

**Department 321 - Department of Veterans' Affairs
Senate Bill No. 2025**

Executive Budget Comparison to Prior Biennium Appropriations

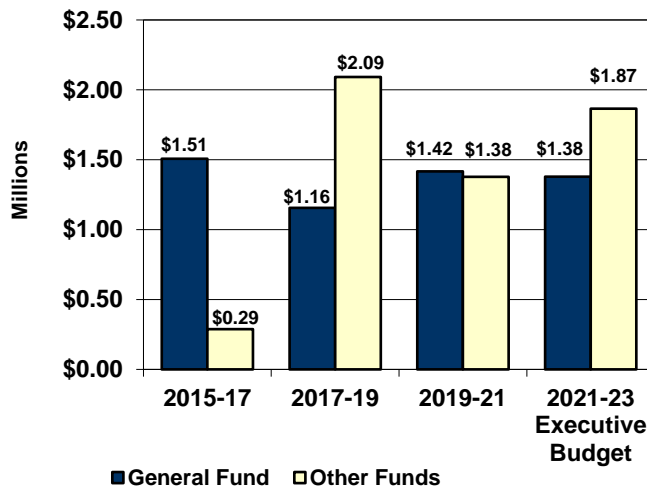
	FTE Positions	General Fund	Other Funds	Total
2021-23 Executive Budget	7.00	\$1,378,624	\$1,865,663	\$3,244,287
2019-21 Legislative Appropriations ¹	7.00	1,416,430	1,377,157	2,793,587
Increase (Decrease)	0.00	(\$37,806)	\$488,506	\$450,700

¹The 2019-21 biennium agency appropriation amounts have not been adjusted for additional federal funds authority of \$402,860, of which \$2,860 is related to Coronavirus (COVID-19) costs, resulting from Emergency Commission action during the 2019-21 biennium.

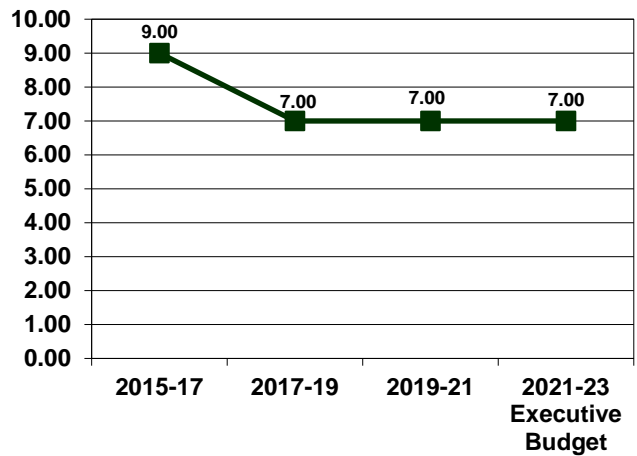
Ongoing and One-Time General Fund Appropriations

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2021-23 Executive Budget	\$1,378,624	\$0	\$1,378,624
2019-21 Legislative Appropriations	1,268,930	147,500	1,416,430
Increase (Decrease)	\$109,694	(\$147,500)	(\$37,806)

Agency Funding



FTE Positions



Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
2021-23 Executive Budget	\$1,378,624	\$1,865,663	\$3,244,287
2021-23 Base Level	1,268,930	1,085,657	2,354,587
Increase (Decrease)	\$109,694	\$780,006	\$889,700

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
1. Provides funding for state employee salary and benefit increases, of which \$31,281 is for salary increases, \$341 is for health insurance increases, and \$6,437 is for retirement contribution increases	\$31,946	\$6,113	\$38,059
2. Adds funding for Microsoft Office 365 license expenses	\$1,195	\$127	\$1,322
3. Adjusts funding for operating expenses primarily related to veteran service officer training, travel, and information technology data processing	(\$53,950)	\$1,000	(\$52,950)

4. Adjusts funding for temporary salaries to provide a total of \$140,000, of which \$12,000 is from the general fund in the veterans' affairs line item and \$128,000 is from federal funds in the grants - transportation program line item	\$12,000	\$128,000	\$140,000
5. Adds funding for the highly rural transportation grant program to provide a total of \$1,280,000 from federal funds	\$0	\$432,000	\$432,000
6. Adds one-time funding from federal funds for the Veterans' Home cemetery grant program	\$0	\$291,500	\$291,500

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

Exemption - Service dogs - Section 3 would provide an exemption for the posttraumatic stress disorder service dogs program to continue any unexpended 2019-21 biennium funds into the 2021-23 biennium.

