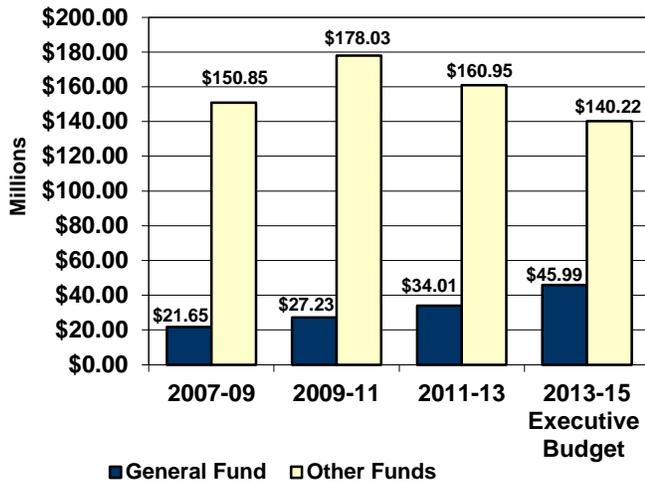


**Department 301 - State Department of Health  
 Senate Bill No. 2004**

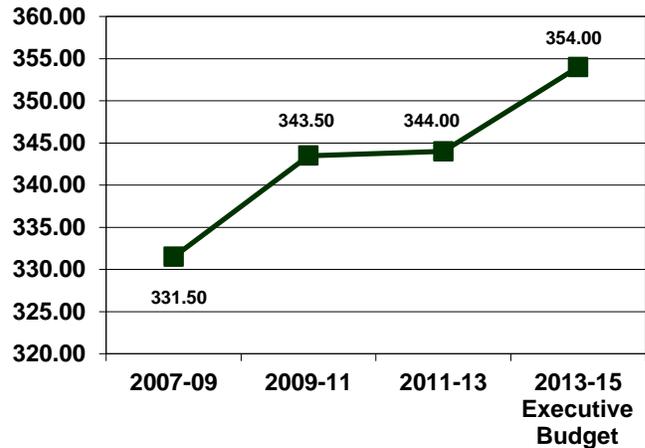
	FTE Positions	General Fund	Other Funds	Total
2013-15 Executive Budget	354.00	\$45,985,263	\$140,216,701	\$186,201,964
2011-13 Legislative Appropriations	344.00	34,013,780	160,948,753	194,962,533 <sup>1</sup>
Increase (Decrease)	10.00	\$11,971,483	(\$20,732,052)	(\$8,760,569)

<sup>1</sup>The 2011-13 appropriation amounts have not been reduced by \$135,629 of funding from the general fund spent during the 2009-11 biennium pursuant to an emergency clause related to litigation and administrative proceedings. In addition, the 2011-13 appropriation amounts do not include \$280,314 from the state contingencies appropriation related to salaries and operating expenses for 3 FTE positions in the Environmental Health Section resulting from Emergency Commission action during the 2011-13 biennium.

**Agency Funding**



**FTE Positions**



**Ongoing and One-Time General Fund Appropriations**

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2013-15 Executive Budget	\$45,375,263	\$610,000	\$45,985,263
2011-13 Legislative Appropriations	32,913,780	1,100,000	34,013,780
Increase (Decrease)	\$12,461,483	(\$490,000)	\$11,971,483

**First House Action**

Attached is a summary of first house changes.

**Executive Budget Highlights  
 (With First House Changes in Bold)**

	General Fund	Other Funds	Total
<b>Administrative Support</b>			
1. Provides funding for state employee salary increases, of which \$2,591,125 relates to performance increases and \$1,860,560 is for market equity adjustments. <b>The Senate added \$41,766 to correct the executive compensation package.</b>	\$2,403,910	\$2,047,775	\$4,451,685
2. Increases funding for operating expenses due to inflation and the management of the community transformation grant programs, including the following major increases:	\$61,312	\$685,530	\$746,842

	Increase	Total Provided
Travel	\$65,001	\$206,652
Information technology - Data processing	\$22,130	\$240,947
Fees - Professional fees	\$623,376	\$1,690,226

- |  |             |           |             |
|--|-------------|-----------|-------------|
| 3. Adds funding for community transformation grants to provide a total of \$200,000  |             | \$200,000 | \$200,000   |
| 4. Adds funding for grants to local public health units in oil-impacted areas of the state to provide a total of \$1,184,000   | \$1,184,000 |           | \$1,184,000 |
| 5. Increases funding for local public health units to provide a total of \$3,750,000 from the general fund. The additional funds are to be distributed to public health units in non-oil-producing counties. | \$750,000   |           | \$750,000   |

