

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2004

That the House recede from its amendments as printed on pages 1360-1363 of the Senate Journal and pages 1571-1573 of the House Journal and that Engrossed Senate Bill No. 2004 be amended as follows:

Page 1, line 2, replace "section" with "sections"

Page 1, line 2, after "23-01-02" insert ", 54-27-25, 61-02.1-02.1, and 61-02.1-04"

Page 1, line 2, after "Code" insert ", and section 510 of House Bill No. 1247, as approved by the sixty-seventh legislative assembly"

Page 1, line 3, after "council" insert ", the tobacco settlement trust fund, statewide water development project funding, bonds payable, and the transfer of appropriation authority to the department of health and human services; to repeal sections 54-27-25.1 and 61-02.1-05 of the North Dakota Century Code, relating to water development trust fund expenditures and the water development trust fund; to provide for a transfer; to provide a statement of legislative intent"

Page 1, line 3, remove "and"

Page 1, line 4, after "study" insert "; and to declare an emergency"

Page 1, remove lines 14 through 23

Page 2, replace lines 1 and 2 with:

"Salaries and wages	\$37,719,574	\$3,643,394	\$41,362,968
Operating expenses	32,398,526	(820,983)	31,577,543
Capital assets	2,164,813	481,580	2,646,393
Grants	53,257,292	1,991,853	55,249,145
Tobacco prevention	12,902,064	507,958	13,410,022
Women, infants, and children food payments	19,780,000	120,000	19,900,000
Statewide health strategies	0	3,000,000	3,000,000
COVID-19	0	13,722,107	13,722,107
Total all funds	\$158,222,269	\$22,645,909	\$180,868,178
Less estimated income	<u>121,951,679</u>	<u>15,094,783</u>	<u>137,046,462</u>
Total general fund	\$36,270,590	\$7,551,126	\$43,821,716
Full-time equivalent positions	204.00	6.50	210.50"

Page 2, replace lines 11 and 12 with:

"Vital records system technology updates	0	275,000
Statewide health strategies initiative	0	3,000,000
COVID-19 response	0	9,262,341"

Page 2, replace lines 14 through 16 with:

"Total all funds	\$2,057,554	\$13,447,341
Less estimated income	<u>1,967,554</u>	<u>7,919,065</u>
Total general fund	\$90,000	\$5,528,276"

Page 2, replace lines 21 through 31 with:

"SECTION 3. CONTINGENT FUNDING - STATEWIDE HEALTH STRATEGIES.

One-time funding of \$1,500,000 appropriated from the community health trust fund for statewide health strategies in section 1 of this Act is contingent on the state department of health securing dollar-for-dollar matching funds.

SECTION 4. TRANSFER OF APPROPRIATION AUTHORITY.

Section 1 of this Act includes appropriation authority for the state department of health for the biennium beginning July 1, 2021, and ending June 30, 2023. On September 1, 2022, in accordance with provisions of House Bill No. 1247, as approved by the sixty-seventh legislative assembly, the office of management and budget shall transfer remaining appropriation authority contained in section 1 of this Act, and any remaining appropriation authority for the state department of health in other bills approved by the sixty-seventh legislative assembly, to the department of health and human services. The appropriation authority in section 1 of this Act and appropriation authority for the state department of health from any other bill that is transferred to the department of health and human services must be maintained and reported separately from other appropriation authority transferred to the department of health and human services."

Page 3, line 5, replace "\$18,337,620" with "\$20,837,620"

Page 3, after line 13, insert:

"Forensic examiner contract	1,000,000
Statewide health strategies initiative	1,500,000"

Page 3, replace line 17 with:

"Total community health trust fund	\$20,837,620
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SECTION 7. TRANSFER TOBACCO PREVENTION AND CONTROL TRUST FUND TO COMMUNITY HEALTH TRUST FUND. The office of management and budget shall transfer any moneys remaining in the tobacco prevention and control trust fund to the community health trust fund on July 1, 2021."

Page 4, after line 10, insert:

"SECTION 9. 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.

4. 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. Moneys in the fund must be transferred within thirty days of receipt by the state to a community health trust fund. Moneys in the fund may be 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.

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 used as appropriated by the legislative assembly.~~

SECTION 10. AMENDMENT. Section 61-02.1-02.1 of the North Dakota Century Code is amended and reenacted as follows:

61-02.1-02.1. Funding - Statewide water development projects - Bond issuance amount.

