

**State Department of Health
Budget 301
House Bill Nos. 1004, 1023, Senate Bill No. 2297**

	FTE Positions	General Fund	Other Funds	Total
2003-05 legislative appropriation	313.00	\$13,101,092	\$106,481,656	\$119,582,748
2001-03 legislative appropriation	<u>316.00</u>	<u>14,929,970</u>	<u>82,473,258</u>	<u>97,403,228</u>
2003-05 appropriation increase (decrease) to 2001-03 appropriation	(3.00)	(\$1,828,878)	\$24,008,398	\$22,179,520

Item Description

Community health grant program - The 2003 Legislative Assembly appropriated \$4.7 million from the community health trust fund for tobacco prevention and control programs. The \$4.7 million appropriated to the community health grant program is to be allocated as follows:

- Forty percent for grants to public health units for programs to reduce student tobacco use.
- Forty percent for grants to public health units for programs to reduce tobacco use by residents living in the counties served by the public health units. The program may address other chronic diseases.
- Twenty percent for grants to public health units to supplement existing state aid from other sources.

In addition, Senate Bill No. 2297 provides an appropriation from the community health trust fund for the Community Health Grant Program Advisory Committee (\$100,000) and for providing grants for city, county, and state employee tobacco education and cessation programs (\$500,000). The grants to cities and counties are to be matched with a \$1 local match for every \$3 of state funds. Any unexpended 2001-03 funds for city and county tobacco cessation and education programs may be continued into the 2003-05 biennium.

Status/Result

Student tobacco programs - \$1,880,000 (40 percent) in contracts has been approved and allocated to public health units based on school enrollment in kindergarten through grade 12 (public, private, and home-schooled) in each county. As of April 29, 2004, \$535,000 of the allocated money has been spent.

County tobacco programs - \$1,880,000 (40 percent) in contracts has been approved for public health units to administer county tobacco programs as follows:

- For counties with less than 10,000 residents, \$5,000 per county plus a per capita distribution.
 - For counties with 10,000 or more residents, a per capita distribution.
- As of April 29, 2004, \$583,860 of the allocated money has been spent.

State aid - \$940,000 (20 percent) in contracts has been issued for public health units. Each public health unit will receive 1 percent of the amount allocated for each county within the unit and the remaining amount is distributed to each unit on a per capita basis. As of April 29, 2004, \$470,000 of the allocated money has been spent.

Advisory committee - The advisory committee has awarded contracts totaling \$40,000 to Minot State University (\$35,000) and North Dakota State University (\$5,000) to assist the committee with technical assistance to local grantees and for program evaluation. Advisory committee expenditures incurred as of April 29, 2004, have totaled \$18,878.

City, county, and state employee programs - The State Department of Health worked with the North Dakota Public Employees Retirement System and Blue Cross Blue Shield of North Dakota to design the state employee cessation program. Blue Cross Blue Shield of North Dakota will administer the program, which was implemented in January 2004. The 2003-05 biennium budget for state employee cessation programs is \$250,000.

Three city/county cessation programs totaling \$33,420 have been approved as of February 2004 for City County Health Department (Valley City), City of Minot, and Fargo Cass Public Health. Approximately \$204,000 was carried forward from the 2001-03 biennium; however, the State Department of Health does not anticipate that total cessation program expenditures will be more than

Tobacco “quit line” and health hotline - The Legislative Assembly authorized \$680,000 from the community health trust fund for a tobacco “quit line” and \$2.4 million from federal bioterrorism funds for an “Ask A Nurse” health hotline.

Dental loan repayment program - Senate Bill No. 2378 changed the dental loan repayment program to give the highest priority for acceptance into the program to dentists serving the smallest and most underserved communities in North Dakota. The program, as established in the 2001-03 biennium, provided loan repayment assistance to three dentists based on the size and the community served--one serving a community with less than 2,500 residents, one serving a community with less than 10,000 residents, and one serving a community with 10,000 or more residents. Each year the State Health Council is to select up to three dentists who agree to provide dental services in the state. The funds are payable over a four-year period and may not exceed \$80,000 per applicant. The 2003-05 Legislative Assembly appropriated \$380,000 from the community health trust fund for the dental loan repayment program.

