

**State Department of Health  
Budget No. 301  
House Bill No. 1004**

	<b>FTE Positions</b>	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
<b>2019-21 legislative appropriations</b>	<b>204.00</b>	<b>\$36,360,590</b>	<b>\$123,919,233</b>	<b>\$160,279,823</b>
2019-21 base budget	211.50	32,750,309	115,278,152	148,028,461
Legislative increase (decrease) to base budget	(7.50)	\$3,610,281	\$8,641,081	\$12,251,362

**ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS**

	<b>Ongoing General Fund Appropriation</b>	<b>One-Time General Fund Appropriation</b>	<b>Total General Fund Appropriation</b>
<b>2019-21 legislative appropriations</b>	<b>\$36,270,590</b>	<b>\$90,000</b>	<b>\$36,360,590</b>
2017-19 legislative appropriations	32,750,309	0	32,750,309
2019-21 legislative increase (decrease) to 2017-19 appropriations	\$3,520,281	\$90,000	\$3,610,281
Percentage increase (decrease) to 2017-19 appropriations	10.7%	N/A	11.0%

**SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS  
Changes to Base Budget**

	<b>FTE Positions</b>	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
The legislative action:				
Adjusted funding for base payroll changes.		\$6,683	\$55,045	\$61,728
Added funding to provide employee salary increases of 2 percent on July 1, 2019, with a minimum monthly increase of \$120 and a maximum monthly increase of \$200, and 2.5 percent on July 1, 2020.		504,871	568,004	1,072,875
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,426.74 per month.		444,510	528,224	972,734
Adjusted funding for base budget changes, including increases relating to technology, professional development, travel and other operating expenses; and various grant programs including the state-funded loan repayment programs and federal grant programs.		1,109,194	10,596,715	11,705,909

Provided funding from the general fund and the community health trust fund for various programs funded from the tobacco prevention and control trust fund during the 2017-19 biennium, including the tobacco prevention and control program, state aid to local public health units, the stroke and cardiac care program, cancer programs, medical and behavioral health loan repayment programs, and domestic violence offender treatment.		6,378,195	(6,378,195)	0
Removed 6.5 FTE undesignated positions and related funding for salaries and wages and operating expenses agencywide.	(6.50)	(3,184,844)	(584,041)	(3,768,885)
Removed 1 FTE office assistant III position, including salaries and wages, and related funding for the medical marijuana program because these costs will be paid through a continuing appropriation.	(1.00)	(451,267)	(1,146,592)	(1,597,859)
Transferred the suicide prevention program from the State Department of Health to the Department of Human Services, including 1 FTE position and related funding for salaries and wages, operating expenses, and grants.	(1.00)	(1,260,512)	(583,984)	(1,844,496)
Added 1 FTE food and lodging environmental health position, including salaries and wages and operating expenses.	1.00	185,905		185,905
Increased vital records fees and restored funding from vital records fee revenue for salaries and wages and operating expenses removed as part of the base budget reductions for the Vital Records Division.			1,923,322	1,923,322
Increased funding for temporary salaries related to life safety construction and renovation plan review to provide a total of \$130,000, of which \$50,000 is from the general fund and \$80,000 is from fee revenue.		50,000	30,000	80,000
Added funding for a federal opioid program.			325,615	325,615
Added funding to implement an emergency medical services data licensing and records management system.		126,000		126,000
Added funding for Microsoft Office 365 license expense.		42,377	82,261	124,638
Adjusted funding for bond and capital payments to provide a total of \$518,457, of which \$457,947 is from the general fund.		93,843	761	94,604
Increased funding for extraordinary repairs to provide a total of \$1,317,009, of which \$55,650 is from the general fund.		30,650	97,009	127,659
Adjusted funding for equipment over \$5,000 to provide a total of \$1,518,697 from other funds.			(245,941)	(245,941)

Provided funding from the tobacco prevention and control trust fund to restore local public health unit grants reduced in the department's base budget to provide a total of \$5,250,000, of which \$4,725,000 is from the general fund and \$525,000 is from the tobacco prevention and control trust fund. This level of funding is the same as the 2017-19 biennium.		525,000	525,000
Changed the funding source for cancer programs and domestic violence offender treatment grants to the tobacco prevention and control trust fund and increased domestic violence offender treatment grants by \$50,000. A total of \$880,324 is provided from the tobacco prevention and control trust fund for cancer programs (\$580,324) and domestic violence offender treatment grants (\$300,000).	(830,324)	880,324	50,000
Added funding to transfer reporting of youth access to tobacco from the Department of Human Services to the State Department of Health.	75,000		75,000
Increased funding for sexual violence primary prevention program grants to provide a total of \$2.45 million, of which \$2.11 million is from the general fund.	200,000		200,000
Added one-time funding from federal funds for operating expenses related to the continuation of the women, infants, and children electronic benefit transfer project.		354,554	354,554
Added one-time funding from the tobacco prevention and control trust fund for microbiology laboratory capital improvements.		1,220,000	1,220,000
Added one-time funding, including funding from federal funds and fee revenue, for microbiology laboratory information technology upgrades, to provide a total of \$483,000, of which \$90,000 is from the general fund, \$360,000 is from federal funds, and \$33,000 is from fee revenue.	90,000	393,000	483,000
Total	<u>(7.50)</u>	<u>\$3,610,281</u>	<u>\$8,641,081</u>
		<u>\$12,251,362</u>	

