

Fiscal Analysis Department

Minnesota House of Representatives



TO: Members of the House Health and Human Services Policy and Finance Committees
FROM: Katherine Schill
DATE: March 8, 2004
RE: Fiscal Implications for Reauthorizing the Emergency Health Powers Act (HF 2436)

During the 2002 session, the state legislature passed the Minnesota Emergency Health Powers Act, which sought to clarify and strengthen the ability of the state and local public health system to develop a coordinated plan with its emergency response partners. The Act enhanced Minnesota's capacity to respond to public health emergencies, but contained no funding language nor appropriations. In fact, there was no fiscal cost associated with the Act because the language was permissive, meaning that if an emergency were to occur, then a certain provision in law could be activated.

The following summary briefly identifies the fiscal parameters that could be used in certain emergency health situations, the amount of federal funds received during the FY 2002-2003 biennium to improve Minnesota's state and local public health system, and notable state-level responses for past, emergency-related financial needs.

Emergency Management and Existing Fiscal Remedies

Provisions for the funding of emergencies can be found in Minnesota Statutes, Chapter 12, Emergency Management. Existing law specifically mentions funding mechanisms in the following sections:

- 12.26 Political Subdivisions; Taxation, Appropriations
Appropriations for expenses, powers of local government to tax
- 12.27 Mutual aid, arrangements
Local delegation of authority, providing assistance to other states
- 12.301 Community disaster loans
In conjunction with Presidential declaration of a major disaster
- 12.311 Declaration due to public health emergency
Including notification to legislative leadership
- 12.33 Assistance between political subdivisions
Governor authority to direct police, fire health or other forces
- 12.331 Local assistance between political subdivisions

The reauthorization of the Emergency Health Powers Act is not seeking to change any of these existing provisions.

Sources of Funding - Federal Funds

According to the Minnesota Department of Health, a total of \$15 million in federal funding was received during the FY 2002-2003 biennium for the purpose of improving Minnesota's state and local public health systems, originating from two sources:

1. \$7 million from the Centers for Disease Control, for pass-through grants to local public health departments, and
2. \$8 million from the Health Resources Service Administration—a division of HHS—for improving hospital preparedness.

Additional spending detail can be obtained from the Department. The federal fiscal outlook for FFY 2005 has included discussions of budget cuts of between 10-15% for public health programs.

State Funds

In the recent past, state funding for widespread emergencies in Minnesota has been achieved through special legislative action. The following three cases demonstrate emergency appropriations agreed to by Minnesota's state legislature; and just one of these—the Mankato LAC Request—is a specific example of emergency health needs.

1. January 1995 – \$1,030,225 LAC Request for Mankato/North Mankato Outbreak of Meningitis

In response to community requests for assistance, the Department of Health sought a Legislative Advisory Commission (LAC) request totaling slightly over \$1 million in general funds to pay for vaccine, antibiotics, supplies and personnel overtime. Approximately 31,000 doses of vaccine and preventive therapy antibiotics were administered to persons ages 29 and younger.

2. Minnesota Laws of 1997, HF 100, Severe Snow and Flooding in West Central Minnesota

In response to the severe weather conditions in West Central Minnesota, a general fund appropriation totaling \$20 million was made 1) to match federal disaster funds for snow, flooding and other related disaster costs, 2) to pay for other related costs as deemed appropriate by the commissioner of public safety, and 3) to cover certain local government snow removal expenditures, as determined by formula.

3. Minnesota Laws of 1998, HF 3862, Tornado Relief in St. Peter

In response to the tornado disaster of 1998, a \$27.6 million general fund appropriation included funding as follows: \$8.0 million for state and local disaster assistance match, \$300,000 for increased services by the State Division of Emergency Management, \$500,000 for grants to farmers for burials and other storm damage, \$4.0 million for housing, \$5.95 million for economic development and infrastructure assistance, \$4.0 million for agriculture, \$2.15 million for social services, day care, and historic preservation costs, and \$2.7 million in contingency funding appropriated to Department of Finance for unanticipated needs to aid disaster victims.