

**Department 301 - State Department of Health
Senate Bill No. 2004**

Executive Budget Comparison to Prior Biennium Appropriations

	FTE Positions	General Fund	Other Funds	Total
2021-23 Executive Budget	221.50	\$88,879,743	\$171,280,633	\$260,160,376
2019-21 Legislative Appropriations ¹	204.00	36,360,590	123,919,233	160,279,823
Increase (Decrease)	17.50	\$52,519,153	\$47,361,400	\$99,880,553

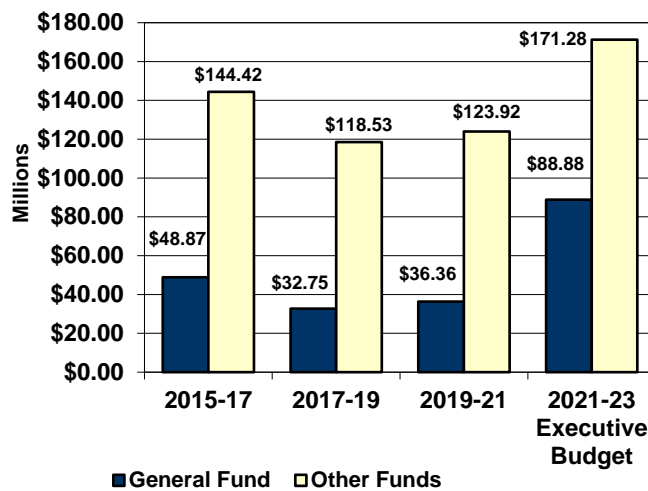
¹The 2019-21 biennium agency appropriation amounts have not been adjusted for the following:

- Additional federal and special funds authority of \$4,119,000 resulting from Emergency Commission action during the 2019-21 biennium; and
- Additional federal Coronavirus (COVID-19) funds authority of \$259,405,534 resulting from Emergency Commission action during the 2019-21 biennium.

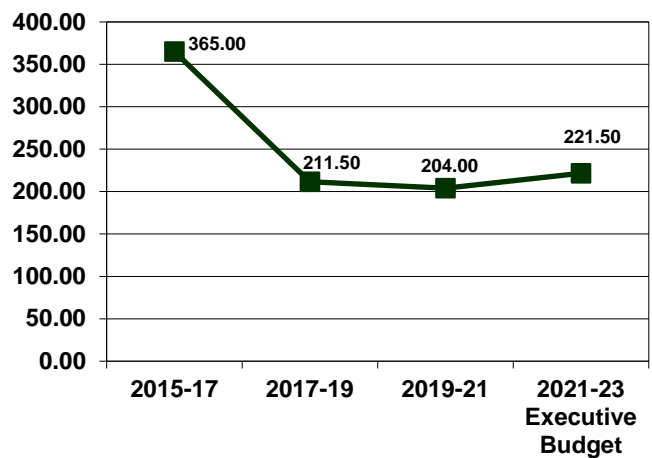
Ongoing and One-Time General Fund Appropriations

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2021-23 Executive Budget	\$42,528,420	\$46,351,323	\$88,879,743
2019-21 Legislative Appropriations	36,270,590	90,000	36,360,590
Increase (Decrease)	\$6,257,830	\$46,261,323	\$52,519,153

Agency Funding¹



FTE Positions¹



¹The decrease in agency funding and FTE positions from the 2015-17 biennium to the 2017-19 biennium reflects the transfer of the Environmental Health Section of the State Department of Health to the new Department of Environmental Quality pursuant to Senate Bill No. 2327 (2017).

Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
2021-23 Executive Budget	\$88,879,743	\$171,280,633	\$260,160,376
2021-23 Base Level	36,270,590	121,951,679	158,222,269
Increase (Decrease)	\$52,609,153	\$49,328,954	\$101,938,107

Attached as an appendix is a detailed comparison of the executive budget to the agency's base level appropriations.