**Medical Services**

- |  |          |           |           |
|--|----------|-----------|-----------|
| 6. Adjusts funding for various operating expenses for inflation and the immunization program, including the following increases: | \$29,989 | \$486,944 | \$516,933 |
|--|----------|-----------|-----------|

	Increase	Total Provided
Information technology - Contractual services	\$89,000	\$999,910
Information technology - Data processing	\$77,662	\$173,927
Fees - Professional services	\$147,426	\$2,582,366
Supply material - Professional	\$91,729	\$484,006
Postage	\$31,204	\$103,483
Printing	\$23,874	\$164,709

- |  |             |                |                |
|--|-------------|----------------|----------------|
| 7. Decreases medical, dental, and optical expense to remove funding provided to purchase vaccine for the statewide universal immunization project                                      |             | (\$18,901,549) | (\$18,901,549) |
| 8. Increases funding for the universal vaccine program to provide a total of \$2.5 million from the general fund   | \$1,000,000 |                | \$1,000,000    |
| 9. Increases fees - Professional services to contract with the University of North Dakota School of Medicine and Health Sciences to perform autopsies in the eastern part of the state | \$640,000   |                | \$640,000      |
| 10. Decreases grants due to a reduction in federal funds for the federal immunization program and shifting a program from the local health units back to the department                |             | (\$629,010)    | (\$629,010)    |
| 11. Increases the grants line item for a federal cancer registry program transferred to the University of North Dakota   |             | \$300,000      | \$300,000      |
| 12. Removes 2011-13 funding for bond payments  | (\$183,022) | (\$85,832)     | (\$268,854)    |
| 13. Adds funding for bond payments   | \$221,088   | \$18,848       | \$239,936      |
| 14. Adds funding for equipment over \$5,000  | \$50,000    | \$10,000       | \$60,000       |
| 15. Removes 2011-13 <b>one-time funding</b> from federal fiscal stimulus funds   |             | (\$589,538)    | (\$589,538)    |
| 16. Adds <b>one-time funding</b> from federal fiscal stimulus funds for interoperability of the immunization registry system   |             | \$130,000      | \$130,000      |

**Health Resources**

- |   |          |           |           |
|---|----------|-----------|-----------|
| 17. Adjusts funding for various operating expenses for inflation and the completion of the nurse aid registry, including the following major increases (decreases): | \$66,676 | \$113,538 | \$180,214 |
|---|----------|-----------|-----------|

	Increase (Decrease)	Total Provided
Travel	\$172,419	\$972,709
Supplies - Information technology software	\$22,499	\$66,461
Information technology data processing	(\$42,749)	\$136,825

- |   |           |            |            |
|---|-----------|------------|------------|
| 18. Adds funding for oil-related temporary FTE positions                            | \$140,063 |            | \$140,063  |
| 19. Adjusts funding source of oil-related FTE positions                             | \$24,978  | (\$24,978) | \$0        |
| 20. Removes 2011-13 funding for equipment over \$5,000                              |           | (\$15,000) | (\$15,000) |
| 21. Adds funding for equipment and information technology equipment over \$5,000    |           | \$25,000   | \$25,000   |
| 22. Adds <b>one-time funding</b> for a food and lodging licensing management system | \$110,000 |            | \$110,000  |

**Community Health**

23. Adjusts funding for various operating expenses, including the following major increases (decreases): \$174,880      \$511,407      \$686,287

	Increase (Decrease)	Total Provided
Supply/material - Professional	\$77,140	\$635,654
Supplies - Information technology software	\$19,160	\$86,872
Information technology - Data processing	\$29,024	\$169,070
Rentals/leases - Building/land	\$22,089	\$170,081
Information technology contractual services and repairs	(\$82,636)	\$283,340
Fees - Professional services	\$611,820	\$6,169,918

24. Decreases funding for operating expenses related to the cancer registry (\$280,702)      (\$280,702)
25. Adds federal funding for operating expenses related to a chronic disease coordination program \$979,076      \$979,076
26. Adds federal funding for operating expenses related to a school health program \$34,300      \$34,300
27. Increases funding for colorectal cancer screening grants to provide \$602,600 from the general fund. **The Senate added \$160,200 from the general fund for recommended followup colorectal screenings to provide a total of \$762,800 from the general fund for the colorectal screening initiative, an increase of \$285,200 from the 2011-13 biennium.** \$125,000      \$125,000
28. Increases (decreases) federal funding for grants, including the following major changes: (\$801,455)      (\$801,455)

