of the Senate Journal and that Engrossed House Bill No. 1025 be amended as follows:

Page 1, replace lines 11 through 14 with:

"Comprehensive tobacco control	$12,882,000	$40,614	$12,922,614"

Page 1, replace line 16 with:

"Full-time equivalent positions	4.00	1.00	5.00"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1025 - Tobacco Prevention & Control Exec Comm - Conference Committee Action

	Executive Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages		$765,980	($765,980)			
Operating expenses		2,967,609	(2,967,609)			
Grants		9,189,025	(9,189,025)			
Tobacco Prevention and Control Exec Comm	12,922,614		12,922,614	12,922,614	12,922,614	
Total all funds	$12,922,614	$12,922,614	$0	$12,922,614	$12,922,614	$0
Less estimated income	12,922,614	12,922,614	0	12,922,614	12,922,614	0
General fund	$0	$0	$0	$0	$0	$0
FTE	4.00	4.00	1.00	5.00	6.50	(1.50)

Department No. 305 - Tobacco Prevention & Control Exec Comm - Detail of Conference Committee Changes

	Restores Temporary Positions[1]	Decreases Grant Funding[2]	Restores Single Line Appropriation[3]	Adds FTE Position[4]	Total Conference Committee Changes
Salaries and wages	$366,514		($1,132,494)		($765,980)
Operating expenses			(2,967,609)		(2,967,609)
Grants		(366,514)	(8,822,511)		(9,189,025)
Tobacco Prevention and Control Exec Comm			12,922,614		12,922,614
Total all funds	$366,514	($366,514)	$0	$0	$0
Less estimated income	366,514	(366,514)	0	0	0
General fund	$0	$0	$0	$0	$0
FTE	0.00	0.00	0.00	1.00	1.00

[1] This amendment restores the salaries and wages and fringe benefits for the following temporary positions removed by the House:

- Half-time accountant - $86,786.
- Community intervention coordinator - $127,904.
- Evaluation coordinator - $151,824.

The Senate added 2.5 permanent FTE positions--a .5 FTE accountant, 1 FTE community intervention coordinator, and 1 FTE grants manager. The House had provided funding for a temporary grants manager. The 1 FTE evaluation coordinator position removed by the House was restored as a temporary position by the Senate.

[2] Funding for grants is decreased, the same as the Senate version.

[3] This amendment restores the comprehensive tobacco control line item provided in the executive recommendation and removes the funding by object code line items provided by the House, the same as the Senate version.

[4] This amendment adds 1 FTE position, 1.5 FTE positions less than the Senate. The Tobacco Prevention and Control Executive Committee may determine the position to be filled. The House did not add any FTE positions.

2011 HOUSE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: House Appropriations Human Resources Division

Bill/Resolution No. 1025 as (re)engrossed

Date: 4/21/11

Roll Call Vote #: 2

Action Taken

- ☐ HOUSE accede to Senate amendments
- ☐ HOUSE accede to Senate amendments and further amend
- ☐ SENATE recede from Senate amendments
- ☒ SENATE recede from Senate amendments and amend as follows

House/Senate Amendments on HJ/SJ page(s) 1368 - 1369

- ☐ Unable to agree, recommends that the committee be discharged and a new committee be appointed

((Re) Engrossed) HB 1025 was placed on the Seventh order of business on the calendar

Motion Made by: Rep. Kreidt Seconded by: Senator Kilzer

Representatives	Yes	No	Senators	Yes	No
Chairman Pollert	✓		Chairman Kilzer	✓	
Representative Kreidt	✓		Senator Fischer	✓	
Representative Kaldor	✓		Senator Robinson	✓	

Vote Count Yes: 6 No: 0 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number _____ . _____ of amendment

LC Number _____ . _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

Motion Carries

REPORT OF CONFERENCE COMMITTEE

HB 1025, as engrossed: Your conference committee (Sens. Kilzer, Fischer, Robinson and Reps. Pollert, Kreidt, Kaldor) recommends that the **SENATE RECEDE** from the Senate amendments, adopt amendments as follows, and place HB 1025 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1368 and 1369 of the House Journal and pages 1125 and 1126 of the Senate Journal and that Engrossed House Bill No. 1025 be amended as follows:

Page 1, replace lines 11 through 14 with:

"Comprehensive tobacco control	$12,882,000	$40,614	$12,922,614"

Page 1, replace line 16 with:

"Full-time equivalent positions	4.00	1.00	5.00"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1025 - Tobacco Prevention & Control Exec Comm - Conference Committee Action

	Executive Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages		$765,980	($765,980)			
Operating expenses		2,967,609	(2,967,609)			
Grants		9,189,025	(9,189,025)			
Tobacco Prevention and Control Exec Comm	12,922,614		12,922,614	12,922,614	12,922,614	
Total all funds	$12,922,614	$12,922,614	$0	$12,922,614	$12,922,614	$0
Less estimated income	12,922,614	12,922,614	0	12,922,614	12,922,614	0
General fund	$0	$0	$0	$0	$0	$0
FTE	4.00	4.00	1.00	5.00	6.50	(1.50)

Department No. 305 - Tobacco Prevention & Control Exec Comm - Detail of Conference Committee Changes

	Restores Temporary Positions[1]	Decreases Grant Funding[2]	Restores Single Line Appropriation[3]	Adds FTE Position[4]	Total Conference Committee Changes
Salaries and wages	$366,514		($1,132,494)		($765,980)
Operating expenses			(2,967,609)		(2,967,609)
Grants		(366,514)	(8,822,511)		(9,189,025)
Tobacco Prevention and Control Exec Comm			12,922,614		12,922,614
Total all funds	$366,514	($366,514)	$0	$0	$0
Less estimated income	366,514	(366,514)	0	0	0
General fund	$0	$0	$0	$0	$0
FTE	0.00	0.00	0.00	1.00	1.00

[1] This amendment restores the salaries and wages and fringe benefits for the following temporary positions removed by the House:

- Half-time accountant - $86,786.
- Community intervention coordinator - $127,904.

- Evaluation coordinator - $151,824.

The Senate added 2.5 permanent FTE positions--a .5 FTE accountant, 1 FTE community intervention coordinator, and 1 FTE grants manager. The House had provided funding for a temporary grants manager. The 1 FTE evaluation coordinator position removed by the House was restored as a temporary position by the Senate.

[2] Funding for grants is decreased, the same as the Senate version.

[3] This amendment restores the comprehensive tobacco control line item provided in the executive recommendation and removes the funding by object code line items provided by the House, the same as the Senate version.

[4] This amendment adds 1 FTE position, 1.5 FTE positions less than the Senate. The Tobacco Prevention and Control Executive Committee may determine the position to be filled. The House did not add any FTE positions.

Engrossed HB 1025 was placed on the Seventh order of business on the calendar.

2011 TESTIMONY

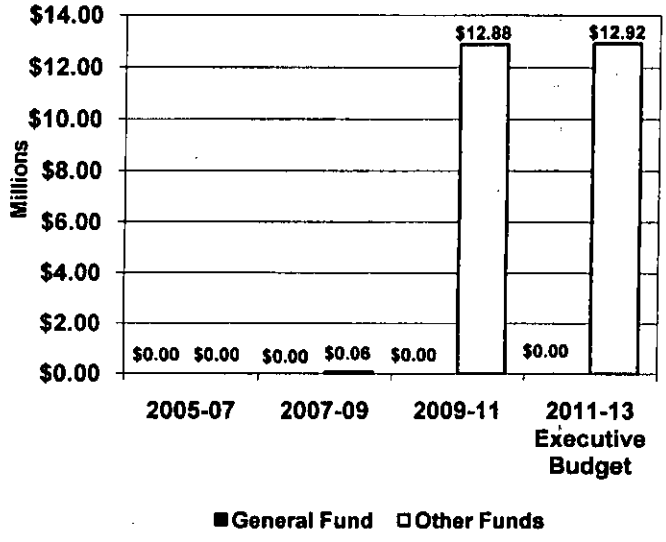
HB 1025

Prepared by the North Dakota Legislative Council staff for House Appropriations
January 13, 2011

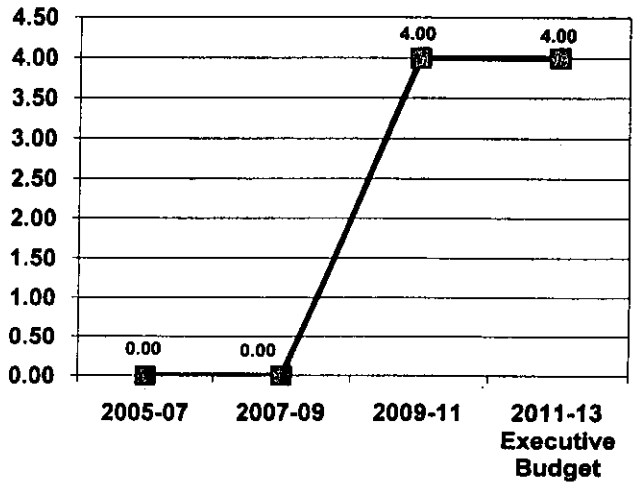
Department 305 - Tobacco Prevention and Control Committee
House Bill No. 1025

	FTE Positions	General Fund	Other Funds	Total
2011-13 Executive Budget	4.00	$0	$12,922,614	$12,922,614
2009-11 Legislative Appropriations	4.00	0	12,882,000	12,882,000
Increase (Decrease)	0.00	$0	$40,614	$40,614

Agency Funding



FTE Positions



Executive Budget Highlights

No major changes for this agency.

Continuing Appropriations

No continuing appropriations for this agency.

Significant Audit Findings

There are no significant audit findings for this agency.

Major Related Legislation

At this time, no major legislation has been introduced affecting this agency.

- Attachment ONE
- Jeanne Prom, Executive Director of the Center for Tobacco Prevention and Control Policy

BreatheND
Saving Lives, Saving Money with Measure 3.

Testimony
House Bill 1025
House Appropriations Committee
Human Resources Division
8:30 a.m., Friday, January 14, 2011
North Dakota Tobacco Prevention and Control Advisory/Executive Committee

Good morning, Chairman Pollert and members of the Human Resources Division of the House Appropriations Committee. I am Jeanne Prom, executive director of the Center for Tobacco Prevention and Control Policy. The Center is the office created with funding from the North Dakota Tobacco Prevention and Control Executive Committee. It is my pleasure to be here today to testify in support of House Bill 1025, which provides an appropriation for the North Dakota Tobacco Prevention and Control Executive Committee, the agency responsible for the comprehensive tobacco control program in North Dakota. Statutory authority is provided in North Dakota Century Code §23.42.01 through §23.42.08, and §54.27.25, which is the law created by statewide Initiated Measure 3 passed by North Dakota voters in 2008. Measure 3 requires that a portion of the money North Dakota receives from the Master Settlement Agreement with tobacco companies be used for a comprehensive tobacco prevention program.

This law (NDCC §23.42.01 through §23.42.08, and §54.27.25) also created the Tobacco Prevention and Control Advisory Committee, a nine-member board appointed by the Governor. The board elects three of its members to the North Dakota Tobacco Prevention and Control Executive Committee. The Advisory Committee is responsible for developing a comprehensive statewide plan to prevent and reduce tobacco use. The Executive Committee is charged with implementing and administering the plan, that includes establishing and staffing the agency and expending appropriated funds. In most cases during this testimony, I will refer to the agency as the Executive Committee.

My comments begin with information related to the agency financial audit, continue with an explanation of the new agency's mission and current appropriation, and conclude with the 2011-2013 budget request. As part of my testimony, I will provide a brief status report on tobacco use in North Dakota, followed by a report on the agency's accomplishments in its first 18 months of existence. The report of accomplishments connects our agency's efforts with sales tax data showing a reduction in cigarette sales, and county-level survey data showing decreases in adult smoking. I will share both the costs of tobacco use and the cost savings that we can expect to realize after we reduce tobacco use.

Financial audit

The agency was created by law on December 4, 2008, and received its first appropriation beginning this biennium, on July 1, 2009. No audit has been conducted. The agency's first audit will occur during the next biennium.

A single mission: reducing the health and economic burden of tobacco use significantly over years, not decades

The budget of the North Dakota Tobacco Prevention and Control Executive Committee requires an appropriation commensurate with the problem the agency is charged with solving and is in line with the vote of the people. This investment in serious tobacco use reduction is essential to the health and financial well-being of North Dakota. Why? Because the burden of tobacco use in North Dakota is huge, and we all pay the price.

Tobacco use is the leading cause of preventable disease and death in our state, killing more than 900 people each year, and contributing to many of the state's leading causes of death in nearly every age group. The U.S. Centers for Disease Control and Prevention (CDC) reports that in North Dakota, smoking costs $247 million per year in healthcare expenses. Of this, $47 million are Medicaid costs. A lifetime healthcare cost of smokers total, on average, at least $16,000 more than nonsmokers, even though smokers do not live as long, with a somewhat smaller different between smokers and former smokers. The CDC estimates that smoking-caused healthcare costs and lost productivity losses in North Dakota total $10.48 per pack sold in the state. In addition, North Dakota households pay on average of about $564 per year in federal and state taxes to cover government expenditures caused by tobacco use. (Attachment A)

In North Dakota, youth and adult smoking rates have remained stagnant over the past few years. This is not surprising, because before this biennium, North Dakota had a tobacco prevention program that was limited in scope and funding. While limited programs achieved some success, studies find, and CDC reports, that as states spend more on these programs:

- cigarette sales drop twice as much as in the United States as a whole;
- larger declines in smoking rates occur, even when controlling for other factors such as increased tobacco prices; and
- the longer states invest in such programs, the larger the impact.

The good news is that this biennium, North Dakota became the first state in the nation to fund its tobacco prevention program at the comprehensive level recommended by the U.S. Centers for Disease Control and Prevention (CDC). Currently North Dakota and Alaska are the only states with this funding level. Historically, other states have invested in larger-scale programs with the focus on strong statewide policies and ongoing program funding, and have realized significant health improvements and healthcare cost savings. Three separate landmark reports were released in 2007, one each by the Institute of Medicine, the President's Cancer Panel, and the CDC. All reports concluded that there is overwhelming evidence that comprehensive statewide tobacco prevention programs substantially reduce tobacco use, and all reports advised that states fund their programs at the CDC-recommended level.

The Executive Committee is charged with a very specific mission: to ensure that tobacco use in North Dakota is reduced significantly over a matter of years rather than little-by-little over many decades, using a funding source that will end in 2017.

With this singular focus on tobacco use prevention, our state can make significant progress.

To accomplish this important mission, the Tobacco Prevention and Control Advisory Committee, in its plan, *Saving Lives – Saving Money: North Dakota's Comprehensive State Plan to Prevent and Reduce Tobacco Use, 2009-2014* (July 2009), outlines four goals:

- Prevent the initiation of tobacco use among youth and young adults,
- Eliminate exposure to secondhand smoke,
- Promote quitting tobacco use, and
- Build capacity and infrastructure to implement a comprehensive evidence-based tobacco prevention and control program.

Even with time-limited funding (9 years of Strategic Contribution Fund payments), the Executive Committee will have a reserve that will support a CDC Best Practice comprehensive tobacco prevention program for a number of years – long enough to fully implement strategies proven to work. With CDC-recommended funding appropriated by the Legislature, with adequate implementation time, by enactment of proven policies and systems changes, and by changing the social norms, we can stop the tobacco use epidemic in North Dakota.

Program costs must comply with the North Dakota Century Code (§23.42.01 through §23.42.08, and §54.27.25) that states the comprehensive plan must be funded at a level equal to or greater than the U.S. Centers for Disease Control and Prevention's recommended funding level. The current appropriation and 2011-2013 budget request, combined with two funding sources in the Department of Health budget for these same time periods, meet this requirement.

2009-2011 appropriation

The appropriation for the current biennium is $12,882,000. All funds are special funds from the Strategic Contribution Fund payments received by the State since 2009 and deposited in the Tobacco Prevention and Control Trust Fund. Strategic Contribution Funds end in six years.

This $12,882,000 is directed to:	
Salaries and Wages	**$ 517,456**
Operating	**$ 185,040**
Grants and Professional Fees	**$ 12,179,504**

The Executive Committee currently is authorized to hire 4.0 full-time equivalent positions, and these positions are filled.

All program costs are necessary to establish and maintain the new state agency which is dedicated solely to the mission of reducing the health and economic impact of the state's leading cause of disease and death: tobacco use.

Salaries and wages provide salary and benefits to 4.0 full-time equivalent positions hired by the Executive Committee, and per diem for nine board members appointed by the Governor. The four staff positions include: executive director, administrative assistant, health communications coordinator, and community intervention coordinator.

Operating expenses provide travel for employees and board members, supplies, maintenance, postage, printing, equipment, insurance, rent, repairs, data processing and communications, contracted services, professional development, and operating fees and services.

Grants and professional fees comprise the majority of expenditures. The majority of grant funding is provided to all 28 local public health units on a non-competitive formula basis, to serve all counties and address the tobacco use problem at the local level. Additional grants and professional fees provide: ongoing public education, evaluation, special projects, training and technical assistance, development of online grant applications and reporting, and other services provided by state agencies (data processing, telecommunications, accounting, legal services).

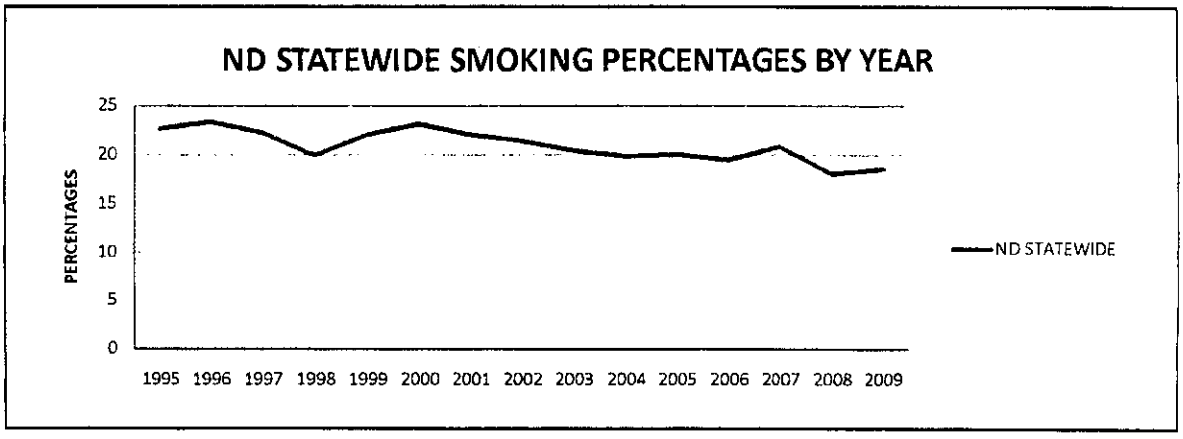
I am going to take some time now to report on the status of the tobacco use epidemic in North Dakota and the agency's current appropriation is being used to solve the problem.

Need for Executive Committee funding
and indications of immediate impact from current appropriation

Since 1995, adult tobacco use in North Dakota has remained virtually unchanged. Since 2005, youth tobacco use rates have also remained virtually unchanged. However, in Burleigh and Cass counties, local public health units that have received larger grants have been able to use Best Practices to educate communities and to promote strong local smoke-free policies. In these two counties, we are seeing tobacco use rates drop. (Comparable data is not available for other single county health units.) Please see the following three charts.

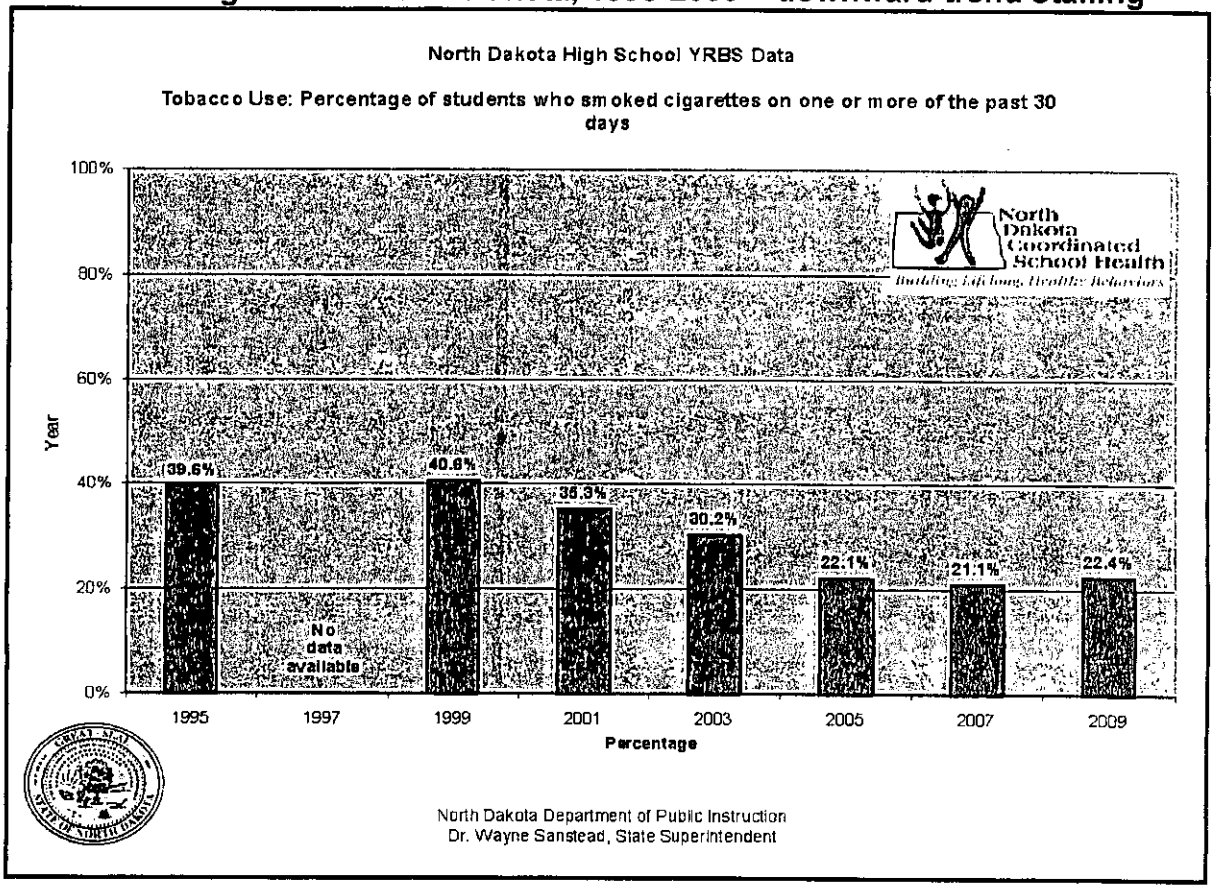
Before Executive Committee funding →

Adult smoking rates in North Dakota, 1995-2009 – virtually unchanged



This chart illustrates the adult smoking in North Dakota has remained virtually unchanged since 1995. Source: CDC Behavioral Risk Factor Surveillance System

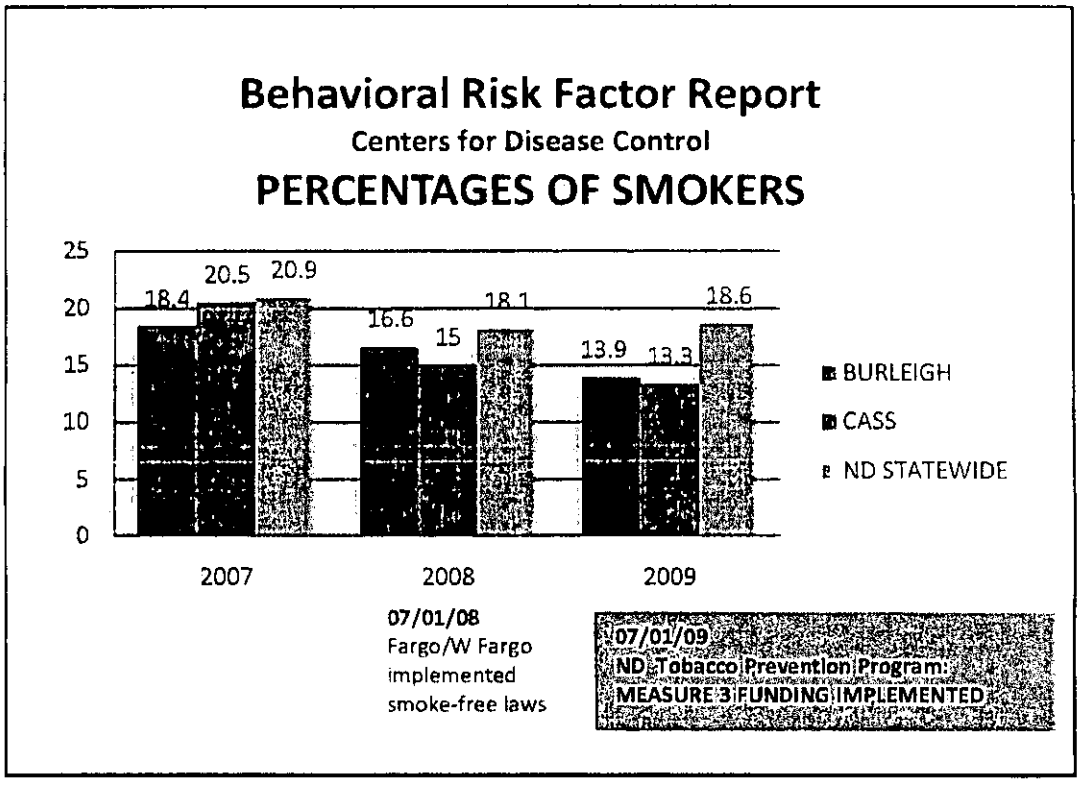
Youth smoking rates in North Dakota, 1995-2009 – downward trend stalling



This chart illustrates how smoking by high school students has decreased significantly from 1995 to 2005, from one of the highest rates in the nation. The downward trend appears to have stalled since 2005. *Source: N.D. Department of Public Instruction, Youth Risk Behavior Survey*

Before and at the beginning of Executive Committee funding --

Smoking decreasing in two counties with strong policies and funding



This chart illustrates how Burleigh and Cass counties have reported lower tobacco use rates while state tobacco use rates are relatively unchanged. This coincides with Burleigh and Cass Counties receiving the highest levels of single-county funding for tobacco control in the state, and with smoke-free laws in Fargo and West Fargo. Bismarck also enacted a local smoke-free law in 2005 that is stronger than the state law. Both health units have undertaken significant public education campaigns on the health consequences of tobacco use, and have active citizen coalitions. *Source: U.S. Centers for Disease Control and Prevention, Behavioral Risk Factor Surveillance System.*

The Executive Committee-funded comprehensive statewide program was able to provide nearly double the amount of funding previously received by all counties. Additionally, the Executive Committee promotes 100% smoke-free laws. We can expect that the impact of increased funding in all counties and continued efforts toward communities becoming 100% smoke-free will begin a decline in tobacco use statewide, in addition to current declines in some counties.

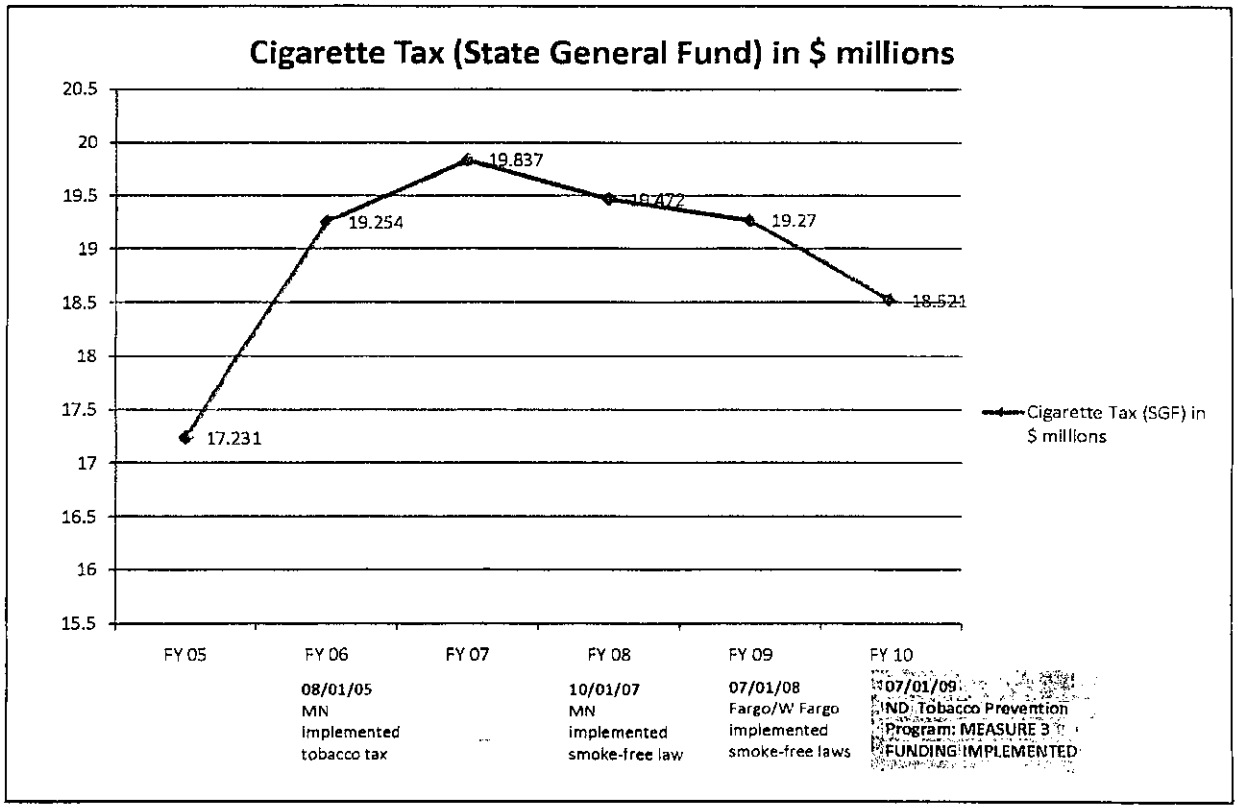
After Executive Committee funding --

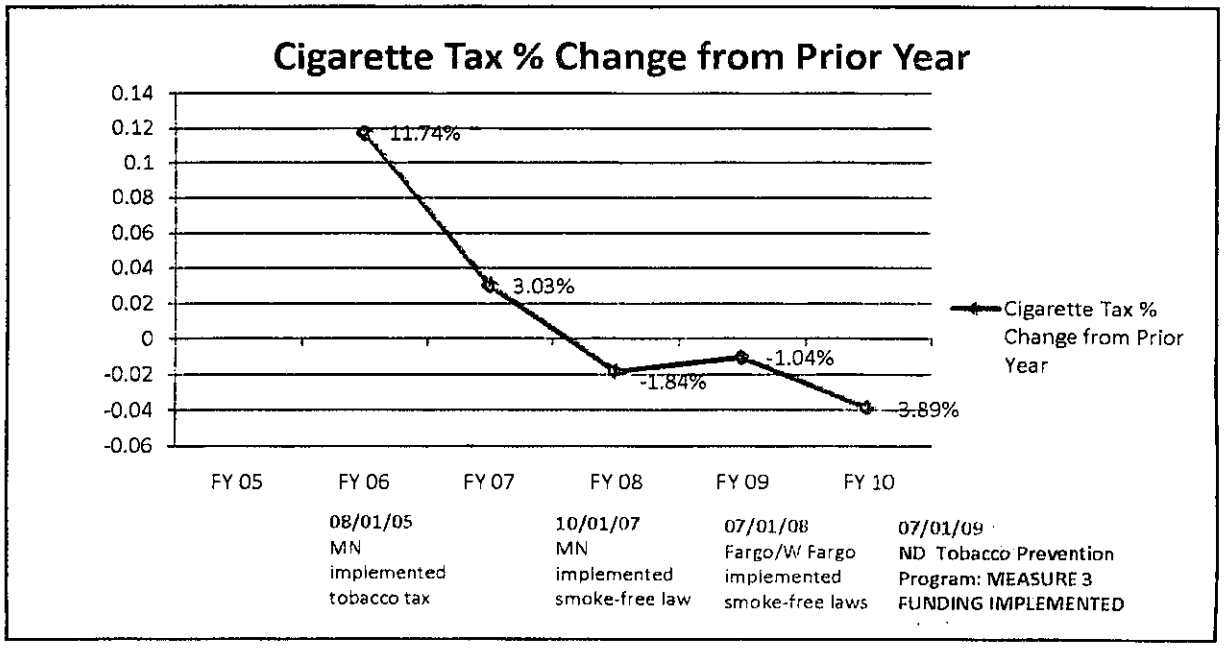
Initial indicators of change – fewer cigarettes sold

In the past three fiscal years, fewer packs of cigarettes have been sold in North Dakota. The most significant drop in cigarette sales occurred in the first year of Executive Committee funding during Fiscal Year 2010 – 1.8 million fewer packs sold.

Tobacco sales in our state are also affected by cross-border purchases. For example, if Minnesota enacted a significant increase in its tobacco tax this year, we would likely see sales here increase. In order to significantly reduce tobacco sales *and* increase tobacco tax revenues, the North Dakota tobacco taxes must be raised significantly.

A significant decrease in the number of cigarette packs sold in North Dakota

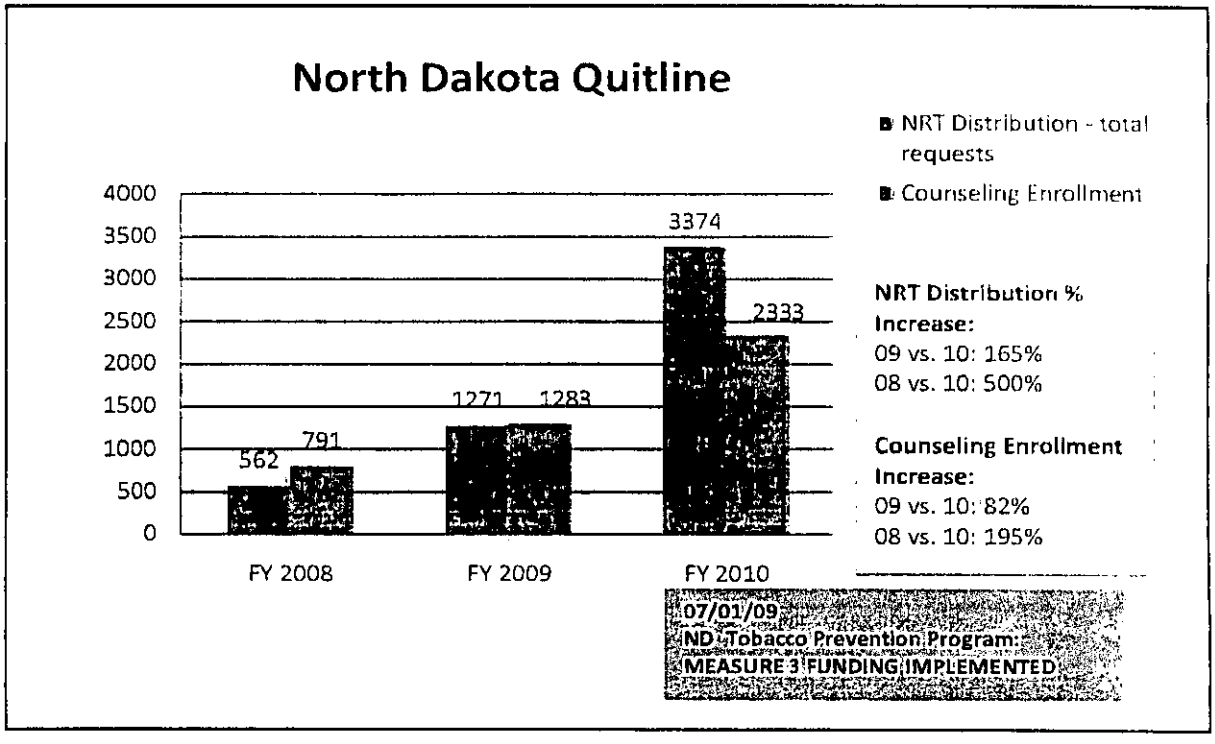




The two charts above illustrate how smoke-free laws in Fargo, West Fargo and in Minnesota coincide with reduction in N.D. cigarette tax revenue (and packs of cigarettes sold) in the years prior to Measure 3 funding. The Executive Committee-funded comprehensive statewide program has continued to promote 100% smoke-free laws, with success. The charts also illustrate how a tobacco tax increase in Minnesota coincides with an increase in N.D. cigarette tax revenue. To significantly decrease tobacco use in North Dakota without decreasing tobacco tax revenue, we must increase N.D. tobacco taxes. Sales/tax collection amounts by county are not available. *Source: N.D. Tax Department, tobacco sales tax data*

Beginning July 1, 2009, the Executive Committee began a new program with local public health units implementing system-wide changes with each of their client-based programs asking each client about their tobacco use. Tobacco users are advised to quit and are referred to the statewide Quitline. As a result, both the Quitline counseling enrollment numbers and the distribution of nicotine replacement therapy (NRT) increased significantly statewide and in individual counties.

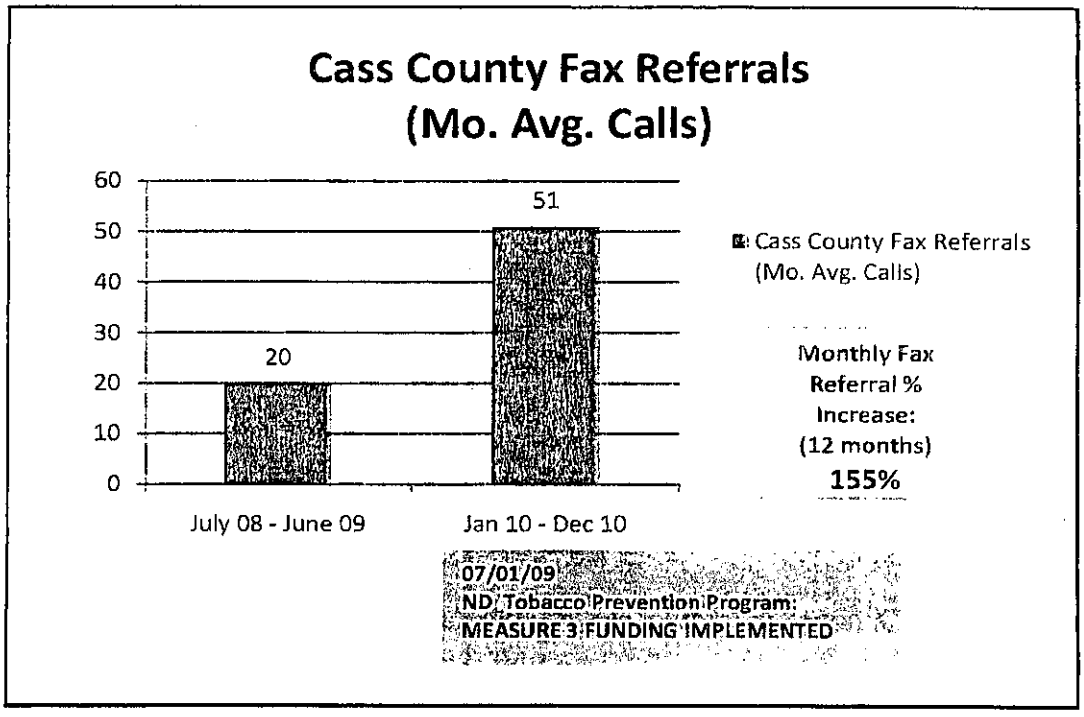
An increase in the use of the statewide Quitline



This chart illustrates how efforts funded by the Executive Committee to increase referrals to the Quitline from local public health units contributed to significant increases in distribution of nicotine replacement therapy (NRT) and in enrollment for counseling from the statewide Quitline. Executive Committee grant funds to local public health units require that health units ask all clients about their tobacco use and refer tobacco users to the Quitline. *Source: N.D. Department of Health, Quitline reports.*

With funding from the Executive Committee, Fargo Cass Public Health began a pilot project in October 2009 to promote fax referrals to the statewide Quitline in four local health systems (Sanford Medical Center North, Essentia Health, Family Healthcare Center and NDSU Student Health Services). As a result, the agency's monthly average of fax referrals doubled.

Increased use of the statewide Quitline from Cass County



This chart illustrates how fax referrals from Cass County to the Quitline more than doubled in calendar year 2010, compared to the previous 12 months. In October 2009 Fargo Cass Public Health began a fax referral pilot project with Fargo-area healthcare providers, with funding provided by the Executive Committee. *Source: N.D. Department of Health, Quitline reports*

Healthcare costs impact

Earlier in my testimony, I provided some cost estimates of tobacco use. I'd like to focus now on cost savings. Two recent studies support previous findings related to health cost savings resulting from comprehensive tobacco prevention and control programs. Returns on investments have ranged from five, to ten, to fifty times as reported from the states of Washington, Arizona, and California respectively. Why the broad range of return? Some differences are attributed to the focus on the programs; programs that focus on adults instead of youth, that change the social norms related to tobacco use, address public policy, and that address tobacco industry tactics have greater returns. Returns can also vary by factors included in analysis, such as pharmaceutical and rehabilitation costs related to treatment of illnesses caused by tobacco.

After ten years of implementation of a comprehensive program, the state of Washington reports that youth smoking rates decreased by more than 50% and adult smoking rates decreased by one-third. While Washington state is not North Dakota, Washington reports preventing 13,000 premature deaths and preventing nearly 36,000 hospitalizations, thereby saving $1.5 billion in health care costs. It is important to note that prior to substantial investments being made in tobacco control in Washington state there was progress being made, however, smoking rates did not decrease significantly until after the substantial investments were made.

North Dakota's middle school smoking rates is currently 7.3% (2009); the states of Indiana and New York middle school smoking rates, after implementing

comprehensive programs, are 4.1% and 3.8% respectively. Similarly, these states' high school rates are lower than our current 22.4%.

The state of Massachusetts cigarette consumption was declining at more than double the rest of the country during its program's peak funding years from 1993 – 2003. Then in 2003, the program was cut by 90% and consumption increased in 2005 – 2006 while in the rest of the country it continues to decline.

The longest running comprehensive program, in California, funded by state cigarette taxes since 1988, enjoys adult smoking rate of 12.9% compared to our 18.6%. In 2009, the rates of lung cancer declined four times faster in the California than the rest of the United States. A 2010 study, published in *Cancer Epidemiology, Biomarkers, and Prevention*, associated declines in lung cancer with California's comprehensive tobacco control program. Sharp drops in the major diseases cause by smoking, such as cancers, strokes, and heart disease, do not appear until several years after adult smoking rates decline, but small declines do occur and do begin to have immediate cost savings.

In reviewing North Dakota Medicare data, hospital costs associated with one person experiencing an acute myocardial infarction (heart attack) and with a person seeking treatment for COPD (chronic obstructive pulmonary disease), a respiratory illness that can be caused, by smoking, were available. The median Medicare payment to made to Altru Hospital of Grand Forks, MedCenter One here in Bismarck, and Trinity in Minot, ranges from $5,358 to $11,956 per person to treat. Similarly, for COPD, the median Medicare payments the same hospitals range from $3,936 to $8,029 per person to treat. (USDHHS, 2010, Hospital Compare).

A specific Medicaid expenditure is births, with state Medicaid programs covering well over half of all births in the United States. Research studies estimate that the direct additional healthcare costs associated just with the birth complications caused by pregnant women smoking or being exposed to secondhand smoke could be as high as an average of $1,142 to $1,358 per birth.

Additionally, in North Dakota, 10% of all smoking-caused healthcare expenditures are paid for by the state's Medicaid program.

Savings Per Percentage Point Declines in Smoking Rates

With each one percentage point decline in North Dakota's smoking rate, it is estimated that the following benefits and savings may be obtained:

BENEFITS & SAVINGS FROM EACH 1% POINT DECLINE IN ND SMOKING RATES

Fewer Smokers

Fewer current adult smokers: 4,900
Fewer current pregnant smokers: 90
Fewer current high school smokers: 400
North Dakota kids alive today who will not become addicted adult smokers: 1,400

Public Health Benefits

Today's adults saved from dying prematurely from smoking: 1,300
Today's high school smokers saved from dying prematurely from smoking: 130
North Dakota kids alive today who will not die prematurely from smoking: 450

	First Year	Over 5 Years
Fewer smoking-affected births:	**90**	**430**
Fewer smoking-caused heart attacks:	**2**	**32**
Fewer smoking-caused strokes:	**1**	**17**

[The number of heart attacks and strokes prevented each year by a one-time decline in adult smoking rates of one percentage point starts out small but grows sharply until it peaks and stabilizes after about ten years.]

Monetary Benefits (Reduced Public, Private, and Individual Smoking-Caused Costs)

	First Year	Over 5 Years
Savings from smoking-affected birth reductions	**$0.1 million**	**$0.7 million**
Savings from heart attack & stroke reductions	**$0.2 million**	**$2.3 million**

[Annual savings from fewer smoking-caused heart attacks and strokes grows substantially each year as more and more are prevented by the initial one percentage point smoking decline. Savings from prevented smoking-caused cancer are even larger, but do not begin to accrue until several years after the initial smoking decline.]

Reduction to future health costs from adult smoking declines: **$46.6 million**

Reduction to future health costs from youth smoking declines: **$24.5 million**

[These savings accrue over the lifetimes of the adults who quit and the youth who do not become adult smokers. Roughly 10.6% of smoking-caused healthcare expenditures in North Dakota are paid by its Medicaid program.]

At the same time that they reduce public and private smoking-caused costs, state smoking declines also increase public and private sector worker productivity and strengthen the state's economy.

Excerpted from: (September 22, 2008) Measure 3: Comprehensive tobacco prevention and cessation for North Dakota: A win-win solution for North Dakota's health and economy. A special report by the Campaign for Tobacco-Free Kids.

For North Dakota to experience the reduced heath care costs associated with comprehensive programs, there are four key points to bear in mind:

1. When adequately funded, comprehensive state tobacco prevention programs quickly and substantially reduce tobacco use, save lives, and cut smoking-caused costs.
2. State tobacco prevention programs must be insulated against the inevitable attempts by the tobacco industry to reduce program funding and otherwise interfere with the programs' successful operation.
3. The programs' funding must be sustained over time both to protect initial tobacco use reductions and to achieve further cuts.
4. When program funding is cut, progress in reducing tobacco use erodes, and the state suffers from higher levels of smoking and more smoking-caused deaths, disease, and costs."

Progress in promoting tobacco-free lifestyles

The health outcomes and accomplishments in North Dakota thus far have been realized because the North Dakota Tobacco Prevention and Control Executive Committee must, by law, implement only those methods proven most effective – and cost-effective -- in reducing tobacco use. These methods are described in *Best Practices for Comprehensive Tobacco Control Programs*, published by CDC in October 2007. These CDC Best Practices are policy, environmental, and health

system changes including tobacco-free and smoke-free policies and environments, tobacco pricing policies, and health systems approaches that ensure all tobacco users are connected to affordable cessation services.

Next are the accomplishments as a result of implementing the 2009-2011 priorities taken from the new state plan, *Saving Lives – Saving Money: North Dakota's Comprehensive State Plan to Prevent and Reduce Tobacco Use, 2009-2014.*

The priorities for this biennium reflect the foundational public policies that should be in place at the beginning because they reach the entire population or large portions of the population. By reaching all or most people, the policies establish tobacco-free living as the social norm. Social norms are very important to prevent tobacco use among our young people. Adult behaviors determine the social norm and adult behavior must be consistent to what youth learn about tobacco use. Adults must model no tobacco use for young people if our social norm is to be tobacco-free. Any policy to establish tobacco-free living as the norm must be for all ages, not just youth.

Additionally, with access to programs and services in all counties has increased with grant funding from the North Dakota Tobacco Prevention and Control Executive Committee. Larger grants allowed local public health units to hire an additional 11.29 fulltime equivalent employees to provide tobacco prevention programs and services in all counties. Half of these positions are located in cities with populations of less than 5,000. This ensures that all areas of the state – rural and urban -- are benefitting from the comprehensive tobacco prevention and control program and services. Please see the table on the following page.

State Plan: more progress needed

The State Plan also includes the following objectives which require action by the North Dakota Legislative Assembly. These actions are imperative if we are to reduce tobacco use and the related healthcare costs significantly *and* at an accelerated rate:

- Amend the North Dakota Smoke-Free Law to implement 100 percent smoke-free public places and places of employment and to expand enforcement of the law. *North Dakota has exemptions for bars, truck stops and other areas where smoking is allowed.*
- Increase the cigarette excise tax to $2.00 per pack and increase the excise tax on other tobacco products by an equal and proportional amount. ($0.44 since 1993) A $2 tobacco tax would result in a 25.7% decrease in youth smoking, keep 7,900 kids in North Dakota from becoming addicted adult smokers, and prompt 5,300 current adult smokers to quit. This would result in $5.5 million in 5-year healthcare costs savings from fewer smoking-affected pregnancies, births, heart attacks and strokes. Long-term cost savings from smoking declines is in the hundreds of millions of dollars. See Attachment B.
- Continue to prevent preemption in all state tobacco prevention and control laws. Preemption is when higher levels of government can prohibit lower levels of government from enacting certain laws or regulations. At this time local governments are not preempted from enacting tobacco prevention and control ordinances.
- Sustain North Dakota's comprehensive Tobacco Prevention and Control Program using CDC Best Practices to significantly reduce tobacco use at an accelerated rate, and thus significantly reduce tobacco-related healthcare costs over time.

SAVING LIVES, SAVING MONEY STATE PLAN OBJECTIVE PRIORITES 2009-2011		
Objective	**2009 Progress to Present Activity**	**5-Year Plan Projected Outcomes**
Enact local ordinances for 100% smoke-free public places and places of employment	Increased communities from 2 to 4; Fargo, West Fargo, Grand Forks & Napoleon; Devils Lake becomes smoke-free July 1, 2011; Pembina on Feb. 1, 2011	5 communities by June 2012
Enact comprehensive tobacco-free school district campus policies	Increased school campus policy from 21% to 34%	50% of school campuses by June 2013
Enact comprehensive tobacco-free post secondary school campus policies	Increased post secondary campus policy from 7 to 9	11 post secondary campuses by 2013
Incorporate systems approach to tobacco treatment recommendation in *US Public Health Service Treating Tobacco Use and Dependence, Clinical Practice Guidelines - 2008 Update*	Incorporated systems approach in 28 local public health units and 3 of the largest main campuses health care systems	**Completed prior to plan timelines of 2014 - PROJECTED OUTCOME EXCEEDED**
Increase annual use of ND Tobacco Quitline from .66 to 2 percent of all smokers and smokeless tobacco users	Increased Quitline from .66 to 2.2 percent	**Completed prior to plan timeline of 2014 - PROJECTED OUTCOME EXCEEDED!** Initial projected outcome was 2 percent
Developed an administrative structure to manage the comprehensive North Dakota Tobacco Prevention and Control Program	Office fully staffed: 4 full-time positions	Completed August 2010
Develop local infrastructure and capacity to deliver evidence-based tobacco prevention and control interventions to reach all counties	Since summer/fall 2009, all local public health units/cooperating units have at least a part-time tobacco control program coordinator, increased grant funding and work plan	Completed summer/fall 2009
Create and implement tobacco prevention and control health communication initiative and provide ongoing public education programs	Since fall 2009, health communications campaigns have been delivered at CDC Best Practice level	Completed fall 2009
Develop a comprehensive statewide surveillance and evaluation plan for the comprehensive North Dakota Tobacco Prevention and Control Program	Final plan developed fall 2010	Completed fall 2010

2011-2013 Budget – Base, Optional, Total Requests

The North Dakota Tobacco Prevention and Control Executive Committee's 2011-2013 base, optional and total budget request is $12,992,614. See Attachment C. This reflects an increase of $40,614 over the 2009-2011 biennial budget. $40,614 is the amount of the compensation package increases in salary, benefits, health insurance and retirement contribution. This is an increase of 0.3 percent from 2009-2011. All funds are special funds from the Strategic Contribution Fund payments beginning with the second yearly payment received by the State in 2009 and deposited in the Tobacco Prevention and Control Trust Fund. Strategic Contribution Fund payments end in 2017.

In the base, optional and total budget requests, this $12,992,614 is directed to:	
Salaries and Wages	**$ 1,132,494**
Operating	**$ 282,295**
Grants and Professional Fees	**$ 11,507,825**

The Executive Committee requests 4.0 full-time equivalent permanent positions and 3.5 temporary positions in its base budget request.

In its optional budget request, the Executive Committee requests 7.5 full-time equivalent permanent positions, transferring the temporary positions to permanent positions. See Attachments D and E.

The Executive Committee has no one-time spending requests.

Salaries and wages provide salary and benefits to 4.0 full-time equivalent positions, 3.5 temporary or permanent full-time equivalent positions, and per diem for nine board members appointed by the Governor.

Permanent salaries increased based on actual expenditures as staff were hired in the previous biennium, and by legislatively approved raises. Temporary salaries increased to provide adequate staffing required to administer and manage the local and state aid grants program (51 grants). Fringe benefits increased to reflect actual salaries of permanent staff and the addition of temporary staff.

Adequate staffing is the critical issue facing the Executive Committee. At the beginning of this biennium, administration of the local and tobacco settlement state aid grants programs (51 grants), was transferred to the Executive Committee from the Department of Health. Originally, the Department of Health agreed to manage these grants with existing department staff. Thus the Executive Committee requested 4.0 positions, which did not include positions to provide administration and ongoing technical assistance to 51 grantees.

However, as is common with the development of new large-scale programs, original plans are adapted. In exchange for transferring the grants management to the Executive Committee, the Department of Health has provided contracted accounting and human resource services to the committee. This arrangement has been very helpful to the Executive Committee, but was not meant to be perpetual nor does it allow for adequate Executive Committee staffing to manage an additional 51 grants and provide the ongoing technical assistance and training to these grantees. Thus, the

Executive Committee includes an additional 3.5 temporary full-time employees in its base budget request. These temporary employees become permanent employees in the optional request. This transfer does not change the total budget request.

The new positions requested include:
0.5 Accountant
The accountant will provide general accounting and human resource management services.

1.0 Community Intervention Coordinator
This position will provide daily technical assistance for half of all grants, and will coordinate quarterly training for grantees.

1.0 Evaluation Coordinator
This position will manage the contract for the ongoing comprehensive evaluation of the statewide program; will provide ongoing technical assistance and training to grantees related to evaluating their grant programs; and will provide assistance in evaluating the health communications program.

1.0 Grants Manager
This position will manage the development and implementation of paperwork, protocol and processes to issue and track more than 75 grants and contracts. This includes developing requests for proposals, issuing requests for bids, reviewing proposals and bids, and serving as procurement officer.

Operating expenses provide travel for permanent and temporary employees and board members, supplies, maintenance, postage, printing, equipment, insurance, rent, repairs, data processing and communications, contracted services, professional development, and operating fees and services.

In operating expenses, the following line items increased from 2009-2011 to reflect increased costs required to administer and manage the local and state grants program (51 grants) which were transferred to the Executive Committee from the Department of Health, as well as actual available budget history: travel; supplies – IT software; supplies – professional; office supplies; postage; printing; rentals/leases-building; IT – data processing; IT – communications; and professional development. The following are new line items based on budget history: building/vehicle maintenance; and repairs. IT – contractual services increased to fund an enhanced system for grantee reporting. Insurance decreased and office equipment and furniture supplies decreased to reflect actual costs. IT equipment under $5,000 decreased because no one-time start-up costs are necessary. Operating fees and services (advertising, awards, purchase of service) decreased to reflect actual costs. Fees – professional services, and rentals decreased and grants, benefits and claims increased to reflect actual costs.

Grants and professional fees comprise the majority of expenditures. The majority of grant funding is provided to all 28 local public health units on a non-competitive formula basis, to serve all counties and address the tobacco use problem at the local level. The other grants and professional fees provide: ongoing public education, comprehensive statewide evaluation, special projects, training and technical assistance, implementation of online grant applications and reporting, and other

services provided by state agencies (data processing, telecommunications, accounting, legal services).

