

**Department 301 - State Department of Health
House Bill No. 1004**

Executive Budget Comparison to Prior Biennium Appropriations

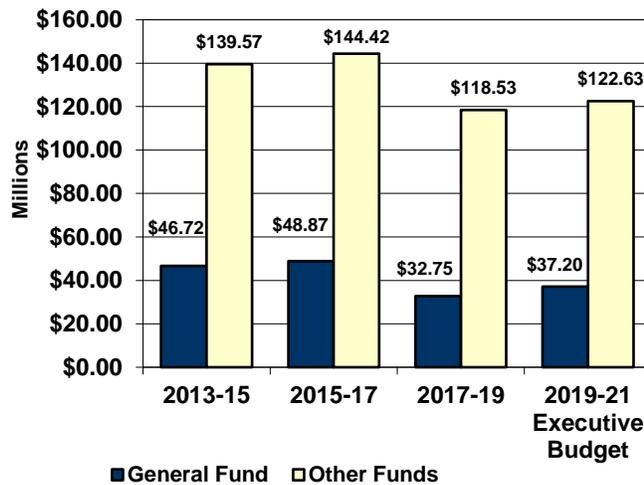
	FTE Positions	General Fund	Other Funds	Total
2019-21 Executive Budget	199.50	\$37,195,042	\$122,634,824	\$159,829,866
2017-19 Legislative Appropriations ¹	211.50	32,750,309	118,532,438	151,282,747
Increase (Decrease)	(12.00)	\$4,444,733	\$4,102,386	\$8,547,119

¹The 2017-19 biennium agency appropriation amounts include \$1,420,000 from special funds received from the Adjutant General for defraying law enforcement support expenses related to unlawful activity associated with the construction of the Dakota Access Pipeline, but do not include additional special funds authority of \$465,195 resulting from Emergency Commission action during the 2017-19 biennium.

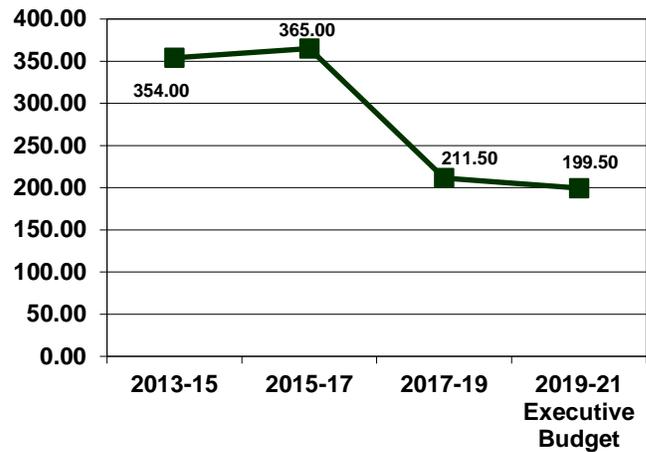
Ongoing and One-Time General Fund Appropriations

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2019-21 Executive Budget	\$37,105,042	\$90,000	\$37,195,042
2017-19 Legislative Appropriations	32,750,309	0	32,750,309
Increase (Decrease)	\$4,354,733	\$90,000	\$4,444,733

Agency Funding¹



FTE Positions¹



¹The decrease in agency funding and FTE positions from the 2015-17 biennium to the 2017-19 biennium reflects the transfer of the Environmental Health Section of the State Department of Health to the new Department of Environmental Quality pursuant to Senate Bill No. 2327 (2017). Funding for the Department of Environmental Quality is provided in House Bill No. 1024.

Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
2019-21 Executive Budget	\$37,195,042	\$122,634,824	\$159,829,866
2019-21 Base Level	32,750,309	115,278,152	148,028,461
Increase (Decrease)	\$4,444,733	\$7,356,672	\$11,801,405

Attached as an appendix is a detailed comparison of the executive budget to the agency's base level appropriations.