1. The priorities for the statewide water development program include municipal, rural, and industrial projects; irrigation projects; general water management projects, including rural flood control, snagging and clearing, channel improvement, recreation, and planning studies; flood control projects; and weather modification projects, which are authorized and declared to be in the public interest. The state water commission may provide the funds necessary to construct these projects from money appropriated to the state water commission from the resources trust fund, ~~the water development trust fund,~~ or by issuing bonds in an amount not to exceed sixty million dollars plus the costs of issuance of the bonds, capitalized interest, and reasonably required reserves. The proceeds of any bonds issued under the authority provided in this section are appropriated to the state water commission for the purposes set forth in this section.
2. If the state water commission determines it is appropriate to do so, it may, in lieu of issuing or in combination with the issuance of bonds pursuant to this section or section 61-02.1-01, for all or part of the state's cost share for the projects set forth in those provisions, use funds appropriated to it from the resources trust fund ~~or the water development trust fund.~~

SECTION 11. AMENDMENT. Section 61-02.1-04 of the North Dakota Century Code is amended and reenacted as follows:

61-02.1-04. Bonds payable from appropriations and other revenues.

1. Principal and interest on bonds issued for flood control or reduction projects as provided in this chapter are payable from transfers to be made and appropriated by the legislative assembly from ~~the water development trust fund as provided in section 61-02.1-05,~~ then from transfers to be made and appropriated by the legislative assembly from revenues in the resources trust fund other than revenues from state taxes, then from appropriations of other available revenues in the then current biennium, and then from any other revenues the state water commission makes available during the then current biennium for that purpose, including any federal moneys received by the state for the construction of flood control or reduction projects to pay bonds issued for that project. If sufficient funds from these sources are not available, then from transfers to be made and appropriated by the legislative assembly from the first available current

biennial earnings of the Bank of North Dakota not to exceed six million five hundred thousand dollars per biennium prorated with any other bonds payable from transfers to be made and appropriated by the legislative assembly from the available current biennial earnings of the Bank of North Dakota, to be credited by the trustee to the fund established for paying principal and interest on the bonds under a trust indenture.

2. Principal and interest on bonds issued for continued construction of the southwest pipeline project are payable from ~~transfers to be made and appropriated by the legislative assembly from the water development trust fund as provided in section 61-02.1-05, then from transfers to be made and appropriated by the legislative assembly from revenues in the resources trust fund other than revenues from state taxes, then from appropriations of other available revenues in the then current biennium, or from payment from the Perkins County rural water system, and then from any other revenues the state water commission makes available during the then current biennium for that purpose, including any federal moneys received by the state for the construction of the southwest pipeline project to pay bonds issued for the project. If sufficient funds from these sources are not available, then from transfers to be made and appropriated by the legislative assembly from the first available current biennial earnings of the Bank of North Dakota not to exceed six million five hundred thousand dollars per biennium prorated with any other bonds payable from transfers to be made and appropriated by the legislative assembly from the available current biennial earnings of the Bank of North Dakota, to be credited by the trustee to the fund established for paying principal and interest on the bonds under a trust indenture.~~
3. Principal and interest on bonds issued under subsection 7 of section 61-02.1-01 are payable from transfers to be made and appropriated by the legislative assembly from the ~~water development trust fund as provided in section 61-02.1-05, then from transfers to be made and appropriated by the legislative assembly from revenues in the resources trust fund other than revenues from state taxes, then from appropriations of other available revenues in the then current biennium, and then from any other revenues the state water commission makes available during the then current biennium for that purpose, including any federal moneys received by the state for the construction of an outlet to Devils Lake to pay bonds issued for that project, or financing a statewide water development program to pay bonds issued for that project. If sufficient funds from these sources are not available, then from transfers to be made and appropriated by the legislative assembly from the first available current biennial earnings of the Bank of North Dakota not to exceed six million five hundred thousand dollars per biennium prorated with any other bonds payable from transfers to be made and appropriated by the legislative assembly from the available current biennial earnings of the Bank of North Dakota, to be credited by the trustee to the fund established for paying principal and interest on the bonds under a trust indenture.~~
4. Obligations issued as provided in this chapter do not constitute a debt, liability, or obligation of the state of North Dakota or a pledge of the faith and credit of the state of North Dakota, but are payable solely from the sources as described in this chapter.

