

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

Dalrymple Executive Budget Comparison to Prior Biennium Appropriations

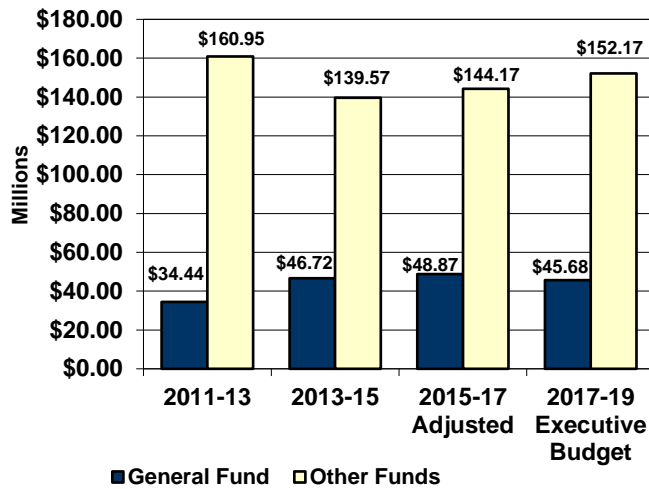
| | FTE Positions | General Fund | Other Funds | Total |
|--|---------------|---------------|---------------|---------------|
| 2017-19 Dalrymple Executive Budget | 381.00 | \$45,677,051 | \$152,167,111 | \$197,844,162 |
| 2015-17 Adjusted Legislative Appropriations ¹ | 365.00 | 48,871,568 | 144,170,964 | 193,042,532 |
| Increase (Decrease) | 16.00 | (\$3,194,517) | \$7,996,147 | \$4,801,630 |

¹The 2015-17 biennium agency appropriation amounts reflect distributions from the targeted market equity fund and general fund budget reductions and funding changes made in August 2016, but do not include additional special funds authority of \$1,936,800 resulting from Emergency Commission action during the 2015-17 biennium.

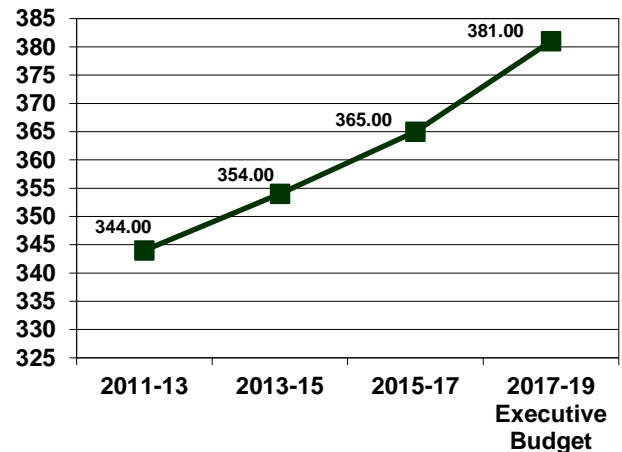
Ongoing and One-Time General Fund Appropriations

| | Ongoing General Fund Appropriation | One-Time General Fund Appropriation | Total General Fund Appropriation |
|---|------------------------------------|-------------------------------------|----------------------------------|
| 2017-19 Dalrymple Executive Budget | \$45,677,051 | \$0 | \$45,677,051 |
| 2015-17 Adjusted Legislative Appropriations | 48,535,568 | 336,000 | 48,871,568 |
| Increase (Decrease) | (\$2,858,517) | (\$336,000) | (\$3,194,517) |

Agency Funding



FTE Positions



Dalrymple Executive Budget Comparison to Base Level

| | General Fund | Other Funds | Total |
|------------------------------------|---------------|---------------|---------------|
| 2017-19 Dalrymple Executive Budget | \$45,677,051 | \$152,167,111 | \$197,844,162 |
| 2017-19 Base Level | 48,535,568 | 141,970,854 | 190,506,422 |
| Increase (Decrease) | (\$2,858,517) | \$10,196,257 | \$7,337,740 |

First House Action

Attached is a comparison worksheet detailing first house changes to base level funding and the executive budget.

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

| | General Fund | Other Funds | Total |
|--|--------------|-------------|-------------|
| Administrative support | | | |
| 1. Provides funding for state employee salary and benefit increases, of which \$30,136 is for salary increases, and \$117,629 is for health insurance increases. (The Burgum budget removed funding for salary increases and provided for employees to pay for a portion of health insurance.) The Senate removed funding for the salary increases. | \$140,493 | \$7,272 | \$147,765 |
| 2. Increases base payroll. | \$100,386 | \$204,202 | \$304,588 |
| 3. Cost-to-continue program adjustments, including reductions in operating expenses (\$124,988) and grants (\$460,740). | \$40,027 | (\$625,755) | (\$585,728) |