Executive Budget Highlights

	General Fund	Other Funds	Total
Fiscal and Operations			
1. Adds funding for state employee salary and benefit increases, of which \$266,546 is for salary increases, \$146,818 is for health insurance increases, and \$34,695 is for retirement contribution increases.	\$163,331	\$284,728	\$448,059
2. Adjusts base payroll.	\$374,485	(\$702,656)	(\$328,171)

3. Cost to continue program adjustments, including increases in operating expenses of \$36,280 and grants of \$944,360, including increases in the behavioral health loan repayment program of \$120,360 and the physician and midlevel loan repayment program of \$224,000. The veterinarian loan repayment program is reduced by \$50,000.	\$522,840	\$457,800	\$980,640
4. Removes funding for .5 FTE account technician position and reduces funding for salaries and wages (\$1,264,949) and operating expenses (\$396,402) to meet the Governor's 90 percent budget and FTE reduction guidelines. This reduction includes a decrease in funding from the general fund of \$1,542,106 related to changing the funding source for vital records to service fee revenue.	(\$1,566,724)	(\$94,627)	(\$1,661,351)
5. Increases vital records fees and restores funding for salaries and wages of \$1,218,501 and operating expenses of \$704,821 removed as part of the base budget reductions for the Vital Records Division from fee collections.	\$0	\$1,923,322	\$1,923,322
6. Removes .5 FTE undesignated position without funding and adds funding for information technology operating expenses related to the unification initiative.	\$162,501	\$577,832	\$740,333
7. Reduces funding from the student loan trust fund for the dental loan repayment program (\$36,000) to meet the Governor's 90 percent budget guidelines. In the department's cost to continue adjustments the remaining funding of \$324,000 from the student loan trust fund was changed to the community health trust fund. Funding from the general fund for the dental loan repayment program was increased by \$176,000 to provide a total of \$740,000, of which \$416,000 is from the general fund and \$324,000 is from the community health trust fund.	\$0	(\$36,000)	(\$36,000)
8. Adjusts the funding source of grants to local public health units to provide a total of \$4,725,000 from the general fund, \$525,000 less than the \$5,250,000 provided in the 2017-19 biennium, of which \$3,250,000 was from the general fund and \$2,000,000 was from the tobacco prevention and control trust fund.	\$1,475,000	(\$2,000,000)	(\$525,000)
9. Changes the funding source for the physician loan repayment program (\$480,000) and the behavioral health loan repayment program (\$243,640), to provide funding from the general fund rather than the tobacco prevention and control trust fund.	\$723,640	(\$723,640)	\$0
10. Adds funding for operating expenses related to Microsoft Office 365 licensing expenses.	\$42,377	\$82,261	\$124,638
Medical Marijuana			
11. Adjusts base payroll.	(\$272,003)	\$404,158	\$132,155
12. Removes 1 FTE office assistant III position and reduces funding for the medical marijuana program to meet the Governor's 90 percent budget guidelines.	\$0	(\$742,435)	(\$742,435)
13. Removes funding related to the medical marijuana program. Funding for the program is provided through a continuing appropriation.	(\$451,267)	(\$404,157)	(\$855,424)
Medical Services			
14. Adds funding for state employee salary and benefit increases, of which \$361,402 is for salary increases, \$196,514 is for health insurance increases, and \$41,950 is for retirement contribution increases.	\$397,319	\$202,547	\$599,866
15. Adjusts base payroll.	(\$144,112)	\$68,327	(\$75,785)
16. Cost to continue program adjustments, including increases in operating expenses of \$1,604,629 and grants of \$1,808,193.	\$466,418	\$2,946,404	\$3,412,822
17. Transfers 1 FTE data processing coordinator III position to the Information Technology Department for the information technology unification initiative.	\$0	(\$170,357)	(\$170,357)
18. Removes 1 FTE epidemiologist II position.	(\$38,040)	(\$111,882)	(\$149,922)

19. Adds funding for grants related to a federal opioid program.	\$0	\$64,990	\$64,990
20. Adjusts funding for equipment over \$5,000 to provide a total of \$670,000 from other funds.	\$0	\$283,112	\$283,112
21. Adjusts funding for bond and capital payments to provide a total of \$518,457, of which \$457,947 is from the general fund.	\$93,843	\$761	\$94,604
22. Adds funding for extraordinary repairs.	\$55,650	\$97,009	\$152,659
23. Adds one-time funding from the strategic investment and improvements fund for microbiology laboratory capital improvements.	\$0	\$1,220,000	\$1,220,000
24. Adds one-time funding, including funding from federal funds, for microbiology laboratory information technology upgrades.	\$90,000	\$360,000	\$450,000

