

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

**First Chamber Comparison to Base Level**

	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
2023-25 First Chamber Version	\$1,901,605	\$1,730,263	\$3,631,868
2023-25 Base Level	1,570,624	1,512,150	3,082,774
Increase (Decrease)	\$330,981	\$218,113	\$549,094

**First Chamber Changes**

A summary of the first chamber's changes to the agency's base level appropriations and the executive budget is attached as an appendix.

**Selected Bill Sections Included in the First Chamber Version**

**Posttraumatic stress disorder service dog program** - Section 3 provides the department an exemption to continue any unexpended 2019-21 biennium and 2021-23 biennium funds for the posttraumatic stress disorder service dog program into the 2023-25 biennium. The Legislative Assembly appropriated \$50,000 from the general fund to the department for the program for the 2019-21 biennium and \$50,000 from the general fund for the 2021-23 biennium.

**Exemption - Federal State Fiscal Recovery Fund** - Section 4 provides the department an exemption to continue funding appropriated from the federal 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).

**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 Appropriations**

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, 2020, identified the following audit finding:

Federal regulations not followed in grant agreement. Administrative costs totaling \$3,051 were directly charged to the highly rural transportation grant program. As identified in the audit report, indirect costs are not allowed to be charged directly to the grant and these costs should have been charged to the grant by a journal entry. The State Auditor's staff tested 16 grant subrecipient agreements and noted all agreements were missing information required by the federal government.

The State Auditor recommended the department comply with the grant agreement from the United States Department of Veterans Affairs and Title 2 of the Code of Federal Regulations part 200, which does not allow charging administration costs directly to the grant and using the appropriate indirect cost rate and updating subrecipient agreements to include required information. The department agreed with the recommendations.

**Major Related Legislation**

**House Bill No. 1157** - This bill provides a one-time appropriation of \$500,000 from the general 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 federal funds derived 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.

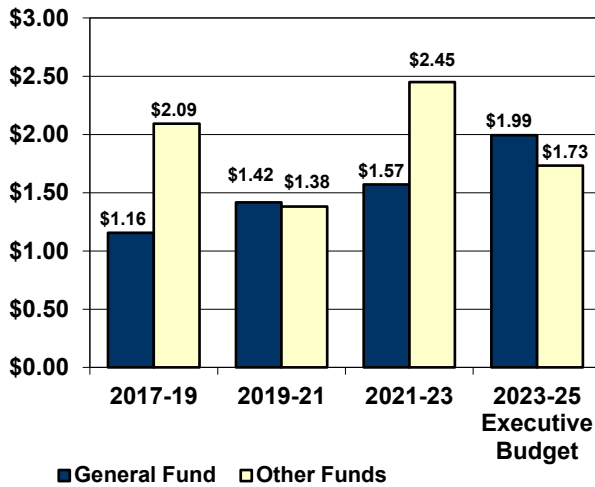
**House Bill No. 1182** - This bill provides a \$135,000 appropriation from the general fund to the Department of Veterans Affairs for providing reimbursement to a veterans' service organization that provides a funeral service at a military honors funeral.

**Senate Bill No. 2204** - This bill allows National Guard members or surviving spouses to apply for a loan under the veterans aid loan program.

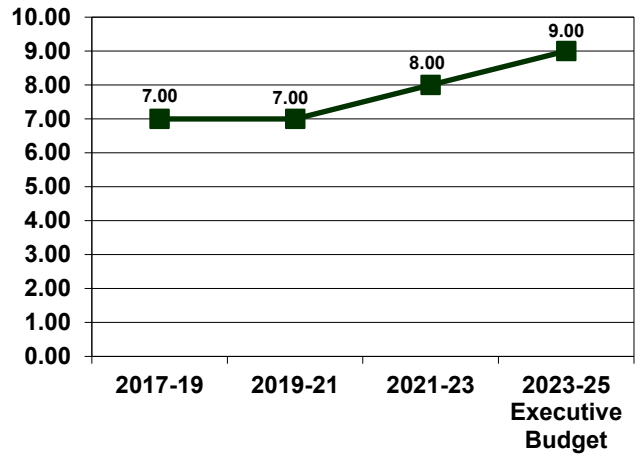
# Historical Appropriations Information

## Agency Appropriations and FTE Positions

Agency Funding (Millions)



FTE Positions



### Ongoing General Fund Appropriations

	2015-17	2017-19	2019-21	2021-23	2023-25 Executive Budget
Ongoing general fund appropriations	\$1,429,982	\$1,136,562	\$1,268,930	\$1,570,624	\$1,895,803
Increase (decrease) from previous biennium	N/A	(\$293,420)	\$132,368	\$301,694	\$325,179
Percentage increase (decrease) from previous biennium	N/A	(20.5%)	11.6%	23.8%	20.7%
Cumulative percentage increase (decrease) from 2015-17 biennium	N/A	(20.5%)	(11.3%)	9.8%	32.6%

### Major Increases (Decreases) in Ongoing General Fund Appropriations

#### 2017-19 Biennium

- Removed 2 undesignated FTE positions (\$260,000)
- 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)
- Removed funding for stand down events (\$20,000)
- Removed funding for the Agent Orange program (\$50,000)
- Added funding for service dogs \$50,000
- 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

