

**Department 325 - Department of Health and Human Services - Public Health**  
**House Bill No. 1004**

**Executive Budget Comparison to Base Level**

	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
2023-25 Executive Budget	\$45,438,167	\$299,109,091	\$344,547,258
2023-25 Base Level <sup>1</sup>	38,575,155	129,409,112	167,984,267
Increase (Decrease)	\$6,863,012	\$169,699,979	\$176,562,991

<sup>1</sup>Base level funding includes the State Department of Health appropriation for the 2021-23 biennium, less one-time funding.

**Selected Budget Changes Recommended in the Executive Budget**

	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
1. Base budget changes, including federal funds and adjustments to transfer funding between the former State Department of Health and former Department of Human Services budgets	\$1,692,991	\$106,147,341	\$107,840,332
2. Adds funding to convert 1 temporary position to 1 FTE autopsy technician IV position	\$65,094	\$0	\$65,094
3. Adds funding to convert 4 temporary positions to 4 FTE program management III positions	\$0	\$50,008	\$50,008
4. Adds funding for Information Technology Department (ITD) rate increases	\$191,302	\$1,050,392	\$1,241,694
5. Adds funding from the community health trust fund for tobacco treatment and cessation grants (\$500,000) and youth vaping prevention grants (\$300,000)	\$0	\$800,000	\$800,000
6. Adds funding from the community health trust fund to increase local public health state aid to provide a total of \$8,000,000, of which \$4,725,000 is from the general fund and \$3,275,000 is from the community health trust fund	\$0	\$2,750,000	\$2,750,000
7. Increases funding for domestic violence prevention to provide a total of \$4,596,285 from the general fund	\$2,686,285	\$0	\$2,686,285
8. Increases funding from the community health trust fund for domestic violence offender treatment to provide a total of \$1 million from the community health trust fund	\$0	\$700,000	\$700,000
9. Increases funding to maintain public health registries	\$701,553	\$0	\$701,553
10. Adds <b>one-time funding</b> for public health registries	\$69,558	\$0	\$69,558
11. Adds <b>one-time funding</b> from federal State Fiscal Recovery Fund for a new laboratory building shared with the Department of Environmental Quality	\$0	\$55,120,000	\$55,120,000

A summary of the executive budget changes to the agency's base level appropriations is attached as an appendix.

A copy of the draft appropriations bill containing the executive budget recommendations is attached as an appendix.

**Selected Bill Sections Recommended in the Executive Budget**

**Funding transfer authorization - Line items of House Bill No. 1004 and Senate Bill No. 2012** - Section 3 would provide an exemption to allow the Department of Health and Human Services (DHHS) to transfer funding between line items in House Bill No. 1004, subdivisions 1, 2, and 3 of Section 1 of Senate Bill No. 2012, and any remaining appropriation authority for the Department of Health and Human Services approved by the 68<sup>th</sup> Legislative Assembly. The department is required to notify the Legislative Council of any transfers and report to the Budget Section after June 30, 2024, any transfer made in excess of \$50,000. The department is also required to report any transfers to the 69<sup>th</sup> Legislative Assembly.

**Funding transfer authorization - Line items of House Bill No. 1004 and select subdivisions of Senate Bill No. 2012 to county social services in Senate Bill No. 2012** - Section 4 would provide an exemption to allow the Department of Health and Human Services to transfer funding from the line items in House Bill No. 1004, subdivisions 1, 2, and 3 of Section 1 of Senate Bill No. 2012, and any remaining appropriation authority for the Department of Health and Human Services approved by the 68<sup>th</sup> Legislative Assembly to subdivision 4 of Section 1 of Senate Bill No. 2012. The department is required to notify the Legislative Council of any transfers and report to the Budget Section after June 30, 2024, any transfer made in excess of \$50,000. The department is also required to report any transfers to the 69<sup>th</sup> Legislative Assembly.