| | | | |
|--|---------------|-------------|---------------|
| 4. Base budget adjustments, including reductions in salaries and wages (\$66,980) and grants (\$90,160). | (\$438,699) | \$281,559 | (\$157,140) |
| 5. Restores base budget funding for salaries and wages of \$43,961 and operating expenses of \$86,597 reduced due to August 2016 general fund budget reductions. | \$130,558 | \$0 | \$130,558 |
| 6. Restores base budget funding for grants of \$535,000 reduced due to August 2016 general fund budget reductions. | \$535,000 | \$0 | \$535,000 |
| 7. Adjusts the funding source of grants to local public health units to provide a total of \$4.25 million, the same as the 2015-17 biennium, of which \$1 million is from the tobacco prevention and control trust fund. The Senate increased funding from the tobacco prevention and control trust fund by \$1 million from the base budget 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) | \$1,000,000 | \$0 |
| 8. Provides tobacco grants to local public health units from the tobacco prevention and control trust fund. The Senate dissolved the Comprehensive Tobacco Control Advisory Committee and transferred funding for the tobacco prevention and control program to the State Department of Health. The Senate added 1 FTE position for tobacco prevention and control and increased funding by \$6,453,333 from the tobacco prevention and control trust fund. Funding provided to the State Department of Health for tobacco prevention and control totals \$12,147,741, of which \$3,200,000 is from the community health trust fund, \$6,953,333 is from the tobacco prevention and control trust fund, and \$1,994,408 is from federal funds. Tobacco prevention and control funding includes \$5.5 million for grants to local public health units for tobacco prevention and control programs. | \$0 | \$3,000,000 | \$3,000,000 |
| 9. Changes the funding source for the physician loan repayment program to provide \$480,000 from the tobacco prevention and control trust fund, \$27,800 less than the adjusted 2015-17 biennium appropriation. | (\$480,000) | \$480,000 | \$0 |
| 10. Changes the funding source for the behavioral health loan repayment program to provide \$243,640 from the tobacco prevention and control trust fund, \$191,640 more than the 2015-17 biennium appropriation. | (\$243,640) | \$243,640 | \$0 |
| 11. Removes funding for equipment over \$5,000. | \$0 | (\$7,300) | (\$7,300) |
| Medical services | | | |
| 12. Provides funding for state employee salary and benefit increases, of which \$22,545 is for salary increases, and \$105,891 is for health insurance increases. | \$47,489 | \$80,947 | \$128,436 |
| 13. Increases base payroll. | \$77,764 | \$171,555 | \$249,319 |
| 14. Cost-to-continue program adjustments, including increases in operating expenses of \$491,209 and grants of \$180,000. | \$22,475 | \$648,734 | \$671,209 |
| 15. Base budget adjustments for salaries and wages. | (\$90,836) | \$53,165 | (\$37,671) |
| 16. Adjusts base budget funding for salaries and wages reduced due to August 2016 general fund budget reductions. | (\$13,012) | \$0 | (\$13,012) |
| 17. Base budget adjustment to operating expenses to discontinue the universal vaccine program. | (\$1,276,853) | \$0 | (\$1,276,853) |
| 18. Adjusts funding for equipment over \$5,000 to provide a total of \$58,468 of other funds. | (\$10,000) | \$58,468 | \$48,468 |
| 19. Adjusts funding for bond and capital payments to provide a total of \$231,288, of which \$209,836 is from the general fund. | \$492 | (\$78) | \$414 |
| 20. Removes funding for extraordinary repairs. | (\$19,820) | \$0 | (\$19,820) |
| Health resources | | | |
| 21. Provides funding for state employee salary and benefit increases, of which \$36,095 is for salary increases, and \$145,962 is for health insurance increases. | \$83,830 | \$98,227 | \$182,057 |

