

**Department of Veterans' Affairs
Budget No. 321
House Bill Nos. 1025, 1157, and 1182**

	FTE Positions	General Fund	Other Funds	Total
2023-25 legislative appropriations	9.00	\$1,842,420	\$2,331,447	\$4,173,867
2023-25 base budget	8.00	1,570,624	1,512,150	3,082,774
Legislative increase (decrease) to base budget	1.00	\$271,796	\$819,297	\$1,091,093

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2023-25 legislative appropriations	\$1,823,354	\$19,066	\$1,842,420
2021-23 legislative appropriations	1,570,624	0	1,570,624
2023-25 legislative increase (decrease) to 2021-23 appropriations	\$252,730	\$19,066	\$271,796
Percentage increase (decrease) to 2021-23 appropriations	16.1%	N/A	17.3%

**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		\$10,123	\$1,687	\$11,810
Added funding to provide employee salary increases of 6 percent on July 1, 2023, and 4 percent on July 1, 2024		94,285	13,964	108,249
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,643 per month		30,006	6,002	36,008
Transferred funding for new FTE positions and estimated savings from vacant FTE positions to a new and vacant FTE funding pool in the Office of Management and Budget		(120,383)	(3,024)	(123,407)
Added funding to convert a temporary position to an FTE veterans benefit specialist position	1.00	99,966		99,966
Adjusted funding for the highly rural transportation program, including adding \$50,000 from the general fund for administration in the veterans' affairs line item and reducing federal funding for grants in the grants - transportation line item. Total federal funding in the grants - transportation program line item is \$1,126,085.		50,000	(93,915)	(43,915)

Reduced funding for operating expenses	(6)	(126)	(132)
Added funding for information technology rate increases	3,739	1,436	5,175
Added federal funding for State Approving Agency salaries and operating expenses to provide total federal funding of \$313,026 for the State Approving Agency		937	937
Removed funding for the posttraumatic stress disorder service dog program. A section is added to the bill to provide the department an exemption to continue funding remaining from prior biennium appropriations into the 2023-25 biennium for the program.	(50,000)		(50,000)
Added one-time funding from the federal State Fiscal Recovery Fund for professional services fees for a document scanning project to make paper documents available electronically		100,836	100,836
Added one-time funding for accrued leave of retiring staff	19,066		19,066
Added one-time funding , of which \$265,000 is from federal funds and \$26,500 is from the Melvin Norgard memorial fund, for the Veterans' Home cemetery grant program for the purpose of repairing and maintaining the cemetery located on the Veterans' Home campus		291,500	291,500
Added one-time funding from the State Fiscal Recovery Fund to provide a grant to assist in the construction of the Fisher House at the Fargo Veterans Affairs Medical Center (House Bill No. 1157)		500,000	500,000
Added funding to provide reimbursement to a veterans' service organization that provides funeral services pursuant to a new section created in Chapter 37-18 (House Bill No. 1182)	135,000		135,000
Total	1.00	\$271,796	\$819,297

FTE Changes

The Legislative Assembly approved 9 FTE positions for the Department of Veterans' Affairs for the 2023-25 biennium, an increase of 1 FTE position from the 2021-23 biennium level of 8 FTE positions. The Legislative Assembly converted a temporary position to an FTE veterans benefit specialist position.

One-Time Funding

The Legislative Assembly appropriated \$911,402 of one-time funding to the Department of Veterans' Affairs for the 2023-25 biennium, as follows:

	General Fund	Other Funds	Total Funds
Document scanning project (State Fiscal Recovery Fund)		\$100,836	\$100,836
Accrued leave of retiring staff	\$19,066		19,066
Veterans' Home cemetery grant program (\$265,000 federal funds and \$26,500 Melvin Norgard memorial fund)		291,500	291,500
Grant to assist in the construction of the Fisher House (State Fiscal Recovery Fund) (House Bill No. 1157)		500,000	500,000
Total	\$19,066	\$892,336	\$911,402

Other Sections in House Bill No. 1025

State Fiscal Recovery Fund - Document scanning project - Section 3 identifies \$100,836 appropriated in Section 1 as from the State Fiscal Recovery Fund for the purpose of a document scanning project.

