

2009 SENATE APPROPRIATIONS

SB 2007

# 2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2007

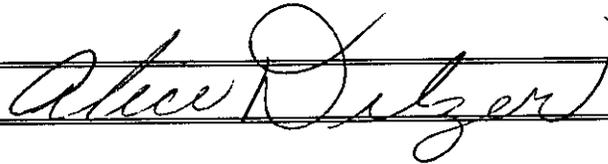
Senate Appropriations Committee

Check here for Conference Committee

Hearing Date: January 8, 2009

Recorder Job Number: 6712

Committee Clerk Signature



Minutes:

**Chairman Holmberg** called the committee hearing to order at 9:00 am regarding Department of veterans' affairs and the veterans' home. All committee members were present.

**Chairman Holmberg:** We had our overviews yesterday. The first bill we will hear today is on veteran's affairs.

**Rudy Jenson, Chairman of the Administrative Committee on Veterans' Affairs:**

Testimony # 1 is attached. We are here to help our states' 60,000 veterans, spouses and dependents. I want to respectfully ask for funding to do outreach work with county veteran service officers.

Secondly, I would urge your support of the operating budget for the veterans' home.

Additionally, let me also urge you to support equity funding for state employees.

The Administrative Committee on Veterans' Affairs approved both of these budgets.

**Lonnie Wangen, Commissioner of the Department of Veterans' Affairs:** Testimony #

2 attached. I will briefly outline our current budget and our proposed 2009-2011 budget.

First I would like to explain that our budget is a "Lump Sum" budget, meaning we have no line items. This allows us great flexibility in meeting our agency's needs throughout the biennium.

The first attachment has the "Lump Sum" amount.

The second attachment shows the breakdown of our budget dollars.

The third attachment shows the 2007-2009 biennium budget and the 2009-2011 proposed budget. The last column shows the amount of the Optional Packages which we respectfully ask that you add to our budget.

The first request in our optional package is for a FTE Training Position.

The second request in our optional package is (CVSO's) training money. This was a quick overview of the budget. Are there any questions in the budget that I can answer for you?

**Senator Seymour:** what is your history on the success of the training for these officers and is there ongoing training now?

**Lonnie Wangen:** Yes we conduct a spring and fall training now. The Association of Counties VA officers have training and the CVSO's decide what type of training they need to have and we go forward and select those trainers and set up a training session for them.

**Senator Warner:** This is a minor criticism I have heard the counties typically provide a computer for their CVSO's. It is a desktop. My criticism is that perhaps a laptop would be more functional. Would there be money in your budget for this?

**Lonnie Wangen:** . The counties pay for everything themselves. Our budgets cannot provide 50 computers for all the counties. That would be a great tool for all the counties to have.

**Senator Warner:** you would be open to that sort of thing?

**Lonnie Wangen:** Yes.

**Senator Warner:** Could you anticipate the cost for every county to have a laptop if the state would be able to provide them?

**Lonnie Wangen:** I am sure any county would say yes. We have about 50 CVSO's so he gave an estimate of the cost it would be.

**Senator Robinson :** Lonnie, a question concerning Rudy Jensen's testimony stating the state has 60,000 veterans. Do we have data what is happening to the number of veterans we have all over the state over the last few years. I know we are losing a lot of our WWII veterans and also what we are experiencing with our recent veterans coming home from Iraq and Afghanistan in terms of the challenges and that type of thing that will create some special challenges for the home and etc.

**Lonnie Wangen:** We are losing WWII veterans real fast. There is only 1 WWI left. The ones returning currently we are seeing that they hide out in small towns and it is hard to track them. Outreach is very important.

**Senator Robinson:** What's happening to the numbers, where has the numbers been for the last five years and what do we project for the next five years?

**Lonnie Wangen:** That number comes through the census that is taken from each county. We are working at trying to get a more accurate veteran number from each county.

**Senator Robinson :** if you could get us information on the number of veterans maybe by vintage, WWII, Vietnam, how many have come back from our recent conflicts in Afghanistan and Iraq regarding post traumatic stress disorder(PTSD) what kind of numbers are we looking at so we can better understand ?

**Lonnie Wangen:** The National Guard in North Dakota has over 4000, plus the US Army and all the active duty units are sending their people home and because of the war they are coming back as veterans so we anticipate quite a bit more PTSD. They figure 20 to 25% are going to have more of these type of problems so that means our veteran officers will need more training to take care of these veterans. (13.16)

**Noris Bratten, Chairman of the North Dakota Veterans; Home Governing Board:**

Testimony # 3 attached. My purpose is to introduce Kristin Lunneborg, accounting manager of our facility to present the budget bill.

**Kristin Lunneborg, Accounting Manager of North Dakota Veterans' Home:** Testimony # 4.

I am here to update you on our 2007-2009 budget appropriation and status of our one-time funding items and to inform you of our 2009-2011 budget needs. See testimony.

**Senator Mathern:** I have a question on the software that you are wishing to purchase. Give me some insight on that.

**Kristin Lunneborg:** we do not use the software that the VA Medical Center uses.

**Senator Seymour:** In your testimony you talked about possible reclassification of your employees. What are your budget ramifications of that as you look to the future?

**Kristen Lunneborg:** We don't anticipate there will be a huge increase in salary dollars because a lot of these positions have been classified into a universal worker position which is kind of the same salary line as what a lot of the positions are currently. We are trying to get training for our staff in how we deal better with behaviors and that type of thing. There is a program that the state hospital offers that actually bumps up some of the positions a few pay grades. In view of the type of residents we care for our goal is to provide the training for our staff and bump them up, but otherwise we do not see a significant increase in salary dollars because of reclassifications.

**V. Chair Bowman:** What are you going to do with the old home? Are you tearing it down and do you have the funds to do that?? Is there money appropriated for that so we don't end up with another surprise in two years? We thought everything was taken care of. We turned around and find we are short of money and now we are going through this again so what is the status of all this?

**Kristin Lunneborg:** We actually are not going to be addressing the old facility until next biennium because of the fact that we don't know for sure what we will do with it. The bill currently says that the home needs to be taken down. There have been notions entertained keeping a portion of the building for a community based outreach clinic. There's been talk of keeping a small portion of the building for storage. The new facility will not be completed for a year and half or better so therefore we don't want to address what we will do with the old building.

**Senator Robinson:** How many are on the waiting list and then I think it is important for the benefit of the committee to have a little bit of information on the nature of your clients. It's a nursing home but it is not a typical nursing home. Maybe Mark is going to share something on the personal census.

**Kristin Lunneborg:** As far as a census goes our skilled nursing home has 38 beds and they are full and there are a few individuals on the waiting list. The basic care side currently has 78 residents. The problems with the basic care side is because of the mental health issues of a lot of the residents that we have the types of residents that we have we cannot utilize all the beds we have on the basic care side. A lot of the rooms have been made into private rooms because of the individuals that are in that. We're serving anywhere from 78 to 84 residents depending upon which month it is. In the new facility which is mostly private rooms we will be able to utilize 98 beds on basic care. There is already a waiting list for the basic care side mostly for the new building. As far as the residents that we serve Mark will give more details.

**Senator Christmann:** On the very bottom of the first page of your testimony you have 2.8 FTEs and a full time medication aide and weekend CNA. Could you discuss that for us?

**Kristin Lunneborg:** Because we are a 24/7 facility one full time position is actually 1.4 FTE. So we have the one 1.4 FTE and the medication aide, we have one FTE on the weekend shift.

We have been short staffed for a very long time I don't know why it just came forward now that they needed a FTE to fill that position, but they have always been understaffed on the weekend shift and that is why we asked for a CNA position. The other point to come into play is when we asked for a FTE prior to that they underestimated the number of FTEs that we really needed. We needed to put the medication aide on the basic care side. That is how we get to 2.8.

**Senator Krauter:** (34.13) He asked for a schedule providing the information he requested.

**Kristin Lunneborg:** An explanation was given regarding special fund revenues and federal per diem money from the VA (36.24)

**Senator Krauter:** Whatever you can provide it helps us through our thought process because we need to weigh these situations next time you come around we say "I thought we paid for that" If we would have a schedule in the bottom right hand corner (36.33) a spread sheet that match these numbers.

**Kristin Lunneborg:** I can get something put together.

**Senator Kilzer:** You mentioned in your testimony about contracting for nursing services. I have a couple questions relating to that. First of all I assume it is more expensive to contract than it is to hire a local staff to fill that position. I'd like to know how much difference there is for money outlay for salary outlay for that and if you are going to be adding thirty more beds which would put more of a demand on the local number of nurses that you need. Is this anticipated to grow and by how much. Have you used contract nurses in the past very much?

**Kristin Lunneborg:** I have been at the Veteran's Home for five and a half years now. We did not use contract nursing until probably the last year and half to two years. Prior to that we did not have to use contract nursing. The main reason we are using contract nursing right now is because we had about six staff members that were out on extended leave. We currently have

only 1 open shift and I think they may be hiring a individual for that shift. Our goal is to get away from contract nursing. Contract nursing is probably double what it costs for a regular employee. We have drastically cut down on the amount of contract nursing.

**Senator Mathern:** Are you recommending that we amend this bill on page two or just move that part of the budget. Do you know if the electronic record system includes maintenance? Would this be amended or transferred?

**Kristin Lunneborg:** It is in the budget. That amount is in the line item in the budget.

**Senator Mathern:** Is it in the budget two times?

**Kristin Lunneborg:** It is in the budget correctly. (41.41)

**Chairman Holmberg:** I can see where Senator Mathern is going because in the section of the bill it talks about one time funding that is listed there. Lori, help us understand this part.

**Lori Laschkewitsch, OMB Analyst:** That section of the bill could be amended to say that only one time of that could be used (42.06) That would be an error that can be corrected so that they don't have to report next biennium that being a one time revenue item.

**Senator Robinson:** I'd like to make a comment. Nursing shortage is an issue across the state. Minot State Bottineau is partnering with our institution (VCS) 42.50) We are starting with eight slots that will grow to sixteen. A partnership bringing Bottineau and Valley City is in operation working with the medical facilities as the lab.

**Mark Johnson, Administrator of the Veterans Home:** There is a number of questions that you asked and I am here to take whatever questions you have.

**Senator Christmann:** Regarding the building project. Is that inspected like a regular nursing home by the Health Department or strictly by the VA or both?

**Mark Johnson:** We have the state coming in to certify us as well as the VA. We go through between 2 and 4 surveys a year. Also the feds sometimes follow up so you might have a state

survey followed by a federal survey. When we have some of these issues with the VA they watch us a little closer and they come in on almost on a monthly bases and monitor what's going on.

**Senator Christmann:** I am assuming you are familiar with the nursing home in my district. They got it all built and then found out there have been some changes in requirements. For example they had to tear out most of the wall to replace a few pipes. Are those problems fixed and in place so during the building process so corrections can be made before everything is completed?

**Mark Johnson:** I do believe the health department has a bill that needs to be funded. It is a piece where they are actually looking at hiring two FTE's to come in and do those surveys. Facilities are going to have the opportunity to have somewhere in the neighborhood of two surveys during the building phases. Because it is a state facility I am actually asking for more, I think they should come out on any occasion they can.

**Senator Robinson:** Could you respond to the question I had of Kristen regarding the nature of the residents of the home and level of mental health and addiction misuse and some of those special challenges we have there you might not find in a typical nursing home?

**Mark Johnson:** I guess my background is long term care. We have probably somewhere in the neighborhood of 80% of our residents have some type of mental illness diagnosed. (47.02) In a traditional nursing home you know you're going to have some mental illness but not like we have. We have post traumatic stress, we have psychotic disorders, we have the personality disorders, we have bipolar disorders so we deal with a whole host of issues. Mark continued to share about the needs of the residents and possible training for staff to deal with these issues.

**Senator Krauter:** Two questions. First one relating to the testimony if I could get a picture of the old facility and the new facility. How many beds do we have available in the old facility versus the new facility and also give us information concerning the basic care and skilled care sides.

**Mark Johnson :** Right now where we are our facility is licensed for 38 skill beds and 111 basic care. In the new building we are looking at having 52 skilled beds and 98 basic care. When I give my testimony on the next Senate bill I'm going to request to have an amendment put into our bill so we could actually license additional basic care beds. The VA has us licensed at 150 beds. The state has us licensed at 149 beds. We were a 150 bed facility. We elected to take one bed and made it into a treatment bed and the state will not give us back that bed. We want our bed back. We've always been licensed at 150 beds facility. On the VA side we are 150 beds and we want to continue to be a 150 bed facility but the state will not allow us to take back our treatment bed.

**Senator Krauter :** The second question is the one that was asked yesterday and that was the whole thing about telephones in ITD. I come to the understanding this is a unique situation. Here we have private citizens and they use the system and we charge them for it. We go back and forth on it and I am trying to get this issue resolved.

**Mark Johnson:** I know mike is here. We work with ITD. We have all of our systems with them. More than anything, I'll be honest with you, I wouldn't mind still working with ITD but the issue that we have is when you look at new building, and when we look at the current rates that we're paying and taking them forward, we're looking at our new system will go to about 250 phones. (53.14)

**Senator Krauter:** That amount you mentioned is that the whole charge of ITD?

**Mark Johnson:** That's just our phone system. When we look at going with a third party provider, I have not done it yet. We have a preliminary piece now. They are putting other pieces together. I know Mike will know what our charges are. He will be here to testify on SB 2123.

**Senator Krauter:** when we do Human services budget, you always get into these indirect costs and formulas. This is what's negative and will affect your reimbursement rates versus you owning a system separately.

**Mark Johnson:** yes. That does have a negative impact on us.

**Senator Mathern:** seems to me there is a solution to this issue. That would be a market phone would cost a lot less. Why don't we have in this bill allow a certain amount a month appropriations so that the veterans have private phone service at the commercial rate? But we still would use the system.

**Mark Johnson:** It is certainly something you could do but it I was I trying save money for taxpayers and for my residents. .

**Senator Mathern:** for the private phones we would actually subsidize that phone rate down to the commercial rate so you wouldn't have to have 2 systems and the state wouldn't have to have two systems. Have you ever thought of that as a solution?

**Mark Johnson:** I haven't . I want to continue to work with ITD in every way. My biggest issue is the cost. I want our facility to be competitive.

**V. Chair Grindberg:** Why won't the state give you the one bed.

**Mark Johnson:** I don't know. I made the request. They won't give us that bed back.

**V. Chair Grindberg:** no reason?

**Mark Johnson :** We took that room and made it into treatment bed because when we're dealing with these guys that are, whether they are having difficulties on the basic care side,

whether it might be a medical condition, alcoholism, falling down and hurting a hip those residents will stay in that treatment room for two three days until our staff are satisfied on how they are doing. The state will not give that bed back.

**V. Chair Grindberg:** I wonder if Council can get an answer for us.

**Senator Seymour:** How do you handle the internet?

**Mark Johnson:** We are using ITD. (60.09)

**Senator Mathern:** Considering the number of beds and the law we passed, we need to look at ourselves. I find it interesting you have the ability for a veteran to get a private line for internet access, but not for private telephone. The data line could have everything done on one. Couldn't the veteran just say he will use his data line for his telephone?

**Mark Johnson:** There's various options. When we start looking at doing a separate phone system for the residents, and that is a possibility then we are running two different phone system and how do you integrate that? That is why SB 2123 is being proposed. The veterans deserve to have a phone in their room.

**Senator Mathern:** why don't you use the same system for the veteran's personal computer?  
(63.40)

**Mark Johnson** I will have Mike address that issue.(63.40)

**Senator Lindaas:** Do you have residents in the home that are not veterans?

**Mark Johnson :** Yes we have 7 spouses that are not veterans.

**Senator Christmann** had questions regarding the number of beds for the old and new facility and also how the home treats residents that are dealing with alcohol addictions.

**Mark Johnson:** when we do an admission on a resident they have to go through addiction program, we work with the VA. Part of the criteria is that they continue to treat their illness. More explanation was given concerning that issue.

**Mark Johnson:** we are probably at 115 residents. We have 77 basic care and 38 on the skilled side.(71.14)

**Senator Christmann :** To make sure I understand, the availability is the same, we'll assume we will attract more residents.

**Mark Johnson:** yes.

**Senator Robinson :** I've been wondering if it would be important for us at this juncture to address some of the challenging issue, phone. Would it be timely to have Mike make some comments while Mark is still here?

**Mike Ressler Deputy CEO of InformationTechnology Department :** I would like to go on record saying we have a good working relationship with the veterans' home I'd like to clarify a few things and that is the current state law does not require that the residents buy their telephone service from ITD. They can get their internet service directly from their telephone and they can continue to do so.(74.38) I want to commend Mark. He's trying to provide better service to the vets and we are open to that too. We just then need to provide a service and charge whatever rates we normally charge for that service. I do want to clarify that in ITD's we do a bit of averaging and an explanation was given. (78.06) he always mentioned the concerns he has regarding security. He also stated if they do their own telephone system it would put the residents off the security and help desk that they already have.

**Senator Robinson:** Asked if Mike would be ready to meet with the subcommittee. Mike said yes. (80.48)

**V. Chair Bowman:** I'd like to see you break down what you offered us, what the residents want, see what's compatible, what the costs are so when the subcommittee meets we will have something to go by.

**Mike Ressler** Yes we can do that. Further explanation was given regarding this matter.

(81.57)

**Senator Mathern:** Is there any risk regarding federal reimbursement if we were to do something considering this.

**Mike Ressler** Not at all, they just care that the federal government doesn't pay higher costs for services.

**Senator Christmann** asked further questions regarding private phone use by the residents.

(83.01)

**Mike Ressler** you are right.

**Senator Krauter:** Just a question back to Mark. We need a little paragraph telling how this affects your rates.

**Senator Mathern :** Why do we have two bills here. What is the rational?

**Chairman Holmberg:** SB 2025 is an emergency.

**Lori Laschkewitsch :** The reason for the two bills is critical because of the deadline of March 1, to meet the federal government match.

**Chairman Holmberg :** Does anyone else want to testify in 2007. If not we will close this portion but leave the hearing open. We will go into SB 2025 when we get back.

## 2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2007

Senate Appropriations Committee

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Hearing Date: January 30, 2009

Recorder Job Number: 8239

Committee Clerk Signature

*Rose Taving - minutes taken by Jan E. Eflertz*

Minutes:

Senator Kilzer called the subcommittee meeting to order. Senator Kilzer, Senator Bowman and Senator Mathern were present. Also in attendance were Mark Johnson, Kristin Lunneborg, Sheila Sandness and Lori Laschkewitsch.

Senator Kilzer asked Kristin Lunneborg to tell the subcommittee about the Veteran's Home. Kristin Lunneborg said this was a difficult budget since they will be operating from the old and new buildings next biennium. They will add a FTE. They will have increased revenue due to an increase in their residents. There was some increase in fuel cost. She continued to review the budget. The city of Lisbon had been billing the Veteran's Home for water at the same rate as a household and they have decided that is not fair. The cost is going up to \$600 per month. Senator Bowman said they should realize some savings from moving out of the old building in maintenance.

Mark Johnson said this is a difficult budget since they will be in the old building for 1 ½ years. There will also be some cost involved in keeping the old building warm enough to avoid burst pipes. The new building adds 59,000 square feet so that adds costs. In 2011 they will know if they are saving money.

Senator Bowman said the addition of beds will add to cash flow.

Mark Johnson said that is true. They are looking at their rate structure. They will have to raise rents.

Senator Kilzer said in testimony he heard about a request for \$110,000 for a project manager to oversee construction. Why is it in 2007 and not 2025.

Lori Laschkewitsch said it is in the operational budget of the Veteran's Home. It is a temporary salary and it is cleaner to keep it in 2007. It is an ongoing expense, the project manager is already on board.

Senator Mathern said another issue is another bill for the phone system.

Mark Johnson said that is SB2133. The bill also covers changes in the Century Code. The new phone system over 10 years will save \$400,000 and they will receive better service. He doesn't know what will happen with the bill. It is an agency bill without an appropriation, drafted by the Attorney General's office.

There was discussion of the phone system and ITD. If the new phone system is approved, it would impact ITD fees in the budget.

Lori Laschkewitsch said 2007 includes the operation of the phone system. If 2007 stays as is, it will be included in the new budget.

Senator Mathern asked if there is any need for amendments to 2007.

Mark Johnson said no.

Lori Laschkewitsch said no.

Kristin Lunneborg mentioned the benefits increase.

Lori Laschkewitsch talked about budgets when an agency has federal funds for salary.

Kristin Lunneborg said they are supposed to use their special funds first before general funds.

She was trying to absorb as much as possible into special funds and she used all the

carryover. She just realized the benefits increase will have to come out of special funds and she is afraid there won't be any left.

Senator Mathern said this should be in an amendment to 2007, it will create trouble if it's not. The Veteran's Home and OMB can figure it out and get Legislative Council to prepare the amendment.

Senator Mathern asked about the telephone system, will it have any impact on 2007.

Lori Laschkewitsch and Kristin Lunneborg discussed if the phone system would be considered a wash.

Kristin Lunneborg said the during the time they are in the old building (1 ½ yrs) telephone cost would be the same. When they move into the new building they would have the expense of the new system so that would be an increased cost. There would be a decrease in the next biennium budget.

Sheila Sandness said a fiscal note would be a good idea.

Senator Kilzer said there are two things needed for the next meeting:

1. Coming up short in special funds with the increased health care costs.
2. Mark Johnson's memorandum regarding the new phone system in the new facility.

Sheila Sandness asked about the one time funding for the electronic health record, some of that needed to be changed from one time. That is another amendment that may be needed. It is just a transfer of funds.

Sheila Sandness said it would be a change to the bill. The bill identifies the one time funding. There was discussion of the new system, the cost to residents.

Senator Mathern recommends they get a bill from ITD and consider defeating the other bill and put it in 2007.

Mark Johnson said there are code changes in 2133 they need. They need a clause in code to get away from ITD. They are not trying to hide costs.

Senator Kilzer said they have to get to the floor session and closed the meeting of the subcommittee.