Executive Budget Highlights

	General Fund	Other Funds	Total
Fiscal and Operations			
1. Adds funding for state employee salary and benefit increases, of which \$260,209 is for salary increases, \$2,887 is for health insurance increases, and \$53,854 is for retirement contribution increases. Of this total \$20,804 is related to the COVID-19 line item.	\$249,161	\$67,789	\$316,950
2. Adjusts base payroll	(\$1,231,962)	\$2,318,089	\$1,086,127
3. Decreases funding for Food and Lodging Division temporary salaries and wages to meet the Governor's 85 percent budget	(\$50,000)	\$0	(\$50,000)
4. Adds 1 FTE research analyst IV, 1 FTE account/budget specialist II, and 2 FTE research analyst II positions, including salaries and wages totaling \$701,096 and operating expenses totaling \$151,852 to the COVID-19 line item	\$429,377	\$423,571	\$852,948
5. Decreases funding for cost to continue programs and funding source adjustments, including reductions in operating expenses of \$32,183 and grants of \$62,800, including a decrease in funding from the community health trust fund for the Behavioral Risk Factor State Survey of \$70,500	\$1,110,713	(\$1,205,696)	(\$94,983)
6. Adjusts funding source for an increase in the federal indirect rate to support agencywide costs	(\$1,060,000)	\$1,060,000	\$0
7. Increases funding for operating expenses for the information technology (IT) unification initiative	\$197,657	\$774,997	\$972,654
8. Adds funding for operating expenses related to Microsoft Office 365 licensing expenses	\$21,542	\$69,891	\$91,433
9. Adds funding for operating expenses for the state agency Capitol complex rent proposal	\$336,399	\$0	\$336,399
10. Adds one-time funding for costs related to COVID-19 response to the COVID-19 line item, including temporary salaries and wages totaling \$162,596 and operating expenses totaling \$262,176	\$370,899	\$53,873	\$424,772
Medical Services			
11. Adds funding for state employee salary and benefit increases, of which \$178,986 is for salary increases, \$2,003 is for health insurance increases, and \$35,822 is for retirement contribution increases. Of this total \$29,786 is related to the COVID-19 line item.	\$94,313	\$122,498	\$216,811
12. Adjusts base payroll	\$85,459	\$962,121	\$1,047,580
13. Transfers 1 FTE data processing coordinator III position to the Information Technology Department (ITD) for the IT unification initiative	(\$2,327)	(\$230,577)	(\$232,904)
14. Adds 1 FTE administrative assistant II, 2 FTE health/human services program administrator III, and 3 FTE epidemiologist II positions, including salaries and wages totaling \$1,012,700 and operating expenses totaling \$4,059,678 to the COVID-19 line item	\$4,205,267	\$867,111	\$5,072,378
15. Increases funding for cost to continue program adjustments, including a decrease in operating expenses of \$907,227 and an increase in grants of \$1,261,417. Adjustments include a shift from professional fees to grants.	\$180,843	\$173,347	\$354,190
16. Increases funding for operating expenses related to the University of North Dakota forensic examiner contract to provide a total of \$625,270 for contract services	\$105,270	\$0	\$105,270
17. Adjusts funding for bond and capital payments to provide a total of \$76,765 from the general fund	(\$133,782)	(\$21,726)	(\$155,508)
18. Adds one-time funding for operating expenses (\$60,000) and capital assets (\$850,000) for forensic examiner equipment and IT upgrades	\$910,000	\$0	\$910,000

19. Adds one-time funding for costs related to COVID-19 response to the COVID-19 line item, including temporary salaries and wages totaling \$11,899,090, operating expenses totaling \$1,756,600, and grants totaling \$2,049,000	\$5,621,053	\$10,083,637	\$15,704,690
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Healthy and Safe Communities

