

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2004 - Funding Summary

	Base Budget	Final Legislative Action	Comparison to Base Budget
State Department of Health			
Salaries and wages	\$62,805,918	\$63,521,978	\$716,060
Operating expenses	40,598,335	37,814,285	(2,784,050)
Capital assets	2,895,232	3,446,740	551,508
Grants	57,096,760	59,883,941	2,787,181
Tobacco prevention	6,910,177	13,646,704	6,736,527
WIC food payments	20,200,000	20,200,000	
Medical marijuana		1,560,770	1,560,770
Total all funds	\$190,506,422	\$200,074,418	\$9,567,996
Less estimated income	141,970,854	156,599,958	14,629,104
General fund	\$48,535,568	\$43,474,460	(\$5,061,108)
FTE	365.00	364.00	(1.00)
Bill Total			
Total all funds	\$190,506,422	\$200,074,418	\$9,567,996
Less estimated income	141,970,854	156,599,958	14,629,104
General fund	\$48,535,568	\$43,474,460	(\$5,061,108)
FTE	365.00	364.00	(1.00)

Senate Bill No. 2004 - State Department of Health - Senate Action

	Base Budget	Senate Changes	Senate Version
Salaries and wages	\$62,805,918	\$1,610,189	\$64,416,107
Operating expenses	40,598,335	(2,203,877)	38,394,458
Capital assets	2,895,232	551,508	3,446,740
Grants	57,096,760	(961,090)	56,135,670
Tobacco prevention	6,910,177	5,237,564	12,147,741
WIC food payments	20,200,000		20,200,000
Medical marijuana		6,236,376	6,236,376
Total all funds	\$190,506,422	\$10,470,670	\$200,977,092
Less estimated income	141,970,854	13,917,350	155,888,204
General fund	\$48,535,568	(\$3,446,680)	\$45,088,888
FTE	365.00	12.00	377.00

Department 301 - State Department of Health - Detail of Senate Changes

	Adds Funding for Base Payroll Changes¹	Adds Funding for Health Insurance Increases²	Removes 1 FTE Environmental Health Position³	Base Budget Reductions⁴	Restores Base Budget Funding⁵	Cost-to-Continue Existing Programs⁶
Salaries and wages	1,126,755	1,074,628	(139,041)	(643,301)	81,148	
Operating expenses				(3,348,403)	2,066,243	(2,415,937)
Capital assets						
Grants				(358,156)	865,000	(1,941,114)
Tobacco prevention	48,856	14,368				(1,278,993)
WIC food payments						
Medical marijuana		48,654				
Total all funds	\$1,175,611	\$1,137,650	(\$139,041)	(\$4,349,860)	\$3,012,391	(\$5,636,044)
Less estimated income	404,755	549,367	(27,808)	805,115	0	(5,736,641)
General fund	\$770,856	\$588,283	(\$111,233)	(\$5,154,975)	\$3,012,391	\$100,597
FTE	0.00	0.00	(1.00)	(1.00)	0.00	0.00
	Reduces Funding for Bond and Capital Payments⁷	Reduces Funding for Extraordinary Repairs⁸	Adjusts Funding for Equipment⁹	Increases Funding for Grants to Local Public Health¹⁰	Adds 1 FTE and Increases Funding for Tobacco Prevention¹¹	Adjusts the Funding Source for Various Programs¹²
Salaries and wages						
Operating expenses						
Capital assets	(244,084)	(35,820)	831,412			
Grants				1,000,000		
Tobacco prevention					6,453,333	
WIC food payments						
Medical marijuana						
Total all funds	(\$244,084)	(\$35,820)	\$831,412	\$1,000,000	\$6,453,333	\$0
Less estimated income	(243,680)	(18,093)	841,412	2,000,000	6,453,333	2,224,862
General fund	(\$404)	(\$17,727)	(\$10,000)	(\$1,000,000)	\$0	(\$2,224,862)
FTE	0.00	0.00	0.00	0.00	1.00	0.00
	Reduces Funding for Colorectal Screenings¹³	Adjusts the Funding Source for Litigation Fees¹⁴	Reduces Funding for Emergency Medical Services Grants¹⁵	Adds Funding and FTE for a Medical Marijuana Division¹⁶	Adds One-Time Funding for the Medical Marijuana Division¹⁷	Adds One-Time Funding for a Women, Infants, and Children Program Project¹⁸
Salaries and wages						110,000
Operating expenses	(100,000)					1,594,220
Capital assets						
Grants			(561,820)			35,000
Tobacco prevention						
WIC food payments						
Medical marijuana				4,989,819	1,197,903	
Total all funds	(\$100,000)	\$0	(\$561,820)	\$4,989,819	\$1,197,903	\$1,739,220
Less estimated income	(100,000)	500,000	0	3,327,605	1,197,903	1,739,220
General fund	\$0	(\$500,000)	(\$561,820)	\$1,662,214	\$0	\$0
FTE	0.00	0.00	0.00	13.00	0.00	0.00