Health Resources

25. Adds funding for state employee salary and benefit increases, of which \$342,601 is for salary increases, \$181,395 is for health insurance increases, and \$43,417 is for retirement contribution increases.	\$270,961	\$296,452	\$567,413
26. Adjusts base payroll.	(\$79,533)	\$99,039	\$19,506
27. Adds 1 FTE food and lodging environmental health position, including salaries and wages of \$159,720 and operating expenses of \$26,185.	\$185,905	\$0	\$185,905
28. Cost to continue program adjustments in operating expenses.	\$111,096	(\$213,243)	(\$102,147)
29. Removes funding for 1 FTE administrative assistant I position and 1 FTE health care facility surveyor II position and reduces funding for salaries and wages (\$258,252) and operating expenses (\$8,574) to meet the Governor's 90 percent budget and FTE reduction guidelines.	(\$104,486)	(\$162,340)	(\$266,826)
30. Transfers 2 FTE data processing coordinator III positions to the Information Technology Department for the information technology unification initiative.	(\$48,601)	(\$279,391)	(\$327,992)

Healthy and Safe Communities

31. Adds funding for state employee salary and benefit increases, of which \$345,804 is for salary increases, \$204,648 is for health insurance increases, and \$44,136 is for retirement contribution increases. Of this total \$70,402 is related to tobacco prevention and control.	\$260,579	\$334,009	\$594,588
32. Adjusts base payroll, including an increase in salaries and wages of \$281,221 and a reduction in the tobacco prevention and control line item (\$38,622).	(\$183,103)	\$425,702	\$242,599
33. Cost to continue program adjustments, including increases in operating expenses and grants of \$2,462,307 and \$4,709,359, respectively and decreases in tobacco prevention and control (\$135,528) and Women, Infants, and Children food payments (\$420,000).	\$471,188	\$6,144,950	\$6,616,138
34. Removes 1 FTE administrative assistant I position, .5 FTE public health nurse consultant II position in health promotion, and .5 FTE public health nurse consultant II position in injury prevention, and reduces funding for operating expenses (\$64,480), grants (\$50,000), and tobacco prevention and control (\$706,280) to meet the Governor's 90 percent budget and FTE reduction guidelines. Salary funding was not reduced for these positions, but was reinvested in other programs.	(\$820,760)	\$0	(\$820,760)
35. Transfers the suicide prevention program, including 1 FTE health/human services program administrator III position, and funding for salaries and wages (\$319,503), operating expenses (\$259,993), and grants (\$1,265,000), from the State Department of Health to the Department of Human Services.	(\$1,260,512)	(\$583,984)	(\$1,844,496)
36. Adds funding for equipment over \$5,000 to provide a total of \$13,197 from other funds.	\$0	(\$5,553)	(\$5,553)

37. Transfers funding from the Department of Human Services for tobacco prevention and control expenses related to reporting of youth access to tobacco.	\$75,000	\$0	\$75,000
38. Adds funding for salaries and wages of \$24,600, operating expenses of \$10,505, and grants of \$8,800 related to a federal opioid program.	\$0	\$43,905	\$43,905
39. Adds one-time funding from federal funds for operating expenses related to the continuation of the electronic benefit transfer for the Women, Infants, and Children project.	\$0	\$354,554	\$354,554
40. Transfers 1 FTE data processing coordinator III position to the Information Technology Department for the information technology unification initiative.	(\$103,986)	(\$92,214)	(\$196,200)
41. Changes the funding source for cancer programs (\$644,804) and the domestic violence program (\$300,000), to provide funding from the general fund rather than the tobacco prevention and control trust fund.	\$944,804	(\$944,804)	\$0
42. Changes the funding source for the tobacco prevention and control program, to provide funding from the general fund rather than the tobacco prevention and control trust fund.	\$8,453,333	(\$8,453,333)	\$0
43. Changes the funding source for tobacco prevention and control grants from the general fund to the community health trust fund to provide a total of \$6.5 million from the community health trust fund.	(\$6,500,000)	\$6,500,000	\$0