Optional request -- changes
The total budget request amount from base to optional remains the same. Within this total amount, the Salaries – permanent line item increased and temporary salaries line item decreased to reflect the transfer of temporary employees to permanent status for program continuity. Permanent staff will administer and manage the local and state aid grant programs (51 grants), which were transferred to the Executive Committee from the Department of Health.

Conclusion
This concludes the overview of the North Dakota Tobacco Prevention and Control Executive Committee audit, current biennial budget, and 2011-2013 base, optional and total budget requests. The base budget request in the Governor's budget is at the level of the current biennial budget with the addition of the compensation package. The base budget includes the current 4.0 permanent and an additional 3.5 temporary FTE to address critical staffing issues created by the transfer of 51 grants from the Department of Health. The optional budget request transfers the temporary positions to permanent positions. Base, optional and total budgets are the same amount.

Chairman Pollert and members of the Committee, I thank you for the current appropriation, and for your thoughtful consideration and support of our budget request in House Bill 1025. I would be happy to answer any questions.

Did You Know? Studies show that U.S. youth are nearly three times more sensitive to tobacco advertising than adults.

The Toll of Tobacco in North Dakota

Take Action
Donate
Federal Initiatives
State Initiatives
International Center
Kick Butts Day
Research and Facts
Press Office
Tobacco Ad Gallery
Special Reports

The Tobacco Toll
Find out what tobacco has done to your state!

Select a State...

State Settlement Overview for North Dakota

View sources of information

Tobacco Use in North Dakota

High school students who smoke	**22.4% (8,800)**
Male high school students who use smokeless or spit tobacco	**23.2% (females use much lower)**
Kids (under 18) who become new daily smokers each year	**700**
Kids exposed to secondhand smoke at home	**42,000**
Packs of cigarettes bought or smoked by kids each year	**2.1 million**
Adults in North Dakota who smoke	**18.6% (93,500)**

Nationwide, youth smoking has declined dramatically since the mid-1990s, but that decline has slowed considerably in recent years. The smoking rate among high school students - 20 percent in 2007 - has not declined significantly since 2003, following a 40 percent decline between 1997 and 2003, from 36.4 percent to 21.9 percent.

In addition, 13.4 percent of U.S. high school males currently use spit tobacco. U.S. adult smoking increased slightly to 20.6 percent (about 46 million) in 2008 from 19.8 percent in 2007, the first increase in adult smoking rate since 1994.

Deaths in North Dakota From Smoking

Adults who die each year from their own smoking	**800**
Kids now under 18 and alive in North Dakota who will ultimately die prematurely from smoking	**11,000**
Adult nonsmokers who die each year from exposure to secondhand smoke	**110**

Smoking kills more people than alcohol, AIDS, car crashes, illegal drugs, murders, and suicides combined -- and thousands more die from other tobacco-related causes -- such as fires caused by smoking (more than 1,000 deaths/year nationwide) and smokeless tobacco use.

No good estimates are currently available, however, for the number of North Dakota citizens who die from these other tobacco-related causes, or for the much larger numbers who suffer from tobacco-related health problems each year without actually dying.

Smoking-Caused Monetary Costs in North Dakota

Annual health care costs in North Dakota directly caused by smoking	**$247 million**
- Portion covered by the state Medicaid program	**$47 million**
Residents' state & federal tax burden from smoking-caused government expenditures	**$564 per household**
Smoking-caused productivity losses in North Dakota	**$192 million**

Amounts do not include health costs caused by exposure to secondhand smoke, smoking-caused fires, spit tobacco use, or cigar and pipe smoking. Other non-health costs from tobacco use include residential and commercial property losses from smoking-caused fires (more than $500 million per year nationwide); extra cleaning and maintenance costs made necessary by tobacco smoke and litter (about $4+ billion nationwide for commercial establishments alone); and additional productivity losses from smoking-caused work absences, smoking breaks, and on-the-job performance declines and early termination of employment caused by smoking-caused disability or illness (dollar amount listed above is just from productive work lives shortened by smoking-caused death).

Tobacco Industry Influence in North Dakota

Annual tobacco industry marketing expenditures nationwide	**$12.8 billion**
Estimated portion spent for North Dakota marketing each year	**$32.3 million**

Published research studies have found that kids are twice as sensitive to tobacco advertising than adults and are more likely to be influenced to smoke by cigarette marketing than by peer pressure, and that one-third of underage experimentation with smoking is attributable to tobacco company advertising.

More detailed fact sheets on tobacco's toll in each state are available by emailing factsheets@tobaccofreekids.org

BreatheND
Saving Lives. Saving Money with Measure 3.

BENEFITS FROM A $2.00 PER PACK CIGARETTE TAX

Current state cigarette tax: 44 cents per pack (46th among all states)
Smoking-caused costs in North Dakota: $10.48 per pack
Annual healthcare expenditures in North Dakota directly caused by tobacco use: $247 million
Smoking-caused state Medicaid program spending each year: $47.0 million

New Annual Revenue from Increasing the Cigarette Tax Rate by $1.56 Per Pack: $33.1 million
Additional Revenue from Raising Other Tobacco Product Rates to Parallel New Levels: $3.2 million

New Annual Revenue is the amount of additional new revenue over the first full year after the effective date. The state will collect less new revenue if it fails to apply the rate increase to all cigarettes and other tobacco products held in wholesaler and retailer inventories on the effective date.

Projected Public Health Benefits from the Cigarette Tax Rate Increase	
Percent decrease in youth smoking:	**25.7%**
Kids in North Dakota kept from becoming addicted adult smokers:	**7,900**
Current adult smokers in the state who would quit:	**5,300**
Smoking-affected births avoided over next five years:	**1,800**
North Dakota residents saved from premature smoking-caused death:	**3,900**
5-year health savings from fewer smoking-affected pregnancies & births:	**$3.1 million**
5-year health savings from fewer smoking-caused heart attacks & strokes:	**$2.4 million**
Long-term health savings in the state from adult & youth smoking declines:	**$188.6 million**

- Tax increases of less than roughly 25 cents per pack or 10% of the average state pack price do not produce significant public health benefits or cost savings because the cigarette companies can easily offset the beneficial impact of such small increases with temporary price cuts, coupons, and other promotional discounting. Splitting a tax rate increase into separate, smaller increases in successive years will similarly diminish or eliminate the public health benefits and related cost savings (as well as reduce the amount of new revenues).

- Raising state tax rates on other tobacco products (OTPs) to parallel the increased cigarette tax rate will bring the state more revenues, public health benefits, and cost savings (and promote tax equity). With unequal rates, the state loses revenue each time a cigarette smoker switches to cigars, RYO, or smokeless. To parallel the new $2.00 per pack cigarette tax, the state's new OTP tax rate should be at least 65% of wholesale price with minimum tax rates for each major OTP category linked to the state cigarette tax rate on a per-package or per-dose basis.

Tobacco's Toll in North Dakota	
North Dakota residents who will die this year from smoking:	**800**
North Dakota residents' state & federal tax burden from smoking-caused government expenditures:	**$576/household**
Amount tobacco industry spends marketing tobacco in North Dakota per day & per year:	**$88,500/day** **$32.3 million/year**
Adults who smoke:	**18.2%**
High school students who smoke:	**21.1%**
Kids (under 18) who try cigarettes for the first time each year:	**2,500**

Source: Campaign for Tobacco-Free Kids www.tobaccofreekids.org

Why raise tobacco taxes?

1. Raising tobacco taxes is one of the most cost-effective ways to **reduce smoking, especially among youth**.
2. Raising tobacco taxes is one of the most cost-effective ways to **encourage smokers to quit**.
3. Raising tobacco taxes **causes a predictable smoking decline that locks in large health-related cost reductions** for state government, private sector, and households, who pay for the costs of smoking.
4. Most of the public health improvements resulting from the decrease in smoking caused by tobacco tax increases **directly benefit low-income populations**, who are most likely to quit or cut down when taxes increase. Lower income households suffer disproportionately from, & can least afford, the smoking-caused health care costs.
5. Nationwide, 60 percent of all smokers have incomes greater than 200 percent of the poverty line; but roughly **three of four smokers who quit because of a cigarette tax increase will have incomes below 200 percent of the poverty line.**
6. **Those wanting to quit using tobacco can access the resources of North Dakota's new Measure 3-funded comprehensive tobacco prevention program**, which includes expanded free services located in local public health units serving every county.
7. As long as North Dakota funds its comprehensive tobacco prevention program at the CDC-recommended level, new general fund **revenue generated by a tobacco tax increase could be invested in other public health services and programs** that will continue to improve the health North Dakota citizens and further reduce the costs of preventable diseases.

Campaign for Tobacco-Free Kids 7.30.10 / Ann Boonn & Eric Lindblom, September 28, 2010

Explanations & Notes

- Projections are based on research findings that each 10% cigarette price increase reduces youth smoking by 6.5%, adult rates by 2%, and total consumption by 4% (adjusted down to account for tax evasion effects). Revenues still increase because the higher tax rate per pack will bring in more new revenue than is lost from the tax-related drop in total pack sales.
- The projections incorporate the effect of both ongoing background smoking declines and the continued impact of the 61.66-cent federal cigarette tax increase (effective April 1, 2009) on prices, smoking levels and pack sales.
- These projections are fiscally conservative because they include a generous adjustment for lost state pack sales (and lower net new revenues) from possible new smuggling and tax evasion after the rate increase and from fewer sales to smokers or smugglers from other states. For ways that the state can protect and increase its tobacco tax revenues and prevent and reduce contraband trafficking and other tobacco tax evasion, see the Campaign for Tobacco-Free Kids factsheet, State Options to Prevent and Reduce Cigarette Smuggling and to Block Other Illegal State Tobacco Tax Evasion, http://tobaccofreekids.org/research/factsheets/pdf/0274.pdf.
- Kids stopped from smoking and dying are from all kids alive today. Long-term savings accrue over the lifetimes of persons who stop smoking or never start because of the rate increase. All cost and savings in 2004 dollars. Projections will be updated when new relevant data or research becomes available.
- Ongoing reductions in state smoking levels will, over time, gradually erode state cigarette tax revenues (in the absence of any new rate increases). But those declines are more predictable and less volatile than many other state revenue sources, such as state income tax or corporate tax revenues (which can drop sharply during recessions). In addition, the smoking declines that reduce tobacco tax revenues will simultaneously produce much larger reductions in government and private sector smoking-caused costs. See the Campaign for Tobacco-Free Kids factsheet, *Tobacco Tax Increases are a Reliable Source of Substantial New State Revenue*, http://tobaccofreekids.org/research/factsheets/pdf/0303.pdf.
- For other ways states can increase revenues (and promote public health) other than just raising its cigarette tax, see the Campaign factsheet, *The Many Ways States Can Raise Revenue While Also Reducing Tobacco Use and Its Many Harms & Costs*, http://tobaccofreekids.org/research/factsheets/pdf/0357.pdf.
- **For more on sources and calculations, see http://www.tobaccofreekids.org/research/factsheets/pdf/0281.pdf**

Additional Information on Tobacco Product Tax Increases

Raising State Cigarette Taxes Always Increases State Revenues and Always Reduces Smoking, http://tobaccofreekids.org/research/factsheets/pdf/0098.pdf.
Responses to Misleading and Inaccurate Cigarette Company Arguments Against State Tobacco Tax Increases, http://tobaccofreekids.org/research/factsheets/pdf/0227.pdf.
State Cigarette Excise Tax Rates & Rankings, http://tobaccofreekids.org/research/factsheets/pdf/0097.pdf.
Top Combined State-Local Cigarette Tax Rates (State plus County plus City), http://tobaccofreekids.org/research/factsheets/pdf/0267.pdf.
State Cigarette Tax Increases Benefit Lower-Income Smokers and Families, http://tobaccofreekids.org/research/factsheets/pdf/0147.pdf.
The Best Way to Tax Smokeless Tobacco, http://tobaccofreekids.org/research/factsheets/pdf/0282.pdf.
The Problem with Roll-Your-Own (RYO) Tobacco, http://tobaccofreekids.org/research/factsheets/pdf/0336.pdf.
How to Make State Cigar Tax Rates Fair and Effective, http://tobaccofreekids.org/research/factsheets/pdf/0335.pdf.
State Benefits from Increasing Smokeless Tobacco Tax Rates, http://tobaccofreekids.org/research/factsheets/pdf/0180.pdf.
The Case for High-Tech Cigarette Tax Stamps, http://tobaccofreekids.org/research/factsheets/pdf/0310.pdf.
State Options to Prevent and Reduce Cigarette Smuggling and to Block Other Illegal State Tobacco Tax Evasion, http://tobaccofreekids.org/research/factsheets/pdf/0274.pdf.
The Many Ways States Can Raise Revenue While Also Reducing Tobacco Use and Its Many Harms & Costs, http://tobaccofreekids.org/research/factsheets/pdf/0357.pdf

REQUE[redacted]R[redacted]MMENDATION COMPARISON SUMMARY

305 Toba[redacted] Pr[redacted]ntion and Control

Biennium: 2011-2013

Bill#: HB1025

Date: [redacted]2010

Time: 14:45:45

Description	Expenditures Prev Biennium 2007-2009	Present Budget 2009-2011	2011-2013 Requested Incr(Decr)	2011-2013 Requested % Chg	Requested Budget 2011-2013	2011-2013 Recommended Incr(Decr)	2011-2013 Recommended % Chg	Executive Recommendation 2011-2013
By Major Program								
Tobacco Prevention and Control Program	38,815	12,882,000	0	0.0%	12,882,000	40,614	0.3%	12,922,614
Total Major Programs	**38,815**	**12,882,000**	**0**	**0.0%**	**12,882,000**	**40,614**	**0.3%**	**12,922,614**
By Line Item								
Comprehensive Tobacco Control	38,815	12,882,000	0	0.0%	12,882,000	40,614	0.3%	12,922,614
Total Line Items	**38,815**	**12,882,000**	**0**	**0.0%**	**12,882,000**	**40,614**	**0.3%**	**12,922,614**
By Funding Source								
General Fund	0	0	0	0.0%	0	0	0.0%	0
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	38,815	12,882,000	0	0.0%	12,882,000	40,614	0.3%	12,922,614
Total Funding Source	**38,815**	**12,882,000**	**0**	**0.0%**	**12,882,000**	**40,614**	**0.3%**	**12,922,614**
Total FTE	**0.00**	**4.00**	**0.00**	**0.0%**	**4.00**	**0.00**	**0.0%**	**4.00**

Attachment C

CHANGE PACKAGE SUMMARY
305 Tob: [redacted]ion and Control
Biennium: 2011-2013

Bil[redacted]

Date: [redacted]2010
Time: [redacted]00:10

Description	Priority	FTE	General Fund	Federal Funds	Special Funds	Total Funds
Base Budget Changes						
Ongoing Budget Changes						
A-A 1 Costs to Continue		0.00	0	0	(560,660)	(560,660)
A-F 3 Remove Prior Biennium Capital Assets		0.00	0	0	(13,764)	(13,764)
Base Payroll Change		0.00	0	0	574,424	574,424
Total Ongoing Budget Changes		**0.00**	**0**	**0**	**0**	**0**
Total Base Budget Changes		**0.00**	**0**	**0**	**0**	**0**
Optional Budget Changes						
Ongoing Optional Changes						
A-C 2 Additional FTE	1	3.50	0	0	0	0
Total Ongoing Optional Changes		**3.50**	**0**	**0**	**0**	**0**
Total Optional Budget Changes		**3.50**	**0**	**0**	**0**	**0**

Attachment D

RECOMMENDATION DETAIL BY PROGRAM
305 Tobacco Prevention and Control
Biennium: 2011-2013

Bill#: HB1025

Date: 12/2010
Time: 14:45:45

Program: Tobacco Prevention and Control Program			**Reporting Level:** 05-305-100-00-00-00-00-00000000					
	Expenditures Prev Biennium	**Present Budget**	**2011-2013 Requested**		**Requested Budget**	**2011-2013 Recommended**		**Executive Recommendation**
Description	**2007-2009**	**2009-2011**	**Incr(Decr)**	**% Chg**	**2011-2013**	**Incr(Decr)**	**% Chg**	**2011-2013**
Comprehensive Tobacco Control								
Salaries - Permanent	20,655	350,000	45,736	13.1%	395,736	45,736	13.1%	395,736
Temporary Salaries	0	25,000	376,484	1,505.9%	401,484	376,484	1,505.9%	401,484
Fringe Benefits	1,595	142,456	152,204	106.8%	294,660	152,204	106.8%	294,660
Travel	6,667	41,500	11,500	27.7%	53,000	11,500	27.7%	53,000
Supplies - IT Software	0	2,125	3,875	182.4%	6,000	3,875	182.4%	6,000
Supply/Material-Professional	0	1,616	3,738	231.3%	5,354	3,738	231.3%	5,354
Bldg, Ground, Maintenance	0	657	843	128.3%	1,500	843	128.3%	1,500
Office Supplies	45	9,600	17,745	184.8%	27,345	17,745	184.8%	27,345
Postage	44	3,840	480	12.5%	4,320	480	12.5%	4,320
Printing	285	10,000	2,000	20.0%	12,000	2,000	20.0%	12,000
IT Equip Under $5,000	0	14,600	(4,380)	(30.0%)	10,220	(4,380)	(30.0%)	10,220
Office Equip & Furn Supplies	0	25,000	(200)	(0.8%)	24,800	(200)	(0.8%)	24,800
Insurance	0	2,000	(1,600)	(80.0%)	400	(1,600)	(80.0%)	400
Rentals/Leases-Equip & Other	0	430	(430)	(100.0%)	0	(430)	(100.0%)	0
Rentals/Leases - Bldg/Land	0	28,800	27,074	94.0%	55,874	27,074	94.0%	55,874
Repairs	0	4,113	887	21.6%	5,000	887	21.6%	5,000
Salary Increase	0	0	0	0.0%	0	17,986	100.0%	17,986
Benefit Increase	0	0	0	0.0%	0	3,042	100.0%	3,042
Health Increase	0	0	0	0.0%	0	11,644	100.0%	11,644
Retirement Increase	0	0	0	0.0%	0	7,919	100.0%	7,919
EAP Increase	0	0	0	0.0%	0	23	100.0%	23
IT - Data Processing	0	5,602	5,261	93.9%	10,863	5,261	93.9%	10,863
IT - Communications	0	6,000	29,919	498.7%	35,919	29,919	498.7%	35,919
IT Contractual Srvcs and Rprs	0	8,000	192,000	2,400.0%	200,000	192,000	2,400.0%	200,000
Professional Development	48	10,000	10,000	100.0%	20,000	10,000	100.0%	20,000
Operating Fees and Services	0	15,000	(5,300)	(35.3%)	9,700	(5,300)	(35.3%)	9,700
Fees - Professional Services	9,476	4,507,932	(2,022,618)	(44.9%)	2,485,314	(2,022,618)	(44.9%)	2,485,314
Equipment Over $5000	0	8,225	(8,225)	(100.0%)	0	(8,225)	(100.0%)	0
IT Equip/Sftware Over $5000	0	5,539	(5,539)	(100.0%)	0	(5,539)	(100.0%)	0
Grants, Benefits & Claims	0	7,653,965	1,168,546	15.3%	8,822,511	1,168,546	15.3%	8,822,511
Total	**38,815**	**12,882,000**	**0**	**0.0%**	**12,882,000**	**40,614**	**0.3%**	**12,922,614**
Comprehensive Tobacco Control								
General Fund	0	0	0	0.0%	0	0	0.0%	0
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	38,815	12,882,000	0	0.0%	12,882,000	40,614	0.3%	12,922,614
Total	**38,815**	**12,882,000**	**0**	**0.0%**	**12,882,000**	**40,614**	**0.3%**	**12,922,614**
Total Expenditures	**38,815**	**12,882,000**	**0**	**0.0%**	**12,882,000**	**40,614**	**0.3%**	**12,922,614**

Attachment E

RECOMMENDATION DETAIL BY PROGRAM
305 Tobacco Prevention and Control
Biennium: 2011-2013

Bill#: HB1025

Date: 12/2010
Time: 14:45:45

Program: Tobacco Prevention and Control Program			**Reporting Level:** 05-305-100-00-00-00-00-00000000					
			2011-2013 Requested			2011-2013 Recommended		
Description	**Expenditures Prev Biennium 2007-2009**	**Present Budget 2009-2011**	**Incr(Decr)**	**% Chg**	**Requested Budget 2011-2013**	**Incr(Decr)**	**% Chg**	**Executive Recommendation 2011-2013**
Funding Sources								
Special Funds								
369 Tobacco Prevention and Control	38,815	12,882,000	0	0.0%	12,882,000	40,614	0.3%	12,922,614
Total	**38,815**	**12,882,000**	**0**	**0.0%**	**12,882,000**	**40,614**	**0.3%**	**12,922,614**
Total Funding Sources	**38,815**	**12,882,000**	**0**	**0.0%**	**12,882,000**	**40,614**	**0.3%**	**12,922,614**
FTE Employees	**0.00**	**4.00**	**0.00**	**0.0%**	**4.00**	**0.00**	**0.0%**	**4.00**

Attachment ONE
HB 1025

Theresa will
(CCHD)

WRITTEN TESTIMONY ON THE EVIDENCE BASE FOR COMPREHENSIVE STATE TOBACCO CONTROL PROGRAMS

TERRY PECHACEK, PhD
ASSOCIATE DIRECTOR FOR SCIENCE
OFFICE ON SMOKING AND HEALTH
NATIONAL CENTER FOR CHRONIC DISEASE PREVENTION
AND HEALTH PROMOTION
U.S. CENTERS FOR DISEASE CONTROL AND PREVENTION

FEBRUARY 3, 2011
North Dakota House of Representatives,
Appropriations – Human Resources Division Committee

Introduction

Thank you for the opportunity to provide information on the dramatic health gains and economic savings that can be achieved with adequate funding and evidence-based interventions for tobacco control. I am Dr. Terry Pechacek with the Office on Smoking and Health, Centers for Disease Control and Prevention (CDC) in Atlanta, Georgia. I am an author of the original and updated versions of the CDC guidance document *Best Practices for Comprehensive Tobacco Control Programs* and have been involved in the writing or scientific review of all U.S. Surgeon General's Reports on the health consequences of tobacco use since 1979. In addition, I have provided senior technical advice on the planning, implementation, and evaluation of comprehensive tobacco control programs in Arizona, Arkansas, California, Florida, Georgia, Indiana, Iowa, Kentucky, Maine, Massachusetts, Minnesota, Mississippi, New Jersey, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, Tennessee, Texas, Vermont, Virginia, Washington, and West Virginia.

For the record, I have submitted this written testimony at the request of Jeanne Prom, the Executive Director of the Center for Tobacco Prevention & Control Policy, to summarize the scientific evidence regarding best practices in comprehensive tobacco prevention and control and the effectiveness of comprehensive state tobacco control programs. Also for the record, this written testimony is not for or against any specific legislative proposal.

Effects of State Tobacco Control Programs

Tobacco use is the leading preventable cause of illness and death in the United States. From 2000 to 2004, an average of 900 North Dakota residents died per year from smoking-related diseases; and North Dakota ranks 4th highest among states in its smoking-related death rate with 225.6 of every 100,000 people over age 35 dying due to tobacco use. In addition, studies have shown that, for every person who dies of a smoking-related disease, another 20 persons are living with a serious chronic disease caused by smoking.

The good news is that we know what works and how to reduce tobacco use. If North Dakota were to continue to fully fund tobacco control programs and implement proven tobacco control strategies, including full implementation of smoke-free environments in all workplaces and public places, increases in tobacco product prices, hardhitting media campaigns, ensuring tobacco users can get help quitting, and youth empowerment initiatives that counteract tobacco industry marketing, North Dakota could make significant progress in reducing the staggering toll that tobacco use takes on its families and communities.

State tobacco control programs coordinate these and other proven tobacco control approaches to ensure maximum impact. States that have made large and sustained investments in tobacco control programs have seen cigarette sales drop more than twice as much as in the United States as a whole. Smoking prevalence among youth and adults declines faster as spending for tobacco control programs increases. States such as Maine, New York and Washington, have achieved 45 to 60 percent reductions in youth smoking through sustained implementation of coordinated

tobacco control programs. As another example, between 1998 and 2002, a comprehensive tobacco control program in Florida that included an aggressive youth-oriented media campaign reduced smoking rates by 50 percent among middle school students and by 35 percent among high school students.

State tobacco control programs that are sustained over time also generate a high return on investment. For example, a study of California's tobacco control program found that the state realized a 50-to-1 return on the monies invested in the program during its first 15 years – saving $86 billion in health care costs from 1989 to 2004, while investing $1.8 billion in the program. These findings provide further evidence that investments in tobacco control not only prevent disease and save lives, but also dramatically reduce health care costs.

States can achieve substantial reductions in tobacco use and tobacco-related disease and death by sustaining support for comprehensive, evidence-based tobacco control programs over time. In combination with other evidence-based tobacco control interventions – including enacting 100 percent smoke-free laws, increasing the price of tobacco products, implementing media campaigns, and making cessation services available to all populations – adequately funded comprehensive state tobacco control can bring an end to the tobacco use epidemic.

Effects of Reducing State Funding for Tobacco Control Programs

The experiences of a number of states show that reducing funding for state tobacco control programs leads to rapid reversals of previous progress in reducing tobacco use. For example, after funding for the Massachusetts program was cut by 95 percent in Fiscal Year 2004, cigarette sales to minors increased, declines in youth smoking stalled, and the state's per capita cigarette consumption rose. Similarly, after funding for Florida's highly successful youth-oriented "truth" campaign was drastically reduced, youth smoking rates, which had been falling sharply, stabilized and then began creeping up again. Finally, within six months of the elimination of the youth-oriented Target Market media campaign in Minnesota, awareness of the campaign among youth fell sharply and youth susceptibility to initiating smoking increased.

Conclusion

The tobacco use epidemic can be stopped. We know what works. If we were to fully implement proven strategies, we could prevent the staggering toll that tobacco takes on our families and our communities. With sustained implementation of state tobacco control programs and policies, the Institute of Medicine report's best-case scenario of reducing adult tobacco prevalence to 10 percent by 2025 would be attainable.

Tobacco use will remain the leading cause of preventable illness and death in the United States until our efforts to address this problem are on a par with the harm it causes. We look forward to working with you to address this urgent public health issue. Thank you.

City-County Health District

Public Health and Home Care

BARNES COUNTY COURTHOUSE
230 4TH Street NW Room 102
Valley City, ND 58072

Telephone 701-845-8518
FAX 701-845-8542

CERTIFIED HOME HEALTH AGENCY
PUBLIC HEALTH SERVICES
SERVING BARNES COUNTY

February 7, 2011

Dear Chairman Pollert:

As I listened to the discussion on HB1025 and your concern for funding of chronic disease programs such as Women's Way and others I thought of the Best Practice approaches. The tobacco state aid funds of $940,000 per biennium provided to local public health units are intended to be used to help support the incorporation of the Public Health Service clinical practice guidelines on cessation in all client-based programs in public health agencies.

The *Best Practices for Comprehensive Tobacco Control Programs 2007* on page 26 cites "Using tobacco excise tax dollars to fund both tobacco prevention and control and chronic disease prevention and treatment" as an example of activities that can be undertaken to reduce the burden of tobacco-related diseases. The *Guide to Community Preventive Services* recommends increasing the unit price of tobacco products as a very effective strategy to prevent young people from starting to use tobacco and helping adult users to quit. Increasing the unit price of tobacco products through an increase in the tobacco excise tax could not only greatly reduce tobacco use in our state among youth and adults, but could also raise the revenue to help fund chronic disease prevention and treatment programs. This strategy provides an opportunity to reach a number of program goals that crosscut many health programs.

I know Jeanne Prom at the Center for Tobacco Prevention and Control Policy would be happy to provide more information on these strategies.

Thank you.

Theresa Will, RN

Theresa Will, RN
Executive Director
City-County Health District

- Attachment TWO

Testimony - House Bill 1025
House Appropriations Committee - Human Resource Division
February 3, 2011

Chairman Pollert, and members of the Human Resources Division of the House Appropriations Committee. My name is Karen Macdonald and I represent the North Dakota Nurses Association. I am a Registered Nurse and Family Nurse Practitioner. I am here to provide testimony and support for HB 1025.

- From my position as a nurse practitioner in cardiology, I see firsthand what what tobacco use can do to the human body. Heart disease is the #1 killer of all modern-day diseases and lung cancer is the leading cause of cancer death.

- The accomplishments of the North Dakota Tobacco Prevention and Control Program have already shown a decrease in tobacco use from just 18 months of implementation and a decline in cigarettes sold. *(source: U.S. Center for Disease Control and Prevention, Behavioral Risk Factor Report and ND Tax Department tobacco sales tax data)*

- The number of people exposed to secondhand smoke is decreasing with a total of 5 cities in North Dakota where policy has been enacted. Three of these were passed and enacted since Measure 3 funding for the North Dakota Tobacco Prevention and Control Executive Committee. *(Fargo, West Fargo, Grand Forks, Napoleon, Pembina)*

- Tobacco prevention efforts have lead to an increase in attempts to quit smoking as seen from the 2010 North Dakota Quitline Report.

Please support the funding for HB 1025 so this successful program which will defray health care costs can continue and the rate of tobacco use in young adults will decline. As a health care provider, I need resources for individuals to encourage them to quit smoking. It is not simply a matter of saying – don't do it. We need to offer these individuals support and encouragement. I also know that continued support is necessary as smokers often need to quit several times before finally accomplishing it. Thank you for this opportunity and I encourage a do pass on this appropriations bill.

Attachment THREE

Testimony
House Bill 1025
House Appropriations Committee
2:30 p.m., Thursday, February 3, 2011
North Dakota Society for Respiratory Care

Good afternoon, Chairman Pollert and members of the House Appropriations Committee, I am Beth Hughes and I represent the North Dakota Society for Respiratory Care. I am a respiratory therapist and an educator, and as such, have been practicing and/or teaching in the respiratory therapy profession in North Dakota for 30 years. I am here to provide testimony in support of HB 1025, appropriations for the continued funding of comprehensive tobacco control in the state of North Dakota, through the Center for Tobacco Prevention and Control Policy.

Respiratory Therapists are frontline practitioners in the long and arduous battle against smoking-related disease and death. If someone in North Dakota is diagnosed with a smoking related disease such as COPD (which is the 4th leading cause of death in North Dakota) then they are very likely to have a respiratory therapist as part of their care-giving team. With our skills and training, we are usually, but not always, able to bring temporary relief to patients struggling to breathe. I know I speak for over 300 respiratory therapists in the state when I tell you that spending long periods of time at the bedside of men and women who struggle and ultimately, die from smoking-related disease, and doing it over, and over again (sometimes even in the same 8 hour shift) takes it toll. I watched my first patient asphyxiate to death over the course of three weeks - the first three weeks of my first job in respiratory therapy, and that experience has stayed with me for 30 years, motivating me to do what I can to stop this epidemic of tobacco-related illness.

In her September 22, 2010 presentation to the Legislative Budget section, Jeanne Prom, Director of the Center for Tobacco Prevention and Control Policy, presented data that supported the effectiveness of the current, comprehensive statewide tobacco control program, and noted that "these numbers show that our dollars are going toward putting the right tools and skills in the hands of the right people." I am here to attest to that, noting that respiratory therapy practitioners across the state have been enabled to help more patients quit their addictions to tobacco through the use of the Ask, Advise and Refer system, provide better education to their communities about the dangers of second-hand smoke, and encourage youth never to start. Health care practitioners are continually required to update their knowledge base to in order to practice evidence-based medicine. Evidence-based medicine means that experts look at which practices (known as "best practices") provide the best quality in the most cost effective manner, and then provide that information to the broader health care community for implementation. Through the efforts of the Center for Tobacco Prevention and Control Policy Center and its implementation of the Center for Disease Control "Best Practices" for Comprehensive Tobacco Control Program, respiratory therapists across the state, for the first time, have

the opportunity to do WELL, at what we have worked at for so long: saving lives and, as a bonus, saving the state of North Dakota money at the same time. Thank you.

Beth Hughes Ph.D., RRT, CPFT, AE-C
Associate Professor
St. Alexius Medical Center/University of Mary
Respiratory Therapy Program
Bismarck, North Dakota

- Attachment FOUR
- Feb 3, 2011
- HB 1025

Good afternoon, my name is Kimberlee Schneider and I am the Manager of Advocacy and Tobacco Control with the American Lung Association in North Dakota.

We are proud to support the work of the Center and the leadership that ND has shown, reflected in the "A" grade on our recent State of Tobacco Control report card – one of only two states in the nation. We have worked together with the Center and public health professionals across North Dakota promoting cessation, prevention and the Best Practices that this budget supports. ALAND has received a small grant from the center to partner with these projects and enhance their efforts, making best use of funds and efforts for both organizations.

Attachment Five

Testimony – House Bill 1025
House Appropriations Committee – Human Resources Division
February 3, 2011

Good afternoon Chairman Pollert, and members of the Human Resources Division of the House Appropriations Committee. My name is Pat McGeary and I am a member of the ND Tobacco Prevention and Control Advisory Committee. I am a registered nurse and have worked in the field of tobacco prevention for 19 years. I am here to provide testimony in support of HB 1025.

On November 4, 2008, the citizens in North Dakota voted to allocate the Strategic Contribution Fund dollars to be used for a comprehensive CDC based tobacco prevention and control plan for North Dakota. A plan was developed by the advisory committee within 180 days. As stated in *"Saving Lives, Saving Money: North Dakota's Comprehensive State Plan to Prevent and Reduce Tobacco Use 2009 – 2014"* we pledged to the people of North Dakota that we work with them to implement this comprehensive, evidence based tobacco prevention program based on CDC Best Practices.

Today, I have more than 7 pages of local public health accomplishments over the past year as a result of Measure 3 Tobacco Prevention and Control funding. Accomplishments that have supported that pledge and are leading North Dakota toward achievement of the 5 year plan goals of saving lives from tobacco and saving health care costs. Today I will highlight just a few.

Action has been taken to prevent the initiation of tobacco use among youth and young adults. One of the progress indicators measuring this action is the percentage of schools reporting comprehensive tobacco-free policies. 37 new tobacco-free school district campus policies in our state occurred this past year as a result of Measure 3 funding. This brings us to 34 %, our goal is to reach 50% of school districts by June 2013.

Thanks to Measure 3 programing resources, for the first time, all 28 public health units have been able to begin incorporating the Public Health Service Guidelines system known as AAR – Ask, Advise, and Refer in their specific health units and expand the AAR into other health services and facilities in their area to insure all people seeking help with quitting tobacco get the cessation service they need.

One of the higher rates of tobacco usage in North Dakota is our young people aged 18 to 24 years old. One of the best practices addressing this population is developing comprehensive tobacco free college campuses. Campus policies are now continuing to be developed across the state due to partnership with public health units. The most recent success is the tobacco free buildings and grounds policy at Lake Region State College and NDSU's policy preceding that.

As mentioned earlier in testimony, North Dakota is seeing cities adopt 100% smoke free policies where are all workers are protected from exposure to secondhand smoke. This type of policy has immediate gains of removing carcinogens and cardiotoxic chemicals from the workers and public's exposure but also tremendous long term benefits of increasing the number of people attempting to quit smoking, and enhances their chances of success at quitting. The social norm change which takes place is invaluable toward impacting a youth's decision not to smoke. With adequate funding, efforts to work with local cities on establishing these life saving citywide policies has grown - in the rural areas and more populated as well – where since Measure 3, 3 more cities have adopted ordinances, plus one in Bismarck where the ordinance was adopted, and referral process postponed enactment. The many resources for policy development and public education to achieve these goals were made available through the adequate funding.

These are just four small summaries of many accomplishments achieved by local public health with Measure 3 funding. This concludes my testimony. I urge your support of HB 1025.

BreatheND

Saving Lives, Saving Money with Measure 3.

Testimony
House Bill 1025
House Appropriations Committee
Human Resources Division
2:45 p.m., Thursday, February 3, 2011
North Dakota Tobacco Prevention and Control Advisory/Executive Committee

Local public health units report successes over the past year as a result of Measure 3 Tobacco Prevention and Control Funding:

Bismarck Burleigh Public Health

- **Growth of a volunteer community coalition actively working toward a comprehensive smoke free ordinance which was passed by the Bismarck City Commission on August 24, 2010 presently being referred; awaiting enactment**
- **Three more school districts have joined the 13 area schools to pass a Comprehensive School Tobacco Free Policy**
- **Bismarck/Burleigh residents utilizing the ND Tobacco Quitline increased by more than 35% from fiscal year 2008/09 to fiscal year 2009/10**

Cavalier County Health District

- **Langdon Area Schools became the first school district in Cavalier County to adopt a Comprehensive Tobacco Free School Policy protecting 359 students in their elementary, middle and high schools**
- Cavalier County Health District implemented the PHS guidelines into all client based programs
- Ask, Advise, and Refer training was coordinated and provided for the staff of Cavalier County Memorial Hospital and Cavalier County Memorial Hospital Clinic

Central Valley Health District

- **Passage and implementation of the Napoleon 100% smoke-free ordinance, which is the strongest in the state - smokers must be 25 ft. from entrances**
- Increased enrollment in the ND Tobacco Quitline from 79 to 152
- Conducted a survey of all six major cities in the collaborative. The results showed an average of 75% support for 100% smoke-laws, at the local or state level

City County Health Department

- **Thanks to Measure 3 programming resources, for the first time, CCHD has been able to implement the Public Health Service's evidence-based healthcare providers' protocol for preventing tobacco initiation and boosting successful cessation known as "A-A-R." (ASK, ADVISE and REFER). CCHD has trained-for and implemented this protocol in all 14 of our client-based health programs. We know that this program is preventing prospective tobacco users in our area from falling into the addiction.**
- Due to Measure 3 funding, CCHD has greatly expanded the scope and depth of tobacco prevention education provided both to the public and, in-house, to our public health staff. For example, using Measure 3 resources, CCHD has increased the number of staff members receiving science-based tobacco-prevention training from 2 to 11.
- **Measure 3 resources have enabled our education and programming to become much more robust. We have almost TRIPLED the number of ND Quitline "intake callers" from our specific service area. We boosted that number up to a total of 55 in FY 09-10, from the previous year's total of 19.**

Custer District Health Unit

- **Mandan Public Schools have adopted the Comprehensive Tobacco Free School Policy**
- **All schools in Mercer and Oliver County have adopted the Comprehensive Tobacco Free School Policy**
- Custer Health has implemented the Public Health Service Guidelines for Cessation in the majority of the client based programs
- Due to Measure 3, the tobacco program is fully staffed to better reach the communities in our service area

Dickey County District Health Unit

- **We are proud of our smoke free college campus at Trinity Bible College, and are working with our two high schools towards comprehensive tobacco free campuses (at Ellendale and Oakes)**
- Due to Measure 3, we now have a fully trained staff at Dickey County Health District to implement the PHS Public Health Service Guidelines -- Ask-Advise-Refer -- with all of our clients
- **We are working with the WIC program to help pregnant mothers and new parents quit tobacco use**

Fargo Cass Public Health

- **Fargo Cass Public Health pilot partnerships began with Sanford, Essentia, Family Healthcare Center and NDSU Student Health Services in order to provide free nicotine replacement products to clients who enroll in the North Dakota Quitline. The partnerships generated 615 fax referrals to the Quitline in 2010.**
- **Fargo Cass Public Health has contracted with Sanford Health and Essentia Health to implement the Ask-Advise-Refer System in those organizations to insure each patient who wishes to quit tobacco will receive the help they need.**

- **The NDSU Data Center completed an economic impact study that reported no significant long-term economic effects on Fargo and West Fargo bars from passing the smoke-free ordinances. The Economic Impact Study was based on tax data and a survey of bar employees.**

First District Health Unit

- **Hired a local rural tobacco outreach coordinator (this would not have been possible without Measure 3 funds)**
- Developed a new community coalition in Renville county
- Revamped our cessation program to be more public health driven which allows our cessation coordinator more time to work with provider education

Foster County Public Health

- **Carrington School District adopted a Comprehensive Tobacco-Free Policy**
- **Public Health Service Guidelines are implemented in all client-based programs**

Grand Forks Public Health Department

- With Measure 3 funding, a Secondhand Smoke (SHS) study was commissioned to assess our community's support for expanding the local smoke free ordinance. The study showed that 82% of Grand Forks residents supported expanding the local ordinance to prohibit smoking in all workplaces. We used the local information and resources to inform city council members and members of the local community about the importance of eliminating exposure to SHS. **On April 5, 2010, Grand Forks City Council passed a comprehensive smoke-free workplace ordinance, effective August 15, 2010, which removed smoking exemptions for bars, truck stops and casino gaming sites. Measure 3 funds supported the development and implementation of a public education plan that facilitated a positive change and transition in the community.**
- **These funds also gave Grand Forks Public Health Department the ability to contract with the University of North Dakota (UND) Health and Wellness to effectively assess their tobacco free campus policy and compliance. They have identified gaps and effectively empowered students, staff and faculty so that compliance is improved. UND's campus population was effectively mobilized around the issue of avoiding exposure to SHS.**
- The Public Health Service Guidelines *Treating Tobacco Use and Dependence, Clinical Practice Guidelines* are being implemented in all client-based programs in all 28 local health departments across the state. This assures that every tobacco user accessing public health services in any county is ASKED about tobacco use, ADVISED to quit, and REFERRED to the North Dakota Tobacco Quitline, the North Dakota QuitNet, or other cessation services if they are interested in quitting. Altru Health System, the largest private health care system in our community, has also implemented these guidelines leading to screening of tobacco use among hundreds of clients on a daily basis.
- **Measure 3 Tobacco Prevention and Control Funds allow the Grand Forks Public Health Department to prevent and reduce tobacco use through evidence-based interventions such as policy and system changes; therefore helping the most people in the most cost-effective way.**

Lake Region District Health Unit

- **Devils Lake passed a smoke free ordinance that will go into effect July 1, 2011**
- Educating and developing relationships with our city commissioners and community coalition

Nelson-Griggs District Health

- Implemented the Ask, Advise and Refer guidelines into all the client-based programs
- Working with local schools to implement Comprehensive Tobacco Free School Policies
- Provided one on one education on the negative effects of secondhand smoke

Pembina County Health Department

- **The city of Pembina has adopted a smoke free ordinance that went into effect February 1, 2011**
- **St. Thomas School adopted the Comprehensive Tobacco Free School Policy**
- **Increase in calls to the Quitline/QuitNet by 30%**

Ransom County Public Health Department

- Ransom County Public Health grounds and parking lot is now smoke-free.
- **Comprehensive Tobacco-Free School Policy in all Ransom County Schools.**
- **Established the ASK, ADVISE and REFER system for all Ransom County Public Health Programs**

Richland County Health Department

- Work in progress with North Dakota State College of Science (NDSCS) toward a tobacco-free campus
- **The Richland County Health Department has implemented the Public Health Service Guidelines *Treating Tobacco Use and Dependence, Clinical Practice Guideline-2008 Update* in our client-based programs. The implementation of these guidelines will help to assure that *every* tobacco user accessing local public health is asked about tobacco use, advised to quit, and then referred to the Quitline or QuitNet if they are interested in quitting. These guidelines were implemented in the Richland County Health Department in September 2010**

Rolette County Public Health District

- **Ojibwa Indian School and Dunseith Day Elementary School joined Rolette Public School, Mount Pleasant Public School and Dunseith Public School in adopting a Comprehensive Tobacco Free School Policy**
- Rolette city park passed a smoke-free ordinance
- Ask, Advise and Refer training completed in four facilities

Sargent County District Health Unit

- Development of a youth advocacy program managed by a youth advocacy coordinator in all three schools of Sargent County. Commonly referred to as SADD (Students Against Destructive Decisions)
- Formation and maintenance of the Sargent County Coalition, CARD, (Communities Advocating Responsible Decisions). Our areas of focus are the burden of tobacco, underage alcohol use, traffic safety, and suicide prevention.
- Smoke free grounds of the Milnor Area Community Center, including signage.

Southwestern District Health Unit

- Ability to provide medication for clients who are attempting to quit their tobacco use in our 8 county service area in Southwestern ND.
- **Ability to promote our program through media, which has more than doubled the clientele accessing our tobacco cessation program (which works in collaboration with the ND Tobacco Quitline).**
- Ability to provide signage to local businesses and schools to educate patrons and students on their tobacco-free policies.
- Without Measure 3 funding, these services were sporadic and only available on a limited basis.

Towner County Public Health District

- Tobacco information packets distributed to the local clinics and local hospital. This information will be provided to all clients interested in quitting tobacco.
- Measure 3 information and tobacco prevention education at a local health fair.
- Implemented Ask, Advise and Refer guidelines in all the client based programs.

Traill District Health Unit

- After filling the position of a tobacco prevention coordinator in Steele and Traill County a year ago, a community tobacco prevention coalition was created and currently has 15 active members including law enforcement, clergy, medical professionals and school officials.
- **In the last year, 5 of 8 school grounds (spanning 3 of 6 school districts) in Traill and Steele counties have moved to tobacco free grounds and have adopted the Comprehensive Tobacco Free School Policy.**
- **AAR was implemented in all public health units. Public health nursing staff in both counties and the student health nurse at MSU Ask, Advise and Refer clients about tobacco use as required under the PHS guidelines.**

Upper Missouri District Health Unit

- **Implemented Ask, Advise and Refer in all UMDHU programs. UMDHU is also working with other local healthcare providers to support implementation of a program to inquire about patient tobacco use and refer them to the Quitline or Quitnet, knowing just a few minutes of a physician's or other healthcare provider's time can greatly encourage a tobacco user and provide them with needed motivation to quit. Quitline numbers have at least doubled since we are able to pay for staff time to refer patients to this free service.**

- The ability to work with partners to develop programs and policies. (i.e. Minne-Tohe and other under and uninsured individuals receive no cost nicotine replacement therapy until they can receive medication from the Quitline or Quitnet. Williston State College and Fort Berthold Community College continues efforts to assist tobacco users who want to quit and develop policies to encourage tobacco free lives. Local businesses requesting worksite wellness tools including tobacco free policies and assistance for cessation.)
- Working with local schools that want a Comprehensive Tobacco Free School Policy. Both McKenzie and Divide County schools have had a first reading. We currently have four schools that have implemented a comprehensive policy for their students.

<u>Walsh County Health Department</u>

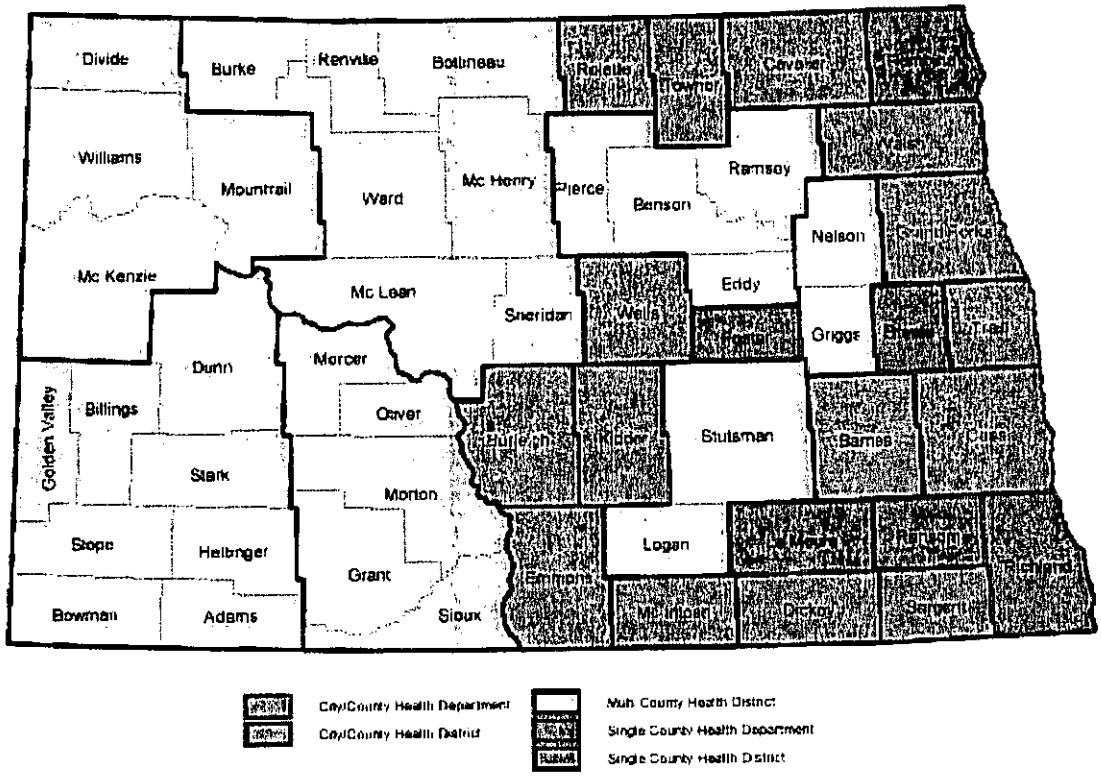
- Walsh County Health District adopted a policy to ask all local health unit clients about their tobacco use and advise them to quit. Our grant also allows us to refund clients for up to $200.00 for their cessation products. In 2010, we assisted approximately 33 people in their quit efforts with this program.
- **Continuing to work with all schools in Walsh County by providing tobacco prevention education as well as promoting Comprehensive Tobacco Free School Policies. In the year 2010, the schools of Grafton (Nov 2010), Fordville-Lankin (Mar 2010) and Valley-Edinburg (Jun 2010), joined with Adams Public School (Jun 08) by adopting the CDC recommended Comprehensive Tobacco Free School Policies. In January 2011, Minto Public Schools officially adopted these policies and it is anticipated that Park River Public Schools will do so yet this school year. It is our goal that by the end of this current school year that all schools in Walsh County will have adopted Comprehensive Tobacco Free School Policies.**
- **The Walsh County Tobacco Prevention Program is becoming a well known resource for physicians, dentists, pharmacists, businesses, etc in our county. Health care providers refer patients to us for tobacco cessation support and businesses ask us for assistance in employee wellness programs and policy development. Our Walsh County Tobacco Coalition has grown to 26 members who further disperse information about our program and goals.**

<u>Wells County District Health Unit</u>

- Three smoke-free bars in Wells county
- All three schools have Comprehensive Smoke Free Grounds Policy
- Smoke-free grounds in our ball park complex and skating rink

North Dakota

Local Public Health Units



Attachment SIX

TESTIMONY SUPPORT OF HB1025 - Feb 3, 2011

Kayla Meyer
1664 Capital Way #208
Bismarck, ND
701-367-0687

Chairman Pollert and Representatives,

My name is Kayla Meyer, I am speaking on the behalf Health Pro (Peers Reaching Out) from the University of Mary. Health Pro are student leaders who provide health and wellness education programs to University of Mary students on a peer-to-peer level. We are fortunate enough to received professional training and technical support from Measure 3 funds through Bismarck Burleigh, Tobacco Prevention and Control program to work on strengthening our tobacco free policy to include the entire campus.

Measure 3 funding provided the opportunity this past summer, for Health Pro students along with other North Dakota universities and colleges to attend a statewide Bacchus Network training on tobacco-free college campus policies. By attending this training we were able to move forward on advancing tobacco free policy at the University of Mary. We have learned that a tobacco-free policy provides an environment that reinforces healthy behavior. As the policy removes the immediate threat of exposure to secondhand smoke, it also decreases the use of tobacco and the number of people who start smoking in college. It provides a healthy learning environment.

Measure 3 funding also gave us the available resources for technical support in development of educational materials to educate our peers and administration about the benefits of tobacco free campus to assist with reducing tobacco use rates.

We support HB 1025 because it provides a comprehensive tobacco prevention and control program plus we would not have been able to accomplish the work we have done at the University of Mary without it.

