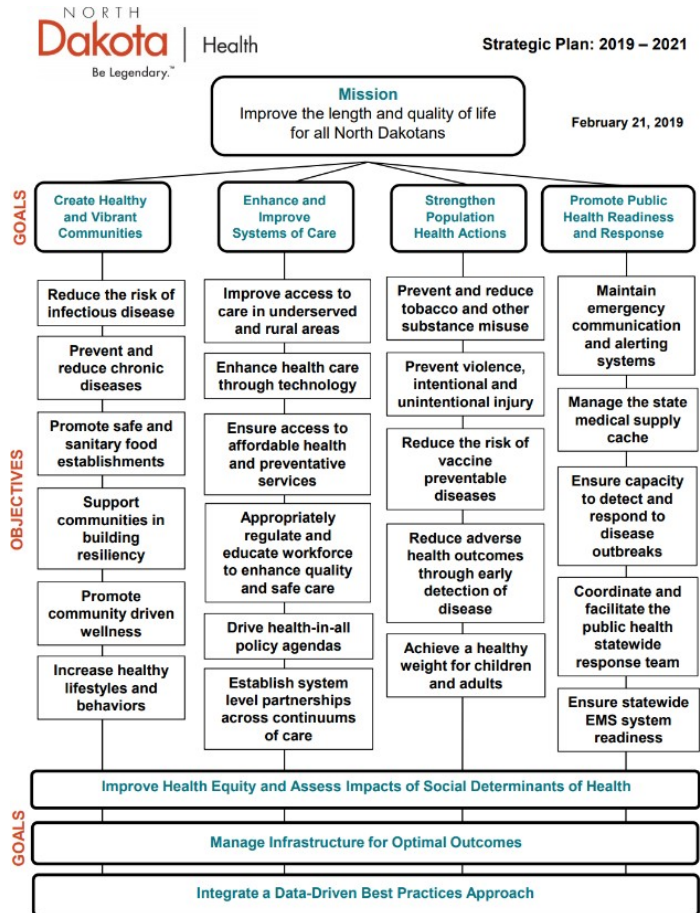


Good morning Chairman Nelson and members of the Human Resources Division of the House Appropriations Committee. My name is Dirk Wilke and I am the Interim State Health Officer for the North Dakota Department of Health (NDDoH). I am here today to testify in support of Senate Bill 2004.

Mission

The mission of the North Dakota Department of Health is to **improve the length and quality of life for all North Dakotans**. To accomplish our mission, we focus on seven major goals. Each of our goals is supported by a list of objectives and performance measures that help us assess our progress toward our goals. Included in your testimony is the department’s 2019-2021 strategic plan which details our mission, goals and objectives.

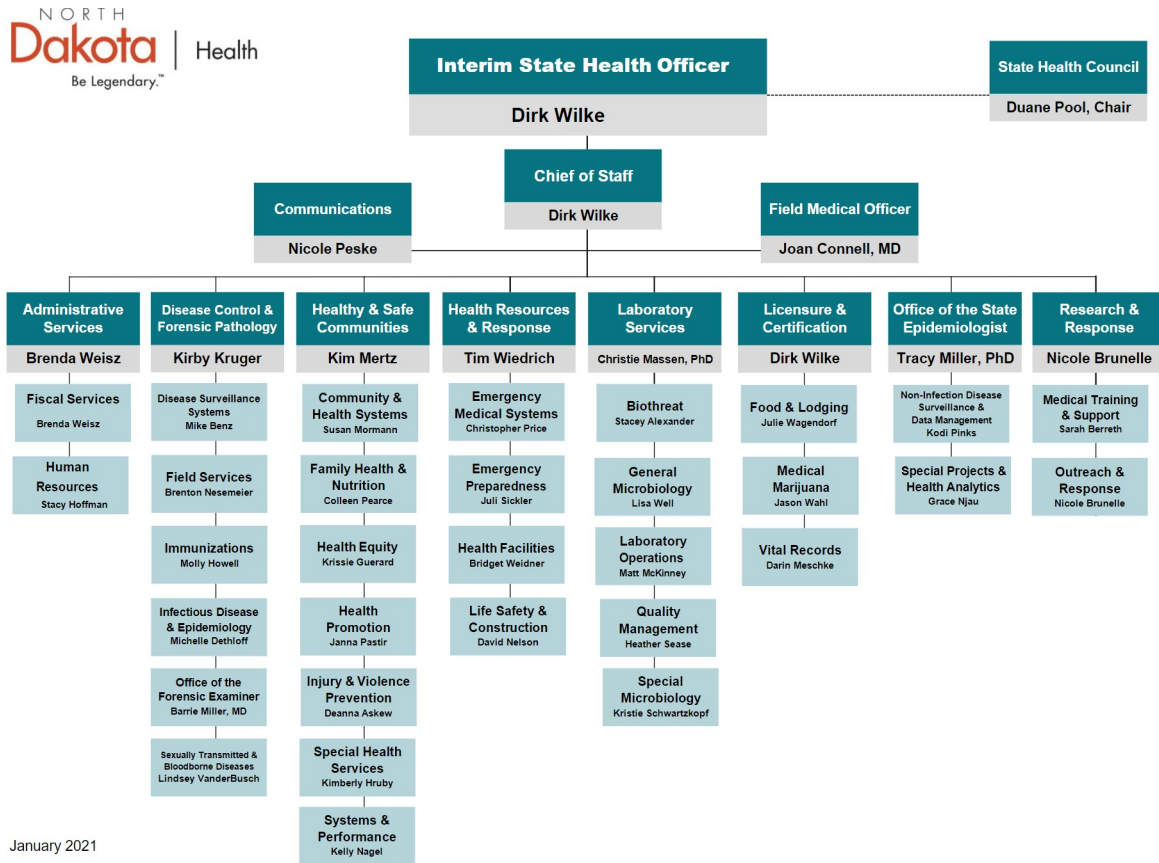


Department Overview

The department pursues its goals and objectives through eight sections:

- Administrative Services
- Disease Control & Forensic Pathology
- Health Resources & Response
- Healthy & Safe Communities
- Laboratory Services
- Licensure & Certification
- Office of the State Epidemiologist
- Research & Response

Each section is composed of several divisions that house the individual programs that carry out the work of the department. A copy of our organizational chart can be found below. More information on the Department of Health can be found in our [biennial report](#) found on our website at health.nd.gov.