| | | | |
|--|-------------|---------------|---------------|
| 22. Increases base payroll. | \$12,559 | \$6,977 | \$19,536 |
| 23. Cost-to-continue program adjustments to operating expenses. | (\$29,843) | \$183,008 | \$153,165 |
| 24. Base budget adjustments, including reductions in salaries and wages (\$69,917) and operating expenses (\$79,853). | (\$169,918) | \$20,148 | (\$149,770) |
| 25. Restores base budget funding for salaries and wages of \$55,093 reduced due to August 2016 general fund budget reductions. | \$55,093 | \$0 | \$55,093 |
| 26. Removes funding for equipment over \$5,000. | \$0 | (\$10,000) | (\$10,000) |
| Community health | | | |
| 27. Provides funding for state employee salary and benefit increases, of which \$35,700 is for salary increases, and \$159,274 is for health insurance increases. The increase to the tobacco prevention and control line item totals \$17,721. | \$81,002 | \$113,972 | \$194,974 |
| 28. Adjusts base payroll, including an increase in the tobacco prevention and control line item of \$48,856. | \$87,411 | (\$234,563) | (\$147,152) |
| 29. Cost-to-continue program adjustments, including reductions in operating expenses (\$403,629), tobacco prevention and control (\$1,278,993), and grants (\$396,996). | \$6 | (\$2,079,624) | (\$2,079,618) |
| 30. Base budget adjustments, including reductions in salaries and wages (\$67,220), operating expenses (\$36,400), and grants (\$38,000). | (\$249,851) | \$108,231 | (\$141,620) |
| 31. Restores base budget funding for salaries and wages of \$41,069, operating expenses of \$26,646, and grants of \$30,000 reduced due to August 2016 general fund budget reductions. | \$97,715 | \$0 | \$97,715 |
| 32. Adds funding for equipment over \$5,000. | \$0 | \$18,750 | \$18,750 |
| 33. Changes the funding source for cancer related programs to provide funding from the tobacco prevention and control trust fund. | (\$744,804) | \$744,804 | \$0 |
| 34. The Burgum budget reduced funding provided from the tobacco prevention and control trust fund for colorectal screenings. | \$0 | (\$100,000) | (\$100,000) |
| 35. Adds one-time funding from federal funds for the implementation of electronic benefit transfer for the women, infants, and children program, including salaries and wages of \$110,000, operating expenses of \$1,594,220, and grants of \$35,000. | \$0 | \$1,739,220 | \$1,739,220 |
| Environmental health | | | |
| 36. Provides funding for state employee salary and benefit increases, of which \$125,851 is for salary increases, and \$497,276 is for health insurance increases. | \$271,632 | \$351,495 | \$623,127 |
| 37. Increases base payroll. | \$428,053 | \$186,056 | \$614,109 |
| 38. Cost-to-continue program adjustments, including reductions in operating expenses (\$17,491) and an increase in grants of \$110,000. | \$2,717 | \$89,792 | \$92,509 |
| 39. Base budget adjustments, including the removal of 1 FTE position and reductions in salaries and wages (\$382,758) and operating expenses (\$79,897). | (\$807,810) | \$345,155 | (\$462,655) |
| 40. Reduces base budget funding for salaries and wages by (\$39,449) and increases operating expenses by \$53,000 reduced due to August 2016 general fund budget reductions. | \$13,551 | \$0 | \$13,551 |
| 41. Adjusts funding for equipment over \$5,000 to provide a total of \$1,073,295 of other funds. | \$0 | \$63,173 | \$63,173 |
| 42. Adjusts funding for bond and capital payments to provide a total of \$405,589, of which \$246,095 is from the general fund. | (\$896) | (\$581) | (\$1,477) |
| 43. Adjusts funding for extraordinary repairs to provide a total of \$300,350, of which \$62,516 is from the general fund. | \$2,093 | (\$18,093) | (\$16,000) |
| 44. Changes the funding source for federal Environmental Protection Agency litigation to provide funding from the strategic investment and improvements fund. | (\$500,000) | \$500,000 | \$0 |
| 45. The Burgum budget removed 1 FTE position in the Environmental Health Division. | (\$111,233) | (\$27,808) | (\$139,041) |

Emergency preparedness and response

| | | | |
|--|-------------|---------------|---------------|
| 46. Provides funding for state employee salary and benefit increases, of which \$9,767 is for salary increases, and \$62,964 is for health insurance increases. | \$45,337 | \$27,394 | \$72,731 |
| 47. Increases base payroll. | \$64,683 | \$70,528 | \$135,211 |
| 48. Cost-to-continue program adjustments, including reductions in operating expenses (\$2,514,203) and grants (\$1,373,378). | \$65,215 | (\$3,952,796) | (\$3,887,581) |
| 49. Base budget adjustments, including reductions in salaries and wages (\$18,755), operating expenses (\$175,400), and grants (\$72,816). | (\$263,828) | (\$3,143) | (\$266,971) |
| 50. Reduces base budget funding for salaries and wages by (\$6,514) and increases operating expenses by \$200,000 reduced due to August 2016 general fund budget reductions. | \$193,486 | \$0 | \$193,486 |
| 51. Adjusts funding for equipment over \$5,000 to provide a total of \$1,359,000 of other funds. | \$0 | \$718,321 | \$718,321 |
| 52. Removes funding provided for capital payments during the 2015-17 biennium. | \$0 | (\$243,021) | (\$243,021) |
| 53. Changes the funding source for stroke and cardiac care programs to provide funding from the tobacco prevention and control trust fund. | (\$756,418) | \$756,418 | \$0 |
| 54. Reduces funding for rural emergency medical services operations grants to provide a total of \$6,875,000, of which \$5,625,000 is from the general fund and \$1,250,000 is from the insurance tax distribution fund. | (\$441,550) | \$0 | (\$441,550) |
| 55. Reduces funding for rural emergency medical services training grants to provide a total of \$846,000 from the general fund. | (\$94,000) | \$0 | (\$94,000) |
| 56. Restores base budget funding for stroke registry grants reduced due to August 2016 general fund budget reductions. | \$116,550 | \$0 | \$116,550 |