- Attachment SEVEN - HB 1025 - Feb 3, 2011 - Jeanne Prom

TOBACCO PREVENTION CONTROL COMMITTEE

	Expended to date 1/26/2011	Current Budget 2009-2011	Executive Budget 2011-2013	Executive + or - Difference	Percent % Increase + Decrease -
TOTAL FTE	**4.00**	**4.00**	**4.00**	**-**	**0%**
SALARIES AND WAGES					
SALARIES - PERMANENT	178,319	350,000	413,722	63,722	18%
TEMPORARY SALARIES	(49)	25,000	401,484	376,484	1506%
FRINGE BENEFITS	59,257	142,456	317,288	174,832	123%
TOTAL	**237,526**	**517,456**	**1,132,494**	**615,038**	**119%**
GENERAL FUND		0	0	0	
FEDERAL FUNDS		0	0	0	
SPECIAL FUNDS	237,526	517,456	1,132,494	615,038	119%
OPERATING EXPENSES					
TRAVEL	12,427	41,500	53,000	11,500	28%
SUPPLIES - IT SOFTWARE	2,308	2,125	6,000	3,875	182%
SUPPLY/MATERIAL -PROFESSIONAL	3,192	1,616	5,354	3,738	231%
BUILDING/VEHICLE MAINTENANCE	657	657	1,500	843	128%
OFFICE SUPPLIES	11,794	9,600	27,345	17,745	185%
POSTAGE	1,424	3,840	4,320	480	13%
PRINTING	1,491	10,000	12,000	2,000	20%
IT EQUIPMENT UNDER $5,000	6,795	14,600	10,220	(4,380)	-30%
OFFICE EQUIP AND FURNITURE SUPPLIES	28,300	25,000	24,800	(200)	-1%
INSURANCE	46	2,000	400	(1,600)	-80%
RENTALS/EQUIPMENT	430	430	0	(430)	0%
RENTALS/LEASES-BLDG/LAND	21,107	28,800	55,874	27,074	94%
REPAIRS	4,113	4,113	5,000	887	22%
IT-DATA PROCESSING	7,539	5,602	10,863	5,261	94%
IT-COMMUNICATIONS	13,136	6,000	35,919	29,919	499%
IT-CONTRACTUAL SERVICES AND REPAIR	8,388	8,000	200,000	192,000	2400%
PROFESSIONAL DEVELOPMENT	1,522	10,000	20,000	10,000	100%
OPERATING FEES	12,735	15,000	9,700	(5,300)	-35%
PROFESSIONAL FEES AND SERVICES	41,483	4,507,932	2,485,314	(2,022,618)	-45%
TOTAL	**178,888**	**4,696,815**	**2,967,609**	**(1,729,206)**	**-37%**
GENERAL FUND		0	0	0	
FEDERAL FUNDS		0	0	0	
SPECIAL FUNDS	178,888	4,696,815	2,967,609	(1,729,206)	-37%
EQUIPMENT >$5,000					
Equipment Over $5,000	8,225	8,225	0	(8,225)	
IT Equipment/Software Over $5,000	5,539	5,539	0	(5,539)	
TOTAL	**13,764**	**13,764**	**0**	**(13,764)**	**0%**
GENERAL FUND		0	0	0	
FEDERAL FUNDS		0	0	0	
SPECIAL FUNDS	13,764	13,764	0	(13,764)	
GRANTS	**4,889,944**	**7,653,965**	**8,822,511**	**1,168,546**	**15%**
GENERAL FUND		0	0	0	
FEDERAL FUNDS		0	0	0	
SPECIAL FUNDS	4,889,944	7,653,965	8,822,511	1,168,546	15%
GRAND TOTAL					
GENERAL FUND		-	-	-	
FEDERAL FUNDS		-	-	-	
SPECIAL FUNDS*	**5,320,122**	**12,882,000**	**12,922,614**	**40,614**	**0%**

*Source of Special Funds:
Tobacco Master Settlement Agreement-Strategic Contribution Fund Payments
Fund 369 - Tobacco Prevention & Control Trust Fund

RECOMM[redacted]TION DETAIL BY PROGRAM Date: [redacted]/2010

305 Tobacco Prevention and Control Bill#: HB1025 Time: 14:45:45

Biennium: 2011-2013

Program: Tobacco Prevention and Control Program			**Reporting Level:** 05-305-100-00-00-00-00-00000000					
	Expenditures Prev Biennium	**Present Budget**	**2011-2013 Requested**		**Requested Budget**	**2011-2013 Recommended**		**Executive Recommendation**
Description	**2007-2009**	**2009-2011**	**Incr(Decr)**	**% Chg**	**2011-2013**	**Incr(Decr)**	**% Chg**	**2011-2013**
Comprehensive Tobacco Control								
Salaries - Permanent	20,655	350,000	45,736	13.1%	395,736	45,736	13.1%	395,736
Temporary Salaries	0	25,000	376,484	1,505.9%	401,484	376,484	1,505.9%	401,484
Fringe Benefits	1,595	142,456	152,204	106.8%	294,660	152,204	106.8%	294,660
Travel	6,667	41,500	11,500	27.7%	53,000	11,500	27.7%	53,000
Supplies - IT Software	0	2,125	3,875	182.4%	6,000	3,875	182.4%	6,000
Supply/Material-Professional	0	1,616	3,738	231.3%	5,354	3,738	231.3%	5,354
Bldg, Ground, Maintenance	0	657	843	128.3%	1,500	843	128.3%	1,500
Office Supplies	45	9,600	17,745	184.8%	27,345	17,745	184.8%	27,345
Postage	44	3,840	480	12.5%	4,320	480	12.5%	4,320
Printing	285	10,000	2,000	20.0%	12,000	2,000	20.0%	12,000
IT Equip Under $5,000	0	14,600	(4,380)	(30.0%)	10,220	(4,380)	(30.0%)	10,220
Office Equip & Furn Supplies	0	25,000	(200)	(0.8%)	24,800	(200)	(0.8%)	24,800
Insurance	0	2,000	(1,600)	(80.0%)	400	(1,600)	(80.0%)	400
Rentals/Leases-Equip & Other	0	430	(430)	(100.0%)	0	(430)	(100.0%)	0
Rentals/Leases - Bldg/Land	0	28,800	27,074	94.0%	55,874	27,074	94.0%	55,874
Repairs	0	4,113	887	21.6%	5,000	887	21.6%	5,000
Salary Increase	0	0	0	0.0%	0	17,986	100.0%	17,986
Benefit Increase	0	0	0	0.0%	0	3,042	100.0%	3,042
Health Increase	0	0	0	0.0%	0	11,644	100.0%	11,644
Retirement Increase	0	0	0	0.0%	0	7,919	100.0%	7,919
EAP Increase	0	0	0	0.0%	0	23	100.0%	23
IT - Data Processing	0	5,602	5,261	93.9%	10,863	5,261	93.9%	10,863
IT - Communications	0	6,000	29,919	498.7%	35,919	29,919	498.7%	35,919
IT Contractual Srvcs and Rprs	0	8,000	192,000	2,400.0%	200,000	192,000	2,400.0%	200,000
Professional Development	48	10,000	10,000	100.0%	20,000	10,000	100.0%	20,000
Operating Fees and Services	0	15,000	(5,300)	(35.3%)	9,700	(5,300)	(35.3%)	9,700
Fees - Professional Services	9,476	4,507,932	(2,022,618)	(44.9%)	2,485,314	(2,022,618)	(44.9%)	2,485,314
Equipment Over $5000	0	8,225	(8,225)	(100.0%)	0	(8,225)	(100.0%)	0
IT Equip/Sftware Over $5000	0	5,539	(5,539)	(100.0%)	0	(5,539)	(100.0%)	0
Grants, Benefits & Claims	0	7,653,965	1,168,546	15.3%	8,822,511	1,168,546	15.3%	8,822,511
Total	**38,815**	**12,882,000**	**0**	**0.0%**	**12,882,000**	**40,614**	**0.3%**	**12,922,614**
Comprehensive Tobacco Control								
General Fund	0	0	0	0.0%	0	0	0.0%	0
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	38,815	12,882,000	0	0.0%	12,882,000	40,614	0.3%	12,922,614
Total	**38,815**	**12,882,000**	**0**	**0.0%**	**12,882,000**	**40,614**	**0.3%**	**12,922,614**
Total Expenditures	**38,815**	**12,882,000**	**0**	**0.0%**	**12,882,000**	**40,614**	**0.3%**	**12,922,614**

Attachment E

RECOMM[redacted]TION DETAIL BY PROGRAM

Date: [redacted]/2010

305 Tobacco Prevention and Control **Bill#: HB1025** **Time:** 14:45:45

Biennium: 2011-2013

Program: Tobacco Prevention and Control Program			**Reporting Level:** 05-305-100-00-00-00-00-00000000					
	Expenditures Prev Biennium	**Present Budget**	**2011-2013 Requested**		**Requested Budget**	**2011-2013 Recommended**		**Executive Recommendation**
Description	**2007-2009**	**2009-2011**	**Incr(Decr)**	**% Chg**	**2011-2013**	**Incr(Decr)**	**% Chg**	**2011-2013**
Funding Sources								
Special Funds								
369 Tobacco Prevention and Control	38,815	12,882,000	0	0.0%	12,882,000	40,614	0.3%	12,922,614
Total	**38,815**	**12,882,000**	**0**	**0.0%**	**12,882,000**	**40,614**	**0.3%**	**12,922,614**
Total Funding Sources	**38,815**	**12,882,000**	**0**	**0.0%**	**12,882,000**	**40,614**	**0.3%**	**12,922,614**
FTE Employees	**0.00**	**4.00**	**0.00**	**0.0%**	**4.00**	**0.00**	**0.0%**	**4.00**

CHANGE PACKAGE SUMMARY
305 Tobac[redacted]ention and Control
Biennium: 2011-2013

Bill#: [redacted]25

Date: [redacted]0/2010
Time: [redacted]0:00:10

Description	Priority	FTE	General Fund	Federal Funds	Special Funds	Total Funds
Base Budget Changes						
Ongoing Budget Changes						
A-A 1 Costs to Continue		0.00	0	0	(560,660)	(560,660)
A-F 3 Remove Prior Biennium Capital Assets		0.00	0	0	(13,764)	(13,764)
Base Payroll Change		0.00	0	0	574,424	574,424
Total Ongoing Budget Changes		**0.00**	**0**	**0**	**0**	**0**
Total Base Budget Changes		**0.00**	**0**	**0**	**0**	**0**
Optional Budget Changes						
Ongoing Optional Changes						
A-C 2 Additional FTE	1	3.50	0	0	0	0
Total Ongoing Optional Changes		**3.50**	**0**	**0**	**0**	**0**
Total Optional Budget Changes		**3.50**	**0**	**0**	**0**	**0**

Attachment D

REQUEST/RECOMMENDATION COMPARISON SUMMARY

Date: 12/2010
Time: 14:45:45

305 Tobacco Prevention and Control **Bill#: HB1025**
Biennium: 2011-2013

Description	Expenditures Prev Biennium 2007-2009	Present Budget 2009-2011	2011-2013 Requested Incr(Decr)	2011-2013 Requested % Chg	Requested Budget 2011-2013	2011-2013 Recommended Incr(Decr)	2011-2013 Recommended % Chg	Executive Recommendation 2011-2013
By Major Program								
Tobacco Prevention and Control Program	38,815	12,882,000	0	0.0%	12,882,000	40,614	0.3%	12,922,614
Total Major Programs	**38,815**	**12,882,000**	**0**	**0.0%**	**12,882,000**	**40,614**	**0.3%**	**12,922,614**
By Line Item								
Comprehensive Tobacco Control	38,815	12,882,000	0	0.0%	12,882,000	40,614	0.3%	12,922,614
Total Line Items	**38,815**	**12,882,000**	**0**	**0.0%**	**12,882,000**	**40,614**	**0.3%**	**12,922,614**
By Funding Source								
General Fund	0	0	0	0.0%	0	0	0.0%	0
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	38,815	12,882,000	0	0.0%	12,882,000	40,614	0.3%	12,922,614
Total Funding Source	**38,815**	**12,882,000**	**0**	**0.0%**	**12,882,000**	**40,614**	**0.3%**	**12,922,614**
Total FTE	**0.00**	**4.00**	**0.00**	**0.0%**	**4.00**	**0.00**	**0.0%**	**4.00**

Attachment C

DEPT NAME: Tobacco Prevention & Control Executive Committee

PROJECT NAME: Tobacco State Aid

PURPOSE OF GRANT: Tobacco State Aid Grants provide funding to all local public health units on a population-based, noncompetitive formula reaching all counties so health units can connect all tobacco users in their client-based programs to cessation services.

Contract Period		Subrecipient Name, Location	Contract Amount
Beginning	Ending		
7/1/2009	6/30/2011	Bismarck Burleigh Public Health, Bismarck	63,595.00
7/1/2009	6/30/2011	Cavalier County Health District, Langdon	12,045.00
7/1/2009	6/30/2011	Central Valley Health District, Jamestown	34,184.00
7/1/2009	6/30/2011	City County Health Department, Valley City	16,757.00
7/1/2009	6/30/2011	Custer District Health Unit, Mandan	76,236.00
7/1/2009	6/30/2011	Dickey County District Health Unit, Ellendale	13,007.00
7/1/2009	6/30/2011	Emmons County Public Health, Linton	11,726.00
7/1/2009	6/30/2011	Fargo Cass Public Health, Fargo	105,763.00
7/1/2009	6/30/2011	First District Health Unit, Minot	121,696.00
7/1/2009	6/30/2011	Foster County Health Department, Carrington	11,774.00
7/1/2009	6/30/2011	Grand Forks Public Health Department, Grand Forks	55,258.00
7/1/2009	6/30/2011	Kidder County District Health Unit, Steele	10,977.00
7/1/2009	6/30/2011	Lake Region District Health Unit, Devils Lake	54,589.00
7/1/2009	6/30/2011	LaMoure County Public Health Unit, LaMoure	12,145.00
7/1/2009	6/30/2011	McIntosh District Health Unit, Ashley	11,218.00
7/1/2009	6/30/2011	Nelson Griggs District Health, McVille	22,605.00
7/1/2009	6/30/2011	Pembina County Health Department, Cavalier	14,510.00
7/1/2009	6/30/2011	Ransom County Public Health Department, Lisbon	13,276.00
7/1/2009	6/30/2011	Richland County Health Department, Wahpeton	20,650.00
7/1/2009	6/30/2011	Rolette County Public Health District, Rolla	18,806.00
7/1/2009	6/30/2011	Sargent County District Health Unit, Forman	12,188.00
7/1/2009	6/30/2011	Southwestern District Health Unit, Dickinson	100,448.00
7/1/2009	6/30/2011	Steele County Public Health Department, Finley	10,637.00
7/1/2009	6/30/2011	Towner County Public Health District, Cando	10,917.00
7/1/2009	6/30/2011	Traill District Health Unit, Hillsboro	14,786.00
7/1/2009	6/30/2011	Upper Missouri District Health Unit, Williston	61,028.00
7/1/2009	6/30/2011	Walsh County Health Department, Grafton	16,893.00
7/1/2009	6/30/2011	Wells County District Health Unit, Fessenden	12,286.00
		Total Tobacco State Aid:	**940,000.00**

DEPT NAME: Tobacco Prevention & Control Executive Committee

PROJECT NAME: Tobacco Grants to Local Public Health Units

PURPOSE OF GRANT: Tobacco Grants to Local Public Health Units provide significant funding to all local public health units/cooperating health units on a population-based, noncompetitive formula to pay staff and operating expenses required to deliver effective and comprehensive tobacco prevention and control programs in every county reaching all population groups.

Contract Period		Subrecipient Name, Location	Contract Amount
Beginning	Ending		
7/1/2009	6/30/2010	Bismarck-Burleigh Public Health, Bismarck	290,412.00
7/1/2009	6/30/2010	Cavalier County Health District, Langdon	43,444.00
7/1/2009	6/30/2010	Central Valley Health District, Jamestown	256,203.00
7/1/2009	6/30/2010	City County Health Department, Valley City	67,387.00
7/1/2009	6/30/2010	Custer District Health Unit, Mandan	177,978.00
7/1/2009	6/30/2010	Dickey County District Health Unit, Ellendale	48,330.00
7/1/2009	6/30/2010	Fargo Cass Public Health, Fargo	489,701.00
7/1/2009	6/30/2010	First District Health Unit, Minot	309,060.00
7/1/2009	6/30/2010	Foster County Health Department, Carrington	24,962.00
7/1/2009	6/30/2010	Grand Forks Public Health Department, Grand Forks	248,048.00
7/1/2009	6/30/2010	Lake Region District Health Unit, Devils Lake	126,295.00
7/1/2009	6/30/2010	Nelson Griggs District Health, McVille	59,338.00
7/1/2009	6/30/2010	Pembina County Health Department, Cavalier	28,257.00
7/1/2009	6/30/2010	Ransom County Public Health Department, Lisbon	49,013.00
7/1/2009	6/30/2010	Richland County Health Department, Wahpeton	87,169.00
7/1/2009	6/30/2010	Rolette County Public Health District, Rolla	77,800.00
7/1/2009	6/30/2010	Sargent County District Health Unit, Forman	44,168.00
7/1/2009	6/30/2010	Southwestern District Health Unit, Dickinson	163,310.00
7/1/2009	6/30/2010	Towner County Public Health District, Cando	37,707.00
7/1/2009	6/30/2010	Traill District Health Unit, Hillsboro	66,199.00
7/1/2009	6/30/2010	Upper Missouri District Health Unit, Williston	154,060.00
7/1/2009	6/30/2010	Walsh County Health Department, Grafton	68,080.00
7/1/2009	6/30/2010	Wells County District Health Unit, Fessenden	44,628.00
7/1/2010	6/30/2011	Bismarck-Burleigh Public Health, Bismarck	290,412.00
7/1/2010	6/30/2011	Cavalier County Health District, Langdon	43,444.00
7/1/2010	6/30/2011	Central Valley Health District, Jamestown	256,203.00
7/1/2010	6/30/2011	City County Health Department, Valley City	67,387.00
7/1/2010	6/30/2011	Custer District Health Unit, Mandan	178,494.27
7/1/2010	6/30/2011	Dickey County District Health Unit, Ellendale	48,330.00
7/1/2010	6/30/2011	Fargo Cass Public Health, Fargo	487,622.00
7/1/2010	6/30/2011	First District Health Unit, Minot	309,060.00
7/1/2010	6/30/2011	Foster County Health Department, Carrington	41,570.58
7/1/2010	6/30/2011	Grand Forks Public Health Department, Grand Forks	248,048.00

DEPT NAME: Tobacco Prevention & Control Executive Committee

PROJECT NAME: Tobacco Grants to Local Public Health Units

PURPOSE OF GRANT: Tobacco Grants to Local Public Health Units provide significant funding to all local public health units/cooperating health units on a population-based, noncompetitive formula to pay staff and operating expenses required to deliver effective and comprehensive tobacco prevention and control programs in every county reaching all population groups.

Contract Period		Subrecipient Name, Location	Contract Amount
Beginning	Ending		
7/1/2010	6/30/2011	Lake Region District Health Unit, Devils Lake	126,329.90
7/1/2010	6/30/2011	Nelson Griggs District Health, McVille	59,338.00
7/1/2010	6/30/2011	Pembina County Health Department, Cavalier	27,846.60
7/1/2010	6/30/2011	Ransom County Public Health Department, Lisbon	47,094.86
7/1/2010	6/30/2011	Richland County Health Department, Wahpeton	87,169.00
7/1/2010	6/30/2011	Rolette County Public Health District, Rolla	77,800.00
7/1/2010	6/30/2011	Sargent County District Health Unit, Forman	44,168.00
7/1/2010	6/30/2011	Southwestern District Health Unit, Dickinson	163,310.00
7/1/2010	6/30/2011	Towner County Public Health District, Cando	37,707.00
7/1/2010	6/30/2011	Trail District Health Unit, Hillsboro	82,841.75
7/1/2010	6/30/2011	Upper Missouri District Health Unit, Williston	154,060.00
7/1/2010	6/30/2011	Walsh County Health Department, Grafton	68,080.00
7/1/2010	6/30/2011	Wells County District Health Unit, Fessenden	44,669.00
		Total Tobacco Grants to Local Public Health Units:	**5,952,533.96**

DEPT NAME: Tobacco Prevention & Control Executive Committee

PROJECT NAME: Special Initiative Grants - Policy

PURPOSE OF GRANT: Special Initiative Grants - Policy provide competitive funding to local public health units and partner organizations to build the capacity of communities to provide public education necessary for community groups to address evidence-based policy change effective in eliminating exposure to secondhand smoke & reducing tobacco use among youth/young adults.

Contract Period		Subrecipient Name, Location	Contract Amount
Beginning	Ending		
3/25/2010	6/30/2011	American Nonsmokers' Rights Foundation, Berkeley CA	25,000.00
3/25/2010	6/30/2011	First District Health Unit, Minot ND	25,000.00
		Subtotal	**50,000.00**

DEPT NAME: Tobacco Prevention & Control Executive Committee

PROJECT NAME: Special Initiative Grants - Statewide Organization

PURPOSE OF GRANT: Special Initiative Grants - Statewide Organization provide competitive funding to nongovernmental statewide organizations to educate and engage their members & networks on evidence-based policy change effective in significantly reducing tobacco use.

Contract Period		Subrecipient Name, Location	Contract Amount
Beginning	Ending		
10/20/2010	6/30/2011	American Lung Association, Bismarck ND	70,000.37
10/20/2010	6/30/2011	Tobacco Free North Dakota, Bismarck ND	72,398.00
		Subtotal	**142,398.37**

DEPT NAME: Tobacco Prevention & Control Executive Committee

PROJECT NAME: Health Communication Campaign

PURPOSE OF GRANT: Health Communication Campaign provides funding to Upper Missouri District Health Unit acting as the fiscal agent for the Public Education Task Force (PETF) for placement of flights of tobacco prevention paid media, creative development of media, public relations and social media costs per the Health Communication Plan.

Contract Period			Contract
Beginning	Ending	Subrecipient Name, Location	Amount
1/1/2010	6/30/2010	Upper Missouri District Health Unit, Williston ND	169,604.00
10/1/2010	6/30/2011	Upper Missouri District Health Unit, Williston ND	657,815.00
		Subtotal	**827,419.00**

DEPT NAME: Tobacco Prevention & Control Executive Committee

PROJECT NAME: Minot State University - Policy & Environmental Change Collaborative

PURPOSE OF GRANT: Minot State University - Policy & Environmental Change Collaborative grant provides funding to MSU to deliver ongoing technical assistance & coordination of training to state & local tobacco prevention programs to implement the most effective evidence-based policies that eliminate public exposure to secondhand smoke & significantly reduce tobacco use.

Contract Period			Contract
Beginning	Ending	Subrecipient Name, Location	Amount
8/16/2010	6/30/2011	Minot State University, Minot ND	143,597.00
		Subtotal	**143,597.00**

TOBACCO GRANTS RECAP

Tobacco State Aid	940,000.00
Tobacco Grants to Local Public Health Units	5,952,533.96
Special Initiative Grants - Policy	50,000.00
Special Initiative Grants - Statewide Organization	142,398.37
Health Communication Campaign	827,419.00
Minot State University - Policy & Environmental Change Collaborative	143,597.00
TOTAL TOBACCO GRANT FUNDING:	**8,055,948.33**

-Jeanne Prom -Attachment Eight
-Feb 3, 2011 -HB 1025

North Dakota

Recommended Program Intervention Budgets **October 2007**

CDC Recommended Annual Investment $9.3 million

Deaths in North Dakota Caused by Smoking	
Annual average smoking-attributable deaths	900
Youth ages 0-17 projected to die from smoking	11,000
Annual Costs Incurred in North Dakota from Smoking	
Total medical	$247 million
Medicaid medical	$47 million
Lost productivity from premature death	$190 million
State Revenue from Tobacco Excise Taxes and Settlement	
FY 2006 tobacco tax revenue	$23.3 million
FY 2006 tobacco settlement payment	$21.3 million
Total state revenue from tobacco excise taxes and settlement	$44.6 million
Percent tobacco revenue to fund at CDC recommended level	**21%**

		Per Capita Recommendation
I.	**State and Community Interventions** Multiple societal resources working together have the greatest long-term population impact.	**$7.37**
II.	**Health Communication Interventions** Media interventions prevent tobacco use initiation, promote cessation, and shape social norms.	**$1.86**
III.	**Cessation Interventions** Tobacco use treatment is highly cost-effective.	**$3.52**
IV.	**Surveillance and Evaluation** Publicly financed programs should be accountable and demonstrate effectiveness.	**$1.28**
V.	**Administration and Management** Complex, integrated programs require experienced staff to provide fiscal management, accountability, and coordination.	**$0.64**
	Total	**$14.67**

Note: A justification for each program element and the rationale for the budget estimates are provided in Section A. The funding estimates presented are based on adjustments for changes in population and inflation since the 1999 publication. The recommended levels of investment (per capita and total) are presented in 2007 dollars using 2006 population estimates. These should be updated annually according to the U.S. Department of Labor Consumer Price Index and U.S. Census Bureau. The actual funding required for implementing programs will vary depending on state characteristics such as tobacco use prevalence, socio-demographic factors, and other factors. See Appendix E for data sources on deaths, costs, revenue and state-specific factors.

Office on Smoking and Health • Centers for Disease Control and Prevention
www.cdc.gov/tobacco • tobaccoinfo@cdc.gov • 1 (800) CDC INFO or 1 (800) 232-4636

CDC Recommended Annual Total Funding Levels for State Programs, 2007

State	Total Recommended Program Costs			State and Community Interventions			Health Communication Interventions		
	Recommended (millions)	Lower (millions)	Upper (millions)	Recommended (millions)	Lower (millions)	Upper (millions)	Recommended (millions)	Lower (millions)	Upper (millions)
United States	**3,696.6**	2,524.0	5,473.8	**1,461.3**	1,194.1	2,022.4	**706.7**	389.4	1,167.6
Alabama	**56.7**	40.3	89.2	**23.2**	18.7	31.6	**7.8**	6.0	17.9
Alaska	**10.7**	7.9	16.0	**5.3**	4.5	7.2	**1.4**	0.9	2.6
Arizona	**68.1**	51.2	110.5	**29.0**	24.7	41.7	**10.1**	8.0	24.0
Arkansas	**36.4**	25.5	55.9	**15.3**	12.1	20.3	**5.0**	3.7	11.0
California	**441.9**	286.2	610.4	**170.6**	137.8	234.8	**110.0**	47.4	142.2
Colorado	**54.4**	39.8	84.9	**23.2**	19.1	32.4	**8.6**	6.2	18.5
Connecticut	**43.9**	30.2	63.3	**17.8**	14.9	25.1	**9.2**	4.6	13.7
Delaware	**13.9**	9.3	18.7	**5.6**	5.1	8.2	**3.3**	1.1	3.3
District of Columbia	**10.5**	6.9	13.7	**4.8**	4.0	6.5	**2.3**	0.8	2.3
Florida	**210.9**	149.1	332.1	**78.6**	66.7	114.0	**36.2**	23.5	70.6
Georgia	**116.5**	77.3	169.2	**44.4**	36.2	61.6	**24.5**	12.2	36.5
Hawaii	**15.2**	12.4	25.3	**7.1**	6.6	10.9	**1.9**	1.7	5.0
Idaho	**16.9**	13.7	27.9	**7.9**	7.3	12.1	**2.4**	1.9	5.7
Illinois	**157.0**	106.4	232.4	**63.3**	49.2	83.7	**27.4**	16.7	50.0
Indiana	**78.8**	54.7	121.2	**31.5**	25.0	42.4	**11.6**	8.2	24.6
Iowa	**36.7**	26.6	57.0	**16.0**	12.8	21.5	**4.8**	3.9	11.6
Kansas	**32.1**	24.5	52.0	**14.7**	12.1	20.2	**3.6**	3.6	10.8
Kentucky	**57.2**	38.4	87.1	**23.1**	17.2	29.0	**7.0**	5.5	16.4
Louisiana	**53.5**	38.2	84.1	**22.8**	18.1	30.4	**6.8**	5.6	16.7
Maine	**18.5**	13.0	27.5	**7.8**	6.7	11.0	**3.2**	1.7	5.2
Maryland	**63.3**	46.8	99.8	**24.6**	22.5	38.2	**12.2**	7.3	21.9
Massachusetts	**90.0**	53.3	114.5	**31.7**	25.2	42.8	**25.1**	8.4	25.1
Michigan	**121.2**	85.5	188.8	**49.9**	39.2	66.7	**16.8**	13.1	39.4
Minnesota	**58.4**	43.4	92.2	**24.7**	20.8	35.2	**9.1**	6.7	20.2
Mississippi	**39.2**	26.7	59.4	**15.8**	12.7	21.3	**6.2**	3.8	11.4
Missouri	**73.2**	50.5	111.4	**28.9**	23.2	39.3	**11.6**	7.6	22.8
Montana	**13.9**	9.6	19.9	**6.3**	5.3	8.7	**2.5**	1.2	3.7
Nebraska	**21.5**	16.3	34.0	**9.3**	8.4	14.0	**3.5**	2.3	6.9
Nevada	**32.5**	22.6	48.7	**13.5**	11.0	18.5	**5.4**	3.2	9.7
New Hampshire	**19.2**	12.8	26.1	**7.1**	6.7	11.1	**5.1**	1.7	5.1
New Jersey	**119.8**	72.1	154.3	**41.5**	34.2	58.0	**34.0**	11.3	34.0
New Mexico	**23.4**	17.9	38.2	**10.9**	9.0	15.1	**2.6**	2.5	7.6
New York	**254.3**	155.1	339.4	**89.9**	71.3	121.9	**66.1**	25.1	75.3
North Carolina	**106.8**	74.3	165.1	**42.9**	33.8	57.6	**16.2**	11.5	34.5
North Dakota	**9.3**	7.2	14.5	**4.7**	4.2	6.8	**1.2**	0.8	2.5
Ohio	**145.0**	96.7	213.6	**58.7**	43.9	74.6	**23.2**	14.9	44.8
Oklahoma	**45.0**	32.2	71.7	**19.3**	15.0	25.3	**4.8**	4.7	14.0
Oregon	**43.0**	31.5	67.5	**17.8**	15.1	25.5	**7.0**	4.8	14.4
Pennsylvania	**155.5**	103.8	228.0	**55.9**	46.7	79.7	**32.0**	16.2	48.5
Rhode Island	**15.2**	10.8	22.5	**6.7**	5.8	9.6	**2.7**	1.4	4.2
South Carolina	**62.2**	37.7	83.1	**20.5**	17.7	29.8	**16.9**	5.6	16.9
South Dakota	**11.3**	8.5	17.0	**5.5**	4.8	7.7	**1.5**	1.0	3.0
Tennessee	**71.7**	51.8	115.0	**28.2**	23.7	40.2	**10.6**	7.9	23.6
Texas	**266.3**	189.4	411.2	**114.1**	90.2	153.4	**43.1**	30.6	91.7
Utah	**23.6**	21.1	42.0	**11.6**	11.6	19.4	**3.7**	3.3	9.9
Vermont	**10.4**	7.2	14.2	**4.6**	4.2	6.8	**2.3**	0.8	2.4
Virginia	**103.2**	63.5	137.0	**33.4**	29.6	50.3	**29.8**	9.9	29.8
Washington	**67.3**	52.5	111.8	**28.9**	25.0	42.5	**9.2**	8.3	24.9
West Virginia	**27.8**	17.6	38.7	**10.4**	8.4	14.0	**5.7**	2.4	7.1
Wisconsin	**64.3**	47.5	103.1	**27.6**	22.3	37.7	**8.0**	7.2	21.7
Wyoming	**9.0**	6.5	12.7	**4.4**	3.8	6.1	**1.5**	0.7	2.0

NDCC 54-27-25
Tobacco Settlement Trust Fund - Fund 407

Date	Total Received	Community Health Trust Fund - 10%	Commons School Trust Fund - 45%	Water Development Trust Fund - 45%
12/14/99	9,036,985.38	903,698.54	4,066,643.42	4,066,643.42
1/3/00	7,871,639.19	787,163.91	3,542,237.64	3,542,237.64
4/18/00	12,875,523.14	1,287,552.32	5,793,985.41	5,793,985.41
4/19/00	169,475.62	16,947.56	76,264.03	76,264.03
5/4/00	984.72	98.48	443.12	443.12
9/13/00	363.38	36.34	163.52	163.52
1/2/01	8,011,307.29	801,130.73	3,605,088.28	3,605,088.28
1/17/01	1,505.95	150.59	677.68	677.68
4/17/01	14,690,317.34	1,469,031.74	6,610,642.80	6,610,642.80
4/27/01	221,405.57	22,140.55	99,632.51	99,632.51
6/15/01	21,277.38	2,127.74	9,574.82	9,574.82
11/19/01	181,556.56	18,155.66	81,700.45	81,700.45
1/2/02	7,115,019.43	711,501.95	3,201,758.74	3,201,758.74
1/14/02	2,071.14	207.12	932.01	932.01
4/16/02	18,872,853.92	1,887,285.40	8,492,784.26	8,492,784.26
4/23/02	609,210.48	60,921.04	274,144.72	274,144.72
1/2/03	5,869,683.32	586,968.34	2,641,357.49	2,641,357.49
1/16/03	1,960,169.68	196,016.96	882,076.36	882,076.36
/16/03	18,051,398.80	1,805,139.88	8,123,129.46	8,123,129.46
/23/03	668,581.37	66,858.13	300,861.62	300,861.62
7/1/03	305,817.91	30,581.79	137,618.06	137,618.06
10/3/03	230,963.18	23,096.32	103,933.43	103,933.43
4/15/04	21,899,894.49	2,189,989.45	9,854,952.52	9,854,952.52
4/21/04	852,398.02	85,239.80	383,579.11	383,579.11
8/30/04	255,371.41	25,537.15	114,917.13	114,917.13
4/19/05	22,261,451.85	2,226,145.19	10,017,653.33	10,017,653.33
4/20/05	809,930.77	80,993.07	364,468.85	364,468.85
10/6/05	262,051.11	26,205.11	117,923.00	117,923.00
4/17/06	19,898,716.49	1,989,871.65	8,954,422.42	8,954,422.42
4/19/06	1,253,301.83	125,330.19	563,985.82	563,985.82
12/22/06	196,418.35	19,641.83	88,388.26	88,388.26
4/17/07	20,664,718.59	2,066,471.85	9,299,123.37	9,299,123.37
4/19/07	1,379,744.44	137,974.44	620,885.00	620,885.00
6/5/07	173,167.26	17,316.72	77,925.27	77,925.27
4/16/08	34,965,293.50	3,496,529.34	15,734,382.08	15,734,382.08
4/17/08	1,515,783.61	151,578.37	682,102.62	682,102.62
7/7/08	91.50	9.14	41.18	41.18
2/26/09	1,978,845.20	197,884.52	890,480.34	890,480.34
4/20/09	23,035,384.29	2,303,538.43	10,365,922.93	10,365,922.93
4/15/10	19,759,434.19	1,975,943.41	8,891,745.39	8,891,745.39
4/19/10	1,057,430.92	105,743.10	475,843.90	475,843.91
Totals	**278,987,538.57**	**27,898,753.85**	**125,544,392.35**	**125,544,392.36**

NDCC 54-27-25
Tobacco Prevention and Control Trust Fund - Fund 369

Date	Total Received
4/20/2009	14,138,010.91
4/15/2010	11,817,519.68
4/19/2010	456,873.60
Totals	**26,412,404.19**

NDCC 54-27-25. Tobacco Settlement Trust Fund

		Amount
Deposit of Tobacco Money		
	Tobacco Settlement Trust Fund	**1,057,430.92**
Transfer Out:		
	Community Health Trust Fund	105,743.10
	Common Schools Trust Fund	475,843.91
	Water Development Trust Fund	475,843.91
	Total Tsfr Out	**1,057,430.92**
Transfer In:		
10%	Community Health Trust Fund	105,743.10
45%	Common Schools Trust Fund	475,843.91
45%	Water Development Trust Fund	475,843.91
	Total Tsfr In	**1,057,430.92**

PeopleSoft Accounting Entries

Revenue G\L Entries Fund 369:

BU	Dept.	Account	Oper Unit Class	Fund	Project	Act ID	Amount
30500	1000	477005		369			(12,274,393.28)
30500	1000	105251		369			12,274,393.28

Revenue G|L Entries Fund 407:

BU	Dept.	Account	Oper Unit Class	Fund	Project	Act ID	Amount
11000	9995	477005	901	407			(1,057,430.92)
11000	9995	105251	901	407			1,057,430.92

Transfer Out G|L Entries for Fund 407:

Journal ID	BU	Dept.	Account	Oper Unit Class		Fund	Project	Act ID	Amount
	11000	9995	722316	901	90170	407			105,743.10
	11000	9995	722501	901	90170	407			475,843.91
	11000	9995	722267	901	90170	407			475,843.91
	11000	9995	105251	901	90170	407			(1,057,430.92)

Transfer In G|LEntries:

Journal ID	BU	Dept.	Account	Oper Unit Class	Fund	Project	Act ID	Amount
	30100	4571	490407	301	316	HL12490	01	(105,743.10)
	30100	4571	105251	301	316			105,743.10
	22600	3300	490407	226	501			(475,843.91)
	22600	3300	105251	226	501			475,843.91
	77000	5000	490407	770	267			(475,843.91)
	77000	5000	105251	770	267			475,843.91

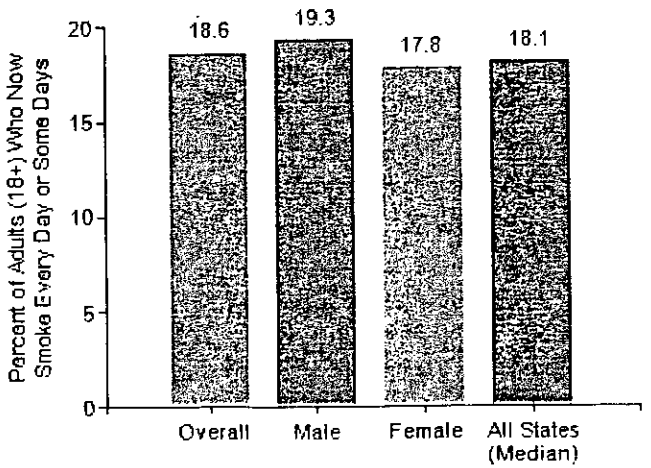
BreatheND

Saving Lives, Saving Money with Measure 3.

Testimony
House Bill 1025
Human Resources Division
2:45 p.m., Thursday, February 3, 2011
North Dakota Tobacco Prevention and Control Advisory/Executive Committee

North Dakota Adult Smoking Rates

Cigarette Use (Adults), 2009



Source: Behavioral Risk Factor Surveillance System(BRFSS)

Adults who are current smokers

Age:		Yes	No
18-24	%	**19.4**	**80.6**
	CI	(12.3-26.6)	(73.4-87.7)
	n	29	121
25-34	%	**23.8**	**76.2**
	CI	(19.0-28.6)	(71.4-81.0)
	n	94	338
35-44	%	**22.3**	77.7
	CI	(18.8-25.9)	(74.1-81.2)
	n	138	504
45-54	%	**20.2**	**79.8**
	CI	(17.6-22.8)	(77.2-82.4)
	n	225	809
55-64	%	**18.2**	**81.8**
	CI	(15.6-20.8)	(79.2-84.4)
	n	183	846
65+	%	**9.2**	**90.8**
	CI	(7.6-10.9)	(89.1-92.4)
	n	141	1320

% = Percentage, CI = Confidence Interval, n = Cell Size
Percentages are weighted to population characteristics.

Source: National Center for Chronic Disease Prevention & Health Promotion, Behavioral Risk Factor Surveillance System

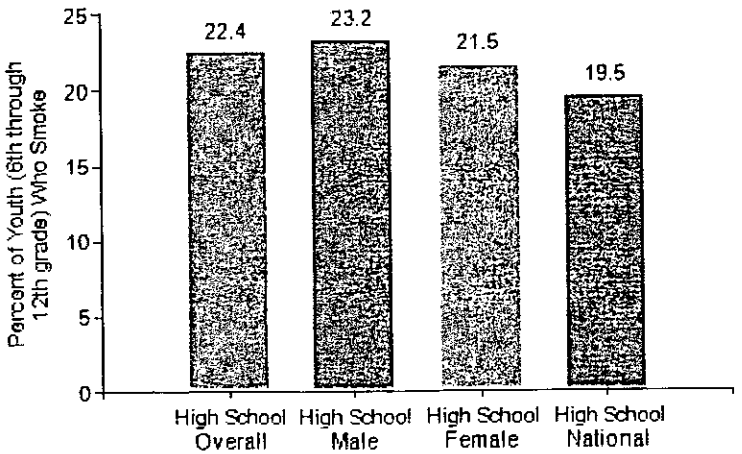
BreatheND

Saving Lives, Saving Money with Measure 3.

Testimony
House Bill 1025
Human Resources Division
2:45 p.m., Thursday, February 3, 2011
North Dakota Tobacco Prevention and Control Advisory/Executive Committee

North Dakota Youth Smoking Rates

Smoking Prevalence (Youth), 2009



		Percentage
	Total	22.4
Age		
	15 or younger	15.2
	16 or 17	24.3
	18 or older	29.7
Grade		
	9th	15.7
	10th	19.2
	11th	26.1
	12th	28.0

Source: State data from Youth Risk Behavior Surveillance System (YRBSS), 2009;
National data from National Youth Risk Behavior Survey (NYRBS), 2009

BreatheND

Saving Lives, Saving Money with Measure 3.

Testimony
House Bill 1025
House Appropriations Committee
Human Resources Division
2:45 p.m., Thursday, February 3, 2011
North Dakota Tobacco Prevention and Control Advisory/Executive Committee

Rent Calculations

The Center for Tobacco Prevention and Control Policy
4023 State St, Suite 65 (office) and Suite 15 (conference room)
1549 total square feet of rental space

July 15, 2009 – June 30, 2010
$8.50 per sq/ft
$1,097.21 per month
$13,166.50 per year

3% Increase as of July 1, 2010

July 1, 2010 – June 30, 2011
$8.75 per sq/ft
$1,130.13 per month
$13,561.50 per year

GRANTS SUMMARY

305 Tobacco Prevention and Control

Version: 2011-R03-00305

Date: 01/13/2011
Time: 11:50:00

Description	Funding	2009-2011 Biennium Appropriation	2011-2013 Request	2011-2013 Optional Request	2011-2013 Recommendation
Minot State University - policy & environ cha	General Fund	0	0	0	0
	Federal Funds	0	0	0	0
	Special Funds	143,597	400,000	0	400,000
Total Minot State University - policy & environ cha		**143,597**	**400,000**	**0**	**400,000**
Special Iniative grants - policy	General Fund	0	0	0	0
	Federal Funds	0	0	0	0
	Special Funds	100,000	300,000	0	300,000
Total Special Iniative grants - policy		**100,000**	**300,000**	**0**	**300,000**
Special Initiative Grants - Other	General Fund	0	0	0	0
	Federal Funds	0	0	0	0
	Special Funds	100,000	362,143	0	362,143
Total Special Initiative Grants - Other		**100,000**	**362,143**	**0**	**362,143**
Special Initiative grants - statewide organiz	General Fund	0	0	0	0
	Federal Funds	0	0	0	0
	Special Funds	250,000	700,000	0	700,000
Total Special Initiative grants - statewide organiz		**250,000**	**700,000**	**0**	**700,000**
Tobacco Grants to Local Public Health Units	General Fund	0	0	0	0
	Federal Funds	0	0	0	0
	Special Funds	6,120,368	6,120,368	0	6,120,368
Total Tobacco Grants to Local Public Health Units		**6,120,368**	**6,120,368**	**0**	**6,120,368**
Tobacco State Aid	General Fund	0	0	0	0
	Federal Funds	0	0	0	0
	Special Funds	940,000	940,000	0	940,000
Total Tobacco State Aid		**940,000**	**940,000**	**0**	**940,000**
Agency Totals					
	General Fund	0	0	0	0
	Federal Funds	0	0	0	0
	Special Funds	7,653,965	8,822,511	0	8,822,511
	Agency Total	**7,653,965**	**8,822,511**	**0**	**8,822,511**

- HB1025
- Feb 3, 2011

Tobacco Prevention and Control Trust Fund
Status Statement

	2007-09 Actual	2009-11 Legislative Forecast	2009-11 Revised Forecast	2011-13 Executive Forecast
Beginning Balance	$0	$14,104,952	$14,107,486 \2	$25,901,527
Revenue:				
Fiscal year 1 payments		$14,138,011	$12,274,393 \3	$12,274,393
Fiscal year 2 payments	$14,138,011	14,138,011	12,274,393	12,274,393
Investment income	8,290	345,463	127,255	213,616
Total revenue	$14,146,301 \1	$28,621,485	$24,676,041	$24,762,402
Expenditures:				
Appropriated expenditures	($38,815)	($12,882,000)	($12,882,000)	($12,922,614)
Total expenditures	($38,815)	($12,882,000)	($12,882,000)	($12,922,614)
Ending Balance	$14,107,486 \2	$29,844,437	$25,901,527	$37,741,315

\1 Final revenue and expenditures per state accounting system reports dated June 30, 2009.
\2 Actual July 1, 2009 balance.
\3 Actual revenue received during fiscal year 2010.

Notes:

In November 2008, voters approved Measure No. 3, which created a tobacco prevention and control trust fund. All tobacco settlement strategic contribution fund payments received by the state will be deposited in the fund. The strategic contribution fund payment received by the state in April 2010 was $12.3 million. Future payments are projected to continue at this level through 2017. After 2017, no additional strategic contribution fund payments are anticipated.

2009 House Bill 1015, based on the intent of Measure No. 3, creates the Tobacco Prention and Control Committee as a state agency. Section 35, appropriates funding for the 2009-2011 biennium. Section 36, provides retroactive funding for expenditures that occurred during the period of January 1, 2009, through June 30, 2009. Section 39 changes language in the measure concerning the ability to spend funding from the water development trust fund. The legislature required that water development trust fund moneys may only be spent pursuant to legislative appropriation.

Attachment TEN
- Jeanne Prom
- HB 1025
- Feb 3, 2011

Salary Budget

00305 Tobacco Prevention and Control

Version: 2011R0300305

Program: 3-Tobacco Prevention and Control Program | **Reporting Level:** 05-305-100-00-00-00-00-00000000

Position Number	Name	FTE	New FTE	Rpt Lvl%	Funding Dist Gen	Fed	Spec	Monthly Base	Proposed Salary	Proposed Fringes	Total Proposed	Lump Sum	Salary Adjustment
Salaries													
00027177-1	Prom,Jeanne M	1.00		100%	0.00	0.00	100.00	5,460.00	136,995.72	46,277.62	183,273.34	0.00	6,962.85
00027341-1	Bauman,Cami R	1.00		100%	0.00	0.00	100.00	2,457.00	61,648.08	32,786.80	94,434.88	0.00	3,133.29
00027426-1	Thronson,Donna M	1.00		100%	0.00	0.00	100.00	4,782.00	119,984.16	43,231.72	163,215.88	0.00	6,098.20
00027633-1	Ulberg,Kelli R	1.00		100%	0.00	0.00	100.00	3,790.00	95,094.12	38,775.28	133,869.40	0.00	4,833.22
SubTotal									**413,722.08**	**161,071.42**	**574,793.50**	**0.00**	**21,027.56**
Temporary and Other Pay Types													
TPCEC-ACCT-1	Vacant	0.00	Y	100%	0.00	0.00	100.00	2,297.50	55,140.00	31,646.49	86,786.49	0.00	0.00
TPCECTEMP-1	Vacant	0.00		100%	0.00	0.00	100.00	1,491.00	35,784.00	3,578.40	39,362.40	0.00	0.00
TPCEC_CIC-1	Vacant	0.00	Y	100%	0.00	0.00	100.00	3,750.00	90,000.00	37,903.86	127,903.86	0.00	0.00
TPCEC_EC-1	Vacant	0.00	Y	100%	0.00	0.00	100.00	4,595.00	110,280.00	41,544.12	151,824.12	0.00	0.00
TPCEC_GM-1	Vacant	0.00	Y	100%	0.00	0.00	100.00	4,595.00	110,280.00	41,544.12	151,824.12	0.00	0.00
SubTotal									**401,484.00**	**156,216.99**	**557,700.99**	**0.00**	**0.00**
Total		**4.00**							**815,206.08**	**317,288.41**	**1,132,494.49**	**0.00**	**21,027.56**

Reporting Level General Fund	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
Reporting Level Federal Fund	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
Reporting Level Special Fund	**815,206.08**	**317,288.41**	**1,132,494.49**	**0.00**	**21,027.56**
Total Reporting Level Funding	**815,206.08**	**317,288.41**	**1,132,494.49**	**0.00**	**21,027.56**
Agency General Fund	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
Agency Federal Fund	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
Agency Special Fund	**815,206.08**	**317,288.41**	**1,132,494.49**	**0.00**	**21,027.56**
Total Agency Funding	**815,206.08**	**317,288.41**	**1,132,494.49**	**0.00**	**21,027.56**

FTE 4.00

Attachment ELEVEN
- OMB
- HB 1025
- Feb 3, 2011

TOBACCO PREVENTION & CONTROL COMMITTEE
2011-13 Executive Budget

Grants

Description	2009-11 Current Budget	Expended To Date 1/26/2011	2009-11 Amount Remaining	2011-13 Executive Budget	2011-13 General Fund	2011-13 Federal Fund	2011-13 Special Fund
Tobacco State Aid	940,000	820,840	119,160	940,000			940,000
Tobacco Grants to Local Public Health Units	6,120,368	3,876,261	2,244,107	6,120,368			6,120,368
Special Imitative Grants- Policy	100,000	21,606	78,394	300,000			300,000
Special Imitative Grants - Statewide Organization	250,000	1,633	248,367	700,000			700,000
Special Imitative Grants - Other (Health Communication Campaign)	100,000	169,604	(69,604)	362,143			362,143
Minot State University - Policy & Environmental Change Collaborative	143,597	-	143,597	400,000			400,000
Total Grants	**$7,653,965**	**$4,889,944**	**$ 2,620,424**	**$8,822,511**	**$ -**	**$ -**	**$8,822,511**

- Attachment TWELVE
- HB 1025
- Feb 3, 2011
- Jeanne Prom

- Attachment ONE
- Feb 17, 2011
- HB 1025

North Dakota Tobacco Prevention and Control Executive Committee
Center for Tobacco Prevention and Control Policy
4023 State Street, Suite 65 • Bismarck, ND 58503-0638
Phone 701.328.5130 • Fax 701.328.5135 • Toll Free 1.877.277.5090

TO: **House Appropriations, Human Resources Division**
Representative Chet Pollert, Chair
FROM: **Jeanne Prom, Executive Director**
DATE: **February 14, 2011**
RE: **House Bill 1025 – 2011-2013 budget request**

Included and attached to this memo are items further explaining the North Dakota Tobacco Prevention and Control Advisory/Executive Committee and its work related to the 2011-2013 budget request as outlined in House Bill 1025.

North Dakota Tobacco Prevention and Control Executive/Advisory Committee
The Governor appoints all members at large or from names submitted by organizations listed.

1. Ms. Bette Deede, representing
   North Dakota Public Health Association
2. Dr. Beth Hughes, representing
   North Dakota Society for Respiratory Care
3. Dr. Kermit Lidstrom
   At Large
4. Dr. Steve Mattson, representing
   North Dakota Medical Association
5. Ms. Pat McGeary, representing
   North Dakota Nurses' Association
6. Ms. Kathy Mangskau,* representing
   North Dakota Public Health Association
7. Mr. Nathan Marion
   At Large – Youth/Young Adult
8. Ms. Javayne Oyloe,* representing
   North Dakota Public Health Association
9. Ms. Theresa Will,* representing
   North Dakota Public Health Association

*Tobacco Prevention and Control Executive Committee Members

IT—Contractual services and repair – $200,000 contract
The 2011-2013 budget request includes $200,000 for Information Technology (IT) – Contractual services and repair. This $200,000 contract with Nexus Innovations, an approved vendor for state IT services, will provide enhancements to the original Program Reporting System (PRS), an automated online system used by the North Dakota Center for Tobacco Prevention and Control Policy and the Department of Health. Work on this project will proceed according to Information Technology Department requirements.

Background and history of PRS
The original Program Reporting System (PRS) was developed in 2005 as a pilot project of two divisions in the Department of Health to determine if an automated online approach was a more accurate and efficient way to track the disbursement and use of grant funds. The key challenge was to create a flexible application that could be used by divisions within the Department, each of which might have slightly different needs.

Over the past five years, PRS has proven to be very efficient and is very useful to its original creator, the DOH, as well as its end users, local public health units (LPHUs), and grantees. Because LPHUs also receive grants from the North Dakota Center for Tobacco Prevention and Control Policy, the Center uses PRS to track grant distribution and use. Additional DOH divisions now use PRS, and more divisions want to use the system in the future. Therefore, the Center is now working jointly with DOH and Nexus Innovations to "industrialize" the application and build the enhancements that are necessary to fully meet the needs of the Center and DOH programs. The costs for this upgrade are shared between the Center and DOH, to provide mutual benefit and savings to both agencies.

The current PRS no longer meets the needs of the agencies and their grantees and the new application will enhance the efficiency of all users.
The Center's $200,000 request for the 2011-2013 biennium will be used to provide the following enhancements:

Data mining: The data mining feature includes extracting information collected in the PRS from a LPHU's progress reports, budget and expenditure reports; and then collecting and organizing the information so it can be easily reported. This data mining feature is the base needed to fulfill the reporting needs in the reporting feature described below.

Reporting: The data mining information would be used to give to Center and DOH staff and end users predetermined static (standard) reports as well as the ability to query the information to create undetermined (nonstandard) reports.

Online applications - integration with budgets: The budget integration would include the automated population of the PRS budget from the online application's budget form to reduce the workload of LPHUs, Center and DOH staff.

Online applications - integration with progress reports: The progress report integration would include the automated population of the PRS progress report from the online application's work plan form to reduce the workload of LPHUs and Center and DOH staff.

Request for an additional 3.5 FTE
Rationale: During the previous legislative session, the North Dakota Tobacco Prevention and Control Executive Committee requested and received authority to hire 4.0 FTE. The

current 4.0 FTE include an executive director, community intervention coordinator, health communications coordinator, and an administrative assistant.

The Center staff is small in relation to the agency budget of $12,882,000. By comparison, the DOH tobacco prevention program staff includes 7.45 FTE and a temporary position, and has a budget of $5,822,131. The Center staff is small because the Center and the DOH mutually determined to offset inequity of staff and resources by having the larger DOH staff administer 51 grants funded with nearly $7 million from the Center. DOH was to provide ongoing technical assistance and training for these grantees.

However, in June 2009, the Department of Health determined it would be best if the Center administer the 51 grants, since the grants were funded by the Center. The transfer of the administration of the 51 grants from the DOH to the Center occurred without any transfer of FTE, even after the Center assumed all technical assistance and training for the grantees. The Center is now responsible for administering 51 additional grants with the same 4.0 FTE. This staff/workload ratio is not effective or sustainable. Daily demands of technical assistance to 51 grantees require more than 1.0 FTE, which is all the Center is able to commit to this work. In addition, the Center anticipates issuing up to approximately 25 grants more grants, which also require daily technical assistance and regular training. Re-directing staff to 51 unanticipated additional grants has resulted in delays in other grants and contracts, and in planned distribution of the current appropriation.

Thus, the Center is requesting the following 3.5 FTE:
(The 2011-2013 Executive Budget includes the 3.5 FTE as temporary employees, but the agency option budget requests these as permanent employees. The status of permanent or temporary employment does not change the total budget request.)

Accountant -- 0.5 FTE -- The accountant will provide general accounting services for a $12,922,614 budget and human resource management services for 7.5 FTE. This would replace the fiscal agent, currently provided through a contract with the Department of Health. The accountant will pay invoices, manage purchases, code expenditures, and create/reconcile fiscal reports.

Community Intervention Coordinator – 1.0 FTE -- This position will provide ongoing daily technical assistance for half of all grants totaling more than $3 million, and will coordinate regular training for grantees to ensure grantees implement and evaluate work plans, meet objectives, and reduce tobacco use over time.

Evaluation Coordinator – 1.0 FTE -- This position will manage the contract for the ongoing comprehensive evaluation of the statewide program to ensure tobacco use is reduced; will provide ongoing technical assistance and training to grantees related to evaluating their grant programs; and will provide assistance in evaluating the health communications program. Evaluation projects will total $1.5 million.

Grants Manager – 1.0 FTE -- This position will manage the development and implementation of paperwork, protocol and processes to issue and track more than 75 grants and contracts (more than 85 percent of the budget, or nearly $11 million). This includes developing requests for proposals, issuing requests for bids, reviewing proposals and bids, and serving as procurement officer.

The funding needed for these positions will be offset by a reduction in operating expenses, and does not impact grant expenditures. The amount budgeted for grants in 2011-2013 increased by about $1.2 million over the previous biennium.

CDC Best Practices – State & community interventions, chronic disease programs

State & community interventions -- general	• Provide funding & technical assistance & training to community organizations & partners to build & sustain capacity to change social norms around tobacco use; includes working with local coalitions • Collaboration with partners/programs to use evidence-based interventions to reduce tobacco use • Statewide & local public education about health effects of tobacco use & exposure to secondhand smoke & how to access cessation services • Use tobacco taxes to fund both tobacco prevention & chronic disease prevention & treatment • Linking chronic disease programs to quitline
State & community interventions specific to chronic disease programs	• Use tobacco taxes to fund both tobacco prevention & chronic disease prevention & treatment • Collaborate on shared goals, objectives related to reducing tobacco use • Link tobacco prevention interventions, such as smoke-free policies, with cardiovascular disease prevention & cancer prevention programs • Increase awareness of secondhand smoke as trigger for asthma & increased risk for heart attacks • Link chronic disease management programs for diabetes & cardiovascular disease to state quitline • Promote insurance coverage for a package of preventive services including high blood pressure, high cholesterol, & tobacco use treatment

Alcohol, Drug, Tobacco, and Risk-Associated Behavior Programs in North Dakota agencies, prepared by North Dakota Legislative Council, January 2011

The total amount state agencies plan to invest in tobacco prevention is $9.5 million/year in 2011-2013. Of this amount, only $6.45 million/year is required to be used for "CDC Best Practice" strategies proven cost-effective in reducing tobacco use. The U.S. Centers for Disease Control and Prevention (CDC) requires that North Dakota invest $9.3 million/year on Best Practices to reduce tobacco use. The following attachment shows that although some health-related programs might ask about tobacco use or report tobacco survey data, only the tobacco use prevention programs in the North Dakota Center for Tobacco Prevention and Control Policy and the Department of Health invest in programs designed to reduce tobacco use. The Department of Human Services is required by federal law to conduct a compliance survey of tobacco retailers.