**Transfer of appropriation authority** - Section 5 would require the Office of Management and Budget to combine the appropriation authority contained in Section 1 of House Bill No. 1004, Section 1 of Senate Bill No. 2012, and any remaining appropriation authority for the Department of Health and Human Services in other bills approved by the 68<sup>th</sup> Legislative Assembly, into one budget for the Department of Health and Human Services on July 1, 2023. The section would also require the Department of Health and Human Services to submit one budget for the 2025-27 biennium.

**Insurance tax distribution fund** - Section 6 would identify \$1,125,000 from the insurance tax distribution fund for rural emergency medical services (EMS) grants during the 2023-25 biennium.

**Community health trust fund** - Section 7 would identify \$19,072,324 from the community health trust fund for various programs and grants during the 2023-25 biennium.

**Statewide health strategies initiative exemption - 2021-23 carryover** - Section 8 would provide an exemption to allow the department to continue \$3 million of one-time funding, of which \$1.5 million is from the community health trust fund and \$1.5 million is from other funds secured as matching funds, provided for a statewide health strategies initiative during the 2021-23 biennium to the 2023-25 biennium. The amount appropriated from the community health trust fund is contingent on the department securing dollar-for-dollar matching funds.

**Public health laboratory capital project exemption - 2021-23 carryover** - Section 9 would provide an exemption to allow the department to continue any unexpended funding provided from the federal State Fiscal Recovery Fund during the 2021 Special Legislative Session for the public health laboratory capital project. The section provides any unexpended funds remaining of the \$15 million one-time funding appropriation are available for the public health laboratory capital project during the 2023-25 biennium.

### Continuing Appropriations

**Medical marijuana** - North Dakota Century Code Section 19-24.1-40 establishes the medical marijuana fund and requires DHHS deposit in the fund all fees collected under the medical marijuana chapter. The department must administer the fund and money in the fund is 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 DHHS may make combined or joint purchases with or on behalf of local public health units for items or services. Payments received by DHHS 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 DHHS 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 DHHS 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 Appropriations

There are no deficiency appropriations for this agency.

### Significant Audit Findings

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

1. **Finding 2021-01 - Inaccurate Inventory and Storage Location of COVID-19 Vaccine Vials** - The department could not provide evidence they routinely reconcile COVID-19 vaccine inventory and storage location to the inventory system list. The State Auditor recommends the department follow federal Centers for Disease Control and Prevention (CDC) guidance to reconcile all vaccines in storage on a monthly basis, including verifying the location in the inventory system to maintain accurate vaccine inventory records.
  - o **Department's response** - Team members responsible for storage and handling had inventory systems in place, using spreadsheets to track data and communicate between the vaccine coordinator and the vaccine distribution team. This process assured efficacy and maximized the shelf life of the vaccine. The department agrees to perform reconciliation between physical inventory and storage locations in the warehouse and inventory system data monthly.
  - o **State Auditor's response** - The inventory system referenced by the department relates to having sufficient vaccine on hand and is unrelated to the finding. The audit discovered discrepancies between the vaccine

inventory locations and counts in the inventory system compared to the physical counts and storage locations (fridge/freezer/ultracold) in the warehouse on the August 8, 2021, inspection. Vaccine distribution staff could not identify the cause of these discrepancies during the inspection.

2. **Finding 2021-02 - Vaccine Issued Out of Incorrect Storage Location** - The department could not verify temperature data for the storage location for some vaccine dosages issued. The State Auditor recommends the department record accurate storage locations in inventory system records, properly store vaccines according to manufacturer temperature requirements, and monitor vaccine shelf life according to storage temperatures.

