

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2004 - Funding Summary**

	<b>Executive Budget</b>	<b>Final Legislative Action</b>	<b>Comparison To Executive Budget</b>
State Department of Health			
Salaries and wages	\$58,149,478	\$54,611,778	(\$3,537,700)
Operating expenses	38,152,557	37,973,014	(179,543)
Capital assets	2,224,288	2,224,288	
Grants	57,316,529	56,630,729	(685,800)
Tobacco prevention	5,544,251	5,544,251	
WIC food payments	24,659,861	24,659,861	
Federal stimulus funds	155,000	155,000	
Accrued leave payments	<u>                    </u>	<u>2,223,289</u>	<u>2,223,289</u>
Total all funds	\$186,201,964	\$184,022,210	(\$2,179,754)
Less estimated income	<u>140,216,701</u>	<u>139,568,434</u>	<u>(648,267)</u>
General fund	\$45,985,263	\$44,453,776	(\$1,531,487)
FTE	354.00	353.00	(1.00)
Bill Total			
Total all funds	\$186,201,964	\$184,022,210	(\$2,179,754)
Less estimated income	<u>140,216,701</u>	<u>139,568,434</u>	<u>(648,267)</u>
General fund	\$45,985,263	\$44,453,776	(\$1,531,487)
FTE	354.00	353.00	(1.00)

**Senate Bill No. 2004 - State Department of Health - Senate Action**

	<b>Executive Budget</b>	<b>Senate Changes</b>	<b>Senate Version</b>
Salaries and wages	\$58,149,478	\$41,766	\$58,191,244
Operating expenses	38,152,557	375,000	38,527,557
Capital assets	2,224,288		2,224,288
Grants	57,316,529	168,200	57,484,729
Tobacco prevention	5,544,251		5,544,251
WIC food payments	24,659,861		24,659,861
Federal stimulus funds	155,000		155,000
Total all funds	<u>\$186,201,964</u>	<u>\$584,966</u>	<u>\$186,786,930</u>
Less estimated income	<u>140,216,701</u>	<u>402,212</u>	<u>140,618,913</u>
General fund	\$45,985,263	\$182,754	\$46,168,017
FTE	354.00	0.00	354.00

**Department 301 - State Department of Health - Detail of Senate Changes**

	<b>Corrects Executive Compensation Package<sup>1</sup></b>	<b>Increases Funding for Colorectal Screenings<sup>2</sup></b>	<b>Increases Funding for Statewide Stroke System of Care<sup>3</sup></b>	<b>Total Senate Changes</b>
Salaries and wages	41,766			41,766
Operating expenses			375,000	375,000
Capital assets				
Grants		160,200	8,000	168,200
Tobacco prevention				
WIC food payments				
Federal stimulus funds				
<b>Total all funds</b>	<b>\$41,766</b>	<b>\$160,200</b>	<b>\$383,000</b>	<b>\$584,966</b>
Less estimated income	19,212	0	383,000	402,212
General fund	\$22,554	\$160,200	\$0	\$182,754
FTE	0.00	0.00	0.00	0.00

<sup>1</sup> Funding is added due to a calculation error in the executive compensation package.

<sup>2</sup> Funding is added for recommended followup colorectal screenings to provide a total of \$762,800 from the general fund for the colorectal screening initiative, an increase of \$285,200 from the 2011-13 biennium.

<sup>3</sup> This amendment provides funding from the tobacco prevention and control trust fund to increase funding for continued implementation of the statewide integrated stroke system of care to provide a total of \$856,324, of which \$473,324 is from the general fund.

A section is added to provide recommended followup colorectal screenings as part of the colorectal screening initiative and to provide that the cost of recommended followup screenings not exceed \$1,800 per screening.

A section is added to the bill to repeal Section 23-46-05 relating to a distribution limit on state financial assistance for emergency medical services.