While most people know that public health is important, they're not always sure what public health is or how it affects their lives. In fact, the efforts of public health professionals like those at the Department of Health touch the lives of every North Dakotan, every day:

- Our **Administrative Services** section houses fiscal services and human resources.
- Our **Disease Control & Forensic Pathology** section monitors infectious diseases, identifies and contains disease outbreaks such as COVID-19, educates the public, and manages state vaccination programs. They also conduct autopsies to determine cause and manner of death and

provide consultation to county coroners. We work closely with law enforcement and other investigating agencies and provide court testimony, as needed.

- Our **Health Resource & Response** section ensures that our public health system is prepared and able to respond to emergencies, such as COVID-19, Zika, floods, fires or tornados; that hospitals and health care facilities are prepared for emergencies; and that our ambulance services are meeting the needs of citizens and provide the best quality of care possible. This section also ensures that health facilities are safely and adequately serving residents and patients.
- Our **Research & Response** section plans and executes COVID-19 testing events across North Dakota.
- Our **Healthy & Safe Communities** section manages programs that help North Dakotans quit smoking; receive breast, cervical and colorectal cancer screening; improve diet and physical activity habits for management of chronic disease and improved quality of life; manage diabetes; care for children who have special health care needs; maintain nutrition levels during pregnancy and the first years of a child's life; care for health needs of women, infants and children; and reduce injuries, and domestic and sexual violence.
- Our **Laboratory Services** section provides laboratory test services for various diseases related to public health. These services include testing for everything from sexually transmitted infections to respiratory pathogens to animal and environmental tests such as rabies. In addition, they're part of the National Laboratory Response Network that tests for anthrax, plague and other harmful biothreat agents.
- The **Licensure & Certification** section provides birth and death records, manages a successful Medical Marijuana Program and ensures food and lodging establishments meet all necessary safety requirements.
- And the **Office of the State Epidemiologist** is responsible for data collection, data analysis, data reporting and now includes a health analytics division.

Accomplishments

2020 was a historic and unprecedented year for the Department of Health. This is what we do; what we regularly plan for, prepare for and exercise for. On January 27, 2020, the Department Operations Center activated and on March

13 Unified Command was formed. In 2020, we exceeded goals and met hundreds of challenges we didn't even know existed in 2019 and in the process, we:

- Increased lab capacity from a few hundred samples to now being able to run 7,500 COVID-19 samples a day. To date, the lab has tested over 920,000 COVID-19 samples.
- We fielded over 70,000 calls through the public health hotline, a service implemented last March to provide answers to questions and a listening ear to the public.
- More than 94% of our cases are contacted for case investigations. Of those we are able to reach, more than 94% are investigated within 24 hours of receiving the positive report.
- We partnered in some capacity or another with local public health units, dozens of other state agencies, and associations to ensure needs were met for North Dakotans.
- We completed over 9,000 testing missions with partners from the North Dakota National Guard and Department of Emergency Services.
- Our Healthy Return to Learning Team, a partnership with Department of Public Instruction, has held weekly town halls with school superintendents, handled over 12,000 school related COVID cases and helped identify over 30,000 school close contacts.

And this is just the beginning of the immense work that went on, executed by hundreds of state employees who rose to the challenge.

But our success didn't end at COVID-19. Despite our all-hands-on-deck mentality, our work in serving the citizens of North Dakota through important programming continued.

- The North Dakota Oral Health Program partnered with dentists in both rural and suburban areas to provide blood pressure screenings to North Dakota citizens. Since 2019, Dental providers conducted 27,634 screenings, detected 1,975 high blood pressures, made 456 referrals, and followed up on 209 of those referrals. During the pandemic, two individuals were sent directly to the ER after being screened for

- hypertensive crisis and were provided life saving measures, further indicating the importance of screening for chronic conditions and training all types of health care providers to do so.
- Nearly 18,000 women, infants and children continued to receive uninterrupted WIC services this past year.
 - In addition, over the past biennium the department provided funding to 20 domestic violence/rape crisis agencies to provide crisis intervention, shelter and other services.
 - We grew the Cardiac Ready Communities designation to 11 communities with another 27 communities signing a letter of intent.
 - NDQuits served over 7,000 tobacco users in the last biennium. More than 40% were tobacco free seven months after completing the program.
 - Food & Lodging conducted more than 6,100 inspections of licensed facilities, including investigating 108 consumer health and safety concerns.
 - Health Facilities took the nurse aide registry online to make it more convenient for nurses and facilities to get licensed and access information.
 - The HIV Prevention Program provided over 10,000 free HIV tests to at-risk persons at Counseling Testing & Referral sites in the state.

While we've had many accomplishments, we do have a few challenges that continue to be ongoing.

Challenges

- Electronic Nicotine Delivery System (ENDS) including vaping, electronic cigarettes and other devices is at epidemic levels. North Dakota has had an innovative response, but more policies and regulation are needed to fully address the epidemic.
- In regard to COVID, challenges still remain. Funding the COVID-19 response, when the future is unclear and the need is ever-changing, does present challenges. The NDDoH Team, Local Public Health, and partner entities are tired, but we have continued to "show up" and have

worked the long hours for almost a year straight on the pandemic because we do care about the citizens of North Dakota. We are proud of our results. Throughout the pandemic, we have been in the top 5 in testing per capita, top 5 in vaccinations doses administered as a percentage of doses received from the federal government, the state's 14-day test positivity rate is under 3%, and our seven-day PCR test positivity rate ranked second-lowest among all 50 states in the White House report. WalletHub on February 18th named North Dakota one of the top 5 safest states in the nation during COVID. I would like to take a brief moment to thank the team and our partners for their service and sacrifice this past year.

In closing, I'd like to express gratitude to you for your service and thank you in advance for your support as we strive to create a healthier North Dakota that improves our citizens length and quality of life. At this time, I'd like to turn it over to Brenda Weisz our Chief Financial Officer to continue the Budget Overview.

Budget Overview

The following material provides information on the current 2019-2021 Base Budget, the Governor's Executive Recommended Budget, COVID-19 federal funding, the amendments made by the Senate, and other fiscal related information as requested and outlined by the Legislative Council.