	Increase (Decrease)	Total Provided
Cardiovascular health	(\$50,000)	\$0
Cardiovascular health program capacity building	(150,000)	0
Community defined solutions	(11,700)	938,000
Coordinated school health program	181,240	181,240
Early child comprehensive system	25,000	175,000
Family planning program	(378,010)	1,856,490
Family violence	6,333	1,381,133
Maternal and child health	(45,000)	1,606,300
Preventative health block	(120,000)	0
RPE capacity	(165,000)	0
Rape crisis	(1,422)	30,078
STOP violence against women	(39,017)	1,454,183
Safe havens	(642,000)	0
Sexual assault service program	58,148	438,148
Sexual violence prevention and education	(24,000)	151,000
Women, infants, and children peer counseling	107,700	230,000
Women, infants, and children	502,273	6,520,883
Women's Way community based	(56,000)	64,000
<b>Total</b>	<b>(\$801,455)</b>	<b>\$15,026,455</b>

29. Adds funding for Dentaquest grants from the health and consolidated laboratory fund \$100,000      \$100,000
30. Decreases funding for the state stroke registry grant program to provide a total of \$368,324 from the general fund (\$26,500)      (\$26,500)
31. Decreases funding for tobacco prevention operating expenses (\$45,254) and grants (\$463,000) (\$508,254)      (\$508,254)
32. Removes funding provided from the community health trust fund during the 2011-13 biennium for Women's Way maintenance grants (\$300,500)      (\$300,500)
33. Increases operating expenses for women, infants, and children food payments \$501,752      \$501,752
34. Removes 2011-13 funding for equipment over \$5,000 (\$30,200)      (\$30,200)

35. Removes 2011-13 **one-time funding** from federal fiscal stimulus funds for operating expenses (\$126,598) (\$126,598)

**Environmental Health**

36. Adds funding for FTE positions (\$1,137,068) in air quality (\$1,596,563 \$415,468 \$2,012,031 (1 FTE), laboratory services (1 FTE), municipal facilities (3 FTE), waste management (1 FTE), and water quality (3 FTE) to meet increased demands in the oil-impacted areas, including operating expenses (\$602,963) and equipment over \$5,000 (\$272,000)
37. Increases funding for operating costs, including the following major changes: \$257,803 \$1,209,057 \$1,466,860

	Increase (Decrease)	Total Provided
Travel	\$191,263	\$1,004,442
Supplies - Information technology software	\$57,753	\$232,941
Information technology equipment under \$5,000	(\$17,475)	\$112,125
Other equipment under \$5,000	(\$44,400)	\$33,200
Utilities	\$20,640	\$397,855
Rentals/leases - Building/land	\$38,473	\$966,046
Repairs	\$35,275	\$776,840
Information technology data processing	\$43,902	\$394,773
Information technology contractual services	\$263,024	\$458,000
Fees - Professional services	\$719,820	\$3,252,570
Medical, dental, and optical	\$98,920	\$1,995,635

38. Decreases funding for grants and transfers (\$837,423) (\$837,423)
39. Removes 2011-13 **one-time funding** provided for costs associated with litigation and other administrative proceedings involving the United States Environmental Protection Agency (EPA) (special funds from Bank of North Dakota loan) (\$500,000) (\$500,000) (\$1,000,000)
40. Provides **one-time funding** for an EPA lawsuit contingency \$500,000 \$500,000
41. Removes 2011-13 funding for bond payments (\$174,198) (\$263,931) (\$438,129)
42. Removes 2011-13 funding for extraordinary repairs (\$316,329) (\$316,329)
43. Removes 2011-13 funding for equipment (\$611,400) (\$611,400)
44. Adds funding for bond payments (\$402,752), extraordinary repairs (\$319,350), equipment (\$467,250), and information technology equipment (\$18,000) \$291,820 \$915,532 \$1,207,352
45. Removes 2011-13 **one-time funding** from federal fiscal stimulus funds for operating expenses (\$31,757) and grants (\$1,857,531) (\$1,889,288) (\$1,889,288)
46. Removes federal funding for arsenic trioxide grants (\$3,450,000) (\$3,450,000)

**Emergency Preparedness and Response**

47. Adds funding for 1 FTE position (\$135,000) to implement a community paramedic/community health care worker pilot project, including funding of \$141,600 for educational startup costs \$276,600 \$276,600
48. Decreases funding for operating costs, including the following major changes: (\$24,676) (\$704,996) (\$729,672)