5. The state water commission shall include in its submission to the governor for inclusion by the governor in the biennial executive budget of the state for each year of the respective biennium during the term of any bonds issued as provided in this chapter an amount fully sufficient to pay the principal and interest required to be paid in each year of the biennium, if any, from moneys from non-general fund sources. Provided, that should the governor not include in the executive budget for any reason the amounts required to be included by this section, the state water commission shall request independently that the legislative assembly amend the executive budget appropriation so as to include the amounts.
6. Principal and interest on bonds issued for projects authorized pursuant to section 61-02.1-02.1 are payable from transfers to be made and appropriated by the legislative assembly from the water development trust fund as provided in section 61-02.1-05, then from transfers to be made and appropriated by the legislative assembly from revenues in the resources trust fund other than revenues from state taxes, then from appropriations of other available revenues in the then current biennium, and then from any other revenues the state water commission makes available during the then current biennium for that purpose. If sufficient funds from these sources are not available, then from transfers to be made and appropriated by the legislative assembly from the first available current biennial earnings of the Bank of North Dakota not to exceed six million five hundred thousand dollars per biennium prorated with any other bonds payable from transfers to be made and appropriated by the legislative assembly from the available current biennial earnings of the Bank of North Dakota, to be credited by the trustee to the fund established for paying principal and interest on the bonds under a trust indenture.

SECTION 12. AMENDMENT. Section 510 of House Bill No. 1247, as approved by the sixty-seventh legislative assembly, is amended and reenacted as follows:

SECTION 510. LEGISLATIVE INTENT. It is the intent of the sixty-seventh legislative assembly that:

1. Effective September 1, 2022, the state department of health merge into the department of human services and both agencies be called the department of health and human services;
2. Effective September 1, 2022, the state department of health, including the state health officer, fall under the authority of the executive director of the department of human services, now known as the executive director of the department of health and human services;
3. During the 2021-23 biennium, the executive director of the former department of human services review and reorganize the structure of the former department of human services to incorporate the former state department of health and to find efficiencies in the newly formed department of health and human services;
4. The newly formed department of health and human services is not required to reduce the full time equivalent positions of the former state department of health and department of human services;

5. ~~The office of management and budget transfer the state department of health's appropriation into the department of human services appropriation for the period beginning September 1, 2022, and ending June 30, 2023;~~
6. ~~Section 1 of Senate Bill No. 2004, as approved by the sixty seventh legislative assembly, shall transfer into subdivisions 1 and 2 of section 1 of House Bill No. 1012, as approved by the sixty seventh legislative assembly, for the period beginning September 1, 2022, and ending June 30, 2023;~~
7. The combined budget of the department of human services and state department of health be referred to the budget of the department of health and human services; and
- 8.6. Department of health and human services is to be substituted for, shall take any action previously to be taken by, and shall perform any duties previously to be performed by the state department of health.

SECTION 13. REPEAL. Sections 54-27-25.1 and 61-02.1-05 of the North Dakota Century Code are repealed.

SECTION 14. LEGISLATIVE INTENT - FUNDING FOR COVID-19 RESPONSE. It is the intent of the sixty-seventh legislative assembly that the state department of health use federal COVID-19 funds or other available funds for defraying expenses related to local public health pandemic response grants before accessing \$4,515,296 appropriated from the community health trust fund in section 1 of this Act."

Page 4, after line 20, insert:

"SECTION 16. EMERGENCY. The sum of \$350,000, of which \$221,231 is from the general fund and \$128,769 is from federal funds, appropriated in section 1 of this Act for an electronic medical record system is declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2004 - State Department of Health - Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages	\$37,719,574	\$41,243,222	\$119,746	\$41,362,968	\$41,362,968	
Operating expenses	32,398,526	30,334,543	1,243,000	31,577,543	31,577,543	
Capital assets	2,164,813	2,646,393		2,646,393	2,646,393	
Grants	53,257,292	55,249,145		55,249,145	55,249,145	
Tobacco prevention	12,902,064	13,410,241	(219)	13,410,022	13,410,022	
WIC food payments	19,780,000	19,900,000		19,900,000	19,900,000	
Statewide health strategies			3,000,000	3,000,000	3,000,000	
COVID-19		106,813,177	(93,091,070)	13,722,107	13,446,460	\$275,647
COVID-19 line of credit		25,000,000	(25,000,000)		25,000,000	(25,000,000)
Total all funds	\$158,222,269	\$294,596,721	(\$113,728,543)	\$180,868,178	\$205,592,531	(\$24,724,353)
Less estimated income	121,951,679	250,529,471	(113,483,009)	137,046,462	161,999,495	(24,953,033)
General fund	\$36,270,590	\$44,067,250	(\$245,534)	\$43,821,716	\$43,593,036	\$228,680
FTE	204.00	212.50	(2.00)	210.50	207.50	3.00