Comparison of Base Budget to Executive Recommendation

Description	2019-21 Base Budget	2021-23 Executive Recomm.	Increase / (Decrease)
Salaries and Wages	37,719,574	41,256,942	3,537,368
Operating Expenses	32,398,526	30,836,700	(1,561,826)
Capital Assets	2,164,813	2,646,393	481,580
Grants	53,257,292	54,313,687	1,056,395
Tobacco Prevention & Control	12,902,064	13,019,077	117,013
WIC Food Payments	19,780,000	19,900,000	120,000
Statewide Health Strategies	0	3,000,000	3,000,000
COVID-19	0	95,187,577	95,187,577
Total By Line Item	158,222,269	260,160,376	101,938,107
General Fund	36,270,590	88,879,743	52,609,153
Federal Funds	101,306,765	141,368,428	40,061,663
Special Funds	20,644,914	29,912,205	9,267,291
Total By Fund	158,222,269	260,160,376	101,938,107
FTE	204.00	221.50	17.50

2019 - 2021 Base Budget and One-Time Funding

The following includes areas in the current 2019 – 2021 appropriation I would like to highlight:

Vital Records - During the 2019 Legislative Session, Legislators approved an increase in the fees charged for Vital Records. This resulted in the ability of the program to be funded entirely with fees without any reliance on the general fund. Also included in legislation was the requirement for collections in excess of the appropriated expenditures to be transferred to the general fund at biennium end. Since the onset of the pandemic, walk-in requests are no longer being filled. We are seeing a slight decrease in this area of approximately \$130,000 in revenue for the biennium. Earlier in the biennium we had estimated a transfer of \$650,000 to the general fund at June 30, 2021. That amount is estimated to be \$519,000 based on collections through November and then projected for remainder of the biennium.

Laboratory Services – The capital projects to replace the roof on the north portion of the building and to replace the HVAC in the south addition were completed slightly under budget. \$1,220,000 was appropriated and the project was completed for \$1,216,882. Also approved during the 2019 Legislative Session was an upgrade to the Laboratory Information Management System (LIMS). This project has been somewhat delayed by the pandemic but is on schedule to be completed by June 30, 2021. Both of these projects were included as one-time funding for the 2019 – 2021 biennium.

With food security being an important aspect and one of the six social determinants of health, we are pleased to inform you that in October 2020 team members from the **Women, Infant and Children (WIC)** program successfully moved all WIC food benefits to an electronic WIC card making it more convenient for families. The project is considered fully implemented by the federal government since all of our WIC retailers are EBT certified as of January. We are projected to finish the project on time and under budget by approximately \$350,000. A portion of these costs were also reflected as one-time funding for the 2019 – 2021 biennium.

During the 2019 Legislative Session, as stated in SB 2317, the state Department of Health must make a determination on projects of no more than one million dollars within 60 days of receipt of a complete application. During the biennium the Department has met this requirement. Additionally, Section 6 of HB 1004 provided legislative intent that the Department reduce the minimum fee charged for **life safety construction** or renovation plans review of small projects for facilities from \$750 to \$500; this was successfully implemented. Finally, in 2020 the Department of Health issued a request for proposal for professionals interested in conducting compliance reviews of construction documents. If a provider chose to work with one of two selected vendors, rather than the Department, the provider would enter a contract with the vendor to conduct the plan review. The State Department of Health would be responsible for the project's final approval; however, contracting with an outside vendor provides an alternative for plan review. Two vendors have been selected and contracts executed, however, this option has yet to be selected by the industry.

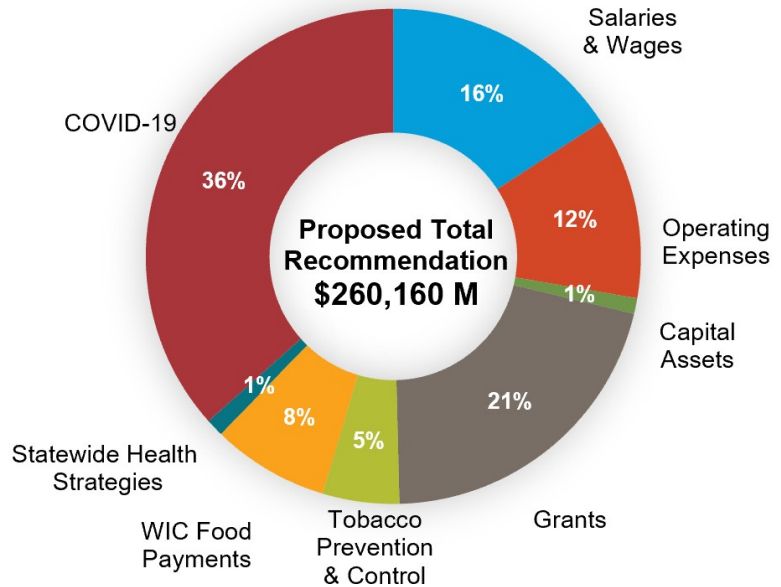
A final area of discussion for the 2019 – 2021 Base Budget is the implementation of Section 4 of HB 1268 which was enacted during 2019 Legislative Assembly to increase the maximum property tax levy for Emergency Medical Services (EMS) from 10 to 15 mills, **establish a formula for the distribution of state financial assistance to eligible EMS providers**, and excluded EMS providers with more than 700 average runs for the 2 most recent fiscal years from being eligible for grant funding. The formula included a base amount of \$60,000 and provided guidance stating if legislative appropriations for state rural assistance for EMS was not sufficient to provide the full grant funding calculated, the Department was to distribute a prorated share of the calculated grants. Both years of funding were prorated as the grant funding to be allocated exceeded the amount appropriated. Each year there were 15 EMS providers in the state that did not receive rural assistance grants because they exceeded the maximum number of average runs for funding. Additionally, 6 EMS providers in the state elected not to accept the rural assistance grants in year one and 8 EMS providers made the same election in year 2.

2021 – 2023 Summary of the Governor’s Recommendation

The budget before you for the Department of Health addresses many important community public health needs. It provides much needed medical resources in the form of current professional loan repayments, state medical cache and emergency medical services grants. It also provides resources to the local public health units under state aid, tobacco grants, federal pass through funding, along with funding to address COVID-19 efforts, and it allows us to systematically work together to meet our public health goals. A network of 28 local public health units and many other local entities provide a varying array of public health services with funding provided by the Department. Some of the local public health units are multi-county, some are city/county and others are single-county health units. Other local entities providing public health services include domestic violence entities, family planning entities, and Women, Infant and Children (WIC) sites. Grants and contracts amounting to just under \$87 million or 33% of our budget recommendation are planned to be passed through to the local public health units and other local entities to provide public health services. Approximately \$38.9 million is proposed for local public health units, and \$15.2 million to other local entities. The remaining \$32.9 million is proposed for state agencies, medical providers, tribal units and various other entities.

