

PROPOSED AMENDMENTS TO SENATE BILL NO. 2004

Page 1, line 2, after "health" insert "; to amend and reenact subsection 1 of section 54-27-25 of the North Dakota Century Code, relating to the tobacco settlement trust fund; to repeal chapter 23-38 of the North Dakota Century Code, relating to the community health grant program; and to declare an emergency"

Page 1, replace lines 12 through 22 with:

"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
Women, infants, and children food payments	20,200,000	0	20,200,000
Medical marijuana	0	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
Total general fund	\$48,535,568	(\$3,446,680)	\$45,088,888
Full-time equivalent positions	365.00	12.00	377.00"

Page 2, line 1, after "**BUDGET**" insert "**- REPORT TO SIXTY-SIXTH LEGISLATIVE ASSEMBLY**"

Page 2, line 3, after "biennium" insert "and the 2017-19 one-time funding items included in the appropriation in section 1 of this Act"

Page 2, replace lines 5 through 10 with:

"Environmental equipment	\$780,000	\$0
Forensic examiner digital x-ray equipment	44,000	0
Women, infants, and children system upgrade	1,712,110	1,739,220
Medical marijuana	0	1,197,903
Total all funds	\$2,536,110	\$2,937,123
Less estimated income	2,200,110	2,937,123
Total general fund	\$336,000	\$0

The 2017-19 one-time funding amounts are not a part of the entity's base budget for the 2019-21 biennium. The state department of health shall report to the appropriations committees of the sixty-sixth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2017, and ending June 30, 2019."

Page 2, after line 16, insert:

"SECTION 4. INSURANCE TAX DISTRIBUTION FUND. The estimated income line item included in section 1 of this Act includes \$1,250,000 from the insurance tax distribution fund for rural emergency medical services grants.

SECTION 5. STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. The estimated income line item included in section 1 of this Act includes \$500,000 from the

strategic investment and improvements fund for legal fees related to an environmental protection agency lawsuit.

SECTION 6. STUDENT LOAN TRUST FUND. The estimated income line item in section 1 of this Act includes \$360,000 from the student loan trust fund for dental loan repayment program grants.

SECTION 7. TOBACCO PREVENTION AND CONTROL TRUST FUND. The estimated income line item in section 1 of this Act includes \$11,078,195 from the tobacco prevention and control trust fund for tobacco prevention and related health programs.

SECTION 8. AMENDMENT. Subsection 1 of section 54-27-25 of the North Dakota Century Code is amended and reenacted as follows:

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 may be appropriated to the attorney general for the purpose of enforcing the master settlement agreement and any disputes with the agreement. All remaining 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.

SECTION 9. REPEAL. Chapter 23-38 of the North Dakota Century Code is repealed.

SECTION 10. EMERGENCY. The funding included in the medical marijuana line item in section 1 of this Act is declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

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 No. 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 Environmental Health Division FTE 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 for salaries and wages, operating expenses, and grants, reduced as part of the 2015-17 budget reductions, is restored.

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	<u>243,640</u>
Total	\$2,224,862

¹³ Funding from the tobacco prevention and control trust fund is reduced for colorectal screenings in the cancer programs.

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.