Medical marijuana

| | | | |
|--|-------------|-------------|-------------|
| 57. Provides funding for state employee salary and benefit increases, of which \$8,990 is for salary increases, and \$48,654 is for health insurance increases. | \$57,644 | \$0 | \$57,644 |
| 58. Adds funding to establish a Medical Marijuana Division, including 17 FTE positions and related salaries and wages of \$2,266,471 and operating expenses of \$3,535,626, of which \$3,802,097 is provided from the compassionate care fund. | \$2,000,000 | \$3,802,097 | \$5,802,097 |
| 59. Adds one-time funding from the compassionate care fund for medical marijuana regulation, including information technology equipment, office equipment, other capital payments, and information technology equipment over \$5,000. | \$0 | \$1,197,903 | \$1,197,903 |
| 60. The Burgum budget removed 4 FTE positions from the Medical Marijuana Division. | (\$149,786) | (\$374,492) | (\$524,278) |
| 61. The Burgum budget reduced funding for operating expenses in the Medical Marijuana Division. | (\$188,000) | (\$100,000) | (\$288,000) |

Other Sections in Senate Bill No. 2004

Environment and rangeland protection fund - Section 3 authorizes the department to spend \$250,000 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.

Insurance tax distribution fund - Section 4 provides \$1.25 million from the insurance tax distribution fund to the State Department of Health for rural emergency medical services grants during the 2017-19 biennium.

Strategic investment and improvements fund - Section 5 provides \$500,000 from the strategic investment and improvements fund to the State Department of Health for the Environmental Protection Agency lawsuit during the 2017-19 biennium.

Student loan trust fund - Section 6 provides \$360,000 from the student loan trust fund to the State Department of Health for dental loan repayment grants during the 2017-19 biennium.

Tobacco prevention and control trust fund - Section 7 provides \$11,078,195 from the tobacco prevention and control trust fund to the State Department of Health for tobacco prevention and related health programs during the 2017-19 biennium.

Community health trust fund limitation amended - Section 8 amends North Dakota Century Code Section 54-27-25 to remove the requirement that 80 percent of the transfers from the tobacco settlement trust fund be used for tobacco prevention and control.

Community health grant program - Section 9 repeals Chapter 23-38 related to the community health grant program.

Emergency - Section 10 provides the appropriation contained in the medical marijuana line item is declared to be an emergency measure.

Continuing Appropriations

Combined purchasing with local public health units - Section 23-01-28 - Allows the State Department of Health to assist the local health units to purchase vaccines. 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 - 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 as a continuing appropriation 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.

Compassionate care fund - The Senate approved Senate Bill No. 2344 which establishes the compassionate care fund for all fees collected and private donations related to the medical marijuana program. The bill also provides for a continuing appropriation from the fund to the State Department of Health for use in administering the medical marijuana program.

Deficiency Appropriation

Environmental Protection Agency lawsuit - House Bill No. 1024 contains a deficiency appropriation of \$250,000 from the strategic investment and improvements fund for a shortfall in the local public health vaccine purchasing program.

Significant Audit Findings

There were no significant audit findings for this agency.

Major Related Legislation

House Bill No. 1035 - Changes the dental loan repayment program to provide for a prorated payback of loan repayment funds if a dentist breaches the loan repayment contract.

House Bill No. 1187 - Relates to the medical food program for phenylketonuria or maple syrup urine disease.

House Bill No. 1210 - Requires the State Department of Health to establish a cardiac ready community grant program.

House Bill No. 1409 - Requires the results of certain water quality tests be reported to the State Department of Health and maintained in a database.

Senate Bill No. 2024 - Repeals the tobacco prevention and control program and amends Section 23-12-10.4(2) to provide the owner, operator, manager, or other person in control of a public place or place of employment where smoking is prohibited by Chapter 23-12 may request signage that meets the requirements of the section from the State Department of Health rather than the Tobacco Prevention and Control Advisory Committee.

Senate Bill No. 2034 - Creates a nursing faculty student loan repayment program. A fiscal note prepared by the department indicated there is no fiscal impact for the loan repayment contracts. The administrative work for this added program would be handled within the department's current budget when funding is appropriated for the loan repayment contracts.

Senate Bill No. 2099 - Modifies language relating to the immunization program and also eliminates language that permits the department to supply vaccines to insured children using a general fund appropriation on behalf of the local public health units for those under age 19. Funding for the immunization program was removed in the executive recommendation for the department.

Senate Bill No. 2154 - Suspends the provisions of Chapter 19-24, the North Dakota Compassionate Care Act, relating to issuance of applications by the State Department of Health, receipt by the department of applications for registration, and the duty of the department to issue certificates.

Senate Bill No. 2320 - Allows the State Department of Health to authorize a qualified entity to operate a syringe exchange program.

Senate Bill No. 2327 - Creates the Department of Environmental Quality and transfers duties and responsibilities relating to environmental quality from the State Department of Health to the Department of Environmental Quality.

Senate Bill No. 2344 - Provides for the implementation of the North Dakota Compassionate Care Act to authorize medical marijuana and includes a continuing appropriation for all fees and private donations related to the medical marijuana program.