Nothing highlights the importance of public health more than a public health emergency. Approximately 36% of the proposed recommendation is to cover expenses associated with the efforts regarding COVID-19. Costs are identified as one-time and ongoing. I will cover this line item and the costs components later in my testimony.

2021-23 EXECUTIVE RECOMMENDATION BY LINE ITEM



Executive Recommendation by Line Item

Overall, the Governor’s Recommendation totals \$260,160,376 and comprises the following line items.

Salaries and Wages

Salaries and Wages make up \$41,256,942 or 16% of our budget. The increase to the salaries line item is attributed to the following:

- continuing the second year, legislatively approved salary increase for a full biennium (two years of the increase vs one year that was funded in 2019 – 2021);
- increase in salary to attract a new forensic examiner, new State Health Officer along with retaining staff; and
- the executive compensation package.

Operating Expenses

The operating budget recommendation is \$30,836,700 or 12% of the Executive Budget recommendation. Operating expenses have decreased primarily as a result of anticipated travel costs, professional fee contracts no longer planned and certain agreements more appropriately budgeted under the Grants line

item. This reduction is partially offset by IT Unification where staff salaries were moved from the Salaries and Wages line item to the Operating line item, the addition of funding to accommodate the change in rental costs for the Judicial Wing space occupied by the department, the increased costs experienced by all agencies for Microsoft 365, and an increase to the Forensic Pathology contract with UND.

Capital Assets

Capital assets of \$2,646,393 make up only 1% of our total budget. The recommendation for this area includes bond payments on our laboratory building, the state morgue and a storage building along with equipment costs in excess of \$5,000. The increase is attributed to proposed increased efficiency in the Forensic Pathology Division with the addition of a full body imaging system and the implementation of an electronic reporting system. This increase of \$850,000 is offset by reduced bond payments as final payments are scheduled for December 2022.

Grants

Grants are provided to many local entities across the state and make up \$54,313,687 or 21% of our budget. The majority of grants (91%) are in the Healthy and Safe Communities and Health Resources and Response Sections. This area of the budget has increased as a result of increased funding in the Disease Control Division and the shift of agreements more appropriately requested in the grants line item rather than the operating line. This increase is offset by decreased grants as a result of federal funding that has ended.

Special Line Items

There are four special line items included in the Governor's Recommendation.

Tobacco Prevention and Control is recommended at \$13,019,077 or 5% of the recommendation. The increase in this area is attributed to additional funding to provide to vendors under contract to address the challenges and goals of the program.

Special Supplemental Nutrition Program for Women, Infants and Children (WIC) Food Payments make up \$19,900,000 or 8% of the recommended budget. The Governor's Recommendation includes an increase of \$120,000 to accommodate eligibility increase anticipated as a result of income changes

impacted by the pandemic. Administration by the local WIC sites is included in the grants line item and remains unchanged.

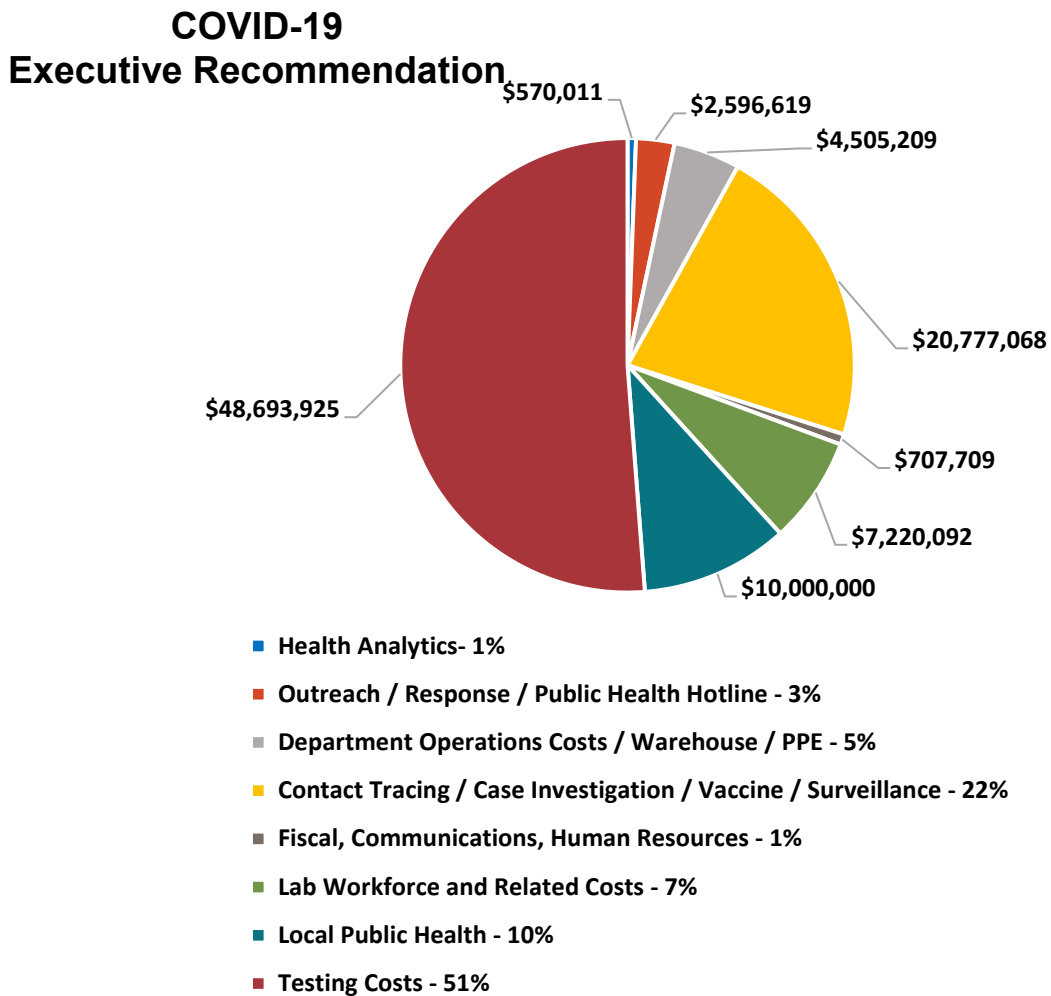
Statewide Health Strategies is included in the Executive Recommendation at \$3,000,000 and accounts for 1% of the recommendation. This proposal is the result of the work led by Joshua Wynne, MD, who was appointed by the Governor as Chief Public Health Strategist in May 2020. Dr. Wynne convened the Health Strategies Planning Group comprised of state leaders and public health experts to develop the Strategic Plan for Health with the mission of North Dakota to become the healthiest state in the nation. The plan proposes the following three goals and related budget.