Alcohol, Drug, Tobacco, and Other Risk-Associated Behavior Programs	2009-11 Biennium Amount and Funding Source		2011-13 Executive Budget Amount and Funding Source		Detail of 2011-13 Sources of Federal and Special Funds	Restrictions on Uses of Funds	Anticipated Uses of Funds	Amount of Funds Used for Tobacco Prevention
	Federal and Special Funds	Total Funds	Federal and Special Funds	Total Funds				
Department of Health								
Tobacco Cessation	$ 3,510,495.00	$ 3,510,495.00	$ 3,510,495.00	$ 3,510,495	Community Health Trust Fund	Funds support a statewide toll-free telephone and web-based counseling and tobacco surveillance.	100 % of funds will support the tobacco cessation statewide and tobacco surveillance.	100% tobacco prevention and control, but not Best Practice.
Tobacco Prevention	$ 2,678,616.00	$ 2,678,616.00	$ 2,651,900.00	$ 2,651,900	CDC - Centers for Disease Control and Prevention	Restricted to tobacco control, cannot be used for direct services or cessation services.	100% for tobacco control.	100% - tobacco prevention
Title X Family Planning and Title V Supplement	$ 474,315.00	$ 474,315.00	$ 440,727.00	$ 440,727.00	CDC	Funds to be used for the provison of family planning, medical, laboratory, and counseling services.	All family planning clients provide a health history which includes tobacco, alcohol, and drug use, along with other risky behaviors, such as unprotected sex, etc. Counseling and referral is provided as appropriate.	0%
Abstinence Education	$ 172,990.00	$ 172,990.00	$ 172,995.00	$ 172,995.00	HRSA - Health Resources and Services Administration	Funds are used to target youth and young adults aged 12 to 29.	Funds are used for curriculum and program development that focus on abstinence, which includes other risk reduction topics, including tobacco, alcohol, and other drugs.	0%
Department of Human Services								
Data Information Systems	$ 250,000.00	$ 250,000.00	$ 387,542.00	$ 387,542.00	Drug and alcohol services information system - $387,542	Must be used to develop and implement substance abuse data management.	Contracts - $387,542/100%	0%
State Epidemiological Outcomes Workgroup (SEOW)	$ 250,261.00	$ 250,261.00	$ 221,572.00	$ 221,572.00	SEOW - $221,572.00	Must be used for prevention strategies.	Utilizing the principles of outcome-based prevention, the SEOW is designed to create and oversee the strategic use of data to inform and guide substance abuse prevention policy and program development in ND. Through ongoing and integrated data analyses, the SEOW will implement SAMHSA's strategic prevention framework. The five-step process includes: *Assessment of population needs, resources, and readiness; *Mobilization and capacity building to address needs; *Prevention planning and funding decisions; *Implementation of evidence-based prevention programs; and *Evaluation of key outcomes and plan adjustments. State- and county-level epidemiological profiles are being produced that summarize alcohol, tobacco, and other drug consumption patterns and associated consequences across the lifespan. Grants/contracts - $221,572/100%.	0% However, $30,000 of the Federal Substance Abuse & Prevention Block Grant is used for a statewide compliance survey of tobacco retailers.

Alcohol, Drug, Tobacco, and Other Risk-Associated Behavior Programs	2009-11 Biennium Amount and Funding Source		2011-13 Executive Budget Amount and Funding Source		Detail of 2011-13 Sources of Federal and Special Funds	Restrictions on Uses of Funds	Anticipated Uses of Funds	Amount of Funds Used for Tobacco Prevention
	Federal and Special Funds	Total Funds	Federal and Special Funds	Total Funds				
Department of Public Instruction								
Title IV Safe and Drug-Free Schools and Communities Program - Funding for reducing alcohol, drug, and tobacco use through education and prevention activities	$ 2,277,356.00	$ 2,277,356.00			Department of Education	For prevention- and education-related activities in kindergarten through grade 12 in the areas of drugs, alcohol, tobacco, weapons, violence, bullying, school climate, and crisis management. Not to be used for treatment or entertainment.	93% of funds are allocated to local education agencies based on a formula of poverty and enrollment. The remaining 7% is for the state education agency to use for technical assistance (4%) and administration (3%).	0%
Tobacco Prevention and Control Executive Committee								
Total - Tobacco Prevention and Control Executive Committee	$ 12,882,000.00	$ 12,882,000.00	$ 12,922,614.00	$ 12,922,614	Special funds - Tobacco Master Settlement Agreement strategic contribution funds	Funds must be used for evidence-based programs according to the CDC *Best Practices for Comprehensive Tobacco Control Programs*	Funds will be used to support state and community tobacco prevention and control interventions, cessation interventions, health communications, surveillance and evaluation, and administration and management of the programs. Grants and contracts will be awarded to local public health units, special population groups with disparities in tobacco use, and partner groups that can advance the goals of the state plan.	100% for tobacco prevention and 100% for CDC Best Practices
				$ 19,085,009				
				$ 9,542,505				

- Megan, Executive Director of Tobacco Free ND

Tobacco Free North Dakota

Save Lives. Save Money. Save Measure 3.

- HB 1025 ~ Feb 17, 2011

- Attachment TWO

North Dakota's Tobacco Prevention Program Facts, Figures & FAQs

The North Dakota Legislature soon will be voting on funding the comprehensive tobacco prevention. The North Dakota Tobacco Prevention plan is a long-term comprehensive plan to significantly reduce tobacco use, the leading cause of preventable disease and death in North Dakota, over a matter of years rather than slowly over many decades. If the initiated measure is overturned, there will be no guaranteed use of tobacco settlement dollars for a comprehensive tobacco prevention program. North Dakota youth smoking rates will continue to remain above the national average. And all North Dakota families will continue to pay the price of tobacco-related illness and death.

Respect the vote of the people

- *In 2008 ND voters passed an initiated measure, requiring the legislature to spend tobacco settlement money on an effective, science based tobacco control program.*
- *80% of North Dakotans support using tobacco settlement dollars for tobacco prevention and cessation programs (2010 public opinion study).*

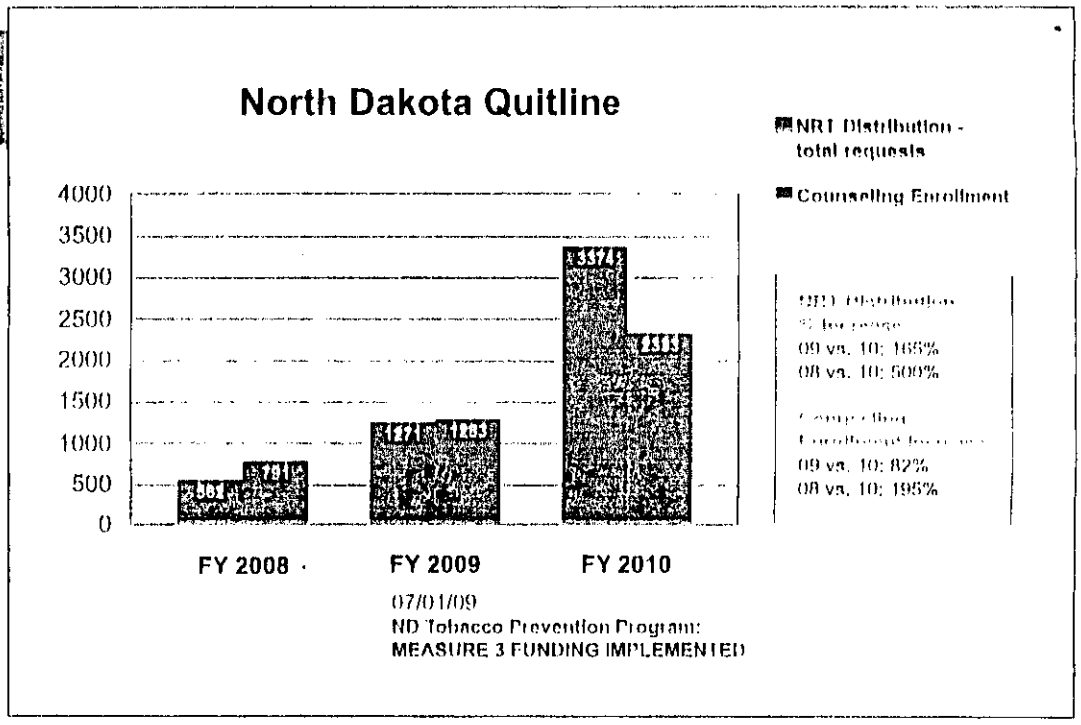
Tobacco is a huge problem

- *Each year in North Dakota tobacco costs 910 lives.*
- *Each year in North Dakota tobacco costs $247 million in increased healthcare costs.*
- *Each year in North Dakota tobacco costs $47 million in increased Medicaid costs.*
- *Tobacco costs each household in North Dakota an annual tax burden of $564.*
- *A pack of cigarettes is less than $5, but tobacco-related healthcare expenses factor a true cost to North Dakotans of $10.47 per pack.*
- *North Dakota youth smoking rates have stalled at a rate of 22% since 2005. Without tobacco prevention efforts, tobacco use rates will remain high.*
- *Today, 8,800 kids in North Dakota are daily smokers and 700 additional kids become new smokers each year. The ripple effect of these statistics means that 11,000 kids now under age 18 and alive in North Dakota will ultimately die prematurely from smoking.*
- *Tobacco is the leading cause of preventable death and disease in the nation and in North Dakota.*

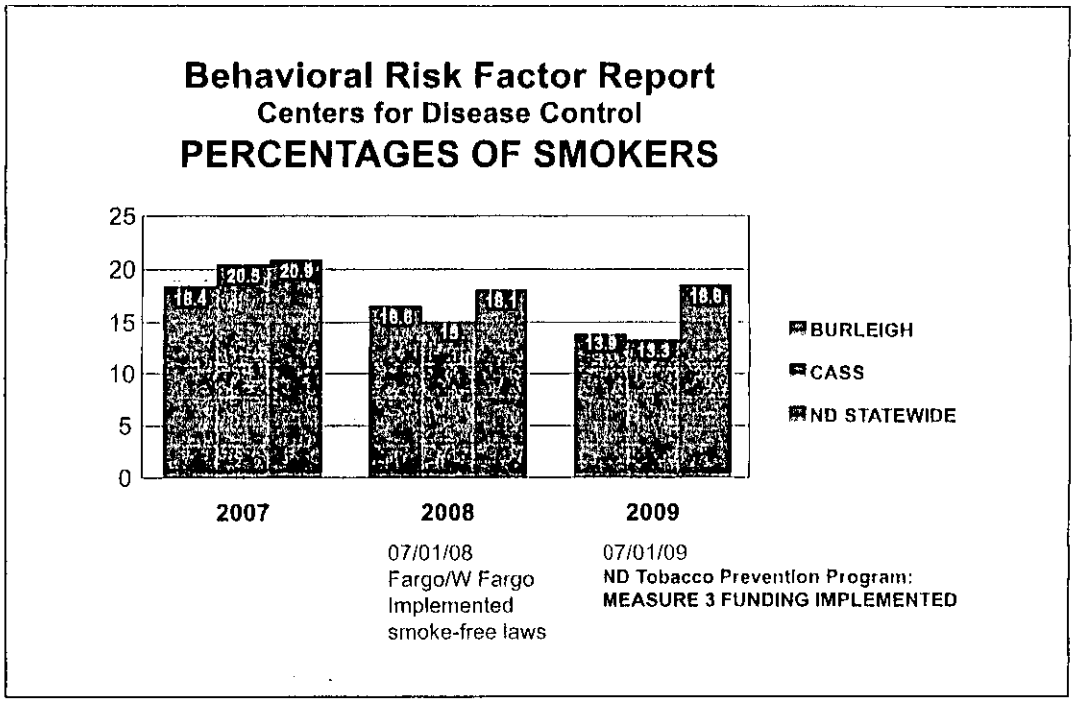
Tobacco prevention and cessation is working

- *Cigarette sales are down 3 million packs since 2007, and projected to decline by 7 million by 2013. (ND Tax Department)*
- *ND Tobacco Quitline program use has increased by 195% since 2008: Cost efficiency of the Quitline is enhanced by demand created by tobacco prevention efforts.*

In the first 18 months at this level of funding, the state has already shown major progress in implementing policies and programs that reduce tobacco use.



This chart illustrates how Measure 3-funded efforts to increase referrals to the Quitline from local public health units contributed to significant increases in distribution of nicotine replacement therapy (NRT) and in enrollment for counseling from the statewide Quitline. Measure 3 grants to local public health units require that health units ask all clients about their tobacco use and refer tobacco users to the Quitline. *Source: N.D. Department of Health, Quitline reports*



The current use of Measure 3 funds is improving the health of North Dakotans in every county through tobacco prevention and cessation programs.

We have already seen smoking decrease in two counties where data is available. This illustrates how important it is to fund all counties at a level where tobacco prevention education and services can reach everyone.

Burleigh and Cass counties reported lower tobacco use rates while state tobacco use rates are relatively unchanged. This coincides with Burleigh and Cass counties receiving the highest levels of single-county funding for tobacco control in the state, and with smoke-free laws implemented in Fargo and West Fargo. Bismarck also enacted a local smoke-free law in 2005 that is stronger than the state law. Health units in both counties have undertaken significant public education campaigns on the health consequences of tobacco use, and have active citizen coalitions. *Source: U.S. Centers for Disease Control and Prevention, Behavioral Risk Factor Surveillance System*

FREQUENTLY ASKED QUESTIONS

How much money are we spending in tax payer dollars for tobacco prevention programs?
No tax dollars are being spent by the North Dakota Tobacco Prevention and Control Executive Committee for tobacco prevention efforts. These tobacco prevention programs are funded by tobacco lawsuit settlement dollars paid to North Dakota by major tobacco companies and the Department of Health receives grant funds from the Centers for Disease Control.

How much is invested in tobacco prevention?
The North Dakota Legislature appropriated $9.3 million per year at the CDC recommended level of funding to the North Dakota Center for Tobacco Prevention and Control Policy and the North Dakota Department of Health to carry out tobacco prevention efforts. The spending amounts are outlined below. These amounts are in line with CDC recommended funding.

Tobacco Prevention and Control Executive Committee	$6,441,000/year
Department of Health Tobacco Prevention and Control	$2,859,000/year
Additional federal funds received by the Dept of Health	52,066/year
Total	**$9,352,066/year**

How much of the tobacco settlement dollars North Dakota receives go toward tobacco prevention?
The first ten years North Dakota received tobacco settlement payments, less than ten percent of the funds were spent on tobacco programs. With the passage of the initiated measure, the percentage increased to about 20 percent – this funding sustains a long-term comprehensive plan to significantly reduce tobacco use, the leading cause of preventable disease and death in North Dakota over a matter of years rather than slowly over many decades.

What is the Master Settlement Agreement (MSA)?
Beginning in the mid-1990s, more than 46 states and some localities sued tobacco companies, alleging that the industry violated antitrust and consumer protection laws, withheld information about the adverse health effects of tobacco, manipulated nicotine levels to keep smokers addicted, and conspired to hold back less risky and less addictive tobacco products from the market.

In November 1998, four of the nation's largest tobacco companies—Philip Morris Incorporated, R.J. Reynolds Tobacco Company, Brown & Williamson Tobacco Corporation, and Lorillard Tobacco Company (referred to as the "original participating manufacturers")— negotiated an agreement with the attorneys general of 46 states (including North Dakota) thereby settling a number of lawsuits. This agreement is known as the Master Settlement Agreement. When we refer to Master Settlement Agreement dollars, these are tobacco industry dollars, not state taxpayer dollars. They are, however, special funds appropriated by the Legislature.

What are the Strategic Contribution Funds (SCF)?
Beginning in April 2008, cigarette companies must also pay to the states special, new Strategic Contribution Fund payments. Under the MSA, these new payments must be allocated among the MSA states based on "each Settling State's contribution to the litigation or resolution of the state tobacco litigation." The final decisions regarding how much would be given to each state were made by a special allocation committee of state attorneys general soon after the MSA was executed in November 1998 (see section IX(c)(2) and Exhibit U of the MSA, www.naag.org/backpages/naag/tobacco/msa). In effect, these are attorney fees for the state attorneys general who worked on the MSA. North Dakota was one of those states.

How are the funds spent?
The original Master Settlement Agreement annual payment funds are allocated among the Community Health Trust Fund, Common Schools Trust Fund, and Water Development Trust Fund, pursuant to NDCC Section 54-27-25. The split is 45% to water, 45% to schools and 10% to health programs.

Because of the initiated measure in 2008, the Strategic Contribution Funds are spent on tobacco prevention and control programs. Over half of the funds appropriated to the Center are distributed to local public health units to be spent for tobacco prevention efforts at the local community level. Grants to local communities are $6.9 million.

How is the North Dakota Center for Tobacco Prevention and Control managed?
The Center for Tobacco Prevention and Control Policy is a division of the North Dakota Tobacco Prevention and Control Executive Committee - a state agency with governmental checks and balances just like any other state agency. The agency is structured like the other 140-plus boards and commissions operating under North Dakota State Law. The agency is led by a nine-member board appointed by the Governor and consists of experts in tobacco prevention and public health – physicians, nurses, respiratory therapists and public health.

In addition, this state agency:

- *reported to the Interim Budget Section every three months on expenditures and progress, unlike most other agencies;*
- *allows for elected officials to serve on the board;*
- *must, by law, evaluate the effectiveness and implementation of the state plan each year; and*
- *must, by law, once a biennium, provide for an independent audit of the state plan to ensure it is consistent with CDC Best Practices and report the results to the Governor and State Health Officer.*

Are the Native American reservations seeing a decrease in cigarette sales?
Sales of cigarettes both on and off reservations in North Dakota have decreased every year for the previous five years. The chart below illustrates this decrease. *(Source: N.D. Tax Department)*

Cigarette sales are decreasing both on and off reservations in North Dakota, 2006-2010
(Source: N.D. Tax Department)

Year	Tribal Sticks	Taxable Sticks	Total Sticks	% of Tribal Sales
2006	134,769,080	961,128,686	1,095,897,766	12.3
2007	130,637,390	954,969,346	1,085,606,736	12.0
2008	111,105,061	945,602,831	1,056,707,892	10.5
2009	106,420,337	912,323,960	1,018,744,297	10.4
2010	96,474,047	911,093,485	1,007,567,532	9.6

(Stick equals 1 cigarette. Tribal Sticks include cigarettes that were sold on all reservations except Standing Rock but not taxed. Taxable Sticks include all cigarettes that were taxed and sold in North Dakota and on the Standing Rock reservation. Total Sticks includes Tribal Sticks and all Taxable Sticks. Percent of Tribal Sales includes the percent of Total Sticks that were sold on all reservations in North Dakota except Standing Rock but not taxed.) NOTE: Since 1993, Standing Rock Reservation taxes tobacco at the same rate as North Dakota tobacco tax.

Bismarck Tribune Editorial 2/6/2011

Listen when the voters speak

There's nothing subtle about a legislative attempt to strip North Dakota's tobacco settlement funds from smoking cessation and prevention programs, using that money to build a nearly $30 million health sciences facility at the University of North Dakota, and add about $6 million to the medical school's budget to expand residency programs.

It's an old fashioned "rob Peter to pay Paul" move. Or more accurately, take from one special interest and give to another.

Except in this case, the Legislature has been asked to override a vote of the people — a successful 2008 initiated measure laying out how the tobacco settlement money would be spent. The Legislature can do this, but it shouldn't.

The funds from the tobacco settlement will amount to about $100 million and are expected to run out in 2017.

The Tribune isn't entirely comfortable with everything on the anti-smoking agenda. Nor is the editorial board opposed to making investments in the UND medical school. But the Tribune does hold a vote of the people to be pretty much absolute, certainly not to be overridden without great cause. And, frankly, that's not the case here.

Let's remember that the Legislature began its deliberations with a $1 billion surplus. And even one of this bill's sponsors, Rep Bob Skarpol, R-Tioga, acknowledged, "If I asked for this money out of the general fund, it would not happen."

Why would that be? Perhaps because the governor has proposed an increase of $82 million in ongoing funding for higher education and another $46 million in one-time expenditures for the state colleges and universities.

That's $128 million more than before for higher ed, and this bill would add another $30 million or so to that pot.

Whatever cause the six lawmakers sponsoring the bill see for rejecting the voters' will, it was not great enough to survive the budgeting process or to access normal funding sources.

Suggesting that voters didn't know what they were voting on or doing is purely amazing. Who elected these senators and representatives, those same voters? Which time did the voters get it right? Or wrong?

Ignoring a vote of the people, as expressed in 2008, might be risky. Not listening to the people was part of the reason Earl Pomeroy no longer represents North Dakota in the U.S. House of Representatives. It's part of the reason a large number of people favor repealing health care reform.

There are lessons North Dakota lawmakers might learn from Pomeroy's experience on Nov. 2.

Fargo Forum Editorial 1/30/11

Don't let them gut Measure 3

The danger of a huge majority of any one party in a legislature is the arrogance of power. The attempt to repeal Measure 3, the reallocation of money received by North Dakota from the national tobacco settlement, constitutes such arrogance. In 2008, voters approved the measure by a comfortable margin. In effect, the people of the state spanked the Legislature for misdirecting the tobacco money away from tobacco cessation and education programs and into water projects and schools.

Now along comes House Bill 1353, which, if passed, would violate the wishes of the voters and steal money from tobacco programs that are working as intended. If Republicans get bullied into sticking together, the numbers are there to undo the measure. They might even have a handful of smoke-addled Democrats in their camp.

Repeal is a bad idea. The programs and initiatives funded by the money are showing success after only about two years. For example:

- Tobacco use in the state is down about 19 percent.
- The sale of cigarettes continues a steady decline.
- North Dakota Tobacco Quitline use is increasing.
- Counseling to quit smoking is up nearly 200 percent since 2008.

If that's not enough, a 2010 opinion survey showed 80 percent of North Dakotans support using tobacco settlement money for tobacco prevention and cessation programs. That was the clear message of the passage of Measure 3. Since then, sentiment to use tobacco money for those purposes has grown.

The proposed legislation would gut the measure. It would eliminate the guarantee that tobacco settlement dollars would be used for the purpose voters intended. It would cut back or eliminate local tobacco education programs that are working. That's one reason the Fargo City Commission voted to oppose HB 1353 at its Jan. 24 meeting.

Moreover, the state is virtually swimming in revenues. There is no need to rob tobacco education programs to fund other things, no matter their merit. The bill, therefore, appears to be an unsubtle attempt to misuse the Legislature's power.

The mere introduction of the bill is more than enough to suggest the lopsided Republican majority is flirting with the arrogance of power. Unless smarter heads prevail – and HB 1353 is scuttled – arrogance might be seen as corruption. After all, a wise man once said power corrupts and absolute power (as the majority enjoys this session) corrupts absolutely. The bill will be heard in committee at 9 a.m. Monday.

ANALYSIS OF THE TOBACCO PREVENTION AND CONTROL TRUST FUND FOR THE 2009-11 AND 2011-13 BIENNIUMS (REFLECTING THE 2011-13 BIENNIUM EXECUTIVE BUDGET RECOMMENDATION)

	2009-11 Biennium		2011-13 Biennium	
Beginning balance		$14,107,486		$25,901,527
Add estimated revenues				
Tobacco settlement revenues collected to date	$12,274,393[1]		$0	
Projected tobacco settlement revenues	12,274,393[2]		24,548,786[2]	
Investment income	127,255		213,616	
Total estimated revenues		24,676,041[3]		24,762,402[3]
Total available		$38,783,527		$50,663,929
Less estimated expenditures and transfers				
Tobacco Prevention and Control Executive Committee expenditures	$12,882,000[4]		$12,922,614[4]	
Total estimated expenditures and transfers		12,882,000		12,922,614
Estimated ending balance		$25,901,527		$37,741,315

[1]As of November 2010, the state has received two tobacco settlement payments totaling $33,091,258 for the 2009-11 biennium, of which $20,816,865 was deposited in the tobacco settlement trust fund and $12,274,393 was deposited in the tobacco prevention and control trust fund. To date, the state has received total tobacco settlement collections of $305,399,942, including $265,189,809 under subsection IX(c)(1) of the Master Settlement Agreement and $40,210,133 under subsection IX(c)(2) of the Master Settlement Agreement. Of the $305,399,942, $278,987,538 has been deposited into the tobacco settlement trust fund and $26,412,404 has been deposited into the tobacco prevention and control trust fund.

[2]Estimated payments for the remainder of the 2009-11 biennium and the 2011-13 biennium are based on the amount received in 2010.

[3]Initiated measure No. 3 approved in the November 2008 general election provides that if in any biennium the tobacco prevention and control trust fund does not have adequate funding for the comprehensive plan, money may be transferred from the water development trust fund to the tobacco prevention and control trust fund in an amount determined necessary by the executive committee to adequately provide for the comprehensive plan. The 2009 Legislative Assembly in Section 39 of House Bill No. 1015 provided that any money deposited in the water development trust fund under North Dakota Century Code Section 54-27-25 may only be spent pursuant to legislative appropriation.

The measure will result in the following estimated allocation of the revised estimated collections of the tobacco settlement payments through 2025:

	Actual and Estimated Total Tobacco Settlement Proceeds	Actual and Estimated Payments Under Master Settlement Agreement Subsection IX(c)(2) Deposited in the Tobacco Prevention and Control Trust Fund	Allocation of Actual and Estimated Payments Under Master Settlement Agreement Subsection IX(c)(1)		
			Common Schools Trust Fund	Water Development Trust Fund	Community Health Trust Fund
Actual payment April 2008	$36.4 million	N/A	$16.4 million	$16.4 million	$3.6 million
Actual payment April 2009	39.2 million	$14.1 million	11.3 million	11.3 million	2.5 million
Estimated 2009-11 biennium	68.3 million	24.5 million	19.7 million	19.7 million	4.4 million
Estimated 2011-13 biennium	70.3 million	24.5 million	20.6 million	20.6 million	4.6 million
Estimated 2013-15 biennium	73.7 million	27.6 million	20.8 million	20.8 million	4.5 million
Estimated 2015-17 biennium	73.7 million	27.6 million	20.8 million	20.8 million	4.5 million
Estimated 2017-19 biennium	52.5 million	N/A	23.6 million	23.6 million	5.3 million
Estimated 2019-21 biennium	52.5 million	N/A	23.6 million	23.6 million	5.3 million
Estimated 2021-23 biennium	52.5 million	N/A	23.6 million	23.6 million	5.3 million
Estimated 2023-25 biennium	52.5 million	N/A	23.6 million	23.6 million	5.3 million
Total	$571.6 million	$118.3 million	$204.0 million	$204.0 million	$45.3 million

[4]Section 35 of House Bill No. 1015 (2009) appropriated $12,882,000 from the tobacco prevention and control trust fund to the Tobacco Prevention and Control Executive Committee for the purpose of providing a level of funding that will meet the annual level recommended by the Centers for Disease Control and Prevention for North Dakota as published in its *Best Practices for Comprehensive Tobacco Control* for the 2009-11 biennium. The 2011-13 executive budget recommendation provides $12,922,614 from the tobacco prevention and control trust fund to the Tobacco Prevention and Control Executive Committee.

FUND HISTORY

The tobacco prevention and control trust fund was created as a result of voter approval of initiated measure No. 3 in the November 2008 general election. The measure added seven new sections to the North Dakota Century Code and amended Section 54-27-25 to establish the Tobacco Prevention and Control Advisory Committee and an executive committee, develop and fund a comprehensive statewide tobacco prevention and control plan, and create a tobacco prevention and control trust fund to receive tobacco settlement dollars to be administered by the executive committee. The measure provides for the advisory committee, appointed by the Governor, to develop the initial comprehensive plan and select an executive committee responsible for the implementation and administration of the comprehensive plan. The initiated measure became effective 30 days after the election (December 4, 2008).

Tobacco settlement payments received by the state under the Master Settlement Agreement are derived from two subsections of the Master Settlement Agreement. Subsection IX(c)(1) of the Master Settlement Agreement provides payments on April 15, 2000, and on April 15 of each year thereafter in perpetuity, while subsection IX(c)(2) of the Master Settlement Agreement provides for additional strategic contribution payments that begin on April 15, 2008, and continue each April 15 thereafter through 2017. Section 54-27-25, created by House Bill No. 1475 (1999), did not distinguish between payments received under the separate subsections of the Master Settlement Agreement and provided for the deposit of all tobacco settlement money received by the state into the tobacco settlement trust fund. Money in the fund, including interest, is transferred within 30 days of deposit in the fund as follows:

- Ten percent to the community health trust fund.
- Forty-five percent to the common schools trust fund.
- Forty-five percent to the water development trust fund.

The measure provides for a portion of tobacco settlement dollars received by the state to be deposited in the newly created tobacco prevention and control trust fund rather than the entire amount in the tobacco settlement trust fund. Tobacco settlement money received under subsection IX(c)(1) of the Master Settlement Agreement will continue to be deposited in the tobacco settlement trust fund and allocated 10 percent to the community health trust fund (with 80 percent used for tobacco prevention and control), 45 percent to the common schools trust fund, and 45 percent to the water development trust fund. Tobacco settlement money received under subsection IX(c)(2) of the Master Settlement Agreement will be deposited into the tobacco prevention and control trust fund. Interest earned on the balance in this fund will be deposited in the fund. The fund will be administered by the executive committee created by the measure for the purpose of creating and implementing the comprehensive plan.

The measure also provides that if in any biennium the tobacco prevention and control trust fund does not have adequate funding for the comprehensive plan, money may be transferred from the water development trust fund to the tobacco prevention and control trust fund in an amount determined necessary by the executive committee to adequately provide for the comprehensive plan. The 2009 Legislative Assembly in Section 39 of House Bill No. 1015 provided that any money deposited in the water development trust fund under Section 54-27-25 may only be spent pursuant to legislative appropriation.

The tobacco settlement payment received by the state in April 2008 was the first payment that included funds relating to subsection IX(c)(2) of the agreement. This payment was received prior to the approval of the measure and was deposited in the tobacco settlement trust fund and disbursed as provided for in Section 54-27-25 prior to amendment by the measure. In 2009 tobacco settlement payments began to be deposited in the tobacco settlement trust fund and the tobacco prevention and control trust fund pursuant to Section 54-27-25 as amended by the measure.

- Attachment TWO
- Feb 21, 2011
- HB 1025 - Megan N. (Executive Director of Tobacco Free ND)

Tobacco Free North Dakota

Save Lives. Save Money. Save Measure 3.

North Dakota's Tobacco Prevention Program Facts, Figures & FAQs

The North Dakota Legislature soon will be voting on funding the comprehensive tobacco prevention. The North Dakota Tobacco Prevention plan is a long-term comprehensive plan to significantly reduce tobacco use, the leading cause of preventable disease and death in North Dakota, over a matter of years rather than slowly over many decades. If the initiated measure is overturned, there will be no guaranteed use of tobacco settlement dollars for a comprehensive tobacco prevention program. North Dakota youth smoking rates will continue to remain above the national average. And all North Dakota families will continue to pay the price of tobacco-related illness and death.

Respect the vote of the people

- *In 2008 ND voters passed an initiated measure, requiring the legislature to spend tobacco settlement money on an effective, science based tobacco control program.*
- *80% of North Dakotans support using tobacco settlement dollars for tobacco prevention and cessation programs (2010 public opinion study).*

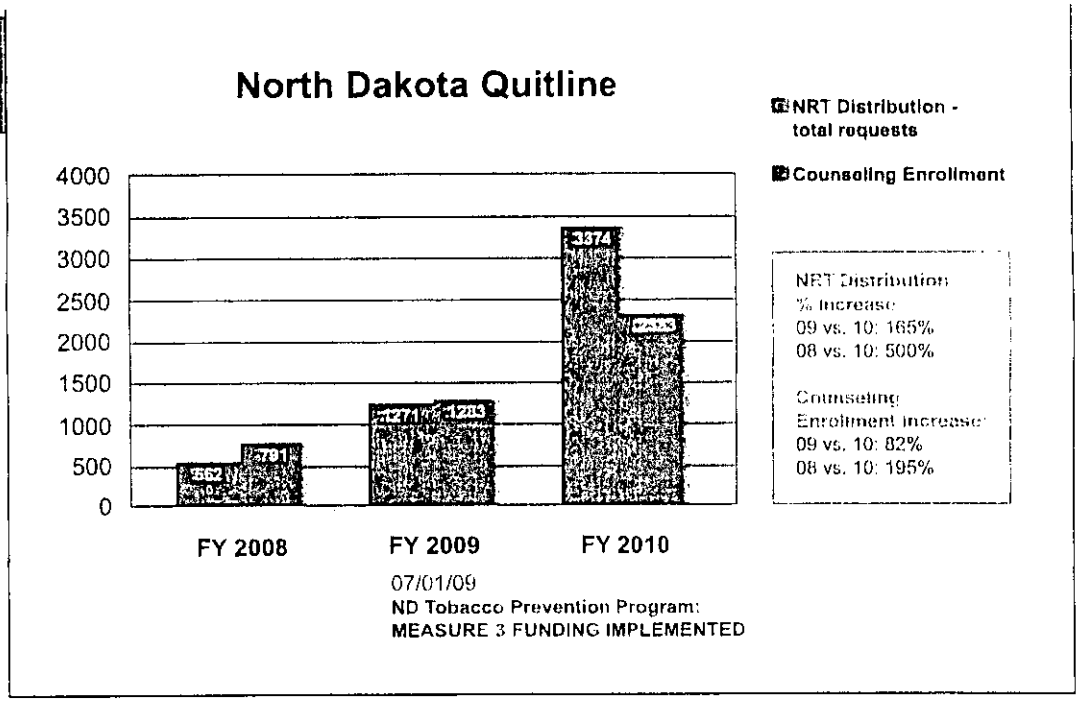
Tobacco is a huge problem

- *Each year in North Dakota tobacco costs 910 lives.*
- *Each year in North Dakota tobacco costs $247 million in increased healthcare costs.*
- *Each year in North Dakota tobacco costs $47 million in increased Medicaid costs.*
- *Tobacco costs each household in North Dakota an annual tax burden of $564.*
- *A pack of cigarettes is less than $5, but tobacco-related healthcare expenses factor a true cost to North Dakotans of $10.47 per pack.*
- *North Dakota youth smoking rates have stalled at a rate of 22% since 2005. Without tobacco prevention efforts, tobacco use rates will remain high.*
- *Today, 8,800 kids in North Dakota are daily smokers and 700 additional kids become new smokers each year. The ripple effect of these statistics means that 11,000 kids now under age 18 and alive in North Dakota will ultimately die prematurely from smoking.*
- *Tobacco is the leading cause of preventable death and disease in the nation and in North Dakota.*

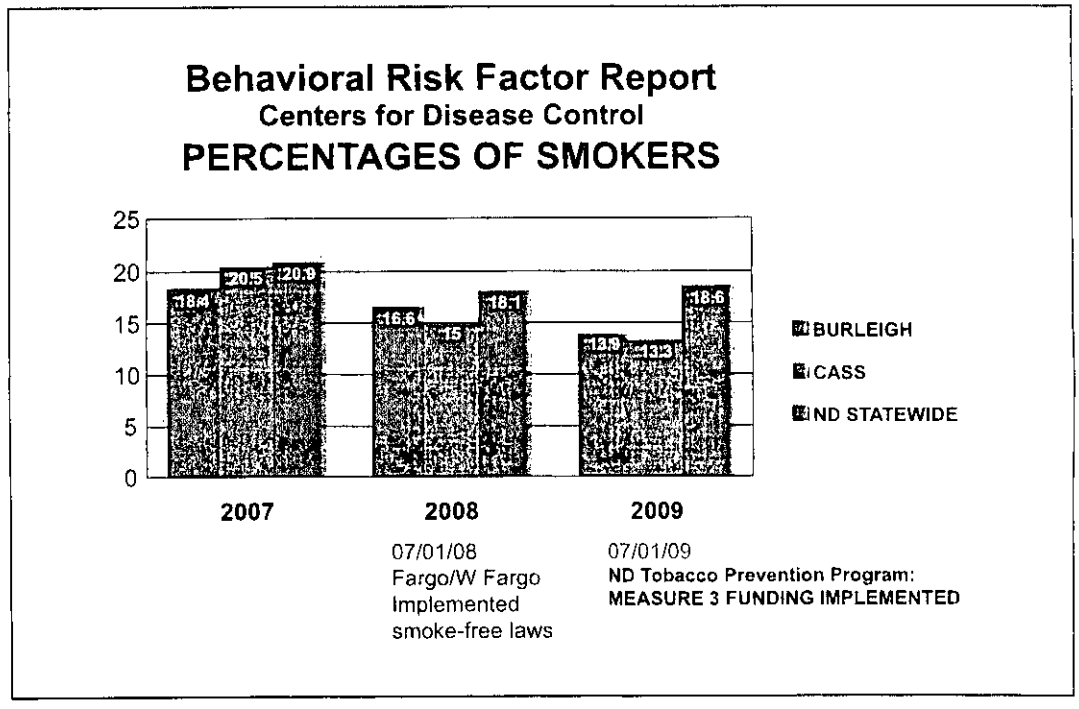
Tobacco prevention and cessation is working

- *Cigarette sales are down 3 million packs since 2007, and projected to decline by 7 million by 2013. (ND Tax Department)*
- *ND Tobacco Quitline program use has increased by 195% since 2008: Cost efficiency of the Quitline is enhanced by demand created by tobacco prevention efforts.*

In the first 18 months at this level of funding, the state has already shown major progress in implementing policies and programs that reduce tobacco use.



This chart illustrates how Measure 3-funded efforts to increase referrals to the Quitline from local public health units contributed to significant increases in distribution of nicotine replacement therapy (NRT) and in enrollment for counseling from the statewide Quitline. Measure 3 grants to local public health units require that health units ask all clients about their tobacco use and refer tobacco users to the Quitline. *Source: N.D. Department of Health, Quitline reports*



The current use of Measure 3 funds is improving the health of North Dakotans in every county through tobacco prevention and cessation programs.

We have already seen smoking decrease in two counties where data is available. This illustrates how important it is to fund all counties at a level where tobacco prevention education and services can reach everyone.

Burleigh and Cass counties reported lower tobacco use rates while state tobacco use rates are relatively unchanged. This coincides with Burleigh and Cass counties receiving the highest levels of single-county funding for tobacco control in the state, and with smoke-free laws implemented in Fargo and West Fargo. Bismarck also enacted a local smoke-free law in 2005 that is stronger than the state law. Health units in both counties have undertaken significant public education campaigns on the health consequences of tobacco use, and have active citizen coalitions. *Source: U.S. Centers for Disease Control and Prevention, Behavioral Risk Factor Surveillance System*

FREQUENTLY ASKED QUESTIONS

How much money are we spending in tax payer dollars for tobacco prevention programs?
No tax dollars are being spent by the North Dakota Tobacco Prevention and Control Executive Committee for tobacco prevention efforts. These tobacco prevention programs are funded by tobacco lawsuit settlement dollars paid to North Dakota by major tobacco companies and the Department of Health receives grant funds from the Centers for Disease Control.

How much is invested in tobacco prevention?
The North Dakota Legislature appropriated $9.3 million per year at the CDC recommended level of funding to the North Dakota Center for Tobacco Prevention and Control Policy and the North Dakota Department of Health to carry out tobacco prevention efforts. The spending amounts are outlined below. These amounts are in line with CDC recommended funding.

Tobacco Prevention and Control Executive Committee	$6,441,000/year
Department of Health Tobacco Prevention and Control	$2,859,000/year
Additional federal funds received by the Dept of Health	52,066/year
Total	**$9,352,066/year**

How much of the tobacco settlement dollars North Dakota receives go toward tobacco prevention?
The first ten years North Dakota received tobacco settlement payments, less than ten percent of the funds were spent on tobacco programs. With the passage of the initiated measure, the percentage increased to about 20 percent – this funding sustains a long-term comprehensive plan to significantly reduce tobacco use, the leading cause of preventable disease and death in North Dakota over a matter of years rather than slowly over many decades.

What is the Master Settlement Agreement (MSA)?
Beginning in the mid-1990s, more than 46 states and some localities sued tobacco companies, alleging that the industry violated antitrust and consumer protection laws, withheld information about the adverse health effects of tobacco, manipulated nicotine levels to keep smokers addicted, and conspired to hold back less risky and less addictive tobacco products from the market.

In November 1998, four of the nation's largest tobacco companies—Philip Morris Incorporated, R.J. Reynolds Tobacco Company, Brown & Williamson Tobacco Corporation, and Lorillard Tobacco Company (referred to as the "original participating manufacturers")— negotiated an agreement with the attorneys general of 46 states (including North Dakota) thereby settling a number of lawsuits. This agreement is known as the Master Settlement Agreement. When we refer to Master Settlement Agreement dollars, these are tobacco industry dollars, not state taxpayer dollars. They are, however, special funds appropriated by the Legislature.

What are the Strategic Contribution Funds (SCF)?
Beginning in April 2008, cigarette companies must also pay to the states special, new Strategic Contribution Fund payments. Under the MSA, these new payments must be allocated among the MSA states based on "each Settling State's contribution to the litigation or resolution of the state tobacco litigation." The final decisions regarding how much would be given to each state were made by a special allocation committee of state attorneys general soon after the MSA was executed in November 1998 (see section IX(c)(2) and Exhibit U of the MSA, www.naag.org/backpages/naag/tobacco/msa). In effect, these are attorney fees for the state attorneys general who worked on the MSA. North Dakota was one of those states.

w are the funds spent?

e original Master Settlement Agreement annual payment funds are allocated among the Community Health Trust Fund, Common Schools Trust Fund, and Water Development Trust Fund, pursuant to NDCC Section 54-27-25. The split is 45% to water, 45% to schools and 10% to health programs.

Because of the initiated measure in 2008, the Strategic Contribution Funds are spent on tobacco prevention and control programs. Over half of the funds appropriated to the Center are distributed to local public health units to be spent for tobacco prevention efforts at the local community level. Grants to local communities are $6.9 million.

How is the North Dakota Center for Tobacco Prevention and Control managed?

The Center for Tobacco Prevention and Control Policy is a division of the North Dakota Tobacco Prevention and Control Executive Committee - a state agency with governmental checks and balances just like any other state agency. The agency is structured like the other 140-plus boards and commissions operating under North Dakota State Law. The agency is led by a nine-member board appointed by the Governor and consists of experts in tobacco prevention and public health – physicians, nurses, respiratory therapists and public health.

In addition, this state agency:

- *reported to the interim Budget Section every three months on expenditures and progress, unlike most other agencies;*
- *allows for elected officials to serve on the board;*
- *must, by law, evaluate the effectiveness and implementation of the state plan each year; and*
- *must, by law, once a biennium, provide for an independent audit of the state plan to ensure it is consistent with CDC Best Practices and report the results to the Governor and State Health Officer.*

Are the Native American reservations seeing a decrease in cigarette sales?

Sales of cigarettes both on and off reservations in North Dakota have decreased every year for the previous five years. The chart below illustrates this decrease. *(Source: N.D. Tax Department)*

Cigarette sales are decreasing both on and off reservations in North Dakota, 2006-2010
(Source: N.D. Tax Department)

Year	Tribal Sticks	Taxable Sticks	Total Sticks	% of Tribal Sales
2006	134,769,080	961,128,686	1,095,897,766	12.3
2007	130,637,390	954,969,346	1,085,606,736	12.0
2008	111,105,061	945,602,831	1,056,707,892	10.5
2009	106,420,337	912,323,960	1,018,744,297	10.4
2010	96,474,047	911,093,485	1,007,567,532	9.6

(Stick equals 1 cigarette. Tribal Sticks include cigarettes that were sold on all reservations except Standing Rock but not taxed. Taxable Sticks include all cigarettes that were taxed and sold in North Dakota and on the Standing Rock reservation. Total Sticks includes Tribal Sticks and all Taxable Sticks. Percent of Tribal Sales includes the percent of Total Sticks that were sold on all reservations in North Dakota except Standing Rock but not taxed.) NOTE: Since 1993, Standing Rock Reservation taxes tobacco at the same rate as North Dakota tobacco tax.

Bismarck Tribune Editorial 2/6/2011
Listen when the voters speak

There's nothing subtle about a legislative attempt to strip North Dakota's tobacco settlement funds from smoking cessation and prevention programs, using that money to build a nearly $30 million health sciences facility at the University of North Dakota, and add about $6 million to the medical school's budget to expand residency programs.

It's an old fashioned "rob Peter to pay Paul" move. Or more accurately, take from one special interest and give to another.

Except in this case, the Legislature has been asked to override a vote of the people — a successful 2008 initiated measure laying out how the tobacco settlement money would be spent. The Legislature can do this, but it shouldn't.

The funds from the tobacco settlement will amount to about $100 million and are expected to run out in 2017.

The Tribune isn't entirely comfortable with everything on the anti-smoking agenda. Nor is the editorial board opposed to making investments in the UND medical school. But the Tribune does hold a vote of the people to be pretty much absolute, certainly not to be overridden without great cause. And, frankly, that's not the case here.

Let's remember that the Legislature began its deliberations with a $1 billion surplus. And even one of this bill's sponsors, Rep Bob Skarpol, R-Tioga, acknowledged, "If I asked for this money out of the general fund, it would not happen."

Why would that be? Perhaps because the governor has proposed an increase of $82 million in ongoing funding for higher education and another $46 million in one-time expenditures for the state colleges and universities.

That's $128 million more than before for higher ed, and this bill would add another $30 million or so to that pot.

Whatever cause the six lawmakers sponsoring the bill see for rejecting the voters' will, it was not great enough to survive the budgeting process or to access normal funding sources.

Suggesting that voters didn't know what they were voting on or doing is purely amazing. Who elected these senators and representatives, those same voters? Which time did the voters get it right? Or wrong?

Ignoring a vote of the people, as expressed in 2008, might be risky. Not listening to the people was part of the reason Earl Pomeroy no longer represents North Dakota in the U.S. House of Representatives. It's part of the reason a large number of people favor repealing health care reform.

There are lessons North Dakota lawmakers might learn from Pomeroy's experience on Nov. 2.

Fargo Forum Editorial 1/30/11
Don't let them gut Measure 3

The danger of a huge majority of any one party in a legislature is the arrogance of power. The attempt to repeal Measure 3, the reallocation of money received by North Dakota from the national tobacco settlement, constitutes such arrogance. In 2008, voters approved the measure by a comfortable margin. In effect, the people of the state spanked the Legislature for misdirecting the tobacco money away from tobacco cessation and education programs and into water projects and schools.

Now along comes House Bill 1353, which, if passed, would violate the wishes of the voters and steal money from tobacco programs that are working as intended. If Republicans get bullied into sticking together, the numbers are there to undo the measure. They might even have a handful of smoke-addled Democrats in their camp.

Repeal is a bad idea. The programs and initiatives funded by the money are showing success after only about two years. For example:

- Tobacco use in the state is down about 19 percent.
- The sale of cigarettes continues a steady decline.
- North Dakota Tobacco Quitline use is increasing.
- Counseling to quit smoking is up nearly 200 percent since 2008.

If that's not enough, a 2010 opinion survey showed 80 percent of North Dakotans support using tobacco settlement money for tobacco prevention and cessation programs. That was the clear message of the passage of Measure 3. Since then, sentiment to use tobacco money for those purposes has grown.

The proposed legislation would gut the measure. It would eliminate the guarantee that tobacco settlement dollars would be used for the purpose voters intended. It would cut back or eliminate local tobacco education programs that are working. That's one reason the Fargo City Commission voted to oppose HB 1353 at its Jan. 24 meeting.

Moreover, the state is virtually swimming in revenues. There is no need to rob tobacco education programs to fund other things, no matter their merit. The bill, therefore, appears to be an unsubtle attempt to misuse the Legislature's power.

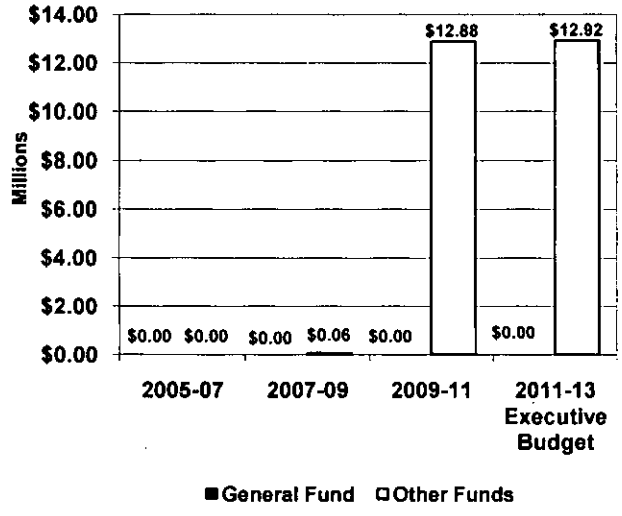
The mere introduction of the bill is more than enough to suggest the lopsided Republican majority is flirting with the arrogance of power. Unless smarter heads prevail – and HB 1353 is scuttled – arrogance might be seen as corruption. After all, a wise man once said power corrupts and absolute power (as the majority enjoys this session) corrupts absolutely. The bill will be heard in committee at 9 a.m. Monday.

Prepared by the North Dakota Legislative Council staff for Senate Appropriations
March 4, 2011

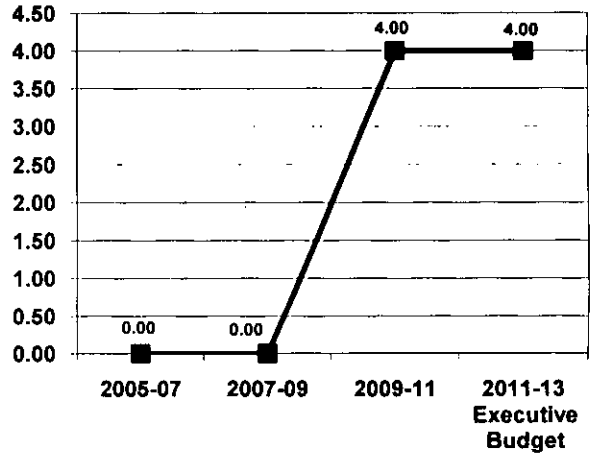
Department 305 - Tobacco Prevention and Control Committee
House Bill No. 1025

	FTE Positions	General Fund	Other Funds	Total
2011-13 Executive Budget	4.00	$0	$12,922,614	$12,922,614
2009-11 Legislative Appropriations	4.00	0	12,882,000	12,882,000
Increase (Decrease)	0.00	$0	$40,614	$40,614

Agency Funding



FTE Positions



First House Action

Attached is a summary of first house changes.

Executive Budget Highlights (With First House Changes in Bold)

No major changes for this agency.

Other Sections in Bill

Reports to Budget Section - The House added a section to provide for quarterly written reports to the Budget Section during the 2011-12 interim.

Continuing Appropriations

No continuing appropriations for this agency.

Significant Audit Findings

There are no significant audit findings for this agency.

Major Related Legislation

House Bill No. 1004 - Removes the requirement that 80 percent of the revenue deposited into the community health trust fund must be used for tobacco prevention and control.

ATTACH:1

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1025 - Funding Summary

	Executive Budget	House Changes	House Version
Tobacco Prevention & Control Exec Comm			
Salaries and wages		$765,980	$765,980
Operating expenses		2,967,609	2,967,609
Grants		9,189,025	9,189,025
Tobacco Prevention and Control Exec Comm	12,922,614	(12,922,614)	
Total all funds	$12,922,614	$0	$12,922,614
Less estimated income	12,922,614	0	12,922,614
General fund	$0	$0	$0
FTE	4.00	0.00	4.00
Bill Total			
Total all funds	$12,922,614	$0	$12,922,614
Less estimated income	12,922,614	0	12,922,614
General fund	$0	$0	$0
FTE	4.00	0.00	4.00

House Bill No. 1025 - Tobacco Prevention & Control Exec Comm - House Action

	Executive Budget	House Changes	House Version
Salaries and wages		$765,980	$765,980
Operating expenses		2,967,609	2,967,609
Grants		9,189,025	9,189,025
Tobacco Prevention and Control Exec Comm	12,922,614	(12,922,614)	
Total all funds	$12,922,614	$0	$12,922,614
Less estimated income	12,922,614	0	12,922,614
General fund	$0	$0	$0
FTE	4.00	0.00	4.00

Department 305 - Tobacco Prevention & Control Exec Comm - Detail of House Changes

	Provides Multiple Line Appropriation[1]	Removes 2.5 Temporary Positions[2]	Increases Grant Funding[3]	Total House Changes
Salaries and wages	1,132,494	(366,514)		765,980
Operating expenses	2,967,609			2,967,609
Grants	8,822,511		366,514	9,189,025
Tobacco Prevention and Control Exec Comm	(12,922,614)			(12,922,614)
Total all funds	$0	($366,514)	$366,514	$0
Less estimated income	0	(366,514)	366,514	0
General fund	$0	$0	$0	$0
FTE	0.00	0.00	0.00	0.00

[1] This amendment removes the comprehensive tobacco control line item and provides funding by object code line items.

[2] This amendment removes the salaries and wages and fringe benefits for the following temporary positions:

- .50 accountant - $86,786
- 1.00 community intervention coordinator - $127,904

- 1.00 evaluation coordinator - $151,824

[3] Funding for grants is increased.

A section is added to provide for quarterly written reports to the Budget Section during the 2011-12 interim.

North Dakota Tobacco Prevention and Control Executive Committee
Center for Tobacco Prevention and Control Policy
4023 State Street, Suite 65 • Bismarck, ND 58503-0638
Phone 701.328.5130 • Fax 701.328.5135 • Toll Free 1.877.277.5090

Testimony
In Support of
House Bill 1025
Senate Appropriations Committee
2:00 p.m., Monday, March 7, 2011

Good afternoon, Chairman Holmberg and members of the Senate Appropriations Committee. I am Jeanne Prom, executive director of the Center for Tobacco Prevention and Control Policy. The Center is the office created with funding from the North Dakota Tobacco Prevention and Control Executive Committee. It is my pleasure to be here today to testify in support of House Bill 1025, which provides an appropriation for the North Dakota Tobacco Prevention and Control Executive Committee, the agency responsible for the comprehensive tobacco control program in North Dakota.

Statutory authority is provided in North Dakota Century Code §23.42.01 through §23.42.08, and §54.27.25. This is the law created by statewide Initiated Measure 3 passed by North Dakota voters in 2008. The law states that:

- a portion of the money North Dakota receives from the Master Settlement Agreement with tobacco companies is used for a comprehensive tobacco prevention program.
- only interventions proven to cost-effectively cut tobacco use are funded (*Best Practices for Comprehensive Tobacco Control Programs, October 2007*, U.S. Centers for Disease Control and Prevention -- CDC)
- the Governor appoints a nine-member Advisory Committee to
  - develop of a comprehensive statewide plan to prevent and reduce tobacco use over a matter of years rather than slowly over many decades.
  - elect three of their members as the Executive Committee to
    - ensure the plan is carried out,
    - ensure the plan reduces tobacco use,
    - establish and staff an agency, and
    - expend funds appropriated by the Legislature.

In most cases during this testimony, I will refer to the agency as the Executive Committee.

My comments explain the:

- new agency's mission
- tobacco use problem in North Dakota
- agency's accomplishments in its first 20 months of existence
  - ➢ Only proven-effective interventions were funded.
  - ➢ Quitline use is up.
  - ➢ Cigarette sales are down.
  - ➢ Adult smoking has dropped in counties where data are available.
- healthcare cost savings we will realize as we continue to reduce tobacco use.
- 2011-2013 budget request.

A single mission:
reducing the health and economic burden
of tobacco use significantly over years, not decades

The budget of the North Dakota Tobacco Prevention and Control Executive Committee requires an appropriation commensurate with the problem the agency is charged with solving and is in line with the vote of the people. This investment in significant tobacco use reduction is essential to the health and financial well-being of North Dakota: the burden of tobacco use in North Dakota is huge, and we all pay the price.

Tobacco use in North Dakota:

- is started by 700 additional kids each year.
- causes chronic diseases affecting all age groups, and chronic diseases are very expensive to manage and require screenings, medications, care plans, surgeries, rehabilitation, long-term care, and ongoing compromises in quality of life.
- contributes to many of the state's leading causes of death in nearly every age group.
- is the leading cause of preventable disease and death.
- kills more than 900 North Dakotans each year.

Tobacco use in North Dakota costs:

- $247 million per year — in increased healthcare expenses.
- $47 million per year — in increased Medicaid expenditures.
- $16,000 per smoker — in increased lifetime healthcare costs, even though smokers do not live as long as nonsmokers or former smokers.
- $564 per household per year — in additional federal and state taxes to cover government expenditures to treat preventable chronic diseases caused by tobacco use on average.
- $10.48 per pack — in healthcare expenses and costs of lost productivity caused by smoking.