- **Department's response** - The department states that no Moderna vaccines were ever stored at ultracold temperatures and that the ultracold location in the inventory system was a clerical error and did not impact the viability of the vaccine. The department uses redundant systems to ensure proper monitoring and distribution of vaccines prior to end of shelf life. The use by date is written on the cap of vaccines to reflect the correct shelf life. Shelf life is also documented on an inventory spreadsheet. This information is also written on the inventory system packing slip for providers, which the provider signs and the courier returns to the warehouse. The department properly stores vaccines according to manufacturer temperature requirements. The department agrees to perform reconciliation between physical inventory and storage locations in the warehouse and the inventory system data monthly. The department has adopted an upgrade to the inventory system that includes an inventory auditing module. The inventory system will now keep records of the dates that the inventory was checked, who checked the inventory, and what was done to correct the differences, if any.
- **State Auditor's response** - The systems referenced by the department to ensure proper monitoring and distribution were ineffective as the inventory system records and storage locations were not reconciled with discrepancies corrected (see Finding 2021-01). Inventory records indicated vaccines were administered after their expiration and Moderna was incorrectly stored at ultracold temperatures. There is no support to confirm any clerical errors.

3. **Finding 2021-03 - Improperly Stored and Tracked Vaccines** - The State Auditor reported errors and missing documentation for vaccines transported to other providers, errors and missing documentation for vaccines transported to pop-up vaccine clinics and returned to the state warehouse, errors in use of digital data loggers; and missing documentation for fridge alerts for out-of-range temperatures. The State Auditor recommends the department ensure data logger data is identifiable by transport, improve training, perform internal monitoring procedures to ensure complete and accurate vaccine chain of custody records and cold chain temperature readings; ensure records retention, document internal monitoring procedures, and perform subsequent corrective actions.

- **Department's response** - The department policy is that it follows the 3-year CDC requirements for document retention and agrees to update the state retention schedule and retain records. Department redundant systems, used to track temperatures, exceeded CDC guidelines:
  - The department recorded temperatures every 60 seconds during transport and every 5 minutes for stationary units. The federal Centers for Disease Control and Prevention recommends recording a minimum and maximum temperature.
  - The department manually records temperatures of cold chain equipment storing vaccine twice daily. The Centers for Disease Control and Prevention recommends temperatures be checked once daily.

Potential and actual excursions were identified through alarm systems, beyond what was required by the CDC. Any vaccine reported to be out of range was quarantined and not used until the manufacturer reviewed the situation and determined viability. The public was protected through these processes. The department agrees to continue to improve training, internal monitoring, recording procedures, and perform any corrective actions to ensure that the D.O.C fridge and data logger data is tied to transport and is documented throughout the cold chain process. The department has already implemented new forms and processes to address this recommendation.

- **State Auditor's response** - The redundant systems referenced by the department to exceed CDC guidelines are ineffective. The audit identified data logger temperature data not being tied to specific vaccines, movement of vaccines to the dock fridge not being identified in records, and incomplete and missing temperature documentation. The audit also identified that temperature alert controls are easily disabled and there was no evidence of when alerts were enacted.

4. **Finding 2021-04 - Not Following Laboratory Policy for Approval Process for RT-PCR Microplates with Greater Than 25 percent Positivity** - The department does not have a formal laboratory review process for lead technicians to consistently review high positivity rates of COVID-19 RT-PCR tests with evidence of their approval. The State Auditor recommends the department document approval and perform monitoring procedures that ensure lead laboratory technicians review and approve PCR runs with greater than 25 percent positivity rates for COVID-19 in accordance with their standard operating procedures.

- **Department's response** - The department asserts that quality assurance procedures were in place and accurate test results were reported to the public. A recent clinical laboratory improvement amendments audit found no issues with the laboratory practices. More than one million tests were processed over this period and the State Auditor's office also found no errors in the positive and negative control samples for COVID-19 RTPCR tests. The department agrees that some documentation regarding lead technician review was not available, as noted by the audit report, that requirement is above and beyond the requirements of the

manufacturer. Current practice is that all runs greater than 15 percent positivity are assessed by the medical laboratory scientist/technician that is trained, competent, and demonstrates proficiency on the platform. All SARS-CoV-2 methods have been reviewed and minor adjustments have been made to accurately reflect the work being completed.