#### FTE Changes

The Legislative Assembly approved 204 FTE positions for the State Department of Health for the 2019-21 biennium, a decrease of 7.5 FTE positions from the 2017-19 biennium. The Legislative Assembly removed 1 FTE office assistant III position related to the medical marijuana program, 1 FTE suicide prevention program position transferred to the Department of Human Services, and 6.5 FTE undesignated positions. The Legislative Assembly added 1 FTE food and lodging environmental health position.

#### One-Time Funding

In Section 2 of House Bill No. 1004, the Legislative Assembly identified \$2,057,554 of one-time funding, of which \$90,000 is from the general fund. The Legislative Assembly provided \$354,554 from federal funds for the continuation of the women, infants, and children electronic benefit transfer project, \$1,220,000 from the tobacco prevention and control trust fund for microbiology laboratory capital improvements, and \$483,000, of which \$90,000 is from the general fund, \$360,000 is

from federal funds, and \$33,000 is from fee revenue, for microbiology laboratory information technology upgrades. These amounts are not to be considered part of the State Department of Health's 2021-23 biennium base budget, and the State Department of Health is to report to the Appropriations Committees during the 2021 legislative session on the use of this funding.

#### **Emergency Medical Services Funding**

The Legislative Assembly provided a total of \$7,721,000, of which \$6,596,000 is from the general fund and \$1,125,000 is from the insurance tax distribution fund, for rural emergency medical services grants, the same level of funding as the 2017-19 biennium. Emergency medical services rural assistance grants total \$6,875,000, of which \$5,750,000 is from the general fund and \$1,125,000 is from the insurance tax distribution fund. Emergency medical services training grants total \$846,000 from the general fund. Funding provided from the insurance tax distribution fund was reduced by \$125,000 compared to the 2017-19 biennium and was replaced with funding from the general fund.

#### **Tobacco Prevention and Control Funding**

The Legislative Assembly, in Senate Bill No. 2024 (2017), repealed Chapter 23-42 related to the tobacco prevention and control program and transferred the responsibility for the statewide tobacco prevention and control plan from the Tobacco Prevention and Control Executive Committee to the State Department of Health. The Legislative Assembly, in House Bill No. 1004 (2019) provided \$12,911,676, of which \$1,183,000 is from the general fund, \$9,700,000 is from the community health trust fund, and \$2,028,676 is from federal funds for tobacco prevention and control, \$735,028 less than the 2017-19 biennium. This level of funding represents a decrease in funding from the tobacco prevention and control trust fund of \$8,453,333 and increases in funding from the general fund of \$1,183,000, the community health trust fund of \$6,500,000, and federal funds of \$35,305. Funding from the community health trust fund provides \$6,500,000 for grants to local public health units for tobacco prevention and control programs and \$3,200,000 for community health tobacco programs, the Tobacco Quitline, and a tobacco prevention coordinator.

#### **Community Health Trust Fund**

In House Bill No. 1012 (2017), the Legislative Assembly suspended transfers from the tobacco settlement trust fund to the common schools trust fund during the 2017-19 biennium and increased transfers from the tobacco settlement trust fund to the community health trust fund from 10 to 55 percent of the tobacco settlement revenues deposited in the tobacco settlement trust fund. In Senate Bill No. 2012 (2019), the Legislative Assembly amended North Dakota Century Code Section 54-27-25 to provide all money in the fund must be transferred within 30 days of receipt to the community health trust fund. As a result, all future tobacco settlement proceeds will be deposited in the community health trust fund.

#### **Local Public Health Unit Funding**

The Legislative Assembly provided a total of \$5,250,000, of which \$4,725,000 is from the general fund and \$525,000 is from the tobacco prevention and control trust fund, for grants to local public health units. The Legislative Assembly reduced funding from the tobacco prevention and control trust fund and increased funding from the general fund by \$1,475,000 to provide the same level of funding for grants to local public health units compared to the 2017-19 biennium appropriation of \$3,250,000 from the general fund and \$2,000,000 from the tobacco prevention and control trust fund.