(Attachment A)

In North Dakota, youth and adult smoking rates have not changed over the past few years. This is not surprising, because before this biennium, North Dakota had a tobacco prevention program that was limited in scope and funding. While limited programs achieved some success, studies find, and CDC reports, that as states spend more on these programs:

- cigarette sales drop twice as much as in the United States as a whole;
- larger declines in smoking rates occur, even when controlling for other factors such as increased tobacco prices; and
- the longer states invest in such programs, the larger the impact.

This biennium, North Dakota became the first state in the nation to fund its tobacco prevention program at the comprehensive level recommended by the U.S. Centers for Disease Control and Prevention (CDC). Currently North Dakota and Alaska are the only states with this funding level. Historically, other states have invested in larger-scale programs with the focus on strong statewide policies and ongoing program funding, and have realized significant health improvements and healthcare cost savings.

Three separate landmark reports were released in 2007, one each by the Institute of Medicine, the President's Cancer Panel, and the CDC. All reports concluded that there is overwhelming evidence that comprehensive statewide tobacco prevention programs significantly reduce tobacco use, and all reports advised that states fund their programs at the CDC-recommended level.

The Executive Committee is charged with a very specific mission: to ensure that tobacco use in North Dakota is reduced significantly over a matter of years rather than slowly over many decades using a funding source that will end in 2017. With this singular focus on tobacco use prevention, our state can make substantial progress.

To accomplish this important mission, the Tobacco Prevention and Control Advisory Committee, in its plan, *Saving Lives – Saving Money: North Dakota's Comprehensive State Plan to Prevent and Reduce Tobacco Use, 2009-2014* (July 2009), outlines four goals:

- Prevent the initiation of tobacco use among youth and young adults,
- Eliminate exposure to secondhand smoke,
- Promote quitting tobacco use, and
- Build capacity and infrastructure to implement a comprehensive evidence-based tobacco prevention and control program.

Even with time-limited funding (9 years of Strategic Contribution Fund), the Executive Committee will have a legacy fund in reserve to pay for the CDC Best Practice comprehensive tobacco prevention program for a number of years – long enough to fully implement strategies proven to work.

We know what works to stop the tobacco use epidemic in North Dakota:

- CDC-recommended funding appropriated by the Legislature,
- adequate implementation time funded after 2017 with legacy (reserved) funds,
- enactment of proven policies and health systems changes, and
- changes in social norms around tobacco use.

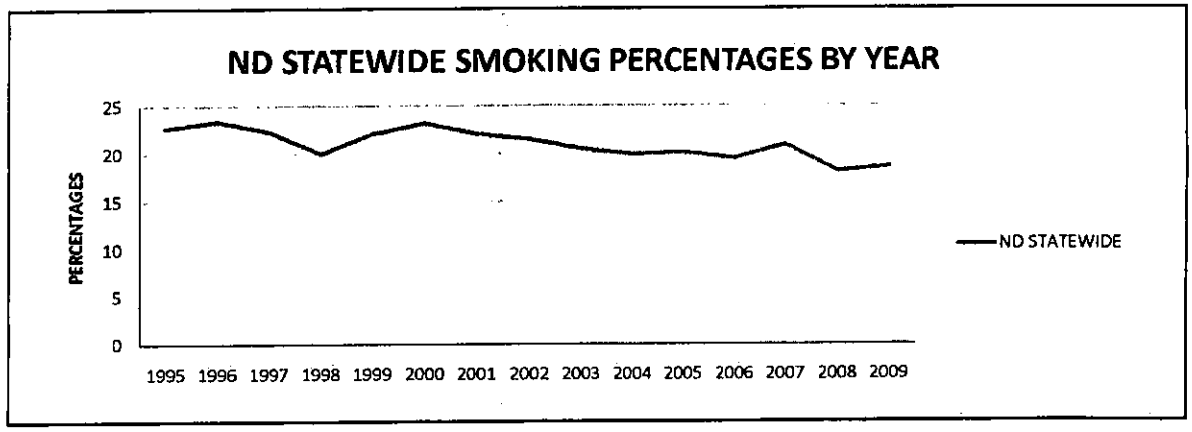
Program costs must comply with the North Dakota Century Code (§23.42.01 through §23.42.08, and §54.27.25) that states the comprehensive plan must be funded at a level equal to or greater than the U.S. Centers for Disease Control and Prevention's recommended funding level. The Governor's Executive Budget for this agency and the Department of Health together meet this requirement. However, the House amended the health department budget. It is unclear if the two agency budgets as passed by the House comply with the law.

Need for Executive Committee funding and indications of immediate impact from current appropriation

Since 1995, adult tobacco use in North Dakota has remained virtually unchanged. Since 2005, youth tobacco use rates have also remained virtually unchanged. However, in Burleigh and Cass counties, local public health units that have received larger grants have been able to use Best Practices to educate communities and to promote strong local smoke-free policies. In these two counties, we are seeing tobacco use rates drop. (Comparable data is not available for other single county health units.) Please see the following three charts.

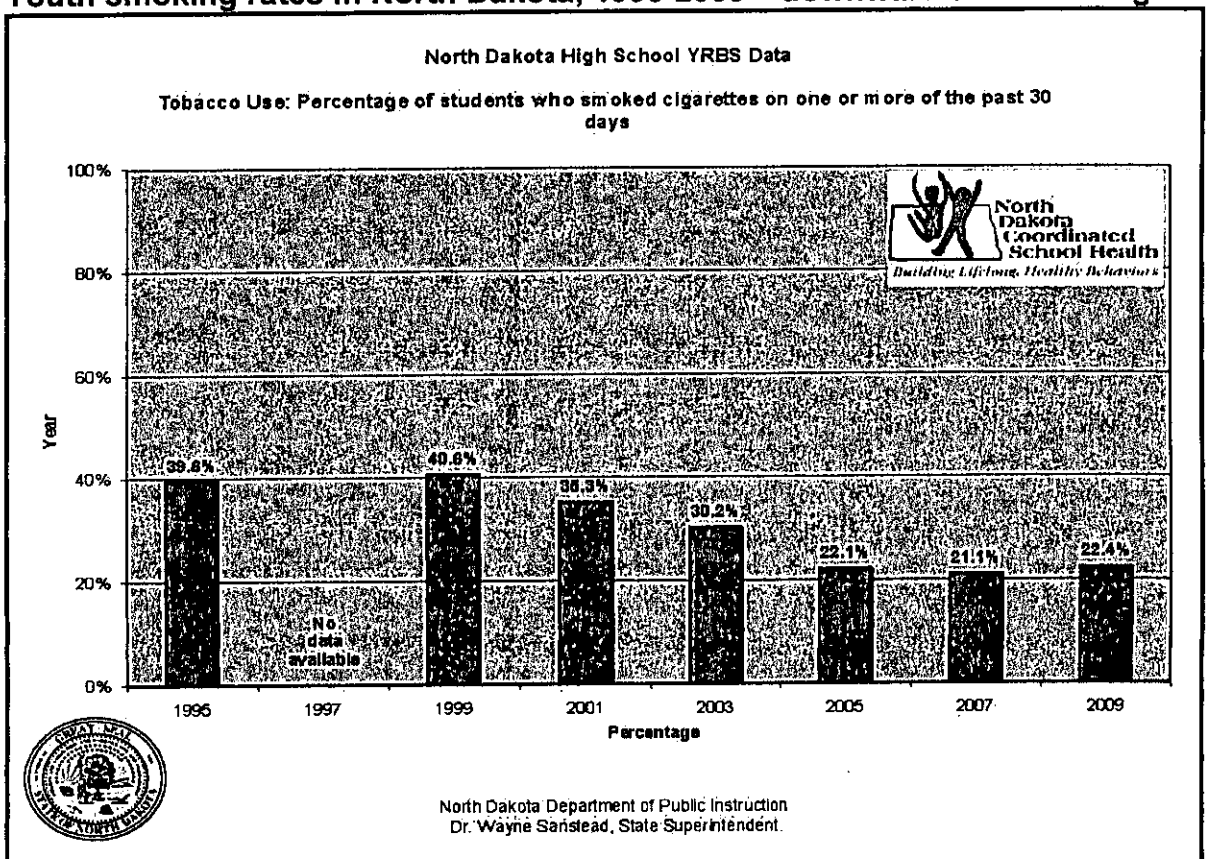
Before Executive Committee funding –

Adult smoking rates in North Dakota, 1995-2009 – virtually unchanged



This chart illustrates adult regular smoking rate in North Dakota remained virtually unchanged since 1995. Confidence interval (CI) comparisons of these rates reveal that the low CI rate in 1995 was 17.6, the high CI rate in 2009 was 20.3. *Source: CDC, Behavioral Risk Factor Surveillance System*

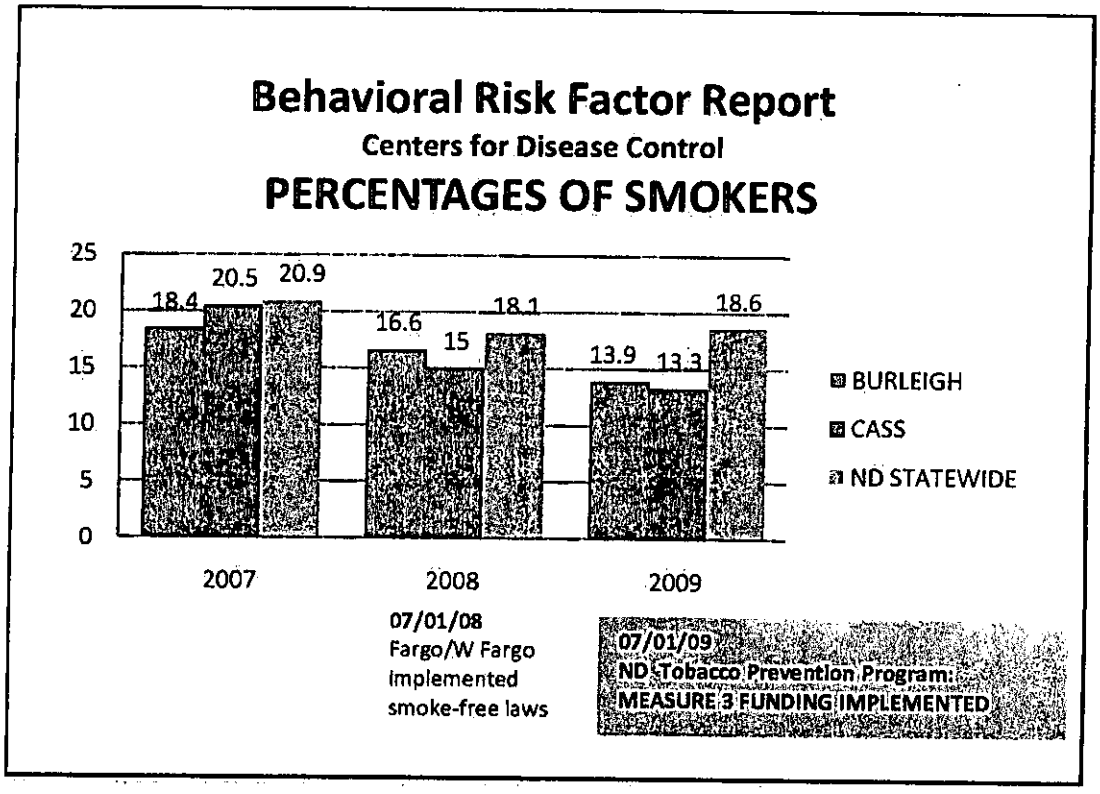
Youth smoking rates in North Dakota, 1995-2009 – downward trend stalling



This chart illustrates how smoking by high school students has decreased significantly from 1995 to 2005, from one of the highest rates in the nation. The downward trend appears to have stalled since 2005. *Source: N.D. Department of Public Instruction, Youth Risk Behavior Survey*

Before and at the beginning of Executive Committee funding –

Smoking decreasing in two counties with strong policies and funding



This chart illustrates how Burleigh and Cass counties have reported lower tobacco use rates while state tobacco use rates are relatively unchanged. This coincides with Burleigh and Cass Counties receiving the highest levels of single-county funding for tobacco control in the state, and with smoke-free laws in Fargo and West Fargo. Bismarck also enacted a local smoke-free law in 2005 that is stronger than the state law. Both health units have undertaken significant public education campaigns on the health consequences of tobacco use, and have active citizen coalitions. *Source: U.S. Centers for Disease Control and Prevention: Behavioral Risk Factor Surveillance System*

The Executive Committee-funded comprehensive statewide program was able to provide nearly double the amount of funding previously received by all counties. Additionally, the Executive Committee promotes 100% smoke-free policies. We can expect that the impact of increased funding in all counties and continued efforts toward communities becoming 100% smoke-free will begin a decline in tobacco use statewide, in addition to current declines in some counties.

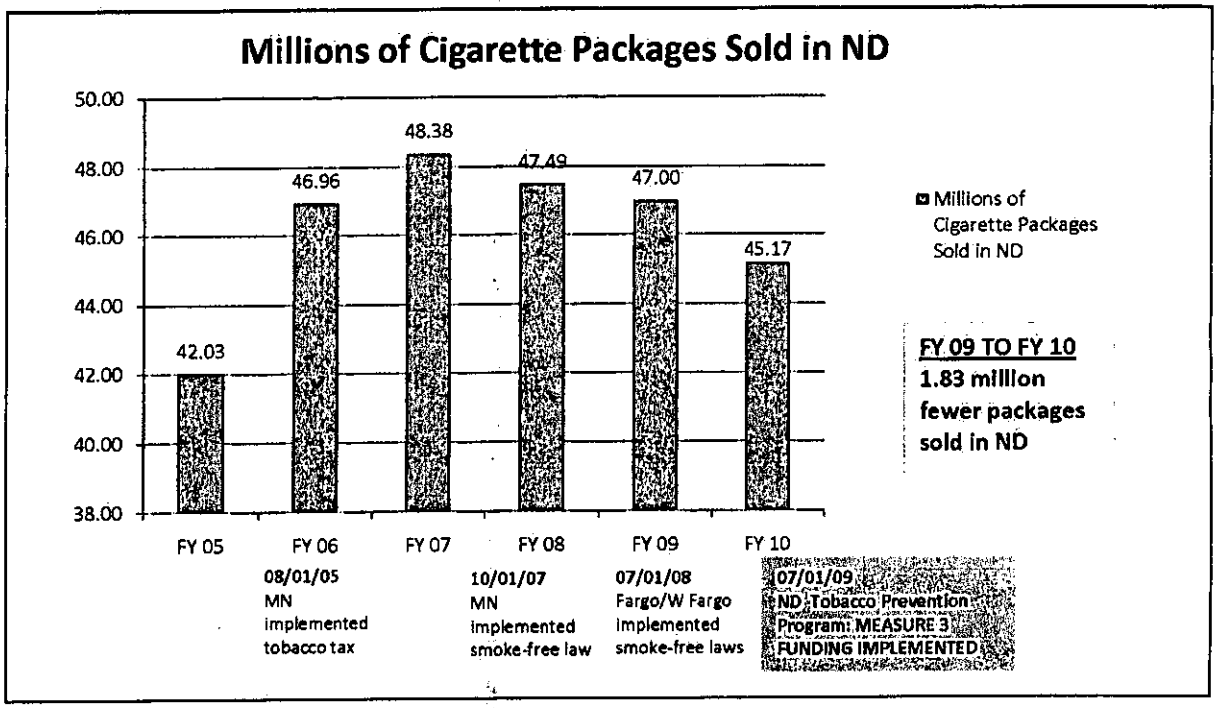
After Executive Committee funding –

Initial indicator of change – fewer cigarettes sold

In the past three fiscal years, fewer packs of cigarettes have been sold in North Dakota. The most significant drop in cigarette sales occurred in the first year of Executive Committee funding during Fiscal Year 2010 – 1.8 million fewer packs sold.

Tobacco sales in our state are also affected by cross-border purchases. For example, if Minnesota enacted a significant increase in its tobacco tax this year, we would likely see sales here increase. In order to significantly reduce tobacco sales *and* increase tobacco tax revenues, the North Dakota tobacco taxes must be raised significantly.

A significant decrease in the number of cigarette packs sold in North Dakota



The chart above illustrates how smoke-free laws in Fargo, West Fargo and in Minnesota coincide with reduction in packs of cigarettes sold in North Dakota in the years prior to Executive Committee funding. The Executive Committee-funded tobacco prevention program has continued to promote 100% smoke-free policies, with success. The most significant drop in cigarette sales occurred in the first year of Executive Committee funding during Fiscal Year 2010 – 1.8 million fewer packs sold. The chart also illustrates how a tobacco tax increase in Minnesota coincides with an increase in N.D. cigarette tax sales. To significantly decrease tobacco use in North Dakota without decreasing tobacco tax revenue, we must increase N.D. tobacco taxes. Sales/tax collection amounts by county are not available. *Source: N.D. Tax Department, tobacco sales tax data.*

Sales of cigarettes both on and off reservations in North Dakota have decreased every year for the previous 5 years.

Cigarette sales are decreasing both on and off reservations in North Dakota, 2006-2010

(Source: N.D. Tax Department)

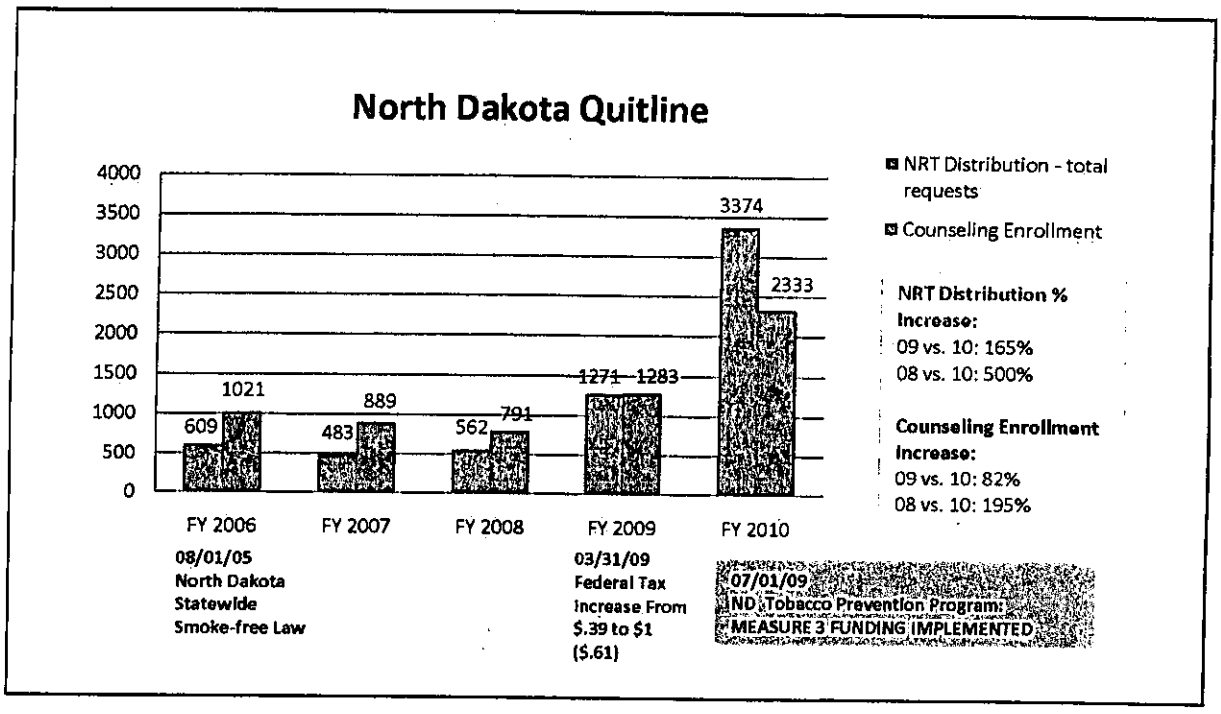
Calendar Year	Tribal Sticks	Taxable Sticks	Total Sticks	% of Tribal Sales
2006	134,769,080	961,128,686	1,095,897,766	12.3
2007	130,637,390	954,969,346	1,085,606,736	12.0
2008	111,105,061	945,602,831	1,056,707,892	10.5
2009	106,420,337	912,323,960	1,018,744,297	10.4
2010	96,474,047	911,093,485	1,007,567,532	9.6

(Stick equals 1 cigarette. Tribal Sticks include cigarettes that were sold on all reservations except Standing Rock but not taxed. Taxable Sticks include all cigarettes that were taxed and sold in North Dakota and on the Standing Rock reservation. Total Sticks includes Tribal Sticks and all Taxable Sticks. Percent of Tribal Sales includes the percent of Total Sticks that were sold on all reservations in North Dakota except Standing Rock but not taxed.) Since 1993, the Standing Rock reservation has taxed tobacco products at the same rate as the state of North Dakota. The other 3 N.D. reservations and 1 service area do not tax tobacco.

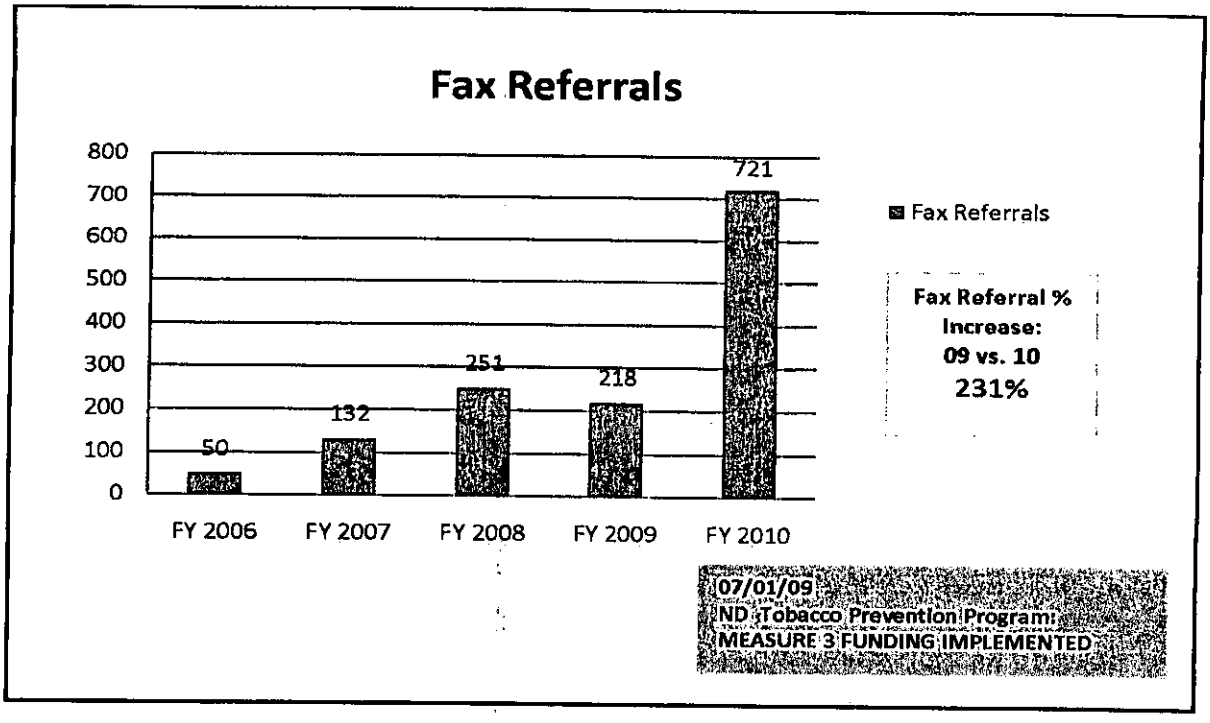
Initial indicator of change – new grants to local public health units to start referring to quitline results in increased use of quitline

Beginning July 1, 2009, the Executive Committee began a new program with local public health units (LPHUs). LPHUs were required to make system-wide changes with each of their client-based programs, so each client is asked about their tobacco use. Tobacco users are advised to quit and are referred to the statewide quitline. As a result, quitline counseling enrollment numbers, distribution of nicotine replacement therapy (NRT), and fax referrals to the quitline increased significantly statewide and in individual counties.

In first year of Measure 3 funding, dramatic increase in quitline use occurs

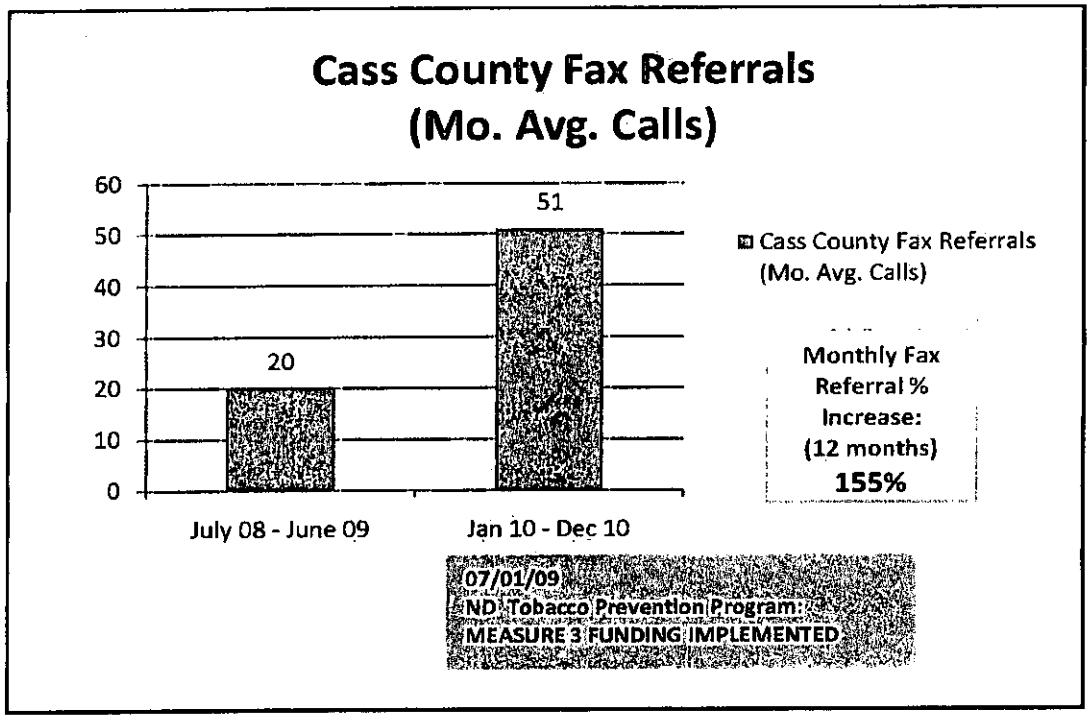


This chart illustrates how Executive Committee-funded efforts to increase referrals to the quitline from local public health units contributed to significant increases in distribution of nicotine replacement therapy (NRT) and in enrollment for counseling from the statewide quitline. Executive Committee grants to local public health units require that health units ask all clients about their tobacco use and refer tobacco users to the quitline. NOTE: NRT is measured in units. Beginning in June 2009, two months of NRT was available to enrollees. Prior to that, only one month of NRT was offered. This change also contributed to an elevation in NRT distribution in FY 2010. *Source: N.D. DOH quitline reports*



This chart illustrates how Executive Committee-funded efforts to increase fax referrals to the quitline from local public health units and health systems they contracted with were successful. *Source: N.D. DOH quitline reports*

Increased use of the statewide Quitline from Cass County



This chart illustrates how fax referrals from Cass County to the quitline more than doubled in calendar year 2010, compared to a previous 12-month period before the fax referral project began. In October 2009 Fargo Cass Public Health began a fax referral pilot project with Fargo-area healthcare providers, with funding provided by the Executive Committee. *Source: N.D. Department of Health quitline reports*

With funding from the Executive Committee, Fargo Cass Public Health began a pilot project in October 2009 to promote fax referrals to the statewide Quitline in four local health systems (Sanford Medical Center North, Essentia Health, Family Healthcare Center and NDSU Student Health Services). As a result, the agency's monthly average of fax referrals doubled.

Healthcare costs savings – return on investment in tobacco prevention

Earlier in my testimony, I provided some cost estimates of tobacco use. I'd like to focus now on cost savings. Two recent studies support previous findings related to health cost savings resulting from comprehensive tobacco prevention and control programs. Returns on investments have ranged from five, to ten, to fifty times as reported from the states of Washington, Arizona, and California respectively. Why the broad range of return? Some differences are attributed to the focus on the programs. Programs that focus on adults instead of youth, that change the social norms related to tobacco use, address public policy, and address tobacco industry tactics have greater returns. Returns can also vary by factors included in analysis, such as pharmaceutical and rehabilitation costs related to treatment of illnesses caused by tobacco.

After ten years of implementation of a comprehensive program, the state of Washington reports that youth smoking rates decreased by more than 50% and adult smoking rates decreased by one-third. While Washington state is not North Dakota, Washington reports preventing 13,000 premature deaths and preventing nearly 36,000 hospitalizations, thereby saving $1.5 billion in healthcare costs. It is important to note that prior to substantial investments being made in tobacco control in Washington state there was

progress being made, however, smoking rates did not decrease significantly until after the substantial investments were made.

North Dakota's middle school smoking rates is currently 7.3% (2009); the states of Indiana and New York middle school smoking rates, after implementing comprehensive programs, are 4.1% and 3.8% respectively. Similarly, these states' high school rates are lower than our current 22.4%.

The state of Massachusetts' cigarette consumption was declining at more than double the rest of the country during its program's peak funding years from 1993 – 2003. Then in 2003, the program was cut by 90% and consumption increased in 2005 – 2006 while in the rest of the country it continues to decline.

The longest running comprehensive program, in California, funded by state cigarette taxes since 1988, enjoys an adult smoking rate of 12.9% compared to our 18.6%. In 2009, the rates of lung cancer declined four times faster in California than the rest of the United States. A 2010 study, published in *Cancer Epidemiology, Biomarkers, and Prevention*, associated declines in lung cancer with California's comprehensive tobacco control program. Sharp drops in the major diseases caused by smoking, such as cancers, strokes, and heart disease, do not appear until several years after adult smoking rates decline, but small declines do occur and do begin to have immediate cost savings.

In reviewing North Dakota Medicare data, hospital costs associated with one person experiencing an acute myocardial infarction (heart attack) and with a person seeking treatment for COPD (chronic obstructive pulmonary disease), a respiratory illness that can be caused by smoking, were available. The median Medicare payment made to Altru Hospital of Grand Forks, MedCenter One here in Bismarck, and Trinity in Minot, ranges from $5,358 to $11,956 per person. Similarly, for COPD, the median Medicare payments to the same hospitals range from $3,936 to $8,029 per person to treat. (USDHHS, 2010, Hospital Compare).

A specific Medicaid expenditure is births, with state Medicaid programs covering well over half of all births in the United States. Research studies estimate that the direct additional healthcare costs associated just with the birth complications caused by pregnant women smoking or being exposed to secondhand smoke could be as high as an average of $1,142 to $1,358 per birth.

Savings per percentage point declines in smoking rates (example: 18.6% to 17.6%)
With each one percentage point decline in North Dakota's smoking rate, it is estimated that the following benefits and savings may be obtained:

BENEFITS & SAVINGS FROM EACH 1% POINT DECLINE IN ND SMOKING RATES

Fewer Smokers

Fewer current adult smokers: 4,900
Fewer current pregnant smokers: 90
Fewer current high school smokers: 400
North Dakota kids alive today who will not become addicted adult smokers: 1,400

Public Health Benefits

Today's adults saved from dying prematurely from smoking: 1,300
Today's high school smokers saved from dying prematurely from smoking: 130
North Dakota kids alive today who will not die prematurely from smoking: 450

	First Year	Over 5 Years
Fewer smoking-affected births:	**90**	**430**
Fewer smoking-caused heart attacks:	**2**	**32**
Fewer smoking-caused strokes:	**1**	**17**

[The number of heart attacks and strokes prevented each year by a one-time decline in adult smoking rates of one percentage point starts out small but grows sharply until it peaks and stabilizes after about ten years.]

Monetary Benefits (Reduced Public, Private, and Individual Smoking-Caused Costs)

	First Year	Over 5 Years
Savings from smoking-affected birth reductions	**$0.1 million**	**$0.7 million**
Savings from heart attack & stroke reductions	**$0.2 million**	**$2.3 million**

[Annual savings from fewer smoking-caused heart attacks and strokes grows substantially each year as more and more are prevented by the initial one percentage point smoking decline. Savings from prevented smoking-caused cancer are even larger, but do not begin to accrue until several years after the initial smoking decline.]

Reduction to future health costs from adult smoking declines: **$46.6 million**

Reduction to future health costs from youth smoking declines: **$24.5 million**

[These savings accrue over the lifetimes of the adults who quit and the youth who do not become adult smokers. Roughly 10.6% of smoking-caused healthcare expenditures in North Dakota are paid by its Medicaid program.]

At the same time that they reduce public and private smoking-caused costs, state smoking declines also increase public and private sector worker productivity and strengthen the state's economy.

Excerpted from: Measure 3: Comprehensive tobacco prevention and cessation for North Dakota: A win-win solution for North Dakota's health and economy. A special report by the Campaign for Tobacco-Free Kids. (September 22, 2008)

For North Dakota to experience the reduced healthcare costs associated with comprehensive programs, there are four key points to bear in mind:

1. When adequately funded, comprehensive state tobacco prevention programs quickly and substantially reduce tobacco use, save lives, and cut smoking-caused costs.
2. State tobacco prevention programs must be insulated against the inevitable attempts by the tobacco industry to reduce program funding and otherwise interfere with the programs' successful operation.
3. The programs' funding must be sustained over time both to protect initial tobacco use reductions and to achieve further cuts.
4. When program funding is cut, progress in reducing tobacco use erodes, and the state suffers from higher levels of smoking and more smoking-caused deaths, disease, and costs.

Progress in promoting tobacco-free lifestyles

The health outcomes and accomplishments in North Dakota thus far have been realized because the North Dakota Tobacco Prevention and Control Executive Committee must, by law, implement only those methods proven most effective – and cost-effective -- in reducing tobacco use. These methods are described in *Best Practices for Comprehensive Tobacco Control Programs*, published by CDC in October 2007. These CDC Best Practices are policy, environmental, and health system changes including tobacco-free and smoke-free policies and environments, tobacco pricing policies, and

health systems approaches that ensure all tobacco users are connected to affordable cessation services.

Next are the accomplishments as a result of implementing the 2009-2011 priorities taken from the new state plan, *Saving Lives – Saving Money: North Dakota's Comprehensive State Plan to Prevent and Reduce Tobacco Use, 2009-2014.*

The priorities for this biennium reflect the foundational public policies that should be in place at the beginning because they reach the entire population or large portions of the population. By reaching all or most people, the policies establish tobacco-free living as the social norm. Social norms are very important to prevent tobacco use among our young people. Adult behaviors determine the social norm and adult behavior must be consistent to what youth learn about tobacco use. Adults must model no tobacco use for young people if our social norm is to be tobacco-free. Any policy to establish tobacco-free living as the norm must be for all ages, not just youth.

Additionally, access to programs and services in all counties has increased with grant funding from the North Dakota Tobacco Prevention and Control Executive Committee. Larger grants allowed local public health units to hire an additional 11.29 fulltime equivalent employees to provide tobacco prevention programs and services in all counties. Half of these positions are located in cities with populations of less than 5,000. This ensures that all areas of the state – rural and urban -- are benefitting from the comprehensive tobacco prevention and control program and services. Please see the table on the following page.

State Plan: more progress needed

The State Plan also includes the following objectives which require action by the North Dakota Legislative Assembly. These actions are imperative if we are to reduce tobacco use and the related healthcare costs significantly *and* at an accelerated rate:

- Amend the North Dakota Smoke-Free Law to implement 100 percent smoke-free public places and places of employment and to expand enforcement of the law. *North Dakota has exemptions for bars, truck stops and other areas where smoking is allowed.*
- Increase the cigarette excise tax to $2.00 per pack and increase the excise tax on other tobacco products by an equal and proportional amount. ($0.44 since 1993) A $2 tobacco tax would result in a 25.7% decrease in youth smoking, keep 7,900 kids in North Dakota from becoming addicted adult smokers, and prompt 5,300 current adult smokers to quit. This would result in $5.5 million in 5-year healthcare costs savings from fewer smoking-affected pregnancies, births, heart attacks and strokes. Long-term cost savings from smoking declines is in the hundreds of millions of dollars. See Attachment B.
- Continue to prevent preemption in all state tobacco prevention and control laws. Preemption is when higher levels of government can prohibit lower levels of government from enacting certain laws or regulations. At this time local governments are not preempted from enacting tobacco prevention and control ordinances.

Sustain North Dakota's comprehensive Tobacco Prevention and Control Program using CDC Best Practices to significantly reduce tobacco use at an accelerated rate, and thus significantly reduce tobacco-related healthcare costs over time.

UPDATED 03-04-11

SAVING LIVES, SAVING MONEY STATE PLAN OBJECTIVE PRIORITES 2009-2011

Objective	2009 Progress to Present Activity	5-Year Plan Projected Outcomes
Enact local ordinances for 100% smoke-free public places and places of employment	Increased communities from 2 to 5; Fargo, West Fargo, Grand Forks, Napoleon and Pembina; Devils Lake becomes smoke-free July 1, 2011; Pembina on Feb. 1, 2011	Outcome Completed February 1, 2011; accomplished prior to plan timeline of 5 communities by June 2012
Enact comprehensive tobacco-free school district campus policies	Increased school campus policy from 21% to 37%	50% of school campuses by June 2013
Enact comprehensive tobacco-free post secondary school campus policies	Increased post secondary campus policies from 7 to 10, with one additional phased-in policy.	11 post secondary campuses by 2013
Incorporate systems approach to tobacco treatment recommendation in *US Public Health Service Treating Tobacco Use and Dependence, Clinical Practice Guidelines - 2008 Update*	Incorporated systems approach in 28 local public health units and 3 of the largest main campuses health care systems	Outcome Completed December 2010; accomplished prior to plan timelines of 2014
Increase annual use of ND Tobacco Quitline from .66 to 2 percent of all smokers and smokeless tobacco users	Increased Quitline from .66 to 2.2 percent	Outcome Completed June 2010; accomplished prior to plan timeline of 2014 - PROJECTED OUTCOME EXCEEDED! Initial projected outcome was 2 percent
Developed an administrative structure to manage the comprehensive North Dakota Tobacco Prevention and Control Program	Office fully staffed: 4 full-time positions	Outcome Completed August 2010
Develop local infrastructure and capacity to deliver evidence-based tobacco prevention and control interventions to reach all counties	Since summer/fall 2009, all local public health units/cooperating units have at least a part-time tobacco control program coordinator, increased grant funding and work plan	Outcome Completed summer/fall 2009
Create and implement tobacco prevention and control health communication initiative and provide ongoing public education programs	Since fall 2009, health communications campaigns have been delivered at CDC Best Practice level	Outcome Completed fall 2009
Develop a comprehensive statewide surveillance and evaluation plan for the comprehensive North ta Tobacco Prevention and Control Program	Final plan developed fall 2010	Outcome Completed fall 2010

2011-2013 Budget – base, optional, total requests

The North Dakota Tobacco Prevention and Control Executive Committee's 2011-2013 base, optional and total budget request is $12,922,614. See Attachment C.

This reflects an increase of $40,614 over the 2009-2011 biennial budget. $40,614 is the amount of the compensation package increases in salary, benefits, health insurance, retirement contribution and employee assistance program increases. This is an increase of 0.3 percent from 2009-2011.

All funds are special funds from the Strategic Contribution Fund payments beginning with the second yearly payment received by the State in 2009 and deposited in the Tobacco Prevention and Control Trust Fund. Strategic Contribution Fund payments end in 2017.

In the base, optional and total budget requests, this $12,922,614 is directed to:		
Salaries and Wages	**$1,132,494**	**9%**
Operating (majority for IT contract, fees)	**2,967,609**	**23%**
Capital Assets	**-0-**	**--**
Grants	**8,822,511**	**68%**

Of the total budget of $12.9 million, 89% is in Operating -- contracts and professional fees and services, and Grants.

The Executive Committee requests 4.0 full-time equivalent permanent positions and 3.5 temporary positions in its base budget request.

In its optional budget request, the Executive Committee requests 7.5 full-time equivalent permanent positions, transferring the temporary positions to permanent positions. See Attachments D and E.

The Executive Committee has no one-time spending requests.

Salaries and wages provide salary and benefits to 4.0 full-time equivalent positions, 3.5 temporary or permanent full-time equivalent positions, and per diem for nine board members appointed by the Governor.

Permanent salaries increased based on actual expenditures as staff were hired in the previous biennium, and by legislatively approved raises. Temporary salaries increased to provide adequate staffing required to administer and manage the local and state aid grants program (51 grants). Fringe benefits increased to reflect actual salaries of permanent staff and the addition of temporary staff.

Adequate staffing is the critical issue facing the Executive Committee. At the beginning of this biennium, administration of the local and tobacco settlement state aid grants programs (51 grants totaling $6,892,534), was transferred to the Executive Committee from the Department of Health. Originally, the Department of Health agreed to manage these grants with existing department staff. Thus in the 2009-2011 budget, the Executive Committee requested only 4.0 FTE, which did not include positions to provide administration and ongoing technical assistance to 51 grantees.

However, as is common with the development of new large-scale programs, original plans are adapted. In exchange for transferring the grants management to the Executive Committee, the Department of Health has provided contracted accounting and human resource services to the committee. This arrangement has been very helpful to the Executive Committee, but was not meant to be perpetual nor does it allow for adequate Executive Committee staffing to manage an additional 51 grants and account for $6.9 million, plus provide the ongoing technical assistance and training to these grantees. Thus, the Executive Committee includes an additional 3.5 temporary full-time employees in its base budget request. These temporary employees become permanent employees in the optional request. This transfer does not change the total budget request.

The new positions requested include:
0.5 Accountant
The accountant will provide general accounting and human resource management services.

1.0 Community Intervention Coordinator
This position will provide daily technical assistance for half of all grants, and will coordinate quarterly training for grantees.

1.0 Evaluation Coordinator
This position will manage the contract for the ongoing comprehensive evaluation of the statewide program; will provide ongoing technical assistance and training to grantees related to evaluating their grant programs; and will provide assistance in evaluating the health communications program.

1.0 Grants Manager
This position will manage the development and implementation of paperwork, protocol and processes to issue and track more than 75 grants and contracts. This includes developing requests for proposals, issuing requests for bids, reviewing proposals and bids, and serving as procurement officer.

Operating expenses provide funding for daily operations, which is 10 percent of the total Operating budget: travel for permanent and temporary employees and board members, supplies, maintenance, postage, printing, equipment, insurance, rent, repairs, data processing and communications, and professional development. A majority of Operating expenses – 90 percent – are contracted services (IT contract), and professional and operating fees and services. The professional fees provide: ongoing public education, comprehensive statewide evaluation, specialized training and technical assistance, implementation of online grant applications and reporting, and other services provided by state agencies (accounting, legal services).

In operating expenses, the following line items increased from 2009-2011 to reflect increased costs required to administer and manage the local and state grants program (51 grants) which were transferred to the Executive Committee from the Department of Health, as well as actual available budget history: travel; supplies – IT software; supplies – professional; office supplies; postage; printing; rentals/leases-building; IT – data processing; IT – communications; and professional development. The following are new line items based on budget history: building/vehicle maintenance; and repairs. IT – contractual services increased to fund an enhanced system for grantee reporting. Insurance decreased and office equipment and furniture supplies decreased to reflect

actual costs. IT equipment under $5,000 decreased because no one-time start-up costs are necessary. Operating fees and services (advertising, awards, purchase of service) decreased to reflect actual costs. Fees – professional services, and rentals decreased and grants, benefits and claims increased to reflect actual costs.

Grants comprise the majority of expenditures. The majority of grant funding is provided to all 28 local public health units on a non-competitive formula basis, to serve all counties and address the tobacco use problem at the local level. The other grants provide: special projects, and specialized training and technical assistance.

Optional request -- changes
The total budget request amount from base to optional remains the same. Within this total amount, the Salaries – permanent line item increased and temporary salaries line item decreased to reflect the transfer of temporary employees to permanent status for program continuity. Permanent staff will administer and manage the local and state aid grant programs ($6.9 million, 51 grants), which were transferred to the Executive Committee from the Department of Health, plus an additional 24 grants.

Budget version comparisons

	2009-2011 Legislative Appropriation	2011-2013 Executive Budget	2011-2013 Optional Request	2011-2013 House Amendments	Change – Executive to House
TOTAL FTE	4.0	4.0	7.5	4.0	
Temporary	0	3.5	0	1.0	(2.5)
Grants & Contracts	approx 24	approx 75	approx 75	more than 75	more than 75
Additional Grants	+ 51 grants transferred from DOH	0	0	+more grants	+more grants
TOTAL	24 + 51	approx 75	approx 75	more than 75	more than 75
SALARIES & WAGES	$517,456	$1,132,494	$1,132,494	$765,980	($366,514)
OPERATING EXPENSES	$4,696,815	$2,967,609	$2,967,609	$2,967,609	--
CAPITAL ASSETS	$13,764	0	0	0	--
GRANTS	$7,653,965	$8,822,511	$8,822,511	$9,189,025	$366,514
TOTAL	$12,882,000	**$12,922,614**	**$12,922,614**	**$12,922,614**	--

The Executive Committee supports the 2011-2013 Governor's Executive Budget, with consideration of the Optional Request.

2011-2013 House amendments:

The House amendments to HB 1025:

- Remove the comprehensive tobacco control line item and instead fund by four object code line items (salaries, operating, capital assets, grants).
- Deny salaries and wages and fringe benefits for 2.5 temporary positions (.5 accountant, 1.0 community intervention coordinator, and 1.0 evaluation coordinator),
- and transfer this amount -- $366,514 -- to grants.
- Require the Executive Committee to report to interim Budget Section.

House amendments -- impact on current, new agency critical issues

Unresolved critical issue:

Staffing to manage 51 additional grants transferred from Department of Health in 2009 without transfer of any FTE – requiring Center staff re-alignment and re-prioritizing other programs required by law

- House amendments to the agency budget did not resolve the agency's current critical issue, which was adequate staffing to manage an additional 51 grants transferred to us from the Department of Health in 2009 without transfer of any FTE.
- Instead, the House opted to place the majority of funding for additional temporary staff to the grants line item, with the expectation that the agency award more grants.

New critical issue:

Staffing to manage additional grants resulting from House amendments

- House amendments to the agency budget did not resolve the agency's current critical staffing issue.
- Instead, the House placed more funding in the grants line item, with the expectation that the agency award more grants.
- Adequate staffing to manage additional grants can be provided by:
  - Temporary salaries being restored, or
  - Operating budget being increased to allow for contracting the management of additional grants.

New critical issue:

Ability to contract funds in operating and grants line items, according to state procurement rules

- Ability to meet day-to-day operations costs if a major contract may be an operating object code and not a grant object code: currently, 90 percent of operating line item is contracts and professional services and fees. The remaining 10 percent in operating leaves very little room for another contracts, especially if needed in place of temporary positions.
- Ability to secure Emergency Commission approval to increase operating object code budget if contract is not a grant object code.

Conclusion

This concludes the overview of the North Dakota Tobacco Prevention and Control Executive Committee 2011-2013 base, optional and total budget requests, House amendments and their impact:

- The Governor's budget is at the level of the current biennial budget with the addition of the compensation package.
- The Governor's budget includes the current 4.0 permanent and an additional 3.5 temporary FTE to address critical staffing issues created by the transfer of the management of 51 grants without FTE from the Department of Health.
- The optional budget request transfers the temporary positions to permanent positions.
- The House amendments do not allow the Executive Committee the staffing needed to carry out the work. The agency critical issue of adequate staffing to manage transferred and new grants remains unresolved. Staffing could be permanent or temporary staff, or contractors.
  - The House amendments did not change the agency permanent FTE.
  - The House provided only 1.0 temporary position of 3.5 requested, and transferred the majority of funding for temporary salaries to the Grants line, with the expectation that more grants be awarded.
  - The House did not allow for contracting work because budget was divided by object code, without an increase in Operating object code. (Professional service contracts are Operating expenses.)
- The House changed the agency budget to object codes. This creates budget challenges for the agency, as current Operating line does not allow for more professional service contracts, which will be needed if temporary positions are not restored. Emergency Commission action would be needed to make necessary budget adjustments in the interim.
- The Executive Committee requests the Senate Appropriations Committee restore the Governor's Budget with consideration of the Optional Request.

Chairman Holmberg and members of the Committee, I thank you for the current appropriation, and for your thoughtful consideration and support of our budget request in original House Bill 1025. I would be happy to answer any questions.

Did You Know? Studies show that U.S. youth are nearly three times more sensitive to tobacco advertising than adults.

The Toll of Tobacco in North Dakota

Take Action
Donate
Federal Initiatives
State Initiatives
International Center
Kick Butts Day
Research and Facts
Press Office
Tobacco Ad Gallery
Special Reports

The Tobacco Toll
Find out what tobacco has done to your state!

Select a State...

State Settlement Overview for North Dakota

View sources of information

Tobacco Use in North Dakota

High school students who smoke	**22.4% (8,800)**
Male high school students who use smokeless or spit tobacco	**23.2% (females use much lower)**
Kids (under 18) who become new daily smokers each year	**700**
Kids exposed to secondhand smoke at home	**42,000**
Packs of cigarettes bought or smoked by kids each year	**2.1 million**
Adults in North Dakota who smoke	**18.6% (93,500)**

Nationwide, youth smoking has declined dramatically since the mid-1990s, but that decline has slowed considerably in recent years. The smoking rate among high school students - 20 percent in 2007 - has not declined significantly since 2003, following a 40 percent decline between 1997 and 2003, from 36.4 percent to 21.9 percent.

In addition, 13.4 percent of U.S. high school males currently use spit tobacco. U.S. adult smoking increased slightly to 20.6 percent (about 46 million) in 2008 from 19.8 percent in 2007, the first increase in adult smoking rate since 1994.

Deaths in North Dakota From Smoking

Adults who die each year from their own smoking	**800**
Kids now under 18 and alive in North Dakota who will ultimately die prematurely from smoking	**11,000**
Adult nonsmokers who die each year from exposure to secondhand smoke	**110**

Smoking kills more people than alcohol, AIDS, car crashes, illegal drugs, murders, and suicides combined -- and thousands more die from other tobacco-related causes -- such as fires caused by smoking (more than 1,000 deaths/year nationwide) and smokeless tobacco use.

No good estimates are currently available, however, for the number of North Dakota citizens who die from these other tobacco-related causes, or for the much larger numbers who suffer from tobacco-related health problems each year without actually dying.

Smoking-Caused Monetary Costs in North Dakota

Annual health care costs in North Dakota directly caused by smoking	**$247 million**
- Portion covered by the state Medicaid program	**$47 million**
Residents' state & federal tax burden from smoking-caused government expenditures	**$564 per household**
Smoking-caused productivity losses in North Dakota	**$192 million**

Amounts do not include health costs caused by exposure to secondhand smoke, smoking-caused fires, spit tobacco use, or cigar and pipe smoking. Other non-health costs from tobacco use include residential and commercial property losses from smoking-caused fires (more than $500 million per year nationwide); extra cleaning and maintenance costs made necessary by tobacco smoke and litter (about $4+ billion nationwide for commercial establishments alone); and additional productivity losses from smoking-caused work absences, smoking breaks, and on-the-job performance declines and early termination of employment caused by smoking-caused disability or illness (dollar amount listed above is just from productive work lives shortened by smoking-caused death).

Tobacco Industry Influence in North Dakota

Annual tobacco industry marketing expenditures nationwide	**$12.8 billion**
Estimated portion spent for North Dakota marketing each year	**$32.3 million**

Published research studies have found that kids are twice as sensitive to tobacco advertising than adults and are more likely to be influenced to smoke by cigarette marketing than by peer pressure, and that one-third of underage experimentation with smoking is attributable to tobacco company advertising.

More detailed fact sheets on tobacco's toll in each state are available by emailing factsheets@tobaccofreekids.org

BreatheND

Saving Lives, Saving Money with Measure 3.

BENEFITS FROM A $2.00 PER PACK CIGARETTE TAX

Current state cigarette tax: 44 cents per pack (46th among all states)
Smoking-caused costs in North Dakota: $10.48 per pack
Annual healthcare expenditures in North Dakota directly caused by tobacco use: $247 million
Smoking-caused state Medicaid program spending each year: $47.0 million

New Annual Revenue from Increasing the Cigarette Tax Rate by $1.56 Per Pack: $33.1 million
Additional Revenue from Raising Other Tobacco Product Rates to Parallel New Levels: $3.2 million

New Annual Revenue is the amount of additional new revenue over the first full year after the effective date. The state will collect less new revenue if it fails to apply the rate increase to all cigarettes and other tobacco products held in wholesaler and retailer inventories on the effective date.

Projected Public Health Benefits from the Cigarette Tax Rate Increase	
Percent decrease in youth smoking:	**25.7%**
Kids in North Dakota kept from becoming addicted adult smokers:	**7,900**
Current adult smokers in the state who would quit:	**5,300**
Smoking-affected births avoided over next five years:	**1,800**
North Dakota residents saved from premature smoking-caused death:	**3,900**
5-year health savings from fewer smoking-affected pregnancies & births:	**$3.1 million**
5-year health savings from fewer smoking-caused heart attacks & strokes:	**$2.4 million**
Long-term health savings in the state from adult & youth smoking declines:	**$188.6 million**

- Tax increases of less than roughly 25 cents per pack or 10% of the average state pack price do not produce significant public health benefits or cost savings because the cigarette companies can easily offset the beneficial impact of such small increases with temporary price cuts, coupons, and other promotional discounting. Splitting a tax rate increase into separate, smaller increases in successive years will similarly diminish or eliminate the public health benefits and related cost savings (as well as reduce the amount of new revenues).

- Raising state tax rates on other tobacco products (OTPs) to parallel the increased cigarette tax rate will bring the state more revenues, public health benefits, and cost savings (and promote tax equity). With unequal rates, the state loses revenue each time a cigarette smoker switches to cigars, RYO, or smokeless. To parallel the new $2.00 per pack cigarette tax, the state's new OTP tax rate should be at least 65% of wholesale price with minimum tax rates for each major OTP category linked to the state cigarette tax rate on a per-package or per-dose basis.

Tobacco's Toll in North Dakota	
North Dakota residents who will die this year from smoking:	**800**
North Dakota residents' state & federal tax burden from smoking-caused government expenditures:	**$576/household**
Amount tobacco industry spends marketing tobacco in North Dakota per day & per year:	**$88,500/day** **$32.3 million/year**
Adults who smoke:	**18.2%**
High school students who smoke:	**21.1%**
Kids (under 18) who try cigarettes for the first time each year:	**2,500**

Source: Campaign for Tobacco-Free Kids www.tobaccofreekids.org

Why raise tobacco taxes?

1. Raising tobacco taxes is one of the most cost-effective ways to **reduce smoking, especially among youth**.
2. Raising tobacco taxes is one of the most cost-effective ways to **encourage smokers to quit**.
3. Raising tobacco taxes **causes a predictable smoking decline that locks in large health-related cost reductions** for state government, private sector, and households, who pay for the costs of smoking.
4. Most of the public health improvements resulting from the decrease in smoking caused by tobacco tax increases **directly benefit low-income populations**, who are most likely to quit or cut down when taxes increase. Lower income households suffer disproportionately from, & can least afford, the smoking-caused health care costs.
5. Nationwide, 60 percent of all smokers have incomes greater than 200 percent of the poverty line; but roughly **three of four smokers who quit because of a cigarette tax increase will have incomes below 200 percent of the poverty line.**
6. **Those wanting to quit using tobacco can access the resources of North Dakota's new Measure 3-funded comprehensive tobacco prevention program**, which includes expanded free services located in local public health units serving every county.
7. As long as North Dakota funds its comprehensive tobacco prevention program at the CDC-recommended level, new general fund **revenue generated by a tobacco tax increase could be invested in other public health services and programs** that will continue to improve the health North Dakota citizens and further reduce the costs of preventable diseases.