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

| | Burgum Executive Budget Recommendation (Changes to Dalrymple Budget in Bold) | | | | Senate Version | | | |
|--|---|------------------|------------------|------------------|-----------------|------------------|------------------|------------------|
| | FTE Position | General Fund | Other Funds | Total | FTE Position | General Fund | Other Funds | Total |
| 2017-19 Biennium Base Level | 365.00 | \$48,535,568 | \$141,970,854 | \$190,506,422 | 365.00 | \$48,535,568 | \$141,970,854 | \$190,506,422 |
| 2017-19 Ongoing Funding Changes | | | | | | | | |
| Base payroll changes | | \$770,856 | \$404,755 | \$1,175,611 | | \$770,856 | \$404,755 | \$1,175,611 |
| Salary increase - Performance | | | | 0 | | | | 0 |
| Health insurance increase | | 588,283 | 549,367 | 1,137,650 | | 588,283 | 549,367 | 1,137,650 |
| Employee portion of health insurance | | (300,680) | (287,790) | (588,470) | | | | 0 |
| Removes 1 FTE position from the Environmental Health Division | (1.00) | (111,233) | (27,808) | (139,041) | (1.00) | (111,233) | (27,808) | (139,041) |
| Removes 4 FTE positions from the Medical Marijuana Division | (4.00) | (149,786) | (374,492) | (524,278) | (4.00) | (149,786) | (374,492) | (524,278) |
| Restores base budget reductions due to allotment | | 3,012,391 | | 3,012,391 | | 3,012,391 | | 3,012,391 |
| Base budget reductions | (1.00) | (5,154,975) | 805,115 | (4,349,860) | (1.00) | (5,154,975) | 805,115 | (4,349,860) |
| Cost to continue existing programs | | 100,597 | (5,736,641) | (5,636,044) | | 100,597 | (5,736,641) | (5,636,044) |
| Reduces funding for operating expenses from the tobacco prevention and control trust fund for colorectal screenings | | | (100,000) | (100,000) | | | (100,000) | (100,000) |
| Reduces funding for operating expenses and system costs related to the Medical Marijuana Division | | (188,000) | (100,000) | (288,000) | | (188,000) | (100,000) | (288,000) |
| Adjusts funding for bond and capital payments to provide a total of \$636,877, of which \$455,931 is from the general fund | | (404) | (243,680) | (244,084) | | (404) | (243,680) | (244,084) |
| Adjusts funding for extraordinary repairs to provide a total of \$300,350, of which \$62,516 is from the general fund | | (17,727) | (18,093) | (35,820) | | (17,727) | (18,093) | (35,820) |
| Adjusts funding for equipment over \$5,000 to provide a total of \$2,509,513 of other funds | | (10,000) | 841,412 | 831,412 | | (10,000) | 841,412 | 831,412 |
| Adjusts funding source for grants to local public health units | | (1,000,000) | 1,000,000 | 0 | | (1,000,000) | 2,000,000 | 1,000,000 |
| Increases funding for grants to local public health units | | | 3,000,000 | 3,000,000 | | | | 0 |
| Adds 1 FTE tobacco prevention and control position and increases funding for tobacco prevention and control | | | | 0 | 1.00 | | 6,453,333 | 6,453,333 |

| | | | | | | | | |
|---|-----------|---------------|---------------|---------------|---------|---------------|---------------|---------------|
| Adjusts funding source for cancer programs | (744,804) | 744,804 | 0 | (744,804) | 744,804 | 0 | | |
| Adjusts funding source for stroke and cardiac care programs | (756,418) | 756,418 | 0 | (756,418) | 756,418 | 0 | | |
| Adjusts funding source for physician loan repayment program | (480,000) | 480,000 | 0 | (480,000) | 480,000 | 0 | | |
| Adjusts funding source for behavioral health loan repayment program | (243,640) | 243,640 | 0 | (243,640) | 243,640 | 0 | | |
| Adjusts funding source for EPA litigation fees | (500,000) | 500,000 | 0 | (500,000) | 500,000 | 0 | | |
| Reduces funding for rural EMS grants | (467,820) | | (467,820) | (467,820) | | (467,820) | | |
| Reduces funding for EMS training grants | (94,000) | | (94,000) | (94,000) | | (94,000) | | |
| Adds funding and FTE positions for Medical Marijuana Division | 17.00 | 2,000,000 | 3,802,097 | 5,802,097 | 17.00 | 2,000,000 | 3,802,097 | 5,802,097 |
| Total ongoing funding changes | 11.00 | (\$3,747,360) | \$6,239,104 | \$2,491,744 | 12.00 | (\$3,446,680) | \$10,980,227 | \$7,533,547 |
| One-time funding items | | | | | | | | |
| Adds women, infants, and children program project | | | \$1,739,220 | \$1,739,220 | | | \$1,739,220 | \$1,739,220 |
| Adds one-time funding for Medical Marijuana Division | | | 1,197,903 | 1,197,903 | | | 1,197,903 | 1,197,903 |
| Total one-time funding changes | 0.00 | \$0 | \$2,937,123 | \$2,937,123 | 0.00 | \$0 | \$2,937,123 | \$2,937,123 |
| Total Changes to Base Level Funding | 11.00 | (\$3,747,360) | \$9,176,227 | \$5,428,867 | 12.00 | (\$3,446,680) | \$13,917,350 | \$10,470,670 |
| 2017-19 Total Funding | 376.00 | \$44,788,208 | \$151,147,081 | \$195,935,289 | 377.00 | \$45,088,888 | \$155,888,204 | \$200,977,092 |