	Total Senate Changes
Salaries and wages	1,610,189
Operating expenses	(2,203,877)
Capital assets	551,508
Grants	(961,090)
Tobacco prevention	5,237,564
WIC food payments	
Medical marijuana	6,236,376
Total all funds	\$10,470,670
Less estimated income	13,917,350
General fund	(\$3,446,680)
FTE	12.00

¹ Funding is added for cost-to-continue 2015-17 biennium salaries and benefit increases and for other base payroll changes.

² Funding is added for increases in employee health insurance premiums from \$1,130 to \$1,249 per month.

³ One FTE Environmental Health Division position and related funding for salaries and wages is removed.

⁴ Base budget reductions included in the agency's budget request are made, including the removal of 1 FTE position in the Water Quality Division.

⁵ Funding for salaries and wages, operating expenses, and grants, reduced as part of the 2015-17 budget reductions, is restored.

⁶ Funding is adjusted for cost-to-continue programs.

⁷ Funding for bond and capital payments is reduced to provide a total of \$636,877, of which \$455,931 is from the general fund.

⁸ Funding for extraordinary repairs is reduced to provide a total of \$300,350, of which \$62,516 is from the general fund.

⁹ Funding for equipment is adjusted to provide a total of \$2,509,513 from other funds.

¹⁰ Funding for grants to local public health units is increased and the funding sources adjusted to provide a total of \$5.25 million, of which \$3.25 million is from the general fund and \$2 million is from the tobacco prevention and control trust fund.

¹¹ One FTE position is added for tobacco prevention and control and funding is increased by \$6,453,333 from the tobacco prevention and control trust fund. Funding provided for tobacco prevention and control totals \$12,147,741, of which \$3,200,000 is from the community health trust fund, \$6,953,333 is from the tobacco prevention and control trust fund, and \$1,994,408 is from federal funds. Tobacco prevention and control funding includes \$5.5 million for grants to local public health units for tobacco prevention and control programs.

¹² Funding for the following programs is adjusted to provide \$2,224,862 from the tobacco prevention and control trust fund instead of the general fund.

Cancer programs	\$744,804
Stroke and cardiac care programs	756,418
Physician loan repayment program	480,000
Behavioral health loan repayment program	243,640
Total	<u>\$2,224,862</u>

¹³ Funding from the tobacco prevention and control trust fund for cancer programs is reduced due to less need for colorectal screenings.

¹⁴ Funding for litigation fees related to the Environmental Protection Agency lawsuit is provided from the strategic investment and improvements fund instead of the general fund.

¹⁵ Funding for emergency medical services grants is reduced to provide a total of \$7,721,000. Emergency medical services rural assistance grants total \$6,875,000, of which \$5,625,000 is from the general fund and \$1,250,000 is from the insurance tax distribution fund. Emergency medical services training grants total \$846,000 from the general fund.

¹⁶ Funding is added for a Medical Marijuana Division, including 13 FTE positions.

¹⁷ One-time funding is added for costs related to establishing the Medical Marijuana Division.

¹⁸ One-time funding is added for a women, infants, and children program computer project.