Campaign for Tobacco-Free Kids 7.30.10 / Ann Boonn & Eric Lindblom, September 28, 2010

Explanations & Notes

- Projections are based on research findings that each 10% cigarette price increase reduces youth smoking by 6.5%, adult rates by 2%, and total consumption by 4% (adjusted down to account for tax evasion effects). Revenues still increase because the higher tax rate per pack will bring in more new revenue than is lost from the tax-related drop in total pack sales.
- The projections incorporate the effect of both ongoing background smoking declines and the continued impact of the 61.66-cent federal cigarette tax increase (effective April 1, 2009) on prices, smoking levels and pack sales.
- These projections are fiscally conservative because they include a generous adjustment for lost state pack sales (and lower net new revenues) from possible new smuggling and tax evasion after the rate increase and from fewer sales to smokers or smugglers from other states. For ways that the state can protect and increase its tobacco tax revenues and prevent and reduce contraband trafficking and other tobacco tax evasion, see the Campaign for Tobacco-Free Kids factsheet, State Options to Prevent and Reduce Cigarette Smuggling and to Block Other Illegal State Tobacco Tax Evasion, http://tobaccofreekids.org/research/factsheets/pdf/0274.pdf.
- Kids stopped from smoking and dying are from all kids alive today. Long-term savings accrue over the lifetimes of persons who stop smoking or never start because of the rate increase. All cost and savings in 2004 dollars. Projections will be updated when new relevant data or research becomes available.
- Ongoing reductions in state smoking levels will, over time, gradually erode state cigarette tax revenues (in the absence of any new rate increases). But those declines are more predictable and less volatile than many other state revenue sources, such as state income tax or corporate tax revenues (which can drop sharply during recessions). In addition, the smoking declines that reduce tobacco tax revenues will simultaneously produce much larger reductions in government and private sector smoking-caused costs. See the Campaign for Tobacco-Free Kids factsheet, *Tobacco Tax Increases are a Reliable Source of Substantial New State Revenue*, http://tobaccofreekids.org/research/factsheets/pdf/0303.pdf.
- For other ways states can increase revenues (and promote public health) other than just raising its cigarette tax, see the Campaign factsheet, *The Many Ways States Can Raise Revenue While Also Reducing Tobacco Use and Its Many Harms & Costs*, http://tobaccofreekids.org/research/factsheets/pdf/0357.pdf.
- **For more on sources and calculations, see http://www.tobaccofreekids.org/research/factsheets/pdf/0281.pdf**

Additional Information on Tobacco Product Tax Increases

Raising State Cigarette Taxes Always Increases State Revenues and Always Reduces Smoking, http://tobaccofreekids.org/research/factsheets/pdf/0098.pdf.
Responses to Misleading and Inaccurate Cigarette Company Arguments Against State Tobacco Tax Increases, http://tobaccofreekids.org/research/factsheets/pdf/0227.pdf.
State Cigarette Excise Tax Rates & Rankings, http://tobaccofreekids.org/research/factsheets/pdf/0097.pdf.
Top Combined State-Local Cigarette Tax Rates (State plus County plus City), http://tobaccofreekids.org/research/factsheets/pdf/0267.pdf.
State Cigarette Tax Increases Benefit Lower-Income Smokers and Families, http://tobaccofreekids.org/research/factsheets/pdf/0147.pdf.
The Best Way to Tax Smokeless Tobacco, http://tobaccofreekids.org/research/factsheets/pdf/0282.pdf.
The Problem with Roll-Your-Own (RYO) Tobacco, http://tobaccofreekids.org/research/factsheets/pdf/0336.pdf.
How to Make State Cigar Tax Rates Fair and Effective, http://tobaccofreekids.org/research/factsheets/pdf/0335.pdf.
State Benefits from Increasing Smokeless Tobacco Tax Rates, http://tobaccofreekids.org/research/factsheets/pdf/0180.pdf.
The Case for High-Tech Cigarette Tax Stamps, http://tobaccofreekids.org/research/factsheets/pdf/0310.pdf.
State Options to Prevent and Reduce Cigarette Smuggling and to Block Other Illegal State Tobacco Tax Evasion, http://tobaccofreekids.org/research/factsheets/pdf/0274.pdf.
The Many Ways States Can Raise Revenue While Also Reducing Tobacco Use and Its Many Harms & Costs, http://tobaccofreekids.org/research/factsheets/pdf/0357.pdf

REQUES[redacted]COMMENDATION COMPARISON SUMMARY

305 Tobacco Prevention and Control
Biennium: 2011-2013

Bill#: HB1025

Date: [redacted]22/2010
Time: 14:45:45

Description	Expenditures Prev Biennium 2007-2009	Present Budget 2009-2011	2011-2013 Requested Incr(Decr)	2011-2013 Requested % Chg	Requested Budget 2011-2013	2011-2013 Recommended Incr(Decr)	2011-2013 Recommended % Chg	Executive Recommendation 2011-2013
By Major Program								
Tobacco Prevention and Control Program	38,815	12,882,000	0	0.0%	12,882,000	40,614	0.3%	12,922,614
Total Major Programs	**38,815**	**12,882,000**	**0**	**0.0%**	**12,882,000**	**40,614**	**0.3%**	**12,922,614**
By Line Item								
Comprehensive Tobacco Control	38,815	12,882,000	0	0.0%	12,882,000	40,614	0.3%	12,922,614
Total Line Items	**38,815**	**12,882,000**	**0**	**0.0%**	**12,882,000**	**40,614**	**0.3%**	**12,922,614**
By Funding Source								
General Fund	0	0	0	0.0%	0	0	0.0%	0
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	38,815	12,882,000	0	0.0%	12,882,000	40,614	0.3%	12,922,614
Total Funding Source	**38,815**	**12,882,000**	**0**	**0.0%**	**12,882,000**	**40,614**	**0.3%**	**12,922,614**
Total FTE	**0.00**	**4.00**	**0.00**	**0.0%**	**4.00**	**0.00**	**0.0%**	**4.00**

Attachment C

CHANGE [redacted] KAGE SUMMARY
305 Toba[redacted]vention and Control **Bill [redacted]025** **Date: [redacted]/20/2010**
Biennium: 2011-2013 **Time: [redacted]10:00:10**

Description	Priority	FTE	General Fund	Federal Funds	Special Funds	Total Funds
Base Budget Changes						
Ongoing Budget Changes						
A-A 1 Costs to Continue		0.00	0	0	(560,660)	(560,660)
A-F 3 Remove Prior Biennium Capital Assets		0.00	0	0	(13,764)	(13,764)
Base Payroll Change		0.00	0	0	574,424	574,424
Total Ongoing Budget Changes		**0.00**	**0**	**0**	**0**	**0**
Total Base Budget Changes		**0.00**	**0**	**0**	**0**	**0**
Optional Budget Changes						
Ongoing Optional Changes						
A-C 2 Additional FTE	1	3.50	0	0	0	0
Total Ongoing Optional Changes		**3.50**	**0**	**0**	**0**	**0**
Total Optional Budget Changes		**3.50**	**0**	**0**	**0**	**0**

Attachment D

RECOMM[redacted]ATION DETAIL BY PROGRAM

305 Tobac[redacted]vention and Control

Biennium: 2011-2013

[redacted] **Bill#: HB1025**

Date: [redacted]22/2010

Time: [redacted]14:45:45

Program: Tobacco Prevention and Control Program			**Reporting Level:** 05-305-100-00-00-00-00-00000000					
	Expenditures Prev Biennium	**Present Budget**	**2011-2013 Requested**		**Requested Budget**	**2011-2013 Recommended**		**Executive Recommendation**
Description	**2007-2009**	**2009-2011**	**Incr(Decr)**	**% Chg**	**2011-2013**	**Incr(Decr)**	**% Chg**	**2011-2013**
Comprehensive Tobacco Control								
Salaries - Permanent	20,655	350,000	45,736	13.1%	395,736	45,736	13.1%	395,736
Temporary Salaries	0	25,000	376,484	1,505.9%	401,484	376,484	1,505.9%	401,484
Fringe Benefits	1,595	142,456	152,204	106.8%	294,660	152,204	106.8%	294,660
Travel	6,667	41,500	11,500	27.7%	53,000	11,500	27.7%	53,000
Supplies - IT Software	0	2,125	3,875	182.4%	6,000	3,875	182.4%	6,000
Supply/Material-Professional	0	1,616	3,738	231.3%	5,354	3,738	231.3%	5,354
Bldg, Ground, Maintenance	0	657	843	128.3%	1,500	843	128.3%	1,500
Office Supplies	45	9,600	17,745	184.8%	27,345	17,745	184.8%	27,345
Postage	44	3,840	480	12.5%	4,320	480	12.5%	4,320
Printing	285	10,000	2,000	20.0%	12,000	2,000	20.0%	12,000
IT Equip Under $5,000	0	14,600	(4,380)	(30.0%)	10,220	(4,380)	(30.0%)	10,220
Office Equip & Furn Supplies	0	25,000	(200)	(0.8%)	24,800	(200)	(0.8%)	24,800
Insurance	0	2,000	(1,600)	(80.0%)	400	(1,600)	(80.0%)	400
Rentals/Leases-Equip & Other	0	430	(430)	(100.0%)	0	(430)	(100.0%)	0
Rentals/Leases - Bldg/Land	0	28,800	27,074	94.0%	55,874	27,074	94.0%	55,874
Repairs	0	4,113	887	21.6%	5,000	887	21.6%	5,000
Salary Increase	0	0	0	0.0%	0	17,986	100.0%	17,986
Benefit Increase	0	0	0	0.0%	0	3,042	100.0%	3,042
Health Increase	0	0	0	0.0%	0	11,644	100.0%	11,644
Retirement Increase	0	0	0	0.0%	0	7,919	100.0%	7,919
EAP Increase	0	0	0	0.0%	0	23	100.0%	23
IT - Data Processing	0	5,602	5,261	93.9%	10,863	5,261	93.9%	10,863
IT - Communications	0	6,000	29,919	498.7%	35,919	29,919	498.7%	35,919
IT Contractual Srvcs and Rprs	0	8,000	192,000	2,400.0%	200,000	192,000	2,400.0%	200,000
Professional Development	48	10,000	10,000	100.0%	20,000	10,000	100.0%	20,000
Operating Fees and Services	0	15,000	(5,300)	(35.3%)	9,700	(5,300)	(35.3%)	9,700
Fees - Professional Services	9,476	4,507,932	(2,022,618)	(44.9%)	2,485,314	(2,022,618)	(44.9%)	2,485,314
Equipment Over $5000	0	8,225	(8,225)	(100.0%)	0	(8,225)	(100.0%)	0
IT Equip/Sftware Over $5000	0	5,539	(5,539)	(100.0%)	0	(5,539)	(100.0%)	0
Grants, Benefits & Claims	0	7,653,965	1,168,546	15.3%	8,822,511	1,168,546	15.3%	8,822,511
Total	**38,815**	**12,882,000**	**0**	**0.0%**	**12,882,000**	**40,614**	**0.3%**	**12,922,614**
Comprehensive Tobacco Control								
General Fund	0	0	0	0.0%	0	0	0.0%	0
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	38,815	12,882,000	0	0.0%	12,882,000	40,614	0.3%	12,922,614
Total	**38,815**	**12,882,000**	**0**	**0.0%**	**12,882,000**	**40,614**	**0.3%**	**12,922,614**
Total Expenditures	**38,815**	**12,882,000**	**0**	**0.0%**	**12,882,000**	**40,614**	**0.3%**	**12,922,614**

Attachment E

RECOMM[redacted]ATION DETAIL BY PROGRAM
305 Tobac[redacted]ention and Control
Biennium: 2011-2013

[redacted] **Bill#: HB1025**

Date: [redacted]2/2010
Time: [redacted]4:45:45

Program: Tobacco Prevention and Control Program			**Reporting Level:** 05-305-100-00-00-00-00-00000000					
	Expenditures Prev Biennium	**Present Budget**	**2011-2013 Requested**		**Requested Budget**	**2011-2013 Recommended**		**Executive Recommendation**
Description	**2007-2009**	**2009-2011**	**Incr(Decr)**	**% Chg**	**2011-2013**	**Incr(Decr)**	**% Chg**	**2011-2013**
Funding Sources								
Special Funds								
369 Tobacco Prevention and Control	38,815	12,882,000	0	0.0%	12,882,000	40,614	0.3%	12,922,614
Total	**38,815**	**12,882,000**	**0**	**0.0%**	**12,882,000**	**40,614**	**0.3%**	**12,922,614**
Total Funding Sources	**38,815**	**12,882,000**	**0**	**0.0%**	**12,882,000**	**40,614**	**0.3%**	**12,922,614**
FTE Employees	**0.00**	**4.00**	**0.00**	**0.0%**	**4.00**	**0.00**	**0.0%**	**4.00**

Attachment F

Southwestern District Health Unit

2869 3RD AVENUE WEST
DICKINSON, NORTH DAKOTA 58601
TELEPHONE: (701) 483-0171
TOLL FREE: 1-800-697-3145
FAX: (701) 483-4097

COUNTY OFFICES

Adams County
Public Health Nurse
609 2nd Ave. N.
P.O. Box 227
Hettinger, ND 58639-0227
567-2720

Billings County
Public Health Nurse
70 1st St. S.E.
P.O. Box 185
Beach, ND 58621-0185
872-4533

Bowman County
Public Health Nurse
104 1st St. N.W. #6
Bowman, ND 58623-4342
523-3144

Dunn County
Public Health Nurse
215 Central Ave.
P.O. Box 111
Killdeer, ND 58640-0111
764-5513

Golden Valley County
Public Health Nurse
70 1st St. S.E.
P.O. Box 185
Beach, ND 58621-0165
872-4533

Hettinger County
Public Health Nurse
309 Millionaire Ave.
Mott, ND 58646-7267
824-3215

Slope County
Public Health Nurse
104 1st St. N.W. #6
Bowman, ND 58623-4342
523-3144

Stark County
Public Health Nurse
2869 3rd Ave. W.
Dickinson, ND 58601-2600
483-0171

Emergency Preparedness & Response
2893 3rd Ave. W.
Dickinson, ND 58601-2600
483-3765

Pathways to Healthy Lives
2893 3rd Ave. West
Dickinson, ND 58601-2600
483-3050

Tobacco Prevention & Control
2893 3rd. Ave. W.
Dickinson, ND 58601-2600
483-3760

WIC
2869 3rd Ave. W.
Dickinson, ND 58601-2600
483-1942

Women's Way
2893 3rd Ave. W.
Dickinson, ND 58601-2600
483-3052
1-800-44WOMEN

Testimony
Supporting
House Bill 1025
Senate Appropriations Committee
March 7, 2011

Good afternoon, Chairman Holmberg and members of the Senate Appropriations Committee. I am Sherry Adams, Executive Officer for Southwestern District Health Unit. I'm testifying favor of House Bill 1025 and using the tobacco settlement for comprehensive tobacco prevention.

The people served by Southwestern District Health Unit have directly benefitted from grant funding from the Center for Tobacco Prevention and Control Policy.

I just want to mention three projects:

- We worked with Dickinson Parks and Recreation to help make parks smoke-free, including paying for signs.
- We worked with the city of Medora and its mayor about making this tourist destination completely smoke-free. Medora isn't ready to take this step today, but we will continue to provide information.
- We are working with Dickinson State University student senate as they collaborate with both the faculty and staff senates in a combined effort to create a smoke-free campus.

Last week I testified on House Bill 1004, the health department budget, which goes hand-in-hand with this bill. Our health unit needs funding of all kinds of health programs. However, I do not support funding chronic disease or other health programs by using dollars meant for tobacco prevention. We support all the language of the 2008 initiated measure using tobacco settlement for comprehensive tobacco prevention. I hope you will restore the original Measure 3 language that was amended out in HB1004.

Thank you and I would be happy to answer any questions.

2

North Dakota House Bill 1025 Testimony
Senate Appropriations Committee
March 7, 2011 2pm

Good afternoon committee members. My name is Dawn Aberle and I am pleased to speak on my own behalf about how Measure 3 dollars are effectively and efficiently being used. As a respiratory therapist for over 10 years and more recently as a certified tobacco treatment specialist, I have seen the devastation that tobacco causes and I've seen real progress in the assessment and treatment of tobacco users, in large part to funding by Measure 3.

As a healthcare professional working in the field of tobacco treatment, I support HB 1025 and oppose the amendment made to HB 1004 which removes the requirement for 80% of the Community Health Trust Fund to be spent on tobacco programs. I support continuing CDC recommended funding for statewide tobacco prevention and control.

In 2010, my healthcare organization saw over 4,500 patients for tobacco dependence. Through a partnership with Fargo Cass Public Health (which is made possible by Measure 3), our tobacco education department is able to give individuals a 2 week supply of nicotine replacement products if they choose to sign up for the North Dakota Quitline. This is a vital service that partners with patients when the motivation is the highest and gives them the two things evidence shows they need the most to be successful- cessation medications and counseling. Beyond that, the Quitline provides vital follow-up and quality counseling to our largely rural population. In 2010, our tobacco education team created 488 fax referrals to the ND Quit Line and distributed 798 boxes of nicotine replacement therapy.

Measure 3 funding has also placed importance in evidence based health systems change initatives such as Ask, Advise, Refer. My position, a 0.5 FTE, which is grant funded by Measure 3 for 1 year, was charged with improving clinic policy and practice in regards to systematic identification of tobacco users, advisement to quit and providing resources and referrals to effectively assist tobacco users in quitting. Since allotment of the grant in July, our interdisciplinary work group has been expeditiously working on changes to our electronic health record, implementation of a policy that addresses tobacco use and treatment, and making educational resources available online and in each individual clinic. What I am personally most excited about, is how nicely this project ties into my organization's quality work plan which focuses on comprehensive care for diabetes. Of the 5 components of comprehensive diabetes care, blood pressure <140/90, HgbA1C<8, LDL< 100, daily aspirin, and tobacco free status- successfully quitting tobacco has the potential to affect all measurements except taking a daily aspirin.

Dr. Carl Sirio from the American Medical Association provided a statement this January that reads, "We encourage state governments to implement more tobacco prevention and smoking cessation programs that will help Americans quit using tobacco and protect others from exposure to second-hand smoke. By funding tobacco prevention and cessation programs, states can help lower health care costs and, more importantly, save lives." As a healthcare professional, I am committed to achieving these goals and I invite you to partner with me as well.

Thank you for your time.

3

UNIVERSITY OF UND NORTH DAKOTA

HEALTH AND WELLNESS RESOURCE OFFICE
2901 UNIVERSITY AVENUE STOP 8262
GRAND FORKS, ND 58202-8262
(701) 777-2907
FAX (701) 777-4835
health&wellnessresources@mail.und.edu

Testimony to Senate Appropriations Committee
By Jane Croeker, University of North Dakota Health and Wellness Promotion Specialist
March 7th, 2011 2:00 pm

Chairman Holmberg and members of the Senate Appropriations Committee,

My name is Jane Croeker and I would like to highlight some successes of the Comprehensive Tobacco Prevention and Control Program in North Dakota. The University of North Dakota greatly values the strong partnerships we have with Grand Forks Health Department and state entities to address tobacco prevention and control issues impacting students, faculty, staff, and other members of the community. With support provided by the institution and public health funding through the Center for Tobacco Prevention and Control, we have worked to expand quit tobacco options, develop strong policies, and reach out to special populations who are at high risk of tobacco use through evidence based programs.

Over the past several years the institution has dramatically reduced exposure to second hand smoke through various policy changes on campus including a smoke-free residence hall policy, a smoke free apartment community policy and a tobacco-free campus policy. With support from the Center for Tobacco Prevention and Control Policy over the past two years, UND's efforts to educate the campus community and encourage policy compliance have expanded. As invested community members themselves, UND faculty, staff, and students have worked alongside their community partners to enhance awareness of the dangers of second hand smoke and the importance of strong policies on campus and in the community.

UND has also assisted in educating the community about the health risks of second hand smoke in work sites and public places. A 2005 statewide law and two community ordinances that further reduce exposure to these toxins have been put into place to protect the health of the public. The Grand Forks city ordinance that went into effect in August of 2010 eliminates second hand smoke exposure in bars, truck stops, and other previously exempt public places in Grand Forks.

UND Student Health Services routinely asks all patients about tobacco use and offers cessation support and medication to students who are interested in quitting. Faculty and staff have comprehensive cessation benefits available through their insurance plan and the opportunity to attend Freedom from Smoking classes offered through GF Public Health and Work Well, along with access to North Dakota Quitline and Quitnet. Thanks to Center funding, UND has also

been able to provide tailored programs to special populations such as American Indians, blue collar workers, and other groups who are at high risk of tobacco use.

Tobacco use rates among UND students have dropped significantly between 2000 and 2010, according to the American College Health Association National College Health Assessment conducted by UND Student Health Services. The percentage of students who reported smoking cigarettes in the last 30 days dropped from 32.7% in 2000 to 13.4% in 2010, which is lower than the 16% reported use among the national reference group. Smokeless tobacco use rates dropped from 11.3% in 2000 to 4.6% in 2010. Tobacco use rates among UND faculty and staff are far lower than the adult usage rate in Grand Forks County and North Dakota as a whole, according to a 2010 employee health survey.

Comprehensive and sustained tobacco prevention and control programs have had a powerful impact on the health of the UND community. We appreciate the invaluable support we have received from the Grand Forks Pubic Health Department and the Center for Tobacco Prevention Control Policy to address tobacco use, which is the leading cause of preventable death, on our campus and in our community and we hope this positive relationship will continue for years to come.

Chairman Holmberg and members of the Committee, thank you for your time.

NDNA
North Dakota Nurses Association
PO Box 292 ✧ Mandan, ND ✧ 58554
701-223-1385
Celebrating 100 years - 1912-2012

March 7, 2011

Senate Appropriations Committee - Human Resource Division
Testimony - House Bill 1025

Chairman Holmberg, and members of the Senate Appropriations Committee, my name is Karen Macdonald, and I represent the North Dakota Nurses Association. I am a Registered Nurse and a Family Nurse Practitioner. I am here to support fully funding HB 1025 and restoring the 80% requirement on the Community Health Trust Fund.

- I have worked as a nurse practitioner in cardiology and have seen firsthand what tobacco use can do to the human body. Heart disease is the # 1 killer of all modern diseases and lung cancer is the leading cause of cancer deaths. There are very few individuals with these diseases who have not been exposed to either first hand or second hand smoke

- The accomplishments of the North Dakota Tobacco Prevention and Control Program have already shows a decrease in tobacco use after just 18 months of implementation along with a decline in cigarettes sold (*source: U.S. Centers for Disease Control and Prevention, Behavioral Risk Factor Report; ND Tax Department tobacco sales tax data).*

- The number of persons exposed to secondhand smoke is decreasing. A total of five cities in ND have enacted policies regarding exposure to secondhand smoke in public venues (Fargo, West Fargo, Grand Forks, Napoleon, Pembina).

- Tobacco prevention efforts have lead to an increase in attempts to quit smoking as seen from the 2010 North Dakota Quitline Report.

Please fully fund this lifesaving program. Respect the will of the people by faithfully enabling all of the provisions of Measure 3. Thank you for the opportunity to provide this testimony and I encourage a do pass on this bill.

Testimony in support of House Bill 1025

Senate Appropriations Committee

March 7, 2011

Ellen Bjelland, Barnes County ACHIEVE Partnership

Chairman Holmberg and members of the Committee, thank you for allowing me to testify today in support of House Bill 1025. My name is Ellen Bjelland, and I am here representing the 14 organizations that make up the Barnes County ACHIEVE Partnership.

We are asking you to help protect the citizens of our county and state by renewing full funding for North Dakota's comprehensive tobacco prevention program at the CDC recommended level, and in full accordance with the people's will as expressed in their approval of Initiated Measure #3 two years ago.

We have directly experienced the health-promoting benefits that local "Measure 3 programs" are already bringing to communities across the state – and will bring with even-greater effectiveness as the intended synergies among program components exert their collective power over time.

First, Barnes County's Measure 3-funded tobacco prevention program gave important credence to our application and helped us to secure a $75,000 ACHIEVE grant from the Centers for Disease Control and Prevention, for the purposes of reducing the risk of chronic disease in our area.

Second, the tobacco prevention program is enabling the ACHIEVE Partnership to more efficiently achieve its own disease-preventing objectives. Our ACHIEVE goal is to reduce the incidence of preventable disease and death by changing policies, systems, and our environment to be healthier—in the areas of nutrition, physical activity and tobacco use. We need the support and expertise of a strong Breathe ND Center to guide our own efforts to decrease all the harms from tobacco addiction

In return, it's obvious that our ACHIEVE Partnership is helping to create one of the powerful tobacco-prevention synergies that the CDC envisioned when it laid out the roadmap that North Dakota's new comprehensive program is following.

We believe this is a perfect example of how North Dakota's Measure 3-enabled, comprehensive tobacco prevention program is effectively leveraging its resources by building on key community partnerships across the state.

Thank you.

Ellen Bjelland
On behalf of the Barnes County ACHIEVE Partnership

6

TESTIMONY SUPPORT OF HB1025

Kayla Meyer
1664 Capital Way #208
Bismarck, ND
701-367-0687

Chairman Holmberg, and members of the Senate Appropriations Committee, my name is Kayla Meyer. I am speaking on behalf of Health Pro (Peers Reaching Out) from the University of Mary. I am here to provide support for HB 1025 and restoring full funding as required by Measure 3.

Health Pro are student leaders who provide health and wellness education programs to University of Mary students on a peer-to-peer level. We are fortunate enough to have received professional training and technical support from Measure 3 funds through Bismarck Burleigh, Tobacco Prevention and Control program to work on strengthening our tobacco free policy to include the entire campus.

Measure 3 funding provided the opportunity this past summer, for Health Pro students along with other North Dakota universities and colleges to attend a statewide Bacchus Network training on tobacco-free college campus policies. By attending this training we were able to move forward on advancing tobacco free policy at the University of Mary. We have learned that a tobacco-free policy provides an environment that reinforces healthy behavior. As the policy removes the immediate threat of exposure to secondhand smoke, it also decreases the use of tobacco and the number of people who start smoking in college.

Measure 3 funding also gave us the available resources for technical support in development of educational materials to educate our peers and administration about the benefits of tobacco free campus to assist with reducing tobacco use rates.

Please support HB 1025 along with the other components needed to fully fund North Dakota's comprehensive tobacco prevention and control program. Without it we would not have been able to make a healthier learning at the University of Mary.

7

Testimony on House Bill 1025
Senate Appropriations Committee -- Monday, March 7, 2011
Brenda Warren, Vice-President of Legislation, Tobacco Free North Dakota

Good Morning Chairman Holmberg and committee members. My name is Brenda Warren and I am vice-president of legislation for Tobacco Free North Dakota, a statewide coalition of voluntary individuals. organizations and agencies working to promote a healthy society that chooses not to use tobacco; and a state free from death, disease, disability and excess taxes caused by tobacco use.

Tobacco Free North Dakota is a grassroots people's coalition, and I am here today to testify in support of HB 1025 from a citizen's viewpoint.

The people know that even if none of our own family members use tobacco, ALL North Dakotans pay the huge price of tobacco addiction in our state. For 100% of your constituents, the economic burden from tobacco addiction includes significant additional taxes and higher costs for healthcare. Just for starters, every tax-paying family in the state forfeits $564 to pay for tobacco-related costs every single year!

The people know that for around a decade, North Dakota has received about $25 million every year as our share of the Tobacco Settlement, which we were told was negotiated for the purpose of aggressively reducing FUTURE human and economic harms from tobacco addiction.

The people know that OTHER states that have faithfully funded evidence-based, comprehensive programs have already greatly reduced their own tobacco burdens. For instance, we know that because California DID diligently invest in state-of-the-art tobacco prevention, California's smoking rate is now one-half that of the rest of the country. More importantly, they have hit the ultimate pay-back: Their program has now has resulted in lung cancer rates in California that are nearly 25 percent lower than other states.

The people want to see that same dramatic reduction in lung cancer in North Dakota, too!

Sadly, the people also know that, for more than a decade, North Dakota has failed to invest enough Tobacco Settlement dollars to get that done. That is why, when still-more Tobacco Settlement dollars became available, the citizens in 2008 initiated and ultimately voted-in Measure # 3 by a comfortable margin. Since then, citizen enthusiasm for sustaining this program has only increased. An August 2010 survey of North Dakota adults showed more than 80 percent of North Dakotans support using tobacco settlement money for precisely this purpose.

You have received ample documentation that, even though it is still in its infancy, the state program made possible by Measure 3 is already working.

Please reassure 162,793 North Dakotans that their votes really do matter.

Thank you.

9

Comments to Senate Appropriations Committee

by Holly Ebel

March 7th, 2011

Chairman Holmberg and members of the Senate Appropriations Committee, My name is Holly Ebel and I am here in support of House Bill 1025. I started smoking when I was 12 years old. I came from a family where everyone but my mother smoked so it was easy to find cigarettes. With an addictive personality I was hooked very quickly. I had made several attempts to quit on my own since my early 20's with no success. I was unable to quit throughout my pregnancy with my son in 1997. I never knew there was support out there to help me quit. In September of 2009, I was at a doctor's appointment and noticed a sign regarding a stop smoking class. I wasn't thinking much of quitting at the time, but figured maybe this is what I needed. I just went for it! I signed up for the Freedom from Tobacco class at our local public health unit. They educated me in cessation medications, withdrawal, triggers, the North Dakota Quitnet and health effects among other issues that I would not have know how to deal with alone. I struggled with extreme depression throughout the first several months after quitting. Because of my bipolar disease, my challenges were even greater, causing even more anxiety and difficulty. After 7 months I slipped. The first 10 days of my relapse consisted of me smoking some cigarettes and throwing some away. With the help of my support systems I was able to get back on track. My support included the N.D Quitnet, the weekly Tackle Tobacco support group and a cessation counselor. I have been smoke-free for 9 months! I never dreamed I could be smoke -free. I don't know if I could have accomplished it without all of the education and support I have received. I am just happy to be an Ex-smoker!

Thank you

#9

Testimony on House Bill 1025
North Dakota Legislature -- Senate Appropriations Committee
March 7, 2011
Lyle Best, MD-Family Practice, Rolette

Good afternoon, Chairman Holmberg and members of the committee. My name is Lyle Best and I am a board certified family practice physician from Rolette, ND. I was a staff physician at the Indian Health Service hospital in Belcourt for over 20 years and have practiced part time at the Johnson Clinic in Dunseith since 1998. Thank you for hearing my testimony.

As you can imagine, in the 37 years since I graduated from medical school, I have seen more than my share of heart aches caused by tobacco abuse. In the past year alone, two of my patients and their children have lost their young wives and mothers (women in their 40's) to lung cancer. There have been those with cancers of the esophagus and bladder, many more with heart attacks, strokes and loss of circulation to the legs with resultant gangrene and amputations. There have been countless children with recurrent respiratory infections and asthma aggravated by exposure to tobacco smoke, not to mention deaths due to smoking-caused house fires.

But things are looking up: Measure 3 has dedicated a portion of our tobacco settlement income to robust, comprehensive tobacco prevention. The result is probably the single most powerful opportunity for preventing disease that North Dakota has ever seen – namely, the Center for Tobacco Prevention and Control Policy's new **"Saving Lives—Saving Money"** program.

Also on the bright side, I have seen changing social norms begin to make smoking unacceptable. And deliberately changing norms is what North Dakota's comprehensive program is all about. The improved availability of Quitline services has been a wonderful addition to my standard message about the health risks of smoking. There is not nearly enough time in the day for my staff or I to spend the necessary amount of "quality time" with individuals trying to quit; and the Quitline has been invaluable. My patients have told me how much they appreciate the help they get from Quitline. We know it has been effective in reducing the sales of cigarettes in North Dakota.

Many people seem to view smoking as a simple choice, suggesting that all smokers have to do is hike up their suspenders and quit. When I was in medical school, I worked for a summer in a methadone maintenance program for heroin addicts. Over and over again, I heard that it was easier to quit heroin (even without methadone) than smoking. We know now that the tobacco companies have deliberately adjusted the composition of their products to enhance their addictive effects; and that was one of the most compelling factors leading to the tobacco settlement.

I strongly urge this committee to approve House Bill 1025 and also restore the 80% requirement from the Community Health Trust Fund so that this life-saving initiative will be fully empowered. The voters spoke directly in their clear approval of Initiated Measure 3 two years ago. North Dakota's health professionals have spoken in favor of these tobacco prevention measures for years.

It is hard to imagine what kind of human beings would be willing to aid and abet the sale of such destructive products. I wonder what those who profit from selling tobacco say to their children and grandchildren. Are they so callous as to warn their own loved ones, but turn a blind eye to the profits they make at the expense of so many others?

The purpose of the entire tobacco settlement was to make some restitution for the devastating effects of decades of tobacco abuse. The passage of Measure 3, which taps only the "Strategic Contribution" portion of our payments, properly brought our attention back to its intended purpose. To not faithfully direct this small portion of these funds to proven tobacco prevention methods would be like a young person drinking and partying away an inheritance left for their education.

WRITTEN TESTIMONY ON THE EVIDENCE BASE FOR COMPREHENSIVE STATE TOBACCO CONTROL PROGRAMS

TERRY PECHACEK, PhD
ASSOCIATE DIRECTOR FOR SCIENCE
OFFICE ON SMOKING AND HEALTH
NATIONAL CENTER FOR CHRONIC DISEASE PREVENTION
AND HEALTH PROMOTION
U.S. CENTERS FOR DISEASE CONTROL AND PREVENTION

MARCH 7, 2011
North Dakota Senate Appropriations Committee
HB 1025

Introduction

Thank you for the opportunity to provide information on the dramatic health gains and economic savings that can be achieved with adequate funding and evidence-based interventions for tobacco control. I am Dr. Terry Pechacek with the Office on Smoking and Health, Centers for Disease Control and Prevention (CDC) in Atlanta, Georgia. I am an author of the original and updated versions of the CDC guidance document *Best Practices for Comprehensive Tobacco Control Programs* and have been involved in the writing or scientific review of all U.S. Surgeon General's Reports on the health consequences of tobacco use since 1979. In addition, I have provided senior technical advice on the planning, implementation, and evaluation of comprehensive tobacco control programs in Arizona, Arkansas, California, Florida, Georgia, Indiana, Iowa, Kentucky, Maine, Massachusetts, Minnesota, Mississippi, New Jersey, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, Tennessee, Texas, Vermont, Virginia, Washington, and West Virginia.

For the record, I have submitted this written testimony at the request of Jeanne Prom, the Executive Director of the Center for Tobacco Prevention & Control Policy, to summarize the scientific evidence regarding best practices in comprehensive tobacco prevention and control and the effectiveness of comprehensive state tobacco control programs. Also for the record, this written testimony is not for or against any specific legislative proposal.

Effects of State Tobacco Control Programs

Tobacco use is the leading preventable cause of illness and death in the United States. From 2000 to 2004, an average of 900 North Dakota residents died per year from smoking-related diseases; and North Dakota ranks 4th highest among states in its smoking-related death rate with 225.6 of every 100,000 people over age 35 dying due to tobacco use. In addition, studies have shown that, for every person who dies of a smoking-related disease, another 20 persons are living with a serious chronic disease caused by smoking.

The good news is that we know what works and how to reduce tobacco use. If North Dakota were to continue to fully fund tobacco control programs and implement proven tobacco control strategies, including full implementation of smoke-free environments in all workplaces and public places, increases in tobacco product prices, hard-hitting media campaigns, ensuring tobacco users can get help quitting, and youth empowerment initiatives that counteract tobacco industry marketing, North Dakota could make significant progress in reducing the staggering toll that tobacco use takes on its families and communities.

State tobacco control programs coordinate these and other proven tobacco control approaches to ensure maximum impact. States that have made large and sustained investments in tobacco control programs have seen cigarette sales drop more than twice as much as in the United States as a whole. Smoking prevalence among youth and adults declines faster as spending for tobacco control programs increases. States such as Maine, New York and Washington, have achieved 45 to 60 percent reductions in youth smoking through sustained implementation of coordinated

tobacco control programs. As another example, between 1998 and 2002, a comprehensive tobacco control program in Florida that included an aggressive youth-oriented media campaign reduced smoking rates by 50 percent among middle school students and by 35 percent among high school students.

State tobacco control programs that are sustained over time also generate a high return on investment. Research shows that the more states spend on sustained comprehensive tobacco control programs, the greater the reductions in smoking—and the longer states invest in such programs, the greater and faster the impact. For example, a study of California's tobacco control program found that the state realized a 50-to-1 return on the monies invested in the program during its first 15 years – saving $86 billion in health care costs from 1989 to 2004, while investing $1.8 billion in the program. These findings provide further evidence that investments in tobacco control not only prevent disease and save lives, but also dramatically reduce health care costs.

States can achieve substantial reductions in tobacco use and tobacco-related disease and death by sustaining support for comprehensive, evidence-based tobacco control programs over time. In combination with other evidence-based tobacco control interventions – including enacting 100 percent smoke-free laws, increasing the price of tobacco products, implementing media campaigns, and making cessation services available to all populations – adequately funded comprehensive state tobacco control can bring an end to the tobacco use epidemic.

Effects of Reducing State Funding for Tobacco Control Programs

The experiences of a number of states show that reducing funding for state tobacco control programs leads to rapid reversals of previous progress in reducing tobacco use. For example, after funding for the Massachusetts program was cut by 95 percent in Fiscal Year 2004, cigarette sales to minors increased, declines in youth smoking stalled, and the state's per capita cigarette consumption rose. Similarly, after funding for Florida's highly successful youth-oriented "truth" campaign was drastically reduced, youth smoking rates, which had been falling sharply, stabilized and then began creeping up again. Finally, within six months of the elimination of the youth-oriented Target Market media campaign in Minnesota, awareness of the campaign among youth fell sharply and youth susceptibility to initiating smoking increased.

Conclusion

The tobacco use epidemic can be stopped. We know what works. If we were to fully implement proven strategies, we could prevent the staggering toll that tobacco takes on our families and our communities. With sustained implementation of state tobacco control programs and policies, the Institute of Medicine report's best-case scenario of reducing adult tobacco prevalence to 10 percent by 2025 would be attainable.

Tobacco use will remain the leading cause of preventable illness and death in the United States until our efforts to address this problem are on a par with the harm it causes. We look forward to

working with you to address this urgent public health issue. Thank you.

NDSU NORTH DAKOTA STATE UNIVERSITY

Wellness Center -- Division of Student Affairs
NDSU Dept. 5140
P.O. Box 6050
Fargo, ND 58108-6050

701.231.5200
Fax 701.231.5205
ndsu.wellness@ndsu.edu
www.ndsu.edu/wellness

North Dakota House Bill 1025 Testimony
Senate Appropriations Committee
March 7, 2011 2pm

Chairman Holmberg and members of the Senate Appropriations Committee, I am Stacey Holm a Health Educator at North Dakota State University. I am testifying regarding House Bill 1025, which provides funding for the North Dakota Tobacco Prevention and Control Executive Committee and its Center for Tobacco Prevention and Control Policy. Our organization receives support and funding through a grant from Fargo Cass Public Health.

Through NDSU's partnership with Fargo Cass Public Health (made possible by Measure 3) we are able to offer our students comprehensive cessation services. NDSU can provide up to 3 months worth of nicotine replacement products and counseling free for all students, prior to Measure 3 there was a charge for products. This funding has been particularly helpful since NDSU went smoke free in March 2010 and our need for cessation services has increased substantially.

For those students interested in using the telephone-based Quitline service we can now give these students a 2-week supply of nicotine replacement products provided they also sign up with the North Dakota Quitline. This ensures students who want to quit almost immediately can do so because the Quitline can take awhile to get products out via mail.

NDSU is dedicated to promoting and developing healthy lifestyle opportunities for the members of the NDSU community and therefore supports CDC recommended funding for the statewide tobacco prevention and control program. In keeping with the wish of North Dakota voters, NDSU supports HB 1025.

Thank you for your time.

Sincerely,

Stacey Holm

Stacey Holm,CHES
Health Educator
North Dakota State University
stacey.holm@ndsu.edu

NORTH DAKOTA
Farmers Union

PO Box 2136 • 1415 12th Ave SE
Jamestown ND 58401
800-366-8331 • 701-252-2341
www.ndfu.org

NORTH DAKOTA FARMERS UNION STATEMENT
HB 1025

North Dakota Farmers Union respectfully asks that North Dakota's Comprehensive Tobacco Prevention Program funding be restored as outlined in the Governor's Budget Recommendations.

Specifically, we request the portion that voters allocated in 2008 to tobacco prevention and cessation to begin the state's Comprehensive Tobacco Prevention Program be restored. The 2008 initiated measure was supported by the NDFU Board of Governors, and ultimately by 54% of the voters at the polls. After two short years, statistics demonstrate that the prevention and cessation programs funded by the tobacco settlement money have been successful.

North Dakota Farmers Union policy has consistently asked for a portion of the tobacco settlement dollars for tobacco prevention and control.

Published March 05, 2011 – Grand Forks Herald HB 1025

Curbing smoking means changing norms

While education is important to curb smoking, health officials say the best approach is through societal changes, and that takes banning lighting up nearly everywhere

By: **Tu-Uyen Tran**, Grand Forks Herald

"The best bang for your buck is not going into schools. We've done it for years and we've seen the tobacco initiation rate stalled," said Theresa Knox, her voice taking on the tone of someone telling you a trade secret. "The best bang for your buck is these system-wide changes — but it takes time."

Grand Forks Public Health's tobacco prevention coordinator was explaining why her department wasn't putting as much emphasis on going out and talking to people about the dangers of tobacco as it seems to do in encouraging various powers that be to impose indoor and even outdoor smoking bans.

Her point was that public health has reached a point of diminishing returns when it comes to educating children about tobacco. That is, less education might mean more kids smoking, but more education won't necessarily mean more kids not smoking. Now, public health wants schools to ban smoking everywhere on campus, including outside in the parking lot, so kids don't see any parent or teacher smoking and think that smoking is in any way a normal, everyday activity, even if only a few do it.

The difference between the two is that the former is persuasive and the latter leverages the coercive power of local government and employers. And it may explain a little why tobacco control policy, while it may be winning the war of public opinion, seems to get a lot of grief in the process.

It took the Grand Forks City Council almost five years and two separate pieces of legislation to ban smoking in all public places, mostly because of loud opposition from bar owners, many of whose customers lit up, and from some members of the public. Some council members thought city government was overreaching in trying to protect consenting adults from doing what is still a legal act. Nobody's making anyone go into a smoky bar, they said.

More recently, the state House decided to cut some tobacco control funding in favor of battling chronic diseases. This follows an attempt to eviscerate the state's voter-approved tobacco program, saying the money would be better spent expanding UND's School of Medicine and Health Sciences. How to best spend the money made up a lot of the discussion, said Rep. Curt Kreun, R-Grand Forks, who's also one of the council members that supported the smoking ban, but he said there were a number of lawmakers who felt that tobacco control efforts may have gone too far.

"We all know smoking is bad, but how far do you go?" he said, describing the sentiment.

If the goal is to change society and affect individual behavior, you can go pretty far.

Changing norms

North Dakota spends about $9.3 million a year on its tobacco control program, the money coming from a portion of the settlement the Big Tobacco companies made with the attorneys general of several states.

This state is one of just two that actually spend as much on tobacco control as the Centers for Disease Control and Prevention recommends, mostly because Measure 3, which voters approved in 2008, required it.

It's an aggressive program that aims to do just about everything but ban smoking itself.

Reading through the CDC's "best practices" recommendations is like going through a laundry list. Ban smoking in public places. Check. Target kids with anti-tobacco ads. Check. Help smokers quit. Check. But take the best practices in their totality and it's clear that they form a multi-prong, multi-layer offensive against an idea: The idea that tobacco use is just a normal, everyday thing.

In the social sciences, this is called a "norm," meaning it's a behavior that a large majority of society considers normal and acceptable.

"Of course, it changes social norms; it's the most important reason for it," said psychologist Terry Pechacek of the best practices. An associate director in the CDC's smoking and health office, he wrote those recommendations after studying the effectiveness of various anti-tobacco policies in states such as California and Massachusetts that were early adopters of those policies. He stressed that these are proven policies.

The total cost nationwide of changing norms, if each state followed the best practices, is $3.7 billion a year, though that's an amount that would drop as tobacco use drops. "The tobacco industry spends billions of dollars annually to make tobacco use appear to be attractive as well as an accepted and established part of American culture," the best practices say. It takes billions more to counter that message.

Aggressive tactics

Norms have already changed drastically. Decades ago, no one would've raised an eyebrow if a smoker lit up in the supermarket or even in a hospital waiting room. Today, it's almost unthinkable.

In many places, though, smoking outside a building on the sidewalk or in a bar is still seen as normal. The best practices aim to change that.

To get smokers to quit, they recommend states offer phone counseling — it's called the "Quitline" in North Dakota — and free nicotine patches. They enlist doctors and nurses, some of the most persuasive people in our lives when it comes to our health, to remind tobacco users they need to quit. They call for advertising targeted at different kinds of smokers and would-be smokers — teens, considered the most vulnerable to advertising, are a particular focus.

But best practices also recommend more than persuasion: They call for raising the tobacco tax to around $2 a pack — North Dakota charges 44 cents — and banning smoking in public places. While smoking ban proponents often talk about protecting nonsmokers from secondhand smoke, the goal of a ban is also to help quitters avoid temptation.

To get legislation of that kind passed, best practices recommend enlisting the aid of local public health departments and anti-tobacco volunteer groups. It was one such group, the Grand Forks Tobacco Free Coalition, which got the city's smoking ban passed. Statewide, similar advocacy efforts got more than three dozen school districts and two universities to ban smoking on campus and two other cities to ban smoking in all public places.

As an indicator of how important local advocacy can be, half of the $9.3 million spent on tobacco control in North Dakota goes to such efforts. A quarter goes to helping smokers quit, 13 percent goes to advertising, 5 percent goes to administration and 8 percent goes to gathering data to ensure the campaign is working.

It appears to be.

In North Dakota, since Measure 3 was implemented in July 2009, the number of cigarettes packs sold has dropped from 47 million to 45.2 million in fiscal year 2010, according to the state's Center for Tobacco Prevention and Control Policy. The number of calls to the Quitline seeking nicotine patches has increased from 1,271 to 3,374.

The best practices might be just the start. Anti-tobacco advocates at the national Institute of Medicine suggest the tobacco industry be required to reduce the amount of nicotine in cigarettes, meaning the cigarettes would be less addictive and less pleasurable over time. They suggest state and local governments reduce the number of stores allowed to sell cigarettes and persuade developers to prohibit tobacco use as a condition of a lease of an apartment or sale of a condo.

That's social engineering on a pretty grand scale, all in the name of prevention.

Price of prevention

Jeanne Prom, executive director of the state's tobacco control center, doesn't see anything wrong with that. Her office estimates that North Dakota pays $247 million a year in medical costs and lost productivity because of smoking, or $567 for every North Dakotan.

Most people can agree that preventing a problem is better than having to fix it and she sees tobacco control as no different. In Bismarck, when the city commission banned smoking in bars, bar owners treated it like some sort of infringement of rights, she said. But when the commission restricted texting while driving, she said, there was no such backlash.

Prom suspects the hand of Big Tobacco, which she said has perpetuated the myth that connects smoking with freedom and rights. To her, the aim of public health isn't to curtail choices, but to make certain

choices more likely. "Primarily public health is about making an environment where people can be healthy and the default is a healthy choice."

That feeling that people are being forced into something by public health policy isn't necessarily limited to tobacco.

Knox said there were similar reactions when water treatment plants around the nation began adding fluoride to water, or when, in Grand Forks, the city decided to fine stores for selling tobacco to minors, or when public health push to require parents to put young children in child car seats.

"What people focus on at a cusp of a change like that is regulation. 'Don't tell me what to do,'" she said. She used a canoe analogy: If you were in a canoe with a hole in it and she said she can patch it, would you say "Leave me alone?"

In the end, after public health policies come into effect, they often become the norm. After all, few if any person complains about fluoridated water.

It appears anti-tobacco policies are also well on their way to becoming a norm. When Grand Forks bar owners attempted to gather signature to put the smoking ban on the ballot — it'd been decided by the council without a public vote — they couldn't get enough of their customers to sign. In Bismarck, after much discussion, the state House didn't even vote to end the tobacco control program; that section of the med school bill was eliminated in committee.

Reach Tran at (701) 780-1248; (800) 477-6572, ext. 248; or send e-mail to ttran@gfherald.com.

http://www.grandforksherald.com/event/article/id/195773/

Essentia Health
Here with you

North Dakota House Bill 1025 Testimony
Senate Appropriations Committee
(March 2, 2011, 2:00pm)

Good afternoon members of the Senate Appropriations Committee.

Chairman Holmberg and members of the Senate Appropriations Committee, I am Cheri Thomson a Tobacco Treatment Specialist with Essentia Health. As a representative of Essentia Health, we support House Bill 1025.

Essentia Health, with locations throughout North Dakota, is a healthcare system dedicated to providing the highest level of care for the patients we serve. Our Mission states that "We are called to make a healthy difference in people's lives."

One of the ways we have worked to make a healthy difference in people's lives is by creating a partnership with our local public health unit, Fargo Cass Public Health. When Measure 3 tobacco funds became available, Fargo Cass Public Health presented us with a unique opportunity to work with them in implementing a system-wide change to better provide tobacco cessation services for our patients wanting to quit. We saw the potential for success with this type of collaboration and we recognized that it would allow us to better serve our patients by connecting them directly to tobacco cessation resources such as the Quitline and Quitnet.

Because we have seen success in this partnership and because we strive to serve our patients in the best possible manner, Essentia Health supports House Bill 1025.

Thank you for your time.

3000 32nd Avenue South

Fargo, ND 58103

HB 1025

Central Valley Health District

Public Health
Prevent. Promote. Protect.

Stutsman County
122 2nd St NW
Jamestown, ND 58401
701-252-8130
701-252-8137 fax

Logan County
Courthouse
301 Broadway
Napoleon, ND 5856
701-754-2756

March 4, 2011

Chairman Holmberg and members of the Senate Appropriations Committee,

I am Nancy Thoen, Director of Tobacco Prevention and Control at Central Valley Health District in Jamestown. Central Valley Health District is also part of the South Central Tobacco Collaborative for which I also serve as Director. The SCTC includes Emmons, Kidder, LaMoure, Logan, McIntosh and Stutsman Counties.

I am testifying in favor of House Bill 1025, which provides funding for the North Dakota Tobacco Prevention and Control Executive Committee and its Center for Tobacco Prevention and Control Policy. We receive support and funding through the Center.

The Center's funding and support have allowed us to provide prevention, policy, and cessation services to the communities within the collaborative. Many of these communities had not been able to provide these services in the past due to lack of funding and staff. We have seen large increases in demand and access to the North Dakota Tobacco Quitline in all counties in our service area, as well as an increase in the number of schools who have adopted comprehensive tobacco policies.

We were able to provide the citizens of Napoleon with education and guidance in their successful effort to become the first small, rural community to become 100% smoke-free. We are now assisting two neighboring communities with the same effort and anticipating similar outcomes.

Thank you for the opportunity to provide testimony for House Bill 1025 and to share the impact that funding and support from The Center has helped us accomplish in our area.

Sincerely,

Nancy Thoen
Director of Tobacco Prevention of Control
Central Valley Health District and The South Central Tobacco Collaborative

212 N 2nd Street
Bismarck, ND 58501
Phone: 701/223-5613
Fax: 701/223-5727

Toll Free
1-800-252-6325

www.lungnd.org

AMERICAN LUNG ASSOCIATION®
of North Dakota

Testimony: House Bill 1025

North Dakota Senate Appropriations Committee

March 7, 2011 – 2:00 PM

Chairman Holmberg and members of the Senate Appropriations Committee, I am Kimberlee Schneider, Program Manager, for the American Lung Association in North Dakota. The American Lung Association is the oldest voluntary health organization in the country. Our mission is the "prevention and control of lung disease" and we know the important of tobacco control and prevention in succeeding in our mission.

We have partnered and supported the passage of initiated Measure 3 that makes North Dakota a leader in the country funding prevention and cessation programs to the level recommended by the Centers for Disease Control and one of only two states that our annual State of Tobacco Control Report Card gives an "A" in this category.

During the committee process, the House amended the original bill denying requested staff support and transferring that funding into the grants line item. The American Lung Association in North Dakota supports the request that the Governor's budget be restored to the Center for Tobacco Prevention and Control, providing the staffing necessary to assure the most effective delivery, assessment, tracking and evaluation this funding provides. We have been both impressed and astonished by the work of the Center in such a short timeframe and with limited staffing. We urge the Committee to adopt the Governor's budget.

Improving Life,
One Breath at a Time

The mission of the American Lung Association is to prevent lung disease and promote lung health.

Testimony in support of House Bill 1025

To: **Senate Appropriations Committee**
From: **Sharon Laxdal, RN, Walsh County Tobacco Prevention Coordinator**
Date: **March 7, 2011**

I have been a nurse for over 27 years, and have seen firsthand the tragedies caused by tobacco, both as a nurse and as a family member.When we have the resources and opportunity to help prevent tragedy, however, there can be joy, too.

Last year I shared educational materials about the ND Tobacco Quitline with a student from Park River. Later, he proudly told me that his grandmother had quit smoking after he'd passed the information on to her. You should have seen his smile!

With the stronger programming made possible by Measure 3, we can be much more effective at preventing the tragedies. Our local program doesn't help only the Walsh County people who happen to smoke. It helps everybody, even those who have never used tobacco at all. The new funding has increased our local tobacco prevention program's ability to improve public health in at least four ways:

1) Measure 3 funding has enabled more people to help change our community norms so that all the people (including children!) are not bombarded with glorified images of tobacco use; do not witness others using tobacco; and are not encouraged to use it themselves.
2) Measure 3 funding has made it possible for the local public health staff to educate students and administrators about the importance of comprehensive tobacco-free school policies. As a result, all five of Walsh County's schools have now adopted the recommended comprehensive tobacco-free school policy!
3) Measure 3 funding has provided needed time for the local public health staff to visit schools in order to provide other tobacco prevention education and resources, as well. By working with the schools the staff has been able to develop a positive and trusting working relationship. The schools recognize the local tobacco prevention staff and call on them as the need arises.
4) Measure 3 funding has brought cutting-edge CDC Best Practices to our local community! This means all of us are directly benefiting from work that is based on current research, including the latest evidence indicating that strong tobacco-free policies help deter young people from ever starting to use tobacco – and they protect workers, patrons and all citizens from the dangers of secondhand smoke.

With the guidance of CDC Best Practices based on many years of experience and research, we are making good progress, one school, one student and one grandmother at a time! Please continue to support full funding for North Dakota's comprehensive, CDC-recommended tobacco prevention program.

Respectfully submitted,
Sharon Laxdal

Testimony: House Bill 1025
North Dakota Senate Appropriations Committee
March 7, 2011 – 2:00 PM

James B. Buhr, MD, Family Medicine, Valley City

Chairman Holmberg and members of the Senate Appropriations Committee, I am Dr. James Buhr, from Valley City, and I would like to offer testimony in support of House Bill 1025.

As a family physician with responsibility for sharing coverage of an Emergency Department, I have an up-close-and-personal acquaintance with the grisly physical and emotional costs, as well as the escalating financial costs, that we all bear as a result of North Dakota's tobacco-addiction epidemic. It seems that the tobacco companies have always had unlimited resources for their all-too-successful campaign to literally "push" a lethal addicting drug.

That's why I am grateful that North Dakota has finally launched the only counteroffensive that can win against the Big Tobacco behemoth: a comprehensive, scrupulously Best Practices statewide tobacco prevention program that is fully funded at the level prescribed specifically for North Dakota by the U.S. Centers for Disease Control and Prevention.

Mandated by the people's vote for Measure 3 in the 2008 General Election, the new Center for Tobacco Prevention and Control Policy has already outstripped some of the timelines for the first two years of "Saving Lives -- Saving Money, North Dakota's Comprehensive State Plan to Prevent and Reduce Tobacco Use 2009-2014!" As promised, this CDC-based program is already proving itself successful. For example, smokers' use of our Quitline has increased and total cigarette sales have declined.