## 2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2007 subcommittee

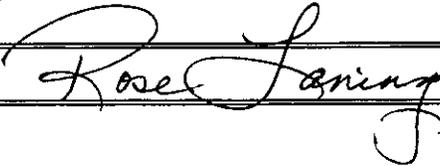
Senate Appropriations Committee

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Hearing Date: February 3, 2009

Recorder Job Number: 8508

Committee Clerk Signature



Minutes:

**Senator Kilzer** called the committee hearing to order at 3:30 pm in regards to SB 2007 concerning the operations of the Veteran's Home. Subcommittee members **Senator Mathern** and **Senator Bowman** were present.

**Senator Kilzer** said they wanted to pay particular attention to **Kristin'Lunneborg's** testimony of January 8. The total operating budget for the present biennium is \$13 M which includes \$240,000 of one time funding. He has a note that says they have 38 skilled beds, 111 basic beds and one bed that you're begging for from the Dept. of Human Services. How are we coming on that?

**Mark Johnson** said he has talked to several legislators and no one seems to be able to give him any answers. He wrote to the DHS and they denied the bed. He would like to get that one bed back because they are licensed for 150 beds under the Veteran's Administration. Under the state we were licensed for 150 beds, but what happened is that they made one bedroom into a treatment room, like a sick bay, and they won't give them the bed back.

**Senator Kilzer** asked when they made the room into a sickbay room.

**Mark Johnson** said it was several years ago. He wasn't around when this took place. They asked for a treatment room. So they got a treatment room, but they took away one bed.

**Senator Kilzer** said that on the open market, a nursing home bed is worth about \$20,000.

**Mark Johnson** said it's a basic care bed. We'd just like to have the bed back.

**Senator Kilzer:** In nursing homes, basic care beds don't have any value, but skilled have around \$20,000? And Mark Johnson said that they both have value, but he doesn't know what it is.

**V. Chair Bowman** said we should we ask the Dept. of Human Services why they didn't give the bed back.

**Kristin Lunneborg** thought it was the Health Department.

**Senator Mathern** said that this is an important consideration in that the entire facility and discussions with other partners really have included all of those beds. He hoped they didn't lose sight of that. There is a need to put that bed in and the issues of the Department of Health wouldn't be over riding.

**Senator Kilzer** clarified that Kristin went to the emergency commission and transferred \$300,000 from the salaries and benefits to operating line because of increased costs and transportation, and high fuel cost. Is that still a problem? Will you have to go to the emergency commission again or will you be ok until July 1<sup>st</sup>?

**Kristin Lunneborg:** I believe we'll be ok for the rest of the biennium

**Senator Mathern** Will there be enough general funds to deal with the health care benefit increase? Looking at their priorities, they need \$390,750 and if you wouldn't get that, you'd need to go to the emergency commission.

**Kristin Lunneborg:** We'd have to go the emergency commission or file a deficiency appropriation.

**V. Chair Bowman:** In your appropriation two years ago, that was supposed to cover this cost. If it was, why is there a shortage of that much money?

**Kristin Lunneborg:** The benefit increase for this next biennium, is based on the percentage that the current biennium's dollars are allocated. When budget was built for the 09-11 biennium, it was built trying to use up all of our special funds and not use many general fund dollars. We were anticipating about \$850,000 in special fund carryover at the end of this biennium. I put all of that in there for us to spend in the next biennium, not knowing that when the state put their benefit increase into the budget, it was going to come out of a portion of the special funds. I'm not anticipating having any special funds out there to pay this portion.

**Senator Mathern:** You're asking that we increase the general fund by that amount in what line item of SB 2007? The healthcare benefits are in salaries, not in other one.

**Senator Kilzer:** So that's the \$11,643,000?

**Senator Mathern:** The \$11,643,754 would have to be increased by \$390,750.

**V. Chair Bowman** asked if this was done before requesting their operating money, so it was in the governor's budget? Or was this after you sent your budget in and found this mistake.

**Kristin Lunneborg:** After we submitted budget, then governor went through and came up with the governor's recommendation. That is when the numbers were changed. When submitted his budget and when I testified in January, I did not look through the governor's recommendations that closely to realize the impact of what it was. I assumed that all the governor's recommendations were general fund dollars.

**Senator Mathern** asked **Lori Laschkewitsch** about line items in the budget?

**Lori Laschkewitsch:** The way the system is set up, agencies put their payroll in indicating whether they are going to fund their salaries with special funds or general funds or federal funds. When they use up their special funds, it's gone. When we do the compensation package, that salary increase will come in general funds. Health insurance does not calculate as a salary increase. It calculates as a base salary, therefore, that benefit change for health

insurance calculates at the base salary which is special funds. That's why its funded as special funds in their budget and that's where Kristin says she doesn't have money to cover.

**Senator Mathern:** Would the amount of \$390,750 be added on line 14 of the bill to the appropriation? And would it also be added to the base level of column one/

Discussion centered on budget and line items.

**Kristin Lunneborg:** This is for the 09-11 the upcoming biennium .

**V. Chair Bowman:** When budget was submitted, and had base funding, was this \$390,000 left off the base funding or is this a special line item for health benefits?

**Lori Laschkewitsch:** When they submit their budget, they don't have any health insurance figured. They submit their budget at the current health insurance cost and when we do the governor's recommendation, we change the health insurance rate to what the new rate is going to be, and with the salary package on top of that. And so with the Governor's recommendation, that we funded their health insurance increases with special funds rather than general funds.

**Senator Kilzer** asked why would he do that?

**Lori Laschkewitsch:** Because the health insurance is calculated at the same rate, the same funding source as the base salary. The base salary is calculated with special funds.

V. Chair Bowman; When the budget was submitted to the governor, and eliminating special funds for health care from general funds, if the governor said it would be coming out of special funds, there must have been enough money in special funds at the time of the decision. He wouldn't have said to go out and look for that much in the air. It had to be in special funds when he approved of the budget.

**Senator Mathern:** I would say he assumed their was enough in special funds.

V. Chair Bowman: Who did that?

**Lori Laschkewitsch:** Kristin was just discussing that she thought she would have more carry over with the special fund money going into the 09-11 biennium, therefore, that special fund appears that there is special fund authority to do the spending from the 07-09 biennium. She doesn't anticipate she will have those extra special funds leftover. Therefore she won't have the special funds available to pay for that additional healthcare.

**Senator Kilzer:** Do you know what it's going to look like now, before the \$390,000.

**Kristin Lunneborg:** I'm hoping to have \$852,000 left over at the end of this biennium. The \$852,000 that I'm hoping to have left was figured in to my special fund revenue to prepare the 09-11 budget. I'm using money to pay for expenses.

**V. Chair Bowman:** Was this done after the budget was prepared and sent to the governor's office so that there is accountability with this. If the budget was prepared and the \$800,000 was there to begin with, and you assumed that was going to be used to cover these costs. And that's why you took it out of these special funds, what transpired between that time until now that there's not going to be that money in there.

**Lori Laschkewitsch:** We don't go into change this funding source for payroll. However, an agency puts their pay plan into the system, is how the increased health insurance is going to be funded for them in the governor's recommendation. The only change we have in the system is for them to pay what they want with salary increase funded as if they've been funding for the base salary. So there is nothing that changed other than we don't go into every position in an agency and look at the funding source to make a determination as to whether they need to make an adjustment. This biennium is somewhat unique because of the large increase in health insurance.

**V. Chair Bowman:** Based upon that information that you were given, there was enough money in special funds even though you now found out there wasn't? I'm trying to understand

the communication between all of you when you do the budgets. Is this going to be a mistake that is going to be made in this budget or other budgets that have the same problem down the road.

**Lori Laschkewitsch:** There is significant amount of conversation that goes on during the budget process while reviewing that budget. Historically, agencies have always had to absorb that amount of money in their budget to make that payment. We give them the cost to continue the salary increases from the previous biennium, but as far as the health insurance changes, the agencies have had to absorb it in whatever funding source they put their budget request in as.

**Senator Kilzer** This becomes a pre-major item in a high people type of situation. Was there any inflation built into the health care premium increase? Or was it assumed to be the same?

**Lori Laschkewitsch:** There was a significant increase in health care premiums for 09-11.

**Senator Kilzer:** Was there zero increase built into the budget?

**Lori Laschkewitsch:** Yes. In the base budget requests, we don't allow agencies to include an inflator.

**Senator Kilzer:** Is our only recourse to take \$390,000 from general fund? Are there other ways?

**Senator Mathern:** Maybe we could look at all of these budget amendments.

**Senator Kilzer:** I'm just comprehending what the problem is.

**Senator Mathern:** I'd hope we'd put it in. It's not a problem of Veterans Home. The problem with insurance is beyond their control and everyone is saddled with the result. Maybe we should have Legislative Council to direct an amendment to accomplish this?

**Senator Kilzer:** Is the \$390,000 an accurate figure? Or will we be a little short? Will it cover FTEs for the next biennium?

**Kristin Lunneborg:** All the other increases in FTE are taken care of in SB 2007. The only issue is funding source for healthcare increase.

**Senator Kilzer:** \$390,000 is an accurate figure? And it's all due to the increase in health insurance premiums?

**V. Chair Bowman:** The questions I ask is to get a feel for how this works because to me, when you submit a budget, as a county commissioner, we go through this budgeting process and every single line item is takes care of what the needs are. So there is accountability in all of this. When you're spending money that you weren't supposed to spend, I have to question it to see why, so I can justify it in my mind why there is this much shortage. I hope you understand, from having a degree in business, this is what we do – is to challenge figures. We want to have an understanding, not be upset about something. At least it gives a feel for where the real dollars are in this budget. The dollars were in the budget and then the dollars weren't in the budget. Now we're going to take \$390,000 out of the general fund which was never intended to pay for this in the first place. It's a legitimate question to ask for the accountability for all these dollars so that two years from now we are sitting in this same room doing the same thing.

**Senator Kilzer:** Does this happen in other agencies, too, like Corrections or any other organization that has a lot of state employees?

**Lori Laschkewitsch:** It does happen in other agencies. There is a significant amount of underfunding due to the health insurance being funded through special funds. They need to absorb it in their payroll and salaries. Some agencies then don't fund a higher percentage of their salaries in special funds.

**Senator Kilzer:** What about Dept. of Health which has over 300 employees and they have a lot of federal funds and special funds. Is it the same situation there?

#1 One time funding for electronic health care records system.

**Senator Mathern** said this is a correction that is need to be made as to how things are noted.

**Senator Kilzer** asked where that is at?

**Senator Mathern** replied Page 2 line 21

**Sheila Sandness**, Legislative Council, said that next biennium, when they come back to do their budget, instead of backing out \$133,600 as onetime that won't be included in their base budget, it will be backing out \$98,400 to establish their base budget going forward.

**Senator Kilzer:** So down the road is \$35,000 per biennium for maintenance.

**Senator Kilzer:** With amendments, this would be an engrossed bill.

**Senator Kilzer:** Next item on the list is they need one basic bed taken away by health dept.

Can we call someone from the Health Dept. to come to our next meeting? and was told that someone from the Health Dept. would come down if they wanted.

**V. Chair Bowman** asked if there has been a moratorium on beds. We've had it on beds for quite a few years. I was on Human Services when they put the moratorium on beds. It was getting out of control and the cost was sky rocketing.

Senator Kilzer We can ask them for a list of how many basic care and skilled beds are authorized in ND, and then ask Where are they?.

**V. Chair Bowman:** If Health denies it, what can we do?

**Senator Kilzer:** They may have reduced it by one. The total number of beds is a moving target.

**Mark Johnson:** We used to have 150 beds, they are in treatment room for a week and then back to bed. We're licensed through the VA for 150 beds and licensed by Health for 149 beds.

**Bruce Pritschet, Health Dept.**

**Senator Kilzer:** We want to direct a question about the veteran's beds. One bed was used as treatment bed and so they lost one bed. It was denied.

**Bruce Pritschet:** It was denied, by the Health Dept.?

**Mark Johnson:** Either the Health Dept. or Human Services.

**Bruce Pritschet:** It wouldn't have been us. We don't have any strong feelings either way any particular facility has. On February 27, 1998, that's when that particular bed was taken out of service. I looked it up before I came down here. I talked to Arvy Smith. The wording of the bill before you says "150 beds". It is the legislature in our understanding that determines the beds, so if the bill were to pass, you'd have 150 beds.

**Senator Kilzer:** Which bill are you talking about?

**Sheila Sandness** said bond issuance authorization is given SB 2025 which gives 150 beds.

**Senator Mathern:** We should have someone from the Dept. of Human Services who regulates the beds should come here and say that so that it's a matter of the record.

**Senator Kilzer:** Who is the person in Human Services that deals with this type of matter?

**Bruce Pritschet:** The Health Dept. contacts are Maggie Anderson or Barb Fischer.

**V. Chair Bowman:** If nursing homes want to increase beds, they have to buy them from another nursing home. That's the only way you get them.

**V. Chair Bowman:** I want to get it square do it's done the right way. So we don't have to come back to this again.

Discussed the telephone issue at the Veteran's Home.

**Kristin Lunneborg:** Funding for change in telephone is based on staying on ITDs phone system There is no appropriation attached with that bill and ITD is much more expensive than DRN (Dickey Rural Network). The telephone bill is SB 2133.

**Kristin Lunneborg:** The budget was built based upon the fact that we would stay with ITDs phone system. We did not make any changes to the budget bills based upon that – not knowing what the legislature would decide. There is no appropriation or authority attached to SB 2133 which is the bill that actually addresses the telephone.

**Senator Kilzer:** This bill continues your present service?

**Kristin Lunneborg:** That is correct.

**Senator Mathern** presented three options.

Option 1 – Making no change. That mean SB 2133 is defeated.

Option 2 – Operating cost, but less than the bill and system they have now.

Option 3 – Purchase a system, which is more immediate costs, but in the long term (5 years), there would be decrease in operating.

**Kristin Lunneborg:** The budget was built based upon the fact that we would stay with ITDs phone system. We did not make any changes to the budget bills based upon that – not knowing what the legislature would decide. There is no appropriation or authority attached to SB 2133 which is the bill that actually addresses the telephone.

**Senator Kilzer:** This bill continues your present service

**150 beds -**

**Senator Mathern** Discussing the number of licensed beds this biennium . The statute says 150 beds and they should be licensed for 150 beds. Don' want it to fall under mmoratorium.

**Maggie Anderson,** Human Services: When it comes to licensing, I would have to defer to Bruce and the Dept. of Health because they actually do the licensing. The health department is responsible for the licensing and determining that language would meet the exception to the moratorium. Was it fourteen beds that you received?

**Mark Johnson:** Through the VA, we're licensed for 150 beds. In 1998, we were licensed for 150 beds. We took one bed out to become a treatment room and now I asked Barb, I think, to get that treatment room back and she said we couldn't. So during last session, we talked about the intent of the law was that we went to 52 skilled beds and 98 basic care beds. Now we're coming back around and I'm trying to get clarification on that one bed to make sure we have the 150 beds.

**Maggie Anderson:** Before this change, did you have fewer skilled beds now? Your mix is going to be different?

**Mark Johnson:** Right now we're licensed for 97.

**Kristin Lunneborg:** We're licensed for 111. We're supposed to have 112 basic care beds but we only have 111.

**Maggie Anderson:** I don't know where this stands with the Health Dept.

**Bruce Pritschet:** I looked just before coming down here to see that the bed was removed on February 27, 1998. That would've brought them down to 149. The Health dept. doesn't really care one bed either way. We will license the facility for whatever number of beds the legislature indicates.

**V. Chair Bowman:** Let's do it right so we don't have confusion from here on. If we want it in the bill, if we can do that, and have 150 total beds, that would be great. If we can't we need to know why and if that can be corrected.

**Senator Kilzer:** This bill continues your present service of 112 basic care beds, but you only have 111.

**Maggie Anderson** asked about the authority to give them their one bed back in exception to the basic care moratorium. I understood the extra fourteen beds came through your bill the last time to give you the authority to go outside the moratorium to convert the basic care to the

skilled and so it seems that's what you're looking for this time. The way the Human Services and the Health Dept. deal with their moratorium on basic care is for those requests to come in to us and there is the criteria set forth in the law about the occupancy within a 50 mile radius.

**Maggie Anderson:** The safest way is assure is for exception to be written into the bill. That would give the Health Dept. the authority to license the bed and then I'm assuming there would be Medicaid funding and would be ok.

**V. Chair Bowman:** My suggestion is that you two get together and write up an amendment that we could put into this bill. Then we won't have a problem if it comes from the departments. There has to be an agreement on how to do it and do it right and then we can incorporate it into the bill and it would be taken care of.

**Maggie Anderson:** Between our two agencies, we will put together an amendment that guarantees 150 beds.

**Senator Mathern:** I think we have already done that. The bed is there and there is just a misinterpretation about the bed. However, amending the bill to clarify this is just fine.

**Senator Mathern:** We should get someone here from ITD and give them another opportunity.

**Senator Kilzer:** I think that should be a part of SB 2133, but that is a good idea. **Should we have an amendment drawn up for \$390,750? I think that's worthy of an amendment.**

**We need the basic care bed amendment. The correction of the \$133,600 moved over to the \$98,435 in the maintenance part, and the health insurance premium general fund addition.**

**Senator Kilzer:** We can have the amendments prepared for on this handout, # 1,2, and 4.

**Sheila Sandness:** Do all three in one amendment?

**Senator Kilzer:** Yes, and that will leave the telephone hanging yet.

**Senator Kilzer:** Thank you everyone for coming.

## 2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2007 subcommittee

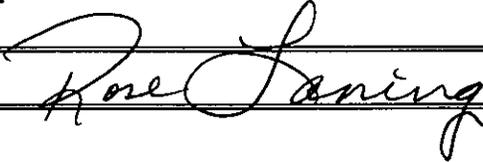
Senate Appropriations Committee

Check here for Conference Committee

Hearing Date: February 4, 2009

Recorder Job Number: 8662

Committee Clerk Signature



Minutes:

**Senator Kilzer** called the committee hearing to order at 3:30 pm in regards to SB 2007. This is the subcommittee with the Veterans' Home operations and the Department of Veterans Affairs. All subcommittee members were present.

### Veterans' Home

**Senator Kilzer:** We were about through with the Veterans' Home. There were going to be some amendments drafted, correct? Do you have them?

**Sheila Sandness, Legislative Council Analyst,** said she didn't have them drafted but she just got the language from Health and Human Services over the lunch hour, but I know what they are and get them drafted.

**Senator Kilzer:** Could you tell us what those words came out to be?

**Sheila Sandness:** I could read it to you. I have the printed email. (Written attached #1)

### Exception to Moratorium on Expansion Of Basic Bed Care Capacity.

(Proposed Amendment for 2009 SB 2007)

Notwithstanding North Dakota Century Code section 23-09.3-01.1, after completion of the veteran's home construction project, the veterans' home may add one bed to their licensed basic care facility capacity. This one bed is in addition to the authority granted the veterans' home section 3 of 2007 Senate Bill No. 2418, to convert 14 beds from licensed basic care beds to licensed nursing facility beds.

**Senator Mathern:** What's the reason for the referral to the other Senate bill?

**Sheila Sandness:** That senate bill was last biennium's bill that was the construction project and I guess I don't know for sure. I suppose they felt that because that was a conversion of basic care beds to licensed beds that they had to make sure that this bed was in addition to this.

**Senator Mathern:** The only thing that concerns me about referencing that bill is it potentially takes us into understanding what happened there when we're in a new legislative session and we have the authority to just have an exception to the moratorium whether there was a past bill or not. It takes us into understanding what went on there. This was just an exception to the moratorium. Whenever we reference old legislation, we cast the implication that somehow connected to that so, someone would come up with, "That's not what that means. Well, they can just pass the bill this time, and it's clear, they have 150 beds and.."

**V. Chair Bowman:** You know who's doing this? The two agencies that are responsible for this. If that's their suggestion, I would venture to say there will never be an issue with it if it's done the way they want it to be. If we say "We're smarter than you are", and they're the ones that license the beds.... I don't know for sure what they'll do, but if they wrote the amendments, they'll have to accept their own amendments.

**Senator Mathern:** Sheila, what if somebody said, "Well, how many beds then are they authorized to be licensed for?"

**Sheila Sandness:** You mean, you're looking at the total?.....

**Senator Mathern:** That thing about 2007. We made some changes in basic care, we made some changes in skilled care.

**Senator Kilzer:** Is this bed a basic care or a skilled bed?

**Sheila Sandness:** Basic care.

**Senator Kilzer:** Should that be identified that way in here?

**Kristin Lunneborg:** It says, the veterans' home may add one bed to their licensed basic care facility. So add one bed to the basic care.

**Senator Kilzer:** So what are the numbers for skilled and basic?

**Kristin Lunneborg:** That would be 98 beds in basic care and 52 beds skilled.

**Senator Kilzer:** Fifty two skilled and the other was 97 plus one?

**Sheila Sandness:** There may be a statement at the end of the paragraph that says, "The veterans home's total capacity would be 98 basic and 52 skilled."

**Senator Mathern:** I think that would be better because basically, we already heard that the Veterans' Home had 150 beds except they were denied using one of those beds. So I guess it would be clear if we added that.

**Senator Kilzer:** The numbers you say it used to be 38 skilled care beds and whatever the number was to make 150.

**Sheila Sandness:** So I can just add to the amendment that "It will provide a total of 98 basic beds and 52 skilled beds."

**Senator Mathern:** I'd be more comfortable if we did that.

(9:00)

**Sheila Sandness:** The bed language was discussed and the other amendment would be to increase general funds and decrease special funds in lines 20-21 of the bill. We would reduce line 20 on page 1 of the bill. Line 20 would reduce the estimated income line by \$290,760 which would then increase line 21 of the general fund line by \$290,760 for the health insurance increase.

**Senator Kilzer:** That's the health insurance increase of the additional FTEs?

**Sheila Sandness:** No, there were employees that were funded through special funds. Their increased salaries in the governor's recommendations are funded through special funds. The way their computer system works, the increased health insurance posts as a special fund

increase, because they are a special fund employee and when the system doesn't budget, she absorbed all the special funds that she had anticipated having into other expenses, and that increase posted when OMB did the budget that left her short special funds because she didn't know that was going to post that way.

