

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1004

Page 1, line 2, after "services" insert "; to create and enact a new section to chapter 54-27 of the North Dakota Century Code, relating to the deposit of judgment funds; to provide for a legislative management report; to provide for a transfer; and to provide for an exemption"

Page 1, replace lines 10 through 24 with:

|  | <u>Base Level</u>  | <u>Adjustments or Enhancements</u> | <u>Appropriation</u> |
|--|--------------------|------------------------------------|----------------------|
| Salaries and wages                         | \$41,362,968       | \$5,511,774                        | \$46,874,742         |
| Operating expenses                         | 31,242,543         | 6,478,670                          | 37,721,213           |
| Capital assets                             | 1,796,393          | (326,613)                          | 1,469,780            |
| Grants                                     | 55,812,575         | 15,857,570                         | 71,670,145           |
| Tobacco prevention                         | 13,410,022         | 850,459                            | 14,260,481           |
| Women, infants, and children food payments | 19,900,000         | 0                                  | 19,900,000           |
| COVID-19                                   | 4,459,766          | 93,353,091                         | 97,812,857           |
| Public health laboratory capital project   | 0                  | 55,120,000                         | 55,120,000           |
| Total all funds                            | \$167,984,267      | \$176,844,951                      | \$344,829,218        |
| Less estimated income                      | <u>129,409,112</u> | <u>170,213,282</u>                 | <u>299,622,394</u>   |
| Total general fund                         | \$38,575,155       | \$6,631,669                        | \$45,206,824         |
| Full-time equivalent positions             | 210.50             | 5.00                               | 215.50"              |

Page 2, line 2, after "biennium" insert "and the 2023-25 biennium one-time funding items included in the appropriation in section 1 of this Act"

Page 2, replace lines 4 through 12 with:

|   |                    |                   |
|---|--------------------|-------------------|
| "Vital records system technology upgrades | \$275,000          | \$0               |
| Statewide health strategies initiative    | 3,000,000          | 0                 |
| COVID-19 response                         | 9,262,341          | 0                 |
| Forensic examiner upgrades                | 910,000            | 0                 |
| COVID-19 response - House Bill No. 1395   | 87,290,597         | 0                 |
| Public health laboratory capital project  | <u>15,000,000</u>  | <u>55,120,000</u> |
| Total all funds                           | \$115,737,938      | \$55,120,000      |
| Less estimated income                     | <u>110,209,662</u> | <u>55,120,000</u> |
| Total general fund                        | \$5,528,276        | \$0               |

The 2023-25 biennium one-time funding amounts are not a part of the entity's base budget for the 2025-27 biennium. The department of health and human services shall report to the appropriations committees of the sixty-ninth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 3. FUNDING TRANSFERS - EXEMPTION - AUTHORIZATION - REPORT.** Notwithstanding section 54-16-04, the director of the office of management and budget shall transfer appropriation authority between line items within section 1 of this Act, subdivisions 1, 2, and 3 of section 1 of Senate Bill No. 2012, and any other

appropriation authority for the department of health and human services approved by the sixty-eighth legislative assembly for the biennium beginning July 1, 2023, and ending June 30, 2025, as requested by the department of health and human services. The department of health and human services shall notify the legislative council of any transfer made pursuant to this section. The department shall report to the budget section after June 30, 2024, any transfer made in excess of \$50,000 and to the appropriations committees of the sixty-ninth legislative assembly regarding any transfers made pursuant to this section.

**SECTION 4. FUNDING TRANSFERS - EXEMPTION - AUTHORIZATION - REPORT.** Notwithstanding section 54-16-04, the director of the office of management and budget shall transfer appropriation authority from line items within section 1 of this Act, subdivisions 1, 2, and 3 of Senate Bill No. 2012, and any other appropriation authority for the department of health and human services approved by the sixty-eighth legislative assembly to subdivision 4 of Senate Bill No. 2012, for the biennium beginning July 1, 2023, and ending June 30, 2025, as requested by the department of health and human services. The department of health and human services shall notify the legislative council of any transfer made pursuant to this section. The department shall report to the budget section after June 30, 2024, any transfer made in excess of \$50,000 and to the appropriations committees of the sixty-ninth legislative assembly regarding any transfers made pursuant to this section.

