

Sixty-second
Legislative Assembly
of North Dakota

ENGROSSED 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; to provide a contingent appropriation; ~~to amend and reenact section 54-27-25 of the~~
3 ~~North Dakota Century Code, relating to the tobacco settlement trust fund;~~ to provide legislative
4 intent; to provide for reports; ~~and~~ to provide for a legislative management study; to provide for a
5 performance audit; and to declare an emergency.

6 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

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

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
15 Salaries and wages	\$44,861,868	\$4,045,664	\$48,907,532
16 Operating expenses	44,635,794	(19,620,694)	25,015,100
17 <u>Salaries and wages</u>	<u>\$44,861,868</u>	<u>\$4,283,655</u>	<u>\$49,145,523</u>
18 <u>Operating expenses</u>	<u>44,635,794</u>	<u>3,957,372</u>	<u>48,593,166</u>
19 Capital assets	1,813,268	184,805	1,998,073
20 Grants	62,160,510	(6,667,190)	55,493,320
21 <u>Grants</u>	<u>62,160,510</u>	<u>(6,632,472)</u>	<u>55,528,038</u>
22 Tobacco prevention	9,079,685	(2,917,289)	6,162,396
23 WIC food payments	25,063,375	(905,266)	24,158,109
24 Federal stimulus funds	<u>0</u>	<u>3,492,228</u>	<u>3,492,228</u>

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1	Total all funds	\$187,614,500	(\$22,387,742)	\$165,226,758
2	Less estimated income	164,609,206	(26,243,929)	138,365,277
3	Total general fund	\$23,005,294	\$3,856,187	\$26,861,481
4	Total all funds	\$187,614,500	\$1,463,033	\$189,077,533
5	Less estimated income	164,609,206	(4,445,453)	160,163,753
6	Total general fund	\$23,005,294	\$5,908,486	\$28,913,780
7	Full-time equivalent positions	343.50	(1.00)	342.50

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	<u>STEMI response program grant</u>	<u>0</u>	<u>600,000</u>
18	Federal fiscal stimulus	<u>13,247,325</u>	<u>3,492,228</u>
19	Total all funds	\$17,323,696	\$3,492,228
20	Total all funds	\$17,323,696	\$4,092,228
21	Less estimated income	<u>13,247,325</u>	<u>3,492,228</u>
22	Total general fund	\$4,076,371	\$0
23	Total general fund	\$4,076,371	\$600,000

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. SAFE HAVENS SUPERVISED VISITATION AND EXCHANGE PROGRAM -**
4 **DISTRIBUTION.** The sum of \$425,000 included in the grants line item in section 1 of this Act is
5 provided to continue the safe havens supervised visitation and exchange program for centers
6 meeting eligibility standards in effect during the 2009-11 biennium.

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

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

26 ~~54-27-25. Tobacco settlement trust fund -- Interest on fund -- Uses.~~

27 ~~1. There is created in the state treasury a tobacco settlement trust fund. The fund~~
28 ~~consists of the tobacco settlement dollars obtained by the state under subsection IX(c)~~
29 ~~(1) of the master settlement agreement and consent agreement adopted by the east-~~
30 ~~central judicial district court in its judgment entered December 28, 1998 [Civil~~
31 ~~No. 98-3778] in State of North Dakota, ex rel. Heidi Heitkamp v. Philip Morris, Inc.~~

1 ~~Except as provided in subsection 2, moneys received by the state under~~
2 ~~subsection IX(c)(1) must be deposited in the fund. Interest earned on the fund must be~~
3 ~~credited to the fund and deposited in the fund. The principal and interest of the fund~~
4 ~~must be allocated as follows:~~

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

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

15 ~~c. Transfers to the water development trust fund to be used to address the~~
16 ~~long-term water development and management needs of the state. Transfers~~
17 ~~under this subsection must equal forty-five percent of the total annual transfers~~
18 ~~from the tobacco settlement trust fund.~~

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

1 ~~3. Transfers to the funds under this section must be made within thirty days of receipt by~~
2 ~~the state.~~

3 **SECTION 6. INTENT - INDIRECT COST RECOVERIES.** Notwithstanding section
4 54-44.1-15, the state department of health may deposit indirect cost recoveries in its operating
5 account.

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

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

19 **SECTION 9. STATE AUDITOR - PERFORMANCE AUDIT - FAMILY HEALTH DIVISION -**
20 **STATE DEPARTMENT OF HEALTH.** The state auditor shall contract for a performance audit of
21 the family health division of the state department of health during the biennium beginning July 1,
22 2011, and ending June 30, 2013. The state auditor may bill the state department of health for
23 costs associated with the performance audit. The results of the performance audit must be
24 presented to the legislative audit and fiscal review committee and filed with the appropriations
25 committees of the sixty-third legislative assembly.

26 **SECTION 10. EMERGENCY.** Section 5 of this Act is declared to be an emergency
27 measure.