**Senate Bill No. 2004 - State Department of Health - House Action**

	<b>Executive Budget</b>	<b>Senate Version</b>	<b>House Changes</b>	<b>House Version</b>
Salaries and wages	\$58,149,478	\$58,191,244	(\$5,315,624)	\$52,875,620
Operating expenses	38,152,557	38,527,557	(2,011,474)	36,516,083
Capital assets	2,224,288	2,224,288	(224,000)	2,000,288
Grants	57,316,529	57,484,729	(6,262,000)	51,222,729
Tobacco prevention	5,544,251	5,544,251		5,544,251
WIC food payments	24,659,861	24,659,861		24,659,861
Federal stimulus funds	155,000	155,000		155,000
Accrued leave payments			2,223,289	2,223,289
<b>Total all funds</b>	<b>\$186,201,964</b>	<b>\$186,786,930</b>	<b>(\$11,589,809)</b>	<b>\$175,197,121</b>
Less estimated income	140,216,701	140,618,913	(1,691,123)	138,927,790
General fund	\$45,985,263	\$46,168,017	(\$9,898,686)	\$36,269,331
FTE	354.00	354.00	(4.00)	350.00

**Department 301 - State Department of Health - Detail of House Changes**

	<b>Adjusts State Employee Compensation and Benefits Package<sup>1</sup></b>	<b>Provides Separate Line Item for Accrued Leave Payments<sup>2</sup></b>	<b>Removes Workforce Safety Insurance for Volunteers<sup>3</sup></b>	<b>Removes Funding for Oil Impact Grants<sup>4</sup></b>	<b>Decreases Funding for Operating Expenses<sup>5</sup></b>	<b>Removes Funding for School of Medicine Autopsy Services<sup>6</sup></b>
Salaries and wages	(2,429,853)	(2,223,289)				
Operating expenses			(84,000)		(250,000)	(640,000)
Capital assets						
Grants				(1,184,000)		
Tobacco prevention						
WIC food payments						
Federal stimulus funds						
Accrued leave payments		2,223,289				
<b>Total all funds</b>	<b>(\$2,429,853)</b>	<b>\$0</b>	<b>(\$84,000)</b>	<b>(\$1,184,000)</b>	<b>(\$250,000)</b>	<b>(\$640,000)</b>
Less estimated income	(1,118,123)	0	0	0	(200,000)	0
<b>General fund</b>	<b>(\$1,311,730)</b>	<b>\$0</b>	<b>(\$84,000)</b>	<b>(\$1,184,000)</b>	<b>(\$50,000)</b>	<b>(\$640,000)</b>
FTE	0.00	0.00	0.00	0.00	0.00	0.00
	<b>Removes Funding for Community Paramedic<sup>7</sup></b>	<b>Adjusts Funding Source of Food and Lodging Licensing System<sup>8</sup></b>	<b>Removes Funding for Environmental Health FTE Positions<sup>9</sup></b>	<b>Decreases Funding for Emergency Medical Services Grants<sup>10</sup></b>	<b>Removes Funding for Emergency Medical Services Manager<sup>11</sup></b>	<b>Decreases Funding for Statewide Stroke System of Care<sup>12</sup></b>
Salaries and wages	(135,000)		(388,386)		(139,096)	
Operating expenses	(141,600)		(359,970)		(60,904)	(375,000)
Capital assets			(224,000)			
Grants				(5,150,000)		(8,000)
Tobacco prevention						
WIC food payments						
Federal stimulus funds						
Accrued leave payments						
<b>Total all funds</b>	<b>(\$276,600)</b>	<b>\$0</b>	<b>(\$972,356)</b>	<b>(\$5,150,000)</b>	<b>(\$200,000)</b>	<b>(\$383,000)</b>
Less estimated income	0	110,000	0	0	0	(383,000)
<b>General fund</b>	<b>(\$276,600)</b>	<b>(\$110,000)</b>	<b>(\$972,356)</b>	<b>(\$5,150,000)</b>	<b>(\$200,000)</b>	<b>\$0</b>
FTE	(1.00)	0.00	(3.00)	0.00	0.00	0.00
	<b>Adds Contingent Funding for Family Violence Services and Prevention Grants<sup>13</sup></b>	<b>Removes Funding Related to Health Care Provider Cooperative Agreements<sup>14</sup></b>	<b>Total House Changes</b>			
Salaries and wages			(5,315,624)			
Operating expenses		(100,000)	(2,011,474)			
Capital assets			(224,000)			
Grants	80,000		(6,262,000)			
Tobacco prevention						
WIC food payments						
Federal stimulus funds						
Accrued leave payments			2,223,289			
<b>Total all funds</b>	<b>\$80,000</b>	<b>(\$100,000)</b>	<b>(\$11,589,809)</b>			
Less estimated income	0	(100,000)	(1,691,123)			
<b>General fund</b>	<b>\$80,000</b>	<b>\$0</b>	<b>(\$9,898,686)</b>			
FTE	0.00	0.00	(4.00)			

<sup>1</sup> This amendment adjusts the state employee compensation and benefits package as follows:

- Reduces the performance component from 3 to 5 percent per year to 2 to 4 percent per year.