Emergency Preparedness and Response

44. Adds funding for state employee salary and benefit increases, of which \$109,831 is for salary increases, \$79,355 is for health insurance increases, and \$13,757 is for retirement contribution increases.	\$76,406	\$126,537	\$202,943
45. Adjusts base payroll.	\$310,949	(\$239,524)	\$71,425
46. Cost to continue program adjustments, including increases in operating expenses of \$472,307 and grants of \$326,149.	(\$462,348)	\$1,260,804	\$798,456
47. Removes 1 FTE office assistant III position and reduces funding for salaries and wages (\$108,384), operating expenses (\$75,642), and grants (\$125,000) to meet the Governor's 90 percent budget and FTE reduction guidelines.	(\$129,834)	(\$179,192)	(\$309,026)
48. Adds funding related to a federal opioid program, including salaries and wages of \$13,315, operating expenses of \$23,905, and grants of \$179,500.	\$0	\$216,720	\$216,720
49. Adjusts funding for equipment over \$5,000 to provide a total of \$835,500 from other funds.	\$0	(\$523,500)	(\$523,500)
50. Adds funding for operating expenses related to the implementation of an emergency medical services data licensing and records management system.	\$126,000	\$0	\$126,000
51. Changes the funding source for the stroke and cardiac care program, to provide funding from the general fund rather than the tobacco prevention and control trust fund.	\$756,418	(\$756,418)	\$0

Other Sections Recommended to be Added in the Executive Budget (As Detailed in the Attached Appendix)

Appropriation - Additional income - Section 3 would appropriate any additional income from federal or other funds, which may become available to the State Department of Health during the 2019-21 biennium.

Transfers - Section 4 would allow the State Department of Health to transfer between appropriation line items up to 10 percent of the department's total appropriation during the 2019-21 biennium and would require the department notify the Office of Management and Budget and the Legislative Council of any transfers.

Insurance tax distribution fund - Section 5 would identify \$1,125,000 from the insurance tax distribution fund for rural emergency medical services grants during the 2019-21 biennium.

Strategic investment and improvements fund - Section 6 would identify \$1.22 million from the strategic investment and improvements fund for microbiology laboratory roof and ventilation system replacement projects during the 2019-21 biennium.

Vital records fees - Section 7 would provide statutory changes to increase fees charged for vital records and deposit the fees into the State Department of Health operating account. The changes would also require all fees collected, in excess of fees appropriated, be transferred to the general fund at the end of the biennium.

Emergency - Section 8 would provide the one-time funding of \$450,000, of which \$90,000 is from the general fund and \$360,000 is from federal funds, provided for the microbiology laboratory technology update is declared an emergency measure.

Continuing Appropriations

Medical marijuana - North Dakota Century Code Section 19-24.1-40 establishes the medical marijuana fund and requires the State Department of Health deposit in the fund all fees collected under the medical marijuana chapter. The department must administer the fund and money in the fund are appropriated to the department on a continuing basis for use in administering the medical marijuana chapter.

Combined purchasing with local public health units - Section 23-01-28 - Provides the State Department of Health may make combined or joint purchases with or on behalf of local public health units for items or services. Payments received by the State Department of Health from local public health units pursuant to a combined or joint purchase must be deposited in the operating fund and are appropriated as a standing and continuing appropriation to the department for purchases under the section.

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.

Cardiac ready community grant program - Section 23-38.1-03 - Provides the State Department of Health may accept any gifts, grants, or donations, whether conditional or unconditional. The department or local grantees may contract public or private entities and may expend any available money to obtain matching funds for the purposes of this chapter. All money received by the State Department of Health as gifts, grants, or donations under this section are appropriated on a continuing basis to the department's operations fund for the purpose of funding the grant program.

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.

Deficiency Appropriation

There are no deficiency appropriations for this agency.

Significant Audit Findings

The State Auditor reported one single audit finding related to the State Department of Health. The State Auditor recommended the State Department of Health ensure all subrecipients obtain the appropriate audits.