- **State Auditor's response** - The department established this policy to help ensure accurate test results were reported to the public. Any runs with a positivity rate of 25 percent or greater were to have a lead technician approval before it went out. This approval is separate from the assessment of runs with greater than 15 percent positivity and there were no exceptions to this approval in policy. Our audit identified instances where lead technicians were not approving high positivity rate COVID-19 RT-PCR plates to verify the accuracy of the test results. The remainder of the department response is irrelevant to the finding and recommendation. In times of crisis, shortcuts and noncompliance with policies and procedures increase the risk of errors.

### **Major Related Legislation**

**House Bill No. 1028** - Appropriates \$75,000 from the general fund to the Department of Health and Human Services to assist the community health worker task force with data collection and meeting facilitation. The department is required to establish and provide staffing and administrative services to a community health worker task force.

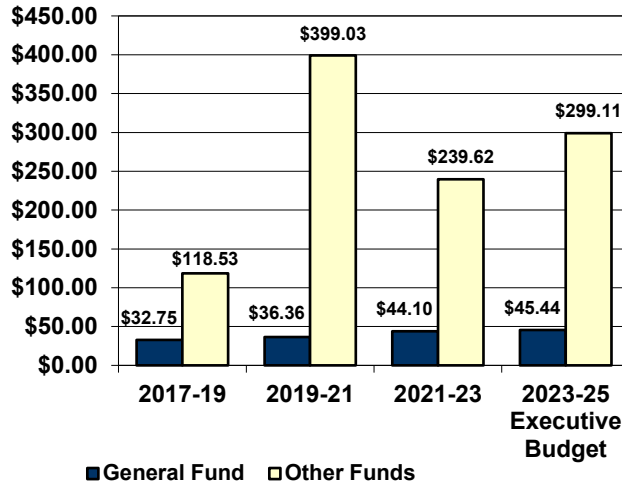
**House Bill No. 1029** - Provides for the regulation of community health workers and Medicaid reimbursement for community health worker services.

**House Bill No. 1045** - Allows the Department of Health and Human Services to require a licensed provider to use a third-party life safety survey reviewer depending on the department's workload at the time of project submission.

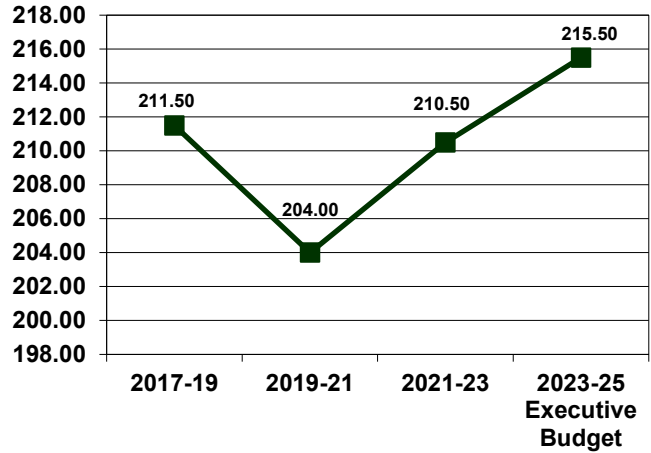
# Historical Appropriations Information

## Agency Appropriations and FTE Positions

Agency Funding (Millions)



FTE Positions



### Ongoing General Fund Appropriations

	2015-17	2017-19	2019-21	2021-23	2023-25 Executive Budget
Ongoing general fund appropriations	\$48,535,568	\$32,750,309	\$36,270,590	\$38,575,155	\$45,368,609
Increase (decrease) from previous biennium	N/A	(\$15,785,259)	\$3,520,281	\$2,304,565	\$6,793,454
Percentage increase (decrease) from previous biennium	N/A	(32.5%)	10.7%	6.4%	17.6%
Cumulative percentage increase (decrease) from 2015-17 biennium	N/A	(32.5%)	(25.3%)	(20.5%)	(6.5%)