20. Adds funding for state employee salary and benefit increases, of which \$226,287 is for salary increases, \$2,567 is for health insurance increases, and \$45,511 is for retirement contribution increases. Of this total \$33,790 is related to tobacco prevention and control and \$15,173 is related to the COVID-19 line item.	\$64,957	\$209,408	\$274,365
21. Adjusts base payroll, including increases in salaries and wages of \$172,634 and in the tobacco prevention and control line item of \$76,190	(\$551,709)	\$800,533	\$248,824
22. Transfers 1 FTE data processing coordinator III position to ITD for the IT unification initiative, resulting in decreases in salaries and wages of \$173,016 and in the tobacco prevention and control line item of \$30,534	(\$39,426)	(\$164,124)	(\$203,550)
23. Adds 3 FTE administrative staff officer III positions, including salaries and wages totaling \$514,126 and operating expenses totaling \$30,639 to the COVID-19 line item	\$544,765	\$0	\$544,765
24. Increases funding for cost to continue program adjustments, including decreases in operating expenses (\$2,067,778) and tobacco prevention and control (\$50,433) and increases in grants and Women, Infants, and Children food payments of \$2,427,178 and \$120,000, respectively. Adjustments include a shift from professional fees to grants and adjustments to fund cancer programs (\$580,324), domestic violence prevention (\$300,000), and local public health state aid grants (\$525,000) from the community health trust fund instead of the tobacco prevention and control trust fund.	\$555,385	(\$126,418)	\$428,967
25. Decreases funding for operating expenses related to private and foundation grant opportunities	\$0	(\$515,000)	(\$515,000)
26. Removes funding for equipment over \$5,000	(\$4,795)	(\$8,402)	(\$13,197)
27. Decreases funding for grants for state loan repayment programs for professionals to provide a total of \$1,535,345 for four loan programs, of which \$940,845 is from the general fund and \$594,500 is from the community health trust fund	(\$823,155)	\$70,500	(\$752,655)
28. Removes funding for a fetal alcohol syndrome grant	(\$350,458)	\$0	(\$350,458)
29. Increases funding for tobacco prevention and control for professional fees and grants and increases funding from the community health trust fund for the program to provide a total of \$10,896,000 from the community health trust fund for tobacco prevention and control	(\$1,108,000)	\$1,196,000	\$88,000
30. Adds one-time funding , including \$5,000,000 from the community health trust fund and \$4,175,704 from federal funds, to the COVID-19 line item for grants related to COVID-19 response. Funding from the community health trust fund is provided for grants to local public health pandemic response.	\$2,424,296	\$9,175,704	\$11,600,000

Laboratory Services

31. Adds funding for state employee salary and benefit increases, of which \$108,211 is for salary increases, \$1,362 is for health insurance increases, and \$22,272 is for retirement contribution increases. Of this total \$33,871 is related to the COVID-19 line item.	\$117,768	\$14,077	\$131,845
32. Adjusts base payroll	\$102,086	\$267,427	\$369,513
33. Adds 1 FTE administrative assistant I, .50 FTE senior microbiologist, 3 FTE microbiologist I, and 3 FTE laboratory technician I positions, including salaries and wages totaling \$1,192,066 and operating expenses totaling \$2,562,398 to the COVID-19 line item	\$3,270,282	\$484,182	\$3,754,464

34. Decreases funding for the cost to continue programs and adjusts the funding sources of operating expenses	(\$102,086)	\$77,316	(\$24,770)
35. Adjusts funding for bond and capital payments to provide a total of \$144,628, of which \$107,117 is from the general fund	(\$140,283)	(\$1,273)	(\$141,556)
36. Adjusts funding for extraordinary repairs to provide a total of \$136,500, of which \$30,650 is from the general fund	\$0	\$8,841	\$8,841
37. Adjusts funding for equipment over \$5,000 to provide a total of \$145,000 from the special funds	\$0	(\$525,000)	(\$525,000)
38. Adds funding from fees to purchase equipment over \$5,000 for the state laboratory	\$0	\$200,000	\$200,000
39. Adds one-time funding for costs related to COVID-19 response to the COVID-19 line item, including temporary salaries and wages totaling \$3,331,692, medical expenses totaling \$48,693,925, and other operating expenses totaling \$133,936	\$32,682,029	\$19,477,524	\$52,159,553

Health Resources and Response

40. Adds funding for state employee salary and benefit increases, of which \$236,052 is for salary increases, \$3,074 is for health insurance increases, and \$45,880 is for retirement contribution increases. Of this total \$4,347 is related to the COVID-19 line item.	\$83,100	\$201,906	\$285,006
41. Adjusts base payroll	(\$242,991)	\$838,589	\$595,598
42. Decreases funding from the general fund for salaries and wages to meet the Governor's 85 percent budget and restores funding from special funds from program fees for salaries and wages related to the plans review program within the Life, Safety, and Construction Division	(\$312,706)	\$312,706	\$0
43. Transfers 3 FTE data processing coordinator III positions to ITD for the IT unification initiative	(\$155,904)	(\$380,296)	(\$536,200)
44. Adds 1 FTE administrative staff officer II position, including salaries and wages totaling \$151,950 and operating expenses totaling \$10,213 to the COVID-19 line item	\$162,163	\$0	\$162,163
45. Decreases funding for cost to continue program adjustments, including an increase in operating expenses of \$321,876 and a decrease in grants of \$1,336,287	\$146,090	(\$1,160,501)	(\$1,014,411)
46. Adds funding from the Helmsley Charitable Trust for operating expenses for training to continue increased access to automatic external defibrillators for law enforcement	\$0	\$327,500	\$327,500
47. Decreases funding for professional services (\$230,000) and grants (\$230,000) related to a foundation grant opportunity	\$0	(\$460,000)	(\$460,000)
48. Adds funding from civil penalties for grants to improve services at long-term care facilities	\$0	\$100,000	\$100,000
49. Increases funding for equipment over \$5,000 to provide a total of \$1,093,500, of which \$40,000 is from the general fund and \$1,053,500 is from federal funds	\$40,000	\$268,000	\$308,000
50. Removes funding for IT equipment over \$5,000	\$0	(\$50,000)	(\$50,000)
51. Adds one-time funding for costs related to COVID-19 response to the COVID-19 line item, including temporary salaries and wages totaling \$2,245,846, medical expenses totaling \$1,895,000, and other operating expenses totaling \$202,200	\$4,343,046	\$0	\$4,343,046