**SECTION 5. TRANSFER OF APPROPRIATION AUTHORITY.** Section 1 of this Act and section 1 of Senate Bill No. 2012 includes appropriation authority for the department of health and human services for the biennium beginning July 1, 2023, and ending June 30, 2025. On July 1, 2023, the office of management and budget shall combine the appropriation authority contained in section 1 of this Act and section 1 of Senate Bill No. 2012, and any other appropriation authority for the department of health and human services in other bills approved by the sixty-eighth legislative assembly, into one budget for the department of health and human services. The department of health and human services shall submit one budget request for the biennium beginning July 1, 2025, and ending June 30, 2027."

Page 2, replace line 21 with:

|                                       |            |
|---------------------------------------|------------|
| "Domestic violence offender treatment | 1,000,000  |
| Domestic violence prevention          | 1,000,000" |

Page 2, replace line 24 with:

|                                |            |
|--------------------------------|------------|
| "Local public health state aid | 3,275,000" |
|--------------------------------|------------|

Page 2, replace lines 27 and 28 with:

|                                |          |
|--------------------------------|----------|
| "Tobacco cessation grants      | 500,000  |
| Youth vaping prevention grants | 300,000" |

Page 2, replace line 31 with:

|                                    |              |
|------------------------------------|--------------|
| "Total community health trust fund | \$20,072,324 |
|------------------------------------|--------------|

**SECTION 8.** A new section to chapter 54-27 of the North Dakota Century Code is created and enacted as follows:

**Deposit of JUUL Labs, Inc., judgment funds.**

Eighty percent of any funds received by the state under the consent judgment adopted by the south central judicial district court in its consent judgment entered December 8, 2022, [Civil No. 08-2022-CV-02972] in State of North Dakota, ex rel. Drew H. Wrigley v. JUUL Labs, Inc., must be deposited in the community health trust fund.

**SECTION 9. TRANSFER - ATTORNEY GENERAL REFUND FUND TO COMMUNITY HEALTH TRUST FUND.** The attorney general shall transfer eighty percent of any funds deposited in the attorney general refund fund during the biennium beginning July 1, 2021, and ending June 30, 2023, relating to the consent judgment entered December 8, 2022, [Civil No. 08-2022-CV-02972] in State of North Dakota, ex rel. Drew H. Wrigley v. JUUL Labs, Inc., to the community health trust fund on July 1, 2023.

**SECTION 10. USE OF PUBLIC HEALTH CRISIS RESPONSE GRANT FUNDS.** The public health division of the department of health and human services shall use \$870,000 of funding made available through the federal COVID-19 public health crisis response grant for public health workforce to provide grants to local public health units. To be eligible to receive a grant, local public health units must apply for this grant funding by December 31, 2023. Any public health workforce funds not awarded to local public health units may be used by the department of health and human services for workforce efforts pursuant to federal grant guidance.

**SECTION 11. LABORATORY BUILDING STEERING COMMITTEE.** The department of health and human services shall establish a laboratory building steering committee to oversee the design and construction of the laboratory building project for the biennium beginning July 1, 2023, and ending June 30, 2025. The committee must include representation from the department of health and human services, department of environmental quality, office of management and budget, the governor's office, and the legislative assembly. The legislative assembly representation must include one member of the senate appointed by the senate majority leader, one member of the house appointed by the house majority leader, and one member of the minority party from either the senate or the house appointed by the minority leaders of the senate and the house.

