

**Department of Veterans' Affairs
Budget No. 321
House Bill No. 1025**

	FTE Positions	General Fund	Other Funds	Total
2019-21 legislative appropriations	7.00	\$1,416,430	\$1,377,157	\$2,793,587
2019-21 base budget	7.00	1,136,562	2,091,571	3,228,133
Legislative increase (decrease) to base budget	0.00	\$279,868	(\$714,414)	(\$434,546)

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2019-21 legislative appropriations	\$1,268,930	\$147,500	\$1,416,430
2017-19 legislative appropriations	1,136,562	18,600	1,155,162
2019-21 legislative increase (decrease) to 2017-19 appropriations	\$132,368	\$128,900	\$261,268
Percentage increase (decrease) to 2017-19 appropriations	11.6%	693.0%	22.6%

**SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS
Changes to Base Budget**

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Adjusted funding for base payroll changes.		\$100,050	(\$200,103)	(\$100,053)
Added funding to provide employee salary increases of 2 percent on July 1, 2019, with a minimum monthly increase of \$120 and a maximum monthly increase of \$200, and 2.5 percent on July 1, 2020.		30,631	6,142	36,773
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,426.74 per month.		26,030	5,206	31,236
Reduced funding for temporary salaries.		(100,053)		(100,053)
Added funding for travel expenses.		11,775		11,775
Added funding for desktop support.		7,935		7,935
Added funding for Microsoft Office 365 licensing expenses.		2,500		2,500
Added funding for stand down events to provide total funding of \$5,000.		5,000		5,000

Added funding for county and tribal veteran service officer outreach and training to provide total funding of \$30,000.	30,000		30,000
Added funding for veteran benefit specialist training to provide total funding of \$18,300.	18,300		18,300
Added funding for the State Approving Agency to provide total funding of \$285,658.		2,308	2,308
Reduced funding for the transportation grants program to provide total funding of \$800,000.		(819,467)	(819,467)
Added funding for transport vans to provide a total of \$18,800.	200		200
Added one-time funding for a temporary loan and grant position.	140,000		140,000
Added one-time funding for grant database enhancements.	7,500		7,500
Added one-time funding for a Veterans' Home cemetery program.		291,500	291,500
Total	0.00	\$279,868	(\$714,414)

FTE Changes

The Legislative Assembly approved 7 FTE positions for the Department of Veterans' Affairs for the 2019-21 biennium, the same as the 2017-19 biennium.

One-Time Funding

	General Fund	Other Funds	Total
Grant database enhancements	\$7,500		\$7,500
Temporary loan and grant position	140,000		140,000
Veterans' Home cemetery ¹		\$291,500	291,500
Total	\$147,500	\$291,500	\$439,000

¹Funding for repairs and maintenance of the cemetery located on the Veterans' Home campus during the 2019-21 biennium includes \$265,000 from federal funds and \$26,500 of matching funds from the Melvin Norgard memorial fund.

Service Dogs

Service dogs exemption - Section 3 allows the Department of Veterans' Affairs to continue the \$50,000 of funding received for the 2017-19 biennium for the posttraumatic stress disorder service dogs program into the 2019-21 biennium. The 2019-21 biennium appropriation for this program is \$50,000 from the general fund, the same as provided for the 2017-19 biennium. The funding is for the purpose of training up to four service dogs to assist North Dakota veterans with posttraumatic stress disorder during the 2019-21 biennium. Funding provided for training each service dog is \$12,500, or approximately 50 percent of the total cost of training.

Nonhighly Rural Transport Vans

The 2019 Legislative Assembly provided a total appropriation of \$18,800 from the general fund to the Department of Veterans' Affairs for the purchase of one nonhighly rural transport van to transport veterans to medical appointments at the Veterans' Hospital in Fargo during the 2019-21 biennium.

The 2017 Legislative Assembly provided a total appropriation of \$37,200 from the general fund to the Department of Veterans' Affairs for the purchase of two nonhighly rural transport vans during the 2017-19 biennium. Of this amount, \$18,600 was considered ongoing funding and \$18,600 was considered one-time funding. In June 2018, the Emergency Commission approved a transfer of \$37,200 from the department's transport vans line item to the Veterans' Affairs line item, resulting in no vans purchased during the 2017-19 biennium.

Highly Rural Transportation Grant Program

The highly rural transportation grant program is a federal grant program that provides funding to the Department of Veterans' Affairs to purchase transport vans and to provide transportation to medical appointments for veterans of highly rural counties. The primary purpose of using the vans must be for medical reasons, although vans are generally allowed to transport veterans to other locations, such as grocery stores or other locations, as long as the additional stop is reasonable and does not require an unreasonable amount of time. The department pays for all maintenance, gas, insurance, and other costs associated with the transport vans using federal funds.

The 2019 Legislative Assembly appropriated \$800,000 of federal funds to the Department of Veterans' Affairs for the highly rural transportation grant program for the 2019-21 biennium, a decrease of \$919,520 from the 2017-19 biennium authorized level of \$1,719,520. This reduction was requested by the department to more closely match anticipated federal funds to be received during the 2019-21 biennium. Of the \$1,719,520 of federal funds authorized for the 2017-19 biennium, the department anticipates spending approximately \$600,000 during the 2017-19 biennium. The department received \$1,264,612 of federal funding through the program during the 2015-17 biennium, of which \$174,964 was spent during the biennium. The department received \$379,612 of federal funding through the program during the 2013-15 biennium, of which \$316,400 was spent during the biennium.

Other Sections in House Bill No. 1025

Veterans' Home cemetery funding - Section 4 identifies \$291,500 of one-time funding, of which \$265,000 is from federal funds and \$26,500 is from the Melvin Norgard memorial fund, for the purpose of repairing and maintaining the cemetery located on the Veterans' Home campus during the 2019-21 biennium.

Related Legislation

House Bill No. 1053 - Military retirement pay income tax deduction - This bill creates a new income tax deduction for individuals who retired from military service, including their survivors, who receive military retirement pay for service in the United States armed forces, National Guard, or their reserve components.

House Bill No. 1054 - Veterans' Legislative Council - This bill amends Section 37-18.1-03 to change the name of the North Dakota Veterans' Coordinating Council to the North Dakota Veterans' Legislative Council.

House Bill No. 1129 - Commissioner's duties - This bill requires the Commissioner of Veterans' Affairs to coordinate with any federal agency or state public or private entity to fulfill the Commissioner's duties.

House Bill No. 1131 - Department donations - This bill allows the Department of Veterans' Affairs to apply for, accept, and expend private donations, gifts, grants, or bequests that are offered or tendered with a specifically identified purpose or a restrictive condition which is related to a benefit or service for resident North Dakota veterans and appropriates those funds to the department on a continuing basis in accordance with the donor's instructions. The bill also exempts gross receipts from all sales of commemorative memorial coins from sales tax.

House Bill No. 1248 - Veterans' postwar trust fund contribution - This bill allows an individual to make a contribution to the veterans' postwar trust fund on the individual's income tax return for taxable years beginning after December 31, 2018. The Tax Commissioner is required to transfer the contributions to the State Treasurer for deposit in the veterans' postwar trust fund.