- Reduces the market component from 2 to 4 percent per year for employees below the midpoint of their salary range to up to 2 percent for employees in the first quartile of their salary range for the first year of the biennium only.
  - Removes funding for additional retirement contribution increases.
- <sup>2</sup> A portion of salaries and wages funding from the general fund (\$707,673) and from other funds (\$1,515,616) for permanent employees' compensation and benefits is reallocated to an accrued leave payments line item for paying annual leave and sick leave for eligible employees.
- <sup>3</sup> Removes funding for workforce safety insurance for volunteers included in the executive recommendation. The additional payment was determined to be unnecessary by Workforce Safety and Insurance.
- <sup>4</sup> Oil impact funding for grants to local public health units in oil-impacted areas of the state included in the executive recommendation and approved by the Senate is removed.
- <sup>5</sup> Operating expenses are reduced departmentwide.
- <sup>6</sup> Professional services to contract with the University of North Dakota School of Medicine and Health Sciences to perform autopsies in the eastern part of the state, included in the executive recommendation and approved by the Senate are removed.
- <sup>7</sup> Funding for 1 FTE position to implement a community paramedic/community health care worker pilot project and for educational startup costs is removed.
- <sup>8</sup> The funding source of one-time funding for a food and lodging licensing management system included in the executive recommendation and approved by the Senate is changed from the general fund to special funds from food and lodging fees.
- <sup>9</sup> Funding for 3 environmental health FTE positions, included in the executive recommendation and approved by the Senate is removed as follows:
- 1 FTE laboratory services position (\$101,638) and related operating expenses (\$335,543) and capital assets (\$224,000), and
  - 2 FTE municipal facilities positions (\$286,748) and related operating expenses (\$24,427).
- <sup>10</sup> Funding for rural emergency medical services grants is reduced to provide a total of \$2.19 million, of which \$940,000 is from the general fund and \$1.25 million is from the insurance tax distribution fund. The executive recommendation included \$7.34 million, of which \$6.09 million is from the general fund and \$1.25 million is from the insurance tax distribution fund, \$2.35 million more than the 2011-13 biennium.
- <sup>11</sup> Funding increases provided in the executive recommendation in the salaries and wages line item and the operating expenses line item for an emergency medical services grants manager are removed.
- <sup>12</sup> Funding added by the Senate from the tobacco prevention and control trust fund to provide an increase in funding for the continued implementation of the statewide integrated stroke system of care is removed. The executive recommendation included \$473,324 from the general fund for the statewide integrated stroke system of care. Funding was added by the Senate to provide a total of \$856,324 for the statewide integrated stroke system of care, of which \$473,324 is from the general fund.
- <sup>13</sup> Contingent funding is added for family violence services and prevention grants. The funding is contingent on a reduction in federal funds resulting from sequestration.
- <sup>14</sup> Operating expenses are reduced due to the repeal of Chapter 23-17.5 related to health care provider cooperative agreements.

In addition, this amendment:

- Adds a section to provide the additional funding in the grants line item for family violence services and prevention grants of \$80,000 from the general fund is contingent on the State Department of Health certifying to the Director of the Office of Management and Budget that federal funds available to the department for family violence grants has been reduced due to federal sequestration. The department may spend these funds to the extent that federal funds are reduced.
- Adds a section to repeal Chapter 23-17.5 related to health care provider cooperative agreements.

- Removes a section added by the Senate to provide \$383,000 from the tobacco prevention and control trust fund for the continued implementation of the statewide integrated stroke system of care.

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

	<b>Executive Budget</b>	<b>Senate Version</b>	<b>Conference Committee Changes</b>	<b>Conference Committee Version</b>	<b>House Version</b>	<b>Comparison to House</b>
Salaries and wages	\$58,149,478	\$58,191,244	(\$3,579,466)	\$54,611,778	\$52,875,620	\$1,736,158
Operating expenses	38,152,557	38,527,557	(554,543)	37,973,014	36,516,083	1,456,931
Capital assets	2,224,288	2,224,288		2,224,288	2,000,288	224,000
Grants	57,316,529	57,484,729	(854,000)	56,630,729	51,222,729	5,408,000
Tobacco prevention	5,544,251	5,544,251		5,544,251	5,544,251	
WIC food payments	24,659,861	24,659,861		24,659,861	24,659,861	
Federal stimulus funds	155,000	155,000		155,000	155,000	
Accrued leave payments			2,223,289	2,223,289	2,223,289	
Total all funds	\$186,201,964	\$186,786,930	(\$2,764,720)	\$184,022,210	\$175,197,121	\$8,825,089
Less estimated income	140,216,701	140,618,913	(1,050,479)	139,568,434	138,927,790	640,644
General fund	\$45,985,263	\$46,168,017	(\$1,714,241)	\$44,453,776	\$36,269,331	\$8,184,445
FTE	354.00	354.00	(1.00)	353.00	350.00	3.00