**SECTION 12. EXEMPTION - 2021-23 BIENNIUM APPROPRIATION - STATEWIDE HEALTH STRATEGIES.** The sum of \$3,000,000, of which \$1,500,000 is from the community health trust fund and \$1,500,000 is from other income derived from matching funds, appropriated for statewide health strategies in section 1 of chapter 32 of the 2021 Session Laws, is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available for statewide health strategies initiatives during the biennium beginning July 1, 2023, and ending June 30, 2025. The amount appropriated from the community health trust fund is contingent on the department of health and human services securing dollar-for-dollar matching funds.

**SECTION 13. EXEMPTION - 2021-23 BIENNIUM APPROPRIATION - PUBLIC HEALTH LABORATORY CAPITAL PROJECT.** The sum of \$15,000,000 of federal funds, derived from the state fiscal recovery fund, appropriated for a public health laboratory capital project in subdivision 7 of section 1 of chapter 550 of the 2021 Special Session Session Laws, is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available for the public health laboratory capital project during the biennium beginning July 1, 2023, and ending June 30, 2025."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1004 - DHHS - Health Services - House Action**

|                       | Base Budget   | House Changes | House Version |
|-----------------------|---------------|---------------|---------------|
| Salaries and wages    | \$41,362,968  | \$5,511,774   | \$46,874,742  |
| Operating expenses    | 31,242,543    | 6,478,670     | 37,721,213    |
| Capital assets        | 1,796,393     | (326,613)     | 1,469,780     |
| Grants                | 55,812,575    | 15,857,570    | 71,670,145    |
| Tobacco prevention    | 13,410,022    | 850,459       | 14,260,481    |
| WIC food payments     | 19,900,000    |               | 19,900,000    |
| COVID-19 response     | 4,459,766     | 93,353,091    | 97,812,857    |
| State laboratory      |               | 55,120,000    | 55,120,000    |
| Total all funds       | \$167,984,267 | \$176,844,951 | \$344,829,218 |
| Less estimated income | 129,409,112   | 170,213,282   | 299,622,394   |
| General fund          | \$38,575,155  | \$6,631,669   | \$45,206,824  |
| FTE                   | 210.50        | 5.00          | 215.50        |

**Department 350 - DHHS - Health Services - Detail of House Changes**

|                       | Adjusts Funding for Cost to Continue Salaries <sup>1</sup> | Adjusts Base Budget Funding <sup>2</sup> | Adds Funding for Salary and Benefit Increases <sup>3</sup> | Adds 1 FTE Autopsy Technician <sup>4</sup> | Adds 4 FTE Program Management Positions <sup>5</sup> | Increases Funding for Information Technology <sup>6</sup> |
|-----------------------|--|--|--|--|--|---|
| Salaries and wages    | \$319,801  | \$2,167,308                              | \$2,909,563  | \$65,094                                   | \$50,008   | \$1,241,694   |
| Operating expenses    |  | 4,099,423                                |  |  |  |   |
| Capital assets        |  | (326,613)                                |  |  |  |   |
| Grants                |  | 8,721,285                                |  |  |  |   |
| Tobacco prevention    |  | (24,358)                                 | 74,817   |  |  |   |
| WIC food payments     |  |  |  |  |  |   |
| COVID-19 response     |  | 93,203,287                               | 149,804  |  |  |   |
| State laboratory      |  |  |  |  |  |   |
| Total all funds       | \$319,801  | \$107,840,332                            | \$3,134,184  | \$65,094                                   | \$50,008   | \$1,241,694   |
| Less estimated income | 216,068  | 106,147,341                              | 2,379,473  | 0  | 50,008   | 1,050,392   |
| General fund          | \$103,733  | \$1,692,991                              | \$754,711  | \$65,094                                   | \$0  | \$191,302   |
| FTE                   | 0.00   | 0.00                                     | 0.00   | 1.00                                       | 4.00   | 0.00  |

