

**State Department of Health
Budget No. 301
Senate Bill No. 2004, House Bill Nos. 1012, 1050, 1069**

	FTE Positions	General Fund	Other Funds	Total
2005-07 executive budget (bills as introduced)	317.00	\$14,439,108	\$112,120,210	\$126,559,318
2005-07 legislative appropriations	<u>311.50</u>	<u>13,468,904</u>	<u>112,270,220</u>	<u>125,739,124</u>
Legislative increase (decrease) to executive budget	(5.50)	(\$970,204)	\$150,010	(\$820,194)
Legislative increase (decrease) to 2003-05 appropriations	(1.00) ¹	\$367,812	\$5,788,564	\$6,156,376

¹The number of FTE positions for the 2003-05 biennium has been adjusted to reflect the reduction and transfer of a .5 FTE position relating to information technology services, including electronic mail, file and print server administration, data base administration, storage, application server, and hosting services from the State Department of Health to the Information Technology Department as of November 1, 2003, provided for in Section 10 of House Bill No. 1505 (2003).

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 House Bill No. 1050.

	Major Items FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Added funding for state employee salary increases		\$49,356	\$88,853	\$138,209
Reduced funding recommended in the executive budget for state employee health insurance premiums from \$559.15 to \$553.95 per month per policy		(9,849)	(29,962)	(39,811)
Provided funding for grants for suicide prevention programs on the Standing Rock Indian Reservation (HB 1012)		30,000		30,000
Provided funding for defraying the cost of paying military service retirement credit (HB 1069)		5,920	10,738	16,658
Decreased funding and removed FTE positions for the worksite wellness program, which was included in the executive budget recommendation. Other funds spending authority was provided for the department to contract with a nonstate entity for a worksite wellness pilot project.	(2.50)	(517,766)	135,000	(382,766)
Changed the funding source for food and lodging inspections from primarily general fund money to primarily special funds from license fee collections. In addition, it was provided that license	(1.00)	(527,865)	511,546	(16,319)

fees are to be determined by the department rather than set in statute and that the fees collected are to be retained by the department to operate the food and lodging inspection program rather than be deposited in the general fund as departmental collections. An environmental health inspector FTE position, which was included in the executive recommendation to conduct additional food and lodging inspections, was removed. (See **Food and Lodging Inspections** section below)

Removed funding from the health care trust fund for the scholarship and nurses' student loan repayment grant program		(489,500)	(489,500)
Reduced funding from the health care trust fund for the quick response unit pilot project from \$225,000 to \$125,000		(100,000)	(100,000)
Provided other funds spending authority for the department to receive a grant to address arsenic issues in southeastern North Dakota		700,000	700,000
Removed 1 FTE program administrator position and decreased funding for the asthma program. The department is to request approval from the Emergency Commission and Budget Section if federal funding for this program is available.	(1.00)	(604,265)	(604,265)
Increased spending authority from the domestic violence prevention fund from \$280,000 to \$340,000 for grants. Additional revenues of approximately \$60,000 will be collected due to a \$6 increase in the marriage license fee as provided for in 2005 Senate Bill No. 2361.		60,000	60,000
Added \$220,000 of other funds spending authority for abstinence programs with the intent that the State Department of Health pursue additional funding for the program		220,000	220,000
Removed 1 FTE position and related funding for a proposed health care data warehouse program	(1.00)	(352,400)	(352,400)
Total	<u>(5.50)</u>	<u>\$150,010</u>	<u>(\$820,194)</u>

FTE Changes

The 2005-07 appropriation includes funding for 311.5 FTE positions, a decrease of 1 FTE position from the 2003-05 authorized level of 312.5 positions. The Legislative Assembly authorized 1 FTE human service program administrator position for tobacco prevention to coordinate tobacco cessation activities and removed 1 FTE administrator position related to the asthma program and 1 FTE position in the Administrative Support Division related to the data warehouse program.

Other Sections in Bill

Abandoned motor vehicle disposal fund - Section 4 provides \$250,000 from the abandoned motor vehicle disposal fund, the same as the 2003-05 biennium. The funding source for this fund is from the \$2 tax on each initial North Dakota certificate of title issued on vehicles.

Environment and rangeland protection fund - Section 5 provides funding from the environment and rangeland protection fund for the ground water testing program (\$202,808) and for a grant to the North Dakota Stockmen's Association environmental services program (\$50,000).

Community health trust fund - Section 9 provides that the State Department of Health is appropriated \$6,610,000 from the community health trust fund. The funding is for tobacco prevention and control (\$4.7 million), dentists' loan program (\$420,000), tobacco "quit line" (\$884,000), tobacco cessation grants (\$395,000), Community Health Grant Advisory Committee (\$100,000), and for salaries and wages and operating expenses for the tobacco prevention coordinator position (\$111,000). See community health trust fund analysis in the **Trust Fund Analyses** section of this report.

Indirect cost recoveries - Section 10 allows the State Department of Health to deposit indirect cost recoveries from federal programs and special funds in its operating account.

Environmental review process - Section 13 provides that the State Department of Health establish an environmental review process for commercial buildings.

