

**FIRST ENGROSSMENT
with Conference Committee Amendments
ENGROSSED SENATE BILL NO. 2004**

Introduced by

Appropriations Committee

1 A BILL for an Act to provide an appropriation for defraying the expenses of the state department
2 of health; to amend and reenact sections 23-01-02, 54-27-25, 61-02.1-02.1, 61-02.1-04 of the
3 North Dakota Century Code and section 510 of House Bill No. 1247, as approved by the
4 sixty-seventh legislative assembly, relating to compensation of members of the health council,
5 the tobacco settlement trust fund, statewide water development project funding, bonds payable,
6 and the transfer of appropriation authority to the department of health and human services; to
7 repeal sections 54-27-25.1 and 61-02.1-05 of the North Dakota Century Code, relating to water
8 development trust fund expenditures and the water development trust fund; to provide for a
9 transfer; to provide a statement of legislative intent; to provide for a report; to provide for a
10 legislative management study; and to declare an emergency.

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

12 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
13 as may be necessary, are appropriated out of any moneys in the general fund in the state
14 treasury, not otherwise appropriated, and from special funds derived from federal funds and
15 other income, to the state department of health for the purpose of defraying the expenses of the
16 state department of health, for the biennium beginning July 1, 2021, and ending June 30, 2023,
17 as follows:

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
18			
19			
20	Salaries and wages	\$3,643,394	\$41,362,968
21	Operating expenses	(820,983)	31,577,543
22	Capital assets	481,580	2,646,393
23	Grants	1,991,853	55,249,145
24	Tobacco prevention	507,958	13,410,022

Sixty-seventh
Legislative Assembly

1	Women, infants, and children food	19,780,000	120,000	19,900,000
2	payments			
3	Statewide health strategies	0	3,000,000	3,000,000
4	COVID-19	<u>0</u>	<u>13,722,107</u>	<u>13,722,107</u>
5	Total all funds	\$158,222,269	\$22,645,909	\$180,868,178
6	Less estimated income	<u>121,951,679</u>	<u>15,094,783</u>	<u>137,046,462</u>
7	Total general fund	\$36,270,590	\$7,551,126	\$43,821,716
8	Full-time equivalent positions	204.00	6.50	210.50

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

SIXTY-EIGHTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-sixth legislative assembly for the 2019-21 biennium and the 2021-23 biennium one-time funding items included in the appropriation in section 1 of this Act:

13	<u>One-Time Funding Description</u>	<u>2019-21</u>	<u>2021-23</u>
14	Microbiology laboratory capital improvements	\$1,220,000	\$0
15	Microbiology laboratory technology upgrades	483,000	0
16	Women, infants, and children system upgrade	354,554	0
17	Vital records system technology updates	0	275,000
18	Statewide health strategies initiative	0	3,000,000
19	COVID-19 response	0	9,262,341
20	Forensic examiner upgrades	<u>0</u>	<u>910,000</u>
21	Total all funds	\$2,057,554	\$13,447,341
22	Less estimated income	<u>1,967,554</u>	<u>7,919,065</u>
23	Total general fund	\$90,000	\$5,528,276

The 2021-23 biennium one-time funding amounts are not a part of the entity's base budget for the 2023-25 biennium. The state department of health shall report to the appropriations committees of the sixty-eighth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2021, and ending June 30, 2023.

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.

1 **SECTION 4. TRANSFER OF APPROPRIATION AUTHORITY.** Section 1 of this Act
2 includes appropriation authority for the state department of health for the biennium beginning
3 July 1, 2021, and ending June 30, 2023. On September 1, 2022, in accordance with provisions
4 of House Bill No. 1247, as approved by the sixty-seventh legislative assembly, the office of
5 management and budget shall transfer remaining appropriation authority contained in section 1
6 of this Act, and any remaining appropriation authority for the state department of health in other
7 bills approved by the sixty-seventh legislative assembly, to the department of health and human
8 services. The appropriation authority in section 1 of this Act and appropriation authority for the
9 state department of health from any other bill that is transferred to the department of health and
10 human services must be maintained and reported separately from other appropriation authority
11 transferred to the department of health and human services.

