

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

	FTE Positions	General Fund	Other Funds	Total
2003-05 executive budget (bills as introduced)	312.00	\$13,661,364	\$106,393,159	\$120,054,523
2003-05 legislative appropriations	313.00	13,101,092	106,481,656	119,582,748
Legislative increase (decrease) to executive budget	1.00	(\$560,272)	\$88,497	(\$471,775)
Legislative increase (decrease) to 2001-03 appropriations	(3.00)	(\$1,828,878)	\$24,008,398	\$22,179,520

SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The legislative action affecting the recommended appropriation for the State Department of Health is in accordance with legislative salary and fringe benefits guidelines as contained in Senate Bill No. 2423, which allows agencies to provide salary increases of up to 1 percent on January 1, 2004, and up to 2 percent on January 1, 2005, to be funded in part from pooled savings accumulated from agency FTE position reductions.

	Major Items FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Removed funding recommended in the executive budget for state employee salary increases		(\$110,886)	(\$215,933)	(\$326,819)
Reduced funding recommended in the executive budget for state employee health insurance premiums from \$493 to \$488.70 per month per policy		(11,099)	(21,203)	(32,302)
Reduced funding for information technology. The amount reduced represents a reduction in information technology funding of approximately 5 percent. (See Related Legislation section below)		(35,200)	(11,108)	(46,308)
Changes funding for the Healthy North Dakota program, including one related FTE position, from the general fund to federal or special funds		(202,016)	202,016	0
Reduced funding from the community health trust fund for a tobacco quit line from \$800,000 to \$680,000			(120,000)	(120,000)
Removed funding from the community health trust fund for legal fees charged by the Attorney General's office related to the tobacco program			(25,000)	(25,000)
Provided funding from the environment and rangeland protection			50,000	50,000

fund for a grant to the North Dakota Stockmen's Association
environmental services program

Reduced funding for abandoned motor vehicle disposal from the abandoned motor vehicle fund from \$300,000 to \$250,000		(50,000)	(50,000)
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Provided funding from the health care cooperative agreement fund for expenses related to the certificate of public advantage program, which allows health care providers wishing to enter into cooperative agreements with other providers or with third-party payers immunity from prosecution under state antitrust laws and intended immunity under federal antitrust laws. The State Department of Health is to review any application for immunity and determine if the agreement meets certain standards of "public advantage" established in law that outweigh the disadvantages incurred through a reduction in competition.		100,000	100,000
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Reduced funding for operating expenses	(52,475)	(356,525)	(409,000)
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Reduced funding for personal computers	(58,718)		(58,718)
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Reduced funding from the general fund for basic care unit inspections	(139,878)		(139,878)
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Increased funding for basic care licensing activities	50,000	72,250	122,250
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Increased federal funds spending authority to \$35,000 for the donated dental services program		14,000	14,000
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Added federal funding and 1 FTE human service program administrator to coordinate school health programs and improve the health, education, and well-being of young people	1.00	200,000	200,000
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Removed funding from the community health trust fund for the Community Health Grant Program Advisory Committee (\$100,000) and for city and county employee tobacco cessation programs (\$250,000) (See Related Legislation section below)		(350,000)	(350,000)
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Provided funding from the community health trust fund for the Community Health Grant Program Advisory Committee (\$100,000) and for city, county, and state employee tobacco education programs (\$500,000) in Senate Bill No. 2297 (See Related Legislation section below)		600,000	600,000
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Total	<u>1.00</u>	<u>(\$560,272)</u>	<u>\$88,497</u>	<u>(\$471,775)</u>
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FTE Changes

The 2003-05 appropriation includes funding for 313 FTE positions, a decrease of 3 FTE positions from the 2001-03 authorized level of 316 FTE positions as follows:

Adds	
Public information specialist	1
Physician - State medical officer	1
Information center specialist	1
Multimedia developer	1
Microbiologist	1
Epidemiologists	5
Human service program administrators	3
Environmental scientist	0.5
Administrative assistant	1
Lab technician (transferred from the State Water Commission)	1
Human service program administrator	1
Total	16.5
Deletes	
Crime Laboratory positions (transferred to the Attorney General's office)	14.5
Administrative services chief	1
Human services program administrator	1
Environmental scientists	2
Environmental engineer	1
Total	19.5

Other Sections in Bill

Combined purchasing with local public health units - Section 10 authorizes the State Department of Health to make combined or joint purchases with or on behalf of local public health units for items or services and provides a continuing appropriation for the local public health unit's share of the purchases which are deposited in the department's operating fund.