Research and Response

52. Adds funding for state employee salary and benefit increases, of which \$10,671 is for salary increases, \$145 is for health insurance increases, and \$3,709 is for retirement contribution increases. Of this total \$12,963 is related to the COVID-19 line item.	\$12,963	\$1,562	\$14,525
53. Adjusts base payroll	\$0	\$169,268	\$169,268
54. Adds funding for salaries and wages to the COVID-19 line item. An existing position was transferred to the Research and	\$276,418	\$0	\$276,418

Response section. Federal funding for this position is also included in the executive recommendation.

55. Adds 1 FTE administrative assistant III position, including salaries and wages totaling \$144,036 and operating expenses totaling \$31,400 to the COVID-19 line item	\$175,436	\$0	\$175,436
56. Adds one-time funding from the community health trust fund for statewide health strategies	\$0	\$3,000,000	\$3,000,000

Other Sections Recommended to be Added in the Executive Budget (As Detailed in the Attached Appendix)

Insurance tax distribution fund - Section 3 would identify \$1,125,000 from the insurance tax distribution fund for rural emergency medical services (EMS) grants during the 2021-23 biennium.

Borrowing authority - Section 4 would allow the State Department of Health, subject to the approval of the Emergency Commission, to borrow up to \$25,000,000 from the Bank of North Dakota for the purpose of responding to the COVID-19 public health emergency. Funds borrowed from the Bank of North Dakota would be appropriated to the department for testing, contact tracing, and other costs related to responding to and mitigating the COVID-19 public health emergency. If, at the end of the biennium, funds available to the State Department of Health are not sufficient to repay the Bank of North Dakota, the section would require the State Department of Health request a deficiency appropriation for the amount borrowed plus interest.

Continuing Appropriations

Medical marijuana - North Dakota Century Code Section 19-24.1-40 establishes the medical marijuana fund and requires the State Department of Health deposit in the fund all fees collected under the medical marijuana chapter. The department must administer the fund and money in the fund are appropriated to the department on a continuing basis for use in administering the medical marijuana chapter.

Combined purchasing with local public health units - Section 23-01-28 - Provides the State Department of Health may make combined or joint purchases with or on behalf of local public health units for items or services. Payments received by the State Department of Health from local public health units pursuant to a combined or joint purchase must be deposited in the operating fund and are appropriated as a standing and continuing appropriation to the department for purchases under the section.

Organ tissue transplant fund - Sections 23-01-05.1 and 57-38-35.1 - Provides financial assistance to organ or tissue transplant patients who are residents of North Dakota and demonstrate financial need. Tax refunds of less than \$5 are transferred to the organ tissue transplant fund. The State Health Officer is responsible for adopting rules and administering the fund, and the Tax Department collects the funds.

Cardiac ready community grant program - Section 23-38.1-03 - Provides the State Department of Health may accept any gifts, grants, or donations, whether conditional or unconditional. The department or local grantees may contract public or private entities and may expend any available money to obtain matching funds for the purposes of this chapter. All money received by the State Department of Health as gifts, grants, or donations under this section are appropriated on a continuing basis to the department's operations fund for the purpose of funding the grant program.

Veterinarian and dental loan repayment - Sections 43-29.1-08 and 43-28.1-09 - The Health Council may accept any conditional or unconditional gifts, grants, or donations for the purpose of providing funds for the repayment of veterinarians' education loans or dentists' education loans. All money received as gifts, grants, or donations under these sections is appropriated on a continuing basis to the Health Council for the purpose of providing funds for the repayment of additional veterinarians' or dentists' education loans. If an entity desires to provide funds to the Health Council to allow an expansion of the program beyond three veterinarians or dentists, the entity must fully fund the expansion for a period of 4 years.