Exemption - State Fiscal Recovery Fund - Section 5 provides the department an exemption to continue funding appropriated from the State Fiscal Recovery Fund for the 2021-23 biennium into the 2023-25 biennium. During the November 2021 special legislative session, the Legislative Assembly appropriated \$647,000 to the department for a grant to assist in the construction of the Fisher House at the Fargo Veterans Affairs Medical Center (\$500,000) and to improve and expand veterans' medical transportation (\$147,000). Of the \$147,000 provided for veterans' medical transportation, the department is authorized to use \$18,800 for the purchase of one nonhighly rural transport van.

Service Dogs

Service dogs exemption - Section 4 provides the department an exemption to continue the \$50,000 of funding appropriated for the 2019-21 biennium and \$50,000 appropriated for the 2021-23 biennium for the posttraumatic stress disorder service dogs program into the 2023-25 biennium. The 2023 Legislative Assembly did not provide an appropriation for this program for the 2023-25 biennium due to the availability of prior biennium appropriations. Through April 2023, the department spent \$25,000 of the \$100,000 appropriated for the 2019-21 and 2021-23 bienniums, resulting in \$75,000 available for May and June of the 2021-23 biennium and the 2023-25 biennium. The funding is for the purpose of training up to four service dogs to assist North Dakota veterans with posttraumatic stress disorder. 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 Legislative Assembly appropriated \$18,800 from the general fund for the purchase of one nonhighly rural transport van to transport veterans to medical appointments at the veterans' hospital in Fargo during the 2023-25 biennium, the same as provided for the 2021-23 biennium. In Section 5, the Legislative Assembly authorized the department to utilize \$18,800 of the \$147,000 appropriated from the State Fiscal Recovery Fund to the department during the November 2021 special legislative session for the purpose of purchasing an additional nonhighly rural transport van.

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 2023 Legislative Assembly appropriated \$1,126,085 of federal funds to the Department of Veterans' Affairs for the highly rural transportation grant program for the 2023-25 biennium, a decrease of \$93,915 from the 2021-23 biennium appropriation of \$1,220,000. Through April 2023, the department spent \$848,579 of the \$1,220,000 appropriation for the 2021-23 biennium. During the 2019-21 biennium, the department spent \$894,626 of the \$1,200,000 authorized for the biennium.

Related Legislation

House Bill No. 1157 - Fisher House - Provides a one-time appropriation of \$500,000 from the State Fiscal Recovery Fund to the Department of Veterans' Affairs for providing a grant to assist in the construction of the Fisher House at the Fargo Veterans Affairs Medical Center during the 2023-25 biennium. The 2021 Legislative Assembly appropriated \$500,000 from the State Fiscal Recovery Fund for this purpose for the 2021-23 biennium, resulting in a total of \$1 million appropriated for the 2021-23 and 2023-25 bienniums.

House Bill No. 1182 - Military honors funerals - Provides a \$135,000 appropriation from the general fund to the Department of Veterans' Affairs for providing reimbursement to a veterans' service organization that provides a funeral service at a military honors funeral.

Senate Bill No. 2015 (2023) - Funding pools - Includes funding pools from which the agency may receive allocations, including the:

- Employer retirement contribution pool from which the agency is to receive \$8,336, including \$7,261 from the general fund and \$1,075 from other funds, in accordance with provisions of Section 23 of Senate Bill No. 2015 for the 1 percent employer retirement contribution increase provided for in House Bill No. 1040 (2023);
- New and vacant FTE funding pool from which the agency may request funding when hiring new FTE positions or if the agency does not realize sufficient savings from vacant FTE positions in accordance with provisions of Section 22 of Senate Bill No. 2015; and
- Targeted market equity pool from which the agency may receive an allocation as determined by the Office of Management and Budget in accordance with provisions of Section 20 of Senate Bill No. 2015.

Senate Bill No. 2204 (2023) - Veterans aid loan program - Allows National Guard members or surviving spouses to apply for a loan under the veterans aid loan program.