|                       | Adds Funding for Injury Prevention <sup>7</sup> | Increases Funding for Public Health Registries <sup>8</sup> | Increases Funding for the Biomedical Cache <sup>9</sup> | Adds Funding for Emergency Response and Preparedness <sup>10</sup> | Increases Funding for Local Public State Aid <sup>11</sup> | Increases Funding for Domestic Violence Prevention <sup>12</sup> |
|-----------------------|---|---|---|--|--|--|
| Salaries and wages    |   |   |   |  |  |  |
| Operating expenses    | \$31,000  | \$701,553   | \$20,000  | \$385,000  |  |  |
| Capital assets        |   |   |   |  |  |  |
| Grants                |   |   |   |  | \$2,750,000  | \$3,686,285  |
| Tobacco prevention    |   |   |   |  |  |  |
| WIC food payments     |   |   |   |  |  |  |
| COVID-19 response     |   |   |   |  |  |  |
| State laboratory      |   |   |   |  |  |  |
| Total all funds       | \$31,000  | \$701,553   | \$20,000  | \$385,000  | \$2,750,000  | \$3,686,285  |
| Less estimated income | 0   | 0   | 0   | 0  | 2,750,000  | 1,000,000  |
| General fund          | \$31,000  | \$701,553   | \$20,000  | \$385,000  | \$0  | \$2,686,285  |
| FTE                   | 0.00  | 0.00  | 0.00  | 0.00   | 0.00   | 0.00   |

|                        | Increases<br>Funding for<br>Domestic<br>Violence<br>Offender<br>Treatment <sup>13</sup> | Adds Funding<br>for Tobacco<br>Treatment and<br>Cessation<br>Grants <sup>14</sup> | Add Funding<br>for Youth<br>Vaping<br>Prevention<br>Grants <sup>15</sup> | Adds Funding<br>for Laboratory<br>Building <sup>16</sup> | Total House<br>Changes |
|------------------------|---|---|--|--|------------------------|
| Salaries and wages     |   |   |  |  | \$5,511,774            |
| Operating expenses     |   |   |  |  | 6,478,670              |
| Capital assets         |   |   |  |  | (326,613)              |
| Grants                 | \$700,000   |   |  |  | 15,857,570             |
| Tobacco prevention     |   | \$500,000   | \$300,000  |  | 850,459                |
| WIC food payments      |   |   |  |  |                        |
| COVID-19 response      |   |   |  |  | 93,353,091             |
| State laboratory       |   |   |  | \$55,120,000   | 55,120,000             |
| <b>Total all funds</b> | <b>\$700,000</b>  | <b>\$500,000</b>  | <b>\$300,000</b>   | <b>\$55,120,000</b>                                      | <b>\$176,844,951</b>   |
| Less estimated income  | 700,000   | 500,000   | 300,000  | 55,120,000   | 170,213,282            |
| General fund           | \$0   | \$0   | \$0  | \$0  | \$6,631,669            |
| FTE                    | 0.00  | 0.00  | 0.00   | 0.00   | 5.00                   |

<sup>1</sup> Funding is added for cost to continue salary increases.

<sup>2</sup> Funding is added, including funding from federal and special funds, for base budget changes and adjustments to transfer funding between the former State Department of Health and former Department of Human Services budgets.

<sup>3</sup> The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from \$1,429 to \$1,648 per month:

|                           | <u>General Fund</u> | <u>Other Funds</u> | <u>Total</u>     |
|---------------------------|---------------------|--------------------|------------------|
| Salary increase           | \$488,250           | \$1,513,380        | \$2,001,630      |
| Health insurance increase | <u>266,461</u>      | <u>866,093</u>     | <u>1,132,554</u> |
| Total                     | \$754,711           | \$2,379,473        | \$3,134,184      |

<sup>4</sup> Funding is added to convert 1 temporary position to 1 FTE autopsy technician IV position.

<sup>5</sup> Funding from federal funds is added to convert 4 temporary positions to 4 FTE program management III positions to serve as tribal liaisons.

<sup>6</sup> Funding is added for Information Technology Department rate increases.