Continuing Appropriations

Veterans' aid fund - North Dakota Century Code Section 37-14-03.3 - The purpose of the veterans' aid fund is to make loans or advancements to any veteran and to a surviving spouse of a veteran if the spouse has not remarried.

Deficiency Appropriation

There are no deficiency appropriations for this agency.

Significant Audit Findings

The operational audit for the Department of Veterans' Affairs conducted by the State Auditor's office for the period ending June 30, 2018, identified no significant audit findings.

Major Related Legislation

At this time, no major related legislation has been introduced affecting this agency.

Department of Veterans' Affairs - Budget No. 321
Senate Bill No. 2025
Base Level Funding Changes

	Executive Budget Recommendation			
	FTE Position	General Fund	Other Funds	Total
2021-23 Biennium Base Level	7.00	\$1,268,930	\$1,085,657	\$2,354,587
2021-23 Ongoing Funding Changes				
Base payroll changes		\$118,503	(\$78,734)	\$39,769
Salary increase		26,258	5,023	31,281
Health insurance increase		284	57	341
Retirement contribution increase		5,404	1,033	6,437
Adds funding for Microsoft Office 365 license expenses		1,195	127	1,322
Adjusts funding for operating expenses		(53,950)	1,000	(52,950)
Adjusts funding for temporary salaries		12,000	128,000	140,000
Adds funding for the highly rural transportation grant program			432,000	432,000
Total ongoing funding changes	0.00	\$109,694	\$488,506	\$598,200
One-time funding items				
Adds funding for the Veterans' Home cemetery grant program			\$291,500	\$291,500
Total one-time funding changes	0.00	\$0	\$291,500	\$291,500
Total Changes to Base Level Funding	0.00	\$109,694	\$780,006	\$889,700
2021-23 Total Funding	7.00	\$1,378,624	\$1,865,663	\$3,244,287
<i>Total ongoing changes as a percentage of base level</i>	0.0%	8.6%	45.0%	25.4%
<i>Total changes as a percentage of base level</i>	0.0%	8.6%	71.8%	37.8%

Other Sections in Department of Veterans' Affairs - Budget No. 321

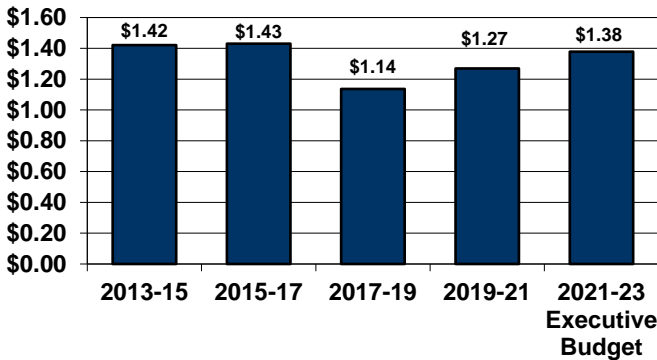
	Executive Budget Recommendation
Exemption - Service dogs	Section 3 would provide an exemption for the posttraumatic stress disorder service dogs program to continue any unexpended 2019-21 biennium funds into the 2021-23 biennium.

Department 321 - Department of Veterans' Affairs

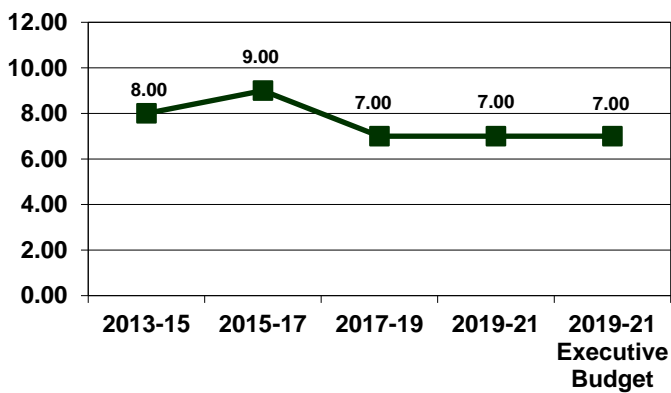
Historical Appropriations Information

Ongoing General Fund Appropriations Since 2013-15

Ongoing General Fund Appropriations (in Millions)