Deficiency Appropriation

The State Department of Health has requested a general fund deficiency appropriation of \$32,092,680 for COVID-19 line item for expenses related to COVID-19 response and mitigation.

Significant Audit Findings

The State Auditor reported the following two audit findings related to the State Department of Health:

- The State Department of Health did not retain supporting documentation for the population statistics used to calculate funding for the EMS grant distribution. In addition, calculation errors occurred making the grant distribution inaccurate. The State Auditor recommended the State Department of Health ensure the calculation of the rural EMS grant distribution is correct and that all supporting documentation is retained.
- The State Department of Health overspent appropriation authority from the environment and rangeland protection fund by \$2,995. Predetermined coding, commonly referred to as "speed charts," is used to code expenditures and quickly allocate expenditures with predetermined numbers entered into PeopleSoft. One speed chart was not closed promptly, which resulted in an expenditure being charged to the special fund when the appropriation was no longer available. The State Auditor recommended State Department of Health ensure compliance with appropriation limits set by the Legislative Assembly.

Major Related Legislation

Senate Bill No. 2059 - Relates to the definition of marijuana and the scheduling of controlled substances.

Senate Bill No. 2119 - Relates to food and lodging establishment licenses.

Senate Bill No. 2125 - Adds licensed behavior analyst to the list of behavioral health professionals eligible for student loan repayment.

House Bill No. 1103 - Relates to mobile home park, recreational vehicle park, and campground license renewals and transfers.

State Department of Health - Budget No. 301
Senate Bill No. 2004
Base Level Funding Changes

	Executive Budget Recommendation			
	FTE Positions	General Fund	Other Funds	Total
2021-23 Biennium Base Level	204.00	\$36,270,590	\$121,951,679	\$158,222,269
2021-23 Ongoing Funding Changes				
Base payroll changes		(\$1,839,117)	\$5,356,027	\$3,516,910
Salary increase		512,281	508,135	1,020,416
Retirement contribution increase		103,938	103,110	207,048
Health insurance increase		6,043	5,995	12,038
Decreases funding for cost to continue adjustments, including a shift from professional fees to grants and adjustments to fund cancer programs (\$580,324), domestic violence prevention (\$300,000), and local public health state aid grants (\$525,000) from the community health trust fund instead of the tobacco prevention and control trust fund		1,890,945	(2,241,952)	(351,007)
Transfers 5 FTE positions to the Information Technology Department for the IT unification initiative, including a decrease in salaries and wages and an increase in operating expenses	(5.00)			0
Adds 22.5 FTE positions, including salaries and wages totaling \$3,992,392 and other related expenses totaling \$6,846,180 to the COVID-19 line item in the department's budget	22.50	9,063,708	1,774,864	10,838,572
Increases funding for tobacco prevention and control for professional fees and grants and increases funding from the community health trust fund for the program to provide a total of \$10,896,000 from the community health trust fund for tobacco prevention and control		(1,108,000)	1,196,000	88,000
Decreases salaries and wages to meet the Governor's 85 percent budget		(362,706)		(362,706)
Removes funding for fetal alcohol syndrome grant		(350,458)		(350,458)
Decreases funding for grants for state loan repayment programs for professionals to provide a total of \$1,535,345 for four loan programs, of which \$940,845 is from the general fund and \$594,500 is from the community health trust fund		(823,155)	70,500	(752,655)
Adjusts funding source for increase in the federal indirect rate to support agencywide costs		(1,060,000)	1,060,000	0