Major Related Legislation

Senate Bill No. 2134 - Relates to self-grown marijuana for qualifying patients.

Senate Bill No. 2143 - Relates to the health care professional student loan repayment program.

State Department of Health - Budget No. 301
House Bill No. 1004
Base Level Funding Changes

	Executive Budget Recommendation			
	FTE Position	General Fund	Other Funds	Total
2019-21 Biennium Base Level	211.50	\$32,750,309	\$115,278,152	\$148,028,461
2019-21 Ongoing Funding Changes				
Base payroll changes		\$6,683	\$55,045	\$61,728
Salary increase		690,727	735,457	1,426,184
Health insurance increase		391,682	417,048	808,730
Retirement contribution increase		86,187	91,768	177,955
Cost to continue budget adjustments		1,109,194	10,596,715	11,705,909
Removes funding for 1 FTE office assistant III position related to medical marijuana and expenditures funded through a continuing appropriation	(1.00)	(451,267)	(1,146,592)	(1,597,859)
Removes funding for 6.5 FTE positions and related operating expenses agencywide	(6.50)	(3,184,844)	(584,041)	(3,768,885)
Increases vital records fees and restores funding for salaries and wages and operating expenses removed as part of the base budget reductions for the Vital Records Division from special funds from fee collections			1,923,322	1,923,322
Transfers 4.5 FTE positions to Information Technology Department for the information technology unification initiative and increases funding for operating expenses	(4.50)	9,913	35,870	45,783
Transfers the suicide prevention program, including 1 FTE position and related salary funding, operating expenses, and grants from the State Department of Health to the Department of Human Services	(1.00)	(1,260,512)	(583,984)	(1,844,496)
Adds 1 FTE food and lodging environmental health position, including operating expenses	1.00	185,905		185,905
Adds funding related to a federal opioid program			325,615	325,615
Adds funding to implement an emergency medical services data licensing and records management system		126,000		126,000
Adds funding for Microsoft Office 365 licensing expenses		42,377	82,261	124,638
Adjusts funding for bond and capital payments to provide a total of \$518,457, of which \$457,947 is from the general fund		93,843	761	94,604
Adds ongoing base budget funding for extraordinary repairs		55,650	97,009	152,659
Adjusts funding for equipment over \$5,000 to provide a total of \$1,518,697 from other funds			(245,941)	(245,941)
Adds funding to transfer reporting of youth access to tobacco from the Department of Human Services		75,000		75,000

Provides funding from the general fund and the community health trust fund for various programs funded from the tobacco prevention and control trust fund during the 2017-19 biennium, including the tobacco prevention and control program (\$1,953,333), state aid to local public health units (\$2,000,000), the stroke and cardiac care program (\$756,418), cancer programs (\$644,804), medical and behavioral health loan repayment programs (\$723,640), and domestic violence offender treatment (\$300,000)	6,378,195	(6,378,195)	0	
Total ongoing funding changes	(12.00)	\$4,354,733	\$5,422,118	\$9,776,851
One-time funding items				
Women, Infants, and Children electronic benefit transfer project			\$354,554	\$354,554
Adds funding from the strategic investment and improvements fund for microbiology laboratory capital improvements			1,220,000	1,220,000
Adds funding, including funding from federal funds, for microbiology laboratory information technology upgrades		\$90,000	360,000	450,000
Total one-time funding changes	0.00	\$90,000	\$1,934,554	\$2,024,554
Total Changes to Base Level Funding	(12.00)	\$4,444,733	\$7,356,672	\$11,801,405
2019-21 Total Funding	199.50	\$37,195,042	\$122,634,824	\$159,829,866

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

Executive Budget Recommendation

Appropriation - Additional income	Section 3 would appropriate any additional income from federal or other funds, which may become available to the State Department of Health during the 2019-21 biennium.
Line item transfers	Section 4 would allow the State Department of Health to transfer between appropriation line items up to 10 percent of the department's total appropriation during the 2019-21 biennium and would require the department notify the Office of Management and Budget and the Legislative Council of any transfers.
Insurance tax distribution fund	Section 5 would identify \$1,125,000 from the insurance tax distribution fund for rural emergency medical services grants during the 2019-21 biennium.
Strategic investment and improvements fund	Section 6 would identify \$1.22 million from the strategic investment and improvements fund for microbiology laboratory roof and ventilation system replacement projects during the 2019-21 biennium.
Vital records fees	Section 7 would provide the statutory changes to increase fees charged for vital records and deposit the fees into the State Department of Health operating account. The changes would also require all fees collected, in excess of fees appropriated, be transferred to the general fund at the end of the biennium.