### Major Increases (Decreases) in Ongoing General Fund Appropriations

#### 2017-19 Biennium

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 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 emergency medical services (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

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 \$6,378,195

cardiac care program, cancer programs, medical and behavioral health loan repayment programs, and domestic violence offender treatment

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**

1. Transferred 4 FTE data processing coordinator III positions to ITD for the IT unification initiative, including a decrease in the salaries and wages and tobacco prevention line items, and an increase in operating expenses line item \$2,135
2. Added 10.5 FTE positions, including funding from the general fund for salaries and wages (\$354,335), 7 temporary positions (\$436,497), and operating expenses (\$3,668,934) for the COVID-19 response. Ongoing funding added for the COVID-19 response totals \$4,459,766 from the general fund and is included in Senate Bill No. 2004. In addition, the Legislative Assembly provided \$5,608,094 from federal funds in House Bill No. 1394 as a 2019-21 biennium appropriation and allowed the department to continue the funding to the 2021-23 biennium for the COVID-19 response for these items \$4,459,766
3. Adjusted the funding source for salaries and wages related to the plans review program within the Life, Safety, and Construction Division from the general fund to special funds from program fees (\$312,706)
4. Adjusted funding for cost-to-continue items, including a shift from professional fees to grants and adjustments to provide funding for certain items from the community health trust fund instead of the tobacco prevention and control trust fund \$1,890,945
5. Increased funding from the community health trust fund for tobacco prevention and control, including funding for professional fees and grants (\$1,108,000)
6. Adjusted funding for an increase in the federal indirect rate to support agencywide costs (\$1,060,000)
7. Increased funding for operating expenses related to the University of North Dakota forensic examiner contract, to provide a total of \$1,625,270, of which \$1,000,000 is from the community health trust fund and \$625,270 is from the general fund \$105,270

**2023-25 Biennium (Executive Budget Recommendation)**

1. Base budget changes, including adjustments to transfer funding between the former State Department of Health and former Department of Human Services budgets \$1,692,991
2. Adds funding to convert 1 temporary position to 1 FTE autopsy technician IV position \$65,094
3. Increases funding for domestic violence prevention to provide a total of \$4,596,285 from the general fund \$2,686,285
4. Increases funding to maintain public health registries \$701,553

**One-Time General Fund Appropriations**

	2015-17	2017-19	2019-21	2021-23	2023-25 Executive Budget
One-time general fund appropriations	\$336,000	\$0	\$90,000	\$5,528,276	\$69,558

## Major One-Time General Fund Appropriations

### 2017-19 Biennium

1. None \$0

### 2019-21 Biennium

1. Added one-time funding, including funding from federal funds and fee revenue, for microbiology laboratory IT 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

### 2021-23 Biennium

1. Added one-time funding, including \$4,515,296 from the community health trust fund, for costs related to the COVID-19 response, including salaries and wages, grants, and other operating expenses \$4,747,045
2. Added one-time funding, of which \$128,769 is from federal funds, for operating expenses (\$60,000) and capital assets (\$850,000) for forensic examiner equipment (\$500,000) and a forensic electronic records system (\$350,000) \$781,231

### 2023-25 Biennium (Executive Budget Recommendation)

1. Adds one-time funding for public health registries \$69,558

**Department of Health and Human Services - Public Health - Budget No. 325**  
**House Bill No. 1004**  
**Base Level Funding Changes**