**Senator Mathern:** There's really another variable there and that is the increase of the cost of health care per contract. So it's not just those other employees on here, it's going up in terms of ND pers, so that's part of the reason for this.

**Sheila Sandness:** It's part of the salary package that we've given to all of the state employees.

**Senator Kilzer:** And on that item, a similar thing happened two years ago and that's why you had to go to the emergency commission?

**Kristin Lunneborg:** Actually, it did happen to us last biennium as well. It was \$400 and some thousand dollars but we didn't find out until after the budget had been passed. The little bit of carryover we had in special funds would at least cover that point. Actually the emergency commission requests were just to increase expenses in operations and didn't have anything to do with the salaries.

**Senator Mathern:** I think Kristin was saying she learned a lesson last time.

**Senator Kilzer:** Sounds like she didn't learn a lesson.

**V. Chair Bowman:** Well no, she brought it up to us before we passed the bill.

**Senator Kilzer:** That's true. That will be hard to explain. I'm still not so sure I've got everything right either, but apparently the computer can't handle special funds in that way of posting, right?

**Kristin Lunneborg:** It's just that the bar system allocates any increase in health insurance benefits the same proportion that your salary is. Say our salaries are \$10M and we have \$8M of them coded as special funds and \$2M coded as general funds, when it takes that health

insurance increase, it splits it in the same proportion that our salaries are split. So it would take 80% of that health insurance increase and put it toward special funds and 20% toward general funds.

**Senator Mathern:** Kristin, do the feds care about how we do that? Have you ever had any difficulty there? They're paying part of the bill, in the sense of reimbursement.

**Kristin Lunneborg:** As far as federal funds – The only federal funds we get are per diem and that's totally based upon the residents, and it's so much per resident for each day they live there. There are no other requirements.

**Senator Mathern:** Thank you.

**Senator Kilzer:** Any more questions on that subject?

**Sheila Sandness:** The third amendment had to do with the onetime funding amount, and that amount can be found on page 2, line 21, the \$133,600. That number would just be changed to \$98,400 because part of that electronic health record system – Part of that \$133,600 is capital and the other part is operating. And in the part that is operating, it would be re-occurring and would need to be included in their base budget for the next biennium.

**Senator Kilzer:** And where is the base budget for.....

**Sheila Sandness:** The \$133,600 is included in their budget up above, in the capital assets line.

**Senator Kilzer:** On page 2?

**Sheila Sandness:** On page 1. Part of that is from the capital assets fund, isn't it?

**Kristin Lunneborg:** Yes, \$98,400. So if the \$133,600 that is on page 2 is a onetime item, it's also included above as a capital asset item – the \$165,313. Part of that is \$98,000 is a capital item that's down below. That paragraph down below, that section 2, is there just to identify what numbers up above and are not going to be re-occurring in the next part of this budget, and in section 2, the \$133,600 is identified as onetime and not re-occurring in the next budget,

but it should only be \$98,400 that is onetime because that's the capital portion of that cost.

What we would do by amending this to say that the \$98,400 is one time. Next time, when we bring the budget in, the base budget would be reduced by that \$98,400 amount.

**Senator Kilzer :** Committee members, do you want those drafted up separately because some of those we may want to adopt when we see them next time and some we may not.

**Senator Mathern:** Mr. Chairman, why don't we vote on it right now?

**Senator Kilzer:** Let's see them first. And there is one additional thing. The discussion among leadership is that there will be no increase in FTEs until after crossover. That would affect the green sheet because I noticed that there are small numbers of FTEs up and down the items here.

**Sheila Sandness:** Actually, they have quite a few FTE positions. So, do you want me to draft an amendment to take out all of the FTEs?

**Senator Kilzer:** Yes.

(17:45)

**Senator Mathern:** I'm wondering if this leadership issue does in fact apply to everyone the same way, in that some agencies have FTEs that are alchemy funds, some agencies have FTEs related to the funding they receive in special funds. I'm wondering if there is absolute distinction, and I would think the Veterans' Home in terms of per diem payment, the actual funding of FTEs is a great part of non-general fund dollars. So I was just wondering if that was part of the discussion. Is this general fund FTEs or .....

**Senator Kilzer:** It was all FTEs irregardless of the funding so that then is the request. Now I know there are people being added particularly when the new home comes into existence and no doubt there will be provisions for that to be staffed, but the present time and until we have crossover, and until we hear good economic news for a change, that's the way the amendments will look until we consider it.

**Senator Kilzer:** All the FTEs are on line 14, the 1<sup>st</sup> page, aren't they?

**Sheila Sandness:** Line 14 is the salary equity. Do you want me to remove that as well?

**Senator Kilzer:** Yes.

**Sheila Sandness:** Salary equities and FTEs.

**Senator Kilzer:** Right.

**Senator Mathern:** I don't understand removing the salary equities issue. Is that being removed in all appropriations bills? Because to me that's separate than the FTEs because salary equities might be money to balance or put in proper order the salaries of people that have been there a long time.

**Senator Kilzer:** Is this separate for everyone, or just the new hires?

**Sheila Sandness:** Maybe Joe would have an answer how the equity is calculated.

**Joe Morrisette, OMB Analyst:** In this case, I'm not sure how it was calculated, so I don't know. I'm just filling in for Lori.

**Sheila Sandness:** I guess I'm not sure that if that is the equity line that was put into all the agencies. All the agencies receive some equity money.

**Joe Morrisette:** In most cases it would apply to existing positions and not new positions. I guess I can't make that statement for sure, but for other agencies that would be true.

**Senator Kilzer:** What do you think Senator Bowman?

**V. Chair Bowman:** I've pretty much lost my mind right now.

**Senator Kilzer:** Maybe we should leave it in. You're right. It is a separate issue from the number of FTEs. If it's used for all for existing employees, then it should probably stay in.

**Sheila Sandness:** Okay, and remove the FTEs lines 1-13?

**Senator Kilzer:** Yes, lines 1 through 13.

**Senator Mathern:** I'm wondering if we could have Kristin or Mark describe those FTE activities that would be removed?

**Senator Kilzer:** We can take a few minutes, but not too long. Number 13 is the big one with 15 "orderly 2"(?)(inaudible) positions. I'm assuming that's in preparation for the new residence.

**Kristin Lunneborg:** Number one and two are employees we already have. The first one is a girl that was hired in the accounting department at a .65 FTE, but we need her to work forty hours, especially when we move into the new facility because she is an individual that handles all the resident billing. We will be getting 30 residents, and there is a lot more office work that has to be done because of the new facility as well. The second one – he's our FTE that we went to the emergency commission for request to comply with the VA's recommendation that we were understaffed and we had unsafe medication administration practices. So these are all selections that are currently on board right now. All of the FTEs after that are FTE needed once we move into the new facility. Because of the increase of 30 residents, because of the fact that the building has 159,000 square feet, because its set up in the neighborhood household concept which delivers care in different manner as the individuals have needs for, in these facilities....

**Senator Kilzer:** And in what month and year do you anticipate that?

**Kristin Lunneborg:** The vast majority of them were added in the last nine months of the biennium. We're anticipating that we would need to hire them and get them on board by October 1 of next year.

**Senator Kilzer:** So they're working now or are they going to be starting?

**Kristin Lunneborg:** They would be starting October 1, 2010 or somewhere in that category.

**Mark Johnson:** What's being planned right now and certainly might change as it gets closer, but we're supposed to have keys in hand October 1, 2010.

**Kristin Lunneborg:** It would be very difficult to fill the facility without a lot of those positions.

**Senator Kilzer:** I'm sure that's true. October 1, 2010. And you say the other three plus are people that are already working and one in the billing department.

**Kristin Lunneborg:** That is correct. The other piece to this is the vast majority or a lot of these positions are funded with special funds because of the increase in special funds we will have moving into the new facility. Thirty more residents will generate more revenue. We funded as much of that as possible with special funds. We probably won't be able to fill the whole facility if we don't have those FTEs.

**Senator Kilzer:** Are these numbers still correct – these positions of 92.37 FTEs now and 120 projected?

**Kristin Lunneborg:** We actually have 95 point whatever because the 3 FTE in #2 are backed out because they were requested in the emergency commission, so we currently have 95 point whatever on board at the current time.

**Senator Kilzer:** You're starting to climb here? Okay, any other discussions regarding the Veterans' Home before we move onto the Department of Veteran's Affairs?

**Sheila Sandness:** Draft these separately? Was that the consensus?

**Senator Kilzer:** Yes. And we'll vote on them at our next meeting, but I do want to talk about Veteran's Affairs and then some of us have to go to another meeting at the other end of town at five o'clock.

### **Department of Veteran's Affairs**

**Senator Kilzer:** We'll move onto the Department of Veterans' Affairs. It's the same bill starting at the bottom of page one.

**Senator Kilzer:** It seems to me that a lot of the testimony is about the county veteran's service officer if I remember correctly and their training.

**Lonnie Wangen, Commissioner, Department of Veterans' Affairs**

What was not included in our budget – in the original budget that the governor cut out, was a full time equivalent training person. I could go through travel (inaudible) to get that full-time equivalent out to the state then to help train in other county centers. Our initial thought was we needed at least two FTEs for (inaudible) and counseling. It was suggested that we try just one. That's one full time equivalent trainer and see what kind of effect he can have and make an adjustment after that. .

**Senator Kilzer:** You don't have a green sheet, do you?

**Lonnie Wangen:** No, I do not.

**Senator Kilzer:** You didn't hand one out or it wasn't part of the other one.

**Lonnie Wangen:** We either handed out a piece of paper that showed – it was three pages long. That's it right there.

**Senator Mathern:** Please clarify for me – You asked for two and got one, or you asked for two, decided for one and got zero.

**Lonnie Wangen:** When we were looking at the budget, I initially thought I could use two FTEs for the state (inaudible)... to help out, and it was suggested that sometimes its best to ask for one FTE to see how it works out. If we get them, we'll see how effective they'd be.

**Senator Mathern:** And that one person is in the budget?

**Lonnie Wangen:** That one person is not in the budget.

**Senator Mathern:** You're implying in some way that that person is in the budget.

**Lonnie Wangen:** I'm sorry. What I meant to say is that the only part of the budget that was turned down by the governor is a FTE for training which we have none right now and then the extra money for travel.

**Senator Mathern:** That's what I thought.

**Senator Kilzer:** During the last interim, I served on the public safety committee and the veteran's affairs issues were discussed, and one of them was the wide discrepancies of services that were utilized by veterans' in various counties. A lot of it had to do with who happened to be the county Veteran's Service Officer. If he or she was an aggressive person and found a lot of people that needed benefits and qualified, then there were a lot of benefits paid out in that county. In other counties where the veteran's service officer was not a very dynamic and aggressive person, there wasn't much benefits given in that county. A lot of it had to do with training. There are different modes of training. You can send a service officer somewhere to be trained or offer training locally where people could just drive. Has that been resolved?

**Lonnie Wangen:** I trying to resolve that in hearing for 2257.

**Senator Kilzer:** Do you have a female fulltime on your staff?

**Lonnie Wangen:** We have four women and three men in our department. We brought on a female outreach person last legislation. I wasn't here at the time and she's still on (inaudible).

**Senator Kilzer:** And you have four outreach people all together?

**Lonnie Wangen:** We have three veterans' service officers. We have (inaudible). The other is in the office as an office administrator and (inaudible).

**Senator Kilzer:** Where is your headquarters now?

**Lonnie Wangen:** The headquarters is in Fargo.

**Senator Kilzer:** Do you rent or own your space?

**Lonnie Wangen:** We just moved into a larger facility and rented it.

**Senator Kilzer:** Are you happy in your new home?

**Lonnie Wangen:** There are employees who turned around 180 degrees in personalities and they're happy.

**Senator Mathern:** Is there any personnel or funding for training in 1057?

**Lonnie Wangen:** Section 1 asks for training for (inaudible) school – that asks for accreditation requiring all service officers to be accredited and section 14 asks for appropriations (inaudible). Section 13 asks for our FTE to become fulltime trainers.

**Senator Mathern:** So 1057 doesn't include this one or two persons you would have liked to do training of veteran's service officers?

**Lonnie Wangen:** That is correct. As 1057 is written now, it does not include adding, it includes changing. I'm against that. (inaudible) ... investigate all the different training organizations... (inaudible) fulltime doing claims or with benefits of veterans. They offer their time to be trained. It wouldn't be to a veteran's best interest to have somebody train their service officer who doesn't do the work themselves because the nature of the work, it changes constantly. In that bill, I'm going to ask you to change section 1 to fill in the need for us to have that accredited training with one organization. Basically, because if we asked all the teachers in ND they had to be accredited with the University of MN, that wouldn't make sense. There's a lot of other places we can get accreditation. So making accreditation by our department, to determine accreditation, I'd think we'd be good then. But if we limit ourselves to one organization, it doesn't seem to benefit us. They are outside our state, so I have several reasons why I'm going to fight that one and try to amend it. On number 13, I am going to ask them to add 2 full time equivalents for training and funding. Because we believe there is a need for our department to be out and not only training these CVSOs (County Veterans' Service Officer) but knocking on their doors and checking their offices and seeing if they're actually doing their work. I don't feel it's necessary for larger counties to pick up the brunt of that work for the smaller counties.

**Senator Mathern:** Are you saying that you're not going to ask for the two trainers in SB 2007, but you're going to ask for them in 1057?

**Lonnie Wangen:** In 2007 I have requested the one FTE for a trainer. I would like to get that. 1057 does not get us an extra one. I would like to have that amended so it does get us extra personnel. We really need extra personnel so we can advance these projects.

**Senator Kilzer:** On your testimony that you gave on 2007, you said the 2<sup>nd</sup> request is our optional package of CVSO training money. How much are you investing in 1050?

**Lonnie Wangen:** In 1050, the appropriation is already there. It's \$20,000 and that includes just being in the National Association of Foreign Veteran Service Officers contracting. Rather than the counties to have to pay \$3,000-4,000 to go to wherever they have their hosting state. If we contract with anything, my calculations in the fiscal note, I could possibly bring them here twice for just over \$20,000. And that one I'm going to be opposed to – unless they change it to where the accreditation is not a criteria for them just so the Service Officers can get the training.

**Senator Kilzer:** And is that a general fund or federal ...

**Lonnie Wangen:** (inaudible)

**Senator Kilzer:** No matching?

**Lonnie Wangen:** No.

**Senator Mathern:** Who is putting on the pressure for the accreditation?

**Lonnie Wangen:** The accreditation really started from a bill we had quite awhile ago to change (Inaudible) The ones that are pushing it now are the big counties that have this. It's a spinoff of county associations. They decided now .....professional advocacy veteran service officers, but you have to be accredited in this certain organization. There were a few that were lucky to take the training and they come back almost like they've seen God now, and this is the training we need. The training is good and I'd like to see it come in. But as far as making them our accreditors, it's far beyond the scope of what we should do. I've talked with other state directors and they've cautioned on that. Most states are going with an accreditation

program and they're willing to share that with us and that program goes through VA. If we want to accredit our service officers, we could do it ourselves or go through the VA, VFW, DAV or almost a hundred different organizations to get accredited. And what that does, it allows them with that, to combine with the trip training update. Then they can view the veteran's records online.

**Senator Kilzer:** Do you find that the people that need the training are the ones that go to training?

**Lonnie Wangen:** I've been to two training and we've had two since I've taken over this job and the majority of them do show up for the training. And that's everybody across the board.

**Senator Kilzer:** What about the ones that come from counties that don't seem to be giving any benefits for their veterans? Do those people come – because those are the ones that need it?

**Lonnie Wangen:** In my plan that I'm addressing, house bill or no house bill, I've already hooked up with American Legion to come in and get us accredited training...(inaudible). It's a team accreditation. I'm looking at DAV, AMVETS and the VFW. Each one offers accredited training for all the service officers. And that's at no cost to us. This other one is supposed to be good training. It does the same thing, the only benefit is they've got a memo that I believe the DAV and AMVETS have cross accreditation, so you'd also be accredited with those two also.

**Senator Kilzer** asked questions about the makeup of the board. You have 15 people on the board and there are five veterans organizations and each one has two representatives on the board, but there's no representatives from the recent military engagements. Is that still true?

**Lonnie Wangen:** That's true. There is no OAF organization set up in ND yet. They'd be welcome to join or they can also join any of the other organizations.

**Senator Kilzer:** Is there any bill to reduce the size of the board?

**Lonnie Wangen:** Reducing the board is part of HB 1057. The auditors think they have a model structure to go with.

**Senator Mathern:** If there is anything in this budget, over and above this one FTE that you'd like added, that needs to be changed, what would it be that relates to that department? In SB 2007, is there a need for change for anything that relates to your budget.

**Lonnie Wangen:** Other than adding the fulltime coordinator and \$50,000. I sure would welcome another full time equivalent. I have extra office space in Fargo, and extra office space for one more employee. We could put them to work

**Senator Kilzer:** Your ideal choice would be FTE in each additional place.

**Lonnie Wangen:** The number one complaint is that we're not out there checking these counties. I hear about these service officers that are not doing their job. Their office isn't up to scale. These service officers need to go out to people and speak, and give accurate information. It would be nice if we had some oversight on the CVSOs through separate agencies. The best way to help is to give some oversight.

**Senator Mathern:** Have you drawn an amendment drafted for SB 2007?

**V. Chair Bowman:** That's all done in 1057? The amendments that you're going to request?

**Lonnie Wangen:** I don't have an actual amendment written up, but I will request that they address the issues we have of oversight of training in our state (in 1057). Overall, I'm against the entire bill, but if they would change those two sections, then I would support it. I'm actually asking for eight regional CVSOs .

**V. Chair Bowman:** Who put the bill in?

**Lonnie Wangen:** Public Safety put the bill in.

**Senator Kilzer** closed the meeting and thanked everyone for coming.

## 2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2007 subcommittee on Veteran's Affairs

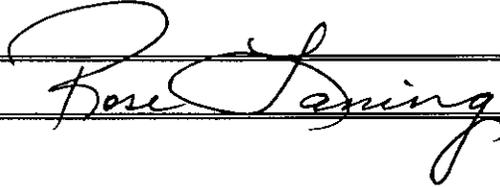
Senate Appropriations Committee

Check here for Conference Committee

Hearing Date: February 6, 2009

Recorder Job Number: 8888

Committee Clerk Signature



Minutes:

**Senator Kilzer** called the subcommittee hearing to order at 7:00 am in regards to SB 2007 relating to the operation of the Veterans' Home. All subcommittee members were present – **Senator Kilzer, Senator Bowman, and Senator Mathern.**

**Senator Kilzer** asked if anyone had any comments before we take a final look at the amendments and pass the bill onto the floor. The first amendment, .0101, has to do with insurance.

**Senator Mathern** stated that the health insurance premiums in the North Dakota PERS contract with Blue Cross/ Blue Shield have risen dramatically and the Veterans' Home was short for what was needed for health care benefits for its employees. He looked over the amendments and they appear correct to him.

**V. Chair Bowman:** When the budget was submitted, there were special funds to apply for and they were used for something else?

**Lori Laschkewitsch**, Fiscal Analyst, OMB – said they won't have enough carryover in special funds to cover their costs.

**Senator Mathern moved Do Pass on amendment .0101.**

**V. Chair Bowman seconded.**

**Voice vote – motion carried.**

**Senator Kilzer** asked about the next amendment .0102.

**Senator Mathern:** I see this as an amendment to remove funding for FTE positions.

**Senator Kilzer:** Why wasn't the project manager FTE included on the list?

**Lori Laschkewitsch:** It was only going to be temporary position and we didn't intend for it to be permanent.

**V. Chair Bowman** asked if there were any federal dollars to help pay for that position. He's the one that saves a lot of money if job done right.

**Mark Johnson:** The VA only allows one person we had one company that did a single prime and they were \$100,000 above the lowest bid. They could have helped us through the process, but they were \$100,000 over, so right now we're happy to do multi prime, so we've got the plumber, the electrician, etc. That's our dilemma so we are all on tract. One gentleman helped immensely and dealt with the drawings, the architect, but he's got health problems.

**V. Chair Bowman:** Do you have someone in mind to take that spot?

**Mark Johnson:** No.

**Mark Johnson** said that a major plus for the project is DuWayne Ternes. He has done an amazing job in making people accountable. He'd be willing to come down more often, and not really want to commit to the whole piece. Another individual came on board for a short time. It was nice to have him.

**Senator Mathern:** It is my hope that we don't adopt amendments. Some of these amendments are in the budget section. There were deficiencies noted by the veteran's administration. The vet's home could lose funding from the federal government. So we approved some positions and others that are needed to operate the facility, we don't. I'd hope we don't adopt the amendment to staffing changes.

**Senator Kilzer:** Most of these positions won't be filled until they move into the new home.

I have a couple questions. There is a large number of orderlies, two, I believe. How many do you have now? Are they regular CNAs(Certified Nursing Assistant) ?

**Kristin Lunneborg** listed the staffing people at the Veteran's Home and said that with these amendments, you're taking us below the budget section. The major chunk are CNAs for facility. With the new pod design, we're trying to go to medical technicians because it allows us to get the needed help but should be a cost savings as well.

**Senator Kilzer:** I'm sorry to hear that because of the design you'll need more employees.

**Krsitin Lunneborg:** But we're having an increase in patients.

**Mark Johnson:** More skilled patients take more staff to operate.

**Senator Kilzer:** This is the first I've heard of the design.

**Mark Johnson:** We're looking at more staff and cleaning 60 more rooms. Now each room has own bathrooms. Right now there are communal bathrooms. There's a big shower for 20 people on one side. We have more bathrooms, hallways, We have been found deficient in staffing with VA and we've made some remarkable changes down here. They said it appears that you've solved the understaffing.

**Senator Mathern** asked if they shouldn't have legislative council here. They drafted these amendments.

**Senator Kilzer:** Are you thinking of substitute amendment?

**Senator Kilzer:** Let's go thru the FTE list. How many cooks do you have now? I realize it's meals three days a week, 7 days a week.