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

Executive Budget Recommendation

Emergency

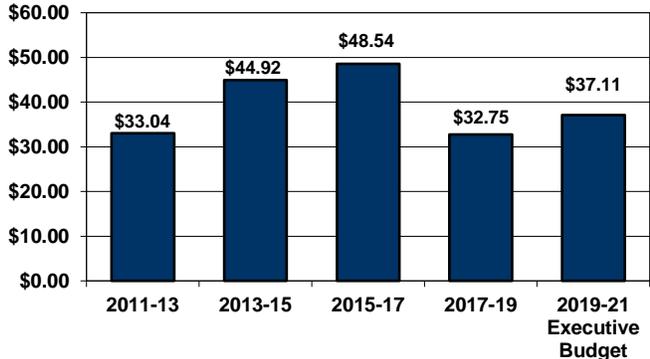
Section 8 would provide the one-time funding of \$450,000, of which \$90,000 is from the general fund and \$360,000 is from federal funds, provided for the microbiology laboratory technology update is declared an emergency measure.

Department 301 - State Department of Health

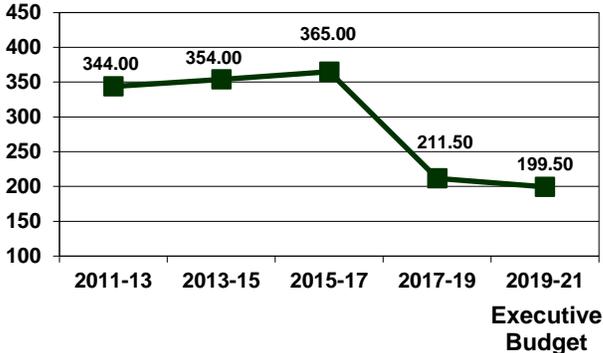
Historical Appropriations Information

Ongoing General Fund Appropriations Since 2011-13

Agency Funding (in Millions)¹



FTE Positions¹



Ongoing General Fund Appropriations ¹					
	2011-13	2013-15	2015-17	2017-19	2019-21 Executive Budget
Ongoing general fund appropriations	\$33,039,780	\$44,921,508	\$48,535,568	\$32,750,309	\$37,105,042
Increase (decrease) from previous biennium	N/A	\$11,881,728	\$3,614,060	(\$15,785,259)	\$4,354,733
Percentage increase (decrease) from previous biennium	N/A	36.0%	8.0%	(32.5%)	13.3%
Cumulative percentage increase (decrease) from 2011-13 biennium	N/A	36.0%	46.9%	(0.9%)	12.3%

¹The decrease in agency funding and FTE positions from the 2015-17 biennium to the 2017-19 biennium is due mostly to the transfer of the Environmental Health Section of the State Department of Health to the new Department of Environmental Quality pursuant to Senate Bill No. 2327 (2017). Funding for the Department of Environmental Quality is provided in House Bill No. 1024.

