

HOUSE BILL NO. 1004

Introduced by

Appropriations Committee

(At the request of the Governor)

1 A BILL for an Act to provide an appropriation for defraying the expenses of the state department
2 of health; ~~and to provide a contingent appropriation; to amend and reenact section 54-27-25 of~~
3 ~~the North Dakota Century Code, relating to the tobacco settlement trust fund;~~ to provide
4 legislative intent; ~~to provide for reports; and to provide for a legislative management study.~~

5 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

6 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
7 as may be necessary, are appropriated out of any moneys in the general fund in the state
8 treasury, not otherwise appropriated, and from special funds derived from federal funds and
9 other income, to the state department of health for the purpose of defraying the expenses of the
10 state department of health, for the biennium beginning July 1, 2011, and ending June 30, 2013,
11 as follows:

	Base Level	Adjustments or Enhancements	Appropriation
14 Salaries and wages	\$44,861,868	\$4,752,526	\$49,614,394
15 <u>Salaries and wages</u>	<u>\$44,861,868</u>	<u>\$4,045,664</u>	<u>\$48,907,532</u>
16 Operating expenses	44,635,794	587,973	45,223,767
17 <u>Operating expenses</u>	<u>44,635,794</u>	<u>(19,620,694)</u>	<u>25,015,100</u>
18 Capital assets	1,813,268	184,805	1,998,073
19 Grants	62,160,510	(6,272,732)	55,887,778
20 <u>Grants</u>	<u>62,160,510</u>	<u>(6,667,190)</u>	<u>55,493,320</u>
21 Tobacco prevention	9,079,685	(2,917,289)	6,162,396
22 WIC food payments	25,063,375	(905,266)	24,158,109
23 Federal stimulus funds	<u>0</u>	<u>3,492,228</u>	<u>3,492,228</u>
24 Total all funds	\$187,614,500	(\$1,077,755)	\$186,536,745

1	<u>Total all funds</u>	<u>\$187,614,500</u>	<u>(\$22,387,742)</u>	<u>\$165,226,758</u>
2	Less estimated income	164,609,206	(6,153,017)	158,456,189
3	<u>Less estimated income</u>	<u>164,609,206</u>	<u>(26,243,929)</u>	<u>138,365,277</u>
4	Total general fund	\$23,005,294	\$5,075,262	\$28,080,556
5	<u>Total general fund</u>	<u>\$23,005,294</u>	<u>\$3,856,187</u>	<u>\$26,861,481</u>
6	Full-time equivalent positions	343.50	0.00	343.50
7	<u>Full-time equivalent positions</u>	<u>343.50</u>	<u>(1.00)</u>	<u>342.50</u>

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO

SIXTY-THIRD LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-first legislative assembly for the 2009-11 biennium and the 2011-13 one-time funding items included in the appropriation in section 1 of this Act:

12	<u>One-Time Funding Description</u>	<u>2009-11</u>	<u>2011-13</u>
13	Grant for mobile dental care service	\$196,000	\$0
14	Contingent transfer - Community health trust fund	2,405,371	0
15	Regional public health network pilot project	275,000	0
16	Immunization services	1,200,000	0
17	Federal fiscal stimulus	<u>13,247,325</u>	<u>3,492,228</u>
18	Regional health network	0	275,000
19	Total all funds	\$17,323,696	\$3,767,228
20	<u>Total all funds</u>	<u>\$17,323,696</u>	<u>\$3,492,228</u>
21	Less estimated income	<u>13,247,325</u>	<u>3,492,228</u>
22	Total general fund	\$4,076,371	\$275,000
23	<u>Total general fund</u>	<u>\$4,076,371</u>	<u>\$0</u>

The 2011-13 one-time funding amounts are not a part of the entity's base budget for the 2013-15 biennium. The state department of health shall report to the appropriations committees of the sixty-third legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 3. ENVIRONMENT AND RANGELAND PROTECTION FUND. The estimated income line item included in section 1 of this Act includes \$272,310, or so much of the sum as may be necessary, to be made available to the state department of health from the environment and rangeland protection fund, for the biennium beginning July 1, 2011, and ending June 30,

1 2013. This amount includes \$50,000 for a grant to the North Dakota stockmen's association
2 environmental services program.