**Kristin Lunneborg:** We have 14 FTEs in the dietary department and are looking in the new facility. There's a new kitchen and the meals get sent out to the kitchens in the different households. The increase in residents means more dietary staff and that's reason for the extra FTE.

**Senator Kilzer:** How many orderlies do you have now?

**Kristin Lunneborg:** I don't have actual the FTE numbers added up.

**Senator Kilzer:** What is your total staff?

**Mark Johnson:** It's 92.37 before the budget section

**Lori Laschkewitsch** said if their FTEs are reduced, they would be back to violation levels.

**Kristin Lunneborg** said they are a 24-7 building. It requires more to fill the positions for whole week. The increase in revenues with those extra residents in the next biennium will bring in approx. \$2 M.

**V. Chair Bowman:** How hard will it be to fill these positions? Do you have adequate housing?

**Mark Johnson:** We actually had good success getting some staff. We've had some slumps. We'd like to hire an FTE and if we could staff the facility like we'd like, we could do a lot of part time help, but we don't have the flexibility. Someone may get hurt and then we can't hire because this is a fulltime position. It will be more of a draw because of the new building. With the bobcat layoffs, they are banging on the doors.

**Senator Kilzer:** Any further discussion on .0102? Go to .0103 and this is the most famous nursing bed in ND. Are you satisfied or pleased with amendment?

**Senator Mathern:** It added the clarification that we were looking for. I think the amendment is fine.

**Senator Mathern move to adopt .0103**

**V. Chair Bowman seconded.**

**Voice vote – motion carried.**

**Senator Kilzer :** Amendment .0104 separated the maintenance from the onetime cost.

Are you satisfied with statement of purpose – reading from bill?

**Senator Mathern moved to pass amendment .0104**

**V. Chair Bowman seconded.**

**Voice vote - motion carried.**

**Senator Mathern** Present another amendment. One of challenges of this budget is that there are two organizations in one budget, the Veteran's Home and Veteran's Affairs. There is a disparity between services provided to veterans amongst all VSOs (Veteran Service Officers) from one county to another. My amendment suggests we take one FTE and put in a training position and add \$50,000 to the training budget. The amendment would add the position to this budget.

**Senator Kilzer:** I have testimony from Lonnie Wangen and he requested a lump sum.

If it's a lump budget, it can be moved around. Let him work within the budget awhile.

**Senator Mathern:** The situation is that we have in fact been creating more demands in quality of service in the VA budget and Vets home. We want better service and a better response to vets, so I move we add 1 FTE to the Dept. of Veteran's Affairs budget and add \$50,000 for training of a VSO.

**V. Chair Bowman** said that **Lonnie Wangen** lacks wisdom in the legislative process. If he can justify the extra FTE position as the bill goes through the House, and the appropriations committee has the money to fund it, he will have another day in court. Once here and another in the House, rather than you communicating with him for this amendment.

**Senator Kilzer:** The motion dies for lack of second.

**V. Chair Bowman moved to approve amendment .0102.**

**(Roll Call vote #3) -**

**The three health care orderlies that were in budget to be in compliance, we'll leave them in budget. Then you won't be out of compliance until you have to hire when the building is built and finished.**

**Senator Kilzer seconded. A Roll Call vote was taken. Yea: 2 Nay: 1**

**Senator Mathern** said he opposes the amendment. We're building a new veteran's home and not staffing.

**Lori Laschkewitsch** commented that if they are removed and not put back in budget, then when they open the building, they then will have to come to the emergency commission..

**Senator Kilzer** replied that we're aware of the situation. We're not going to kill the bill, but they may not like what they are doing.

**Senator Mathern** moved that all the positions necessary to prevent the state from being in non-compliance with the federal government be put back in the bill.

Motion lacked a second.

**Senator Kilzer** we'll think about it over the weekend and we'll have another meeting on Monday.

**Sheila Sandness:** The motion that was just made, do you want me to draft it to put these three FTEs back in the budget.

**Senator Kilzer:** Yes.

# 2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2007

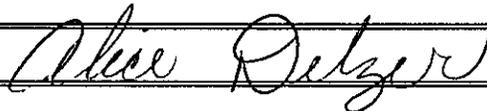
Senate Appropriations Committee

Check here for Conference Committee

Hearing Date: 02-10-09

Recorder Job Number: 9143

Committee Clerk Signature



Minutes:

**Senator Kilzer** Opened the subcommittee hearing on SB 2007.

**Mark Johnson** Administrator of Veteran's Home, **Lori Laschkewitsch** from OMB; **Kristen Lunneborg** Account manager, Veteran's Home; from VA, **Norris Braaten**, Veterans' Home Governing Board; from VA, **Sheila Sandness** Legislative Council were present.

Senator Bowman was not present.

Discussion about a bill heard earlier in the day regarding nursing home inspections

**Senator Mathern** Talked about 2133 which deals with telephones, 2007 deals with the money. 2333 passed in committee, we have a hearing tomorrow morning so we have to give these folks some options as the bill says they don't have to use ITD.

**Senator Kilzer** Will they come in and oppose it?

**Johnson** They came in neutral. We can show that we have a \$400,000 savings over a ten year period.

**Senator Mathern** I suggest that we put in 2007 the amount of money needed for the veteran's home to have a private phone system and wording that permits them to use ITD if the veteran's home comes to the conclusion if that is what they want to do. The veteran's home would have the money and the authority to make decisions.

**Senator Kilzer** Why do it that way instead of doing it the way they do in the bill we will hear tomorrow?

**Senator Mathern** The bill we are going to here tomorrow has no money in it.

**Senator Kilzer** Why not put the money and authority in that bill?

**Senator Mathern** I guess that would be an option. I was thinking that is an operations issue vs. a policy issue. The other bill is a policy bill, 2007 is the operations bill. That would be the rational to do that in here. I think the vet home has demonstrated a dramatic potential cost decrease and the potential for better local service. I also believe ITD is trying to make this thing work.

**Senator Kilzer** Which policy committee were you in front of with this bill?

Government and Veteran affairs

**Senator Kilzer** Was that a unanimous vote?

**Johnson** It came out of the committee with a 5-0 approval. There is some century code changes as well in regards to our building and how it runs, etc.

**Lunneborg** The first section regards the telephone part.

**Senator Kilzer** This is the amendment that you will be proposing?

**Senator Mathern** This has two options but we could even bring it down to one option, give the veteran's home money to purchase the telephone system privately but also permit them to use ITD if they come to an agreement.

**Johnson** ITD makes money on the phone service itself. By not getting the phone service, I don't know if they would want to service it.

**Senator Mathern** That might cause IDT to come to the conclusion that they might want to change their policy. To me that opens the possibility of negotiations. That would require rewording.

**Sandness** We can purchase from 3<sup>rd</sup> party. Do we need additional language? We can add the money.

**Lunneborg** Do you take the same language?

**Senator Mathern** If that bill passes; you would need the additional money. I am a little bit concerned about that bill passing. There is a lot of pressure to keep everyone in the system.

**Senator Kilzer** Are there other agencies not on ITD?

**Laschkewitsch** They are exempt from their storage things, not from the phone. There are 3 agencies that have some exemptions but they are still on the state network. Public service, water...

**Senator Kilzer** Can you check on whether that it is possible?

**Laschkewitsch** This bill would allow that.

**Senator Kilzer** Is ITD going to show up and oppose the bill?

They were neutral on that last bill (unsure of speaker)

**Senator Mathern** Has OMB taken a position?

**Laschkewitsch** They are neutral other than that consolidation is approved by ITD.

**Senator Mathern** In a sense the governor is against the bill?

**Laschkewitsch** They said that they support the consolidation with ITD.

**Johnson** We are running into poor service from ITD. I don't have a problem with working with ITD in Lisbon. We don't get the service that the Bismarck facilities get.

**Senator Kilzer** ITD does brag about its service but I don't know how it is around the state.

**Johnson** Grafton has problems, Jamestown has problems, and we have problems. The other piece is that our residents pay for this service. When you look at the cost for our residents, per day charge, it is a lot. Right now they would be paying \$4.53 a day for that service; they would be paying about \$150 a month just for that service.

**Senator Kilzer** Just the phone? Not the computer or anything else?

**Johnson** Just the phone.

**Senator Kilzer** How about the computer?

**Lunneborg** The resident council pays for that and has computers in several areas.

**Johnson** The residents can have a laptop and purchase wireless internet for themselves.

**Senator Kilzer** Who is the vendor for that?

**Johnson** DRN. Spoke about the process of switching to DSL and the difficulty of working with ITD

**Senator Kilzer** Make sure that they know about our hearing tomorrow. Suspended the hearing on SB 2007.

**The committee discussed 2075 but returned to 2007 mid hearing-**

**Senator Mathern** So there is really nothing in 2007 you want changed. You just want to clear the background information in the bill itself.

**Senator Kilzer** How about in 2007, is there anything?

**Johnson** We will be deficient once we open up. We need to have our FTEs

**Senator Kilzer** We will let Senator Fischer tell us his reasons tomorrow. He wanted to remove some people and have you come to the emergency commission.

**Kristen Lunneborg** We do not have enough funding now for the FTE at which point we will lose revenue as well. We would be understaffed so we wouldn't be able to add new residents.

**Senator Kilzer** What else in 2007 besides FTEs?

**Senator Mathern** We have adopted some amendments already for 2007.

**Johnson** The bed was one

**Lunneborg** The health insurance increase

**Johnson** Correction in training

**Senator Kilzer** The only other thing is the department of VA.

**Senator Mathern** Do we want to make a decision about putting the money in for the telephone?

**Senator Kilzer** We can't make a decision without V. Chair Bowman

**Senator Mathern** The other thing about 2007, I made this request about adding some people, I didn't get a second on that regarding a service officer. # 3 was discussed, some of these veteran service officers don't have proper computer systems, and this would put money into the budget to do grants for the CSO for VA.

**Senator Mathern** That brought to my attention by Senator Warner. Mr. Wangen didn't ask specifically for the \$50,000 for computers but he did say that there was a need for vet service officers looking for training time.

**Johnson** Would you want Lonnie here?

**Senator Kilzer** I would hate to have him drive down, he gave good testimony.

**Senator Mathern** We can call him.

Discussion about other bills the committee heard and their status'

**Senator Kilzer** Closed the hearing on SB 2007

## 2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2007, 2133, 2075

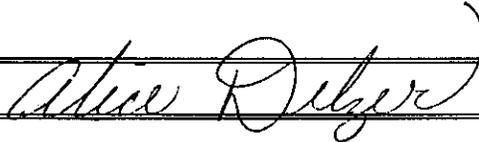
Senate Appropriations Committee

Check here for Conference Committee

Hearing Date: 02-11-09

Recorder Job Number: 9291

Committee Clerk Signature



Minutes:

**Senator Kilzer** Opened the subcommittee hearing on SB 2007. Senator Bowman and Senator Mathern were present.

Start with operational budget of 2007.

**Senator Mathern** See attachment # 1. The sheet is intended to help clarify the requests of the bill. One of the difficulties in this budget in 2007 is that there was a line item for the department of veteran's affairs. There is an assumption about 2007 that it only deals with the veteran's home but this is also about the expenses we provide to that place and the counties; that is a line item in this budget. This handout is at the request of the North Dakota Department of Veteran's Affairs (DVA) to provide \$100,000 for operating expenses related to the outreach in the communities and to purchase computers. This 50,000 would not be enough for everyone but it would be enough for 30 computers. If we had 56 computers, we would need 92,000. I think we have a new administrator there who understands the needs of the veterans and the county service officers; essentially this proposal is what I moved on the other night and didn't have a second.

**Senator Kilzer** I am looking at the green sheet you are talking about the DVA right?

**Senator Mathern** That is correct.

**Senator Kilzer** The other is from the veterans home from 2007. I am looking at executive budget and we can see that the DVA has 7 FTE's , they had 6 the previous biennium and prior to that, 5 I don't see anything in the executive budget about adding computers, I can see \$50,000 in training,

**Senator Mathern** These items are not there, the increase in staff relates to a few things. One is that we have more and more female veterans, last session we added a position to give special attention to female veterans.

**Senator Kilzer** I don't see any reason to make any changes in the governor's budget for the moment.

**Senator Mathern** I think we have additional work with people coming back from Iraq. The level of service is dramatically different from county to county, it is not the veteran's fault if they live in a county where the officer isn't well trained, I would move this as an amendment to 2007.

**V. Chair Bowman** One of the things I found out is you can train someone to death, if they don't have the desire and the will to go out and do the job, it won't make a difference. Training come from when someone is in the field and finds they don't understand something so they come back and make a call. I would listen to what they have to say, you find the movers and the shakers. I have never been impressed with someone who never asks how I can be better at what I do. I can train you to be an auctioneer but if you don't have it in your heart, than it is no different. The ones that really care, you can't pay them enough. There is people can always do the job. Maybe they had an injury so they do this job while some people take the job just because they need the job, do you think they will be better because of the training?

**Senator Mathern** I think training is beneficial. People benefit from training and education, we need to provide education so all vets in all counties get the best service.

**Senator Kilzer** I am looking at the executive budget and for the first time the DVA has an appropriation from the general fund for over a million \$. I think last biennium it was \$800,000. I think that the increase that is necessary for training CVSOs, there should be some room in that budget to get those service officers who are not performing to do so, without going over the executive budget. I think with 7 people they can find the people they need and get the training done. That is a substantial amount of money to work with. Let's move on to the home part. The main thing there was a dispute, the FTE's that Kristin and Mark feel they need to be up and running and also about the three that you already have.

**Kristin** The 3 FTEs that were part of the emergency commission are FTEs already in place, they are med techs, because we were cited by the VA for unsafe medication practices. We have had several medical errors. The VA came in and did a survey and we were cited and we had to hire these FTEs because of the VA. The remaining FTEs are for the new building. We will gain approx 30 new residents in the new facility. These staff are to put us in compliance with the VA.

**Senator Kilzer** Do you anticipate you will fill it up right away when you move in?

**Kristen** We can't admit 30 people at once, a lot of paper work done, a number of things, we figured a certain amount of residents to get the building full. Without those FTEs we will have to keep at least 14 skilled beds empty. That is one pod in the house we will not be able to fill if we do not have those FTEs. Those 14 skilled bills will generate about 605,000 so technically it is 590,000 in general funds but they will generate special fund revenue.

**Senator Kilzer** How many skilled beds?

**Kristen** We will have 52 skilled beds in the new facility.

**Senator Bowman** When do you actually need them? You will need more FTE's once you are up and running. Are you going to need them until the building is built? You are tying up a lot of

money until the building is built unless you have another plan for the money. We approved the extra beds, we even got you open beds and we are pretty proud of that Now we need the cooperation and understanding when this building will be in operation, so that once you start adding vets to those rooms which is when you have to increase the FTE's. When is that number going to be? This goes into effect June 30<sup>th</sup>, if we leave these 3 in there right now, we wouldn't put you out of compliance, do you have to have any more of them until you move into the new facility?

**Kristin** These staff, most of whom are only on board for 9 months, Med Techs require over 8 weeks of training just to get them to be able to become certified. There is a fair amount of training that needs to go into this, we will be admitting those thirty extra residents over time but the facility slated to open Oct 1. The FTEs are not in for the entire Biennium, there are just there for 9 months.

**Senator Bowman** Is the money in the budget for a 9 month period?

**Kristin** Yes.

**Senator Bowman** Then after the 9 months do you cash flow with the income you will take in on those 30 beds or will you come back and ask for more money?

**Kristen** Just those extra 14 skilled beds will raise the amount. The next biennium when all of those beds are full, we will generate a whole lot more money. They will not be funded with general fund money, they will be funded with special funds, this is a onetime need for general fund dollars to that we can fill the beds and generate the income for the next biennium.

Unintelligible

The other piece to this is depending on how it works, any money not used will be turned back to the state of ND, we have to comply with the federal governor we also need dollars because we won't have the money in our budget.

**Senator Mathern** I have one additional concern. That is that we give the right message to the federal government to properly fund this new facility. The best thing is to pass the bill with these FTE's in and then the feds know—in audible.

**Senator Bowman** I don't think anyone disagrees with that statement, but my job is to ensure that we do it right the first time that is why I am asking these questions. Spoke about the need to ask questions. If you need the people to take care of these, how long will it take to hire them? (25.7 plus the 3 on duty now,) you need them 9 months before the place opens?

**Kristen** The only ones hired are the med techs which take 8 weeks of training. Most of them brought on a few weeks to a month in advance to be trained.

**Senator Bowman** What I am looking at is that you don't hire someone 3 months before you need them and pay them a full salary. I think we have to try to figure out a formula to take care of that need around the first of August of 2010 that gives you about 60 days. Is that enough time to hire the critically needed ones, train them and then you pick up more as the beds fill up?

**Mark Johnson** We have 14 residents on the skilled waiting list; we are ready to admit because we do have a waiting list. We have another on the skilled side, we have a number of residents on our list, they have only put their application in for the new building.

**Senator Kilzer** Your skilled side could be filled if you open tomorrow?

**Johnson** That is true. We have 14 residents capable of being moved into the skilled center. When we have CNAs, it is 80 hours of training as well. Sometimes you have the ability to hire right off the street which is great.

**Senator Mathern** Let's take this list, keep it exactly the way it is in terms of the staff that is needed put an amendment that certain staff could not be hired before July 1 of 2010. If we are concerned about hiring staff before they are needed, they have already expressed their

concern about this but if you believe that they won't hire, identify these positions. These will not be filled before this date. I think the bill identifies these issues. Would that work for the veteran's home?

**Senator Bowman** That is why I am asking these questions. We are trying to put together some kind of a plan we can work with, not out of compliance, hire those med techs, that is what I am looking for. To take the money stream and the employment stream so they kind of parallel each other, my intentions for those 3 staff will stay there, that will not put you out of compliance, and there will be quite a period of time. We will try to figure out a formula that will trigger the money for the FTEs as soon as they are needed. Can you work with that if we do that?

**Johnson** We have gone through this and this is what we propose to you. I don't have a problem with how you want to massage it but we have massaged it. We are not looking to bring these people on before we need them. Every session, Kristin has turned back money. You guys are looking at what we would like you to see and what we would like to do.

**Lori** Maybe this will help with some of the questions that you have. We can show that in their budget all these new positions are only funded at half or less than the actual salary, for example there is a cook funded at 16,000 and our existing cook is in the budget for 39,000. Gave another example—the people who are actually filling those position are funded at a graduated amount based on when we think they might be hired.

**Senator Kilzer** Have you drafted amendments regarding these FTEs?

**Sheila** I did two. You should have a copy of two drafts in regards to FTE's

**Senator Kilzer** Do you want them changed in any way?

Discussion about the location of the amendments

**Senator Kilzer** Have you seen them?

**Senator Mathern** I have seen them.

**Senator Bowman** Leave the three in there you have to have. Trigger the dollars for all the rest of them by June 1<sup>st</sup> of 2010. That gives you July, Aug and Sept, and money in your account; does that give you enough time to adjust for your hiring and training?

**Johnson** That would be great, that would work well. That will give us an extra month to do training.

**Senator Bowman** If there is a change in that you can make your adjustments as you need. That just saves everybody some money.

**Johnson** That is what we were looking at, as a gradual set up, that piece will work real well.

**Senator Kilzer** Would you like amendments drawn up to that effect?

**Lori** The general fund \$ don't actually transfer to an account for the veteran's home. They stay in the general fund until you need it.

**Senator Bowman** But you have the 3 FTEs that need to be funded now.

**Lori** They would have the authority to draw on the general fund but if they drew on the fund too early, they would run out of money. You could ask for a legislative intent section.

**Senator Bowman** Because it seems to me that because this is a new venture, there are few unanswered questions it would be helpful to have legislative intent to keep the three FTEs and hiring will starting on June 1<sup>st</sup> of 2010.

**Shiela** This subcommittee has adopted an amendment that the 25 FTEs will not be hired immediately, should we provide some other kind of cushion?

**Senator Bowman** You have to remember when constructing anything you normally have changeovers about half way through which delay everything. Are there penalties for the contractor if they don't reach target date?

**Mark** At this time there is no penalty clause.

**Senator Bowman** We have that with road construction.

**Senator Mathern** I think I heard a consensus on the June 1<sup>st</sup> date, Sheila could put in intent language.

**Senator Bowman** Talked about hiring people and that process.

**Sheila** My suggestion would be something similar to that but rather than putting in an actual date, to allow some flexibility, put something in something such as 3 months prior to the scheduled opening date of the facility.

**Senator Mathern** I would disagree because they cannot determine the opening date, they have to know exactly when that 3 months start and they won't know that. However, if we really believe they could open early we could say they are authorized June 1 or sooner.

**Senator Bowman** I am trying to avoid some of the things that have happened over the years.

This allows it to be a lot clearer. It is in black and white we know your opening date is suppose to be Oct 1<sup>st</sup>, we are giving an extra month of flexibility. I think this is a pretty fair way to do this. This way you can start the hiring process so that you know where you are at when the key turns the door. We don't want to hire too early, spoke about hiring

**Senator Mathern** I don't think the budget permits them to hire them as early as December but if this is helpful to you, we should do it. We can put in intent language that they don't hire before June 1<sup>st</sup>.

**Sheila** One question, the amendment will just be language with regard to legislative intent?

**Senator Kilzer** Yes

**Senator Mathern** We have 4 amendments to this bill. 101 was in the governor's budget, it was funded with general funds and Kristin had used all her special funds.

Discussion about the amendments

**Senator Bowman** Is it general fund money that will pay for the insurance?

**Lori** The funds for insurance are in the governor's budget. Due to the way that OMB calculates the increase, it funded by the fund money. Explained the insurance

Discussion about special funds

**Sheila** You would be seeing an increase the total budget doesn't change, it just changes the funding source.

**Senator Mathern** The moratorium; there was some confusion about whether they could use an extra bed, one nursing home bed was under question which is the next amendment, .0103. The third amendment is a correction of one time funding the number is. 0104 that is approved. Discussion about the number on the new legislative intent amendment, that will be assigned by the system

**Senator Kilzer** We can take up the telephone bill. That leaves me kind of perplexed. Mike Ressler said they were neutral, now they are opposed.