Major Increases (Decreases) in Ongoing General Fund Appropriations

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 (EMS) 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	
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 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 \$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.)	\$200,000
2017-19 Biennium	
1. Reduced base budget, including salaries and wages, operating expenses, and grants.	(\$2,031,418)
2. Removed 6 undesignated FTE positions, including related funding for salaries and wages.	(\$475,736)
3. Increased funding for state aid grants to local public health units and adjusted the funding sources 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)
4. Adjusted funding for the certain programs to provide \$2,224,862 from the tobacco prevention and control trust fund instead of the general fund	(\$2,224,862)
5. Reduced funding for EMS grants to provide a total of \$7,721,000. Emergency medical services rural assistance grants total \$6,875,000, of which \$5,625,000 is from the general fund and \$1,250,000 is from the insurance tax distribution fund. Emergency medical services training grants total \$846,000 from the general fund.	(\$561,820)
6. Added ongoing funding and authorization for 6 FTE positions to establish a Medical Marijuana Division, based on the fiscal note for Senate Bill No. 2344, to provide total ongoing funding of \$1,465,704, including funding provided for employee health insurance premium increases, of which \$723,270 is from the general fund and \$742,434 is from the medical marijuana fund.	\$723,270
2019-21 Biennium (Executive Budget Recommendation)	
1. Removes funding from the general fund related to changing the funding source for vital records to service fee revenue.	(\$1,542,106)
2. Removes funding for .5 FTE account technician position and reduces funding for salaries and wages.	(24,617)

3. Adjusts the funding source of grants to local public health units to provide a total of \$4,725,000 from the general fund, \$525,000 less than the \$5,250,000 provided in the 2017-19 biennium, of which \$3,250,000 was from the general fund and \$2,000,000 was from the tobacco prevention and control trust fund.	\$1,475,000
4. Changes the funding source for the physician loan repayment program and the behavioral health loan repayment program, to provide additional funding from the general fund rather than the tobacco prevention and control trust fund.	\$723,640
5. Removes funding for 1 FTE epidemiologist II position.	(\$38,040)
6. Adds 1 FTE food and lodging environmental health position, including salaries and wages of \$159,720 and operating expenses of \$26,185.	\$185,905
7. Removes funding for 1 FTE administrative assistant I position and 1 FTE health care facility surveyor II position and reduces funding for salaries and wages and operating expenses to meet the Governor's 90 percent budget and FTE reduction guidelines.	(\$104,486)
8. Transfers 4 FTE data processing coordinator III positions and a .5 undesignated position to the Information Technology Department for the information technology unification initiative.	(\$152,587)
9. Adds funding for information technology operating expenses related to the unification initiative.	\$162,501
10. Adds funding for operating expenses related to Microsoft Office 365 licensing expenses.	\$42,377
11. Removes 1 FTE administrative assistant I position, .5 FTE public health nurse consultant II position in health promotion, and .5 FTE public health nurse consultant II position in injury prevention, and reduces funding for operating expenses (\$64,480), grants (\$50,000), and tobacco prevention and control (\$706,280) to meet the Governor's 90 percent budget and FTE reduction guidelines. Salary funding was not reduced for these positions, but was reinvested in other programs.	(\$820,760)
12. Transfers the suicide prevention program, including 1 FTE health/human services program administrator III position, and funding for salaries and wages, operating expenses, and grants, from the State Department of Health to the Department of Human Services.	(\$1,260,512)
13. Removes 1 FTE office assistant III position and reduces funding for salaries and wages, operating expenses, grants to meet the Governor's 90 percent budget and FTE reduction guidelines.	(\$129,834)
14. Adds funding for operating expenses related to the implementation of an EMS data licensing and records management system.	\$126,000
15. Adds one-time funding, including funding from federal funds, for microbiology laboratory information technology upgrades.	\$90,000
16. Changes the funding source for cancer programs (\$644,804) and the domestic violence program (\$300,000), to provide funding from the general fund rather than the tobacco prevention and control trust fund.	\$944,804
17. Changes the funding source for the tobacco prevention and control program, to provide funding from the general fund rather than the tobacco prevention and control trust fund.	\$8,453,333
18. Changes the funding source for tobacco prevention and control grants from the general fund to the community health trust fund to provide a total of \$6.5 million from the community health trust fund.	(\$6,500,000)
19. Changes the funding source for the stroke and cardiac care program, to provide funding from the general fund rather than the tobacco prevention and control trust fund.	\$756,418