12 **SECTION 5. ESTIMATED INCOME - INSURANCE TAX DISTRIBUTION FUND.** The
13 estimated income line item in section 1 of this Act includes the sum of \$1,125,000 from the
14 insurance tax distribution fund for rural emergency medical services grants.

15 **SECTION 6. ESTIMATED INCOME - COMMUNITY HEALTH TRUST FUND.** The estimated
16 income line item in section 1 of this Act includes the sum of \$20,837,620 from the community
17 health trust fund for the following programs:

18 Behavioral risk factor survey	\$200,000
19 Behavioral health loan repayment	234,500
20 Domestic violence prevention	300,000
21 Women's way	329,500
22 Dentists' loan repayment	360,000
23 Local public health state aid	525,000
24 Cancer programs	580,324
25 Forensic examiner contract	1,000,000
26 Statewide health strategies initiative	1,500,000
27 Local public health pandemic response grants	4,515,296
28 Tobacco prevention and control	5,043,000
29 Tobacco prevention and control grants to local public health units	<u>6,250,000</u>
30 Total community health trust fund	\$20,837,620

1 **SECTION 7. TRANSFER TOBACCO PREVENTION AND CONTROL TRUST FUND TO**
2 **COMMUNITY HEALTH TRUST FUND.** The office of management and budget shall transfer any
3 moneys remaining in the tobacco prevention and control trust fund to the community health trust
4 fund on July 1, 2021.

5 **SECTION 8. AMENDMENT.** Section 23-01-02 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **23-01-02. Health council - Members, terms of office, vacancies, compensation,**
8 **officers, meetings.**

9 The health council consists of nine members appointed by the governor including four
10 persons from the health care field, and five persons representing consumer interests. The
11 governor may select members to the council from recommendations submitted by trade,
12 professional, and consumer organizations. On the expiration of the term of any member, the
13 governor, in the manner provided by this section, shall appoint for a term of three years,
14 persons to take the place of members whose terms on the council are about to expire. The
15 officers of the council must be elected annually. Any state agency may serve in an advisory
16 capacity to the health council at the discretion of the council. The council shall meet at least
17 twice each year and at other times as the council or its chairman may direct. The health council
18 shall have as standing committees any committees the council may find necessary. The
19 chairman of the council shall select the members of these committees. The members of the
20 council are entitled to receive ~~sixty-two dollars and fifty cents~~ as compensation per day at the
21 rate set for a member of the legislative assembly under subsection 1 of section 54-03-20 and
22 their necessary mileage and travel expenses as provided in sections 44-08-04 and 54-06-09
23 while attending council meetings or in the performance of any special duties as the council may
24 direct. The per diem and expenses must be audited and paid in the manner in which the
25 expenses of state officers are audited and paid. The compensation provided for in this section
26 may not be paid to any member of the council who received salary or other compensation as a
27 regular employee of the state, or any of its political subdivisions, or any institution or industry
28 operated by the state.

29 **SECTION 9. AMENDMENT.** Section 54-27-25 of the North Dakota Century Code is
30 amended and reenacted as follows:

1 costs of issuance of the bonds, capitalized interest, and reasonably required reserves.

2 The proceeds of any bonds issued under the authority provided in this section are
3 appropriated to the state water commission for the purposes set forth in this section.

4 2. If the state water commission determines it is appropriate to do so, it may, in lieu of
5 issuing or in combination with the issuance of bonds pursuant to this section or section
6 61-02.1-01, for all or part of the state's cost share for the projects set forth in those
7 provisions, use funds appropriated to it from the resources trust fund ~~or the water-~~
8 ~~development trust fund.~~