**Mark** It will go to the legislature and they will have to make that decision. It is a bartering system. Maybe we can do two systems, one for the residents, one for the staff; it has to be one or the other. I guess if we are going to be ITD it will be that. There is more money. The system we have proposed DRN people BEK Tell they say they are better. I am caught in the middle of it, we don't know how long this system will last, and there are more dollars that we are going to save. ITD will continue to raise their prices.

**Senator Bowman** Based upon inflation and their costs to buy that system we need general fund money.

**Senator Kilzer** Is there any language we need to be considering? On line 8 telephone services on Bill 2133—read portion of the bill. Is there a provision of law that forces the veteran home to use ITD?

Discussion about 2133 and whether or not the veteran's home is exempt from ITD

**Senator Mathern** This bill if passed would say the ND Vet home is exempt from our law, the main portion dealing with that is line 8.

**Senator Bowman** It will cost all the other agencies more money if people are exempted from ITD.

**Senator Kilzer** Maybe we should just pass this bill.

**Senator Mathern** That takes them out of ITD. However, if we do that we need to give them money so they can go buy the other system.

**Senator Kilzer** There is a fiscal note.

**Kristin** That would be the decrease in operating expenses if we move them out of ITD and purchase a third party system and operate it for the rest of the year.

Discussion about the fiscal note

**Senator Bowman** Where would you buy the telephone service? The savings that you have...Did you say the vet pay for their telephone use? Are the candy shack profits going to make payments per month for each telephone bill for each resident?

**Mark** They pay for their phone, internet and TV but on the skilled side it is human services that has our budget, that whole piece falls into indirect. When it is indirect, it calculates your rate.

Explained the purchase process

**Senator Bowman** Long distance?

**Kristin** Everything long distance is handled with calling cards. They have a block on long distance calling.

**Senator Mathern** Have Mark continue to negotiate, I suggest we pass an amendment, put in the money for a private system and say ITD and the vet home encouraged to negotiate. If they can't agree, the vet home can go their own way. The closer this gets to moving the vet's home

out of ITD, the closer they get to providing the service they need. I don't think it will come to the ultimate service that they need though unless the veteran's home has the cash in hand to buy their own system.

**Lori** As far as negotiating for the prices, we have fed funding and ITD has to collect that money from the agencies. If they would lower the rate to the vet home, we would lose that funding; they have to charge the same rate for everyone. There isn't the ability to negotiate, we can keep only two months of revenue without violating the fed law.

**Senator Bowman** What do we lose from ITD if they have to bill all the other entities more money?

**Lori** They have a finite cost to their system, the cost of salaries, and services, and infrastructure.

**Senator Bowman** If we are actually saving money by them saving money because at the back end all ITD providers are going to have to pay more money to offset the savings.

**Senator Mathern** The answer is the total amount of costs that ITD has to serve the vet home is the dollar amount to be spread to other agencies.

**Senator Kilzer** They do that all the time. They are locked into one system of how they compute their charges. What are we going to do with the bill, put it up without recommendation leaving it with GVA, what they recommended....

**Senator Mathern** If we pass the bill 2133, we need to put (unintelligible amount—amount on the fiscal note) into 2007.

**Senator Bowman** Lets pass this bill. Because by the time it gets to the house, maybe someone can tell us the bottom line to the state of ND. If it is going to cost us more money to save money that doesn't make any sense to me. As far as I am concerned right now pass the bill and let it go over to the house and we'll get some information.

**Senator Kilzer** We'll bring it and recommend do pass.

**Senator Mathern** Now I suggest we amend 2007 to add 63,238 dollars so they can have the resources to get a private telephone service.

**Senator Kilzer** Can you draw up that amendment?

**Sheila (not sure who)** I can do that

**Senator Bowman** Is ITD your phone service now?

**Mark** Yes.

**Senator Kilzer** Are their amendments on the landscaping one? No. 2075 is the bill. (1.12.29)

You gave us a break down once, if I remember?

**Mark Johnson** In the handouts. It is in there too on the 3<sup>rd</sup> page.

**Senator Bowman** What can you do about landscaping until the building is done? They make it so that you can landscape it as soon as building done. What all could you do?

**Mark** When we look at this, we could do the irrigation, we have to move the 3 stall garage, it is in the front entrance, it will be in the middle of the road, storage, 2 of them they won't make it through, once we get the funding for next year we will build a new storage shed. We took down the other shed that was right in the center of the building. Detailed the costs associated with the projects.

**Senator Bowman** Do you think you would want to do anything with the sprinkler system until after construction? Explained why he would not recommend putting in irrigation before construction,. I wouldn't consider that till after, same way with the roads, they will tear the road all up, do it afterwards then you have a brand new road. DuWayne Ternes will be able to tell you how to do that.

**Mark** That is exactly what we were looking at doing. If you look at the 2011 Biennium we were looking at doing the roads sometime in May, we need to do some patching, and the Guard

beat up our road already. We are past the 7 year cycle that is recommended to do the mill and overlay. It would probably be done in mid June.

**Senator Bowman** What do they do for the overlay?

**Mark** I don't know, we asked them to fix all the cracks in the road, this is calculated out by the engineers.

**Senator Bowman** Does your county have the equipment to do this? I would almost bet that is the type of work the county would work with you on. You will get it done a lot cheaper.

**Mark** It is my understanding back 7 years ago, the county did a chip and seal, and it was very expensive.

**Senator Bowman** I know what it costs. He explained how much and how it is done. Giving some suggestions to utilize what you have.

**Senator Mathern** I am concerned getting into detail that they can't respond to. I would hope that we could move ahead with this bill. They are going to have to have some flexibility.

**Senator Kilzer** Is that the lowest bid on all of this that you opened?

**Mark** It is the lowest bid. This is not the 60 period. This is a separate bill to do the outside.

**Senator Kilzer** Are you adding fill that you have to put in?

**Mark** It is basically trees, shrubs, grass, but grass is very expensive,

**Senator Kilzer** It is quite a bit of money.

**Mark** We will have to lay that grass all around the field. We won't be irrigating in the back. We want to get the building done. The planting of grass done in the fall, irrigation system put in after the reason why it costs as much as it does, the existing system we have is probably it is over 26 years old. We do not have a pressure pump, it is a residential system, we can only do one zone at a time. This is going to be a whole new type of design, it will work so much better

than what we have right now. Explained the irrigation system they are proposing versus what they have now

**Senator Kilzer** When we talked about the operation you did not talk about the project manager, it is in the bill?

**Mark** It is my understanding that the project manager is already there.

**Senator Kilzer** Any other questions?

**Senator Bowman** When I talked to DuWayne Ternes he said to give us the money and we'll get started, if we give you half the money right now to take care of the things that interfere with your building project. After you get that done you can see where you are and if you have any money left over, and if not you come in and ask for more. Could you live with half of it coming in and then wait to see if you need more later?

**Senator Kilzer** The other side is if you have one bid that you opened that you accepted, it is an all or none deal.

**Mark** We are under no obligation for this piece at all. These are for items that we need to half in order to complete the process. Part of the reason we are doing it this way we don't want the architect to get 8%. We have tried to manage this part of the project, will be able to manage this.

**Senator Kilzer** If someone is willing to do the landscaping at cheaper rate, does that put the rest of it everything else at risk?

**Senator Bowman** If you had a bid on this, and you accepted the bid, you said you are not under any obligation. Did you have a bid to do the job? You have to have an engineer if you have so many dollars.

**Mark** We had estimates done for everything.

**Senator Bowman** Let's say we give you a certain dollar amount, what would you do with it?

**Mark** The most important thing we need right now is storage and we need to move the 3 stall garage. The gazebo and street lighting could wait. I look at the other piece, the road—mill overlay is important, we need to do some landscaping, irrigation.

**Senator Bowman** Spoke at length about the difficulty of having heavy equipment on the grounds while doing landscaping—we'll try to give you the money you need to get your jobs done, but if we give you that much money you will still have money left over to do some of the other things. I would take a close look if you want to do that and tear up the new road.

**Senator Mathern** I just want to remind us all that we have a person in state government who reviews projects so this kind of work is reviewed by a staff person in OMB to give insight and expertise. Mark Johnson is not an engineer he runs a nursing home. That is why the state of ND has other staff to give him insight and expertise. I hope that we would recognize that we already hired somebody to give him advice and that guy should be doing what we are doing now. I am a little bit concerned that we keep this together. If we take part of it, these people will need to come back, and if they come back, it will seem to the House and Senate that they are here trying do something again and are coming back again asking for something and not giving us the whole story. I suspect there are literally more things than this. Flag poles, benches, there are going to be a lot of things that they are going to need to do to make this place somewhere you feel good about.

**Senator Bowman** Think of what you just said, I am thinking there are a lot of other things that they are going to have to add. We are going to give them the money to do what they want to do and you are still not going to have enough with what you just suggested. They will have to come back.

**Senator Matthern** I am saying they will have to come back if you only give them the \$500,000.

**Senator Bowman** That is what I want. To me you tell us what you have done and what you

have left to do with the best estimated costs so that when we make the final appropriation they will be happy. So that you will be done with it and we can all be proud of it.

**Senator Kilzer** What should the amendment say if we go that way?

**Senator Mathern** My concern is that I have already heard a senator say, "I thought this was settled last biennium and now they are back."

**Senator Kilzer** But the senators that remember the figures from just two years ago.

**Senator Mathern** It is not a positive way to deal with decision making. There are senators who don't know all these details. I think we need to give these people the ability to complete this project without having to come back for another appropriation.

**Senator Bowman** You made the statement that there will be other things they have to add. If we give them the bill, they are still coming back. They may have changed their mind about something, when they come back; I want you to be happy with what you have. Can you live with this or do you need the full amount?

**Mark** I guess the thing is, I understand where you are coming from, it would be nice to get a little more than that because there are a lot of things that need to be done. We can look at raising additional funds, it is just so hard when you look at the mill and overlay, gutter too, about a mile. And then you start looking at irrigation and some of that stuff.

**Kristen** Another thing to look at is the obvious time to do the roads is when they are there to do the rest of the road. It costs quite a bit of money to bring a whole crew into a small town to do a small project. To me it just seems that it would be logical to do that part of the project at the same time.

**Senator Kilzer** I hope that your project manager will be a great aid in your decisions.

**Senator Mathern** We have great support now with our country in our state for veterans. I believe this is the time we do the best we can and get the best product as soon as we can.

Spoke about the history of the project, the competency of the Veteran's Home staff, and the need to get this project done. 1.46.54. They have worked on this two years, they have whittled this down, I am sure we will have to get a hold of a vet group to bring this to the level we want by October of next year.

**Senator Kilzer** What we need is a progress report to this committee after they spend the \$500,000 dollar amount. Can we put that in legislative intent?

**Kirsten** We've been getting project reports.

**Senator Bowman** I am happy with that, the only thing that bothered me is that it sounded like we don't care about our veterans; I am as passionate as any person to help the veterans. I'm trying to put in some logic behind a large appropriation. Is it wrong to ask for accountability? We will all be invited to come to the open house and be proud. I like accountability; I suggest you think about it so that it can save you a lot of money. Talked about the roads

**Senator Mathern** I did not mean to question your patriotism, if it came across that way, I apologize. I am concerned just like everybody else.

**Senator Kilzer** What type of heat are you using in the new home?

**Mark** It is electricity including the laundry.

**Senator Kilzer** Who would like to carry some of these bills?

**Senator Mathern** Will explain the telephone bill

**Senator Bowman** Will explain 2075

**Senator Kilzer** Will take the main one

Discussion about the \$500,000 report

**Senator Kilzer** I would like to get the bill out of appropriations committee Friday. Closed the subcommittee hearing on SB 2007

## 2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2007

Senate Appropriations Committee

Check here for Conference Committee

Hearing Date: 2-16-09

Recorder Job Number: 9526

Committee Clerk Signature



Minutes:

Chairman Holmberg opened discussion on SB 2007 regarding the Veteran's Home Budget.

**Senator Kilzer** distributed two sets of amendments .0107 and .0108 and presented testimony on them.

**Senator Mathern** also explained part of the amendments.

**Senator Kilzer** moved a do pass on .0107; seconded by **Senator Mathern**. A voice vote was taken resulting in a do pass on .0107.

**Senator Kilzer** moved a do pass on amendment 0108; seconded by **Senator Mathern**. A voice vote was taken resulting in a do pass on .0108.

**Senator Mathern** explained the Budget amendments indicating they acted on number 3 and 5. (16.35)

Discussion followed.

**Senator Kilzer** moved a do pass on the budget amendment; **Senator Mathern** seconded the budget amendments. Discussion followed and it was decided to include all amendments into one amendment. (19.31) A voice vote was taken resulting in a do pass on the budget amendment.

Page 2

Senate Appropriations Committee

Bill/Resolution No. "[Click here to type Bill/Resolution No.](#)"

Hearing Date: "[Click here to type Hearing Date](#)"

**Senator Kilzer moved a do pass on SB 2007 as amended; Senator Mathern seconded. A**

**rollcall vote was taken resulting in a DO PASS AS AMENDED with 14 yes, 0 no, 0**

**absent. Senator Kilzer will carry the bill.**

**Chairman Holmberg** closed the discussion on SB 2007.

VA 2007

BUDGET AMENDMENTS

1. Correct one-time funding for Electronic Healthcare Records System

- \$98,400 is one-time funding

- \$35,200 is on-going operating expense

2. Need 1 basic care bed to replace bed taken away by Health Department

3. Change relating to decision on telephone *system*.

4. Special funds relating to healthcare benefit increase – need increase to be all general fund dollars

- \$390,750 decrease special fund authority, increase general fund authority

5. *New staff for new facility not be hired until or after June 1, 2010.*

*Senator Tim Mathern*



PROPOSED AMENDMENTS TO SENATE BILL NO. 2007

Page 1, line 20, replace "(11,963,715)" with "(12,354,465)" and replace "11,467,611" with "11,076,861"

Page 1, line 21, replace "1,301,687" with "1,692,437" and replace "5,161,253" with "5,552,003"

Page 2, line 10, replace "1,500,575" with "1,891,325" and replace "6,167,307" with "6,558,057"

Page 2, line 11, replace "(11,963,715)" with "(12,354,465)" and replace "(11,467,611)" with "11,076,861"

Renumber accordingly

**A copy of the statement of purpose of amendment is attached.**

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2007 - Summary of Senate Action**

	Executive Budget	Senate Changes	Senate Version
<b>Veterans' Home</b>			
Total all funds	\$16,628,864	\$0	\$16,628,864
Less estimated income	11,467,611	(390,750)	11,076,861
General fund	\$5,161,253	\$390,750	\$5,552,003
<b>Department of Veterans' Affairs</b>			
Total all funds	\$1,006,054	\$0	\$1,006,054
Less estimated income	0	0	0
General fund	\$1,006,054	\$0	\$1,006,054
<b>Bill total</b>			
Total all funds	\$17,634,918	\$0	\$17,634,918
Less estimated income	11,467,611	(390,750)	11,076,861
General fund	\$6,167,307	\$390,750	\$6,558,057

**Senate Bill No. 2007 - Veterans' Home - Senate Action**

	Executive Budget	Senate Changes	Senate Version
Salaries and wages	\$11,643,754		\$11,643,754
Operating expenses	4,709,709		4,709,709
Capital assets	165,313		165,313
New Veterans' Home	110,088		110,088
Total all funds	\$16,628,864	\$0	\$16,628,864
Less estimated income	11,467,611	(390,750)	11,076,861
General fund	\$5,161,253	\$390,750	\$5,552,003
FTE	120.72	0.00	120.72

**Department No. 313 - Veterans' Home - Detail of Senate Changes**

	Changes Funding Source Fringe Benefits Increase <sup>1</sup>	Total Senate Changes
Salaries and wages		
Operating expenses		
Capital assets		
New Veterans' Home		
Total all funds	\$0	\$0
Less estimated income	(390,750)	(390,750)
General fund	\$390,750	\$390,750
FTE	0.00	0.00

This amendment changes the funding source for the increase in health insurance premiums provided in the Governor's commendation from special funds to the general fund.





Proposed amendments to Senate Bill NO. 2007

Chairman Holmberg and Committee members:

Please consider the following amendments to SB2007. The North Dakota Department of Veterans Affairs is in great need of additional resources to address the growing needs of the Veterans of this great state. It is important that we increase our ability to get out into the counties and provide our County Veteran Service Officers (CVSO's) with the training and support that they need and deserve. History shows that war Veterans tend to move to rural areas, we need to help these rural CVSO's serve these veterans. With the rising problems of PTSD and TBI in our veterans our CVSO's need to be able to identify the symptoms and react to these veterans early so that greater problems do not occur. The following amendments would greatly help in serving our nearly 60,000 veterans and their dependents.

**1. Increase funding for salaries and wages (\$92,070) and operating expenses (\$15,229) for one FTE training position.**

It has been a constant concern from our County Veterans Service Officers for this department to provide them with better training. We need to hire a qualified person who can commit the majority of their time to getting well trained, develop great training and travel to the counties to provide quality training. This person will need to travel to obtain the latest up to date training and will then return to present this information/training to the Veteran Service Officers in North Dakota.

This position will also be capable of assisting veterans while doing the outreach to counties.

**2. Increase funding for operating expenses for the county veterans' service officer training program to provide a total of \$100,000.**

Our current budget does not allow for the amount of outreach that is needed to get out to the counties and help them set up good programs. This money will allow our staff to travel to the counties to provide initial training, help CVSO's with difficult or complex veterans cases. This will help our womens' veterans coordinator to travel to assist female veterans with any special needs they have. This will also allow the ND-DVA to visit the CVSO county offices to ensure that they have all the tools they need and are properly being supported by their counties. This money will also be used to bring in quality training organizations to conduct initial and ongoing accredited training for our CVSO's.

**3. Increase funding to provide grants to counties to allow for the purchase of portable personal computers for county veterans' service officers**

It is more and more necessary for our CVSO's to get out into the counties to see their veterans. Some CVSO's lack even a good basic computer for their office. This would allow CVSO's the ability to visit house bound veterans, veterans in nursing homes and veterans unable to travel to the CVSO's office. With a portable lap top all of the

electronic forms can be completed on site and internet access can help CVSO's look up VA records and search for information in the field.

ND has 53 Counties and 3 tribal Veteran Service offices. For a total of 56.

In checking with Procurement the base cost per computer would be \$1275, computer case \$32 and software \$350. For a total of \$1,657 each. (see attachment).

\$50,000 would purchase 30 computers with cases and software.

To purchase 56 computers the cost would be \$92,792.

Please keep in mind that the Federal VA's expenditures in North Dakota for 2007 was in excess of \$183,242,000. This is in the form of medical, insurance and indemnities, education & rehabilitation, construction and direct payments to our veterans for Compensation and Pension in excess of \$89,000,000.

This significant amount of Federal dollars coming into North Dakota can be increased as we increase our training and support for our County Veteran Service Officers.

**ATTACHMENT B****NORTH DAKOTA LAPTOP SPECIFICATIONS / PRICE SHEETS**

The following is Hewlett Packard's laptop PC equipment for the State of ND standard specifications term contract (rev. December 2008)

<b>Device</b>	<b>Minimum Specifications – Mainstream Notebook – 8530p</b>
Model	HP Compaq Business Notebook 8530p
Processor	Intel® Core™2 Duo Processor P8600 (2.4-GHz, 1066-MHz, 3MB L2 cache)
Chip Set	Mobile Intel PM45 Express Chipset ICH9M-Enhanced
Graphics	ATI Mobility Radeon HD 3650 with 256 MB of dedicated video memory
Audio/Visual	High Definition Audio support w/24-bit DAC Integrated stereo speakers Integrated dual-microphone array Touch-sensitive controls for volume up, volume down, and mute Stereo headphone/line out Stereo microphone in 2 MP Webcam
Network & Wireless Specification	Network card - Integrated 10/100/1000 NIC Intel WiFi Link 5300 (802.11 a/b/g/n draft 2.0) Integrated Bluetooth 2.0
Ports	ExpressCard/54 slot Smart Card Reader Media Card Reader External Monitor One – VGA 1394a One – 4-pin connector Stereo microphone in Stereo headphone/line out Power connector RJ-11/modem RJ-45/Ethernet HDMI– 1.3 compatible eSATA USB 2.0 (Four) Docking connector Secondary battery connector
Memory	4096MB 800MHZ DDR2 (2 x 2MB DIMMs)
Hard Drive	160GB 7200 rpm SATA hard drive
Optical Drive	DVD+/-RW SuperMulti with Double Layer LightScribe Drive
Display	15.4-inch WSXGA anti-glare with camera
Operating Systems	Microsoft Windows XP Professional (Downgrade from Windows Vista Business) Windows Vista Business
Input Devices	Dual pointing devices: Touchpad with scroll zone, three pick buttons Pointstick, three pick buttons
Security	Integrated Biometric Fingerprint Sensor Integrated Smart Card Reader TPM 1.2 Embedded Security Chip
Battery	8-cell high capacity Lithium-Ion (73Wh)
Base Warranty	3/3/0 Worldwide Limited Warranty, Parts & Labor, pick-up, toll free 7X24 hardware technical support
Base Cost incl. shipping	\$1275

**ATTACHMENT B**  
**NORTH DAKOTA LAPTOP SPECIFICATIONS / PRICE SHEETS**  
**(Continued)**

<b>Device</b>	<b>Minimum Specifications – Power User Notebook – 8530p</b>
Model	HP Compaq Business Notebook 8530p
Processor	Intel® Core™2 Duo Processor T9400 (2.53-GHz, 1066-MHz, 6MB L2 cache)
Chip Set	Mobile Intel PM45 Express Chipset ICH9M-Enhanced
Graphics	ATI Mobility Radeon HD 3650 with 256 MB of dedicated video memory
Audio/Visual	High Definition Audio support w/24-bit DAC Integrated stereo speakers Integrated dual-microphone array Touch-sensitive controls for volume up, volume down, and mute Stereo headphone/line out Stereo microphone in 2 MP Webcam
Network & Wireless Specification	Network card - Integrated 10/100/1000 NIC Intel WiFi Link 5300 (802.11 a/b/g/n draft 2.0) Integrated Bluetooth 2.0
Ports	ExpressCard/54 slot Smart Card Reader Media Card Reader External Monitor One – VGA 1394a One – 4-pin connector Stereo microphone in Stereo headphone/line out Power connector RJ-11/modem RJ-45/Ethernet HDMI– 1.3 compatible eSATA USB 2.0 (Four) Docking connector Secondary battery connector
Memory	4096MB 800MHZ DDR2 (2 x 2MB DIMMs)
Hard Drive	250GB 7200 rpm SATA hard drive
Optical Drive	DVD+/-RW SuperMulti with Double Layer LightScribe Drive
Display	15.4-inch WSXGA anti-glare with camera
Operating Systems	Microsoft Windows XP Professional (Downgrade from Windows Vista Business) Windows Vista Business
Input Devices	Dual pointing devices: Touchpad with scroll zone, three pick buttons Pointstick, three pick buttons
Security	Integrated Biometric Fingerprint Sensor Integrated Smart Card Reader TPM 1.2 Embedded Security Chip
Battery	8-cell high capacity Lithium-Ion (73Wh)
Base Warranty	3/3/0 Worldwide Limited Warranty, Parts & Labor, pick-up, toll free 7X24 hardware technical support
Base Cost incl. shipping	\$1419

**ATTACHMENT B**  
**NORTH DAKOTA LAPTOP SPECIFICATIONS / PRICE SHEETS**  
**(Continued)**

**Upgrade Components**

<b>Upgrade Component Type</b>	<b>Description</b>	<b>Mainstream Component Price (or separate config price)</b>	<b>Power User Component Price (or separate config price)</b>
Next Business Day Warranty	9x5 Next-business-day on-site coverage (3 yrs)	\$59	\$59
Next Business Day + Accidental Damage	Next-business-day warranty coverage with offsite accidental damage protection	\$80	\$80
Power	Additional Battery – HP 8-cell	\$100	\$100
Docking Station	HP Advanced Docking Station	\$199	\$199
Port Replicator	HP Docking Station	\$130	\$130
Case	Standard Value Notebook Case	\$32	\$32
Case	Universal Nylon Case	\$40	\$40
Case	Deluxe Nylon Backback	\$35	\$35

**Proposed Amendment for 2009 SB 2007**

**EXCEPTION TO THE MORATORIUM ON EXPANSION OF BASIC CARE BED CAPACITY.**

Notwithstanding North Dakota Century Code section 23-09.3-01.1, after completion of the veterans' home construction project, the veterans' home may add one bed to their licensed basic care facility capacity. This one bed is in addition to the authority granted the veterans' home in section 3 of 2007 Senate Bill No. 2418, to convert 14 beds from licensed basic care beds to licensed nursing facility beds.