- **Goal 1 - Support State and Local Health-Conscious Policy and Data-Driven Decision Making**
 - Adopt a Health in All Policy Approach with the addition of a Health Policy Analyst - \$300,000
- **Goal 2 - Expand Statewide Public Health Expertise and Leadership Capacity**
 - Enhance Public Health Knowledge and Build Capacity with the addition of Maternal & Child Health and Environmental Health Specializations, have NDSU and UND conduct Public Health Studies - \$1,282,000
 - Invest in Public Health Workforce
 - Addition of an Epidemiologist - \$240,000
 - 10 Master of Public Health Program Forgivable Loans upon completion of a three-year work commitment - \$120,000
- **Goal 3 - Enhance Cross-Sector Collaboration and Integration**
 - Support Locally Driven Community Engagement and Health Education
 - Addition of a Public Information Officer - \$198,000
 - Health Improvement Campaign - \$60,000
 - Award Grants to Support Local Health Improvement Initiatives to four or more local community health improvement projects, contingent on 1:1 match, including in-kind - \$800,000

This \$3,000,000 is considered one-time funding in the 2021 – 2023 biennium. This budget line item was removed in its entirety by the Senate.

COVID-19 is the final special line item in the recommendation and accounts for 36% or the largest percentage of the Executive Recommendation just over \$95 million. This special line was approved by the Emergency Commission and Budget Section in the current biennium to track costs separately from the typical line items of our appropriation and to segregate the work dedicated to the public health emergency.

Below is a breakdown by category of the proposed costs.



This line item includes the following major cost components:

- Testing supplies – just over \$48.6 million
 - 4000 per day from July – Dec 2021 (3000 PCR, 1000 BinaxNow)
 - 3000 per day from Jan – June 2022 (2000 PCR, 1000 BinaxNow)
 - 3000 per day from July – Dec 2022 (1500 PCR, 1500 BinaxNow) weekdays only
 - 2000 per day from Jan – June 2023 (1000 PCR, 1000 BinaxNow) weekdays only
- Workforce - \$21.6 million
 - Regular FTE - 22.50 Regular
 - 1 -Fiscal Services
 - 3 – Health Analytics (Office of the State Epidemiologist)
 - 7.5 – Laboratory Services
 - 6 – Disease Control
 - 3 – Title V and Health Equity Office
 - 1 – Emergency Response
 - 1 – Outreach / Surveillance
 - Temporary Staffing
 - 1 Communication Specialist – year 1 of the biennium
 - 1 Human Resources / Payroll
 - 100 - Contact Tracers / Case Managers / Case Workers with work effort decreasing over the biennium
 - 22 – Laboratory Services
 - 25 – Department Operations decreasing over the biennium
- Media / Education Campaign - \$250,000
- Public Health Hotline Agreement - \$1.6 million
- Personal Protective Equipment - \$1.9 million
- Grants for Serology / Contract Tracing / Infectious Control - \$2 million
- Travel Costs / Courier Services / Additional Warehouse Space / Operations - approx. \$3.3 million
- Technology Costs for Systems / Licenses - \$5.8 million
- Local Public Health - \$10 million

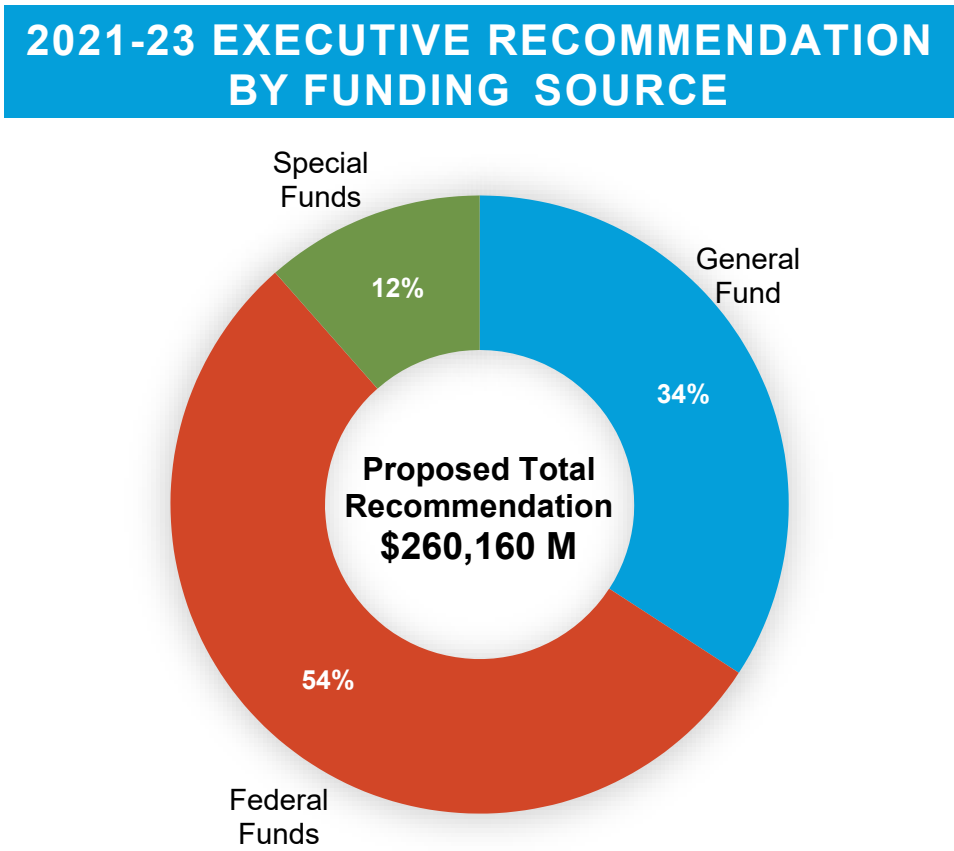
The Executive Recommendation for COVID-19 totals \$95,070,633 with the funding breakdown as follows, which was amended by the Senate.