Decreases funding for professional services and grants related to private and foundation grant opportunities		(975,000)	(975,000)
Adds funding for costs related to the plans review program within the Life, Safety, and Construction Division		312,706	312,706
Adds funding from the Helmsley Charitable Trust for training to continue increased access to automatic external defibrillators for law enforcement		327,500	327,500
Adds funding from fees to purchase equipment in the State Laboratory		200,000	200,000
Adds funding from civil penalties for grants to long-term care facilities		100,000	100,000
Increases funding for the University of North Dakota forensic examiner contract	105,270		105,270
Adds funding for Microsoft Office 365 licensing expenses	21,542	69,891	91,433
Adds funding for Capitol complex rent proposal	336,399		336,399
Adjusts funding for bond and capital payments to provide a total of \$221,393, of which \$183,882 is from the general fund	(274,065)	(22,999)	(297,064)
Adjusts funding for extraordinary repairs to provide a total of \$136,500, of which \$30,650 is from the general fund		8,841	8,841
Adjusts funding for IT equipment and equipment over \$5,000 to provide a total of \$1,238,500, of which \$40,000 is from the general fund	35,205	(315,402)	(280,197)
Total ongoing funding changes	17.50	\$6,257,830	\$7,538,216
One-time funding items			
Adds one-time funding, including \$5,000,000 from the community health trust fund, for costs related to COVID-19 response, including temporary salaries and wages totaling \$17,639,224, grants totaling \$13,649,000, and other operating expenses totaling \$52,943,837		\$45,441,323	\$38,790,738
Adds one-time funding for operating expenses (\$60,000) and capital assets (\$850,000) for forensic examiner equipment and information technology upgrades	910,000	0	910,000
Adds one-time funding from the community health trust fund for statewide health strategies	0	3,000,000	3,000,000
Total one-time funding changes	0.00	\$46,351,323	\$41,790,738
Total Changes to Base Level Funding	17.50	\$52,609,153	\$49,328,954
2021-23 Total Funding	221.50	\$88,879,743	\$171,280,633
			\$260,160,376

<i>Total ongoing changes as a percentage of base level</i>	8.6%	17.3%	6.2%	8.7%
<i>Total changes as a percentage of base level</i>	8.6%	145.0%	40.4%	64.4%

Other Sections in State Department of Health - Budget No. 301

Executive Budget Recommendation

Insurance tax distribution fund

Section 3 would identify \$1,125,000 from the insurance tax distribution fund for rural emergency medical services grants during the 2021-23 biennium.

Borrowing authority

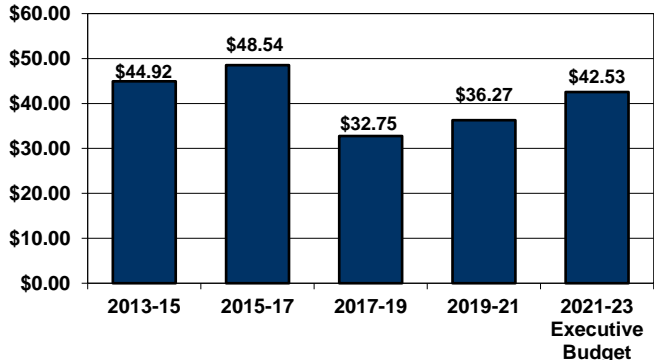
Section 4 would allow the State Department of Health, subject to the approval of the Emergency Commission, to borrow up to \$25 million from the Bank of North Dakota for the purpose of responding to the COVID-19 public health emergency. Funds borrowed from the Bank of North Dakota would be appropriated to the department for testing, contact tracing, and other costs related to responding to and mitigating the COVID-19 public health emergency. If, at the end of the biennium, funds available to the State Department of Health are not sufficient to repay the Bank of North Dakota, the section would require the State Department of Health request a deficiency appropriation for the amount borrowed plus interest.

Department 301 - State Department of Health

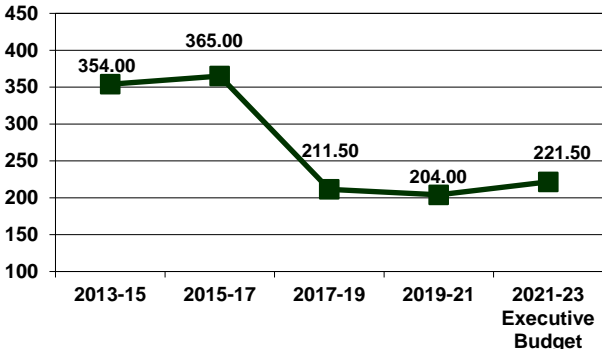
Historical Appropriations Information

Ongoing General Fund Appropriations Since 2013-15

Agency Funding (in Millions)¹



FTE Positions¹



Ongoing General Fund Appropriations ¹					
	2013-15	2015-17	2017-19	2019-21	2021-23 Executive Budget
Ongoing general fund appropriations	\$44,921,508	\$48,535,568	\$32,750,309	\$36,270,590	\$42,528,420
Increase (decrease) from previous biennium	N/A	\$3,614,060	(\$15,785,259)	\$3,520,281	\$6,257,830
Percentage increase (decrease) from previous biennium	N/A	8.0%	(32.5%)	10.7%	17.3%
Cumulative percentage increase (decrease) from 2011-13 biennium	N/A	8.0%	(27.1%)	(19.3%)	(5.3%)

¹The decrease in agency funding and FTE positions from the 2015-17 biennium to the 2017-19 biennium is due mostly to the transfer of the Environmental Health Section of the State Department of Health to the new Department of Environmental Quality pursuant to Senate Bill No. 2327 (2017).