3 **SECTION 4. CONTINGENT APPROPRIATION AND BANK OF NORTH DAKOTA LINE**
4 **OF CREDIT - LITIGATION AND ADMINISTRATIVE PROCEEDINGS COSTS - REPORT TO**
5 **BUDGET SECTION.** There is appropriated out of any moneys in the general fund in the state
6 treasury, not otherwise appropriated, the sum of \$500,000, or so much of the sum as may be
7 necessary, to the state department of health for the purpose of defraying expenses associated
8 with possible litigation and other administrative proceedings involving the United States
9 environmental protection agency for the period beginning with the effective date of this Act and
10 ending June 30, 2013. In addition, the state department of health, contingent on litigation and
11 administrative proceedings, may borrow the sum of \$500,000, or so much of the sum as may be
12 necessary, from the Bank of North Dakota, the proceeds of which is appropriated to the state
13 department of health for the purpose of defraying the expenses associated with possible
14 litigation and other administrative proceedings involving the United States environmental
15 protection agency for the period beginning with the effective date of this Act and ending
16 June 30, 2013. The department may spend the general fund moneys and access the line of
17 credit only upon approval by the attorney general. The department must report quarterly to the
18 budget section during the 2011-12 interim regarding the status of any litigation and other
19 administrative proceedings.

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

22 **54-27-25. Tobacco settlement trust fund - Interest on fund - Uses.**

- 23 1. There is created in the state treasury a tobacco settlement trust fund. The fund
24 consists of the tobacco settlement dollars obtained by the state under subsection IX(c)
25 (1) of the master settlement agreement and consent agreement adopted by the east
26 central judicial district court in its judgment entered December 28, 1998 [Civil
27 No. 98-3778] in State of North Dakota, ex rel. Heidi Heitkamp v. Philip Morris, Inc.
28 Except as provided in subsection 2, moneys received by the state under
29 subsection IX(c)(1) must be deposited in the fund. Interest earned on the fund must be
30 credited to the fund and deposited in the fund. The principal and interest of the fund
31 must be allocated as follows:

1 a. Transfers to a community health trust fund to be administered by the state
2 department of health. The state department of health may use funds as
3 appropriated for community-based public health programs and other public health
4 programs, including programs with emphasis on preventing or reducing tobacco
5 usage in this state. Transfers under this subsection must equal ten percent of
6 total annual transfers from the tobacco settlement trust fund ~~of which a minimum
7 of eighty percent must be used for tobacco prevention and control.~~

8 b. Transfers to the common schools trust fund to become a part of the principal of
9 that fund. Transfers under this subsection must equal forty-five percent of total
10 annual transfers from the tobacco settlement trust fund.

11 c. Transfers to the water development trust fund to be used to address the
12 long-term water development and management needs of the state. Transfers
13 under this subsection must equal forty-five percent of the total annual transfers
14 from the tobacco settlement trust fund.

15 2. There is created in the state treasury a tobacco prevention and control trust fund. The
16 fund consists of the tobacco settlement dollars obtained by the state under section
17 IX(c)(2) of the agreement adopted by the east central judicial district court in its
18 judgment entered December 28, 1998 [Civil No. 98-3778] in State of North Dakota,
19 ex rel. Heidi Heitkamp v. Philip Morris, Inc. Interest earned on the fund must be
20 credited to the fund and deposited in the fund. Moneys received into the fund are to be
21 administered by the executive committee for the purpose of creating and implementing
22 the comprehensive plan. If in any biennium, the tobacco prevention and control trust
23 fund does not have adequate dollars to fund a comprehensive plan, the treasurer shall
24 transfer money from the water development trust fund to the tobacco prevention and
25 control trust fund in an amount equal to the amount determined necessary by the
26 executive committee to fund a comprehensive plan.

27 3. Transfers to the funds under this section must be made within thirty days of receipt by
28 the state.

29 **SECTION 6. INTENT - INDIRECT COST RECOVERIES.** Notwithstanding section
30 54-44.1-15, the state department of health may deposit indirect cost recoveries in its operating
31 account.

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

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