	Increase (Decrease)	Total Provided
Travel	\$24,963	\$251,265
Information technology equipment under \$5,000	(\$17,670)	\$46,000
Other equipment under \$5,000	(\$21,400)	\$0
Information technology data processing	\$34,488	\$262,379
Fees - Professional services	(\$172,000)	\$415,100
Medical, dental, and optical	(\$531,604)	\$168,396

49. Increases funding for operating expenses related to statutory changes in Workforce Safety and Insurance rate recalculations for volunteer workers \$84,000 \$84,000
50. Decreases federal funding for operating expenses (\$50,828) and grants (\$16,250) for the hospital preparedness program (\$67,348) (\$67,348)
51. Removes 2011-13 funding for equipment (\$310,500) (\$310,500)

52. Adds funding for equipment over \$5,000		\$420,000	\$420,000
53. Removes 2011-13 <b>one-time funding</b> for matching funds for an ST-elevated myocardial infarction (STEMI) response grant program	(\$600,000)		(\$600,000)
54. Decreases grants provided from federal funds		(\$60,800)	(\$60,800)
55. Increases funding for rural emergency medical services grants to provide a total of \$7.34 million, of which \$1.25 million is from the insurance tax distribution fund	\$2,350,000		\$2,350,000
56. Decrease funding for emergency medical services grants to transfer funding for an emergency medical services grants manager	(\$200,000)		(\$200,000)
57. Increases the salaries and wages line item (\$139,096) and the operating expenses line item (\$60,904) for an emergency medical services grants manager	\$200,000		\$200,000

**Special Populations**

58. Increases funding for operating costs, including the following major changes:	(\$5,894)	\$99,193	\$93,299
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	Increase (Decrease)	Total Provided
Information technology data processing	\$52,668	\$99,344
Fees - Professional services	\$35,246	\$103,646

59. Removes 2011-13 funding for equipment		(\$7,661)	(\$7,661)
60. Increases (decreases) funding for grants as follows:	\$30,895	\$399,016	\$429,911

	Increase (Decrease)	Total Provided
Catastrophic relief funds	\$25,000	\$75,000
Family support contracts	9,359	49,759
Multidisciplinary clinic grants	(21,697)	378,303
Medicaid management information system grants	28,700	485,951
Medical home contract	(7)	32,480
Public health coordination	1,056	72,456
Federal loan repayment program	387,500	440,000
Increase in special populations grants	\$429,911	\$1,533,949

61. Increases the veterinarian loan program to provide \$485,000 from the general fund	\$350,000	(\$310,000)	\$40,000
62. Increases funding for the medical personnel loan repayment program to provide \$576,788 from the general fund	\$231,788	(\$75,000)	\$156,788
63. Increases funding for the dental loan repayment program to provide \$520,000, of which \$180,000 is from the general fund and \$340,000 is from the community health trust fund		\$80,000	\$80,000
64. Decreases funding for the dental new practice grant to provide \$25,000 from the community health trust fund	(\$20,000)	\$15,000	(\$5,000)
65. Removes 2011-13 <b>one-time funding</b> from federal fiscal stimulus funds for special populations primary care grants		(\$124,155)	(\$124,155)
66. Adds <b>one-time funding</b> for grants from federal fiscal stimulus funds for the immunization registry		\$25,000	\$25,000

**Other Sections in Bill**

**Environment and rangeland protection fund** - Section 3 authorizes the department to spend \$272,310 from the environment and rangeland protection fund for the ground water testing programs. Of this amount, \$50,000 is for a grant to the North Dakota Stockmen's Association for the environmental services program.

**Indirect cost recoveries** - Section 5 allows the State Department of Health to deposit indirect cost recoveries from federal programs and special funds in its operating account.

**Tobacco prevention and control trust fund** - The Senate added a section to provide an increase in funding for the continued implementation of the statewide integrated stroke system of care of \$383,000 is to be provided from the tobacco prevention and control trust fund. The Senate provided a total of \$856,324 for the statewide integrated stroke system of care, of which \$473,324 is from the general fund.

**Colorectal screening initiative** - The Senate added a section to provide recommended followup colorectal screenings as part of the colorectal screening initiative and to provide that the cost of recommended followup screenings not exceed \$1,800 per screening.

**Distribution of Emergency Medical Services financial assistance** - The Senate added a section to the bill to repeal North Dakota Century Code Section 23-46-05, relating to a distribution limit on state financial assistance for emergency medical services.

### **Continuing Appropriations**

**Combined purchasing with local public health units** - Section 23-01-28 - Vaccines are not always available to local health units so it is necessary for the State Department of Health to purchase the vaccine and request the payment from the local health units. When the vaccines are delivered and payment is received, the net effect is zero.