- General Fund - \$54,505,031
- Federal Funds - \$35,565,602
- Special Funds - \$5,000,000 (Community Health Trust Fund for 50% of the Local Public Health recommendation)

The COVID-19 special line item represents one-time costs of \$84,232,061 and ongoing costs of \$10,838,572.

Executive Recommendation by Funding Source

The breakdown by funding source of the Governor’s Recommendation for the Department of Health is as follows.



Summary of Funding Changes - See Attachment A

Executive Recommendation for FTE

The Executive Recommendation included 221.50 FTE. The Base Budget includes 204 FTE plus 22.50 additional team members associated with the public health emergency offset by the reduction of 5.0 FTE related to IT Unification. After Senate amendments the FTE stands at 212.50. The FTE associated with the public health emergency was reduced by 10.0 and the reduction of 4.0 FTE related to IT Unification.

Other language included in the Executive Recommendation

The Executive Recommendation includes language that allows the Department to borrow funds up to \$25,000,000 from the Bank of ND for areas such as testing, contact tracing, and other costs related to responding and mitigating the COVID-19 public health emergency. These funds are subject to approval from the Emergency Commission and would only be requested in the event the costs appropriated are not sufficient to cover costs of the public health emergency into the next biennium.

Agency collections

The department collects revenues which are appropriated and deposited in our operating fund under the following area:

- **Food and Lodging licensure fees** are collected from food and lodging establishments, along with other similar operations. Revenues are slightly down in the current biennium from previously biennia and we have reflected this in our budget request for the 2021 – 2023 biennium.
- **Life, Safety and Construction fees** are consistent with amounts estimated for the current biennium. In our proposed budget for the 2021 – 2023 biennium, we are able to use fees that were collected in the 2019-2021 biennium to offset the general fund need in the program for 2021-2023.
- **Licensure for Nurse Aid Registry, Basic Care, Hospitals and Long-Term Care** is consistent with amounts budgeted for the current biennium and we have anticipated the collections to remain consistent into the 2021 - 2023 biennium.

- **Laboratory collections** are consistent with amounts estimated in the current budget and consistently budgeted for the 2021- 2023 biennium.
- **Vital Records collections** are slightly down as previously discussed. The estimate of collections in the upcoming biennium are sufficient to cover estimated costs.

Ambulance licensure fees are the only collections that are deposited into the **general fund**. Fees are estimated to be the same this biennium and next, at approximately \$7,300.

Changes to the Governor’s Recommendation

In working with NDIT, and subsequent to the finalization of the Executive Recommendation, it was noted that an FTE reflected as part of IT Unification should have been excluded bringing the number of FTE subject to unification to 4 FTE rather than proposed 5. Over the course of the current biennium the job responsibilities of this FTE have shifted from IT work to more programmatic work. The system that was heavily supported by this FTE was transitioned in the current biennium to a more efficient IT platform requiring less IT work effort. The costs associated with this FTE include \$185,535 in total with \$111,321 from the General Fund. We request this FTE be excluded from unification efforts. The Senate did make this adjustment.

Optional Adjustment Requests – See Attachment B

Other Department of Health - Related Bills

- HB 1073 – Allows for BCI / FBI criminal background checks for select individuals
- HB 1103 – Updates definitions (relating to mobile home park, recreational vehicle park, and campground), license renewal procedures, and resolves inconsistencies with other sections of NDCC
- HB 1118 – Relating to the authority of the state health officer to issue a written order
- HB 1163 – Relating to the needle exchange program

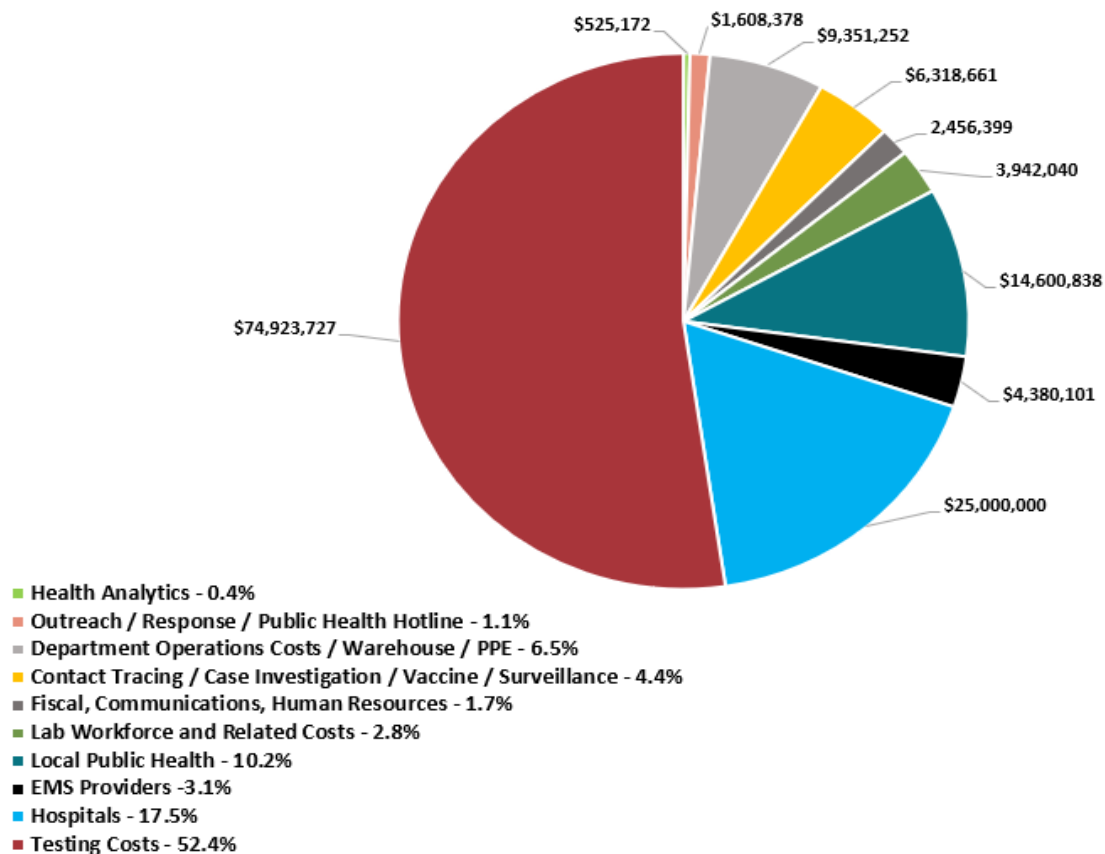
- HB 1205 – Relating to establishing the maternal mortality review committee and to provide for a report to the legislative management and other agencies.
- HB 1213 – Relating to medical marijuana designated caregivers
- HB 1219 – Relating to reportable conditions and post-mortem communicable diseases.
- HB 1247 – Relating to merging of the state department of health and the department of human services
- HB 1323 – Relating to limitations on mask wearing requirements
- HB 1359 – Relating to medical marijuana designated caregiver fees and the medical marijuana advisory board
- HB 1391 – Relating to regulating edible medical marijuana products
- HB 1394 – Appropriation for costs related to COVID-19 and other services
- HB 1395 – Adjusts state agency spending authority approved by the emergency commission and budget section
- HB 1418 – Relating to qualifications of the state health officer
- HB 1420 – Relating to the personal use of marijuana under an “adult use” program
- HB 1493 – Provide for ambulance service operation funding
- HB 1495 – Relating to the state health officer's authority and the governor's and legislative assembly's authority during a declared state of disaster or emergency; and to provide a penalty
- SB 2119 – Updates relating to food and lodging establishments license renewal procedures, and resolves inconsistencies with other sections of NDCC
- SB 2123 – Relating to access to death records
- SB 2124 – Relating to virtual special session, state health officer's and governor's authority during declared disaster or emergency