Major Increases (Decreases) in Ongoing General Fund Appropriations

2015-17 Biennium

1. Increased funding for the universal vaccine program by \$576,853 to provide a total of \$3,076,853 from the general fund. (This funding was reduced as part of the general fund budget reductions approved in August 2016.) \$576,853
2. Added funding to contract with the University of North Dakota School of Medicine and Health Sciences to provide a total of \$480,000 from the general fund to perform autopsies in the eastern part of the state, the same as the 2013-15 biennium appropriation. In addition, \$160,000 from the general fund was added to the budget of the University of North Dakota School of Medicine and Health Sciences for Department of Pathology services to provide a total of \$640,000 from the general fund, \$160,000 more than the 2013-15 biennium. 480,000
3. Added funding for costs related to the Environmental Protection Agency lawsuit \$500,000
4. Added funding for 1 FTE food and lodging inspector position, including salaries and wages and operating expenses \$149,975
5. Added funding for 10 FTE positions in the Environmental Health Section, including air quality (3 FTE positions), municipal facilities (2 FTE positions), waste management (2 FTE positions), and water quality (3 FTE positions) to meet increased demands in oil-impacted areas, including salaries and wages (\$1,388,986) and operating expenses (\$315,518) \$1,204,494
6. Increased funding for the medical loan repayment program to provide a total of \$698,800 from the general fund. (This funding was reduced as part of the general fund budget reductions approved in August 2016.) \$122,012
7. Increased funding for grants to local public health units to provide a total of \$4.25 million from the general fund. In addition, House Bill No. 1176 provides \$2 million from the oil and gas impact grant fund for grants to local district health units that are located in oil-producing counties to address the effects of oil and gas-related development activities. \$250,000

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| 8. Increased funding for rural EMS grants to provide a total of \$8.44 million, of which \$1.25 million is from the insurance tax distribution fund and \$7.19 million is from the general fund. Funding is provided for training grants (\$940,000) and rural EMS grants (\$7.5 million). In addition, a section is added to provide that of the \$7.5 million provided for rural EMS grants, at least 85 percent be distributed to EMS providers that do not receive oil impact grant funding. (This funding was reduced as part of the general fund budget reductions approved in August 2016.) | \$1,100,000 |
| 9. Increased funding for domestic violence and rape crisis program grants to provide a total of \$2.25 million, of which \$1.91 million is from the general fund and \$340,000 is from special funds. (This funding was reduced as part of the general fund budget reductions approved in August 2016.) | \$200,000 |

2017-19 Biennium

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|--|---------------|
| 1. Reduced base budget, including salaries and wages, operating expenses, and grants | (\$2,031,418) |
| 2. Removed 6 undesignated FTE positions, including related funding for salaries and wages | (\$475,736) |
| 3. Increased funding for state aid grants to local public health units and adjusted the funding sources to provide a total of \$5.25 million, of which \$3.25 million is from the general fund and \$2 million is from the tobacco prevention and control trust fund | (\$1,000,000) |
| 4. Adjusted funding for the certain programs to provide \$2,224,862 from the tobacco prevention and control trust fund instead of the general fund | (\$2,224,862) |
| 5. Reduced funding for EMS grants to provide a total of \$7,721,000. Emergency medical services rural assistance grants total \$6,875,000, of which \$5,625,000 is from the general fund and \$1,250,000 is from the insurance tax distribution fund. Emergency medical services training grants total \$846,000 from the general fund. | (\$561,820) |
| 6. Added ongoing funding and authorization for 6 FTE positions to establish a Medical Marijuana Division, based on the fiscal note for Senate Bill No. 2344, to provide total ongoing funding of \$1,465,704, including funding provided for employee health insurance premium increases, of which \$723,270 is from the general fund and \$742,434 is from the medical marijuana fund | \$723,270 |

