

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1004

Page 1, line 2, replace "and" with "to provide a contingent appropriation; to amend and reenact section 54-27-25 of the North Dakota Century Code, relating to the tobacco settlement trust fund;"

Page 1, line 2, after "intent" insert "; to provide for reports; and to provide for a legislative management study"

Page 1, replace lines 12 and 13 with:

"Salaries and wages	\$44,861,868	\$4,045,664	\$48,907,532
Operating expenses	44,635,794	(19,620,694)	25,015,100"

Page 1, replace line 15 with:

"Grants	62,160,510	(6,667,190)	55,493,320"
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Page 1, replace lines 19 through 22 with:

"Total all funds	\$187,614,500	(\$22,387,742)	\$165,226,758
Less estimated income	<u>164,609,206</u>	<u>(26,243,929)</u>	<u>138,365,277</u>
Total general fund	\$23,005,294	\$3,856,187	\$26,861,481
Full-time equivalent positions	343.50	(1.00)	342.50"

Page 2, line 8, replace "13,247,325" with "13,247,325"

Page 2, line 8, replace "3,492,228" with "3,492,228"

Page 2, replace lines 9 and 10 with:

"Total all funds	\$17,323,696	\$3,492,228"
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Page 2, replace line 12 with:

"Total general fund	\$4,076,371	\$0"
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Page 2, after line 22, insert:

**"SECTION 4. CONTINGENT APPROPRIATION AND BANK OF NORTH DAKOTA LINE OF CREDIT - LITIGATION AND ADMINISTRATIVE PROCEEDINGS COSTS - REPORT TO BUDGET SECTION.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$500,000, or so much of the sum as may be necessary, to the state department of health for the purpose of defraying expenses associated with possible litigation and other administrative proceedings involving the United States environmental protection agency for the period beginning with the effective date of this Act and ending June 30, 2013. In addition, the state department of health, contingent on litigation and administrative proceedings, may borrow the sum of \$500,000, or so much of the sum as may be necessary, from the Bank of North Dakota, the proceeds of which is

appropriated to the state department of health for the purpose of defraying the expenses associated with possible litigation and other administrative proceedings involving the United States environmental protection agency for the period beginning with the effective date of this Act and ending June 30, 2013. The department may spend the general fund moneys and access the line of credit only upon approval by the attorney general. The department must report quarterly to the budget section during the 2011-12 interim regarding the status of any litigation and other administrative proceedings.

**SECTION 5. AMENDMENT.** Section 54-27-25 of the North Dakota Century Code is amended and reenacted as follows:

**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 percent 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."

Page 2, after line 25, insert:

**"SECTION 7. LEGISLATIVE INTENT - SUICIDE PREVENTION PROGRAM.** It is the intent of the legislative assembly that the state department of health work in conjunction with the Indian affairs commission to develop, implement, and coordinate a suicide prevention program, including outreach, education, and administration of grants for suicide prevention activities for the biennium beginning July 1, 2011, and ending June 30, 2013.

**SECTION 8. LEGISLATIVE MANAGEMENT STUDY - REGIONAL PUBLIC HEALTH NETWORK PILOT PROJECT.** During the 2011-12 interim, the legislative management shall consider studying the regional public health network pilot project conducted during the 2009-11 biennium, including services provided, effects of the project on participating local public health units, efficiencies achieved in providing services, cost-savings to state and local governments, and possible improvements to the program. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-third legislative assembly. "

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1004 - State Department of Health - House Action**

	<b>Executive Budget</b>	<b>House Changes</b>	<b>House Version</b>
Salaries and wages	\$49,614,394	(\$706,862)	\$48,907,532
Operating expenses	45,223,767	(20,208,667)	25,015,100
Capital assets	1,998,073		1,998,073
Grants	55,887,778	(394,458)	55,493,320
Tobacco prevention	6,162,396		6,162,396
WIC food payments	24,158,109		24,158,109
Federal stimulus funds	3,492,228		3,492,228
Contingency		1,000,000	1,000,000
<b>Total all funds</b>	<b>\$186,536,745</b>	<b>(\$20,309,987)</b>	<b>\$166,226,758</b>
<b>Less estimated income</b>	<b>158,456,189</b>	<b>(19,590,912)</b>	<b>138,865,277</b>
<b>General fund</b>	<b>\$28,080,556</b>	<b>(\$719,075)</b>	<b>\$27,361,481</b>
<b>FTE</b>	<b>343.50</b>	<b>(1.00)</b>	<b>342.50</b>

**Department No. 301 - State Department of Health - Detail of House Changes**

	<b>Removes Funding for Women's Way Care Coordination<sup>1</sup></b>	<b>Adds Funding for Women's Way Care Coordination<sup>2</sup></b>	<b>Changes Funding Source for State Stroke Registry<sup>3</sup></b>	<b>Changes Funding Source for Women's Way Program<sup>4</sup></b>	<b>Adds Funding for Go Red North Dakota Program<sup>5</sup></b>	<b>Removes One-Time Funding for a Regional Health Network Grant<sup>6</sup></b>
Salaries and wages						
Operating expenses	(99,260)	99,260				
Capital assets						
Grants	(400,740)	400,740			453,000	(275,000)
Tobacco prevention						