PROPOSED AMENDMENTS TO SENATE BILL NO. 2007

Page 1, line 14, replace "2,810,639" with "1,588,752" and replace "11,643,754" with "10,421,867"

Page 1, line 19, replace "(\$10,662,028)" with "(\$11,883,915)" and replace "16,628,864" with "15,406,977"

Page 1, line 20, replace "(11,963,715)" with "(12,679,102)" and replace "11,467,611" with "10,752,224"

Page 1, line 21, replace "1,301,687" with "795,187" and replace "5,161,253" with "4,654,753"

Page 1, line 22, replace "28.35" with ".40" and replace "120.72" with "91.97"

Page 2, line 10, replace "1,500,575" with "994,075" and replace "6,167,307" with "5,660,807"

Page 2, line 11, replace "(11,963,715)" with "(12,679,102)" and replace "11,467,611" with "10,752,224"

Page 2, line 12, replace "(\$10,463,140)" with "(\$11,685,027)" and replace "17,634,918" with "16,413,031"

Renumber accordingly

**A copy of the statement of purpose of amendment is attached.**

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2007 - Summary of Senate Action**

	<b>Executive Budget</b>	<b>Senate Changes</b>	<b>Senate Version</b>
<b>Veterans' Home</b>			
Total all funds	\$16,628,864	(\$1,221,887)	\$15,406,977
Less estimated income	11,467,611	(715,387)	10,752,224
General fund	\$5,161,253	(\$506,500)	\$4,654,753
<b>Department of Veterans' Affairs</b>			
Total all funds	\$1,006,054	\$0	\$1,006,054
Less estimated income	0	0	0
General fund	\$1,006,054	\$0	\$1,006,054
<b>Bill total</b>			
Total all funds	\$17,634,918	(\$1,221,887)	\$16,413,031
Less estimated income	11,467,611	(715,387)	10,752,224
General fund	\$6,167,307	(\$506,500)	\$5,660,807

**Senate Bill No. 2007 - Veterans' Home - Senate Action**

	<b>Executive Budget</b>	<b>Senate Changes</b>	<b>Senate Version</b>
Salaries and wages	\$11,643,754	(\$1,221,887)	\$10,421,867
Operating expenses	4,709,709		4,709,709
Capital assets	165,313		165,313
New Veterans' Home	110,088		110,088
Total all funds	\$16,628,864	(\$1,221,887)	\$15,406,977
Less estimated income	11,467,611	(715,387)	10,752,224
General fund	\$5,161,253	(\$506,500)	\$4,654,753
FTE	120.72	(28.75)	91.97

**Department No. 313 - Veterans' Home - Detail of Senate Changes**

	<b>Removes Funding for FTE Positions Added in Governor's Recommend.<sup>1</sup></b>	<b>Total Senate Changes</b>
Salaries and wages	(\$1,221,887)	(\$1,221,887)
Operating expenses		
Capital assets		
New Veterans' Home		
Total all funds	(\$1,221,887)	(\$1,221,887)
Less estimated income	(715,387)	(715,387)
General fund	(\$506,500)	(\$506,500)
FTE	(28.75)	(28.75)

This amendment removes funding for FTE positions added in the Governor's recommendation as follows:

	General Fund	Special Funds	Total
1.00 FTE cook I	\$1,439	\$27,673	\$29,112
1.00 FTE cook I	1,439	27,673	29,112
0.70 FTE cook I	1,008	21,681	22,689
0.40 FTE cook I		8,642	8,642
1.00 FTE healthcare orderly II		70,384	70,384
1.00 FTE healthcare orderly II		84,176	84,176
1.00 FTE healthcare orderly II		84,030	84,030
0.50 FTE administrative assistant II	719	20,507	21,226
1.00 FTE registered nurse III	3,040	61,490	64,530
1.00 FTE healthcare orderly II	31,160		31,160
1.00 FTE healthcare orderly II	31,160		31,160
1.00 FTE healthcare orderly II	31,160		31,160
1.00 FTE healthcare orderly II	31,160		31,160
1.00 FTE healthcare orderly II	31,160		31,160
1.00 FTE healthcare orderly II	31,160		31,160
1.00 FTE healthcare orderly II	31,160		31,160
0.80 FTE healthcare orderly II	26,661		26,661
0.60 FTE healthcare orderly II	22,160		22,160
1.00 FTE healthcare orderly II	31,160		31,160
1.00 FTE registered nurse III	2,644	63,499	66,143
0.50 FTE registered nurse III	1,322	37,054	38,376
1.00 FTE healthcare orderly II	33,322		33,322
1.00 FTE healthcare orderly II	33,322		33,322
1.00 FTE healthcare orderly II	33,322		33,322
1.00 FTE healthcare orderly II	33,322		33,322
1.00 FTE healthcare orderly II	33,322		33,322
0.80 FTE healthcare orderly II	28,389		28,389
0.60 FTE healthcare orderly II	23,455		23,455
1.00 FTE social work designee	1,641	43,437	45,078
1.00 FTE custodian	1,435	25,894	27,329
1.00 FTE custodian	4,260	64,647	68,907
1.00 FTE laundry worker	1,439	25,465	26,904
0.50 FTE registered pharmacy technician	719	19,670	20,389
0.35 FTE account technician I		29,465	29,465
<b>Total</b>	<b>28.75</b>	<b>\$506,500</b>	<b>\$715,387</b>
			<b>\$1,221,887</b>

PROPOSED AMENDMENTS TO SENATE BILL NO. 2007

Page 1, line 2, after "affairs" insert "; and to provide an exception to the moratorium on expansion of basic care bed capacity"

Page 3, after line 2, insert:

**"SECTION 3. EXCEPTION TO THE MORATORIUM ON EXPANSION OF BASIC CARE BED CAPACITY.** Notwithstanding North Dakota Century Code section 23-09.3-01.1, after completion of the veterans' home construction project, the veterans' home may add one bed to their licensed basic care facility capacity. This one bed is in addition to the authority granted the veterans' home in section 3 of chapter 55 of the 2007 Session Laws relating to converting 14 beds from licensed basic care beds to licensed nursing facility beds and provides for a total of 98 basic care beds and 52 licensed nursing facility beds."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

This amendment adds a section authorizing one additional licensed basic care bed to the veterans' home providing a total of 98 basic care beds and 52 nursing facility beds.

PROPOSED AMENDMENTS TO SENATE BILL NO. 2007

Page 2, line 21, replace "133,600" with "98,400"

Page 2, line 27, replace "263,688" with "228,488"

Page 2, line 28, replace "263,688" with "228,488"

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

This amendment provides that \$35,200 of funding from the general fund for the electronic health care records system is ongoing funding, and \$98,400 from the general fund is one-time funding.

PROPOSED AMENDMENTS TO SENATE BILL NO. 2007

Page 1, line 14, replace "2,810,639" with "1,827,342" and replace "11,643,754" with "10,660,457"

Page 1, line 19, replace "(\$10,662,028)" with "(\$11,645,325)" and replace "16,628,864" with "15,645,567"

Page 1, line 20, replace "(11,963,715)" with "(12,440,512)" and replace "11,467,611" with "10,990,814"

Page 1, line 21, replace "1,301,687" with "795,187" and replace "5,161,253" with "4,654,753"

Page 1, line 22, replace "28.35" with "2.60" and replace "120.72" with "94.97"

Page 2, line 10, replace "1,500,575" with "994,075" and replace "6,167,307" with "5,660,807"

Page 2, line 11, replace "(11,963,715)" with "(12,440,512)" and replace "11,467,611" with "10,990,814"

Page 2, line 12, replace "(\$10,463,140)" with "(\$11,446,437)" and replace "17,634,918" with "16,651,621"

Renumber accordingly

**A copy of the statement of purpose of amendment is attached.**

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2007 - Summary of Senate Action**

	Executive Budget	Senate Changes	Senate Version
<b>Veterans' Home</b>			
Total all funds	\$16,628,864	(\$983,297)	\$15,645,567
Less estimated income	11,467,611	(476,797)	10,990,814
General fund	\$5,161,253	(\$506,500)	\$4,654,753
<b>Department of Veterans' Affairs</b>			
Total all funds	\$1,006,054	\$0	\$1,006,054
Less estimated income	0	0	0
General fund	\$1,006,054	\$0	\$1,006,054
<b>Bill total</b>			
Total all funds	\$17,634,918	(\$983,297)	\$16,651,621
Less estimated income	11,467,611	(476,797)	10,990,814
General fund	\$6,167,307	(\$506,500)	\$5,660,807

**Senate Bill No. 2007 - Veterans' Home - Senate Action**

	Executive Budget	Senate Changes	Senate Version
Salaries and wages	\$11,643,754	(\$983,297)	\$10,660,457
Operating expenses	4,709,709		4,709,709
Capital assets	165,313		165,313
New Veterans' Home	110,088		110,088
Total all funds	\$16,628,864	(\$983,297)	\$15,645,567
Less estimated income	11,467,611	(476,797)	10,990,814
General fund	\$5,161,253	(\$506,500)	\$4,654,753
FTE	120.72	(25.75)	94.97

**Department No. 313 - Veterans' Home - Detail of Senate Changes**

	Removes Funding for New FTE Positions <sup>1</sup>	Total Senate Changes
Salaries and wages	(\$983,297)	(\$983,297)
Operating expenses		
Capital assets		
New Veterans' Home		
Total all funds	(\$983,297)	(\$983,297)
Less estimated income	(476,797)	(476,797)
General fund	(\$506,500)	(\$506,500)
FTE	(25.75)	(25.75)

This amendment removes funding for the following FTE positions added in the Governor's recommendation:

	FTE	General Fund	Special Funds	Total
Cook I	1.00	\$1,439	\$27,673	\$29,112
Cook I	1.00	1,439	27,673	29,112
Cook I	0.70	1,008	21,681	22,689
Cook I	0.40		8,642	8,642
Administrative assistant II	0.50	719	20,507	21,226
Registered nurse III	1.00	3,040	61,490	64,530
Healthcare orderly II	1.00	31,160		31,160
Healthcare orderly II	1.00	31,160		31,160
Healthcare orderly II	1.00	31,160		31,160
Healthcare orderly II	1.00	31,160		31,160
Healthcare orderly II	1.00	31,160		31,160
Healthcare orderly II	1.00	31,160		31,160
Healthcare orderly II	0.80	26,661		26,661
Healthcare orderly II	0.60	22,160		22,160
Healthcare orderly II	1.00	31,160		31,160
Registered nurse III	1.00	2,644	63,499	66,143
Registered nurse III	0.50	1,322	37,054	38,376
Healthcare orderly II	1.00	33,322		33,322
Healthcare orderly II	1.00	33,322		33,322
Healthcare orderly II	1.00	33,322		33,322
Healthcare orderly II	1.00	33,322		33,322
Healthcare orderly II	1.00	33,322		33,322
Healthcare orderly II	0.80	28,389		28,389
Healthcare orderly II	0.60	23,455		23,455
Social work designee	1.00	1,641	43,437	45,078
Custodian	1.00	1,435	25,894	27,329
Custodian	1.00	4,260	64,647	68,907
Laundry worker	1.00	1,439	25,465	26,904
Registered pharmacy technician	0.50	719	19,670	20,389
Account technician I	0.35		29,465	29,465
<b>Total</b>	<b>25.75</b>	<b>\$506,500</b>	<b>\$476,797</b>	<b>\$983,297</b>

PROPOSED AMENDMENTS TO SENATE BILL NO. 2007

Page 1, line 15, replace "1,197,709" with "1,131,757" and replace "4,709,709" with "4,643,757"

Page 1, line 16, replace "(14,780,464)" with "(14,651,180)" and replace "165,313" with  
"294,597"

Page 1, line 19, replace "(\$10,662,028)" with "(\$10,598,696)" and replace "16,628,864" with  
"16,692,196"

Page 1, line 21, replace "1,301,687" with "1,365,019" and replace "5,161,253" with "5,224,585"

Page 2, line 10, replace "1,500,575" with "1,563,907" and replace "6,167,307" with "6,230,639"

Page 2, line 12, replace "(\$10,463,140)" with "(\$10,399,808)" and replace "17,634,918" with  
"17,698,250"

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT - LC 98026.0107 FN 7**

**A copy of the statement of purpose of amendment is attached.**

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2007 - Summary of Senate Action**

	<b>Executive Budget</b>	<b>Senate Changes</b>	<b>Senate Version</b>
<b>Veterans' Home</b>			
Total all funds	\$16,628,864	\$63,332	\$16,692,196
Less estimated income	11,467,611	0	11,467,611
General fund	\$5,161,253	\$63,332	\$5,224,585
<b>Department of Veterans' Affairs</b>			
Total all funds	\$1,006,054	\$0	\$1,006,054
Less estimated income	0	0	0
General fund	\$1,006,054	\$0	\$1,006,054
<b>Bill total</b>			
Total all funds	\$17,634,918	\$63,332	\$17,698,250
Less estimated income	11,467,611	0	11,467,611
General fund	\$6,167,307	\$63,332	\$6,230,639

**Senate Bill No. 2007 - Veterans' Home - Senate Action**

	<b>Executive Budget</b>	<b>Senate Changes</b>	<b>Senate Version</b>
Salaries and wages	\$11,643,754		\$11,643,754
Operating expenses	4,709,709	(65,952)	4,643,757
Capital assets	165,313	129,284	294,597
New Veterans' Home	110,088		110,088
Total all funds	\$16,628,864	\$63,332	\$16,692,196
Less estimated income	11,467,611	0	11,467,611
General fund	\$5,161,253	\$63,332	\$5,224,585
FTE	120.72	0.00	120.72

**Department No. 313 - Veterans' Home - Detail of Senate Changes**

	<b>Adds Funding for Telephone System<sup>1</sup></b>	<b>Total Senate Changes</b>
Salaries and wages		
Operating expenses	(65,952)	(65,952)
Capital assets	129,284	129,284
New Veterans' Home		
Total all funds	\$63,332	\$63,332
Less estimated income	0	0
General fund	\$63,332	\$63,332
FTE	0.00	0.00

<sup>1</sup> This amendment increases capital assets funding by \$129,284 to purchase a telephone system for the new Veterans' Home facility from a local provider and decreases funding for operating expenses by \$65,952, the difference between the operating cost of the new system and the current appropriation for Information Technology Department services.

Date: 2/16/09  
Roll Call Vote #: 1

2009 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 2007

Senate \_\_\_\_\_ Committee \_\_\_\_\_

Check here for Conference Committee

Legislative Council Amendment Number Amend 0107

Action Taken  Do Pass  Do Not Pass  Amended

Motion Made By Kilzer Seconded By Mothern

Representatives	Yes	No	Representatives	Yes	No
Senator Fischer			Senator Warner		
Senator Christmann			Senator Robinson		
Senator Krebsbach			Senator Krauter		
Senator Bowman			Senator Lindaas		
Senator Kilzer			Senator Mothern		
Senator Grindberg			Senator Seymour		
Senator Wardner					
Chairman Holmberg					

Total Yes voice all yes No \_\_\_\_\_

Absent \_\_\_\_\_

Floor Assignment \_\_\_\_\_

If the vote is on an amendment, briefly indicate intent:

PROPOSED AMENDMENTS TO SENATE BILL NO. 2007

Page 1, line 2, after "affairs" insert "; and to provide legislative intent"

Page 3, after line 2, insert:

**"SECTION 3. LEGISLATIVE INTENT - FULL-TIME EQUIVALENT POSITIONS AUTHORIZED FOR THE NEW VETERANS' HOME FACILITY.** It is the intent of the sixty-first legislative assembly that the veterans' home not fill any of the twenty-four full-time equivalent positions for the new veterans' home authorized in subdivision 1 of section 1 of this Act prior to June 1, 2010."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

A section is added providing that the Veterans' Home not hire any of the 24 FTE positions authorized for the new Veterans' Home facility prior to June 1, 2010.

Date: 2/16  
Roll Call Vote #: 2

2009 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 2007

Senate \_\_\_\_\_ Committee \_\_\_\_\_

Check here for Conference Committee

Legislative Council Amendment Number 0108 ~~dot~~

Action Taken  Do Pass  Do Not Pass  Amended

Motion Made By Kilzer Seconded By Mathu

Representatives	Yes	No	Representatives	Yes	No
Senator Krebsbach			Senator Seymour		
Senator Fischer			Senator Lindaas		
Senator Wardner			Senator Robinson		
Senator Kilzer			Senator Warner		
V. Chair Bowman			Senator Krauter		
Senator Christmann			Senator Mathern		
V. Chair Grindberg					
Chairman Holmberg					

Total <sup>Voice</sup> Yes Vote (Yes) No \_\_\_\_\_

Absent \_\_\_\_\_

Floor Assignment \_\_\_\_\_

If the vote is on an amendment, briefly indicate intent:

Date: 2/16/09  
Roll Call Vote #: 3

2009 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 2007

Senate \_\_\_\_\_ Committee

Check here for Conference Committee

Legislative Council Amendment Number Budget Amendment

Action Taken  Do Pass  Do Not Pass  Amended

Motion Made By Kilzer Seconded By Mathern

Representatives	Yes	No	Representatives	Yes	No
Senator Wardner			Senator Robinson		
Senator Fischer			Senator Lindaas		
V. Chair Bowman			Senator Warner		
Senator Krebsbach			Senator Krauter		
Senator Christmann			Senator Seymour		
Chairman Holmberg			Senator Mathern		
Senator Kilzer					
V. Chair Grindberg					

Total Yes ✓ Voice Vote No \_\_\_\_\_

Absent \_\_\_\_\_

Floor Assignment Budget Ament

If the vote is on an amendment, briefly indicate intent:

PROPOSED AMENDMENTS TO SENATE BILL NO. 2007

Page 1, line 2, after "affairs" insert "; to provide an exception to the moratorium on expansion of basic care bed capacity; and to provide legislative intent"

Page 1, line 15, replace "1,197,709" with "1,131,757" and replace "4,709,709" with "4,643,757"

Page 1, line 16, replace "(14,780,464)" with "(14,651,180)" and replace "165,313" with "294,597"

Page 1, line 19, replace "(\$10,662,028)" with "(\$10,598,696)" and replace "16,628,864" with "16,692,196"

Page 1, line 20, replace "(11,963,715)" with "(12,354,465)" and replace "11,467,611" with "11,076,861"

Page 1, line 21, replace "1,301,687" with "1,755,769" and replace "5,161,253" with "5,615,335"

Page 2, line 10, replace "1,500,575" with "1,954,657" and replace "6,167,307" with "6,621,389"

Page 2, line 11, replace "(11,963,715)" with "(12,354,465)" and replace "11,467,611" with "11,076,861"

Page 2, line 12, replace "(\$10,463,140)" with "(\$10,399,808)" and replace "17,634,918" with "17,698,250"

Page 2, line 21, replace "133,600" with "98,400"

Page 2, line 27, replace "263,688" with "228,488"

Page 2, line 28, replace "263,688" with "228,488"

Page 3, after line 2, insert:

**"SECTION 3. EXCEPTION TO THE MORATORIUM ON EXPANSION OF BASIC CARE BED CAPACITY.** Notwithstanding North Dakota Century Code section 23-09.3-01.1, after completion of the veterans' home construction project, the veterans' home may add one bed to its licensed basic care facility capacity. This one bed is in addition to the authority granted the veterans' home in section 3 of chapter 55 of the 2007 Session Laws relating to converting fourteen beds from licensed basic care beds to licensed nursing facility beds and provides for a total of ninety-eight basic care beds and fifty-two licensed nursing facility beds.