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

11 **61-02.1-04. Bonds payable from appropriations and other revenues.**

12 1. Principal and interest on bonds issued for flood control or reduction projects as
13 provided in this chapter are payable from transfers to be made and appropriated by
14 the legislative assembly from ~~the water development trust fund as provided in-~~
15 ~~section 61-02.1-05, then from transfers to be made and appropriated by the legislative-~~
16 ~~assembly from revenues in the resources trust fund other than revenues from state~~
17 ~~taxes, then from appropriations of other available revenues in the then current~~
18 ~~biennium, and then from any other revenues the state water commission makes~~
19 ~~available during the then current biennium for that purpose, including any federal~~
20 ~~moneys received by the state for the construction of flood control or reduction projects~~
21 ~~to pay bonds issued for that project. If sufficient funds from these sources are not~~
22 ~~available, then from transfers to be made and appropriated by the legislative assembly~~
23 ~~from the first available current biennial earnings of the Bank of North Dakota not to~~
24 ~~exceed six million five hundred thousand dollars per biennium prorated with any other~~
25 ~~bonds payable from transfers to be made and appropriated by the legislative assembly~~
26 ~~from the available current biennial earnings of the Bank of North Dakota, to be~~
27 ~~credited by the trustee to the fund established for paying principal and interest on the~~
28 ~~bonds under a trust indenture.~~

29 2. Principal and interest on bonds issued for continued construction of the southwest
30 pipeline project are payable from ~~transfers to be made and appropriated by the-~~
31 ~~legislative assembly from the water development trust fund as provided in section-~~

1 ~~61-02.1-05, then from transfers to be made and appropriated by the legislative-~~
2 ~~assembly from revenues in the resources trust fund other than revenues from state~~
3 ~~taxes, then from appropriations of other available revenues in the then current~~
4 ~~biennium, or from payment from the Perkins County rural water system, and then from~~
5 ~~any other revenues the state water commission makes available during the then~~
6 ~~current biennium for that purpose, including any federal moneys received by the state~~
7 ~~for the construction of the southwest pipeline project to pay bonds issued for the~~
8 ~~project. If sufficient funds from these sources are not available, then from transfers to~~
9 ~~be made and appropriated by the legislative assembly from the first available current~~
10 ~~biennial earnings of the Bank of North Dakota not to exceed six million five hundred~~
11 ~~thousand dollars per biennium prorated with any other bonds payable from transfers to~~
12 ~~be made and appropriated by the legislative assembly from the available current~~
13 ~~biennial earnings of the Bank of North Dakota, to be credited by the trustee to the fund~~
14 ~~established for paying principal and interest on the bonds under a trust indenture.~~

- 15 3. Principal and interest on bonds issued under subsection 7 of section 61-02.1-01 are
16 payable from transfers to be made and appropriated by the legislative assembly from
17 ~~the water development trust fund as provided in section 61-02.1-05, then from-~~
18 ~~transfers to be made and appropriated by the legislative assembly from revenues in-~~
19 ~~the resources trust fund other than revenues from state taxes, then from~~
20 appropriations of other available revenues in the then current biennium, and then from
21 any other revenues the state water commission makes available during the then
22 current biennium for that purpose, including any federal moneys received by the state
23 for the construction of an outlet to Devils Lake to pay bonds issued for that project, or
24 financing a statewide water development program to pay bonds issued for that project.
25 If sufficient funds from these sources are not available, then from transfers to be made
26 and appropriated by the legislative assembly from the first available current biennial
27 earnings of the Bank of North Dakota not to exceed six million five hundred thousand
28 dollars per biennium prorated with any other bonds payable from transfers to be made
29 and appropriated by the legislative assembly from the available current biennial
30 earnings of the Bank of North Dakota, to be credited by the trustee to the fund
31 established for paying principal and interest on the bonds under a trust indenture.

