

Department 313 - Veterans' Home  
 House Bill No. 1007

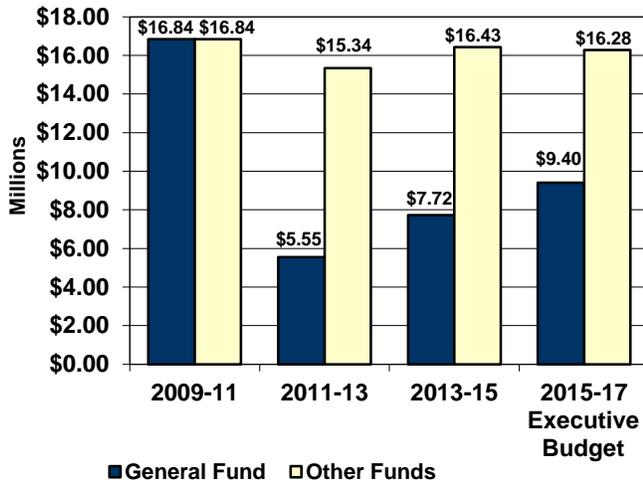
Executive Budget Comparison to Prior Biennium Appropriations

	FTE Positions	General Fund	Other Funds	Total
2015-17 Executive Budget	120.72	\$9,399,650	\$16,284,302	\$25,683,952
2013-15 Legislative Appropriations	120.72	7,722,353	16,429,800	24,152,153
Increase (Decrease)	0	\$1,677,297	(\$145,498)	\$1,531,799

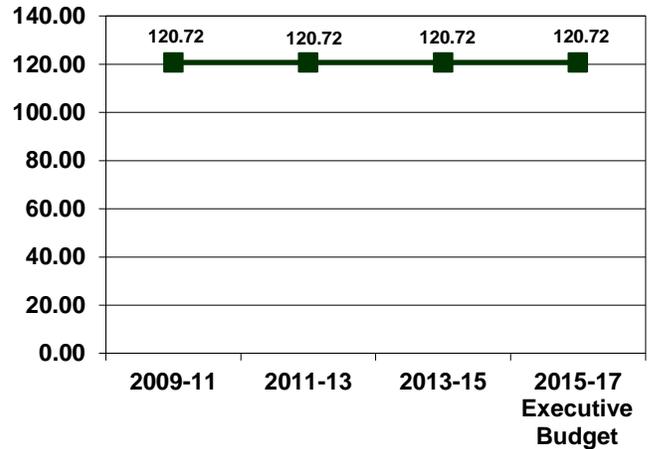
Ongoing and One-Time General Fund Appropriations

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2015-17 Executive Budget	\$9,399,650	\$0	\$9,399,650
2013-15 Legislative Appropriations	7,161,853	560,500	7,722,353
Increase (Decrease)	\$2,237,797	(\$560,500)	\$1,677,297

Agency Funding



FTE Positions



Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
2015-17 Executive Budget	\$9,399,650	\$16,284,302	\$25,683,952
2015-17 Base Level	7,161,853	15,081,100	22,242,953
Increase (Decrease)	\$2,237,797	\$1,203,202	\$3,440,999

First House Action

Attached is a comparison worksheet detailing first house changes to base level funding and the executive budget.

Executive Budget Highlights  
 (With First House Changes in Bold)

	General Fund	Other Funds	Total
<b>Salaries and Wages</b>			
1. Provides funding for state employee salary and benefit increases, of which \$676,351 relates to performance increases, \$249,644 is for market equity adjustments, \$634,722 is for health insurance increases, and \$69,055 is for retirement contribution increases. <b>The House provided funding for performance salary increases of 2 to 4 percent per year and funding for health insurance increases, but did not include funding for market equity increases or funding for retirement contribution increases.</b>	\$1,567,248	\$62,524	\$1,629,772
2. Provides targeted equity salary funding. <b>The House did not include the targeted equity salary funding.</b>	\$0	\$429,624	\$429,624

**Operating Expenses**

3. Adjusts funding for various operating expenses, including the following increases (decreases): \$103,375 (\$206,225) (\$102,850)