**SECTION 4. LEGISLATIVE INTENT - FULL-TIME EQUIVALENT POSITIONS AUTHORIZED FOR THE NEW VETERANS' HOME FACILITY.** It is the intent of the sixty-first legislative assembly that the veterans' home not fill any of the twenty-four full-time equivalent positions for the new veterans' home authorized in subdivision 1 of section 1 of this Act prior to June 1, 2010."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT - LC 98026.0109 FN 8**

**A copy of the statement of purpose of amendment is attached.**

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2007 - Summary of Senate Action**

	Executive Budget	Senate Changes	Senate Version
<b>Veterans' Home</b>			
Total all funds	\$16,628,864	\$63,332	\$16,692,196
Less estimated income	11,467,611	(390,750)	11,076,861
General fund	\$5,161,253	\$454,082	\$5,615,335
<b>Department of Veterans' Affairs</b>			
Total all funds	\$1,006,054	\$0	\$1,006,054
Less estimated income	0	0	0
General fund	\$1,006,054	\$0	\$1,006,054
<b>Bill total</b>			
Total all funds	\$17,634,918	\$63,332	\$17,698,250
Less estimated income	11,467,611	(390,750)	11,076,861
General fund	\$6,167,307	\$454,082	\$6,621,389

**Senate Bill No. 2007 - Veterans' Home - Senate Action**

	Executive Budget	Senate Changes	Senate Version
Salaries and wages	\$11,643,754		\$11,643,754
Operating expenses	4,709,709	(65,952)	4,643,757
Capital assets	165,313	129,284	294,597
New Veterans' Home	110,088		110,088
Total all funds	\$16,628,864	\$63,332	\$16,692,196
Less estimated income	11,467,611	(390,750)	11,076,861
General fund	\$5,161,253	\$454,082	\$5,615,335
FTE	120.72	0.00	120.72

**Department No. 313 - Veterans' Home - Detail of Senate Changes**

	Changes Funding Source for Fringe Benefits Increase <sup>1</sup>	Adds Funding for Telephone System <sup>2</sup>	Total Senate Changes
Salaries and wages			
Operating expenses		(65,952)	(65,952)
Capital assets		129,284	129,284
New Veterans' Home			
Total all funds	\$0	\$63,332	\$63,332
Less estimated income	(390,750)	0	(390,750)
General fund	\$390,750	\$63,332	\$454,082
FTE	0.00	0.00	0.00

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This amendment changes the funding source for the increase in health insurance premiums provided in the Governor's recommendation from special funds to the general fund.

<sup>2</sup> This amendment increases capital assets funding by \$129,284 to purchase a telephone system for the new Veterans' Home facility from a local provider and decreases funding for operating expenses by \$65,952, the difference between the operating cost of the new system and the current appropriation for Information Technology Department services.

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This amendment also:

- Provides that \$35,200 of funding from the general fund for the electronic health care records system is ongoing funding, and \$98,400 from the general fund is one-time funding.
- Adds a section authorizing one additional licensed basic care bed to the Veterans' Home providing a total of 98 basic care beds and 52 nursing facility beds.
- Adds a section providing that the Veterans' Home not hire any of the 24 FTE positions authorized for the new Veterans' Home facility prior to June 1, 2010.

Date: 2/16/09  
Roll Call Vote #: 4

2009 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 2007

Senate \_\_\_\_\_ Committee \_\_\_\_\_

Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken  Do Pass  Do Not Pass  Amended

Motion Made By Kilzer Seconded By Mather

Representatives	Yes	No	Representatives	Yes	No
Senator Fischer	✓		Senator Warner	✓	
Senator Christmann	✓		Senator Robinson	✓	
Senator Krebsbach	✓		Senator Krauter	✓	
Senator Bowman	✓		Senator Lindaas	✓	
Senator Kilzer	✓		Senator Mather	✓	
Senator Grindberg	✓		Senator Seymour	✓	
Senator Wardner	✓				
Chairman Holmberg	✓				

Total Yes 14 No 0

Absent 0

Floor Assignment Kilzer

If the vote is on an amendment, briefly indicate intent:

**REPORT OF STANDING COMMITTEE**

**SB 2007: Appropriations Committee (Sen. Holmberg, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2007 was placed on the Sixth order on the calendar.

Page 1, line 2, after "affairs" insert "; to provide an exception to the moratorium on expansion of basic care bed capacity; and to provide legislative intent"

Page 1, line 15, replace "1,197,709" with "1,131,757" and replace "4,709,709" with "4,643,757"

Page 1, line 16, replace "(14,780,464)" with "(14,651,180)" and replace "165,313" with "294,597"

Page 1, line 19, replace "(\$10,662,028)" with "(\$10,598,696)" and replace "16,628,864" with "16,692,196"

Page 1, line 20, replace "(11,963,715)" with "(12,354,465)" and replace "11,467,611" with "11,076,861"

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Renumber accordingly

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A copy of the statement of purpose of amendment is on file in the Legislative Council Office.

2009 HOUSE APPROPRIATIONS

SB 2007

## 2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2007

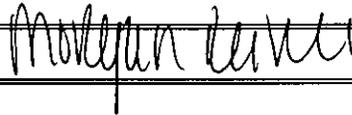
House Appropriations Committee  
Human Resources Division

Check here for Conference Committee

Hearing Date: 3/16/09

Recorder Job Number: 10992

Committee Clerk Signature



Minutes:

**Chairman Pollert:** Opened the meeting on SB 2007 and took roll call. Every member was present.

**Rudy Jensen:** Testimony handout (Attachment A)

**Chairman Pollert:** You mentioned the administrative committee on Veteran's Affairs. Isn't SB 21333 to take away what is currently in statute for overseeing the fees?

**Rudy Jensen:** Yes.

**Chairman Pollert:** Sometime today when we get on the Veteran's home I want a discussion on SB 2133 incase that bill comes to us on appropriations. It won't come into this section because there is no time for that. We should have some knowledge in case. I don't want a hearing but a quick summary of what it does. I've asked that of every department that has come in here. The only two are 2133 and 2075. I will want to hear something about it so we as a committee know what is going on.

**Lonnie Wangen:** Testimony handout (Attachment B)

**Representative Kerzman:** During the interim there was some discussion about different programs and training, have you decided which one you will use?

**Lonnie Wangen:** No, that has not been completed yet. That is HB 1057. They are still

discussion about that and it has been amended from the original bill. It is down to 4 sections.

The one section names the ND Department of Veterans Affairs as the ones that will determine the accreditation of the training in guidance with federal laws. The last section that gives some appropriations for a group to come in. This doesn't name the group that they originally had but that is the intention.

**Chairman Pollert:** What is the bill number?

**Lonnie Wangen:** HB 1057

**Representative Nelson:** For the first time I am looking at the two attachments. What is the difference? They look identical to me.

**Lonnie Wangen:** On the second attachment it will show the breakdown of the two attachments. The breakdown is a current biennium and the last three are proposed. The budget appropriation is the last 3 sections which have been approved and the last ones are in addition.

**Chairman Pollert:** Did you request the FTE in the Governor's budget, and also did you request the CVO training money in the budget. Were they OAR's that the executives decided not to put in the budget?

**Lonnie Wangen:** That is correct. Those are the parts of our optional package that were not approved.

**Chairman Pollert:** Could it be said that part of HB 1057 is in your request of the CVSO training money

**Lonnie Wangen:** They are allowing \$20,000 to allow them to bring the group. We are allowing training for the full time employees to allow money to conduct training outside the state. It is going to advanced training and better training equipment supplies.

**Chairman Pollert:** What does HB 1057 do?

**Lonnie Wangen:** Right now it would name our agency for the CVSO's. It changes conservatorship. It says we can use two of our full time equivalents for training and they will appropriate \$20,000 to bring in what they would like as an equivalent.

**Chairman Pollert:** Can we go through the third page?

**Lonnie Wangen:** Continued testimony on third page.

**Chairman Pollert:** Your travel above you goes from \$58,000 to \$117,000. So you double that?

**Lonnie Wangen:** Yes. We also pay for them to come to meetings.

**Chairman Pollert:** Didn't you pay for that two years ago?

**Lonnie Wangen:** Yes and we have been running short on that.

**Chairman Pollert:** So if I would look that up here I wouldn't be able to find that.

**Representative Metcalf:** Did you make this estimate of \$117,000? When did you make that? Was it the first of April?

**Lonnie Wangen:** That estimate was made this fall when we did the budget. We had the new employee of women's coordinator and she had a lot of traveling and training to get done also.

**Representative Metcalf:** I'm trying to get at what time frame it was made. There was a considerable reduction in cost in fuel and other means for travel. I was just wondered if it was done at the high point, low, or middle.

**Lori Laschkewitsch:** Their budget would have been calculated on the billings rates for motor pool. It wouldn't matter what the fuel prices were. It would have been taken into consideration and using that projected billing charge from motor pool.

**Chairman Pollert:** Most of our travel expenses have been up 25-30%. We haven't seen one up 100%. We haven't seen one yet.

**Representative Kreidt:** Is the \$117,000 because you are including in your CVSO training the \$50,000 to help with the travel and training. When you double your travel expense and also including another \$50,000, according to your testimony that is to help with the travel?

**Chairman Pollert:** I want to make sure you are looking at this right. On your green sheet on the 07-09 biennium the \$877,378 was approved plus the one time expenditures of \$59,606. That is your total budget in 07-09. So now your budget for this one is \$1,006,054. You put that in just to give us what we are looking for? The two last columns to the right, the training position of \$98,169 and the \$50,000 aren't in the budget?

**Lonnie Wangen:** Correct. They were submitted and not approved.

**Chairman Pollert:** So you are putting them in here so we have an idea of what we are looking at. The \$50,000 is the Governor's package has a \$50,000 additional in where? It was Rudy's testimony where the Governor's budget recommended \$50,000 or half the amount requested. Is that \$50,000 including in the travel? Then you are looking for \$10,000 for expense?

**Lonnie Wangen:** Yes that is where they put the other \$50,000 was under the travel in the budget appropriations approved by the Governor. That is to cover committee members and their travel and to increase the amount of travel that we are going to need to do in our office to answer the demands of getting to the counties.

**Chairman Pollert:** Realistically you are looking for \$167,000 in that budget instead of \$117,000.

**Lonnie Wangen:** That is correct and it would include professional training expenses.

**Representative Bellew:** On the green sheet it says provide increase in travel of \$43,000. It doesn't correlate?

**Lori Laschkewitsch:** The BARS report shows the actual travel going up about \$59,2000. That is where the \$50,000 which is the number 5 on your green sheet. In addition there is another

\$92,000 there. In their requested budget in addition we gave them \$50,000 of the \$100,000.

The additional \$50,000 they are asking for is what is on their green sheet. We also gave them an additional \$23,540 because of added travel expenses that they have had with the administrative committee and the additional training they have been doing that they didn't have enough money to cover. We increased the travel budget to \$23,000.

**Chairman Pollert:** But if you add up the \$58,473 from 07-09, put the \$50,000 in that the Governor's budget had in it, and add the \$23,540 it comes up to \$132,013. The green sheet shows it at \$117,673.

**Sheila Sandness:** I was wondering if there were some reductions because of that.

**Lori Laschkewitsch:** Yeah they offset.

**Chairman Pollert:** The one time expenditures? There is no deduction on travel for one time expenditures. Or there is no item for that.

**Lori Laschkewitsch:** There was a budget change in their budget of \$14,340. They were given a hold even budget to they had to make adjustments in their budget in order to get to the amount.

**Chairman Pollert:** Was it just a pushed in figure? Or did they have less travel with the \$14,000?

**Kathy (?):** Lori is correct. With the hold even budget we had to reduce. We moved into new office space which increased our rent quite a bit for us. We also had some IT things that had to be taken care of when we moved over there. They put us on a different system. Because of those costs when we did the budget we had to reduce some place to account for the increased rent we were going to be doing and things like that. The only place we could take out of was travel to meet that hold even number. We also had to take out the IT funding for replacement of computers and software which the Governor put back in. We did have to cut different areas

of our budget to meet that hold even number. Travel was one of those places that we added to meet that cut.

**Representative Bellew:** The other questions I have is that we have an increase in the salary line items of \$16,000. We have a salary budget adjustment of \$13,000 and a benefit increase of \$6,000. If you go down to fringe benefits, that line item increased \$33,000. Who is getting all this money?

**Chairman Pollert:** Where is the 5&5 at?

**Lori Laschkewitsch:** The salary increase and the benefit increase would be the 5&5.

**Chairman Pollert:** That is the \$37,555?

**Lori Laschkewitsch:** And the \$6,555

**Chairman Pollert:** so the benefit increase they are together for the 5&5?

**Kathy (?):** That would be our temporary worker we have working on the discharge project. That was a onetime only funding for this biennium so it will drop off for the next biennium. We had to get that out.

**Chairman Pollert:** It shows as an increase here.

**Kathy (?):** We had an issue while we were working on our budget .

**Lori Laschkewitsch:** Because they actually had to show that they were backing out of the onetime costs in the 07 biennium, they had to do budget changes to do that. However, in the bars system you would just un-fund the temporary. You would see that this was reduced. It was part of the total and it would have been a budget change.

**Chairman Pollert:** So you have a salary increase on the salary line items of \$16,226. Plus the salary budget adjustment of \$13,367. Plus you have the 5&5 and the benefit increase. Then you have a \$32,000 increase on fringe benefits besides.

**Lori Laschkewitsch:** Part of the salaries and benefits, those increases would have been a cost to continue the 4&4 from the current biennium.

**Chairman Pollert:** Which ones?

**Lori Laschkewitsch :** In the increase that you see in salaries in benefits. That is the 5&5 for 09-11. The cost to continue the 4&4 from the current biennium would be included in the base salary. That is the cost to continue.

**Representative Bellew:** Then the \$13,000 that would be their equity package?

Sheila Sandness: On the green sheet we show \$13,000 but we are showing the second year increase.

**Chairman Pollert:** How much did health insurance go up?

**Lori Laschkewitsch:** \$230 a month per employee.

**Chairman Pollert:** The \$230 a month times 7 employees 24 is roughly \$38,000. The benefit increases is part of the pension plan?

**Lori Laschkewitsch:** The 5&5 is what the \$6,000 is.

**Chairman Pollert:** Wouldn't it be the unemployment taxes?

**Lori Laschkewitsch :** It would have been the benefits related to the increase in salaries which would be the FICA the Medicaid, etc.

**Chairman Pollert:** So the 5&5 is the \$37,500. The indirect result of the 5&5 to everything else is \$61,045 for 7 employees.

**Lori Laschkewitsch:** Correct.

**Representative Bellew:** The only other question I have is with the IT equipment or the equipment under \$5,000.

**Lonnie Wangen:** That is our cost for replacement for our current computers on the regular schedule plan. It comes from IT and they say to replace computers in different components on regular basis. That is the estimated cost of those replacements .

**Representative Bellew:** How many computers?

**Lonnie Wangen:** 7 FTE's and 8 computers because one of them is a discharge project.

**Representative Bellew:** And you didn't replace any last biennium?

**Lonnie Wangen:** We replaced some last biennium.

**Representative Bellew:** And you are replacing 8 more this time?

**Lonnie Wangen:** We will be replacing 4 computers and adding a laptop monitor and printer that will be replaced. Our previous office space was insufficient for the discharge documents that we had to store in the fire proof safes that we had. The office was already in form and we needed a bigger space. We had \$1,300 square foot space and paying \$15.50 a month for and moved up to a \$2,485 square foot place right now and paying \$21.13. The actual square footage went from about 15 to 10 dollars. We locked in on that for the next 5 years. There won't be any increases in that amount. The current office space gives us room to store the documents securely and we have room for a training room or conference room.

**Chairman Pollert:** When you have the \$16,226 for the cost of 4&4 and add the equity and the 5&5 and indirect result of that plus the fringe benefits with is \$33,000 then take the number divided by 2 years. Then you divide that number by 7 employees and that number by 12 is \$633 a month. That is a phenomenal number when you look at it. If I 'm correct the Senate didn't do any change to Veteran's Affairs.

**Rudy Jensen:** I will have to refer on notes we gave in testimony for our position we have taken on SB 2133. The committee is responsible for organization policy and general admission of all veteran's affairs in the State of ND. Two of the responsibilities are for appointing the 7

member veteran's home governing board and returning the cost of living at the veteran's home. We feel the governing board does an excellent job of overseeing the veteran's home. Our opposition to change posed in section 3 of the bill is not a reflection of our work in any way. As the committee appoints the member for the governing board we expect the best people possible serving the board on the ND century code. These people don't need to be veterans. We as members of the administrative committee of veterans affairs have to answer to the governor and veterans of ND. The control and membership costs ensures the veteran's interest of being protected in the highest level possible. The veteran's home administrator and governing board and every administrative committee meeting that brings forward issues that leads to action. There are no problems with the present system. It is a 2 step process that ensure integrity, fairness of decision making process that affects the residents of the veteran's home. We feel that the governing board and the administrators should set the fee. They know the costs and expenses coming into it. It should be approved by the administrative committee because it's our duty and responsibility to look out for the veteran's and there is no chance for them to appeal this if they ever did raise it. We have never turned it down on any raise they have asked us for. If we did we figured out how to come to an agreement. We have veteran's taking care of the veteran's and we have to answer to the veteran's and the governor to make sure that is done.

**Chairman Pollert:** What is the fee for? I'm going to want a little background. So right now you have a final say on it or do we have to give you a stamp of approval?

**Rudy Jenson:** Right now we have the final say. We would like to still have the final say but with their input. They know the costs and we don't. That is the reason if I was asked if they knew anything about the veteran's home I said no. That is why we pick the governing board so

we can pick people who help in certain fields like how health is everything. We still oversee the veteran's home even though we have a governing board there.

**Mark Johnson:** Still talking about SB 2133. The bill is to create and enact a new section relating to telephone service at the veterans home. The bill itself was introduced because it came out of the performance audit issue. We are basically fixing century code changes. We did have the Attorney General's office come down and testify on this as well. We have some testimony from the attorney general. We have written documentation regarding some of the other issues that we had. What we were really looking at was first of all the admission piece. There are some minor changes that needed to be changed because we handle all the admissions. They don't go through the veteran's affairs committee. It is basically our board of admissions that handle that. The other section was really looked at because part of the process when you are looking at setting rates is that after the legislature gives us our appropriations we manage our budget. The only piece we don't have is rate setting. That is one of the questions that we had talked to the AG's office and their opinion along when we talked to you, the performance audit and audit division, they felt that they should be handling that as well. That is really kind of where this all went. We had to change the stuff for century code and the telephone system is the other part of this. I think the telephone system is \$63,000.

**Chairman Pollert:** That is going to end up in appropriations. We are going to talk about SB 2133 anyways.

**Mark Johnson:** When we start looking at it, we do show the state a cost savings of close to \$500,000 over a 10 year period. That is why we went down the road to look at getting out of ITD. That is part of the century code change. We have to buy and purchase our services from

ITD. We had to have a century code to get acceptance to that because we are working on our local telephone company.

**Representative Kreidt:** So if I have this right you are just putting the Veteran's Home in the lead and the Veteran's Affairs committee would have an input but you would be the individuals who would be setting your basic care rate and you would work with them as you finalize this. You would take the lead and right now it is the other way around with establishing your basic care rates.

**Mark Johnson:** The process that we have right now is when we start looking at how everything is balancing out with the books, we make that recommendation to that board and that board has to go to a 15 member committee board and we have to pass out of the 15 member committee. One of the things that I understand is that our process, we were just looking at that. The board is all appointed by the administrative committee. There is oversight. We were just looking at setting the rates. That is the whole purpose. WE have a good relationship and want to continue to foster that. We don't want to get any obstacles in between. We want to look at long range planning and saying that is what we want to be doing is the planning piece and let the board that was appointed manage that piece.

**Representative Kreidt:** Are there members of both boards that sit on them or are they both completely separate boards.

**Mark Johnson:** We have 2 administrative committee members sit on our board.

**Representative Kreidt:** There is interaction so they know what is going on. The Veteran's Home governing board would be the people that would be familiar with the numbers and what is happening with the operation of the facility and would better understand when you are talking about setting the rates and going the other way. This is what we are going to clarify.

**Mark Johnson:** That is true when we sat down and looking at the governor's intent to bring the board on we are just trying to follow what the performance recommendations were, working with the AG's office. Those are all recommendations with the filter process. As we are trying to correct these issues, this is one where we had to go in and make some changes to century code. That is one of the issues that we addressed with the AG's office and they felt it would be the best direction to go. That is why we are here.

**Representative Kreidt:** On the skill side you follow the same rate setting as every other nursing home in the state with your skill beds which are set by the department of health?

**Mark Johnson:** Correct. Whatever the state sets our rates that is set by cost base that is what our rates are.

**Chairman Pollert:** We will open up the hearing on the Veteran's Home.

**Norris Braaten:** Testimony handout (Attachment C)

**Kristin Lunneborg:** Testimony handout (Attachment D)

**Representative Ekstrom:** Have you filled those positions? Are those people in place?

**Kristin Lunneborg:** All of the medication aids for the basic care unit have come on board. They are trained and currently working. I do believe that the positions on skilled have been filled recently as well.

**Chairman Pollert:** So it was 3 FTE's?

**Kristin Lunneborg:** All together it was 5.8

**Representative Nelson:** Did you request these positions or were they brought on because of the survey that the VA did? I don't remember if you had these identified last biennium.

**Kristin Lunneborg:** We did not ask for the FTE in the last budget. They were requested only to try to problem solve the issues with the VA survey. What we were currently using to pass medication was nursing staff. We felt that it would be more cost beneficial to hire CMA's. They

are basically only paid 75 cents more an hour than a CNA. We were trying to look at saving costs and trying to problem solve.

**Representative Nelson:** What is the schedule that the VA uses?

**Kristin Lunneborg:** The August survey was a scheduled survey.

**Representative Nelson:** Is that yearly?

**Kristin Lunneborg:** Every fall. They are now unannounced.

**Chairman Pollert:** What is your turnover percentage?

**Kristin Lunneborg:** I'm not exactly sure what the turnover percentage is. I don't think it is quite as high as what the average in long term care is. The CNA field is the field where we have the highest turnover rate in. I can get it for you I just don't know it off the top of my head.

