

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.

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:

	<u>Base Level</u>	Adjustments or <u>Enhancements</u>	<u>Appropriation</u>	
12				
13				
14	Salaries and wages	\$44,861,868	\$4,045,664	\$48,907,532
15	Operating expenses	44,635,794	(19,620,694)	25,015,100
16	Capital assets	1,813,268	184,805	1,998,073
17	Grants	62,160,510	(6,667,190)	55,493,320
18	Tobacco prevention	9,079,685	(2,917,289)	6,162,396
19	WIC food payments	25,063,375	(905,266)	24,158,109
20	Federal stimulus funds	<u>0</u>	<u>3,492,228</u>	<u>3,492,228</u>
21	Total all funds	\$187,614,500	(\$22,387,742)	\$165,226,758
22	Less estimated income	<u>164,609,206</u>	<u>(26,243,929)</u>	<u>138,365,277</u>
23	Total general fund	\$23,005,294	\$3,856,187	\$26,861,481
24	Full-time equivalent positions	343.50	(1.00)	342.50

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

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

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

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

18 **SECTION 3. ENVIRONMENT AND RANGELAND PROTECTION FUND.** The estimated
19 income line item included in section 1 of this Act includes \$272,310, or so much of the sum as
20 may be necessary, to be made available to the state department of health from the environment
21 and rangeland protection fund, for the biennium beginning July 1, 2011, and ending June 30,
22 2013. This amount includes \$50,000 for a grant to the North Dakota stockmen's association
23 environmental services program.

24 **SECTION 4. CONTINGENT APPROPRIATION AND BANK OF NORTH DAKOTA LINE**
25 **OF CREDIT - LITIGATION AND ADMINISTRATIVE PROCEEDINGS COSTS - REPORT TO**

26 **BUDGET SECTION.** There is appropriated out of any moneys in the general fund in the state
27 treasury, not otherwise appropriated, the sum of \$500,000, or so much of the sum as may be
28 necessary, to the state department of health for the purpose of defraying expenses associated
29 with possible litigation and other administrative proceedings involving the United States
30 environmental protection agency for the period beginning with the effective date of this Act and
31 ending June 30, 2013. In addition, the state department of health, contingent on litigation and

1 administrative proceedings, may borrow the sum of \$500,000, or so much of the sum as may be
2 necessary, from the Bank of North Dakota, the proceeds of which is appropriated to the state
3 department of health for the purpose of defraying the expenses associated with possible
4 litigation and other administrative proceedings involving the United States environmental
5 protection agency for the period beginning with the effective date of this Act and ending
6 June 30, 2013. The department may spend the general fund moneys and access the line of
7 credit only upon approval by the attorney general. The department must report quarterly to the
8 budget section during the 2011-12 interim regarding the status of any litigation and other
9 administrative proceedings.

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

12 **54-27-25. Tobacco settlement trust fund - Interest on fund - Uses.**

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

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

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

- 1 c. Transfers to the water development trust fund to be used to address the
2 long-term water development and management needs of the state. Transfers
3 under this subsection must equal forty-five percent of the total annual transfers
4 from the tobacco settlement trust fund.
- 5 2. There is created in the state treasury a tobacco prevention and control trust fund. The
6 fund consists of the tobacco settlement dollars obtained by the state under section
7 IX(c)(2) of the agreement adopted by the east central judicial district court in its
8 judgment entered December 28, 1998 [Civil No. 98-3778] in State of North Dakota,
9 ex rel. Heidi Heitkamp v. Philip Morris, Inc. Interest earned on the fund must be
10 credited to the fund and deposited in the fund. Moneys received into the fund are to be
11 administered by the executive committee for the purpose of creating and implementing
12 the comprehensive plan. If in any biennium, the tobacco prevention and control trust
13 fund does not have adequate dollars to fund a comprehensive plan, the treasurer shall
14 transfer money from the water development trust fund to the tobacco prevention and
15 control trust fund in an amount equal to the amount determined necessary by the
16 executive committee to fund a comprehensive plan.
- 17 3. Transfers to the funds under this section must be made within thirty days of receipt by
18 the state.

19 **SECTION 6. INTENT - INDIRECT COST RECOVERIES.** Notwithstanding section
20 54-44.1-15, the state department of health may deposit indirect cost recoveries in its operating
21 account.

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

27 **SECTION 8. LEGISLATIVE MANAGEMENT STUDY - REGIONAL PUBLIC HEALTH**
28 **NETWORK PILOT PROJECT.** During the 2011-12 interim, the legislative management shall
29 consider studying the regional public health network pilot project conducted during the 2009-11
30 biennium, including services provided, effects of the project on participating local public health
31 units, efficiencies achieved in providing services, cost-savings to state and local governments,

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- 1 and possible improvements to the program. The legislative management shall report its findings
- 2 and recommendations, together with any legislation required to implement the
- 3 recommendations, to the sixty-third legislative assembly.