Healthy North Dakota program study - Section 20 provides for a Legislative Council study of the costs and benefits of adopting a comprehensive Healthy North Dakota and workplace wellness program in collaboration with the State Department of Health, health insurers and other third-party payers, Workforce Safety and Insurance, interested nonprofit health-related agencies, and others who have an interest in establishing accident and disease prevention programs.

Public health infrastructure and food and lodging inspection study - Section 21 provides for a Legislative Council study of the state's public health unit infrastructure and the ability of the public health units to respond to public health issues. The study is to include an assessment of the efficiency of operations, given the personnel and financial resources available, and the effectiveness of services, given the lines of governmental authority of the current infrastructure. The study is also to examine the efficiency of the food and lodging investigation services provided by the State Department of Health and public health units and the development of a plan maximizing efficiencies through a coordinated system and fee structure. (See **Food and Lodging Inspections** section below)

Tobacco settlement collections study - Section 22 provides for a Legislative Council study to determine the funding guidelines for additional tobacco settlement funds that are anticipated to be received and deposited in the community health trust fund from 2008 through 2017. The additional funding is provided based on each state's contribution to litigation or resolution of state tobacco lawsuits.

Worksite wellness pilot project - Section 23 provides legislative intent that the State Department of Health use federal funding to match nonstate funding and contract with a nonstate entity for a worksite wellness pilot project.

Funding for abstinence programs - Section 24 provides intent that the State Department of Health pursue \$220,000 for abstinence programs from federal grants or other sources and the new funding be in addition to existing funding for abstinence programs.

Federal bioterrorism funding - Section 25 provides intent that FTE employee positions funded with federal bioterrorism grants be discontinued when the funding for the programs ends. The 2005-07 biennium funding for bioterrorism programs is as follows:

	2005-07 Biennium
Salaries and wages (15 FTE positions)	\$1,651,940
Operating expenses	3,776,048
Capital assets	232,015
Grants	9,876,406
Total	\$15,536,409

Bioterrorism funding sources as compared to the 2003-05 biennium as listed in the schedule below:

	2003-05 Biennium	2005-07 Biennium	Increase (Decrease)
Centers for Disease Control and Prevention (CDC)	\$15,997,399	\$10,938,441	(\$5,058,958)
Health Resources and Services Administration (HRSA) hospital preparedness program	4,075,399	4,597,968	522,569
Total	\$20,072,798	\$15,536,409	(\$4,536,389)

Basic care survey pilot project - Section 26 provides for the State Department of Health to develop a pilot project to test an announced basic care survey process. The pilot project will begin with 50 percent of the state-licensed basic care providers surveyed receiving an announced survey and the remaining receiving an unannounced survey. The State Department of Health is to evaluate the pilot project and submit a report to the Legislative Council during the 2005-06 interim, which is to include a recommendation of whether the unannounced survey process should continue for all basic care facilities.

Food and Lodging Inspections

The Legislative Assembly removed 1 FTE food and lodging inspector position and a total of \$16,319 of appropriation authority, as compared to the executive recommendation, for food and lodging inspections as follows:

	Executive Recommendation	Legislative Authorization	Increase (Decrease)
Salaries and wages	\$688,929	\$598,852	(\$90,077)
Operating expenses	73,483	147,241	73,758
Total	\$762,412	\$746,093	(\$16,319)
General fund	\$652,865	\$125,000	(\$527,865)
Federal funds	79,429	79,429	
Special funds	30,118	541,664	511,546
Total	\$762,412	\$746,093	(\$16,319)
FTE positions	7	6	(1)

The Legislative Assembly changed the funding source for food and lodging inspections from primarily general fund money to primarily special funds from food and lodging license fee collections and provided that the food and lodging license fees be retained by the department to operate the inspection program rather than deposited in the general fund as departmental collections. The State Department of Health estimated 2005-07 biennium food and lodging license revenues to be \$351,664. The North Dakota Century Code references to food and lodging license fee rates were removed by the Legislative Assembly and the State Department of Health was provided authority to determine the license fees through the departmental rules process. Based on special funds spending authority for the food and lodging inspection program of \$541,664, food and lodging inspection fees will increase by approximately \$190,000 for the biennium.

Capital Improvements

The Legislative Assembly appropriated \$685,309, of which \$340,636 is from the general fund and \$344,673 is from federal funds for bond payments for the laboratory addition and \$107,960 from federal funds for extraordinary repairs for the laboratory building.

Related Legislation

Regulatory assurances for contaminated property - House Bill No. 1279 provides a continuing appropriation to the State Department of Health from the environmental remediation operating fund to develop rules and collect fees related to contaminated property remediation activities.

State-community matching physician loan repayment program - Senate Bill No. 2266 increases the maximum amount available under the state-community matching physician loan repayment program to a qualifying physician for loan repayment from \$40,000 to \$45,000 and provides that the loan may be repaid over two years rather than four years. The State Health Council may select any number of recipients and communities each year as participants in the program subject to the availability of funding. The total appropriation for this program is \$75,000 from the general fund.

Domestic violence prevention fund - Senate Bill No. 2361 increases the supplemental marriage license fee for aid to victims of domestic violence from \$29 to \$35. The funding is deposited in the domestic violence prevention fund pursuant to North Dakota Century Code Chapter 14-07.1.