- 1 4. Obligations issued as provided in this chapter do not constitute a debt, liability, or
2 obligation of the state of North Dakota or a pledge of the faith and credit of the state of
3 North Dakota, but are payable solely from the sources as described in this chapter.
- 4 5. The state water commission shall include in its submission to the governor for
5 inclusion by the governor in the biennial executive budget of the state for each year of
6 the respective biennium during the term of any bonds issued as provided in this
7 chapter an amount fully sufficient to pay the principal and interest required to be paid
8 in each year of the biennium, if any, from moneys from non-general fund sources.
9 Provided, that should the governor not include in the executive budget for any reason
10 the amounts required to be included by this section, the state water commission shall
11 request independently that the legislative assembly amend the executive budget
12 appropriation so as to include the amounts.
- 13 6. Principal and interest on bonds issued for projects authorized pursuant to section
14 61-02.1-02.1 are payable from transfers to be made and appropriated by the
15 legislative assembly from ~~the water development trust fund as provided in section~~
16 ~~61-02.1-05, then from transfers to be made and appropriated by the legislative~~
17 ~~assembly from revenues in the resources trust fund other than revenues from state~~
18 taxes, then from appropriations of other available revenues in the then current
19 biennium, and then from any other revenues the state water commission makes
20 available during the then current biennium for that purpose. If sufficient funds from
21 these sources are not available, then from transfers to be made and appropriated by
22 the legislative assembly from the first available current biennial earnings of the Bank of
23 North Dakota not to exceed six million five hundred thousand dollars per biennium
24 prorated with any other bonds payable from transfers to be made and appropriated by
25 the legislative assembly from the available current biennial earnings of the Bank of
26 North Dakota, to be credited by the trustee to the fund established for paying principal
27 and interest on the bonds under a trust indenture.

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

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

- 1 1. Effective September 1, 2022, the state department of health merge into the
- 2 department of human services and both agencies be called the department of
- 3 health and human services;
- 4 2. Effective September 1, 2022, the state department of health, including the state
- 5 health officer, fall under the authority of the executive director of the department
- 6 of human services, now known as the executive director of the department of
- 7 health and human services;
- 8 3. During the 2021-23 biennium, the executive director of the former department of
- 9 human services review and reorganize the structure of the former department of
- 10 human services to incorporate the former state department of health and to find
- 11 efficiencies in the newly formed department of health and human services;
- 12 4. The newly formed department of health and human services is not required to
- 13 reduce the full time equivalent positions of the former state department of health
- 14 and department of human services;
- 15 5. ~~The office of management and budget transfer the state department of health's~~
- 16 ~~appropriation into the department of human services appropriation for the period~~
- 17 ~~beginning September 1, 2022, and ending June 30, 2023;~~
- 18 6. ~~Section 1 of Senate Bill No. 2004, as approved by the sixty-seventh legislative~~
- 19 ~~assembly, shall transfer into subdivisions 1 and 2 of section 1 of House Bill No.~~
- 20 ~~1012, as approved by the sixty-seventh legislative assembly, for the period~~
- 21 ~~beginning September 1, 2022, and ending June 30, 2023;~~
- 22 7. The combined budget of the department of human services and state department
- 23 of health be referred to the budget of the department of health and human
- 24 services; and
- 25 8-6. Department of health and human services is to be substituted for, shall take any
- 26 action previously to be taken by, and shall perform any duties previously to be
- 27 performed by the state department of health.

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

30 **SECTION 14. LEGISLATIVE INTENT - FUNDING FOR COVID-19 RESPONSE.** It is the
31 intent of the sixty-seventh legislative assembly that the state department of health use federal

1 COVID-19 funds or other available funds for defraying expenses related to local public health
2 pandemic response grants before accessing \$4,515,296 appropriated from the community
3 health trust fund in section 1 of this Act.

4 **SECTION 15. LEGISLATIVE MANAGEMENT STUDY - STATE DEPARTMENT OF**
5 **HEALTH.** During the 2021-22 interim, the legislative management shall consider studying the
6 roles of the state health officer, health council, medical advisory board, and governor as they
7 relate to the administration of the state department of health. The study must include
8 consideration of the role of the health council if the governor seeks to terminate the appointment
9 of the state health officer or to adjust the salary of or take punitive action against the state
10 health officer. Additionally, the study must include whether the orders of the state health officer
11 regarding public health directives have primacy over orders issued by the governor. The
12 legislative management shall report its findings and recommendations, together with any
13 legislation required to implement the recommendations, to the sixty-eighth legislative assembly.

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