Department 301 - State Department of Health - Detail of Conference Committee Changes

	Adjusts Funding for Salary Increases¹	Increases Funding for State Health Officer's Salary²	Removes COVID-19 FTE Positions and Temporary Salaries³	Removes Funding for Clinical Laboratory Improvement Amendment (CLIA) Director⁴	Increases Funding for the UND Forensic Examiner Contract⁵	Adjusts Funding Source of Snow Removal Tractor⁶
Salaries and wages	(\$12,254)	\$132,000				
Operating expenses				(\$32,000)	\$1,000,000	
Capital assets						
Grants						
Tobacco prevention	(219)					
WIC food payments						
Statewide health strategies						
COVID-19	4,068		(\$1,003,070)			
COVID-19 line of credit						
Total all funds	(\$8,405)	\$132,000	(\$1,003,070)	(\$32,000)	\$1,000,000	\$0
Less estimated income	49,160	132,000	(1,003,070)	(12,800)	1,000,000	40,000
General fund	(\$57,565)	\$0	\$0	(\$19,200)	\$0	(\$40,000)
FTE	0.00	0.00	(2.00)	0.00	0.00	0.00

	Adjusts One-Time Funding for Electronic Medical Records⁷	Adds One-Time Funding for Vital Records System Technology Updates⁸	Adds One-Time Funding for Statewide Health Strategies⁹	Removes Federal COVID-19 Funding¹⁰	Removes COVID-19 Line of Credit¹¹	Total Conference Committee Changes
Salaries and wages						\$119,746
Operating expenses		\$275,000				1,243,000
Capital assets						
Grants						
Tobacco prevention						(219)
WIC food payments						
Statewide health strategies			\$3,000,000			3,000,000
COVID-19				(\$92,092,068)		(93,091,070)
COVID-19 line of credit					(\$25,000,000)	(25,000,000)
Total all funds	\$0	\$275,000	\$3,000,000	(\$92,092,068)	(\$25,000,000)	(\$113,728,543)
Less estimated income	128,769	275,000	3,000,000	(92,092,068)	(25,000,000)	(113,483,009)
General fund	(\$128,769)	\$0	\$0	\$0	\$0	(\$245,534)
FTE	0.00	0.00	0.00	0.00	0.00	(2.00)

¹ Funding is adjusted to provide salary increases of 1.5 percent on July 1, 2021, with a minimum monthly increase of \$100, and 2 percent on July 1, 2022, the same as the House. The Senate provided salary adjustments of 2 percent on July 1, 2021, with a minimum monthly increase of \$80 and a maximum monthly increase of \$300, and 2 percent on July 1, 2022.

² Funding from federal funds is added to increase the State Health Officer's salary, the same as the House version.

³ Two FTE positions in Group 1 of the department's prioritization list are removed to provide 10.5 FTE positions for COVID-19, including the 7.5 FTE highest priority positions and 3 FTE positions from Group 1 of the department's prioritization list. The Senate provided 12.5 FTE positions, including the 7.5 FTE highest priority positions and all 5 FTE positions from Group 1 of the department's prioritization list. The House removed 5 FTE positions to provide the 7.5 FTE highest priority positions.

In addition, funding is removed for 5 temporary positions in Group 3 of the department's prioritization list and funding for 2 FTE positions removed in Group 1 of the department's prioritization list was converted to funding for 2 temporary positions to provide funding for 7 temporary positions, including funding for 2 temporary positions from Group 1 of the department's prioritization list and 5 temporary positions from Group 2 of the department's prioritization list. The Senate provided funding for 10 temporary positions, including all of the positions in both Groups 2 and 3 of the department's prioritization list. The House provided funding for 7 temporary positions, including 5 temporary positions from Group 1 of the department's prioritization list and 2 temporary positions from Group 2 of the department's prioritization list.

Funding for COVID-19 response is added to the COVID-19 line item in the department's budget as follows:

	General Fund	Special Funds	Total
10.5 FTE positions	\$354,335	\$1,481,966	\$1,836,301
7 temporary positions	436,497	948,882	1,385,379
Other operating expenses	<u>3,668,934</u>	<u>3,177,246</u>	<u>6,846,180</u>
Total	\$4,459,766	\$5,608,094	\$10,067,860
Federal funding in HB 1394	<u>0</u>	<u>(5,608,094)</u>	<u>(5,608,094)</u>
Ongoing funding in SB 2004 COVID-19 line item	\$4,459,766	\$0	\$4,459,766

The 10.5 FTE positions added include:

	General Fund	Special Funds	Total
1.00 FTE research analyst IV position - Fiscal and Operations	\$133,785	\$85,795	\$219,580
1.00 FTE account/budget specialist II position - Fiscal and Operations	0	172,724	172,724
1.00 FTE research analyst II position - Fiscal and Operations	68,600	85,796	154,396
1.00 FTE health/human services program administrator III position - Medical Services	0	181,448	181,448
1.00 FTE epidemiologist II position - Medical Services	0	186,628	186,628
1.00 FTE health/human services program administrator III position - Medical Services	0	181,448	181,448
1.00 FTE administrative staff officer III position - Healthy and Safe Communities	0	171,376	171,376
0.50 FTE senior microbiologist position - Laboratory Services	0	135,494	135,494
1.00 FTE administrative assistant I position - Laboratory Services	0	135,691	135,691
1.00 FTE laboratory technician I position - Laboratory Services	0	145,566	145,566
1.00 FTE administrative staff officer II position - Health Resources	<u>151,950</u>	<u>0</u>	<u>151,950</u>
10.50	\$354,335	\$1,481,966	\$1,836,301

⁴ Funding for professional fees for the department to contract for a part-time CLIA director is removed, the same as the House version. The Senate and House added a .5 FTE position to serve as the CLIA director.

⁵ Funding from the community health trust fund is added to increase operating expenses related to the University of North Dakota forensic examiner contract, the same as the House version, to provide a total of \$1,625,270, of which \$625,270 is from the general fund.

⁶ The funding source of a snow removal tractor is adjusted from the general fund to federal funds, the same as the House version.

⁷ A portion of the one-time funding for an electronic medical records system is adjusted from the general fund to federal funds, the same as the House version, to provide total one-time funding of \$350,000, of which \$221,231 is from the general fund and \$128,769 is from federal funds.

⁸ One-time funding from special funds available from fees is added for operating expenses related to updating vital records system technology, the same as the House version.

⁹ One-time funding of \$3 million, of which \$1.5 million is from the community health trust fund, is added for a statewide health strategies initiative, the same as the House version. A section is also added, the same as the House version, to provide funding from the community health trust fund is contingent on the department securing dollar-for-dollar matching funds.

¹⁰ Federal funding provided in the COVID-19 line item is removed, the same as the House version, because it is appropriated in House Bill No. 1394.

¹¹ A section in the bill allowing the State Department of Health to borrow up to \$25 million from the Bank of North Dakota for responding to the COVID-19 public health emergency is removed. This section and borrowing authority was included in the Senate and House versions.

This amendment also:

- Adds a section to provide, in accordance with House Bill No. 1247, the Office of Management and Budget transfer remaining appropriation authority contained in Senate Bill No. 2004 and any remaining appropriation authority for the State Department of Health in other bills to the Department of Health and Human Services. The appropriation authority transferred to the Department of Health and Human Services must be maintained and reported separately from other appropriation authority transferred to the Department of Health and Human Services. This section was not included in the Senate or House versions;
- Adds a section to provide the Office of Management and Budget transfer any money remaining in the tobacco prevention and control trust fund to the community health trust fund on July 1, 2021. This section was not included in the Senate or House versions;
- Adds a section to amend North Dakota Century Code Section 54-27-25 to remove the tobacco prevention and control trust fund. This section was not included in the Senate or House versions;
- Adds a section to amend Section 61-02.1-02.1 to remove the water development trust fund as a funding source for State Water Commission projects. This section was not included in the Senate or House versions;
- Adds a section to amend Section 61-02.1-04 to remove the water development trust fund as a funding source for bond repayment. This section was not included in the Senate or House versions;
- Adds a section to amend Section 510 of House Bill No. 1247, as approved by the 67th Legislative Assembly, related to legislative intent regarding the merger of the State Department of Health and the Department of Human Services into the Department of Health and Human Services to remove subsections 5 and 6 of the section related to the transfer of State Department of Health appropriations to the Department of Health and Human Services. This section was not included in the Senate or House versions;
- Adds a section to repeal Sections 54-27-25.1 and 61-02.1-05 related to water development trust fund expenditures and the water development trust fund. This section was not included in the Senate or House versions;
- Adds a section of legislative intent that the department use federal funding available for COVID-19 before using the \$4,515,296 made available from the community health trust fund for local public health pandemic response grants, the same as the House version; and
- Adds a section to provide \$350,000, of which \$221,231 is from the general fund and \$128,769 is from federal funds, appropriated for an electronic medical record system is declared to be an emergency measure. This section was not included in the Senate or House versions.