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

**Burgum Executive Budget Recommendation
(Changes to Dalrymple Budget in Bold)**

| | |
|---|---|
| Environment and rangeland protection fund | Section 3 authorizes the department to spend \$250,000 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. |
| Insurance tax distribution fund | Section 4 provides \$1.25 million from the insurance tax distribution fund to the State Department of Health for the 2017-19 biennium. The section does not identify the purpose; however, the department's base budget includes \$1.25 million from the insurance tax distribution fund for rural emergency medical services grants. |

Senate Version

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|---|--|
| Environment and rangeland protection fund | Includes a section to authorize the department to spend \$250,000 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. |
| Insurance tax distribution fund | Adds a section to provide \$1.25 million from the insurance tax distribution fund to the State Department of Health for rural emergency medical services grants during the 2017-19 biennium. |

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

**Burgum Executive Budget Recommendation
(Changes to Dalrymple Budget in Bold)**

Senate Version

| | | |
|--|--|---|
| Strategic investment and improvements fund | Section 5 provides \$500,000 from the strategic investment and improvements fund to the State Department of Health for the 2017-19 biennium. The section does not identify the purpose; however, Governor Dalrymple's budget address indicated the executive recommendation includes \$500,000 from the strategic investment and improvements fund for the Environmental Protection Agency lawsuit, instead of the general fund. | Adds a section to provide \$500,000 from the strategic investment and improvements fund, instead of the general fund, to the State Department of Health for legal fees related to the Environmental Protection Agency lawsuit. |
| Student loan trust fund | | Adds a section to provide \$360,000 from the student loan trust fund to the State Department of Health for dental loan repayment program grants. |
| Tobacco prevention and control trust fund | | Adds a section to provide \$11,098,195 from the tobacco prevention and control trust fund to the State Department of Health for tobacco prevention and related health programs. |
| Community health grant program | | Adds a section to repeal Chapter 23-38 related to the community health grant program. |
| Tobacco settlement trust fund | | Adds a section to amend Section 54-27-25(1) to remove the requirement that 80 percent of the transfers from the tobacco settlement trust fund to the community health trust fund must be used for tobacco prevention and control. |
| Emergency | Section 6 provides the appropriation contained in the medical marijuana line item is declared to be an emergency measure. | Adds a section to provide the appropriation contained in the medical marijuana line item is declared to be an emergency measure. |

Department 301 - State Department of Health

Appropriations Comparisons to the Original and Adjusted Base Budgets

General Fund Appropriations Adjustments (As a result of the August 2016 General Fund Budget Reductions)

| | Ongoing | One-Time | Total |
|--|--------------|-----------|--------------|
| 2015-17 original general fund appropriations | \$51,910,238 | \$336,000 | \$52,246,238 |
| General fund reductions | (3,374,670) | 0 | (3,374,670) |
| Adjusted 2015-17 appropriations | \$48,535,568 | \$336,000 | \$48,871,568 |
| Dalrymple Executive Budget changes | (2,858,517) | (336,000) | (3,194,517) |
| 2017-19 Dalrymple Executive Budget | \$45,677,051 | \$0 | \$45,677,051 |

Summary of August 2016 General Fund Budget Reductions

| | Ongoing | One-Time | Total |
|---|---------------|----------|---------------|
| Salaries and wages saving related to turnover, limiting 2 nd year increases, and adjusting the funding source to special funds | (\$443,427) | \$0 | (\$443,427) |
| Savings related to discontinuing the immunization program | (1,700,000) | 0 | (1,700,000) |
| Operating expense savings related to reductions in travel, professional fees, and adjusting the funding source for certain expenses | (366,243) | 0 | (366,243) |
| Savings related to reductions in funding for grants | (865,000) | 0 | (865,000) |
| Total reductions | (\$3,374,670) | \$0 | (\$3,374,670) |
| Percentage reduction to ongoing and one-time general fund appropriations | 6.50% | 0.00% | 6.46% |

2017-19 Dalrymple Executive Budget Changes to the Original and Adjusted Base Budgets