2019-21 Biennium

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|---|---------------|
| 1. 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 |
| 2. 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 |
| 3. Removed 6.5 FTE undesignated positions and related funding for salaries and wages and operating expenses agencywide | (\$3,184,844) |
| 4. 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 | (\$451,267) |
| 5. 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 | (\$1,260,512) |
| 6. Added 1 FTE food and lodging environmental health position, including salaries and wages of \$159,720 and operating expenses of \$26,185 | \$185,905 |
| 7. 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 |
| 8. Added funding to implement an EMS data licensing and records management system | \$126,000 |
| 9. Added funding for operating expenses related to Microsoft Office 365 licensing expenses | \$42,377 |
| 10. 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) |
| 11. Added funding to transfer reporting of youth access to tobacco from the Department of Human Services to the State Department of Health | \$75,000 |
| 12. 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 |

2021-23 Biennium (Executive Budget Recommendation)

1. Transfers 5 FTE positions to ITD for the IT unification initiative and increases funding for operating expenses	\$0
2. Adds 22.5 FTE positions, including salaries and wages totaling \$3,992,392 and other related expenses totaling \$6,846,180 to a new COVID-19 line item in the department's budget of which \$9,063,708 is from the general fund and \$1,774,864 is from federal funds	\$9,063,708
3. Decreases funding from the general fund and increases funding from the community health trust fund for tobacco prevention and control	(\$1,108,000)
4. Adjusts funding source for agencywide costs due to an increase in the federal indirect rate	(\$1,060,000)
5. Adds funding for the state agency Capitol complex rent proposal	\$336,399
6. Increases funding for operating expenses related to the University of North Dakota forensic examiner contract to provide a total of \$625,270	\$105,270
7. Decreases funding from the general fund for grants for state loan repayment programs for professionals and increases funding from the community health trust fund to provide a total of \$1,535,345 for four loan programs, of which \$940,845 is from the general fund and \$594,500 is from the community health trust fund	(\$823,155)
8. Removes funding for a fetal alcohol syndrome grant	(\$350,458)

**GOVERNOR'S RECOMMENDATION FOR THE
STATE DEPARTMENT OF HEALTH AS SUBMITTED
BY THE OFFICE OF MANAGEMENT AND BUDGET**

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

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and Wages	\$ 37,719,574	\$ 3,537,368	\$ 41,256,942
Operating Expenses	32,398,526	(1,561,826)	30,836,700
Capital Assets	2,164,813	481,580	2,646,393
Grants	53,257,292	1,056,395	54,313,687
Tobacco Prevention	12,902,064	117,013	13,019,077
WIC Food Payments	19,780,000	120,000	19,900,000
COVID-19	0	95,187,577	95,187,577
Statewide Health Strategies	<u>0</u>	<u>3,000,000</u>	<u>3,000,000</u>
Total All Funds	\$158,222,269	\$101,938,107	\$260,160,376
Less Estimated Income	<u>121,951,679</u>	<u>49,328,954</u>	<u>171,280,633</u>
Total General Fund	\$ 36,270,590	\$52,609,153	\$ 88,879,743
Full-time Equivalent Positions	204.00	17.50	221.50

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 2021-23 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2019-21</u>	<u>2021-23</u>
WIC System Upgrade	\$ 354,554	\$ 0
Microbiology Lab Capital Projects	1,220,00	0
Microbiology Lab IT Upgrades	483,000	0
Forensic Examiner IT Upgrades	0	910,000
COVID-19	0	84,232,061
Statewide Health Strategies	<u>0</u>	<u>3,000,000</u>
Total All Funds	\$2,057,554	\$88,142,061
Less Estimated Income	<u>1,967,554</u>	<u>41,790,738</u>
Total General Fund	\$ 90,000	\$46,351,323

The 2021-23 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. INSURANCE TAX DISTRIBUTION FUND. The estimated income line item included in section 1 of this Act includes \$1,125,000, or so much of the sum as may be necessary, to be made available to the state department of health from the insurance tax distribution fund for rural emergency medical services grants, for the biennium beginning July 1, 2021 and ending June 30, 2023.

SECTION 4. AUTHORITY TO BORROW FOR COVID RESPONSE COSTS. The department of health, subject to the approval of the emergency commission, may borrow up to \$25,000,000 from the Bank of North Dakota for the purposes of responding to the COVID-19 public health emergency. any moneys borrowed from the Bank of North Dakota pursuant to this section are hereby appropriated and may be spent by the department of health for testing, contact tracing and other costs related to responding and

mitigating the COVID-19 public health emergency. If at the end of the biennium the amount available to the department of health is insufficient to repay the Bank of North Dakota, the borrower shall request from the legislative assembly a deficiency appropriation sufficient for repayment of the amount borrowed plus interest.