	<b>Executive Budget Recommendation</b>			
	<b>FTE Positions</b>	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
<b>2023-25 Biennium Base Level</b>	210.50	\$38,575,155	\$129,409,112	\$167,984,267
<b>2023-25 Ongoing Funding Changes</b>				
Base payroll changes		\$103,733	\$216,068	\$319,801
Base budget changes, including federal funds and adjustments to transfer funding between the former State Department of Health and former Department of Human Services budgets		1,692,991	106,147,341	107,840,332
Salary increase		656,026	2,019,554	2,675,580
Health insurance increase		260,470	846,616	1,107,086
Adds funding to convert 1 temporary position to 1 FTE autopsy technician IV position	1.00	65,094		65,094
Adds funding to convert 4 temporary positions to 4 FTE program management III positions	4.00		50,008	50,008
Adds funding for ITD rate increases		191,302	1,050,392	1,241,694
Adds funding from the community health trust fund for tobacco treatment and cessation grants			500,000	500,000
Adds funding from the community health trust fund for youth vaping prevention grants			300,000	300,000
Increases funding for operating expenses in injury prevention		31,000		31,000
Adds funding from the community health trust fund to increase local public health state aid to provide a total of \$8,000,000, of which \$4,725,000 is from the general fund and \$3,275,000 is from the community health trust fund			2,750,000	2,750,000
Increases funding for domestic violence prevention to provide a total of \$4,596,285 from the general fund		2,686,285		2,686,285
Increases funding from the community health trust fund for domestic violence offender treatment to provide a total of \$1 million from the community health trust fund			700,000	700,000
Increases funding to maintain public health registries		701,553		701,553
Adds funding to expand the biomedical cache		20,000		20,000
Adds funding for emergency response and preparedness training and exercise		385,000		385,000
Total ongoing funding changes	5.00	\$6,793,454	\$114,579,979	\$121,373,433
<b>One-time funding items</b>				
Adds one-time funding for public health registries		\$69,558		\$69,558



Adds one-time funding from federal State Fiscal Recovery Fund for a new laboratory building shared with the Department of Environmental Quality			\$55,120,000	55,120,000
Total one-time funding changes	0.00	\$69,558	\$55,120,000	\$55,189,558
<b>Total Changes to Base Level Funding</b>	5.00	\$6,863,012	\$169,699,979	\$176,562,991
<b>2023-25 Total Funding</b>	215.50	\$45,438,167	\$299,109,091	\$344,547,258
<i>Federal funds included in other funds</i>			\$270,392,653	
<i>Total ongoing changes as a percentage of base level</i>	2.4%	17.6%	88.5%	72.3%
<i>Total changes as a percentage of base level</i>	2.4%	17.8%	131.1%	105.1%

**Other Sections in Department of Health and Human Services - Public Health - Budget No. 325**

**Executive Budget Recommendation**

Funding transfer authorization - Line items of House Bill No. 1004 and Senate Bill No. 2012	Section 3 would provide an exemption to allow the Department of Health and Human Services to transfer funding between line items in House Bill No. 1004, subdivisions 1, 2, and 3 of Section 1 of Senate Bill No. 2012, and any remaining appropriation authority for the Department of Health and Human Services approved by the 68th Legislative Assembly. The department is required to notify the Legislative Council of any transfers and report to the Budget Section after June 30, 2024, any transfer made in excess of \$50,000. The department is also required to report any transfers to the 69th Legislative Assembly.
Funding transfer authorization - Line items of House Bill No. 1004 and select subdivisions of Senate Bill No. 2012 to county social services in Senate Bill No. 2012	Section 4 would provide an exemption to allow the Department of Health and Human Services to transfer funding from the line items in House Bill No. 1004, subdivisions 1, 2, and 3 of Section 1 of Senate Bill No. 2012, and any remaining appropriation authority for the Department of Health and Human Services approved by the 68th Legislative Assembly to subdivision 4 of Section 1 of Senate Bill No. 2012. The department is required to notify the Legislative Council of any transfers and report to the Budget Section after June 30, 2024, any transfer made in excess of \$50,000. The department is also required to report any transfers to the 69th Legislative Assembly.
Transfer of appropriation authority	Section 5 would require the Office of Management and Budget to combine the appropriation authority contained in Section 1 of House Bill No. 1004, Section 1 of Senate Bill No. 2012, and any remaining appropriation authority for the Department of Health and Human Services in other bills approved by the 68th Legislative Assembly, into one budget for the Department of Health and Human Services on July 1, 2023. The section would also require the Department of Health and Human Services to submit one budget for the 2025-27 biennium.
Insurance tax distribution fund	Section 6 would identify \$1,125,000 from the insurance tax distribution fund for rural emergency medical services (EMS) grants during the 2023-25 biennium.
Community health trust fund	Section 7 would identify \$19,072,324 from the community health trust fund for various programs and grants during the 2023-25 biennium.