Those successes will reduce the physical, emotional and financial costs North Dakotans suffer as a result of tobacco addiction – but only IF we fully fund and implement the comprehensive program over time, just as the people wisely directed by approving Measure 3 and its legacy trust fund for sustaining the potent tobacco-use-reduction strategies for many years to come.

North Dakota has led the nation by voting-in and establishing a Best Practices program robust enough to defeat the drug-pushing activities of Big Tobacco in our state! Now let's maintain our leadership position by faithfully keeping all the provisions of Measure 3 intact. At this time, that necessitates restoring the requirement that 80% of the community health trust fund must be used for tobacco prevention and control. Keeping Measure 3 intact also includes continuing to direct all of the state's "strategic contribution" payments to the tobacco prevention and control trust fund.

I urge you to approve a version of HB 1025 that does fully sustain and fund all of the provisions of North Dakota's historic Measure # 3.

Thank you,
James B. Buhr, MD
Family Medicine
Valley City

Our patients mean the world to us

Family HealthCare Center

North Dakota House Bill 1025 Testimony
Senate Appropriations Committee
March 7, 2011 2pm

Chairman Holmberg and members of the Senate Appropriations Committee, I am Anne Ottney a Pharmacist and Tobacco Treatment Specialist at Family Healthcare Center in Fargo. I am testifying in favor of House Bill 1025, which provides funding for the North Dakota Tobacco Prevention and Control Executive Committee and its Center for Tobacco Prevention and Control Policy. Our organization receives support and funding through a grant from Fargo Cass Public Health.

Through Family Healthcare Center's partnership with Fargo Cass Public Health (made possible by Measure 3) we are able to offer our patients comprehensive cessation services. For those patients interested in quitting we can now give those patients a 2-week supply of nicotine replacement products provided they also sign up with the North Dakota Quitline. This ensures our patients who want to quit can walk out our doors with the necessary products to help them do so. The Quitline then follows up and provides additional assistance for our patients.

As a provider of family-oriented health care, FHC believes it can best maintain excellence in service through patient-focus where we continually strive to understand and exceed the patient expectations. Because quitting tobacco will lead our patients to a healthier life we support CDC recommended funding for the statewide tobacco prevention and control program. In keeping with the wish of North Dakota voters, FHC supports HB 1025.

Thank you for your time.

Testimony
House Bill 1025
House Appropriations Committee
8:30 a.m., Monday, March 7, 2011
North Dakota Society for Respiratory Care

I am Karla Smith and I represent the North Dakota Society for Respiratory Care. I am a respiratory therapist and have been practicing in the respiratory therapy profession in North Dakota for 22 years. I am here to provide testimony in support of HB 1025, appropriations for the continued funding of comprehensive tobacco control in the state of North Dakota, through the Center for Tobacco Prevention and Control Policy. Respiratory Therapists are frontline practitioners in the long and arduous battle against smoking-related disease and death. If someone in North Dakota is diagnosed with a smoking related disease such as COPD (which is the 4th leading cause of death in North Dakota) then they are very likely to have a respiratory therapist as part of their care-giving team. With our skills and training, we are usually, but not always, able to bring temporary relief to patients struggling to breathe. I know I speak for over 300 respiratory therapists in the state when I tell you that spending long periods of time at the bedside of men and women who struggle and ultimately, die from smoking-related disease, and doing it over, and over again (sometimes even in the same 8 hour shift) takes its toll.

In her September 22, 2010 presentation to the Legislative Budget section, Jeanne Prom, Director of the Center for Tobacco Prevention and Control Policy, presented data that supported the effectiveness of the current, comprehensive statewide tobacco control program, and noted that "these numbers show that our dollars are going toward putting the right tools and skills in the hands of the right people." I am here to attest to that, noting that respiratory therapy practitioners across the state have been enabled to help more patients quit their addictions to tobacco through the use of the Ask, Advise and Refer system, provide better education to their communities about the dangers of second-hand smoke, and encourage youth never to start. Health care practitioners are continually required to update their knowledge base to in order to practice evidence-based medicine. Evidence-based medicine means that experts look at which practices (known as "best practices") provide the best quality in the most cost effective manner, and then provide that information to the broader health care community for implementation. Through the efforts of the Center for Tobacco Prevention and Control Policy Center and its implementation of the Center for Disease Control "Best Practices" for Comprehensive Tobacco Control Program, respiratory therapists across the state, for the first time, have the opportunity to do WELL, at what we have worked at for so long: saving lives and, as a bonus, saving the state of North Dakota money at the same time. Thank you.

Karla Smith, RRT, RPSGT
St. Alexius Medical Center
Sleep Center Coordinator
Bismarck, North Dakota

A

Testimony
In Support of
House Bill 1025

Additional comments from
Jeanne Prom, Executive Director
Center for Tobacco Prevention and Control Policy
March 21, 2011
Senate Appropriations Subcommittee:
Senators Kilzer - Chair, Fischer, and Robinson.

The Executive Committee requests the Senate:

- Restore the Governor's Budget with the Optional Request.
  Governor's Budget and Optional Request include additional 3.5 FTE.
  - 3.5 permanent employees in Optional Request provide the most cost effective way to manage triple the number of grants the Center was directed to manage without transfer of staff.
  - We are a grants-making agency. Our state level staff is small. But the staff must be an appropriate size to assure accountability of the use of funds in the field.
  - Permanent staff provide for cost-effective program continuity and accountability.

  Governor's Budget includes the line item budget.
  - We are an agency with a budget of under $13 million.
  - We provide 89 percent of our budget to organizations in the field in either grants or professional service contracts.
  - We are a new agency with 20 months of budget history, so all our efforts are not yet maintenance efforts that are established as either a grant or a professional service contract.
  - We follow state procurement rules that determine if an award is to be coded as a grant or a professional service contract. Professional service contracts are not coded as Grants, but are coded as Operating object code expenses.
  - A $1 million contract which was expected to be a grant, but ends up being coded as a professional service contract, would be difficult to absorb in the current Operating object code budget.
  - Even with agencies with maintenance of effort and years of budget history, it can be difficult to predict with certainty whether a contract is a grant or a professional service. However, in agency budgets in the hundreds of millions of dollars, it is easier to absorb an additional $1 million expense in an object code than it is in an agency with a $13 million budget.
  - To adjust amounts in object codes in the interim would require Emergency Commission action, and the commission meets infrequently.

B

DEPT NAME: Tobacco Prevention & Control Executive Committee

PROJECT NAME: Tobacco Grants to Local Public Health Units

PURPOSE OF GRANT: Tobacco Grants to Local Public Health Units provide significant funding to all local public health units/cooperating health units on a population-based, noncompetitive formula to pay staff and operating expenses required to deliver effective and comprehensive tobacco prevention and control programs in every county reaching all population groups.

Contract Period		Subrecipient Name, Location	Contract Amount
Beginning	Ending		
7/1/2009	6/30/2010	Bismarck-Burleigh Public Health, Bismarck	290,412.00
7/1/2009	6/30/2010	Cavalier County Health District, Langdon	43,444.00
7/1/2009	6/30/2010	Central Valley Health District, Jamestown	256,203.00
7/1/2009	6/30/2010	City County Health Department, Valley City	67,387.00
7/1/2009	6/30/2010	Custer District Health Unit, Mandan	177,978.00
7/1/2009	6/30/2010	Dickey County District Health Unit, Ellendale	48,330.00
7/1/2009	6/30/2010	Fargo Cass Public Health, Fargo	489,701.00
7/1/2009	6/30/2010	First District Health Unit, Minot	309,060.00
7/1/2009	6/30/2010	Foster County Health Department, Carrington	24,962.00
7/1/2009	6/30/2010	Grand Forks Public Health Department, Grand Forks	248,048.00
7/1/2009	6/30/2010	Lake Region District Health Unit, Devils Lake	126,295.00
7/1/2009	6/30/2010	Nelson Griggs District Health, McVille	59,338.00
7/1/2009	6/30/2010	Pembina County Health Department, Cavalier	28,257.00
7/1/2009	6/30/2010	Ransom County Public Health Department, Lisbon	49,013.00
7/1/2009	6/30/2010	Richland County Health Department, Wahpeton	87,169.00
7/1/2009	6/30/2010	Rolette County Public Health District, Rolla	77,800.00
7/1/2009	6/30/2010	Sargent County District Health Unit, Forman	44,168.00
7/1/2009	6/30/2010	Southwestern District Health Unit, Dickinson	163,310.00
7/1/2009	6/30/2010	Towner County Public Health District, Cando	37,707.00
7/1/2009	6/30/2010	Traill District Health Unit, Hillsboro	66,199.00
7/1/2009	6/30/2010	Upper Missouri District Health Unit, Williston	154,060.00
7/1/2009	6/30/2010	Walsh County Health Department, Grafton	68,080.00
7/1/2009	6/30/2010	Wells County District Health Unit, Fessenden	44,628.00
7/1/2010	6/30/2011	Bismarck-Burleigh Public Health, Bismarck	290,412.00
7/1/2010	6/30/2011	Cavalier County Health District, Langdon	43,444.00
7/1/2010	6/30/2011	Central Valley Health District, Jamestown	256,203.00
7/1/2010	6/30/2011	City County Health Department, Valley City	67,387.00
7/1/2010	6/30/2011	Custer District Health Unit, Mandan	178,494.27
7/1/2010	6/30/2011	Dickey County District Health Unit, Ellendale	48,330.00
7/1/2010	6/30/2011	Fargo Cass Public Health, Fargo	487,622.00
7/1/2010	6/30/2011	First District Health Unit, Minot	309,060.00
7/1/2010	6/30/2011	Foster County Health Department, Carrington	41,570.58
7/1/2010	6/30/2011	Grand Forks Public Health Department, Grand Forks	248,048.00

DEPT NAME: Tobacco Prevention & Control Executive Committee

PROJECT NAME: Tobacco Grants to Local Public Health Units

PURPOSE OF GRANT: Tobacco Grants to Local Public Health Units provide significant funding to all local public health units/cooperating health units on a population-based, noncompetitive formula to pay staff and operating expenses required to deliver effective and comprehensive tobacco prevention and control programs in every county reaching all population groups.

Contract Period		Subrecipient Name, Location	Contract Amount
Beginning	Ending		
7/1/2010	6/30/2011	Lake Region District Health Unit, Devils Lake	126,329.90
7/1/2010	6/30/2011	Nelson Griggs District Health, McVille	59,338.00
7/1/2010	6/30/2011	Pembina County Health Department, Cavalier	27,846.60
7/1/2010	6/30/2011	Ransom County Public Health Department, Lisbon	47,094.86
7/1/2010	6/30/2011	Richland County Health Department, Wahpeton	87,169.00
7/1/2010	6/30/2011	Rolette County Public Health District, Rolla	77,800.00
7/1/2010	6/30/2011	Sargent County District Health Unit, Forman	44,168.00
7/1/2010	6/30/2011	Southwestern District Health Unit, Dickinson	163,310.00
7/1/2010	6/30/2011	Towner County Public Health District, Cando	37,707.00
7/1/2010	6/30/2011	Traill District Health Unit, Hillsboro	82,841.75
7/1/2010	6/30/2011	Upper Missouri District Health Unit, Williston	154,060.00
7/1/2010	6/30/2011	Walsh County Health Department, Grafton	68,080.00
7/1/2010	6/30/2011	Wells County District Health Unit, Fessenden	44,669.00
		Total Tobacco Grants to Local Public Health Units:	**5,952,533.96**

DEPT NAME: Tobacco Prevention & Control Executive Committee

PROJECT NAME: Tobacco State Aid

PURPOSE OF GRANT: Tobacco State Aid Grants provide funding to all local public health units on a population-based, noncompetitive formula reaching all counties so health units can connect all tobacco users in their client-based programs to cessation services.

Contract Period		Subrecipient Name, Location	Contract Amount
Beginning	Ending		
7/1/2009	6/30/2011	Bismarck Burleigh Public Health, Bismarck	63,595.00
7/1/2009	6/30/2011	Cavalier County Health District, Langdon	12,045.00
7/1/2009	6/30/2011	Central Valley Health District, Jamestown	34,184.00
7/1/2009	6/30/2011	City County Health Department, Valley City	16,757.00
7/1/2009	6/30/2011	Custer District Health Unit, Mandan	76,236.00
7/1/2009	6/30/2011	Dickey County District Health Unit, Ellendale	13,007.00
7/1/2009	6/30/2011	Emmons County Public Health, Linton	11,726.00
7/1/2009	6/30/2011	Fargo Cass Public Health, Fargo	105,763.00
7/1/2009	6/30/2011	First District Health Unit, Minot	121,696.00
7/1/2009	6/30/2011	Foster County Health Department, Carrington	11,774.00
7/1/2009	6/30/2011	Grand Forks Public Health Department, Grand Forks	55,258.00
7/1/2009	6/30/2011	Kidder County District Health Unit, Steele	10,977.00
7/1/2009	6/30/2011	Lake Region District Health Unit, Devils Lake	54,589.00
7/1/2009	6/30/2011	LaMoure County Public Health Unit, LaMoure	12,145.00
7/1/2009	6/30/2011	McIntosh District Health Unit, Ashley	11,218.00
7/1/2009	6/30/2011	Nelson Griggs District Health, McVille	22,605.00
7/1/2009	6/30/2011	Pembina County Health Department, Cavalier	14,510.00
7/1/2009	6/30/2011	Ransom County Public Health Department, Lisbon	13,276.00
7/1/2009	6/30/2011	Richland County Health Department, Wahpeton	20,650.00
7/1/2009	6/30/2011	Rolette County Public Health District, Rolla	18,806.00
7/1/2009	6/30/2011	Sargent County District Health Unit, Forman	12,188.00
7/1/2009	6/30/2011	Southwestern District Health Unit, Dickinson	100,448.00
7/1/2009	6/30/2011	Steele County Public Health Department, Finley	10,637.00
7/1/2009	6/30/2011	Towner County Public Health District, Cando	10,917.00
7/1/2009	6/30/2011	Traill District Health Unit, Hillsboro	14,786.00
7/1/2009	6/30/2011	Upper Missouri District Health Unit, Williston	61,028.00
7/1/2009	6/30/2011	Walsh County Health Department, Grafton	16,893.00
7/1/2009	6/30/2011	Wells County District Health Unit, Fessenden	12,286.00
		Total Tobacco State Aid:	**940,000.00**

DEPT NAME: Tobacco Prevention & Control Executive Committee

PROJECT NAME: Special Initiative Grants - Policy

PURPOSE OF GRANT: Special Initiative Grants - Policy provide competitive funding to local public health units and partner organizations to build the capacity of communities to provide public education necessary for community groups to address evidence-based policy change effective in eliminating exposure to secondhand smoke & reducing tobacco use among youth/young adults.

Contract Period		Subrecipient Name, Location	Contract Amount
Beginning	Ending		
3/25/2010	6/30/2011	American Nonsmokers' Rights Foundation, Berkeley CA	25,000.00
3/25/2010	6/30/2011	First District Health Unit, Minot ND	25,000.00
		Subtotal	**50,000.00**

DEPT NAME: Tobacco Prevention & Control Executive Committee

PROJECT NAME: Special Initiative Grants - Statewide Organization

PURPOSE OF GRANT: Special Initiative Grants - Statewide Organization provide competitive funding to nongovernmental statewide organizations to educate and engage their members & networks on evidence-based policy change effective in significantly reducing tobacco use.

Contract Period		Subrecipient Name, Location	Contract Amount
Beginning	Ending		
10/20/2010	6/30/2011	American Lung Association, Bismarck ND	70,000.37
10/20/2010	6/30/2011	Tobacco Free North Dakota, Bismarck ND	72,398.00
		Subtotal	**142,398.37**

DEPT NAME: Tobacco Prevention & Control Executive Committee

PROJECT NAME: Health Communication Campaign

PURPOSE OF GRANT: Health Communication Campaign provides funding to Upper Missouri District Health Unit acting as the fiscal agent for the Public Education Task Force (PETF) for placement of flights of tobacco prevention paid media, creative development of media, public relations and social media costs per the Health Communication Plan.

Contract Period			Contract
Beginning	Ending	Subrecipient Name, Location	Amount
1/1/2010	6/30/2010	Upper Missouri District Health Unit, Williston ND	169,604.00
10/1/2010	6/30/2011	Upper Missouri District Health Unit, Williston ND	657,815.00
		Subtotal	**827,419.00**

DEPT NAME: Tobacco Prevention & Control Executive Committee

PROJECT NAME: Minot State University - Policy & Environmental Change Collaborative

PURPOSE OF GRANT: Minot State University - Policy & Environmental Change Collaborative grant provides funding to MSU to deliver ongoing technical assistance & coordination of training to state & local tobacco prevention programs to implement the most effective evidence-based policies that eliminate public exposure to secondhand smoke & significantly reduce tobacco use.

Contract Period		Subrecipient Name, Location	Contract Amount
Beginning	Ending		
8/16/2010	6/30/2011	Minot State University, Minot ND	143,597.00
		Subtotal	**143,597.00**

TOBACCO GRANTS RECAP

Tobacco State Aid	940,000.00
Tobacco Grants to Local Public Health Units	5,952,533.96
Special Initiative Grants - Policy	50,000.00
Special Initiative Grants - Statewide Organization	142,398.37
Health Communication Campaign	827,419.00
Minot State University - Policy & Environmental Change Collaborative	143,597.00
TOTAL TOBACCO GRANT FUNDING:	**8,055,948.33**

Center for Tobacco Prevention and Control Policy

2010-2011 Grant Year

Local Public Health Unit	Total number of tobacco prevention FTEs*	Personnel	Fringe Benefits	Personnel and Fringe
Bismarck Burleigh Public Health	2.20	$ 119,931.76	$ 56,355.14	$ 176,286.90
Cavalier County Health District	0.40	$ 18,895.00	$ 7,683.00	$ 26,578.00
Central Valley Health District	3.57	$ 135,960.00	$ 33,243.00	$ 169,203.00
City County Health Department	0.99	$ 37,543.00	$ 14,411.00	$ 51,954.00
Custer District Health Unit	2.33	$ 91,267.64	$ 32,335.53	$ 123,603.17
Dickey County District Health Unit	0.66	$ 29,160.00	$ 9,402.16	$ 38,562.16
Fargo Cass Public Health	3.08	$ 168,621.00	$ 41,929.00	$ 210,550.00
First District Health Unit	5.28	$ 168,719.03	$ 80,860.00	$ 249,579.03
Foster County Health Department	0.90	$ 29,607.00	$ 3,822.26	$ 33,429.26
Grand Forks Public Health Department	2.82	$ 149,276.00	$ 52,717.00	$ 201,993.00
Lake Region District Health Unit	1.64	$ 60,728.57	$ 25,579.13	$ 86,307.70
Nelson-Griggs District Health	0.88	$ 30,994.80	$ 9,652.05	$ 40,646.85
Pembina County Health Department	0.65	$ 15,912.00	$ 2,589.60	$ 18,501.60
Ransom County Public Health Department	0.70	$ 27,423.68	$ 2,097.91	$ 29,521.59
Richland County Health Department	1.23	$ 29,740.00	$ 9,677.00	$ 39,417.00
Rolette County Public Health District	1.11	$ 35,232.00	$ 17,072.00	$ 52,304.00
Sargent County District Health Unit	0.68	$ 25,423.28	$ 2,018.09	$ 27,441.37
Southwestern District Health Unit	3.03	$ 76,881.00	$ 33,361.00	$ 110,242.00
Towner County Public Health District	0.64	$ 22,560.72	$ 9,129.45	$ 31,690.17
Traill District Health Unit	1.04	$ 43,248.00	$ 20,629.03	$ 63,877.03
Upper Missouri District Health Unit	1.70	$ 76,892.00	$ 30,799.00	$ 107,691.00
Walsh County Health Department	0.68	$ 30,579.36	$ 16,706.76	$ 47,286.12
Wells County District Health Unit	0.92	$ 28,790.32	$ 5,758.07	$ 34,548.39
Total	**37.13**	**$ 1,453,386.16**	**$ 517,827.18**	**$ 1,971,213.34**

*The total number of tobacco prevention FTEs only includes those FTEs paid through the Center for Tobacco Prevention and Control Policies local grant program. This does not include any FTEs paid by CDC funds. (*CDC information can be requested from the Department of Health.*)

FTE list C
3-21-11

Center for Tobacco Prevention and Control Policy

State Aid Grants Actual Personnel and Fringe - Current Biennium

Local Public Health Unit	Personnel	Fringe Benefits	Personnel and Fringe
Bismarck Burleigh Public Health	$ 47,688.00	$ -	$ 47,688.00
Cavalier County Health District	$ 8,005.42	$ 3,208.44	$ 11,213.86
Central Valley Health District	$ 16,662.00	$ 8,976.00	$ 25,638.00
City County Health Department	$ 13,405.43	$ 3,053.88	$ 16,459.31
Custer District Health Unit	$ 35,737.50	$ 21,442.50	$ 57,180.00
Dickey County District Health Unit	$ 6,968.70	$ 1,809.90	$ 8,778.60
Emmons County Public Health	$ 8,760.33	$ 1,571.50	$ 10,331.83
Fargo Cass Public Health	$ 66,218.61	$ 13,095.39	$ 79,314.00
First District Health Unit	$ 64,740.70	$ 26,420.30	$ 91,161.00
Foster County Health Department	$ 907.34	$ 206.91	$ 1,114.25
Grand Forks Public Health Department	$ 17,264.60	$ 6,995.45	$ 24,260.05
Kidder County District Health Unit	$ 12,034.01	$ 936.77	$ 12,970.78
Lake Region District Health Unit	$ 21,829.95	$ 17,270.80	$ 39,100.75
LaMoure County Health Department	$ 2,339.00	$ 215.00	$ 2,554.00
McIntosh District Health Unit	$ 5,454.31	$ 1,042.51	$ 6,496.82
Nelson-Griggs District Health	$ 12,028.62	$ 4,431.88	$ 16,460.50
Pembina County Health Department	$ 3,500.00	$ -	$ 3,500.00
Ransom County Public Health Department	$ 1,159.00	$ 198.00	$ 1,357.00
Richland County Health Department	$ 15,486.00	$ -	$ 15,486.00
Rolette County Public Health District	$ 9,734.34	$ 4,371.66	$ 14,106.00
Sargent County District Health Unit	$ 10,774.74	$ 845.54	$ 11,620.28
Southwestern District Health Unit	$ 23,341.45	$ 11,563.38	$ 34,904.83
Steele County Public Health Department	$ 6,084.00	$ 1,387.00	$ 7,471.00
Towner County Public Health District	$ 6,156.18	$ 461.93	$ 6,618.11
Traill District Health Unit	$ -	$ -	$ -
Upper Missouri District Health Unit	$ 32,027.90	$ 13,746.10	$ 45,774.00
Walsh County Health Department	$ 12,672.00	$ -	$ 12,672.00
Wells County District Health Unit	$ 2,342.37	$ 468.49	$ 2,810.86
Total	**$ 463,322.50**	**$ 143,719.33**	**$ 607,041.83**

NOTES:

The figures above represent actual expenditures for salary and fringe reported and spent since July 1, 2009.

Center for Tobacco Prevention and Control Policy

Special Initiative Grants Personnel and Fringe Budgeted Amounts

Local Public Health Unit	Contract Dates	Personnel	Fringe Benefits	Personnel & Fringe	FTE
Americans Nonsmokers' Rights Foundation	3/25/10 - 6/30/11	$ 15,350.00	$ 5,532.00	$ 20,882.00	0.18
First District Health Unit	3/25/10 - 6/30/11	$ -	$ -	$ -	0
American Lung Association	10/20/10 - 6/30/11	$ 34,061.20	$ 11,921.42	$ 45,982.62	0.81
*Tobacco Free North Dakota	10/20/10 - 6/30/11	$ -	$ -	$ 62,280.00	1
Upper Missouri District Health Unit	1/1/10 - 6/30/10	$ -	$ -	$ -	0
Upper Missouri District Health Unit	10/1/10 - 6/30/11	$ -	$ -	$ -	0
Minot State University	8/16/10 - 6/30/11	$ 66,258.00	$ 24,692.00	$ 90,950.00	1.75
Total		**$ 115,669.20**	**$ 42,145.42**	**$ 220,094.62**	**3.56**

*Tobacco Free North Dakota contracts for staffing services rather than hiring employees. Budgeted amount for TFND is in the consultant/contractual line item.

FTE is based on original bugdeted amounts for the term of each individual contract.

3/14/2011

D

North Dakota Tobacco Prevention and Control Executive Committee
Center for Tobacco Prevention and Control Policy
4023 State Street, Suite 65 • Bismarck, ND 58503-0638
Phone 701.328.5130 • Fax 701.328.5135 • Toll Free 1.877.277.5090

MEMO

TO: Chair Kilzer and members of the Senate Appropriations Subcommittee
FROM: Jeanne Prom, Executive Director
DATE: March 23, 2011
RE: House Bill 1025 – information requested

As requested, I have provided the information below and attached on the following subjects:

- Measure 3 statute with accompanying fact sheet
- Additional details on all tobacco settlement funds (two documents) and the deposits and expenditures in the Tobacco Prevention and Control Trust Fund
- A detailed agency budget (two documents)
- Details on all agency positions, including minimum job qualifications, job descriptions, and current salaries
- Information on how sales of tobacco are decreasing both on and off reservations in North Dakota (memo)
- The following explanation of the involvement by the N.D. Department of Health in grants or contracts issued by the Center for Tobacco Prevention and Control Policy:
  The Center assumed the full administration of the Center-funded local grants program in FY 2010, and will also provide level funding and technical assistance for local public health units no longer receiving local grants from the Department of Health beginning in April 2011. The Center is the lead agency on policy (including policies to promote cessation and quitline use), statewide evaluation, health communications and community interventions. The Department of Health is the lead agency on cessation and surveillance.
- Grants and contracts, with details on FTEs, salary and benefit expenditures (provided March 21, 2011).

Please contact me if you need require additional information. Thank you.

E

MEASURE 3
Effective December 4, 2008

CHAPTER 23-42
TOBACCO PREVENTION AND CONTROL PROGRAM

23-42-01. Definitions. As used in this chapter:

1. "Advisory committee" is the nine-member tobacco prevention and control advisory committee responsible to develop the comprehensive plan.
2. "Comprehensive plan" means a comprehensive statewide tobacco prevention and control program that is consistent with the centers for disease control best practices for comprehensive tobacco prevention and control programs and does not duplicate the work of the community health grant program created in chapter 23-38.
3. "Executive committee" means the three-member committee selected by the advisory committee and charged with implementation and administration of the comprehensive plan.
4. "Tobacco prevention and control fund" consists of all principal and interest of the tobacco prevention and control trust fund established by section 54-27-25.

23-42-02. Tobacco prevention and control advisory committee - Membership - Terms - Duties - Removal.

1. The advisory board consists of nine North Dakota residents appointed by the governor for three-year terms as follows:
   a. A practicing respiratory therapist familiar with tobacco-related diseases;
   b. Four nonstate employees who have demonstrated expertise in tobacco prevention and control;
   c. A practicing medical doctor familiar with tobacco-related diseases;
   d. A practicing nurse familiar with tobacco-related diseases;
   e. A youth between the ages of fourteen and twenty-one; and
   f. A member of the public with a previously demonstrated interest in fostering tobacco prevention and control.
2. The governor shall select the youth and public member independently; the respiratory therapist from a list of three nominations provided by the North Dakota society for respiratory care; the four tobacco control experts from a list of two nominations per member provided by the North Dakota public health association's tobacco control section; the medical doctor from a list of three nominations provided by the North Dakota medical association; and the nurse from a list of three nominations provided by the North Dakota nurses association. The governor must make the appointments within three weeks of receiving the respective list of nominees. If the governor fails to make an appointment within three weeks, the association that provided the list of nominees shall select the committee member. In the initial appointments for the advisory committee, the governor shall stagger the terms of the members so that the terms of three members expire each fiscal year and that three members are appointed each year by June thirtieth. Accordingly, the governor's initial appointments, in some instances, must be for terms less than three years. The governor shall fill vacancies for the unexpired term as provided in this section.
3. No individual may serve more than two consecutive three-year terms. However, terms of less than three years are not considered in determining an individual's eligibility for reappointment.
4. A quorum of the advisory committee is required to conduct business, but the advisory committee may conduct a meeting with less than a quorum present. A quorum is a majority of the members of the committee. Any action taken requires a vote of the majority of the members present at the meeting.

5. The advisory board shall:

a. Select the executive committee;

b. Fix the compensation of the advisory committee and the executive committee. However, compensation may not exceed compensation allowed to the legislature. Advisory and executive committee members are entitled to reimbursement for mileage and expenses as provided for state officers in addition to any compensation provided;

c. Develop the initial comprehensive statewide tobacco prevention and control program that includes support for cessation interventions, community and youth interventions, and health communication; and

d. Evaluate the effectiveness of the plan and its implementation and, before April first of each year, propose any necessary changes to the plan to the executive committee.

6. The governor may remove any member of the advisory committee for malfeasance in office, but the advisory committee is not subject to section 54-07-01.2.

7. No nomination to, or member of, the advisory committee shall have any past or current affiliation with the tobacco industry or any industry, contractor, agent, or organization that engages in the manufacturing, marketing, distributing, sale, or promotion of tobacco or tobacco-related products.

23-42-03. Executive committee. The executive committee of the advisory committee consists of three individuals selected by the advisory committee from its membership. The term of each member is for three years. The initial terms of the members must be staggered so that one member serves a three-year term, one member serves a two-year term, and one member serves a one-year term. The determination of initial terms shall be by lot. No individual may serve more than two consecutive three-year terms. However, terms of less than three years are not considered in determining an individual's eligibility for reappointment. The advisory committee shall fill vacancies for the unexpired term. An individual selected to serve on the executive committee is no longer eligible to serve if that individual is not a member of the advisory committee. The executive committee is responsible for the implementation and administration of the comprehensive plan, including the appropriateness of expenditures to implement the comprehensive plan. The executive committee may seek the counsel and advice of the advisory committee in implementing the plan, but the executive committee is the final decision maker.

23-42-04. Powers of the executive committee. To implement the purpose of this chapter and, in addition to any other authority granted elsewhere in this chapter, to support its efforts and implement the comprehensive plan, the executive committee may employ staff and fix their compensation, accept grants, property, and gifts, enter contracts, make loans, provide grants, borrow money, lease property, provide direction to the state investment board for investment of the tobacco prevention and control fund, and take any action that any private individual, corporation, or limited liability company lawfully may do except as restricted by the provisions of this chapter.

23-42-05. Development of the comprehensive plan. The advisory committee shall develop the initial comprehensive plan within one hundred eighty days of the initial meeting of the advisory committee. The comprehensive plan must be funded at a level equal to or greater than the centers for disease control recommended funding level. Funding for the comprehensive plan must supplement and may not supplant any funding that in the absence of this chapter would be or has been provided for the community health trust fund or other health initiatives.

23-42-06. Conflict of interest. No member of the advisory committee or of the executive committee who has a direct and substantial personal or pecuniary interest in a matter before them may vote or take any action on that matter.

23-42-07. Audit. At least once a biennium, the executive committee shall provide for an independent review of the comprehensive plan to assure that the comprehensive plan is consistent with the centers for disease control best practices. The executive committee shall report the results of that review to the governor and to the state health officer on or before September first in each odd-numbered year.

54-27-25. Tobacco settlement trust fund - Interest on fund - Uses.
1. There is created in the state treasury a tobacco settlement trust fund. The fund consists of the tobacco settlement dollars obtained by the state under subsection IX(c)(1) of the master settlement agreement and consent agreement adopted by the east central judicial district court in its judgment entered December 28, 1998 [Civil No. 98-3778] in State of North Dakota, ex rel. Heidi Heitkamp v. Philip Morris, Inc. Except as provided in subsection 2, moneys received by the state under subsection IX(c)(1) must be deposited in the fund. Interest earned on the fund must be credited to the fund and deposited in the fund. The principal and interest of the fund must be allocated as follows:

a. Transfers to a community health trust fund to be administered by the state department of health. The state department of health may use funds as appropriated for community-based public health programs and other public health programs, including programs with emphasis on preventing or reducing tobacco usage in this state. Transfers under this subsection must equal ten percent of total annual transfers from the tobacco settlement trust fund of which a minimum of eighty precent must be used for tobacco prevention and control.

b. Transfers to the common schools trust fund to become a part of the principal of that fund. Transfers under this subsection must equal forty-five percent of total annual transfers from the tobacco settlement trust fund.

c. Transfers to the water development trust fund to be used to address the long-term water development and management needs of the state. Transfers under this subsection must equal forty-five percent of the total annual transfers from the tobacco settlement trust fund.

2. There is created in the state treasury a tobacco prevention and control trust fund. The fund consists of the tobacco settlement dollars obtained by the state under section IX(c)(2) of the agreement adopted by the east central judicial district court in its judgment entered December 28, 1998 [Civil No. 98-3778] in State of North Dakota, ex rel. Heidi Heitkamp v. Philip Morris, Inc. Interest earned on the fund must be credited to the fund and deposited in the fund. Moneys received into the fund are to be administered by the executive committee for the purpose of creating and implementing the comprehensive plan. If in any biennium, the tobacco prevention and control trust fund does not have adequate dollars to fund a comprehensive plan, the treasurer shall transfer money from the water development trust fund to the tobacco prevention and control trust fund in an amount equal to the amount determined necessary by the executive committee to fund a comprehensive plan.
3. Transfers to the funds under this section must be made within thirty days of receipt by the state.

F

Measure 3

- Creates a tobacco prevention and control trust fund from the payments from the Master Tobacco Settlement Agreement Strategic Contribution Fund.
- Creates a nine member tobacco prevention and control advisory committee responsible for the development of a plan for a comprehensive statewide tobacco prevention and control program consistent with the Centers for Disease Control Best Practices for Tobacco Prevention and Control that does not duplicate the work of the Community Health Grant Program.
- Creates a three member executive committee selected by the advisory committee to implement and administer the comprehensive plan.
- Requires that 80 percent of the Community Health Trust Fund be used for tobacco prevention and control.
- Requires that if adequate funds are not available to fund a comprehensive plan, money shall be transferred from the Water Development Trust Fund in the amount needed to fund the comprehensive plan.
- Requires that each biennium, the executive committee will provide for an independent review of the plan to assure it is consistent with CDC Best Practices. Results will be reported to the Governor and State Health Officer before September 1 in each odd numbered year.

Nine Member Advisory Committee Appointed by the Governor

- 1 practicing respiratory therapist familiar with tobacco-related diseases
- 4 non-state employees with expertise in tobacco prevention and control
- 1 practicing medical doctor familiar with tobacco-related diseases
- 1 practicing nurse familiar with tobacco-related diseases
- 1 youth between the ages of 14 and 21
- 1 public member with demonstrated interest in tobacco prevention and control

Terms - Three years (initially staggered so that the terms of three members expire each year) Three new members are appointed each year by June 30.

Term limits - Two consecutive three year terms.

All appointees must be North Dakota residents.

Governor can remove a member for malfeasance in office.

No member can have a current or past affiliation with the tobacco industry or any industry, contractor, agent or organization that engages in manufacturing, marketing, distributing, sale or promotion of tobacco or tobacco-related products.

No member of the advisory committee who has a direct or pecuniary interest in a matter before the committee can vote or take action on that matter.

Duties of the North Dakota Tobacco Prevention and Control Advisory Committee

- Select the three member executive committee.
- Fix the compensation of the North Dakota Tobacco Prevention and Control Advisory Committee and the executive committee. Compensation may not exceed compensation allowed to the

legislature. Members are entitled to reimbursement for mileage and expenses as provided for state officers in addition to any compensation provided.

- Develop the initial comprehensive statewide tobacco prevention and control program that includes support for cessation interventions, community and youth interventions, and health communication.
- Evaluate the effectiveness of the plan and its implementation and prior to April 1 of each year, propose any necessary changes to the plan to the executive committee.
- May conduct a meeting with less than a quorum present but must have a quorum to conduct business. A quorum is the majority of the committee members. An action requires the vote of the majority of the members present at the meeting where there is a quorum of the committee present.
- Must develop the initial comprehensive plan within 180 days of the initial meeting of the advisory committee. (First meeting Jan 8 +179 days = Monday, July 6, 2009)

  The comprehensive plan must be funded at a level equal to or greater than the Centers for Disease Control recommended funding level.

  Funding for the plan must supplement and may not supplant any funding that in the absence of this Act would be or has been provided for the community health trust fund or other health initiatives.

Executive Committee

- Consists of 3 individuals selected by the advisory committee.
- Terms – Three years (terms staggered initially so that one expires each year).
- Term limits – Two consecutive three year terms.
- Vacancies on the executive committee for unexpired terms are filled by the advisory committee from its membership.
- Responsible for the implementation and administration of the comprehensive plan, including appropriateness of expenditures to implement the comprehensive plan.
- May seek the counsel and advice of the advisory committee in implementing the plan.
- Serve as the final decision maker.
- Provide for an independent review/audit of the comprehensive plan at least once a biennium to assure the plan is consistent with the Centers for Disease Control Best Practices. Results reported to the Governor and the State Health Officer on or before September 1 in each odd numbered year. i.e. 2011, 2013, etc.

Executive Committee Powers

- Implement "Measure 3" and implement the comprehensive plan.
- May employ staff and fix their compensation
- Accept grants, property, and gifts
- Enter contracts
- Make loans
- Provide grants
- Borrow money
- Lease property
- Provide direction to the state investment board for investment of the tobacco prevention and control fund.
- Take any action that any private individual, corporation, or limited liability company lawfully may do except as restricted by the provisions of Measure 3.

NDCC 54-27-25
Tobacco Settlement Trust Fund - Fund 407

Date	Total Received	Community Health Trust Fund - 10%	Commons School Trust Fund - 45%	Water Development Trust Fund - 45%
12/14/99	9,036,985.38	903,698.54	4,066,643.42	4,066,643.42
1/3/00	7,871,639.19	787,163.91	3,542,237.64	3,542,237.64
4/18/00	12,875,523.14	1,287,552.32	5,793,985.41	5,793,985.41
4/19/00	169,475.62	16,947.56	76,264.03	76,264.03
5/4/00	984.72	98.48	443.12	443.12
9/13/00	363.38	36.34	163.52	163.52
1/2/01	8,011,307.29	801,130.73	3,605,088.28	3,605,088.28
1/17/01	1,505.95	150.59	677.68	677.68
4/17/01	14,690,317.34	1,469,031.74	6,610,642.80	6,610,642.80
4/27/01	221,405.57	22,140.55	99,632.51	99,632.51
6/15/01	21,277.38	2,127.74	9,574.82	9,574.82
11/19/01	181,556.56	18,155.66	81,700.45	81,700.45
1/2/02	7,115,019.43	711,501.95	3,201,758.74	3,201,758.74
1/14/02	2,071.14	207.12	932.01	932.01
4/16/02	18,872,853.92	1,887,285.40	8,492,784.26	8,492,784.26
4/23/02	609,210.48	60,921.04	274,144.72	274,144.72
1/2/03	5,869,683.32	586,968.34	2,641,357.49	2,641,357.49
1/16/03	1,960,169.68	196,016.96	882,076.36	882,076.36
4/16/03	18,051,398.80	1,805,139.88	8,123,129.46	8,123,129.46
4/23/03	668,581.37	66,858.13	300,861.62	300,861.62
7/1/03	305,817.91	30,581.79	137,618.06	137,618.06
10/3/03	230,963.18	23,096.32	103,933.43	103,933.43
4/15/04	21,899,894.49	2,189,989.45	9,854,952.52	9,854,952.52
4/21/04	852,398.02	85,239.80	383,579.11	383,579.11
8/30/04	255,371.41	25,537.15	114,917.13	114,917.13
4/19/05	22,261,451.85	2,226,145.19	10,017,653.33	10,017,653.33
4/20/05	809,930.77	80,993.07	364,468.85	364,468.85
10/6/05	262,051.11	26,205.11	117,923.00	117,923.00
4/17/06	19,898,716.49	1,989,871.65	8,954,422.42	8,954,422.42
4/19/06	1,253,301.83	125,330.19	563,985.82	563,985.82
12/22/06	196,418.35	19,641.83	88,388.26	88,388.26
4/17/07	20,664,718.59	2,066,471.85	9,299,123.37	9,299,123.37
4/19/07	1,379,744.44	137,974.44	620,885.00	620,885.00
6/5/07	173,167.26	17,316.72	77,925.27	77,925.27
4/16/08	34,965,293.50	3,496,529.34	15,734,382.08	15,734,382.08
4/17/08	1,515,783.61	151,578.37	682,102.62	682,102.62
7/7/08	91.50	9.14	41.18	41.18
2/26/09	1,978,845.20	197,884.52	890,480.34	890,480.34
4/20/09	23,035,384.29	2,303,538.43	10,365,922.93	10,365,922.93
4/15/10	19,759,434.19	1,975,943.41	8,891,745.39	8,891,745.39
4/19/10	1,057,430.92	105,743.10	475,843.90	475,843.91
Totals	**278,987,538.57**	**27,898,753.85**	**125,544,392.35**	**125,544,392.36**

NDCC 54-27-25
Tobacco Prevention and Control Trust Fund - Fund 369

Date	Total Received
4/20/2009	14,138,010.91
4/15/2010	11,817,519.68
4/19/2010	456,873.60
Totals	**26,412,404.19**

NDCC 54-27-25. Tobacco Settlement Trust Fund

		Amount
Deposit of Tobacco Money		
	Tobacco Settlement Trust Fund	**1,057,430.92**
Transfer Out:		
	Community Health Trust Fund	105,743.10
	Common Schools Trust Fund	475,843.91
	Water Development Trust Fund	475,843.91
	Total Tsfr Out	**1,057,430.92**
Transfer In:		
10%	Community Health Trust Fund	105,743.10
45%	Common Schools Trust Fund	475,843.91
45%	Water Development Trust Fund	475,843.91
	Total Tsfr In	**1,057,430.92**

PeopleSoft Accounting Entries

Revenue G\L Entries Fund 369:

BU	Dept.	Account	Oper Unit Class	Fund	Project	Act ID	Amount
30500	1000	477005		369			(12,274,393.28)
30500	1000	105251		369			12,274,393.28

Revenue G|L Entries Fund 407:

BU	Dept.	Account	Oper Unit Class	Fund	Project	Act ID	Amount
11000	9995	477005	901	407			(1,057,430.92)
11000	9995	105251	901	407			1,057,430.92

Transfer Out G|L Entries for Fund 407:

Journal ID	BU	Dept.	Account	Oper Unit Class		Fund	Project	Act ID	Amount
	11000	9995	722316	901	90170	407			105,743.10
	11000	9995	722501	901	90170	407			475,843.91
	11000	9995	722267	901	90170	407			475,843.91
	11000	9995	105251	901	90170	407			(1,057,430.92)

Transfer In G|LEntries:

Journal ID	BU	Dept.	Account	Oper Unit Class	Fund	Project	Act ID	Amount
	30100	4571	490407	301	316	HL12490	01	(105,743.10)
	30100	4571	105251	301	316			105,743.10
	22600	3300	490407	226	501			(475,843.91)
	22600	3300	105251	226	501			475,843.91
	77000	5000	490407	770	267			(475,843.91)
	77000	5000	105251	770	267			475,843.91

Prepared by the North Dakota Legislative Council staff for the Budget Section
October 2010

H

TOBACCO PREVENTION AND CONTROL TRUST FUND - PROJECTED REVENUES

This memorandum provides information on the tobacco prevention and control trust fund, including estimated revenue from tobacco settlement strategic contribution payments to be received by the state under the Master Settlement Agreement.

BACKGROUND

The tobacco prevention and control trust fund was created as a result of voter approval of initiated measure No. 3 in the November 2008 general election. The measure added seven new sections to the North Dakota Century Code and amended Section 54-27-25 to establish the Tobacco Prevention and Control Advisory Committee and an executive committee, develop and fund a comprehensive statewide tobacco prevention and control plan, and create a tobacco prevention and control trust fund to receive tobacco settlement dollars to be administered by the executive committee. The measure provides for the advisory committee, appointed by the Governor, to develop the initial comprehensive plan and select an executive committee responsible for the implementation and administration of the comprehensive plan. The initiated measure became effective 30 days after the election (December 4, 2008).

Tobacco settlement payments received by the state under the Master Settlement Agreement are derived from two subsections of the agreement. Subsection IX(c)(1) of the agreement provides payments on April 15, 2000, and on April 15 of each year thereafter in perpetuity, while subsection IX(c)(2) of the agreement provides for additional strategic contribution payments that begin on April 15, 2008, and continue each April 15 thereafter through 2017. Section 54-27-25, created by 1999 House Bill No. 1475, did not distinguish between payments received under the separate subsections of the agreement and provided for the deposit of all tobacco settlement money received by the state into the tobacco settlement trust fund. Money in the fund, including interest, is transferred within 30 days of deposit in the fund as follows:

- Ten percent to the community health trust fund.
- Forty-five percent to the common schools trust fund.
- Forty-five percent to the water development trust fund.

The measure provided for a portion of tobacco settlement dollars received by the state to be deposited in the newly created tobacco prevention and control trust fund rather than the entire amount in the tobacco settlement trust fund. Tobacco settlement money received under subsection IX(c)(1) of the agreement continues to be deposited in the tobacco settlement trust fund and allocated 10 percent to the community health trust fund (with 80 percent used for tobacco prevention and control), 45 percent to the common schools trust fund, and 45 percent to the water development trust fund. Tobacco settlement money received under subsection IX(c)(2) of the agreement is deposited into the tobacco prevention and control trust fund. Interest earned on the balance in this fund is deposited in the fund. The fund is administered by the executive committee created by the measure for the purpose of creating and implementing the comprehensive plan.

The measure also provides that if in any biennium the tobacco prevention and control trust fund does not have adequate funding for the comprehensive plan, money may be transferred from the water development trust fund to the tobacco prevention and control trust fund in an amount determined necessary by the executive committee to adequately provide for the comprehensive plan. The 2009 Legislative Assembly in Section 39 of House Bill No. 1015 provided that any money deposited in the water development trust fund under Section 54-27-25 may only be spent pursuant to legislative appropriation.

REVENUES

The tobacco settlement payment received by the state in April 2008 was the first payment that included funds relating to subsection IX(c)(2) of the agreement. This payment was received prior to the approval of the measure and was deposited in the tobacco settlement trust fund and disbursed as provided for in Section 54-27-25 prior to amendment by the measure. In 2009 tobacco settlement payments began to be deposited in the tobacco settlement trust fund and the tobacco prevention and control trust fund pursuant to Section 54-27-25 as amended by the measure.

The following chart provides the allocation of the estimated collections of the tobacco settlement payments for the period 2008 through 2025:

	Actual and Estimated Total Tobacco Settlement Proceeds (Amounts Shown in Millions)	Estimated Payments Under Master Settlement Agreement Subsection IX(c)(2) Deposited in the Tobacco Prevention and Control Trust Fund (Amounts Shown in Millions)	Allocation of Actual and Estimated Payments Under Master Settlement Agreement Subsection IX(c)(1)		
			Common Schools Trust Fund (Amounts Shown in Millions)	Water Development Trust Fund (Amounts Shown in Millions)	Community Health Trust Fund (Amounts Shown in Millions)
Actual payment April 2008	$36.4	N/A	$16.4	$16.4	$3.6
Actual payment April 2009	39.2	$14.1	11.3	11.3	2.5
Estimated 2009-11 biennium	68.8	26.1	19.2	19.2	4.3
Estimated 2011-13 biennium	73.7	27.6	20.8	20.8	4.5
Estimated 2013-15 biennium	73.7	27.6	20.8	20.8	4.5
Estimated 2015-17 biennium	73.7	27.6	20.8	20.8	4.5
Estimated 2017-19 biennium	52.5	N/A	23.6	23.6	5.3
Estimated 2019-21 biennium	52.5	N/A	23.6	23.6	5.3
Estimated 2021-23 biennium	52.5	N/A	23.6	23.6	5.3
Estimated 2023-25 biennium	52.5	N/A	23.6	23.6	5.3
Total	$575.5	$123.0	$203.7	$203.7	$45.1

Interest earned on the balance in the tobacco prevention and control trust fund is deposited in the fund. Investment income deposited in the tobacco prevention and control trust fund during the 2007-09 biennium totaled $8,290, and investment income to be deposited in the tobacco prevention and control trust fund during the 2009-11 biennium is estimated to total $345,000.

EXPENDITURES

Actual expenditures of the Tobacco Prevention and Control Executive Committee for the 2007-09 biennium totaled $38,815. Section 35 of 2009 House Bill No. 1015 appropriated $12,882,000 from the tobacco prevention and control trust fund to the Tobacco Prevention and Control Executive Committee for the purpose of providing a level of funding that will meet the annual level recommended by the Centers for Disease Control and Prevention for North Dakota as published in its *Best Practices for Comprehensive Tobacco Control* for the 2009-11 biennium. The Tobacco Prevention and Control Executive Committee is requesting the same level of funding--$12,882,000--for the 2011-13 biennium.

ANALYSIS OF THE TOBACCO PREVENTION AND CONTROL TRUST FUND FOR THE 2009-11 AND 2011-13 BIENNIUMS (REFLECTING THE 2011-13 BIENNIUM EXECUTIVE BUDGET RECOMMENDATION)

	2009-11 Biennium		2011-13 Biennium	
Beginning balance		$14,107,486		$25,901,527
Add estimated revenues				
Tobacco settlement revenues collected to date	$12,274,393[1]		$0	
Projected tobacco settlement revenues	12,274,393[2]		24,548,786[2]	
Investment income	127,255		213,616	
Total estimated revenues		24,676,041[3]		24,762,402[3]
Total available		$38,783,527		$50,663,929
Less estimated expenditures and transfers				
Tobacco Prevention and Control Executive Committee expenditures	$12,882,000[4]		$12,922,614[4]	
Total estimated expenditures and transfers		12,882,000		12,922,614
Estimated ending balance		$25,901,527		$37,741,315

[1]As of November 2010, the state has received two tobacco settlement payments totaling $33,091,258 for the 2009-11 biennium, of which $20,816,865 was deposited in the tobacco settlement trust fund and $12,274,393 was deposited in the tobacco prevention and control trust fund. To date, the state has received total tobacco settlement collections of $305,399,942, including $265,189,809 under subsection IX(c)(1) of the Master Settlement Agreement and $40,210,133 under subsection IX(c)(2) of the Master Settlement Agreement. Of the $305,399,942, $278,987,538 has been deposited into the tobacco settlement trust fund and $26,412,404 has been deposited into the tobacco prevention and control trust fund.

[2]Estimated payments for the remainder of the 2009-11 biennium and the 2011-13 biennium are based on the amount received in 2010.

[3]Initiated measure No. 3 approved in the November 2008 general election provides that if in any biennium the tobacco prevention and control trust fund does not have adequate funding for the comprehensive plan, money may be transferred from the water development trust fund to the tobacco prevention and control trust fund in an amount determined necessary by the executive committee to adequately provide for the comprehensive plan. The 2009 Legislative Assembly in Section 39 of House Bill No. 1015 provided that any money deposited in the water development trust fund under North Dakota Century Code Section 54-27-25 may only be spent pursuant to legislative appropriation.

The measure will result in the following estimated allocation of the revised estimated collections of the tobacco settlement payments through 2025:

	Actual and Estimated Total Tobacco Settlement Proceeds	Actual and Estimated Payments Under Master Settlement Agreement Subsection IX(c)(2) Deposited in the Tobacco Prevention and Control Trust Fund	Allocation of Actual and Estimated Payments Under Master Settlement Agreement Subsection IX(c)(1)		
			Common Schools Trust Fund	Water Development Trust Fund	Community Health Trust Fund
Actual payment April 2008	$36.4 million	N/A	$16.4 million	$16.4 million	$3.6 million
Actual payment April 2009	39.2 million	$14.1 million	11.3 million	11.3 million	2.5 million
Estimated 2009-11 biennium	68.3 million	24.5 million	19.7 million	19.7 million	4.4 million
Estimated 2011-13 biennium	70.3 million	24.5 million	20.6 million	20.6 million	4.6 million
Estimated 2013-15 biennium	73.7 million	27.6 million	20.8 million	20.8 million	4.5 million
Estimated 2015-17 biennium	73.7 million	27.6 million	20.8 million	20.8 million	4.5 million
Estimated 2017-19 biennium	52.5 million	N/A	23.6 million	23.6 million	5.3 million
Estimated 2019-21 biennium	52.5 million	N/A	23.6 million	23.6 million	5.3 million
Estimated 2021-23 biennium	52.5 million	N/A	23.6 million	23.6 million	5.3 million
Estimated 2023-25 biennium	52.5 million	N/A	23.6 million	23.6 million	5.3 million
Total	$571.6 million	$118.3 million	$204.0 million	$204.0 million	$45.3 million

[4]Section 35 of House Bill No. 1015 (2009) appropriated $12,882,000 from the tobacco prevention and control trust fund to the Tobacco Prevention and Control Executive Committee for the purpose of providing a level of funding that will meet the annual level recommended by the Centers for Disease Control and Prevention for North Dakota as published in its *Best Practices for Comprehensive Tobacco Control* for the 2009-11 biennium. The 2011-13 executive budget recommendation provides $12,922,614 from the tobacco prevention and control trust fund to the Tobacco Prevention and Control Executive Committee.

FUND HISTORY

The tobacco prevention and control trust fund was created as a result of voter approval of initiated measure No. 3 in the November 2008 general election. The measure added seven new sections to the North Dakota Century Code and amended Section 54-27-25 to establish the Tobacco Prevention and Control Advisory Committee and an executive committee, develop and fund a comprehensive statewide tobacco prevention and control plan, and create a tobacco prevention and control trust fund to receive tobacco settlement dollars to be administered by the executive committee. The measure provides for the advisory committee, appointed by the Governor, to develop the initial comprehensive plan and select an executive committee responsible for the implementation and administration of the comprehensive plan. The initiated measure became effective 30 days after the election (December 4, 2008).

Tobacco settlement payments received by the state under the Master Settlement Agreement are derived from two subsections of the Master Settlement Agreement. Subsection IX(c)(1) of the Master Settlement Agreement provides payments on April 15, 2000, and on April 15 of each year thereafter in perpetuity, while subsection IX(c)(2) of the Master Settlement Agreement provides for additional strategic contribution payments that begin on April 15, 2008, and continue each April 15 thereafter through 2017. Section 54-27-25, created by House Bill No. 1475 (1999), did not distinguish between payments received under the separate subsections of the Master Settlement Agreement and provided for the deposit of all tobacco settlement money received by the state into the tobacco settlement trust fund. Money in the fund, including interest, is transferred within 30 days of deposit in the fund as follows:

- Ten percent to the community health trust fund.
- Forty-five percent to the common schools trust fund.
- Forty-five percent to the water development trust fund.

The measure provides for a portion of tobacco settlement dollars received by the state to be deposited in the newly created tobacco prevention and control trust fund rather than the entire amount in the tobacco settlement trust fund. Tobacco settlement money received under subsection IX(c)(1) of the Master Settlement Agreement will continue to be deposited in the tobacco settlement trust fund and allocated 10 percent to the community health trust fund (with 80 percent used for tobacco prevention and control), 45 percent to the common schools trust fund, and 45 percent to the water development trust fund. Tobacco settlement money received under subsection IX(c)(2) of the Master Settlement Agreement will be deposited into the tobacco prevention and control trust fund. Interest earned on the balance in this fund will be deposited in the fund. The fund will be administered by the executive committee created by the measure for the purpose of creating and implementing the comprehensive plan.

The measure also provides that if in any biennium the tobacco prevention and control trust fund does not have adequate funding for the comprehensive plan, money may be transferred from the water development trust fund to the tobacco prevention and control trust fund in an amount determined necessary by the executive committee to adequately provide for the comprehensive plan. The 2009 Legislative Assembly in Section 39 of House Bill No. 1015 provided that any money deposited in the water development trust fund under Section 54-27-25 may only be spent pursuant to legislative appropriation.