WIC food payments						
Federal stimulus funds						
Contingency						
Total all funds	(\$500,000)	\$500,000	\$0	\$0	\$453,000	(\$275,000)
Less estimated income	(500,000)	500,000	250,700	400,500	453,000	0
General fund	\$0	\$0	(\$250,700)	(\$400,500)	\$0	(\$275,000)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Removes Funding for Health Care Reform <sup>7</sup>	Removes Salary Equity Funding <sup>8</sup>	Removes Funding for Universal Vaccines <sup>9</sup>	Increases Grants to Local Public Health Units <sup>10</sup>	Removes Funding for Prenatal Alcohol Screening and Intervention <sup>11</sup>	Adds Funding for Safe Havens Program <sup>12</sup>
Salaries and wages	(\$398,871)	(\$70,000)				
Operating expenses	(387,241)		(19,400,000)			
Capital assets						
Grants	(1,009,000)			400,000	(388,458)	425,000
Tobacco prevention						
WIC food payments						
Federal stimulus funds						
Contingency						
Total all funds	(\$1,795,112)	(\$70,000)	(\$19,400,000)	\$400,000	(\$388,458)	\$425,000
Less estimated income	(1,795,112)	0	(19,400,000)	0	0	0
General fund	\$0	(\$70,000)	\$0	\$400,000	(\$388,458)	\$425,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Removes Funding for Injury Prevention <sup>13</sup>	Removes Funding for Statewide Trauma Program <sup>14</sup>	Adds Contingent Funding for Litigation and Administrative Proceedings <sup>15</sup>	Total House Changes
Salaries and wages	(\$125,557)	(\$112,434)		(\$706,862)
Operating expenses	(9,960)	(411,466)		(20,208,667)
Capital assets				
Grants				(394,458)
Tobacco prevention				
WIC food payments				
Federal stimulus funds				
Contingency			1,000,000	1,000,000
Total all funds	(\$135,517)	(\$523,900)	\$1,000,000	(\$20,309,987)
Less estimated income	0	0	500,000	(19,590,912)
General fund	(\$135,517)	(\$523,900)	\$500,000	(\$719,075)
FTE	(1.00)	0.00	0.00	(1.00)

<sup>1</sup> Funding is removed from federal funds for Women's Way care coordination, including operating expenses (\$99,260) and grants (\$400,740).

<sup>2</sup> Funding is provided from the community health trust fund for Women's Way care coordination, including operating expenses (\$99,260) and grants (\$400,740).

<sup>3</sup> The source of funding for certain state stroke registry operating expenses (\$78,500) and grants (\$172,200) is changed from the general fund to the community health trust fund to provide a total of \$473,324 from the community health trust fund.

<sup>4</sup> The source of funding for the Women's Way program, including operating expenses (\$100,000) and grants (\$300,500), is changed from the general fund to the community health trust fund.

<sup>5</sup> Funding is provided from the community health trust fund for grants to implement the Go Red North Dakota risk awareness and action grants program.

<sup>6</sup> **One-time funding** is removed for a regional health network incentive grant.

<sup>7</sup> Federal funding is removed for health care reform programs, including salaries and wages (\$398,871), operating expenses (\$387,241), and grants (\$1,009,000).

<sup>8</sup> Salary equity funding for air quality and environmental engineers is removed.

<sup>9</sup> Funding for operating expenses related to the purchase of vaccines under a universal immunization system is removed.

<sup>10</sup> Grants to local public health units are increased to provide a total of \$2.8 million.

<sup>11</sup> Funding for prenatal alcohol screening and intervention grants is removed.

<sup>12</sup> This amendment provides funding for grants to continue the Safe Havens supervised visitation and exchange program.

<sup>13</sup> Funding for 1 FTE position (\$125,557) and operating expenses (\$9,960) for injury prevention is removed.

<sup>14</sup> Funding from the general fund added in the executive budget to replace reduced federal funding available through the Department of Transportation for services provided to ambulances and for the statewide trauma program, including salaries and wages (\$112,434) and operating expenses (\$411,466) is removed.

<sup>15</sup> A section is added providing a \$500,000 contingent appropriation from the general fund and authorization for a \$500,000 line of credit with the Bank of North Dakota to provide funding for costs associated with litigation and other administrative proceedings involving the United States Environmental Protection Agency. The department may spend the general fund money and access the line of credit only upon approval by the Attorney General. The department must report quarterly to the Budget Section regarding the status of any litigation and other administrative proceedings.

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Sections are added relating to:

- Legislative intent that the State Department of Health work in conjunction with the Indian Affairs Commission to develop, implement, and coordinate a suicide prevention program, including outreach, education, and administration of grants for suicide prevention activities.
- A Legislative Management study of a regional public health network pilot project conducted during the 2009-11 biennium, including services provided, effects of the project on participating local public health units, efficiencies achieved in providing services, cost-savings to state and local governments, and possible improvements to the program.
- An amendment to Section 54-27-25 relating to the tobacco settlement trust fund.