**Other Sections in Department of Health and Human Services - Public Health - Budget No. 325**

**Executive Budget Recommendation**

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Statewide health strategies initiative  
exemption - 2021-23 carryover

Section 8 would provide an exemption to allow the department to continue \$3 million of one-time funding, of which \$1.5 million is from the community health trust fund and \$1.5 million is from other funds secured as matching funds, provided for a statewide health strategies initiative during the 2021-23 biennium to the 2023-25 biennium. The amount appropriated from the community health trust fund is contingent on the department securing dollar-for-dollar matching funds.

Public health laboratory capital project  
exemption - 2021-23 carryover

Section 9 would provide an exemption to allow the department to continue any unexpended funding provided from the federal State Fiscal Recovery Fund during the 2021 Special Legislative Session for the public health laboratory capital project. The section provides any unexpended funds remaining of the \$15 million one-time funding appropriation are available for the public health laboratory capital project during the 2023-25 biennium.

**HOUSE BILL 1004  
(Governor's Recommendation)**

Introduced by

Appropriations Committee

(At the request of the Governor)

A bill for an Act to provide an appropriation for defraying the expenses of the department of health and human services; to provide for a transfer; to provide for a report; and to provide an exemption.

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

**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 department of health and human services for the purpose of defraying the expenses of its public health division, for the biennium beginning July 1, 2023, and ending June 30, 2025, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and Wages	\$41,362,968	\$6,118,774	\$47,481,742
Operating Expenses	31,242,543	6,478,670	37,721,213
Capital Assets	1,796,393	(326,613)	1,469,780
Grants	55,812,575	14,927,128	70,739,703
Tobacco Prevention	\$13,410,022	864,273	14,274,295
WIC food Payments	19,900,000	0	19,900,000
COVID-19	4,459,766	93,380,759	97,840,525
American Rescue Plan Act	<u>0</u>	<u>55,120,000</u>	<u>55,120,000</u>
Total All Funds	\$167,984,267	\$176,562,991	\$344,547,258
Less Estimated Income	<u>129,409,112</u>	<u>169,999,979</u>	<u>299,109,091</u>
Total General Fund	\$38,575,155	\$6,863,012	\$45,438,167
Full-time Equivalent Positions	210.5	5.00	215.50

**SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-NINTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding items approved by the sixty-seventh legislative assembly for the 2021-23 biennium and the one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2021-23</u>	<u>2023-25</u>
New State Health and Environmental Quality Lab	0	\$55,120,000
Registry Inflation Costs	0	69,558
Vital Records System Technology Updates	275,000	0
Statewide Health Strategies Initiative	3,000,000	0
COVID-19 Response	9,262,341	0
Forensic Examiner Upgrades	<u>910,000</u>	<u>0</u>
Total All Funds	\$13,447,341	\$55,189,558
Less Estimated Income	7,919,065	55,120,000
Total General Fund	\$5,528,276	\$69,558