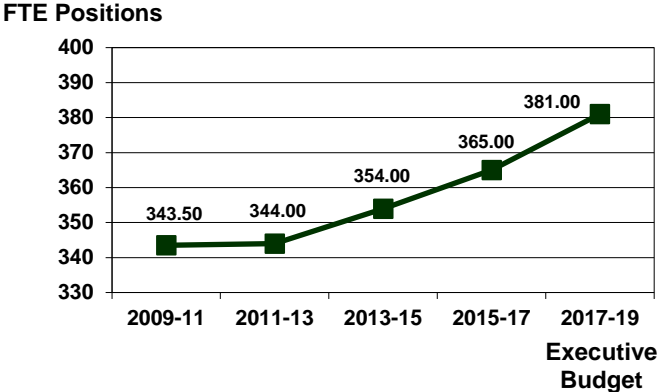
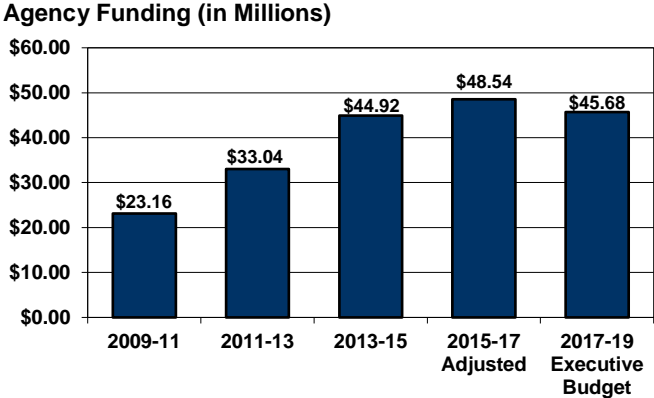
| | Changes to Original Budget | Budget Reduction Adjustments | Changes to Adjusted Budget |
|---|-------------------------------|---------------------------------|-------------------------------|
| Provides funding for state employee salary and benefit increases, of which \$269,084 is for salary increases, and \$1,137,650 is for health insurance increases | \$727,427 | \$0 | \$727,427 |
| Increases base payroll | 408,577 | 0 | 408,577 |
| Cost-to-continue program adjustments | 100,597 | 0 | 100,597 |
| Base budget reductions | (2,020,942) | 1,491,220 | (529,722) |
| Adjusts the funding source of grants to local public health units | (1,000,000) | 0 | (1,000,000) |
| Changes the funding source for the physician loan repayment program | (480,000) | 0 | (480,000) |
| Changes the funding source for the behavioral health loan repayment program | (243,640) | 0 | (243,640) |
| Base budget adjustment to operating expenses to discontinue the universal vaccine program | (2,976,853) | 1,700,000 | (1,276,853) |
| Adjusts funding equipment over \$5,000 | (10,000) | 0 | (10,000) |
| Adjusts funding for bond and capital payments | (404) | 0 | (404) |
| Adjusts funding for extraordinary repairs | (17,727) | 0 | (17,727) |
| Changes the funding source for cancer related programs to provide funding from the tobacco prevention and control trust fund | (744,804) | 0 | (744,804) |
| Changes the funding source for federal Environmental Protection Agency litigation to provide funding from the strategic investment and improvements fund | (500,000) | 0 | (500,000) |
| Changes the funding source for stroke and cardiac care programs to provide funding from the tobacco prevention and control trust fund | (756,418) | 0 | (756,418) |

| | Changes to Original Budget | Budget Reduction Adjustments | Changes to Adjusted Budget |
|--|-----------------------------------|-------------------------------------|-----------------------------------|
| Reduces funding for rural emergency medical services operations grants | (625,000) | 183,450 | (441,550) |
| Reduces funding for rural emergency medical services training grants | (94,000) | 0 | (94,000) |
| Adds funding to establish a Medical Marijuana Division | 2,000,000 | 0 | 2,000,000 |
| Total | (\$6,233,187) | \$3,374,670 | (2,858,517) |

Department 301 - State Department of Health

Historical Appropriations Information

Ongoing General Fund Appropriations Since 2009-11



| Ongoing General Fund Appropriations | | | | | |
|---|--------------|--------------|--------------|------------------|------------------------------------|
| | 2009-11 | 2011-13 | 2013-15 | 2015-17 Adjusted | 2017-19 Dalrymple Executive Budget |
| Ongoing general fund appropriations | \$23,155,294 | \$33,039,780 | \$44,921,508 | \$48,535,568 | \$45,677,051 |
| Increase (decrease) from previous biennium | N/A | \$9,884,486 | \$11,881,728 | \$3,614,060 | (\$2,858,517) |
| Percentage increase (decrease) from previous biennium | N/A | 42.7% | 36.0% | 8.0% | (5.9%) |
| Cumulative percentage increase (decrease) from 2009-11 biennium | N/A | 42.7% | 94.0% | 109.6% | 97.3% |