- SB 2125 – Adds a licensed behavior analyst as behavioral health professional in the health care professional student loan repayment program
- SB 2209 - Relating to increased access to low-cost prescription drugs
- SB 2241 – Relating to review of health facility construction and renovation projects
- SB 2248 – Relating to administration of epinephrine
- SB 2252 – Relating to the regulation of purified water dispensers
- SB 2303 – Relating to tribal health units

COVID-19 Amount Spent as of 12/31/2020 and Federal Funds Available

The total amount of COVID-19 expenditures paid through December 31, 2020 is \$143,106,568; details are outlined below.

COVID-19 Expenditure paid through 12/31/2020 - \$143,106,568



While the Department was awarded 14 different grants outside of the CARES (Coronavirus Relief Fund) and FEMA funding, the above expenditures were paid primarily from CARES (Coronavirus Relief Funds) and FEMA. Emergency Commission Requests were submitted requesting authority to spend the additional grants along with the request to track the COVID-19 expenditures under a separate line item. With the ability to use FEMA and CARES funding, the Department is able to maximize the majority of the other federal COVID-19 awards and expend the other federal funds after the CARES funding has been fully expended within the amount approved for the current biennium and FEMA reimbursement is not available. In January 2021, the emergency declaration for FEMA was extended from January 23, 2021 to September 30, 2021 and reimbursement is now at 100% rather than 75%. This change in rate of reimbursement is effective back to January 20, 2020.

Below is a chart listing the grants, amounts expended, and grant end dates.

Description	Award	Expended as of December 31, 2020	Remaining	End Date of Grant Award
CARES (Coronavirus Relief Fund)	\$174,115,929	\$106,410,023	\$67,705,906	12/31/2021
FEMA	54,540,000	32,594,651	21,945,349	9/30/2021
CMS Funding	237,405	152,788	84,617	9/30/2021
Ryan White	50,000	30,790	19,210	3/31/2021
Epidemiology & Lab Capacity - CARES	5,075,000	149,905	4,925,095	4/22/2022
Epidemiology & Lab Capacity - Enhanced	52,621,819	63,758	52,558,061	11/17/2022
Epidemiology & Lab Capacity - Infection Control	904,829	-	904,829	5/27/2022
Epidemiology & Lab Capacity - Supplemental	846,000	-	846,000	9/30/2022
Epidemiology & Lab Capacity - Expansion	43,863,056	-	43,863,056	7/31/2023
Immunization Influenza Supplemental	240,831	53,346	187,485	7/5/2021
Immunization Vaccination Services	344,088	-	344,088	6/30/2022
Immunization COVID Vaccination	6,885,880	-	6,885,880	6/30/2024
Public Health Crisis Response	4,567,500	3,607,589	959,911	3/31/2021
Hospital Preparedness Supplemental 1	473,417	-	473,417	6/30/2021
Hospital Preparedness Supplemental 2	1,161,700	-	1,161,700	6/30/2021
Family Violence Prevention	79,837	43,718	36,119	9/30/2021
Total	\$346,007,291	\$143,106,568	\$202,900,723	

Under the CARES funding as of December 31, 2020, there were outstanding obligations for which we were awaiting a request for reimbursement / invoice in order to make payment. The remainder of the CARES funding has allowed the Department to offset the deficiency request contained in HB 1025. The Department of Health is no longer in need of a deficiency appropriation.

With the passage of the COVID-19 Relief Bill signed by the President on December 27, 2020, the Department of Health received two additional grant awards totaling \$6.885 million for vaccination activities and \$43.863 million for testing and surveillance. The additional federal funding along with FEMA funding being extended through September 30, 2021 at 100% rate of reimbursement has allowed the Department to offset \$45.3 million of the General Fund request included in the Executive Recommendation. The Senate made this adjustment.

Other Information

The Medical Marijuana Program is supported by a continuing appropriation as included in the legislation that established the program during the 2017 Legislative Session. The current biennium is the first biennium the program is fully funded with registration and application fees. The expected budget for the 2021 – 2023 biennium is \$1.5 million and includes operating with 5 staff members. We anticipate \$1.7 million of the revenue is to be collected with approximately \$1 million being paid by the Compassion Centers for registration fees and for the ability to grow additional plants. At the beginning of January 2021, the number of current active qualifying patients was 4,354 and the number of active designated caregiver cards was at 117.