**Environmental quality restoration fund** - Sections 23-31-01 and 23-31-02 - Allows the State Department of Health to provide immediate and timely response to catastrophic events that threaten the public and environmental health and when the responsible party is late in responding or cannot be located

**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.

**Veterinarian and dental loan repayment** - Section 43-29.1-08 and Section 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 this section are appropriated as a continuing appropriation to the Health Council for the purpose of providing funds for the repayment of additional veterinarians' 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 four years.

### **Significant Audit Findings**

The performance audit of the State Department of Health conducted by the State Auditor's office during the 2011-12 interim identified one significant audit finding. State-supplied vaccines were not used in compliance with agreed-upon terms and conditions by a certain provider.

The statewide single audit conducted by the State Auditor's office during the 2011-12 interim identified weaknesses in the process of determining the ultimate disposition of all food instruments and cash value vouchers in the special supplemental nutrition program for women, infants, and children program.

### **Major Related Legislation**

**House Bill No. 1023** - Provides a 2011-13 deficiency appropriation to the State Department of Health for additional food and lodging for staff in western North Dakota (\$126,000) and loan repayment relating to the EPA lawsuit (\$300,000).

**House Bill No. 1038** - Requires the State Department of Health to establish and administer an autism spectrum disorder registry. A fiscal note prepared by the State Department of Health includes 2 FTE positions (\$291,464) and operating expenses (\$100,000) for a total fiscal impact of \$391,464 from the general fund.

**House Bill No. 1135** - Provides an appropriation of \$100,000 from the general fund to the State Department of Health for a grant to an organization to provide mobile dental care services, including dental treatment, prevention, and education services to low-income and underserved children in areas of the state

**House Bill No. 1175** - Requires the State Department of Health establish and maintain a comprehensive emergency cardiovascular medical system. The bill also requires the department to form an acute cardiovascular emergency medical system of care advisory committee. The fiscal note prepared by the department indicates this bill has no fiscal impact on the State Department of Health as the responsibilities are covered by a position within the executive budget recommendation.

**House Bill No. 1358** - Provides an appropriation of \$6,250,000 from the general fund for allocations by the Emergency Medical Services Advisory Council for state financial assistance to EMS providers with service areas in certain counties

**House Bill No. 1443** - Requires the State Department of Health to collaborate with the Department of Human Services, Indian Affairs Commission, and Public Employees Retirement System to develop diabetes goals and plans while completing an assessment and comparison to other chronic diseases and conditions. A fiscal note prepared by the State Department of Health indicates a fiscal impact of \$14,000 from the general fund.

**Senate Bill No. 2030** - Provides an appropriation of \$4 million from the general fund to the State Department of Health to establish, administer, and operate regional public health networks

**Senate Bill No. 2031** - Provides an appropriation of \$200,000 from the general fund and \$300,000 from special funds to the State Department of Health to implement a tribal public health unit pilot project. The department may spend money from the general fund only to the extent that matching funds from federal or other sources, including from the tribe involved in the project, are provided for the operation of the pilot project.

**Senate Bill No. 2193** - Provides an appropriation of \$200,648 from the general fund and 1 FTE position to the State Department of Health to establish and administer an autism spectrum disorder database. A fiscal note prepared by the Department of Human Services includes the fiscal impact on the State Department of Health and indicates the State Department of Health would need an additional \$190,816 from the general fund for the administration of the autism spectrum disorder database and other duties.

**Senate Bill No. 2226** - Provides an appropriation of \$709,000 from the general fund to the State Department of Health for a comprehensive state trauma system

**Senate Bill No. 2256** - Defines and establishes requirements and criteria for a home visitation program for families with young children and for pregnant women. A fiscal note prepared by the Department of Human Services indicates there is no fiscal impact on the State Department of Health or the Department of Human Services.

**Senate Bill No. 2307** - Provides an appropriation of \$357,645 from the general fund and 2 FTE positions to the State Department of Health to establish and design standards for septic systems and to regulate septic system installers. A fiscal note prepared by the State Department of Health indicates the appropriation included in the bill is sufficient for the department to perform the required duties.

**Senate Bill No. 2308** - Defines terms related to the regulation of septic system servicing, increases the civil penalties for violations, and repeals similar language in Chapter 23-19. A fiscal note prepared by the State Department of Health indicates the bill does not have a fiscal impact as the department is already completing the inspections and issuing permits for septic system servicing.

**Senate Bill No. 2354** - Provides an appropriation of \$180,000 from the general fund for a loan repayment program for dentists who practice in a public health setting or nonprofit dental clinic using a sliding fee schedule to bill patients

ATTACH:1