Basic care facilities license fees - Section 11 provides for an annual \$10 per bed license fee for basic care facilities to be deposited in the State Department of Health services operating fund, which is estimated to generate \$32,500 during the 2003-05 biennium.

Nursing facilities license fees - Section 12 provides for an increase in the annual per bed licensing fee for nursing facilities from \$7 to \$10 to be deposited in the department's operating fund, which is estimated to increase revenues by \$39,750 during the 2003-05 biennium.

Employee outsourcing - Section 13 provides for the State Department of Health to consider the option of outsourcing employee positions whenever reasonable and report to the Budget Section during the 2004-05 interim on the status of outsourcing employees.

Nursing home survey process study - Section 14 provides for a Legislative Council study during the 2003-04 interim of the nursing home survey process, including a review of federal, state, and local agency procedures and requirements that result in additional costs, duplicated procedures, and added regulations for nursing homes. The study is to explore the potential for mitigating the impact of new mandated federal rules through additional collaboration between the State Department of Health and the Department of Human Services and the submission of waiver requests.

Capital Improvements

House Bill No. 1023 authorizes the issuance of bonds for State Department of Health capital projects totaling \$1,574,865, including the East Laboratory remodeling project (\$614,865) and the construction of a new morgue (\$800,000) and storage annex (\$160,000). In addition, House Bill No. 1004 appropriates \$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.

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.

Tobacco Prevention and Control Programs

The Legislative Assembly appropriated \$4.7 million from the community health trust fund for tobacco prevention and control programs. The total 2003-05 appropriation for tobacco prevention and control programs, including \$2.4 million of federal funding from the Centers for Disease Control and Prevention and \$680,000 for the tobacco “quit line” is \$7,783,097.

Bioterrorism Funding

The total 2003-05 funding anticipated to be received by the State Health Department from the Centers for Disease Control and Prevention (\$11,790,933) and Health Resources and Services Administration (\$1 million) for bioterrorism programs is as follows:

Salaries and wages (13.25 FTE positions)	\$1,253,236
Operating expenses	3,514,672
Health hotline	2,400,000
Capital assets - Building remodel	450,000
Grants	<u>5,173,025</u>
Total	\$12,790,933

State Aid to Local Health Districts

The Legislative Assembly appropriated \$1.1 million from the general fund for grants to local public health units for the 2003-05 biennium.

Related Legislation

Deputy state health officer duties - House Bill No. 1123 provides that a deputy state health officer who does not hold a health-related degree may not individually issue an order regarding public health unless the order is cosigned by a physician who is employed by the State Department of Health or cosigned by the state epidemiologist.

Reporting of disease outbreaks - House Bill No. 1414 provides procedures for emergency reporting of diseases, and principles which the state or local health officers must adhere to when isolating or quarantining individuals or groups of individuals.

Information technology position transfer - House Bill No. 1505 provides for 1 FTE position relating to information technology services, including electronic mail, file and print server administration, data base administration, storage, application server, and hosting services to be reduced from the State Department of Health and transferred to the Information Technology Department.

Special funds transfer - Section 2 of House Bill No. 1505 authorizes the Office of Management and Budget to transfer \$11,108 of special funds reduced from the State Department of Health’s information technology budget to the Information Technology Department for funding a portion of the Information Technology Department’s operating budget.

Community health grant program - 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, estimated to be \$150,000 by the State Department of Health, may be continued into the 2003-05 biennium. The State Health Officer is to monitor the implementation of the community health grant program and provide a report to the Legislative Council no later than September 30, 2004.

Dental loan repayment program - Senate Bill No. 2378 changes 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 of 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. The 2003-05 appropriation for the dental loan repayment program is \$380,000 from the community health trust fund.