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

	<b>Adjusts State Employee Compensation and Benefits Package<sup>1</sup></b>	<b>Provides Separate Line Item for Accrued Leave Payments<sup>2</sup></b>	<b>Removes Workforce Safety and Insurance for Volunteers<sup>3</sup></b>	<b>Removes Funding for Oil Impact Grants<sup>4</sup></b>	<b>Increases Funding for Grants to Local Public Health Units<sup>5</sup></b>	<b>Decreases Funding for Operating Expenses<sup>6</sup></b>
Salaries and wages	(1,254,539)	(2,223,289)				
Operating expenses			(84,000)			(125,000)
Capital assets						
Grants				(1,184,000)	250,000	
Tobacco prevention						
WIC food payments						
Federal stimulus funds						
Accrued leave payments		2,223,289				
Total all funds	(\$1,254,539)	\$0	(\$84,000)	(\$1,184,000)	\$250,000	(\$125,000)
Less estimated income	(577,479)	0	0	0	0	(100,000)
General fund	(\$677,060)	\$0	(\$84,000)	(\$1,184,000)	\$250,000	(\$25,000)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	<b>Decreases Funding for School of Medicine Autopsy Services<sup>7</sup></b>	<b>Adjusts Funding Source of Food and Lodging Licensing System<sup>8</sup></b>	<b>Removes Funding for One Environmental Health FTE Position<sup>9</sup></b>	<b>Adds Contingent Funding for Family Violence Services and Prevention Grants<sup>10</sup></b>	<b>Removes Funding Related to Health Care Provider Cooperative Agreements<sup>11</sup></b>	<b>Adjusts Funding Source for Statewide Stroke System of Care<sup>12</sup></b>
Salaries and wages			(101,638)			
Operating expenses	(160,000)		(85,543)		(100,000)	
Capital assets						
Grants				80,000		
Tobacco prevention						
WIC food payments						
Federal stimulus funds						
Accrued leave payments						
<b>Total all funds</b>	<b>(\$160,000)</b>	<b>\$0</b>	<b>(\$187,181)</b>	<b>\$80,000</b>	<b>(\$100,000)</b>	<b>\$0</b>
Less estimated income	0	110,000	0	0	(100,000)	(383,000)
<b>General fund</b>	<b>(\$160,000)</b>	<b>(\$110,000)</b>	<b>(\$187,181)</b>	<b>\$80,000</b>	<b>\$0</b>	<b>\$383,000</b>
<b>FTE</b>	<b>0.00</b>	<b>0.00</b>	<b>(1.00)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

	<b>Total Conference Committee Changes</b>
Salaries and wages	(3,579,466)
Operating expenses	(554,543)
Capital assets	
Grants	(854,000)
Tobacco prevention	
WIC food payments	
Federal stimulus funds	
Accrued leave payments	2,223,289
<b>Total all funds</b>	<b>(\$2,764,720)</b>
Less estimated income	(1,050,479)
<b>General fund</b>	<b>(\$1,714,241)</b>
<b>FTE</b>	<b>(1.00)</b>

<sup>1</sup> This amendment adjusts the state employee compensation and benefits package as follows:

- Reduces the performance component from 3 to 5 percent per year to 3 to 5 percent for the first year of the biennium and 2 to 4 percent for the second year of the biennium.
- Reduces the market component from 2 to 4 percent per year to 1 to 2 percent per year for employees below the midpoint of their salary range.
- Reduces funding for retirement contribution increases to provide for a 1 percent state and 1 percent employee increase beginning in January 2014 and no increase in January 2015.

<sup>2</sup> A portion of salaries and wages funding from the general fund (\$707,673) and from other funds (\$1,515,616) for permanent employees' compensation and benefits is reallocated to an accrued leave payments line item for paying annual leave and sick leave for eligible employees.