#### **Medical Marijuana Division**

In November 2016, voters approved Initiated Statutory Measure No. 5 (North Dakota Compassionate Care Act) relating to medical marijuana and created Chapter 19-24. In Senate Bill No. 2344 (2017), the Legislative Assembly repealed Chapter 19-24 and created and enacted Chapter 19-24.1 to provide for the legalization of medical marijuana. Senate Bill No. 2344 required the State Department of Health to establish and implement a medical marijuana program to allow for the production, processing, and sale of marijuana for medical use. In Section 19-24.1-40, the Legislative Assembly established a medical marijuana fund. The State Department of Health must deposit all fees related to medical marijuana into the fund and must administer the fund. Money in the fund is appropriated to the department on a continuing basis for use in administering the medical marijuana program. Therefore the Legislative Assembly removed funding for the Medical Marijuana Division from the State Department of Health's base budget. The department presented a budget, funded through the continuing appropriation, totaling \$1,398,080, including 5 FTE positions.

#### **Loan Repayment Programs**

The Legislative Assembly provided funding as follows for various professional loan repayment programs administered by the State Department of Health:

<b>Loan Repayment Program</b>	<b>General Fund</b>	<b>Special Funds (Community Health Trust Fund)</b>	<b>Federal Funds</b>	<b>Total</b>
Dental loan repayment program	\$416,000	\$324,000		\$740,000
Medical personnel loan repayment program	704,000			704,000
Behavioral health loan repayment program	164,000	200,000		364,000
Veterinarian loan repayment program	480,000			480,000
Federal/state loan repayment program			\$1,200,000	1,200,000
<b>Total</b>	<b>\$1,764,000</b>	<b>\$524,000</b>	<b>\$1,200,000</b>	<b>\$3,488,000</b>

#### **Other Sections in House Bill No. 1004**

**Insurance tax distribution fund** - Section 3 identifies \$1,125,000 from the insurance tax distribution fund for rural emergency medical services grants during the 2019-21 biennium.

**Tobacco prevention and control trust fund** - Section 4 identifies \$2,625,324 from the tobacco prevention and control trust fund, of which \$300,000 is for domestic violence offender treatment grants, \$580,324 is for cancer programs, \$525,000 is for grants to local public health units, and \$1,220,000 is for microbiology laboratory capital improvements.

**Vital records fees** - Section 5 provides statutory changes to increase fees charged for vital records and deposits the fees into the State Department of Health operating account. The changes also require fees collected, in excess of fees appropriated, be transferred to the general fund at the end of the biennium. The department estimates the increase in vital records fees will result in an increase in general fund revenues of \$312,000 for the 2019-21 biennium.

**Legislative intent - Life safety plan review fees** - Section 6 provides legislative intent that the State Department of Health reduce the minimum fee charged for life safety construction or renovation plans review of small projects for facilities from \$750 to \$500.

**Legislative intent - Electronic access to vital records** - Section 7 provides legislative intent that the department implement a program of electronic access to vital records through web access or kiosk in cooperation with other state agencies in at least eight locations around the state. In addition, the section requires the department report to the Legislative Management by July 1, 2020, regarding the implementation of electronic access to vital records.

**Emergency** - Section 7 provides one-time funding of \$483,000, of which \$90,000 is from the general fund, \$360,000 from federal funds, and \$33,000 is from fee revenue for the microbiology laboratory technology upgrade is an emergency measure.

#### **Related Legislation**

**House Bill No. 1119** - Removes the applicant's Social Security number from the department's **medical marijuana patient application**.

**House Bill No. 1268** - Increases the maximum property tax levy for emergency medical services from 10 to 15 mills and establishes a formula for the **distribution of state financial assistance to eligible emergency medical services operations**.

**House Bill No. 1283** - Adds physician assistant to the list of health care providers that may provide written **certification of a debilitating medical condition for purposes of obtaining medical marijuana** and removes the requirement for a health care provider's professional opinion regarding medical marijuana benefit.

**House Bill No. 1337** - Relates to an **emergency medical services personnel licensure interstate compact**.

**House Bill No. 1417** - Allows for an **increased amount of dried leaves or flowers for a qualifying medical marijuana patient** with the debilitating medical condition of cancer.

**House Bill No. 1519** - Increases the list of **debilitating medical conditions that qualify for medical marijuana**.

**Senate Bill No. 2012** - Provides for all tobacco settlement payment revenues deposited in the tobacco settlement trust fund to be transferred to the community health trust fund rather than the community health trust fund, the common schools trust fund, and the water development trust fund.

**Senate Bill No. 2143** - Establishes maximum loan repayment under the **health care professional student loan repayment program**.

**Senate Bill No. 2196** - Requires the State Health Officer to create a **drug fatalities review panel** and, with the University of North Dakota School of Medicine and Health Sciences, provide for or arrange for administrative services to assist the panel in performing its official duties.

**Senate Bill No. 2198** - Requires the State Department of Health to collaborate with the Behavioral Health Division of the Department of Human Services to design a **syringe exchange program** and for the State Department of Health to administer the program.

**Senate Bill No. 2210** - Changes the **medical marijuana manufacturing facility plant limit** from a maximum of 1,000 plants to allow a facility to grow an amount of marijuana sufficient to meet the qualifying patient population demands and provides for additional fees for plants in excess of 1,000 and prohibits a dispensary from having more than 3,500 ounces of usable marijuana at any time.