<sup>7</sup> Funding related to injury prevention is increased for the poison control hotline.

<sup>8</sup> Funding is added for inflationary increases relating to public health registries.

<sup>9</sup> Funding is added to expand the biomedical cache.

<sup>10</sup> Funding is added for emergency response and preparedness training and exercise.

<sup>11</sup> Funding is added from the community health trust fund to increase local public health state aid to provide a total of \$8,000,000, of which \$4,725,000 is from the general fund and \$3,275,000 is from the community health trust fund.

<sup>12</sup> Funding for domestic violence prevention is increased to provide a total of \$5,936,285, of which \$4,596,285 is from the general fund, \$1,000,000 is from the community health trust fund, and \$340,000 is from the domestic violence and sexual assault prevention fund which receives revenue from marriage license fees.

<sup>13</sup> Funding from the community health trust fund is increased for domestic violence offender treatment to provide a total of \$1 million from the fund.

<sup>14</sup> Funding from the community health trust fund is added for a NDQuits cessation program with pharmacies.

<sup>15</sup> Funding from the community health trust fund is added for youth vaping and nicotine prevention grants.

<sup>16</sup> One-time funding from the federal State Fiscal Recovery Fund is added for a new laboratory building shared with the Department of Environmental Quality.

This amendment also:

- Adds a section to provide an exemption to allow the Department of Health and Human Services to transfer funding between line items in House Bill No. 1004, subdivisions 1, 2, and 3 of Section 1 of Senate Bill No. 2012, and any other appropriation authority for the Department of Health and Human Services approved by the 68<sup>th</sup> Legislative Assembly;
- Adds a section to provide an exemption to allow the Department of Health and Human Services to transfer funding from the line items in House Bill No. 1004, subdivisions 1, 2, and 3 of Section 1 of Senate Bill No. 2012, and any other appropriation authority for the Department of Health and Human Services approved by the 68<sup>th</sup> Legislative Assembly to subdivision 4 of Section 1 of Senate Bill No. 2012;
- Adds a section to require the Office of Management and Budget to combine the appropriation authority contained in Section 1 of House Bill No. 1004, Section 1 of Senate Bill No. 2012, and any other appropriation authority for the Department of Health and Human Services into one budget. The section also requires the Department of Health and Human Services to submit one budget request for the 2025-27 biennium;
- Amends the section related to estimated income provided from the community health trust fund to provide funding of \$20,072,324 from the fund for various programs and grants during the 2023-25 biennium;
- Adds a section to provide the statutory changes to require 80 percent of the funds received by the state as a result of the JUUL Labs, Inc. lawsuit settlement be deposited in the community health trust fund;
- Adds a section to require the Attorney General transfer 80 percent of the JUUL settlement proceeds received during the 2021-23 biennium and deposited in the refund fund to the community health trust fund;
- Adds a section to require the department to first make available \$870,000 from the federal COVID-19 public health crisis response grant to local public health units. Funding not requested by December 31, 2023, will be available to the department for workforce efforts pursuant to grant guidance;
- Adds a section of legislative intent to provide the Laboratory Building Steering Committee include representation from the Department of Health and Human Services, Department of Environmental Quality, Office of Management and Budget, Governor's office, and the Legislative Assembly;
- Adds a section to provide an exemption to allow the department to continue \$3 million of one-time funding, of which \$1.5 million is from the community health trust fund and \$1.5 million is from other funds secured as matching funds, provided for a statewide health strategies initiative during the 2021-23 biennium to the 2023-25 biennium. The amount appropriated from the community health trust fund is contingent on the department securing dollar-for-dollar matching funds; and
- Adds a section to provide an exemption to allow the department to continue any unexpended funding provided from the federal State Fiscal Recovery Fund during the 2021 special legislative session for the public health laboratory capital project. The section provides any unexpended funds remaining of the \$15 million one-time funding appropriation are available for the public health laboratory capital project during the 2023-25 biennium.