	<b>Increase (Decrease)</b>	<b>Total Provided</b>
Information technology - Contractual services	\$6,650	\$201,600
Information technology - Data Processing	23,000	115,000
Fees - Professional services	(5,000)	596,500
Building, ground, maintenance	5,600	194,451
Repairs	14,000	98,800
Medical, dental, and optical	(251,050)	1,150,850
Professional development	17,500	69,500
Information technology equipment under \$5,000	54,000	95,500
Other equipment under \$5,000	30,550	78,350
Printing	1,900	9,500
<b>Total</b>	<b>(\$102,850)</b>	<b>\$2,610,051</b>

**Capital Assets**

4. Removes funding provided for capital assets in the 2013-15 biennium. (\$142,000) (\$71,200) (\$213,200)
5. Adjusts funding for bond and interest payments. \$0 (\$63,957) (\$63,957)
6. Provides continued funding for the demolition of the former Veterans' Home facility. **The House provided this funding for capital assets.** \$121,000 \$0 \$121,000
7. Provides **one-time funding** for equipment as follows: \$261,660 \$96,700 \$358,360

	<b>Total Provided</b>
Tool Cat	\$28,000
Bobcat broom	6,500
Toro lawn mower	10,000
Utility vehicle	22,000
Dishwashers	24,000
NuStep	6,200
Patient lifts	261,660
<b>Total</b>	<b>\$358,360</b>

**The House provided \$167,530 for seven patient lifts, dishwashers, Bobcat broom, and NuStep.**

8. Increases **one-time funding** for resident workshop construction. **The House did not provide funding for the project.** \$0 \$126,800 \$126,800
9. Provides **one-time funding** for construction of a pedestrian bridge over the Sheyenne River. **The House did not provide funding for the project.** \$0 \$930,225 \$930,225
10. Provides **one-time funding** for completion of irrigation system \$0 \$83,000 \$83,000

**Other Sections in Bill**

**Exemption - Veterans' Home construction project funding** - Section 3 provides the unexpended amount remaining from the appropriation for the Veterans' Home construction project in Chapter 53 of the 2009 Session Laws which was continued into the 2011-13 biennium and the 2013-15 biennium under North Dakota Century Code Section 54-44.1-11 is not subject to the provisions of Section 54-44.1-11 at the end of the 2013-15 biennium and may be continued into the 2015-17 biennium for paying expenses of the Veterans' Home construction project.

**Emergency** - Section 4 provides funding of \$930,225, from the general fund for the construction of a pedestrian bridge is declared to be an emergency measure. However, funding for the pedestrian bridge is provided from special funds, therefore Section 4 should be amended to reference the correct funding source. **The House did not include this emergency clause.**

**2013-15 funding transfer authorization** - The House added a section to provide the Veterans' Home may transfer up to \$84,500 from the operating expenses line item to the capital assets line item during the 2013-15 biennium to pay for asbestos removal from the former Veterans' Home.

**Shop addition project** - The House added a section to provide the Veterans' Home may use up to \$325,000 from the Melvin Norgard memorial fund and up to \$463,200 from litigation proceeds or other funds for the cost of construction of a shop addition, which in total may not exceed \$788,200 for the 2013-15 biennium.

**Phone system project funding** - The House added a section to provide the Veterans' Home must use up to \$48,000 of funding appropriated in the operating expenses line item for a new home phone system for the Veterans' Home.

**Emergency clause** - The House added a section to provide an emergency measure.

### **Continuing Appropriations**

**Custodial funds** - Section 37-15-21 - The Veterans' Home may accept gifts, donations, or bequests. Any money received must be used for the specific purposes as designated by the donor or grantor.

### **Significant Audit Findings**

The Veterans' Home overspent payroll authority. The overspending of payroll authority resulted from overtime and additional temporary employees that were required to move to the new Veterans' Home and as the result of increased training resulting from changes in job duties of employees.

### **Major Related Legislation**

**House Bill No. 1053 - Centralized Desktop Support Services** - Requires certain agencies to obtain centralized desktop support services from the Information Technology Department.