The tobacco settlement payment received by the state in April 2008 was the first payment that included funds relating to subsection IX(c)(2) of the agreement. This payment was received prior to the approval of the measure and was deposited in the tobacco settlement trust fund and disbursed as provided for in Section 54-27-25 prior to amendment by the measure. In 2009 tobacco settlement payments began to be deposited in the tobacco settlement trust fund and the tobacco prevention and control trust fund pursuant to Section 54-27-25 as amended by the measure.

TOBACCO PREVENTION CONTROL COMMITTEE

J

	Expended to date 1/26/2011	Current Budget 2009-2011	Executive Budget 2011-2013	Executive + or - Difference	Percent % Increase + Decrease -
TOTAL FTE	4.00	4.00	4.00	-	0%
SALARIES AND WAGES					
SALARIES - PERMANENT	178,319	350,000	413,722	63,722	18%
TEMPORARY SALARIES	(49)	25,000	401,484	376,484	1506%
FRINGE BENEFITS	59,257	142,456	317,288	174,832	123%
TOTAL	**237,526**	**517,456**	**1,132,494**	**615,038**	**119%**
GENERAL FUND		0	0	0	
FEDERAL FUNDS		0	0	0	
SPECIAL FUNDS	237,526	517,456	1,132,494	615,038	119%
OPERATING EXPENSES					
TRAVEL	12,427	41,500	53,000	11,500	28%
SUPPLIES - IT SOFTWARE	2,308	2,125	6,000	3,875	182%
SUPPLY/MATERIAL -PROFESSIONAL	3,192	1,616	5,354	3,738	231%
BUILDING/VEHICLE MAINTENANCE	657	657	1,500	843	128%
OFFICE SUPPLIES	11,794	9,600	27,345	17,745	185%
POSTAGE	1,424	3,840	4,320	480	13%
PRINTING	1,491	10,000	12,000	2,000	20%
IT EQUIPMENT UNDER $5,000	6,795	14,600	10,220	(4,380)	-30%
OFFICE EQUIP AND FURNITURE SUPPLIES	28,300	25,000	24,800	(200)	-1%
INSURANCE	46	2,000	400	(1,600)	-80%
RENTALS/EQUIPMENT	430	430	0	(430)	0%
RENTALS/LEASES-BLDG/LAND	21,107	28,800	55,874	27,074	94%
REPAIRS	4,113	4,113	5,000	887	22%
IT-DATA PROCESSING	7,539	5,602	10,863	5,261	94%
IT-COMMUNICATIONS	13,136	6,000	35,919	29,919	499%
IT-CONTRACTUAL SERVICES AND REPAIR	8,388	8,000	200,000	192,000	2400%
PROFESSIONAL DEVELOPMENT	1,522	10,000	20,000	10,000	100%
OPERATING FEES	12,735	15,000	9,700	(5,300)	-35%
PROFESSIONAL FEES AND SERVICES	41,483	4,507,932	2,485,314	(2,022,618)	-45%
TOTAL	**178,888**	**4,696,815**	**2,967,609**	**(1,729,206)**	**-37%**
GENERAL FUND		0	0	0	
FEDERAL FUNDS		0	0	0	
SPECIAL FUNDS	178,888	4,696,815	2,967,609	(1,729,206)	-37%
EQUIPMENT >$5,000					
Equipment Over $5,000	8,225	8,225	0	(8,225)	
IT Equipment/Software Over $5,000	5,539	5,539	0	(5,539)	
TOTAL	**13,764**	**13,764**	**0**	**(13,764)**	**0%**
GENERAL FUND		0	0	0	
FEDERAL FUNDS		0	0	0	
SPECIAL FUNDS	13,764	13,764	0	(13,764)	
GRANTS	**4,889,944**	**7,653,965**	**8,822,511**	**1,168,546**	**15%**
GENERAL FUND		0	0	0	
FEDERAL FUNDS		0	0	0	
SPECIAL FUNDS	4,889,944	7,653,965	8,822,511	1,168,546	15%
GRAND TOTAL					
GENERAL FUND	-	-	-	-	
FEDERAL FUNDS	-	-	-	-	
SPECIAL FUNDS*	**5,320,122**	**12,882,000**	**12,922,614**	**40,614**	**0%**

*Source of Special Funds:
Tobacco Master Settlement Agreement-Strategic Contribution Fund Payments
Fund 369 - Tobacco Prevention & Control Trust Fund

RECOMM[redacted]ATION DETAIL BY PROGRAM
305 Toba[redacted]evention and Control
Biennium: 2011-2013

Bill#: HB1025

Date: [redacted]2/2010
Time: [redacted]14:45:45

Program: Tobacco Prevention and Control Program — **Reporting Level:** 05-305-100-00-00-00-00-00000000

Description	Expenditures Prev Biennium 2007-2009	Present Budget 2009-2011	2011-2013 Requested Incr(Decr)	2011-2013 Requested % Chg	Requested Budget 2011-2013	2011-2013 Recommended Incr(Decr)	2011-2013 Recommended % Chg	Executive Recommendation 2011-2013
Comprehensive Tobacco Control								
Salaries - Permanent	20,655	350,000	45,736	13.1%	395,736	45,736	13.1%	395,736
Temporary Salaries	0	25,000	376,484	1,505.9%	401,484	376,484	1,505.9%	401,484
Fringe Benefits	1,595	142,456	152,204	106.8%	294,660	152,204	106.8%	294,660
Travel	6,667	41,500	11,500	27.7%	53,000	11,500	27.7%	53,000
Supplies - IT Software	0	2,125	3,875	182.4%	6,000	3,875	182.4%	6,000
Supply/Material-Professional	0	1,616	3,738	231.3%	5,354	3,738	231.3%	5,354
Bldg, Ground, Maintenance	0	657	843	128.3%	1,500	843	128.3%	1,500
Office Supplies	45	9,600	17,745	184.8%	27,345	17,745	184.8%	27,345
Postage	44	3,840	480	12.5%	4,320	480	12.5%	4,320
Printing	285	10,000	2,000	20.0%	12,000	2,000	20.0%	12,000
IT Equip Under $5,000	0	14,600	(4,380)	(30.0%)	10,220	(4,380)	(30.0%)	10,220
Office Equip & Furn Supplies	0	25,000	(200)	(0.8%)	24,800	(200)	(0.8%)	24,800
Insurance	0	2,000	(1,600)	(80.0%)	400	(1,600)	(80.0%)	400
Rentals/Leases-Equip & Other	0	430	(430)	(100.0%)	0	(430)	(100.0%)	0
Rentals/Leases - Bldg/Land	0	28,800	27,074	94.0%	55,874	27,074	94.0%	55,874
Repairs	0	4,113	887	21.6%	5,000	887	21.6%	5,000
Salary Increase	0	0	0	0.0%	0	17,986	100.0%	17,986
Benefit Increase	0	0	0	0.0%	0	3,042	100.0%	3,042
Health Increase	0	0	0	0.0%	0	11,644	100.0%	11,644
Retirement Increase	0	0	0	0.0%	0	7,919	100.0%	7,919
EAP Increase	0	0	0	0.0%	0	23	100.0%	23
IT - Data Processing	0	5,602	5,261	93.9%	10,863	5,261	93.9%	10,863
IT - Communications	0	6,000	29,919	498.7%	35,919	29,919	498.7%	35,919
IT Contractual Srvcs and Rprs	0	8,000	192,000	2,400.0%	200,000	192,000	2,400.0%	200,000
Professional Development	48	10,000	10,000	100.0%	20,000	10,000	100.0%	20,000
Operating Fees and Services	0	15,000	(5,300)	(35.3%)	9,700	(5,300)	(35.3%)	9,700
Fees - Professional Services	9,476	4,507,932	(2,022,618)	(44.9%)	2,485,314	(2,022,618)	(44.9%)	2,485,314
Equipment Over $5000	0	8,225	(8,225)	(100.0%)	0	(8,225)	(100.0%)	0
IT Equip/Sftware Over $5000	0	5,539	(5,539)	(100.0%)	0	(5,539)	(100.0%)	0
Grants, Benefits & Claims	0	7,653,965	1,168,546	15.3%	8,822,511	1,168,546	15.3%	8,822,511
Total	**38,815**	**12,882,000**	**0**	**0.0%**	**12,882,000**	**40,614**	**0.3%**	**12,922,614**
Comprehensive Tobacco Control								
General Fund	0	0	0	0.0%	0	0	0.0%	0
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	38,815	12,882,000	0	0.0%	12,882,000	40,614	0.3%	12,922,614
Total	**38,815**	**12,882,000**	**0**	**0.0%**	**12,882,000**	**40,614**	**0.3%**	**12,922,614**
Total Expenditures	**38,815**	**12,882,000**	**0**	**0.0%**	**12,882,000**	**40,614**	**0.3%**	**12,922,614**

Attachment E

RECOMM[redacted]ATION DETAIL BY PROGRAM
305 Toba[redacted]evention and Control
Biennium: 2011-2013

[redacted] **Bill#: HB1025**

Date: [redacted]22/2010
Time: [redacted]14:45:45

Program: Tobacco Prevention and Control Program			**Reporting Level:** 05-305-100-00-00-00-00-00000000					
Description	**Expenditures Prev Biennium 2007-2009**	**Present Budget 2009-2011**	**2011-2013 Requested** Incr(Decr)	% Chg	**Requested Budget 2011-2013**	**2011-2013 Recommended** Incr(Decr)	% Chg	**Executive Recommendation 2011-2013**
Funding Sources								
Special Funds								
369 Tobacco Prevention and Control	38,815	12,882,000	0	0.0%	12,882,000	40,614	0.3%	12,922,614
Total	**38,815**	**12,882,000**	**0**	**0.0%**	**12,882,000**	**40,614**	**0.3%**	**12,922,614**
Total Funding Sources	**38,815**	**12,882,000**	**0**	**0.0%**	**12,882,000**	**40,614**	**0.3%**	**12,922,614**
FTE Employees	**0.00**	**4.00**	**0.00**	**0.0%**	**4.00**	**0.00**	**0.0%**	**4.00**

L

Center for Tobacco Prevention and Control Policy
Executive Director
Classification: Not Classified
Status: Full-time, Regular
Monthly Salary: $5460

Minimum Qualifications:
Bachelor's degree in community health, nutrition, nursing education, biological science, social or behavioral science, communications, business administration or public administration and seven years of related professional level work experience; or a Master's degree in public health, public administration, or management and five years of related professional level work experience.

Effective verbal and written communication skills are essential.

Preference will be given to qualified applicants with experience in:

1. Planning, managing and evaluating health-related programs
2. Supervising employees
3. Grant and budget management
4. Providing testimony and public speaking
5. Tobacco prevention and control
6. Master's degree
7. Microsoft Office software

Essential duties and responsibilities (other duties may be assigned):
Office Administration:

- Review the tobacco prevention state plan to ensure the annual work plans are consistent with the state plan. Work with other agencies and organizations to meet the measurable outcomes of state plan. Review the state plan quarterly at meetings with staff.
- Lead Center staff meetings as scheduled. Keep staff apprised of activities.
- Meet with the Tobacco Prevention and Control Executive and Advisory Committees as needed, including scheduled meetings. Keep them apprised of all pertinent information.
- Collaborate with the Division of Tobacco Prevention and Control at the Department of Health to insure the Tobacco Control Trust Fund does not supplant or duplicate programs or services provided.
- Meet with Division of Tobacco Prevention and Control staff at the Department of Health as needed including scheduled meetings. Keep them apprised of pertinent information to assure coordination of activities.
- Establish and revise policies and procedures for the Center for Tobacco Prevention and Control Policy to assure compliance with all state and federal rules, regulations, and guidelines.
- Represent the Center in advocating for tobacco prevention and control at local, state and national meetings and with public and private agencies, organizations and programs.
- Oversee grants management including writing grant(s), assessing office needs, determining feasibility of seeking additional funding, developing RFPs for grantees, reviewing and approving submitted grants, attending related meetings, etc.
- Prepare legislative testimony, legislation and administrative rules as needed.
- Review and comment on proposed federal or state laws, regulations, standards and guidelines being promulgated by legislators or regulatory agencies.

- Coordinate and submit the Center reports such as the monthly staff progress reports, biennial reports, State of the State reports, biennial budgets and all reports as requested.
- Develop and maintain working relationships with programs, agencies, organizations and academic institutions.
- Respond to surveys, information requests from the public, and any complaints regarding the Center for Tobacco Prevention and Control Policy.
- Provide monthly progress reports to the Executive Committee and quarterly reports to the Advisory Committee.

Human Resource Management:

- Assess staffing needs.
- Recruit, interview, hire and orient program and administrative staff as needed.
- Develop, communicate and monitor work assignments and progress.
- Review progress reports and provide guidance and feedback to staff.
- Meet with staff individually as necessary to review progress reports and other concerns.
- Facilitate and support professional development and training for staff.
- Conduct or facilitate annual performance evaluations and development review for all staff.
- Review/evaluate staff for salary adjustments, merit raises and reclassifications.
- Facilitate updating/development of performance standards, PIQs and job descriptions.
- Approve staff out-of-state travel, tuition assistance, and annual/sick leave requests.
- Present staff service awards annually as requested.
- Plan and conduct regular staff meetings.
- Provide for back-up in the absence of the executive director or other staff.

Fiscal Management:

- Prepare/coordinate the annual program and biennial budgets and justification for the Center for Tobacco Prevention and Control Policy.
- Plan/coordinate/prepare all required budget narratives, forms and reports.
- Develop and maintain a sound fiscal management system.
- Solicit, review, award and monitor program contracts and grants, coordinating implementation across program areas and assessing performance.
- Review and sign expenditure reports from grantees and forward to accounting/fiscal agent for payment.
- Review monthly expenditure reports received from accounting/fiscal agent and forward to program staff.
- Review and approve incoming purchase and printing orders.
- Sign off on expenditure reports and travel forms.

Program Development and Evaluation:

- Assess statewide needs related to programs currently and potentially within the Center.
- Explore new grant opportunities pertinent to tobacco control.
- Prepare or coordinate grants to support programs within the Center in the state plan.
- Facilitate the development of policies and procedures for best practices for the Center.
- Plan, develop, implement, direct, monitor and evaluate center programs and grants.
- Conduct meetings with staff and stakeholders to assess program outcomes.
- Conduct evaluations of grantees.
- Provide technical assistance to grantees and stakeholders as requested.
- Gather, interpret and report data related to the Center for Tobacco Prevention and Control Policy.

Comprehensive Tobacco Prevention and Control Program Management:

- Provide leadership and direction in comprehensive tobacco prevention and control activities.
- Oversee the development and implementation of the state plan, annual action plan, evaluation plan and communications plan.
- Establish program goals, objectives, policies and procedures.
- Oversee development and implementation of the annual health communications plan and the annual evaluation plan.
- Develop a policy plan and mobilize support for statewide comprehensive tobacco prevention and control strategies.
- Develop and implement state policy on tobacco control including drafting legislation and providing testimony.
- Facilitate the implementation of the tobacco control state plan.
- Advocate for tobacco control programs and resources both internally and externally.
- Develop administrative and operational relationships with other federal, state and local agencies.
- Build and maintain collaborative partnerships with public and private agencies and organizations.
- Oversee evaluation activities including the gathering, analyzing and reporting of data related to all aspects of tobacco control.
- Maintain a working knowledge of state and local laws related to tobacco control.
- Prepare progress, quarterly, annual and other administrative reports and correspondence.

Center for Tobacco Prevention and Control Policy
Administrative Assistant
Classification: Administrative Assistant II
Status: Full-time, Regular
Grade: 7
Salary Range: $2020 - $3367
Monthly Salary: $2434

Minimum Qualifications:
Requires an associate degree with major coursework in office support or business or office education and two years of experience performing a variety of complex office support, clerical, or secretarial work which included opportunities for functioning as a project coordinator, team leader, or lead worker. Additional work experience as just described may substitute for the education requirement on a year-for-year basis. Must have good interpersonal and written communication skills.

Preference will be given to qualified applicants with experience in:

- General office and administrative operations
- Microsoft Office Software
- Composing general office correspondence
- Planning, coordinating and arranging meetings
- State policies and procedures
- Database management

Essential Duties and Responsibilities (other duties may be assigned):
Accounting:

- Prepare and track purchase requisitions
- Process and track travel reimbursement requests
- Track reimbursement requests and progress reports from grantees
- Maintain division travel expense log
- Serve as P-card officer for the agency
- Maintain and track P-card purchases
- Pick up checks and payment advices and mail/deliver

Administrative Support to the Agency:

- Answer telephone and assist or forward calls
- Serve as front office receptionist for the agency
- Open, sort, prioritize, and distribute mail
- Receive and assist walk-in clients
- Develop, organize and maintain filing system
- Arrange conference calls; time options and contact numbers
- Prepare and handle travel arrangements
- Schedule and organize meeting details; assist with registration
- Record, transcribe, and distribute minutes of meetings
- Place phone calls to inquire about resources to be ordered
- Prepare and submit monthly progress report
- Maintain staff professional development log
- Assist with bill tracking during Legislative Session
- Order and maintain office supplies and materials

- Assist supervisors in scheduling and maintaining appointment calendars
- Communicate with ITD and Desktop Support to handle computer trouble-shooting
- Handle phone requests/changes for the agency
- Assist Executive Director with orientation for new employees
- Attend Central Services meetings and trainings
- Conduct staff in-services on policies/procedures of office forms
- Maintain office equipment inventory system for the agency
- Organize and maintain journal subscriptions
- Serve as forms coordinator for inventory and design of forms
- Submit monthly time sheets and leave request forms for staff to fiscal agent
- Complete annual equipment audit inventory for the Center
- Coordinate the maintenance of office equipment
- Participate in the development of office procedures
- Maintain office procedure manuals
- Establish and maintain agency records management system according to state laws and rules
- Assist in gathering budget data for preparation of biennial budgets

Word Processing:

- Compose, edit, transcribe and type correspondence and prepare for mailing
- Draft reports, forms, financial agreements and other print communications
- Type grant applications, progress reports and annual and biennial reports
- Maintain current mailing lists and email groups
- Maintain computer program for inventory of staff resource materials
- Perform desktop publishing; design and assist with newsletters, reports and other publications

Center for Tobacco Prevention and Control Policy
Community Intervention Coordinator
Classification: Human Service Program Administrator III
Status: Full-time, Regular
Grade: 11
Salary Range: $3134 - $5223
Monthly Salary: $3790

Minimum Qualifications:
Bachelor's degree in community health, communications, social or behavioral science, business four years of related professional work experience; or a Master's degree in public health, public administration, education, or nursing and three years of related professional work experience. A bachelor's degree in another field and sever years of professional work experience in community engagement, monitoring grants, coordinating technical assistance and training or planning, implementing and evaluating health-related programs may substitute for the required educational degree.

Good interpersonal skills and effective verbal and written communication skills are essential.

Preference will be given to qualified applicants with experience in:

1. Planning, implementing and evaluating health-related programs
2. Community engagement/coalition building
3. Group presentations
4. Coordinating/providing training and technical assistance
5. Grants/project management
6. Preparation of reports, training manuals, technical assistance documents
7. Microsoft Office

Essential duties and responsibilities (other duties may be assigned):
Provide training and technical assistance coordination for local tobacco grantees:

- Assist local tobacco programs in building and maintaining local tobacco programs and coalitions
- Asses training needs of local grantees
- Plan and facilitate quarterly local tobacco sites meetings
- Plan and facilitate state trainings for tobacco control grantees and partners
- Assist local public health units with grant writing
- Provide technical assistance to local public health unit staff in developing and implementing work plans to meet state and local objectives
- Review, critique, develop and distribute state of the art resource materials for tobacco prevention
- Interpret and disseminate scientific information and resources for local tobacco programs
- Conduct on-site technical assistance visits and prepare summary reports of findings and technical assistance provided

Build and maintain public/private partnerships:

- Partner with representatives from other agencies and organizations to promote Best Practice tobacco control interventions
- Serve as Center liaison with identified partners, agencies, organizations and committees as needed

- Participate in/lead tobacco control meetings, workgroups and partnerships

Grant Management:

- Participate in/lead the grant guidance development and training
- Conduct technical reviews of local grantee applications
- Monitor local grantee progress and expenditures
- Participate in local grantee site reviews to assess progress and compliance with grant requirements
- Assist in summarizing progress data from local grantees

Center for Tobacco Prevention and Control Policy
Health Communications Coordinator
Classification: Public Information Specialist III
Status: Full-time, Regular
Grade: 11
Salary Range: $2984 - $4973
Monthly Salary: $4782

Minimum Qualifications:
Bachelor's degree in communications, journalism, English, advertising, marketing, public relations and at least five years of related professional work experience; or a Master's degree in communications, journalism, English, advertising, marketing, public relations and three years of related professional work experience. A bachelor's degree in another field and sever years of professional work experience in communications, advertising, marketing, media advocacy, or a related field may substitute for the required educational degree.

Effective verbal and written communication skills are essential.

Preference will be given to qualified applicants with experience in:

1. Developing, managing, and evaluating media plans/campaigns of significant reach and duration
2. Audience and market research
3. Marketing strategies and surveillance
4. Contract management
5. Tobacco prevention and control media advocacy
6. External and internal communications
7. Microsoft Office software
8. New communication technologies such as viral marketing, social networks, personal web pages, and blogs

Essential duties and responsibilities (other duties may be assigned):
Health Communications Interventions:

- Lead the development, implementation and evaluation of the statewide long-and short-range tobacco control health communication plans
- Develop and implement a plan for assessment of pro-tobacco influences at the state and local level
- Coordinate/conduct audience and market research
- Educate the public and policy makers on pro-tobacco influences in the state
- Collaborate with stakeholders and partners on health communications interventions
- Coordinate the activities of the health communications advisory committee
- Develop and evaluate requests for proposals for health communications services and products including research and polling, paid media (broadcast, print, direct mail and other media), surveillance and evaluation
- Negotiate and manage health communications contracts
- Assist in preparing and managing the health communications component budget
- Develop the agency objectives and work plans related to health communications
- Participate in local, state and national communications networks and trainings

- Maintain current knowledge of state and local tobacco control issues and activities by monitoring press clips, message research and other relevant materials
- Research applicability of new technologies such as viral marketing, social networks, personal web pages and blogs
- Assist in updating, disseminating and promoting the state tobacco prevention and control plan

External Communications:

- Research, develop and disseminate communications and promotional products such as news releases, statements, op-eds, letters to the editor, editorial board memos, newsletters, fact sheets, brochures, policy documents, reports, website information, multi-media productions and other communications channels
- Develop relationships with news media; conduct media outreach and field media calls related to state and local tobacco control initiatives
- Serve as media spokesperson for the Center
- Develop logo and brand identity
- Oversee development and maintenance of agency website
- Translate survey and research findings into reports and documents for use by stakeholders
- Prepare and edit annual report on status of implementation of the state plan
- Partner with grantees and partners to provide internal and external communications, public relations and media advisory
- Maintain inventory of health communications materials for tobacco control programs and projects

Internal Communications:

- Coordinate and develop internal communications processes and products
- Develop policies and standards for agency communications
- Prepare memos, reports and other relevant documents to facilitate interagency communication
- Provide research and technical assistance to staff charged with preparing documents
- Assist in preparing legislative testimony regarding the agency activities

Communications Training and Technical Assistance:

- Provide technical assistance and training on health communications to communities, coalitions and other partners and stakeholders
- Develop standards, policies and procedures for development and implementation of local paid media
- Develop media relations and spokesperson training materials
- Assist grantees and stakeholders in developing, placing and evaluating local paid media

M

BreatheND

Saving Lives, Saving Money with Measure 3.

Tobacco Prevention and Control Executive Committee
Center for Tobacco Prevention and Control Policy
4023 State Street, Suite 65 • Bismarck, ND 58503-0638
701.328.5130 • FAX: 701.328.5135 • 1.877.277.5090

MEMO

TO: Chair Kelsch and members of the House Education Committee
FROM: Jeanne Prom, Executive Director
DATE: February 7, 2011
RE: House Bill 1353 – information on comprehensive tobacco prevention

During testimony provided on House Bill 1353, the state's new comprehensive tobacco prevention program was discussed. This memo provides additional details.

Amount of tax dollars used to fund the Center for Tobacco Prevention and Control Policy – no tax dollars, just settlement funds

Only special funds, not taxes, are used to fund the Center for Tobacco Prevention and Control Policy. These special funds are from the settlement of a multi-state lawsuit against major tobacco companies. The tobacco settlement money comes from tobacco companies, not state or federal taxes. See the Center budget at the end of this memo.

Sales of tobacco on reservations --

Sales of cigarettes both on and off reservations in North Dakota have decreased every year for the previous 5 years. (Source: N.D. Tax Department)

Cigarette sales are decreasing both on and off reservations in North Dakota, 2006-2010
(Source: N.D. Tax Department)

Year	Tribal Sticks	Taxable Sticks	Total Sticks	% of Tribal Sales
2006	134,769,080	961,128,686	1,095,897,766	12.3
2007	130,637,390	954,969,346	1,085,606,736	12.0
2008	111,105,061	945,602,831	1,056,707,892	10.5
2009	106,420,337	912,323,960	1,018,744,297	10.4
2010	96,474,047	911,093,485	1,007,567,532	9.6

(Stick equals 1 cigarette. Tribal Sticks include cigarettes that were sold on all reservations except Standing Rock but not taxed. Taxable Sticks include all cigarettes that were taxed and sold in North Dakota and on the Standing Rock reservation. Total Sticks includes as Tribal Sticks and all Taxable Sticks. Percent of Tribal Sales includes the percent of Total Sticks that were sold on all reservations in North Dakota except Standing Rock but not taxed.)

Since 1993, the Standing Rock reservation has taxed tobacco products at the same rate as the state of North Dakota. The other 3 reservations and 1 service area in North Dakota do not tax tobacco.

North Dakota Tobacco Prevention and Control Executive Committee
Center for Tobacco Prevention and Control Policy
4023 State Street, Suite 65 • Bismarck, ND 58503-0638
Phone 701.328.5130 • Fax 701.328.5135 • Toll Free 1.877.277.5090

N

TO: **Senate Appropriations Subcommittee**
Senator Ralph Kilzer, Chair
FROM: **Jeanne Prom, Executive Director**
DATE: **March 30, 2011**
RE: **House Bill 1025 – 2011-2013 budget request**

Included and attached to this memo are items further explaining the North Dakota Tobacco Prevention and Control Advisory/Executive Committee and its work related to the 2011-2013 budget request as outlined in House Bill 1025.

North Dakota Tobacco Prevention and Control Executive/Advisory Committee
The Governor appoints all nine members at large or from names submitted by the following organizations: North Dakota Public Health Association, North Dakota Medical Association, North Dakota Nurses Association, and North Dakota Society for Respiratory Care. The Advisory Committee votes for three members as the Executive Committee.

Advisory and Executive Committee payments and meetings
The Advisory Committee and Executive Committee members are paid $135 for participation in each official committee meeting. Reimbursement of allowable expenses at state rates is also provided. Thus far this biennium, we have expended $41,554 and $3,411 in fringe benefits. See attachments for more information and meeting calendars.

The Advisory Committee meets every other month. However, the committee meets twice during May to review grants, and up to twice monthly during the Legislative Session to provide input to the agency budget bill.

The Executive Committee began the biennium meeting every week through January 2010, and also met weekly during the Legislative Session. Otherwise, the Executive Committee meets every other week. Weekly meetings were necessary before some staff were hired; and during the Legislative Session, to provide input on the agency budget bill.

Professional services – contractual
Please see attachment.

Request for an additional 3.5 FTE

Rationale: During the previous legislative session, the North Dakota Tobacco Prevention and Control Executive Committee requested and received authority to hire 4.0 FTE. The current 4.0 FTE include an executive director, community intervention coordinator, health communications coordinator, and an administrative assistant.

The Center staff is small in relation to the agency budget of $12,882,000. By comparison, the DOH tobacco prevention program staff includes 7.45 FTE and a temporary position, and has a budget of $5,822,131. The Center staff is small because the Center and the DOH mutually determined to offset inequity of staff and resources by having the larger DOH staff administer 51 grants funded with nearly $7 million from the Center. DOH was to provide ongoing technical assistance and training for these grantees.

However, the Department of Health has not administered these 51 grants during this biennium. In June 2009, the Department of Health determined it would be best if the Center administer the 51 grants, since the grants were funded by the Center. The transfer of the administration of the 51 grants from the DOH to the Center occurred without any transfer of FTE, even after the Center assumed all technical assistance and training for the grantees. The Center is now responsible for administering 51 additional grants with the same 4.0 FTE. This staff/workload ratio is not effective or sustainable. Daily demands of technical assistance to 51 grantees require more than 1.0 FTE, which is all the Center is able to commit to this work. In addition, the Center anticipates issuing up to approximately 25 grants more grants, which also require daily technical assistance and regular training. Re-directing staff to 51 unanticipated additional grants has resulted in delays in other grants and contracts, and in planned distribution of the current appropriation.

Request for an additional 3.5 FTE

Rationale: During the previous legislative session, the North Dakota Tobacco Prevention and Control Executive Committee requested and received authority to hire 4.0 FTE. The current 4.0 FTE include an executive director, community intervention coordinator, health communications coordinator, and an administrative assistant.

The Center staff is small in relation to the agency budget of $12,882,000. By comparison, the DOH tobacco prevention program staff includes 7.45 FTE and a temporary position, and has a budget of $5,822,131. The Center staff is small because the Center and the DOH mutually determined to offset inequity of staff and resources by having the larger DOH staff administer 51 grants funded with nearly $7 million from the Center. DOH was to provide ongoing technical assistance and training for these grantees.

However, the Department of Health has not administered these 51 grants during this biennium. In June 2009, the Department of Health determined it would be best if the Center administer the 51 grants, since the grants were funded by the Center. The transfer of the administration of the 51 grants from the DOH to the Center occurred without any transfer of FTE, even after the Center assumed all technical assistance and training for the grantees. The Center is now responsible for administering 51 additional grants with the same 4.0 FTE. This staff/workload ratio is not effective or sustainable. Daily demands of technical assistance to 51 grantees require more than 1.0 FTE, which is all the Center is able to commit to this work. In addition, the Center anticipates issuing up to approximately 25 grants more grants, which also require daily technical assistance and regular training. Re-directing staff to 51 unanticipated additional grants has resulted in delays in other grants and contracts, and in planned distribution of the current appropriation.

Thus, the Center is requesting the following 3.5 FTE:
(The 2011-2013 Executive Budget includes the 3.5 FTE as temporary employees, but the agency option budget requests these as permanent employees. The status of permanent or temporary employment does not change the total budget request.)

Accountant -- 0.5 FTE -- The accountant will provide general accounting services for a $12,922,614 budget and human resource management services for 7.5 FTE. This would replace the fiscal agent, currently provided through a contract with the Department of Health. The accountant will pay invoices, manage purchases, code expenditures, and create/reconcile fiscal reports.

Community Intervention Coordinator – 1.0 FTE -- This position will provide ongoing daily technical assistance for half of all grants totaling more than $3 million, and will coordinate regular training for grantees to ensure grantees implement and evaluate work plans, meet objectives, and reduce tobacco use over time.

Evaluation Coordinator – 1.0 FTE -- This position will manage the contract for the ongoing comprehensive evaluation of the statewide program to ensure tobacco use is reduced; will provide ongoing technical assistance and training to grantees related to evaluating their grant programs; and will provide assistance in evaluating the health communications program. Evaluation projects will total $1.5 million.

Grants Manager – 1.0 FTE -- This position will manage the development and implementation of paperwork, protocol and processes to issue and track more than 75 grants and contracts (more than 85 percent of the budget, or nearly $11 million). This includes developing requests for proposals, issuing requests for bids, reviewing proposals and bids, and serving as procurement officer.

The funding needed for these positions will be offset by a reduction in operating expenses, and does not impact grant expenditures. The amount budgeted for grants in 2011-2013 increased by about $1.2 million over the previous biennium.

TOBACCO PREVENTION & CONTROL COMMITTEE
2009-11 Biennium to Date

Salary, Wages & Benefits

Description	Expended To Date 3/29/11
Based of FTE	
SALARIES - PERMANENT	175,385
TEMPORARY SALARIES/ OVERTIME	2,268
FRINGE BENEFITS	68,764
Based on Committee Members	
SALARIES - PERMANENT	41,554
TEMPORARY SALARIES	
FRINGE BENEFITS	3,411
	-
Total Salary, Wages & Benefits	**$ 291,383**

TOBACCO PREVENTION AND CONTROL EXECUTIVE COMMITTEE
ADVISORY COMMITTEE
2011 MEETING SCHEDULE AND REMUNERATION STATEMENT

Meetings will be held at 2:00 p.m. on the following dates in 2011:

MEETING DATE	PAYMENTS	
January 13 – CANCELLED	$	
January 27	$1080.00	
February 10	$ 945.00	
February 24	$ 945.00	
March 10	$ 945.00	
March 24	$ 810.00	YTD TOTAL: $4725.00
April 7		
April 21		
May 5 (Grant Review)		
May 19 (Grant Review)		
July 14		
September 8		
November 10		

Meetings will take place at the Center for Tobacco Prevention and Control Policy in the conference room located at 4023 State St, Suite 15, Bismarck ND, 58503.

Anyone needing additional information or requiring special accommodation for these meetings should contact Cami Bauman at the Center for Tobacco Prevention and Control Policy via email at crbauman@nd.gov or by dialing 701-328-5130 or 877-277-5090.

TOBACCO PREVENTION AND CONTROL EXECUTIVE COMMITTEE
2011 MEETING SCHEDULE & REMUNERATION STATEMENT

Meetings will be held at 1:00 on the following dates in 2011:

MEETING DATE		PAYMENTS
January:	7	$ 405.00
	14	$ 405.00
	21	$ 405.00
	28	$ 405.00
February:	4	$ 405.00
	11	$ 405.00
	18	$ 405.00
	24 (Thursday)	$ 0.00
March:	4	$ 270.00
	11	$ 405.00
	18	$ 405.00
	24 (Thursday)	$ 405.00
		YTD TOTAL: $ 4320.00
April:	1	
	8	
	15	
	22 (Good Friday)	
	29	

Meetings will be held at 10:00 a.m. on the following dates in 2011:

MEETING DATE		PAYMENTS
May:	13	
	27	
June:	10	
	24	
July:	8	
	22	
August:	5	
	19	

Anyone needing additional information or requiring special accommodation for meetings should contact Cami Bauman at the Center for Tobacco Prevention and Control Policy at crbauman@nd.gov, 701-328-5130 or 877-277-5090.

TOBACCO PREVENTION AND CONTROL EXECUTIVE COMMITTEE
2011 MEETING SCHEDULE

Meetings will be held at 10:00 a.m. on the following dates in 2011:

MEETING DATE		PAYMENTS
September:	2	
	16	
	30	
October:	14	
	28	
November:	11 (Veteran's Day)	
	25 (Day after Thanksgiving)	
December:	9	
	23	

Anyone needing additional information or requiring special accommodation for meetings should contact Cami Bauman at the Center for Tobacco Prevention and Control Policy at crbauman@nd.gov, 701-328-5130 or 877-277-5090.

TOBACCO PREVENTION AND CONTROL EXECUTIVE COMMITTEE
2010 MEETING SCHEDULE & REMUNERATION STATEMENT

Meetings will be held at 10:00 a.m. on the following dates in 2010:

MEETING DATE		PAYMENTS
January:	8	$ 405.00
	15	$ 405.00
	22	$ 405.00
	29	$ 405.00
February:	5	$ 405.00
	19	$ 405.00
March:	5	$ 405.00
	19	$ 405.00
April:	5	$ 405.00
	16	$ 405.00
	30	$ 405.00
May:	17	$ 270.00
	28	$ 405.00
June:	14	$ 405.00
	30	$ 405.00
July:	14	$ 405.00
	23	$ 270.00
August:	3	$ 270.00
	20	$ 270.00
September:	3	$ 270.00
	17	$ 405.00
October:	1	$ 405.00
	18	$ 405.00
	29	$ 405.00
November:	12	$ 405.00
	26 - CANCELLED	
December:	10	$ 405.00
	17	$ 405.00
	TOTAL 2010 PAYMENTS:	$10,260.00

Anyone needing additional information or requiring special accommodation for meetings should contact Cami Bauman at the Center for Tobacco Prevention and Control Policy at crbauman@nd.gov, 701-328-5130 or 877-277-5090.

TOBACCO PREVENTION AND CONTROL EXECUTIVE COMMITTEE
ADVISORY COMMITTEE
2010 MEETING SCHEDULE

Meetings will be held at 2:00 p.m. on the following dates in 2010:

MEETING DATE	PAYMENTS
January 14	$ 1080.00
March 11	$ 1215.00
May 12 (Grant Review)	$ 1215.00
May 13	$ 1080.00
May 19 (Special Meeting)	$ 810.00
May 20 (Grant Review)	$ 1080.00
July 8	$ 1215.00
September 9	$ 945.00
November 18	$ 945.00
TOTAL 2010 PAYMENTS:	$ 9585.00

Meetings will take place at the Center for Tobacco Prevention and Control Policy in the conference room located at 4023 State St, Suite 15, Bismarck ND, 58503.

Anyone needing additional information or requiring special accommodation for these meetings should contact Cami Bauman at the Center for Tobacco Prevention and Control Policy via email at crbauman@nd.gov or by dialing 701-328-5130 or 877-277-5090.

TOBACCO PREVENTION & CONTROL EXECUTIVE COMMITTEE
2009-2011 Professional Services Contract and IT Contractual

Contractor	Total Contract Amount	Start Date	End Date	Description
North Dakota Dept of Health	19,179.00	7/1/2009	6/30/2010	Fiscal Agent
Judith Stephany dba Tobacco Control Strategies Group	1,250.00	1/11/2010	6/30/2010	Tobacco Evaluation Plan & Health Communications Plan TA
Judith Stephany dba Tobacco Control Strategies Group	1,250.00	1/11/2010	6/30/2010	Tobacco Evaluation Plan & Health Communications Plan TA
Directors of Health Promotion and Education	8,500.00	3/30/2010	6/30/2010	Shaping Policy for Health Training
North Dakota Dept of Health	19,179.00	7/1/2010	6/30/2011	Fiscal Agent
Odney	1,000,000.00	1/11/2011	6/30/2011	Health Communications Marketing Services
Nexus Innovations	122,550.00	2/2/2010	6/30/2011	Modifications to Payment Request System
Odney Advertising	2,499.99	2/8/2010	6/30/2011	Updates to Website breathend.com
Total Professional Fee and IT contracts 2009-2011 Bien	1,174,407.99			

North Dakota Tobacco Prevention and Control Executive Committee
Center for Tobacco Prevention and Control Policy
4023 State Street, Suite 65 • Bismarck, ND 58503-0638
Phone 701.328.5130 • Fax 701.328.5135 • Toll Free 1.877.277.5090

* HB 1025
* Attachment ONE

TO: **Conference Committee on House Bill 1004**
Representative Larry Bellew, Chair
FROM: **Jeanne Prom, Executive Director**
DATE: **April 14, 2011**
RE: **Additional information on House Bill 1004**

This memo includes the information that I emailed to each of you yesterday, plus an attachment.

During the conference committee meeting April 13, the committee discussed CDC Best Practices for Comprehensive Tobacco Control Programs, October 2007, specifically page 26, which details CDC Best Practices for Tobacco Control Programs as they would be integrated in Chronic Disease Programs (attached).

Basically, integration of tobacco control into chronic disease programs is:

1. Determining tobacco use status of each person seen in the chronic disease program, then:
   For non-tobacco users, former users: reinforce the health benefits of being/staying tobacco-free, especially as it relates to their chronic disease/condition.
   For tobacco users: encourage quitting, explaining the health benefits of quitting especially as they relate to their chronic disease/condition, and refer to or provide information for the Quitline/Net.
2. Using tobacco tax increase to fund chronic disease prevention and treatment programs.
3. Promote tobacco-free policies and environments to better manage and even prevent chronic diseases.
4. Promote insurance coverage for a package of preventive services including high blood pressure, high cholesterol and tobacco use treatment.

I provided more detail in my testimony to the Senate Appropriations Committee. I had CDC review and approve the table below before I put it in my testimony:

CDC Best Practices for Comprehensive Tobacco Control Programs prevent and reduce tobacco use. Lower tobacco use = less chronic disease.

- Comprehensive tobacco prevention programs funded and sustained at the CDC-recommended level reduce tobacco use and chronic disease.
  - *Conversely, underfunding tobacco prevention and cessation results in more tobacco use and more chronic disease.*
- Reducing tobacco use will reduce heart disease, stroke and cancer.

- ➢ *Tobacco use is a major contributor to the chronic diseases that afflict the most North Dakotans: heart disease, stroke and cancer.*

- Tobacco prevention is a cost-saving investment, because it pays off by preventing heart attacks, strokes, and cancers.
  - ➢ *Eliminating funding for tobacco prevention and cessation and instead funding treatment of chronic disease, is doubly costly: the result is less prevention leading to more and more treatment.*

The following chart outlines what the CDC defines as Best Practices for Tobacco Control Programs, taken from Best Practices for Comprehensive Tobacco Control Programs, October 2007, page 26:

CDC Best Practices – State & community interventions, chronic disease programs

State & community interventions -- general	• Provide funding & technical assistance & training to community organizations & partners to build & sustain capacity to change social norms around tobacco use; includes working with local coalitions • Collaborate with partners/programs to use evidence-based interventions to reduce tobacco use • Provide statewide & local public education about health effects of tobacco use & exposure to secondhand smoke & how to access cessation services • Use tobacco taxes to fund both tobacco prevention & chronic disease prevention & treatment • Link chronic disease programs to quitline
State & community interventions specific to chronic disease programs	• Use tobacco taxes to fund both tobacco prevention & chronic disease prevention & treatment • Collaborate on shared goals, objectives related to reducing tobacco use: prevent use, refer to cessation services, educate on tobacco-free policies • Link tobacco prevention interventions, such as smoke-free policies, with cardiovascular disease prevention & cancer prevention programs • Increase awareness of secondhand smoke as trigger for asthma & increased risk for heart attacks • Link chronic disease management programs for diabetes & cardiovascular disease to state quitline • Promote insurance coverage for a package of preventive services including high blood pressure, high cholesterol, & tobacco use treatment

Please let me know if you desire additional clarification. Thank you.

State and Community Interventions

Chronic Disease Programs

State-based tobacco prevention and control programs can collaborate with other programs to address diseases for which tobacco is a major cause, including multiple cancers, heart disease and stroke, and chronic lung and respiratory diseases. Addressing tobacco control strategies in the broader context of tobacco-related diseases is beneficial for three reasons. First, it is critical that interventions are implemented to alleviate the existing burden of disease from tobacco. Second, the incorporation of tobacco prevention and cessation messages into broader public health activities ensures wider dissemination of tobacco control strategies. Finally, tobacco use in conjunction with other diseases and risk factors, such as sedentary lifestyle, poor diet, and diabetes, poses a greater combined risk for many chronic diseases than the sum of each individual degree of risk. Collaboration in these areas has potential to synergistically increase reach and desired outcomes in states.

Examples of activities to reduce the burden of tobacco-related diseases include the following:

- Collaborating with related public health programs on shared goals and objectives.
- Implementing community interventions that link tobacco control interventions, such as smoke-free policies, with cardiovascular disease and cancer prevention programs.
- Developing counter-marketing strategies to increase awareness of secondhand smoke as a trigger for asthma and an increased risk for heart attacks.
- Using tobacco excise tax dollars to fund both tobacco prevention and control and chronic disease prevention and treatment.
- Linking chronic disease management programs for diabetes and cardiovascular disease to the state tobacco cessation quitline.
- Promoting insurance coverage for a package of preventive services, including high blood pressure, high cholesterol, and tobacco use treatment.

CDC's Division for Heart Disease and Stroke Prevention has developed *A Public Health Action Plan to Prevent Heart Disease and Stroke* and supporting guidance materials to provide public health professionals and decision makers with targeted recommendations and specific action steps to reverse the trend in heart disease and stroke through effective prevention.[34] Guidance materials include *Translating the Public Health Action Plan into Action* and *Moving into Action: Promoting Heart-Healthy and Stroke-Free Communities.*[35,36]

CDC's Division of Cancer Prevention and Control's National Comprehensive Cancer Control Program funds 50 states, the District of Columbia, seven territories, and seven tribes or tribal-serving organizations to develop and implement comprehensive cancer control plans. The Division has developed *Guidance for Comprehensive Cancer Control Planning,* which includes a guideline and a toolkit for implementing and evaluating a comprehensive cancer control plan.[37] In addition, the Cancer Control P.L.A.N.E.T. website provides links to comprehensive cancer control resources, including tobacco control activities.[38]

CDC's Division of Diabetes Translation has made smoking prevention and cessation for people with diabetes a major program goal. At the time *Best Practices—2007* went to press, the Division of Diabetes Translation, in collaboration with CDC's Office on Smoking and Health, was in the process of identifying best practices pertinent to people with diabetes as well as measures to monitor and evaluate smoking prevalence and cessation among people with diabetes.

Colorado provides an example of implementing a more integrated chronic disease prevention and tobacco control program. The objectives from the state's tobacco prevention and control strategic plan have been incorporated into Colorado's Cancer Plan and Cardiovascular Plan. Cancer, cardiovascular disease, asthma, and diabetes interventions reflect the relationship between smoking and each disease by including promotion of the state's quitline; asthma messages also were integrated into a recent Secondhand Smoke and Children campaign that encouraged calls to the state's quitline. In 2004, a Colorado voter referendum secured all new tobacco excise tax revenues for health initiatives, including chronic disease programs that address cancer, heart disease, and lung diseases; tobacco prevention and control; and expansion of Medicaid and the Children's Health Insurance Program, community health centers, and the Old Age Pension Fund.[39]

BASE BUDGET		18% for base/opt $826 x 24						
Current -- 4.0 FTEs + 3.5 Temporary FTEs	Biennial Salary	Fringe Benefits	Insurance	Subtotals	CONTRACTED	REVISED	TOTAL	6/30/11 x 24
Executive Director	$131,040	$23,688	$19,823	$174,551				$5,460
Adm Assistant	$58,968	$10,614	$19,823	$89,405				$2,457
HC Coord	$114,761	$20,657	$19,823	$155,241				$4,782 rounded
CI Coord	$90,960	$16,373	$19,823	$127,156				$3,790 $65/hr + exps
Compensation package						$40,614		
Permanent -- Salary, Fringe, Benefits 4.0 FTEs	$395,729	$71,332	$79,292	$546,353		$40,614	1,133,320	
Temporary -- Salary -- Board	$21,060	0	0	$21,060				AC - 9x9x135=10,935 + EC 3x25x135=10,125 = $21,060
Temporary -- Salary -- Other	$13,650	$0	$0	$13,650				
Temporary -- Salary -- No Fringe, Benefits, FTEs	$34,710	$0	$0	$34,710			34,710	
OPTIONAL BUDGET -- 3.5 Permanent								
Grants Manager 1.0 FTE	$ 110,280	19,850	19,823	$ 149,953		$ 151,824		Grade 12 - Grants/Contracts Officer II
Community Intervention Coord 1.0 FTE	$ 90,000	16,200	19,823	$ 126,023		$ 127,904		Grade 11 - Human Service Program Administrator III
Evaluation Coordinator 1.0 FTE	$ 110,280	19,850	19,823	$ 149,953		$ 151,824		Grade 12 - Research Analyst III
Accountant .5 FTE	$ 55,140	9,925	19,823	$ 84,888		$ 86,786		Grade 12 - Account/Budget Specialist III
Optional -- Salary, Fringe, Benefits, 3.5 FTEs						$ 518,338	518,338	
Total Current Salaries & Benefits							**1,686,368**	

PROFESSIONAL FEES -- CONTRACTING								
					CONTRACTED			4160/2080 + trvl + oprtng
Grants Manager - fulltime	0	0	0	0	$ 305,832			72/hr + 3912 + 2400
Community Intervention Coordinator - fulltime	0	0	0	0	$ 259,824			60/hr + 7824 + 2400
Evaluation Coordinator - fulltime	0	0	0	0	$ 303,520			72/hr + 1000 + 3000
Accountant - half time	0	0	0	0	$ 152,160			72/hr + 0 + 2400
Total	0	0	0	0	$ 1,021,336		$1,021,336	

Senate additions

Contracting costs

* HB 1025
* April 19, 2011
* Jeanne Prom
* Attachment ONE

ANALYSIS OF THE TOBACCO PREVENTION AND CONTROL TRUST FUND FOR THE 2009-11 AND 2011-13 BIENNIUMS (REFLECTING THE 2011-13 BIENNIUM EXECUTIVE BUDGET RECOMMENDATION)

	2009-11 Biennium		2011-13 Biennium	
Beginning balance		$14,107,486		$25,901,527
Add estimated revenues				
Tobacco settlement revenues collected to date	$12,274,393[1]		$0	
Projected tobacco settlement revenues	12,274,393[2]		24,548,786[2]	
Investment income	127,255		213,616	
Total estimated revenues		24,676,041[3]		24,762,402[3]
Total available		$38,783,527		$50,663,929
Less estimated expenditures and transfers				
Tobacco Prevention and Control Executive Committee expenditures	$12,882,000[4]		$12,922,614[4]	
Total estimated expenditures and transfers		12,882,000		12,922,614
Estimated ending balance		$25,901,527		$37,741,315

[1]As of November 2010, the state has received two tobacco settlement payments totaling $33,091,258 for the 2009-11 biennium, of which $20,816,865 was deposited in the tobacco settlement trust fund and $12,274,393 was deposited in the tobacco prevention and control trust fund. To date, the state has received total tobacco settlement collections of $305,399,942, including $265,189,809 under subsection IX(c)(1) of the Master Settlement Agreement and $40,210,133 under subsection IX(c)(2) of the Master Settlement Agreement. Of the $305,399,942, $278,987,538 has been deposited into the tobacco settlement trust fund and $26,412,404 has been deposited into the tobacco prevention and control trust fund.

[2]Estimated payments for the remainder of the 2009-11 biennium and the 2011-13 biennium are based on the amount received in 2010.

[3]Initiated measure No. 3 approved in the November 2008 general election provides that if in any biennium the tobacco prevention and control trust fund does not have adequate funding for the comprehensive plan, money may be transferred from the water development trust fund to the tobacco prevention and control trust fund in an amount determined necessary by the executive committee to adequately provide for the comprehensive plan. The 2009 Legislative Assembly in Section 39 of House Bill No. 1015 provided that any money deposited in the water development trust fund under North Dakota Century Code Section 54-27-25 may only be spent pursuant to legislative appropriation.

The measure will result in the following estimated allocation of the revised estimated collections of the tobacco settlement payments through 2025:

	Actual and Estimated Total Tobacco Settlement Proceeds	Actual and Estimated Payments Under Master Settlement Agreement Subsection IX(c)(2) Deposited in the Tobacco Prevention and Control Trust Fund	Allocation of Actual and Estimated Payments Under Master Settlement Agreement Subsection IX(c)(1)		
			Common Schools Trust Fund	Water Development Trust Fund	Community Health Trust Fund
Actual payment April 2008	$36.4 million	N/A	$16.4 million	$16.4 million	$3.6 million
Actual payment April 2009	39.2 million	$14.1 million	11.3 million	11.3 million	2.5 million
Estimated 2009-11 biennium	68.3 million	24.5 million	19.7 million	19.7 million	4.4 million
Estimated 2011-13 biennium	70.3 million	24.5 million	20.6 million	20.6 million	4.6 million
Estimated 2013-15 biennium	73.7 million	27.6 million	20.8 million	20.8 million	4.5 million
Estimated 2015-17 biennium	73.7 million	27.6 million	20.8 million	20.8 million	4.5 million
Estimated 2017-19 biennium	52.5 million	N/A	23.6 million	23.6 million	5.3 million
Estimated 2019-21 biennium	52.5 million	N/A	23.6 million	23.6 million	5.3 million
Estimated 2021-23 biennium	52.5 million	N/A	23.6 million	23.6 million	5.3 million
Estimated 2023-25 biennium	52.5 million	N/A	23.6 million	23.6 million	5.3 million
Total	$571.6 million	$118.3 million	$204.0 million	$204.0 million	$45.3 million

[4]Section 35 of House Bill No. 1015 (2009) appropriated $12,882,000 from the tobacco prevention and control trust fund to the Tobacco Prevention and Control Executive Committee for the purpose of providing a level of funding that will meet the annual level recommended by the Centers for Disease Control and Prevention for North Dakota as published in its *Best Practices for Comprehensive Tobacco Control* for the 2009-11 biennium. The 2011-13 executive budget recommendation provides $12,922,614 from the tobacco prevention and control trust fund to the Tobacco Prevention and Control Executive Committee.

FUND HISTORY

The tobacco prevention and control trust fund was created as a result of voter approval of initiated measure No. 3 in the November 2008 general election. The measure added seven new sections to the North Dakota Century Code and amended Section 54-27-25 to establish the Tobacco Prevention and Control Advisory Committee and an executive committee, develop and fund a comprehensive statewide tobacco prevention and control plan, and create a tobacco prevention and control trust fund to receive tobacco settlement dollars to be administered by the executive committee. The measure provides for the advisory committee, appointed by the Governor, to develop the initial comprehensive plan and select an executive committee responsible for the implementation and administration of the comprehensive plan. The initiated measure became effective 30 days after the election (December 4, 2008).

Tobacco settlement payments received by the state under the Master Settlement Agreement are derived from two subsections of the Master Settlement Agreement. Subsection IX(c)(1) of the Master Settlement Agreement provides payments on April 15, 2000, and on April 15 of each year thereafter in perpetuity, while subsection IX(c)(2) of the Master Settlement Agreement provides for additional strategic contribution payments that begin on April 15, 2008, and continue each April 15 thereafter through 2017. Section 54-27-25, created by House Bill No. 1475 (1999), did not distinguish between payments received under the separate subsections of the Master Settlement Agreement and provided for the deposit of all tobacco settlement money received by the state into the tobacco settlement trust fund. Money in the fund, including interest, is transferred within 30 days of deposit in the fund as follows:

- Ten percent to the community health trust fund.
- Forty-five percent to the common schools trust fund.
- Forty-five percent to the water development trust fund.

The measure provides for a portion of tobacco settlement dollars received by the state to be deposited in the newly created tobacco prevention and control trust fund rather than the entire amount in the tobacco settlement trust fund. Tobacco settlement money received under subsection IX(c)(1) of the Master Settlement Agreement will continue to be deposited in the tobacco settlement trust fund and allocated 10 percent to the community health trust fund (with 80 percent used for tobacco prevention and control), 45 percent to the common schools trust fund, and 45 percent to the water development trust fund. Tobacco settlement money received under subsection IX(c)(2) of the Master Settlement Agreement will be deposited into the tobacco prevention and control trust fund. Interest earned on the balance in this fund will be deposited in the fund. The fund will be administered by the executive committee created by the measure for the purpose of creating and implementing the comprehensive plan.

The measure also provides that if in any biennium the tobacco prevention and control trust fund does not have adequate funding for the comprehensive plan, money may be transferred from the water development trust fund to the tobacco prevention and control trust fund in an amount determined necessary by the executive committee to adequately provide for the comprehensive plan. The 2009 Legislative Assembly in Section 39 of House Bill No. 1015 provided that any money deposited in the water development trust fund under Section 54-27-25 may only be spent pursuant to legislative appropriation.

The tobacco settlement payment received by the state in April 2008 was the first payment that included funds relating to subsection IX(c)(2) of the agreement. This payment was received prior to the approval of the measure and was deposited in the tobacco settlement trust fund and disbursed as provided for in Section 54-27-25 prior to amendment by the measure. In 2009 tobacco settlement payments began to be deposited in the tobacco settlement trust fund and the tobacco prevention and control trust fund pursuant to Section 54-27-25 as amended by the measure.