The 2023-25 biennium one-time funding amounts are not a part of the entity's base budget for the 2025-27 biennium. The department of health and human services shall report to the appropriations committees of the

sixty-ninth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 3. FUNDING TRANSFERS - EXEMPTION - AUTHORIZATION - REPORT.** Notwithstanding section 54-16-04, the director of the office of management and budget shall transfer appropriation authority between line items within section 1 of this Act, subdivisions 1, 2, and 3 of section 1 of Senate Bill No. 2012, and any remaining appropriation authority for the department of health and human services approved by the sixty-eighth legislative assembly for the biennium beginning July 1, 2023, and ending June 30, 2025, as requested by the department of health and human services. The department of health and human services shall notify the legislative council of any transfer made pursuant to this section. The department shall report to the budget section after June 30, 2024, any transfer made in excess of \$50,000 and to the appropriations committees of the sixty-ninth legislative assembly regarding any transfers made pursuant to this section.

**SECTION 4. FUNDING TRANSFERS - EXEMPTION - AUTHORIZATION - REPORT.** Notwithstanding section 54-16-04, the director of the office of management and budget shall transfer appropriation authority from line items within section 1 of this Act. subdivisions 1, 2, and 3 of Senate Bill No. 2012, and any remaining appropriation authority for the department of health and human services approved by the sixty-eighth legislative assembly to subdivision 4 of Senate Bill No. 2012 of this Act for the biennium beginning July 1, 2023, and ending June 30, 2025, as requested by the department of health and human services. The department of health and human services shall notify the legislative council of any transfer made pursuant to this section. The department shall report to the budget section after June 30, 2024, any transfer made in excess of \$50,000 and to the appropriations committees of the sixty-ninth legislative assembly regarding any transfers made pursuant to this section.

**SECTION 5. TRANSFER OF APPROPRIATION AUTHORITY.** Section 1 of this Act and section 1 of Senate Bill No. 2012 includes appropriation authority for the department of health and human services for the biennium beginning July 1, 2023, and ending June 30, 2025. On July 1, 2023, the office of management and budget shall combine the appropriation authority contained in section 1 of this Act and section 1 of Senate Bill No. 2012, and any remaining appropriation authority for the department of health and human services in other bills approved by the sixty-eighth legislative assembly, into one budget for the department of health and human services. The department of health and human services shall submit one budget for the biennium beginning July 1, 2025, and ending June 30, 2027.

**SECTION 6. ESTIMATED INCOME - INSURANCE TAX DISTRIBUTION FUND.** The estimated income line item in section 1 of this Act includes the sum of \$1,125,000 from the insurance tax distribution fund for rural emergency medical services grants.

**SECTION 7. ESTIMATED INCOME - COMMUNITY HEALTH TRUST FUND.** The estimated income line item in section 1 of this Act includes the sum of \$19,072,324 from the community health trust fund for the following programs:

Behavioral Risk Factor Survey	\$ 200,000
Behavioral Health Loan Repayment	234,500
Women's Way	329,500
Dentists' Loan Repayment	360,000
Local Public Health State Aid	3,275,000
Cancer Programs	580,324
Forensic Examiner Contract	1,000,000
Local Public Health Grants	3,275,000
Tobacco Prevention and Control	11,293,000
Tobacco Cessation Grants	500,000
Youth Vaping Prevention Grants	300,000
Domestic Violence Prevention Programs	<u>1,000,000</u>
Total Community Health Trust Fund	\$19,072,324

**SECTION 8. EXEMPTION.** The sum of \$3,000,000 appropriated for the statewide health strategies initiative in chapter 32 of the 2021 Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available for the statewide health strategies initiative during the biennium beginning July 1, 2023, and ending June 30, 2025. The amount appropriated is contingent on the department of health and human services securing dollar-for-dollar matching funds.

**SECTION 9. EXEMPTION.** The amount appropriated for the purpose of a public health laboratory capital project in chapter 550 of the 2021 Special Session Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpected funds from this appropriation are available for the public health laboratory capital project during the biennium beginning July 1, 2023, and ending June 30, 2025.