**Veterans' Home - Budget No. 313**  
**House Bill No. 1007**  
**Base Level Funding Changes**

	Executive Budget Recommendation				House Version			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
<b>2015-17 Biennium Base Level</b>	120.72	\$7,161,853	\$15,081,100	\$22,242,953	120.72	\$7,161,853	\$15,081,100	\$22,242,953
<b>2015-17 Ongoing Funding Changes</b>								
Base payroll changes		\$326,514	(\$184,289)	\$142,225		\$326,514	(\$184,289)	\$142,225
Salary increase - Performance		623,320	53,031	676,351		481,364	24,279	505,643
Salary increase - Market		240,151	9,493	249,644				0
Salary increase - Targeted equity			429,624	429,624				0
Retirement increase		69,055		69,055				0
Health insurance increase		634,722		634,722		634,722		634,722
Adjust funding for operating expenses		103,375	(206,225)	(102,850)		103,375	(206,225)	(102,850)
Adjust funding for bond and interest			(63,957)	(63,957)			(63,957)	(63,957)
Provide continued funding for demolition of former Veterans' Home facility		121,000		121,000				0
Remove prior biennium capital assets		(142,000)	(71,200)	(213,200)		(142,000)	(71,200)	(213,200)
Housing allowance				0		5,000	15,000	20,000
Provide an increase for capital assets				0		121,000		121,000
Total ongoing funding changes	0.00	\$1,976,137	(\$33,523)	\$1,942,614	0.00	\$1,529,975	(\$486,392)	\$1,043,583
<b>One-time funding items</b>								
Increase funding for construction of resident workshop			126,800	126,800				0
Provide funding to complete irrigation system			83,000	83,000			83,000	83,000
Provide funding to construct pedestrian bridge			930,225	930,225				0
Add funding for equipment		261,660	96,700	358,360		130,830	36,700	167,530
Total one-time funding changes	0.00	\$261,660	\$1,236,725	\$1,498,385	0.00	\$130,830	\$119,700	\$250,530
<b>Total Changes to Base Level Funding</b>	0.00	\$2,237,797	\$1,203,202	\$3,440,999	0.00	\$1,660,805	(\$366,692)	\$1,294,113
<b>2015-17 Total Funding</b>	120.72	\$9,399,650	\$16,284,302	\$25,683,952	120.72	\$8,822,658	\$14,714,408	\$23,537,066

**Other Sections in House Bill No. 1007**

	<u>Executive Budget Recommendation</u>	<u>House Version</u>
Exemption - Veterans' Home construction project funding	Section 3 provides the unexpended amount remaining from the appropriation for the Veterans' Home construction project in Chapter 53 of the 2009 Session Laws which was continued into the 2011-13 biennium and the 2013-15 biennium under North Dakota Century Code Section 54-44.1-11 is not subject to the provisions of Section 54-44.1-11 at the end of the 2013-15 biennium and may be continued into the 2015-17 biennium for paying expenses of the Veterans' Home construction project.	Section 3 provides the unexpended amount remaining from the appropriation for the Veterans' Home construction project in Chapter 53 of the 2009 Session Laws which was continued into the 2011-13 biennium and the 2013-15 biennium under Section 54-44.1-11 is not subject to the provisions of Section 54-44.1-11 at the end of the 2013-15 biennium and may be continued into the 2015-17 biennium for paying expenses of the Veterans' Home construction project.
Emergency	Section 4 provides funding of \$930,225 from the general fund for the construction of a pedestrian bridge is declared to be an emergency measure. However, funding for the pedestrian bridge is provided from special funds; therefore, Section 4 should be amended to reference the correct funding source.	
2013-15 funding transfer to provide for asbestos removal from the previous Veterans' Home		Section 4 provides that the Veterans' Home may transfer up to \$84,500 from the operating expenses line item to the capital assets line item, for the 2013-15 biennium to pay for asbestos removal from the previous Veterans' Home.
Shop addition project		Section 5 provides the Veterans' Home may use up to \$325,000 from the Melvin Norgard memorial fund and up to \$463,200 from litigation proceeds or other funds for the cost of construction of a shop addition, which in total may not exceed \$788,200 for the 2013-15 biennium.
Phone system project funding		Section 6 provides the Veterans' Home shall is to use up to \$48,000 of funding appropriated in the operating expenses line item for a new phone system for the Veterans' Home.
Emergency clause		Section 7 provides the funding transfer and shop addition project are emergency measures.