<sup>3</sup> Removes funding for Workforce Safety and Insurance for volunteers included in the executive recommendation, the same as the House. The additional payment was determined to be unnecessary by Workforce Safety and Insurance.

<sup>4</sup> Oil impact funding for grants to local public health units in oil-impacted areas of the state included in the executive recommendation and approved by the Senate is removed, the same as the House.

<sup>5</sup> Funding for local public health units is increased to provide a total of \$4 million from the general fund to be distributed statewide, \$1 million more than the 2011-13 biennium. The House and Senate did not change the executive recommendation to provide

\$3,750,000 from the general fund for local public health units, of which \$750,000 is to be distributed to public health units in non-oil-producing counties.

- <sup>6</sup> Operating expenses are reduced departmentwide. The House reduced operating expenses \$250,000, and the Senate made no reductions.
- <sup>7</sup> Professional services to contract with the University of North Dakota School of Medicine and Health Sciences to perform autopsies in the eastern part of the state, included in the executive recommendation and approved by the Senate, are reduced to provide a total of \$480,000 of one-time funding from the general fund. The House removed this funding.
- <sup>8</sup> The funding source of one-time funding for a food and lodging licensing management system included in the executive recommendation and approved by the Senate is changed from the general fund to special funds from food and lodging fees, the same as the House version.
- <sup>9</sup> Funding for 1 FTE laboratory services position (\$101,638) and related operating expenses (\$85,543) included in the executive recommendation and approved by the Senate is removed, the same as the House version.
- The conference committee restored funding for 2 FTE municipal facilities positions (\$286,748) and related operating expenses (\$24,427), laboratory operating expenses (\$250,000), and capital assets (\$224,000) included in the executive recommendation and approved by the Senate. The House removed these FTE positions and related funding.
- <sup>10</sup> Contingent funding is added for family violence services and prevention grants. The funding is contingent on a reduction in federal funds resulting from sequestration, the same as the House version.
- <sup>11</sup> Operating expenses are reduced due to the repeal of Chapter 23-17.5 related to health care provider cooperative agreements, the same as the House version.
- <sup>12</sup> The source of funding added by the Senate to increase funding for the continued implementation of the statewide integrated stroke system of care is changed from the tobacco prevention and control trust fund to the general fund to provide a total of \$856,324 from the general fund. The House removed this funding increase. The executive recommendation included \$473,324 from the general fund for the statewide integrated stroke system of care. Funding from the tobacco prevention and control trust fund was added by the Senate to provide a total of \$856,324 for the statewide integrated stroke system of care, of which \$473,324 is from the general fund.

The Conference Committee restored:

- Funding for 1 FTE position to implement a community paramedic/community health care worker pilot project and for educational startup costs (salaries and wages - \$135,000 and operating expenses - \$141,600) removed by the House.
- Funding for rural emergency medical services grants to provide a total of \$7.34 million, of which \$6.09 million is from the general fund and \$1.25 million is from the insurance tax distribution fund, the same as the executive recommendation and \$2.15 million more than the 2011-13 biennium. The House reduced emergency medical services grants by \$5.15 million, and the Senate did not change the executive recommendation.
- Funding increases provided in the executive recommendation in the salaries and wages line item (\$139,096) and the operating expenses line item (\$60,904) for an emergency medical services grants manager position removed by the House.

In addition, this amendment:

- Adds a section to provide the additional funding in the grants line item for family violence services and prevention grants of \$80,000 from the general fund is contingent on the State Department of Health certifying to the Director of the Office of Management and Budget that federal funds available to the department for family violence grants has been reduced due to federal sequestration, the same as the House. The department may spend these funds to the extent that federal funds are reduced.
- Adds a section to repeal Chapter 23-17.5 related to health care provider cooperative agreements, the same as the House.
- Removes a section added by the Senate to provide \$383,000 from the tobacco prevention and control trust fund for the continued implementation of the statewide integrated stroke system of care, the same as the House. The conference committee changed the funding source of this increase to the general fund.

- Adds two sections to amend North Dakota Century Code sections amended by Senate Bill No. 2368. These amendments were not included in the executive recommendation nor the Senate or House versions.
- Adds a section to provide for a Legislative Management study of funding provided by the state for autopsies and state and county responsibility for the cost of autopsies, including the feasibility and desirability of counties sharing in the cost of autopsies performed by the State Department of Health and the University of North Dakota School of Medicine and Health Sciences.