East Laboratory addition (Phase I) - The 2001 Legislative Assembly approved Senate Bill No. 2023, which authorized the issuance of \$2.7 million in bonds to construct an **addition to the East Laboratory** with \$1,755,000 to be available from non-general fund sources to assist with the retirement of the bonds.

Capital improvement projects - The 2003 Legislative Assembly approved House Bill No. 1023 which authorized the issuance of bonds for State Department of Health capital projects totaling \$1,574,865, including the:

- **East Laboratory remodeling project (Phase II)** (\$614,865);
- **Construction of a new morgue** (\$800,000); and
- **Construction of a storage annex** (\$160,000).

In addition, 2003 House Bill No. 1004 appropriated \$450,000 of federal bioterrorism funds for the East Laboratory project, increasing the total project authorization to \$1,064,865. The Legislative Assembly provided that the \$614,865 of bonding authority for the East Laboratory remodeling project must be reduced by any additional available bioterrorism money.

the \$500,000 appropriated. Total expenditures of \$2,534 have been incurred as of April 29, 2004, for city and county or state employee cessation programs.

The State Department of Health has selected a promoter to develop promotional materials for the tobacco “quit line” and is in the process of issuing a request for proposal to select the provider. The anticipated startup date for the tobacco “quit line” is July 2004.

As part of a pilot project, the State Department of Health has issued a \$30,000 contract to purchase, rewrite, and transfer data from the MeritCare Health System’s current “Ask A Nurse” software. Further development of the health hotline will be based on the analysis of this pilot project.

As of March 2004, two new dentists have been approved for the dental loan repayment program--one dentist serving the Fargo Community Health Center and one serving New Rockford. Three dentists were accepted into the program during the 2001-03 biennium--two serving Minot and one serving Larimore.

East Laboratory addition - In January 2002 the Emergency Commission and Budget Section authorized an additional \$823,878 of federal funds for the East Laboratory building project (Phase I). The East Laboratory addition will be completed in May 2004 at a total cost of approximately \$3,523,878.

East Laboratory remodeling project - In October 2003 the Emergency Commission and Budget Section approved a request to increase the spending authority for the East Laboratory remodeling project (Phase II) by \$335,000. Additional funding for the project was from federal Centers for Disease Control and Prevention bioterrorism grants (\$127,000) and special funds from air contaminant program fees (\$208,000). In addition, federal bioterrorism money was made available to replace \$614,865 of bonding for the project. The total cost of the remodeling project is estimated to be \$1,399,865, \$1,191,865 from federal bioterrorism grants and \$208,000 from special funds. Subcontracts have been issued and the project is anticipated to be completed by the end of the 2003-05 biennium.

Morgue - An architect has been selected and the project is anticipated to be completed by the end of the 2003-05 biennium.

Storage annex - Subcontracts have been issued and the project is anticipated to be completed by the end of the 2003-05 biennium.

Bioterrorism funding - The State Department of Health estimated during the 2003 legislative session that \$12,790,933 of federal bioterrorism funding from the Centers for Disease Control and Prevention (CDC) (\$11,790,933) and Health Resources and Services Administration (HRSA) (\$1 million) would be made available to the department during the 2003-05 biennium.

The Emergency Commission and Budget Section approved in October 2003 the department's request to accept additional federal funds of \$2.6 million (HRSA) and carryover funds of \$3.94 million (\$470,000 from HRSA and \$3.47 million from CDC) for establishing a chemical terrorism preparedness and response program. In addition, \$127,000 of CDC funding was approved for the East Laboratory remodeling project (see above).

Pursuant to Section 1 of 2003 House Bill No. 1023, additional federal CDC bioterrorism money of \$614,865 was made available in place of bonding for the East Laboratory remodeling project (see above). The current 2003-05 biennium budget for bioterrorism funding is:

Salaries and wages (14 full-time equivalent positions)	\$1,397,186
Operating expenses	7,920,722
Capital assets - Building remodel (includes \$400,000 carryover from 2001-03 biennium for annex)	1,591,865
Capital assets - Laboratory equipment	650,000
Grants	8,513,025
Total (\$16,002,798 from CDC and \$4,070,000 from HRSA)	\$20,072,798