FTE Positions



Ongoing General Fund Appropriations					
	2013-15	2015-17	2017-19	2019-21	2021-23 Executive Budget
Ongoing general fund appropriations	\$1,420,703	\$1,429,982	\$1,136,562	\$1,268,930	\$1,378,624
Increase (decrease) from previous biennium	N/A	\$9,279	(\$293,420)	\$132,368	\$109,694
Percentage increase (decrease) from previous biennium	N/A	0.7%	(20.5%)	11.6%	8.6%
Cumulative percentage increase (decrease) from 2013-15 biennium	N/A	0.7%	(20.0%)	(10.7%)	(3.0%)

Major Increases (Decreases) in Ongoing General Fund Appropriations

2015-17 Biennium

- 1. Added funding to purchase vans to transport veterans to medical appointments \$15,000
- 2. Added funding for the Agent Orange program \$50,000
- 3. Increased funding for stand down events to provide a total of \$20,000 from the general fund \$10,000

2017-19 Biennium

- 1. Removed 2 undesignated FTE positions (\$260,000)
- 2. Adjusted the funding source from the general fund to federal funds for a portion of salaries and wages of 2 FTE administrative positions in the transportation program (\$100,000)
- 3. Removed funding for stand down events (\$20,000)
- 4. Removed funding for the Agent Orange program (\$50,000)
- 5. Added funding for service dogs \$50,000
- 6. Added funding for the purchase of one nonhighly rural transport van to provide ongoing funding of \$18,600 (The department was also appropriated \$18,600 of one-time funding from the general fund for the purchase of an additional nonhighly rural transport van, resulting in total funding of \$37,200 for the purchase of two nonhighly rural transport vans during the 2017-19 biennium.) \$3,600

2019-21 Biennium

- 1. Reduced funding for temporary salaries (\$100,053)
- 2. Added funding for stand down events to provide total funding of \$5,000 \$5,000
- 3. Added funding for county and tribal veteran service officer outreach and training to provide total funding of \$30,000 \$30,000

2021-23 Biennium (Executive Budget Recommendation)

- 1. Adjusts funding for operating expenses, primarily related to veteran service officer training, travel, and information technology data processing (\$53,950)

**GOVERNOR'S RECOMMENDATION FOR THE
DEPARTMENT OF VETERANS' AFFAIRS 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 department of veterans' affairs for the purpose of defraying the expenses of the department of veterans' affairs, for the biennium beginning July 1, 2021 and ending June 30, 2023, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Veterans' Affairs	\$1,200,130	\$109,821	\$1,309,951
Transport Vans	18,800	0	18,800
Service Dogs	50,000	0	50,000
State Approving Agency	285,657	8,379	294,036
Grants – Transportation Program	800,000	480,000	1,280,000
Veteran's Home Cemetery	<u>0</u>	<u>291,500</u>	<u>291,500</u>
Total All Funds	\$2,354,587	\$889,700	\$3,244,287
Less Estimated Income	<u>1,085,657</u>	<u>780,006</u>	<u>1,865,663</u>
Total General Fund	\$1,268,930	\$109,694	\$1,378,624
Full-Time Equivalent Positions	7.00	0.00	7.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-EIGHTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty- sixth legislative assembly for the 2019-21 biennium and the 2021-23 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2019-21</u>	<u>2021-23</u>
Veterans' Home Cemetery	\$291,500	\$291,500
Temporary Loan and Grant Position	140,000	0
Grant Database Enhancements	<u>7,500</u>	<u>0</u>
Total All Funds	\$439,000	\$291,500
Less Estimated Income	<u>291,500</u>	<u>291,500</u>
Total General Fund	\$147,500	\$0

The 2021-23 biennium one-time funding amounts are not a part of the entity's base budget for the 2023-25 biennium. The department of veterans' affairs shall report to the appropriations committees of the sixty-eighth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2021 and ending June 30, 2023.

SECTION 3. EXEMPTION. The amount of \$50,000 appropriated for the posttraumatic stress disorder service dogs program in section 1 of chapter 25 of the 2019 Sessions Laws, is not subject to section 54-44.1- 11, and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2021 and ending June 30, 2023.