- Reduced funding for temporary salaries (\$100,053)
- Added funding for stand down events to provide total funding of \$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

#### 2021-23 Biennium

- Added funding for 1 FTE loan and grant officer position, of which \$90,910 is from the general fund and \$68,000 is from federal funds \$90,910
- Added funding for a temporary half-time training and information officer position \$70,000
- Removed funding for stand down events to provide a total of \$0 (\$5,000)

**2023-25 Biennium (Executive Budget Recommendation)**

- 1. Adds funding to convert a temporary position to 1 FTE veterans benefit specialist position \$99,966
- 2. Adjusts funding for the highly rural transportation program from federal funds to the general fund \$68,000

**One-Time General Fund Appropriations**

	<b>2015-17</b>	<b>2017-19</b>	<b>2019-21</b>	<b>2021-23</b>	<b>2023-25 Executive Budget</b>
One-time general fund appropriations	\$76,895	\$18,600	\$147,500	\$0	\$96,800

**Major One-Time General Fund Appropriations**

**2017-19 Biennium**

- Transport van \$18,600

**2019-21 Biennium**

- 1. Grant database enhancements \$7,500
- 2. Temporary loan and grant position \$140,000

**2021-23 Biennium**

- None \$0

**2023-25 Biennium (Executive Budget Recommendation)**

- 1. Document scanning project \$78,000
- 2. Nonhighly rural transport van \$18,800

**Department of Veterans' Affairs - Budget No. 321**  
**House Bill No. 1025**  
**Base Level Funding Changes**

	Executive Budget Recommendation				House Version			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
<b>2023-25 Biennium Base Level</b>	8.00	\$1,570,624	\$1,512,150	\$3,082,774	8.00	\$1,570,624	\$1,512,150	\$3,082,774
<b>2023-25 Ongoing Funding Changes</b>								
Adds funding for the cost to continue salary increases		\$10,123	\$1,687	\$11,810		\$10,123	\$1,687	\$11,810
Salary increase		94,285	13,964	108,249		70,597	10,454	81,051
Health insurance increase		30,006	6,002	36,008		30,696	6,140	36,836
Adds funding for accrued leave of retiring staff		19,066		19,066				0
Adds funding to convert a temporary position to an FTE veterans benefit specialist position	1.00	99,966		99,966	1.00	99,966		99,966
Adjusts funding for the highly rural transportation program		68,000	(93,915)	(25,915)		50,000	(93,915)	(43,915)
Reduces funding for operating expenses		(6)	(126)	(132)		(6)	(126)	(132)
Adds funding for information technology rate increases		3,739	1,436	5,175		3,739	1,436	5,175
Adds funding for State Approving Agency salaries and operating expenses			937	937			937	937
Removes funding for the posttraumatic stress disorder service dog program				0		(50,000)		(50,000)
Total ongoing funding changes	1.00	\$325,179	(\$70,015)	\$255,164	1.00	\$215,115	(\$73,387)	\$141,728
<b>One-Time Funding Items</b>								
Adds funding for a document scanning project		\$78,000		\$78,000		\$78,000		\$78,000
Adds one-time funding for accrued leave of retiring staff				0		19,066		19,066
Adds funding for the purchase of an additional nonhighly rural transport van		18,800		18,800		18,800		18,800
Adds funding for the Veterans' Home cemetery grant program			\$291,500	291,500			\$291,500	291,500
Total one-time funding changes	0.00	\$96,800	\$291,500	\$388,300	0.00	\$115,866	\$291,500	\$407,366
<b>Total Changes to Base Level Funding</b>	1.00	\$421,979	\$221,485	\$643,464	1.00	\$330,981	\$218,113	\$549,094
<b>2023-25 Total Funding</b>	9.00	\$1,992,603	\$1,733,635	\$3,726,238	9.00	\$1,901,605	\$1,730,263	\$3,631,868
<i>Federal funds included in other funds</i>			\$1,733,635				\$1,703,763	
<i>Total ongoing changes as a percentage of base level</i>	12.5%	20.7%	(4.6%)	8.3%	12.5%	13.7%	(4.9%)	4.6%
<i>Total changes as a percentage of base level</i>	12.5%	26.9%	14.6%	20.9%	12.5%	21.1%	14.4%	17.8%

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

	Executive Budget Recommendation	House Version
Exemption - Posttraumatic stress disorder service dog program	Section 3 would provide the department an exemption to continue any unexpended 2021-23 biennium funds for the posttraumatic stress disorder service dog program into the 2023-25 biennium. The Legislative Assembly appropriated \$50,000 from the general fund to the department for the program for the 2021-23 biennium.	Section 3 provides the department an exemption to continue any unexpended 2019-21 biennium and 2021-23 biennium funds for the posttraumatic stress disorder service dog program into the 2023-25 biennium. The Legislative Assembly appropriated \$50,000 from the general fund to the department for the program for the 2019-21 biennium and \$50,000 from the general fund for the 2021-23 biennium.
Exemption - Federal State Fiscal Recovery Fund	Section 4 would provide the department an exemption to continue funding appropriated from the federal 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).	Section 4 provides the department an exemption to continue funding appropriated from the federal 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).