**GOVERNOR'S RECOMMENDATION FOR THE
STATE DEPARTMENT OF HEALTH AS SUBMITTED
BY THE OFFICE OF MANAGEMENT AND BUDGET**

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the state department of health for the purpose of defraying the expenses of the state department of health, for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$36,371,434	\$931,238	\$37,302,672
Operating expenses	27,714,187	5,779,226	33,493,413
Capital assets	2,188,491	1,671,322	3,859,813
Grants	46,441,941	6,040,351	52,482,292
Tobacco prevention	13,646,704	(735,028)	12,911,676
WIC food payments	20,200,000	(420,000)	19,780,000
Medical Marijuana	<u>1,465,704</u>	<u>(1,465,704)</u>	<u>0</u>
Total all funds	\$148,028,461	\$11,801,405	\$159,829,866
Less estimated income	<u>115,278,152</u>	<u>7,356,672</u>	<u>122,634,824</u>
Total general fund	\$32,750,309	\$4,444,733	\$37,195,042
Full-time equivalent positions	211.50	(12.00)	199.50

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-SEVENTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium and 2019-21 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2017-19</u>	<u>2019-21</u>
WIC system upgrade	\$1,739,220	\$354,554
Medical marijuana	95,066	
Microbiology lab capital projects		\$1,220,000
Microbiology lab IT upgrade		<u>\$450,000</u>
Total all funds	\$1,834,286	\$2,024,554
Less estimated income	<u>1,834,286</u>	<u>1,934,554</u>
Total general fund	\$0	\$90,000

The 2019-21 one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The state department of health shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 3. APPROPRIATION - In addition to the amounts appropriated to the state department of health in section 1 of this Act, there is appropriated any additional income from federal or other funds which may become available to the agency for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 4. FUNDING TRANSFERS – EXCEPTION – AUTHORIZATION. Notwithstanding section 54-16-04, the agency may transfer between line items within section 1 of this Act up to ten percent of the total appropriation contained in section 1 during the biennium beginning July 1, 2019, and ending June 30, 2021. The agency shall notify the office of management and budget and the legislative council of any transfer made pursuant to this section.

SECTION 5. INSURANCE TAX DISTRIBUTION FUND. The estimated income line item included in section 1 of this Act includes \$1,125,000, or so much of the sum as may be necessary, to be made available to the state department of health from the insurance tax distribution fund for rural emergency medical services grants, for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 6. STRATEGIC INVESTMENT AND IMPROVEMENT FUND. The estimated income line item included in section 1 of this Act includes \$1,220,000 or so much of the sum as may be necessary, to be made available to the state department of health from the strategic investment and improvement fund for microbiology lab capital improvements, for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 7. AMENDMENT. Section 23-02.1-29 of the North Dakota Century Code is amended and reenacted as follows:

1. The state department of health shall prescribe the fees, if any, not to exceed ~~five~~ fifteen dollars, to be paid for the following:
 - a. Each certified copy of a record.
 - b. Each certified statement of the facts of birth other than a copy of the original birth record.
 - c. Each filing of a new record of birth or fetal death following adoption, ~~legitimation,~~ ~~or determination of paternity.~~
 - d. Each filing of a delayed record of birth or death except as provided for in subsection 4 of section 23-02.1-18.
 - e. Each filing of an amendment to a birth or death record.
 - f. A search of the files or records when no copy is made.
 - ~~g. A noncertified informational copy of a death or marriage record.~~The fee for each additional copy of the same document, a death or fetal death record, requested at the same time, may not exceed ~~two~~ ten dollars.

2. Except as otherwise provided in subsection 3, fees collected under this section by the state registrar must be deposited in the ~~general fund of this state~~ the operating fund of the department of health, according to procedures established by the state treasurer.

3. The state department of health shall ~~charge a fee~~ quarterly pay fees in the amount of two dollars for the issuance of each certified copy of a birth record, in ~~addition to those fees~~ authorized by subsection 1, ~~in the amount of two dollars for the issuance of each certified copy of a birth record~~ ~~This additional fee must be paid to the state registrar prior to the issuance of each certified copy of a birth record.~~ ~~The state registrar shall quarterly pay the additional fees collected pursuant to this subsection~~ into the children's trust fund created by section 50-27-01.

4. All fees collected in excess of the fees appropriated must be transferred to the general fund of this state at the close of each biennium.

SECTION 8 EMERGENCY. The sum of \$450,000, of which \$90,000 is from the general fund and \$360,000 from other funds, for the microbiology lab technology update appropriated in section 1 of this Act is declared to be an emergency measure.