Audit Findings

During our most recently completed operational audit for the period covering July 1, 2017 through June 30, 2019, we had the following two audit findings along with action taken to address each.

- We recommend the North Dakota Department of Health ensure compliance with appropriation limits set by the North Dakota Legislature.
 - *The appropriation from the Environmental Rangeland Protection Fund was exceeded by \$2,995. Sufficient funding existed in the fund*

and we had sufficient general fund to cover the payment. Processes have been modified to prevent expenditures from being charged to funding sources that have reached their funding limits.

- We recommend the North Dakota Department of Health ensure the calculation of the rural emergency medical services grant distribution is correct and that all supporting documentation is retained.
 - *We had used GIS mapping to update population figures from the 2010 census to more accurately include rural population counts. This documentation was not maintained due to staff turnover. There was also a formula error in one of the cells of the spreadsheet resulting in \$39,995 of \$6,875,000 (.58%) being allocated incorrectly. Procedures and additional internal controls have been added to verify information utilized to calculate grant payments. Additionally, staff communications were updated emphasizing the importance of maintaining supporting documentation for EMS payments.*

Conclusion

Chairman Nelson and members of the Committee, this concludes the Department of Health testimony on Senate Bill 2004. In the upcoming weeks, we look forward to working with you on the detail of the Governor's recommended appropriation for the Department. I or other members of Department of Health team would be happy to address any questions you may have at this time.

Description	General Fund	Federal Funds	Special Funds	Total
Base Budget 2019 - 2021	\$36,270,590	\$101,306,765	\$20,644,914	\$158,222,269
Bond Payment (Final payments scheduled Dec 2022)	(\$184,065)	(\$22,999)	\$0	(\$207,064)
Items impacted to meet the 85% General Fund Budget				
Eliminate Food & Lodging Part-time Temp	(\$50,000)			(\$50,000)
Funding shift due to increase federal collection for administrative costs	(\$1,060,000)	\$1,060,000		\$0
Funding shift - carryover collections in Life, Safety & Construction	(\$312,706)			(\$312,706)
Fetal Alcohol Syndrome - Unfund the contract payment to UND	(\$350,458)			(\$350,458)
Loan Repayment Program - Biennium hold on new contracts	(\$823,155)			(\$823,155)
Reduction to the Tobacco Program	(\$1,108,000)			(\$1,108,000)
Miscellaneous	\$17,073			\$17,073
Items impacted by Reprioritization Special Funds				
Funding no longer Expected from Private Foundations			(\$647,500)	(\$647,500)
Funding shift - carryover collections in Life, Safety & Construction			\$312,706	\$312,706
Utilize available Laboratory Fees to cover costs			\$200,000	\$200,000
Include funding from the Civil Money Penalties Fund			\$100,000	\$100,000
Redirect Community Health Trust Fund for Loan Repayment			\$70,500	\$70,500
Miscellaneous			(\$35,706)	(\$35,706)
Net increase in Federal Funds estimated to be Awarded		\$2,843,220		\$2,843,220
Department of Health Requested Budget	\$32,399,279	\$105,186,986	\$20,644,914	\$158,231,179
Executive Budget Changes				
Compensation Package	\$622,262	\$554,224	\$63,016	\$1,239,502
Rent Model Change	\$336,399			\$336,399
Office 365	\$21,542	\$61,616	\$8,275	\$91,433
Forensic Examiner - increase to UND for Forensic Pathology Services	\$85,230			\$85,230
Forensic Examiner - Electronic Records / Full Body Imaging System	\$910,000			\$910,000
Restore Tobacco Funding			\$1,196,000	\$1,196,000
Statewide Health Strategies			\$3,000,000	\$3,000,000
COVID-19	\$54,505,031	\$35,565,602	\$5,000,000	\$95,070,633
Executive Budget Recommendation	\$88,879,743	\$141,368,428	\$29,912,205	\$260,160,376
Senate Changes				
Reinstate the Fetal Alcohol Syndrome grant	\$350,458			\$350,458
Add funding for Contract Awards under the Loan Repayment Program	\$585,000			\$585,000
Changes to the Executive Compensation Package	(\$115,467)	(\$102,190)	(\$6,543)	(\$224,200)
Change in COVID-19 Executive Recommendation	(\$45,298,220)	\$45,782,924	(\$484,704)	\$0
Add authority for additional COVID work		\$11,644,708		\$11,644,708
IT Unification 4.0 FTE instead of 5.0 FTE	\$2,135	\$17,643		\$19,778
Remove the Capital Complex Rent Proposal	(\$336,399)			(\$336,399)
Restore Tobacco Funding to LPH			\$397,000	\$397,000
Remove funding for Statewide Health Strategies			(\$3,000,000)	(\$3,000,000)
Senate Budget	\$44,067,250	\$198,711,513	\$26,817,958	\$269,596,721



ND Department of Health
SB 2004
Senate Appropriations Committee
Optional Adjustment Requests (OAR) Summary
2021 - 2023 Biennium

ATTACHMENT B

TOTAL BUDGET ADJUSTMENT REQUEST BY CLASS

	FTE	General Fund	Federal Funds	Special Funds	Salaries	Operating	Capital Assets	Grants	Total
COVID19	143.50	227,459,235	35,565,601		58,910,334	164,450,449	2,504,000	37,160,053	263,024,836
Local Public Health State Aid Funding	0.00	5,226,900						5,226,900	5,226,900
Forensic Examiner One-Time Upgrades	0.00	910,000				60,000	850,000		910,000
Tobacco Prevention and Control Program Media and Cessation Support	0.00	1,946,000				1,613,000		333,000	1,946,000
Loan Repayment Programs	0.00	585,000						585,000	585,000
Forensic Examiner UND Contract	0.00	170,460				170,460			170,460
Convert Temps - Emergency Preparedness Division	4.00		44,605		44,605				44,605
Convert Temps - Office of the State Epidemiologist	2.00		20,445		20,445				20,445
Convert Temps - Division of Emergency Medical Systems	2.00	10,038	10,744		20,782				20,782
Total	151.50	\$ 236,307,633	\$ 35,641,395	-	\$ 58,996,166	\$ 166,293,909	\$ 3,354,000	\$ 43,304,953	\$ 271,949,028

Funded in the Governor's Executive Budget

Partially Funded in the Governor's Executive Budget