Major Increases (Decreases) in Ongoing General Fund Appropriations

2011-13 Biennium

- Increased funding for the domestic violence and rape crisis program grants to provide \$1.7 million. \$1,000,000
- Removed 1 FTE position for injury prevention, but did not remove the funding and provided the department may transfer 1 FTE position from tobacco prevention.
- Provided funding for prenatal alcohol screening and intervention grants. \$388,458
- Increased funding for suicide prevention and early intervention, including temporary salaries and wages (\$118,751), operating costs (\$172,742), and grants (\$450,000). Funding from the general fund for grants totals \$700,000. \$741,493
- Increased funding from the general fund for state stroke registry operating expenses (\$78,500) and grants (\$172,200) to replace funding from the community health trust fund during the 2009-11 biennium and to provide for a total of \$473,324. \$473,324
- Increased grants to local public health units to provide a total of \$3 million from the general fund. \$600,000
- Increased funding for colorectal cancer screening grants and replaces funding from the community health trust fund during the 2009-11 biennium to provide for a total of \$477,600, all of which is from the general fund. \$477,600
- Added funding for grants to continue the Safe Havens supervised visitation and exchange program. \$425,000
- Added funding to provide for a public water system operator certification and training program and to reimburse operators of eligible public water systems in communities with a population of 3,300 or less for certification and training expenses. \$180,000
- Added funding for state assistance grants to emergency medical services operations and related administrative costs. \$3,000,000
- Added funding for the State Department of Health to purchase vaccines through the federal vaccine purchasing contract. \$1,500,000

2013-15 Biennium

| | |
|--|-------------|
| 1. Added funding for 1 FTE position and related operating expenses to establish and administer an autism spectrum disorder database. | \$235,732 |
| 2. Increased funding for local public health units to provide a total of \$4 million from the general fund to be distributed statewide. | \$1,000,000 |
| 3. Increased funding for the universal vaccine program to provide a total of \$2.5 million from the general fund. | \$1,000,000 |
| 4. Added funding for a loan repayment program for dentists who practice in a public setting or nonprofit dental clinic using a sliding fee scale schedule to bill patients. | \$180,000 |
| 5. Added funding for recommended followup colorectal screenings to provide a total of \$762,800 from the general fund for the colorectal screening initiative. | \$285,200 |
| 6. Added funding for FTE positions (\$1,137,068) in air quality (1 FTE position), municipal facilities (3 FTE positions), waste management (1 FTE position), and water quality (3 FTE positions) to meet increased demands in the oil-impacted areas, including operating expenses (\$602,963) and equipment over \$5,000 (\$272,000). | \$1,409,382 |
| 7. Increased funding for operating costs. | \$257,803 |
| 8. Added 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 |
| 9. Increased 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. | \$2,150,000 |
| 10. Increased the veterinarian loan program to provide \$485,000 from the general fund. | \$350,000 |
| 11. Increased funding for the medical personnel loan repayment program to provide \$576,788 from the general fund. | \$231,788 |
| 12. Increased funding for continued implementation of the statewide integrated stroke system of care to provide a total of \$856,324 from the general fund. | \$383,000 |
| 13. Increased funding for the comprehensive state trauma system to provide a total of \$432,000 from the general fund. | \$332,000 |

2015-17 Biennium (Original Amounts)

| | |
|---|-------------|
| 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 |
| 8. Increased funding for rural emergency medical services (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 \$200,000
 \$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.)

2017-19 Biennium (Dalrymple and Burgum Executive Budget Recommendations)

- 1. Adjusts the funding source of grants to local public health units to provide a total of \$4.25 million, the same as last biennium, of which \$1 million is from the tobacco prevention and control trust fund. **The Senate increased funding from the tobacco prevention and control trust fund by \$1 million from the base budget 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)
- 2. Changes the funding source for the physician loan repayment program to provide \$480,000 from the tobacco prevention and control trust fund. (\$480,000)
- 3. Changes the funding source for the behavioral health loan repayment program to provide \$243,640 from the tobacco prevention and control trust fund. (\$243,640)
- 4. Base budget adjustment to operating expenses to discontinue the universal vaccine program. (\$1,276,853)
- 5. Changes the funding source for cancer related programs to provide funding from the tobacco prevention and control trust fund. (\$744,804)
- 6. Changes the funding source for federal Environmental Protection Agency litigation to provide funding from the strategic investment and improvements fund. (\$500,000)
- 7. Changes the funding source for stroke and cardiac care programs to provide funding from the tobacco prevention and control trust fund. (\$756,418)
- 8. Reduces funding for rural emergency medical services operations grants to provide a total of \$441,550
 \$6,875,000, of which \$5,625,000 is from the general fund and \$1,250,000 is from the insurance tax distribution fund.
- 9. Reduces funding for rural emergency medical services training grants to provide a total of \$846,000 from the general fund. (\$94,000)
- 10. Adds 17 FTE positions and related funding for a Medical Marijuana Division, including operating expenses and equipment. \$2,057,644
- 11. The Burgum budget removed 1 FTE position in the Environmental Health Division. (\$111,233)
- 12. The Burgum budget removed 4 FTE positions from the Medical Marijuana Division. (\$149,786)
- 13. The Burgum budget reduced funding for operating expenses in the Medical Marijuana Division. (\$188,000)