This amendment also adds sections to:

- Identify \$1.25 million from the insurance tax distribution fund for rural emergency medical services grants.
- Identify \$500,000 from the strategic investment and improvements fund for the Environmental Protection Agency lawsuit.
- Identify \$360,000 from the student loan trust fund for the dental loan repayment program.
- Identify \$11,078,195 from the tobacco prevention and control trust fund for tobacco and related health programs.
- Repeal North Dakota Century Code Chapter 23-38 related to the community health grant program.
- Amend Section 54-27-25(1) to remove the requirement that 80 percent of the transfers from the tobacco settlement trust fund to the community health trust fund be used for tobacco prevention and control.
- Provide an emergency clause for the medical marijuana line item.

Senate Bill No. 2004 - State Department of Health - House Action

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$62,805,918	\$64,416,107	(\$1,166,286)	\$63,249,821
Operating expenses	40,598,335	38,394,458	(755,173)	37,639,285
Capital assets	2,895,232	3,446,740		3,446,740
Grants	57,096,760	56,135,670	3,748,271	59,883,941
Tobacco prevention	6,910,177	12,147,741	1,498,963	13,646,704
WIC food payments	20,200,000	20,200,000		20,200,000
Medical marijuana		6,236,376	(4,675,606)	1,560,770
Total all funds	\$190,506,422	\$200,977,092	(\$1,349,831)	\$199,627,261
Less estimated income	141,970,854	155,888,204	455,850	156,344,054
General fund	\$48,535,568	\$45,088,888	(\$1,805,681)	\$43,283,207
FTE	365.00	377.00	(15.00)	362.00

Department 301 - State Department of Health - Detail of House Changes

	Adjusts Funding for Health Insurance Increases ¹	Removes 8 FTE Positions Agencywide ²	Reduces Funding for Operating Expenses Agencywide ³	Removes 7 FTE Medical Marijuana Positions and Adjusts Funding ⁴	Adds Funding for Federal Ebola Grant ⁵	Adds Funding for Volkswagen Corporation Settlement Proceeds ⁶
Salaries and wages	(98,894)	(1,067,392)				
Operating expenses			(850,000)		94,827	
Capital assets						
Grants					948,271	2,500,000
Tobacco prevention	(1,037)					
WIC food payments						
Medical marijuana	(21,278)			(4,654,328)		
Total all funds	(\$121,209)	(\$1,067,392)	(\$850,000)	(\$4,654,328)	\$1,043,098	\$2,500,000
Less estimated income	(66,608)	(433,077)	(680,000)	(3,707,563)	1,043,098	2,500,000
General fund	(\$54,601)	(\$634,315)	(\$170,000)	(\$946,765)	\$0	\$0
FTE	0.00	(8.00)	0.00	(7.00)	0.00	0.00

	Adds Funding for Domestic Violence Offender Treatment Grants⁷	Adds Funding for Tobacco Cessation Products⁸	Adds Funding for Local Public Health Unit Tobacco Prevention and Control Grants⁹	Total House Changes
Salaries and wages				(1,166,286)
Operating expenses				(755,173)
Capital assets				
Grants	300,000			3,748,271
Tobacco prevention		500,000	1,000,000	1,498,963
WIC food payments				
Medical marijuana				(4,675,606)
Total all funds	\$300,000	\$500,000	\$1,000,000	(\$1,349,831)
Less estimated income	300,000	500,000	1,000,000	455,850
General fund	\$0	\$0	\$0	(\$1,805,681)
FTE	0.00	0.00	0.00	(15.00)

¹ Funding for employee health insurance is adjusted to reflect the updated premium amount of \$1,241 per month.

² Eight FTE positions are removed, including related funding for salaries and wages.

³ Funding for operating expenses is reduced agencywide.

⁴ Seven FTE medical marijuana positions are removed and funding is adjusted based on the fiscal note for Senate Bill No. 2344, as approved by the House, to provide a total of 6 FTE positions and total funding of \$1,560,770, of which \$723,270 is from the general fund and \$837,500 is from the compassionate care fund.

⁵ Funding is added for a federal Ebola grant anticipated to be received by the department.

⁶ Funding is added for grants from special funds resulting from a settlement agreement between the United States Department of Justice and the Volkswagen Corporation related to emissions. The State Department of Health has been designated to receive the funds by the Governor's office.

⁷ Funding is provided from the tobacco prevention and control trust fund for domestic violence offender treatment grants.

⁸ Funding is provided from the tobacco prevention and control trust fund for tobacco cessation products.

⁹ Funding is provided from the tobacco prevention and control trust fund for grants to local public health units for tobacco prevention and control programs to provide a total of \$6.5 million for tobacco prevention grants to local public health units.

This amendment also:

- Adds a section to identify additional funding provided for health insurance increases.
- Amends the section related to funding from the tobacco prevention and control trust fund to provide \$12,878,195 from the tobacco prevention and control trust fund to the State Department of Health for tobacco prevention and related health programs.
- Adds a section of legislative intent that Chapter 19-24.1 related to medical marijuana, as created by Senate Bill No. 2344, be subject to the requirements of Section 8 of Article III of the Constitution of North Dakota until December 8, 2023.
- Adds a section to require, as of July 1, 2017, all business-related records belonging to the Comprehensive Tobacco Control Advisory Committee shall be transferred to the State Department of Health. The State Department of Health must be allowed access to the business-related records of the Comprehensive Tobacco Control Advisory Committee prior to July 1, 2017, for the purposes of transitioning the operations to the State Department of Health.
- Adds a section to provide that by July 31, 2017, the State Department of Health develop a statewide tobacco prevention and control plan that is consistent with the five components of the Centers for Disease Control and Prevention Best Practices for Comprehensive Tobacco Control Programs. At least once during the 2017-19 biennium, the State Department of Health must provide for an independent review of the tobacco prevention and control plan to evaluate the effectiveness of the plan and its implementation. Any costs related to the independent review are included in the tobacco prevention control line item and may be

paid from the tobacco prevention and control trust fund. The department must report the results of the review to the Legislative Management.

- Adds sections to amend Sections 43-28.1-01 and 43-28.1-03 related to the dentists loan repayment program and criteria to be used in selecting qualified dentists.
- Provides the section related to the transfer of records from the Comprehensive Tobacco Control Advisory Committee to the State Department of Health is an emergency measure.

Senate Bill No. 2004 - State Department of Health - Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages	\$62,805,918	\$64,416,107	(\$894,129)	\$63,521,978	\$63,249,821	\$272,157
Operating expenses	40,598,335	38,394,458	(580,173)	37,814,285	37,639,285	175,000
Capital assets	2,895,232	3,446,740		3,446,740	3,446,740	
Grants	57,096,760	56,135,670	3,748,271	59,883,941	59,883,941	
Tobacco prevention	6,910,177	12,147,741	1,498,963	13,646,704	13,646,704	
WIC food payments	20,200,000	20,200,000		20,200,000	20,200,000	
Medical marijuana		6,236,376	(4,675,606)	1,560,770	1,560,770	
Total all funds	\$190,506,422	\$200,977,092	(\$902,674)	\$200,074,418	\$199,627,261	\$447,157
Less estimated income	141,970,854	155,888,204	711,754	156,599,958	156,344,054	255,904
General fund	\$48,535,568	\$45,088,888	(\$1,614,428)	\$43,474,460	\$43,283,207	\$191,253
FTE	365.00	377.00	(13.00)	364.00	362.00	2.00

Department 301 - State Department of Health - Detail of Conference Committee Changes

	Adjusts Funding for Health Insurance Increases¹	Removes 6 FTE Positions Agencywide²	Reduces Funding for Operating Expenses Agencywide³	Removes 7 FTE Medical Marijuana Positions and Adjusts Funding⁴	Adds Funding for Federal Ebola Grant⁵	Adds Funding for Volkswagen Corporation Settlement Proceeds⁶
Salaries and wages	(93,585)	(800,544)				
Operating expenses			(675,000)		94,827	
Capital assets						
Grants					948,271	2,500,000
Tobacco prevention	(1,037)					
WIC food payments						
Medical marijuana	(21,278)			(4,654,328)		
Total all funds	(\$115,900)	(\$800,544)	(\$675,000)	(\$4,654,328)	\$1,043,098	\$2,500,000
Less estimated income	(58,973)	(324,808)	(540,000)	(3,707,563)	1,043,098	2,500,000
General fund	(\$56,927)	(\$475,736)	(\$135,000)	(\$946,765)	\$0	\$0
FTE	0.00	(6.00)	0.00	(7.00)	0.00	0.00

	Adds Funding for Domestic Violence Offender Treatment Grants⁷	Adds Funding for Tobacco Cessation⁸	Adds Funding for Local Public Health Unit Tobacco Prevention and Control Grants⁹	Total Conference Committee Changes
Salaries and wages				(894,129)
Operating expenses				(580,173)
Capital assets				
Grants	300,000			3,748,271
Tobacco prevention		500,000	1,000,000	1,498,963
WIC food payments				
Medical marijuana				(4,675,606)
Total all funds	\$300,000	\$500,000	\$1,000,000	(\$902,674)
Less estimated income	300,000	500,000	1,000,000	711,754
General fund	\$0	\$0	\$0	(\$1,614,428)
FTE	0.00	0.00	0.00	(13.00)

¹ Funding for employee health insurance is adjusted to reflect the updated premium amount of \$1,241 per month, the same as the House version.

² Six FTE positions are removed, including related funding for salaries and wages. The House removed 8 FTE positions and related funding.

³ Funding for operating expenses is reduced agencywide. The House reduced funding for operating expenses agencywide by \$850,000.

⁴ Seven FTE medical marijuana positions are removed and funding is adjusted based on the fiscal note for Senate Bill No. 2344, as approved by the House and Senate and signed by the Governor, to provide a total of 6 FTE positions and total funding of \$1,560,770, of which \$723,270 is from the general fund and \$837,500 is from the compassionate care fund. This level of funding is the same as the House version.

⁵ Funding is added for a federal Ebola grant anticipated to be received by the department, the same as the House version.

⁶ Funding is added for grants from special funds resulting from a settlement agreement between the United States Department of Justice and the Volkswagen Corporation related to emissions, the same as the House version. The State Department of Health has been designated to receive the funds by the Governor's office.

⁷ Funding is provided from the tobacco prevention and control trust fund for domestic violence offender treatment grants, the same as the House version.

⁸ Funding is provided from the tobacco prevention and control trust fund for tobacco cessation. The House provided the same level of funding for cessation products.

⁹ Funding is provided from the tobacco prevention and control trust fund for grants to local public health units for tobacco prevention and control programs to provide a total of \$6.5 million for tobacco prevention grants to local public health units, the same as the House version.

This amendment also:

- Adds a section to identify additional funding provided for health insurance increases, the same as the House version.
- Amends the section related to funding from the tobacco prevention and control trust fund to provide \$12,878,195 from the tobacco prevention and control trust fund to the State Department of Health for tobacco prevention and related health programs, the same as the House version.
- Adds a section of legislative intent that Chapter 19-24.1 related to medical marijuana, as created by Senate Bill No. 2344, be subject to the requirements of Section 8 of Article III of the Constitution of North Dakota until December 8, 2023, the same as the House version.

- Adds a section of legislative intent that the State Department of Health's newborn screening program collaborate with the cardiac system of care taskforce to provide congenital heart defect educational materials and to explore options for data collection and analysis. This section was not included in the House or Senate version.
- Adds sections to amend Sections 43-28.1-01 and 43-28.1-03 related to the dentists loan repayment program and criteria to be used in selecting qualified dentists, the same as the House version.
- Adds a section to require, as of July 1, 2017, all business-related records belonging to the Comprehensive Tobacco Control Advisory Committee to be transferred to the State Department of Health. The State Department of Health must be allowed access to the business-related records of the Comprehensive Tobacco Control Advisory Committee prior to July 1, 2017, for the purposes of transitioning the operations to the State Department of Health, the same as the House version.
- Adds a section to provide that by July 31, 2017, the State Department of Health develop a statewide tobacco prevention and control plan that is consistent with the five components of the Centers for Disease Control and Prevention Best Practices for Comprehensive Tobacco Control Programs. At least once during the 2017-19 biennium, the State Department of Health must provide for an independent review of the tobacco prevention and control plan to evaluate the effectiveness of the plan and its implementation. Any costs related to the independent review are included in the tobacco prevention control line item and may be paid from the tobacco prevention and control trust fund. The department must report the results of the review to the Legislative Management. This provision was included in the House version, but not the Senate version.
- Provides the section related to the transfer of records from the Comprehensive Tobacco Control Advisory Committee to the State Department of Health is an emergency measure, the same as the House version.