**Representative Nelson:** What is the average salary for a CNA? Because you are a state worker we heard from long term care that the highest paid in that field was \$13.70 was the highest paid CNA in the state. Do you have any idea what you are running?

**Kristin Lunneborg:** For CNA's our starting wage is \$8.40 an hour. Our highest paid is making somewhere around \$12.00. That is an individual that has been there for about 20 years.

**Representative Kreidt:** You are aware that right now there is a wage pass through for nursing home employees? Would you benefit from that?

**Kristin Lunneborg:** If long term care gets what is in the package if we are not given the equity adjustments and the salary increase in our budget we will be behind all of the long term care facilities. Right now we already have a problem with losing our employees to the surrounding area. Our benefits package is really good. It is better than everyone else's. In this day and age it's not keeping our employees. Continued testimony.

**Chairman Pollert:** The 5.8 FTE's that you mentioned before was all entrusted by the emergency commission but we have to trust it to get the emergency commission?

**Kristin Lunneborg:** Yes. Those 5.8 FTE only last through this biennium. They show up as additional FTE in our budget request for the next biennium.

**Chairman Pollert:** Would those be under the green sheets? Can you point them out?

**Sheila Sandness:** I believe they are item 3. There is the 3 FTE under the emergence commission.

**Kristin Lunneborg:** If I can clarify that one for you, they would show up under number 13 in part of that 14.8 FTE.

**Representative Wieland:** When is the expected completion date for the new facility?

**Kristin Lunneborg:** October 1, 2010.

**Representative Wieland:** So when you are funding these new positions now, you are funding them for a one year time frame and not for the whole biennium?

**Kristin Lunneborg:** Some of them are in there for a one year time period and some of them are only in there for 9 months.

**Chairman Pollert:** Can you repeat that?

**Kristin Lunneborg:** Of the new FTE requested for the new facility, there are a number that are in there for one year. That is because some of them need to be brought on with training. They would be hired after July 2010 and the building will open October. They will be trained before the building is open. A number of the staff are brought on for the last 9 months of the biennium. They will only be hired as needed when we move into the new facility.

**Chairman Pollert:** Did the Senate play with the timelines/

**Kristin Lunneborg:** What the Senate did was put an amendment in the bill that said that we were not able to hire any new FTE until July 1, 2010.

**Chairman Pollert:** Wasn't that what you were doing anyways?

**Kristin Lunneborg:** That is correct.

**Representative Bellew:** These new FTE's were started in 2010. The start amount was a base salary right? Then you are going to give them a 5% salary increase?

**Kristin Lunneborg:** What they will be hired at is we use a scale and have a starting wage that we figure for all employees. They get a little bit extra for every year of experience that they have. IF we are bringing in an outside employee and are bringing in 6 years of experience we give them 3 years of experience and move them on the scale with the base wage adding 16 cents a year. What will happen is when they are hired in 2010 is the base wage from the previous year would go up 5%. They will come on board at that rate and they will not get another 5% increase. They will just come on with what their base wage is at that time. The only base wage they will see is in the following year if there is another state increase at that point in time.

**Representative Bellew:** So your employees aren't under the state system?

**Kristin Lunneborg:** Yes they are. We have our own pay scale. We don't have it handed down to us from another facility. We have our own pay scale that is set up. We follow the classifications that the human resources department uses and the pay level grades but then we determine what those starting wages are going to be based upon those pay grades.

**Representative Ekstrom:** Do you offer the positions to folks internally as well as going out and recruiting. Could someone who presumably be on custodian staff be a med tech?

**Kristin Lunneborg:** Generally we advertise the positions in house first. When we hired our techs for the basic care units, all of them came from within.

**Representative Nelson:** In the increase in FTE count number 1 on the green sheet from 65% to 1 FTE would be 1. The addition of the .4 FTE cook is one and 12 is the custodian position.

Is that the new proposed additions to your FTE count in the existing building?

**Kristin Lunneborg:** As far as the current facility we are in, 1 applies to the current facility.

Number 2 applies to the current facility.

**Representative Nelson:** That is emergency commission? Let's not count those. My internal accounting procedure, I would say and look at this that the emergency commission approvals would have to go through. Let's stay away from them and the new building. I'm willing to give you the emergency commission position.

**Kristin Lunneborg:** Number 1 is a person I have on staff right now that works full time. She is only at a .65 FTE. I do need to move her up. Number 4 removing that .4 FTE, the reason why we are removing that is last session we were granted 1.4 for a night watchman position. We were unable to fill it at a 1.4. We have one full time person working and the other workers filling in the other couple days. That .4 is being removed. One of the FTE for the custodian positions is also for the current facility. This has been a temp position forever. We are having difficulties filling it because there are no benefits attached. We are requesting to have that as an FTE position rather than a temp position. I do believe excluding those emergency commission requests that those are the only requests for moving into the current biennium in the facility currently.

**Representative Nelson:** The only addition I would ask about is number 3, the .41 position. That is existing isn't it?

**Kristin Lunneborg:** No. I am pretty sure that we didn't add any dietary staff for the current facility. They are all additions to the new facility.

**Representative Nelson:** If they do it doesn't say. Counsel has put on the green sheet that for the new building is usually the end of the sentence.

**Chairman Pollert:** Do all these funds mean federal?

**Kristin Lunneborg:** The special funds which would be the revenue from the residents rent and federal per Diem.

**Chairman Pollert:** Is there a percentage rate on that? When you look at the amount of general funds as compared to other funds it is huge.

**Kristin Lunneborg:** I think the funding for our agency probably works a lot different than it works for other agencies. We have our special funds which come in the form of rents and per diem payments and other miscellaneous items. Then we have the general funds that fund the remainder. There is no set logic as to how those funds should be appropriated. What we do is take all of our special funds and use those in the budget. Everything that we expect to receive we put in the budget to spend. The remainder is just made up of general funds. There is nothing that says a certain percentage of this should be special and a certain should be general. It's just plugged into the budget using all of our special fund dollars and filling in the rest with general fund.

**Representative Wieland:** Under line item 13 you have the funding for the 4.8 FTE healthcare orderly positions showing no special funds. I realize that when you start out you certainly would not have that. Somewhere during that time frame wouldn't that come out of special funds as well?

**Kristin Lunneborg:** In a way you shouldn't even be concerned with how much is set towards special funds and how much is set towards general funds. What happens on a monthly basis is when we get our expenses what we do is pay our bills with special funds. Any special funds we have available, it doesn't matter, it gets keyed into special funds. When we don't have special funds sitting in our account that is when we key things into general funds. It would be almost impossible for me to keep a schedule saying 80% of administration salaries need to go to

general funds and 20% need to go to special funds and try to keep track of each expense and key it in the way it is put into the budget. Truly what we do is when we have expenses, we key everything into special funds first until they run out. The remainder we key into the general fund dollars.

**Representative Wieland:** I realize you don't have a problem with us separating general funds from other funds. WE have a problem because we have to try to reconcile with the overall spending of general funds to the state of ND. We generally do look for general funds and trying to identify the general funds as much as possible. That is what comes out of our taxes. It is a concern to us. I realize what you were saying and I would generally agree with you in your position. For us it is a different matter.

**Representative Metcalf:** To shed a little light on the situation that they had down there, I think it was probably 4 years ago when Representative Delzer insisted that they must spend their special funds before they spend any general funds. This is what got them into the position of spending the funds first. When the special funds are all gone on a monthly basis they will start using general funds. I realize that it doesn't help us any. It does make it simple for them as far as their book keeping is concerned. They don't have to worry if they have to pay 20% or 70%. I'm not so sure that they couldn't take a serious look at that and look back and say this year it took us 27% of general funds and whether 63% came out of special funds.

**Chairman Pollert:** Let's take a 10 minute break.

**Kristin Lunneborg:** Continued testimony 33:21-36:32

**Representative Nelson:** Is this electronic record keeping system, do you have flexibility to choose your own program? I would assume that it is a major priority, is it not?

**Representative Nelson:** Ultimately the decision of which program or firm to purchase your record system from, is that a responsibility of the governing board? Help me understand who ultimately makes that decision.

**Kristin Lunneborg:** I do believe that it would be the team of individuals that is looking at the different selections. We are trying to get a system to tie the hospitals in with. A lot of the

**Representative Ekstrom:** One recommendation I might make to you is that the person have a. I don't know what the proximity is with your new offices that would facilitate that individual

**Chairman Pollert:** I take it this might be an outside contractor?

**Kristin Lunneborg:** this position it put into a budget as a part time/ 20 hour a week position that would be hired through the salary line item as a temporary employee.

**Representative Bellew:** What benefits are you giving this person? Why isn't this considered part of the cost?

**Lori Laschkewitsch :** I guess because of the fact that this was not bid with the project to include that and this was something we ran into. A significant amount of time was spent on getting this project together to bid it and get it defined. It was taking so much of their time and day to day duties of their normal job. We recommend that they use temporary. That amount was not included at the time it was calculated.

**Chairman Pollert:** Was the bank of ND included in the project or was it detailed out?

**Lori Laschkewitsch:** I believe theirs was in. It would be included in that. There is a lot of work that happens before the project starts. I'm guessing it was temporary salaries as well.

**Representative Metcalf:** I could go on forever about the position.

**Representative Kreidt:** Over the years I have done half a dozen building projects. As an independent operator I did become this person. You met with the construction foreman and that was the first thing I had done every morning. They would give updates on what they are

doing, if they see problems etc. I would take a look and approve. For these guys to have to do that on a \$30 million project it is going to be tough.

**Lori Laschkewitsch:** That is correct. It is basically one time funding.

**Kristin Lunneborg:** Continued testimony.

**Representative Bellew:** \$390,000 for benefit increase that is health insurance? How many employees do you have?

**Kristin Lunneborg:** We currently have about 110-120 employees.

**Representative Bellew:** They are all getting health insurance?

**Kristin Lunneborg:** I'm not sure how many aren't getting health insurance.

**Representative Bellew:** The next items say that they used all their funding. The health insurance increases are put into the budget after we had prepared our budget. We figured out how much special fund revenue we are going to get. We used all of that revenue towards the expenses that we have. When we submitted our budget, all of our special fund revenue is set to be paid out. Then the health insurance benefit gets tacked out of the budget after the fact that it was alluded to special funds >

**Chairman Pollert:** If you take the \$390,000

**Kristin Lunneborg:** Continued testimony.

**Chairman Pollert:** Was there any discussion on that? This must have went in front of Senate appropriations too, right?

**Kristin Lunneborg:** It has been a talked about piece throughout the whole session. There has been a lot of discussion as to why the ITD telephone system

**Representative Bellew:** Why weren't these designated as one time funds?

**Kristin Lunneborg:** It is my understanding that one time funds are for one time projects and payouts. All of the FTE's that are funded by dollars are part of our optional package. The Governor put them in the recommendation.

**Representative Bellew:** That didn't really answer my question.

**Kristin Lunneborg:** It is my understanding that one time funding does not work that way.

**Representative Bellew:** Well how does it work if you are only going to use it for one biennium is that not one time general fund funding?

**Lori Laschkewitsch:** I'm not sure I understand your question.

**Chairman Pollert:** What he is asking is that because we have a lot of one time funding for capital projects.

**Lori Laschkewitsch :** It is included in the section for 1 time funding. However, because of the fact and back to the whole funding issue they may choose to spend special funds on these positions in a future biennium. It is going to depend on if they spend money on utility charges. It is kind of like their entire budget. We do actually pay attention to that and look at what the special fund revenue is going to be projected. If there is going to be special funds. In their request they will reduce their general fund request. The way they calculate out the issues and use up all their funds, they don't have anything. To actually get a particular general fund dollar to a particular expense, we will reduce their funds based on that.

**Chairman Pollert:** You are doing special funds for new FTE's for new buildings. On the green sheets for 7,8,9,10,11 but you isn't adding funding for the other 12 FTE's. 2.8 of them are emergency commission. The general funds are

**Kristin Lunneborg:** Continued testimony.

**Representative Bellew:** This has probably already been asked but is there a waiting list and can you fill the beds?

**Kristin Lunneborg:** Yes we have a number of people. We have them calling to be on the new facility.

**Representative Nelson:** As far as I know, it is challenging to build your staffing based on the expected increase on residents. I'm guessing you will be ramping up your staff as additional people come in your home. Do you plan on bringing the staffing level to 250 right away? What is the strategy you are using?

**Kristin Lunneborg:** We will only be hiring the staff that we know we need to have right away. There is certain staff. The medication aids need to come on board easily.

**Chairman Pollert:** You are saying you will have an increase of \$3.3 million. You will also have an increased

**Kristin Lunneborg:** The increase in general funds we are participating. Since all of that revenue won't be coming in. In the next biennium when we come back there will be increases to expenses with the 35 residents.

**Kristin Lunneborg:** Testimony handout (Attachment E)

**Representative Kreidt:** Once you are set up with a new facility, is the 50 even skilled now. You are going to break out costs now like 1/3 nursing home, 2/3 basic care. It is going to break out once you get set up with the new operation. Will 2/3 of your time be dedicated to basic care as far as costs are concerned and about 1/3 dedicated to that? Is that how it will be set up?

**Kristin Lunneborg:** Continued testimony.

**Representative Bellew:** The Governor's equity package is \$99,000 in this cost center?

**Lori Laschkewitsch :** Yes.

**Representative Wieland:** I was here when you talked about the travel. Was that travel expense computed or the dollars for that computed last July as others in the budgets, or is this a more recent computation?

**Lori Laschkewitsch** : Those numbers would be computed based on the motor vehicle chart that I gave you and Kristin: Continued testimony 35:21-36:00

**Representative Nelson**:

**Kristin Lunneborg**:

**Representative Nelson**: I appreciate that. If you look at the column in the spend down you will see that there are some areas.

**Chairman Pollert**: The only question I have on this is the ITD. Those are basic rates set by the IT department and you just have to live with them.

**Lori Laschkewitsch**: Yes and the way it is being charged is for the upcoming biennium. Currently they pay by the device charge. Every computer plugged into the wall.

**Kristin Lunneborg**: Continued testimony

**Representative Kerzman**: I'm trying to recall the IT testimony and what they said on this phone system. Is that going to cost the rest of the agencies more money beings they take part of the systems away. They are basing this off of the full systems.

**Representative Nelson**: I could agree with you. They do a good job of managing technology. Also, as part of their mission in state government is not to let someone out of the system. That may have been the motive for mind expansion. Between the Senate and the House more have come to play.

**Representative Kreidt**: What do you do with the resident phones in your facility? Most facilities have a cost to the regiments. They get the so much per month for special needs. What do you do at the Veteran's Home?

**Lonnie Wangen**: The phone system for us is being used as a time saving tool. Just because of the history and diagnosis many of them shut themselves in their own rooms. It is really a tool

for us. Currently we do not charge the residents for the phone but we will charge them for the voicemail.

## 2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2007

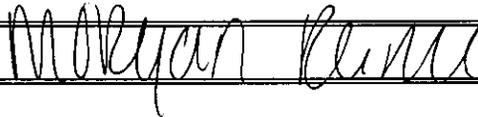
House Appropriations Committee  
Human Resources Division

Check here for Conference Committee

Hearing Date: 3/16/09

Recorder Job Number: 11034

Committee Clerk Signature



Minutes:

**Chairman Pollert:** Called the meeting back to order. We will ask for amendments starting tomorrow morning.

**Kristin Lunneborg:** You had asked about our turnover rates. The turnover rate for the facility as a whole is 22%. For the nursing department it is 29%. One of the key things when we talked about how we couldn't compete with the wages is that the LPN turnover rate is 58%. Every LPN that has left our facility has left for a higher paying job. Continued testimony.

**Representative Bellew:** Why are you switching funding sources? Salaries went to straight general funds last biennium and there was a good deal that was in the special funds.

**Kristin Lunneborg:** To prepare these budgets and spread the salaries between the general and special when you have 9 departments, 3 different lines to code things to it is very difficult and it gets to the point where we are taking the expenses and trying to allocate them. There is no set percentage that has to go to either department. We have all of our special fund revenue against the salaries so we are spending out the entire special funds that we are taking in. The rest of it falls into the general funds.

**Representative Bellew:** The reason I asked that is on the spend down sheet it shows an increase in general funds of \$649,000. I noticed because they aren't charging special funds for some of the salaries this time.

**Kristin Lunneborg:** We are requesting a \$31,500 increase in travel. This is the travel for the maintenance department which is strictly our motor pool charges. This increase was calculated using the motor pool rates. Other equipment over \$5,000 we have a \$4,800 decrease. The only equipment we are asking for in the budget this time is a Bobcat sander and trencher. Utilities we are asking for a \$210,500 increase. This has to do with the increased fuel oil prices. The City of Lisbon is increasing our rates by \$600 a month for city services like sewer. They were just charging us a flat fee and what they are going to do now is base it more upon how many rooms we have in the facility looking at it from that perspective so it will be going up about \$600 a month. The rental and lease equipment we are requesting is a \$4,500 increase. This will be for renting equipment to help with the landscaping around the new facility because we will be doing most of that ourselves. The leases and rents for building and land we are asking for a \$2,000 increase. This has to do with the water softeners with the new facility. Extraordinary repairs there is an \$8,000 decrease because we aren't requesting money from that line item. The equipment over \$5,000 we are asking for an increase of \$5,488. This would be to fund a thermal imager, a bobcat tool cat, a utility vehicle, and a Polaris ATV. Continued testimony.

**Chairman Pollert:** I am looking at equipment over \$5,000. You have that broke down somewhere? A Bobcat turbo tool cat that is just an auxiliary piece of equipment that hooks on to the Bobcat I take it? The only reason I'm asking is if your total budget is \$38,000 it can't be a new Bobcat.

**Kristin Lunneborg:** This would be to trade in. We would be using the equipment that we currently have and trading it in and upgrading.

**Chairman Pollert:** So same with the Bobcat?

**Kristin Lunneborg:** That is correct.

**Chairman Pollert:** It is a used piece of machinery that you traded in as well?

**Kristin Lunneborg:** That is correct.

**Chairman Pollert:** And the same way with the Polaris? How old are the Bobcats?

**Mark Johnson:** Because we live in Lisbon and the Bobcat dealer is there, they are usually very good at giving us deals.

**Chairman Pollert:** Is this the same stuff or is it different equipment?

**Mark Johnson:** It's through the government discount program. We can buy it and from there we can utilize that equipment for a couple of years and trade it back in. We get pretty close to the trade in value for what some of the stuff is. The Bobcat tool cat, we have over 700 hours on it. We use it for everything. One of the things we are looking at is when we get into the new building all the lifting that is going to be needed. It's just going to be used a lot during construction. If we can upgrade it and use it for a different price that is one of the things we are looking at. The utility vehicle is about 7 years old. Last year we had the National Guard use it and they pretty much destroyed it. I don't mean to be mean but by the time they got done the cab was all messed up, they busted everything. They were going through everything. Those guys pretty much drove over everything and tried it out. We took it in, got it repaired, they beat it up really bad. The Polaris is 10 years old. It's something we use for going around and changing the sprinkler heads. It's a very versatile piece of equipment. We use it for running back and forth and making the fast runs.

**Representative Wieland:** If someone abused it why aren't they paying for it?

**Mark Johnson:** The National Guard came down and did it for our cost. There was no labor or anything.

**Representative Wieland:** That doesn't excuse deliberately wrecking something. The other question I have is that you mentioned something about lifting. You needed a Bobcat for lifting? When you move into the new building isn't that all on one floor?

**Mark Johnson:** When we start looking at lifting and moving pallets around for the construction they are going to have some of their equipment as well. We utilize the Bobcat for many things. We have the snow blower attachment, it lifts things, we move around our tables with it. The Tool cat works so well because it doesn't tear up the grounds at all. We utilize it for everything. We utilize it every day. It is a great piece of equipment.

**Representative Nelson:** Walk through the Government purchase part of the Tool Cat. I know how this committee works and you will have to explain this very well to trade off a 2 year old piece of equipment. Can you explain why this makes sense financially to trade every two years.

**Mark Johnson:** Right now with Bobcat because of the government programs they have they can give us some good discounts on the pieces of equipment we buy from them.

**Representative Nelson:** What does this piece sell for retail?

**Mark Johnson:** About \$45,000. We pay about \$12,000.

**Representative Nelson:** So its \$45,000 retail and you paid \$28,000, when you go in there now what they will give you for that will almost be a wash on a new one?

**Mark Johnson:** Right now what they have bid on this is \$12,000.

**Representative Nelson:** So the annual cost is about \$6,000 a year to have a new vehicle.

**Mark Johnson:** Correct.

**Representative Bellew:** I would like a cost of all of those pieces of equipment over 5,000. On the first page Kristin said you have a Bobcat sander and trencher for equipment over \$5,000 which is an accessory for a Tool cat. It doesn't say that but it needs to.

**Kristin Lunneborg:** The other key piece to this is that we do switch our Bobcat every biennium. There is a 30% governmental discount on Bobcats. We originally purchased one a few years ago. We are able to trade that one off every biennium at absolutely no cost to us and we are usually able to upgrade to the newest Bobcat model there is. The discount with the Tool Cat and the utility vehicles isn't quite as good as the discounts with the Bobcats. There is a bit of an additional cost to upgrade those vehicles over the Bobcats. The thermal imager is \$5,500. This is a brand new piece of equipment that we currently don't have. The Bobcat Tool Cat to upgrade that is \$12,797.

**Chairman Pollert:** If you are going to have a new building why do you need a thermal imager?

**Mark Johnson:** The thermal imager is going to save us a lot of money. One of the things it will do is read when the insulation of the new building is put in. It will detect if there is insulation in the walls and different areas.

**Chairman Pollert:** Isn't that the contractor's responsibility?

**Mark Johnson:** There are other things we have to do with the panel. The VA is looking at mandating us that we have to outsource that and with the thermal imager we will be able to utilize it to do the tests that the VA is willing to do. It's a load capacity test and the thermal imager will help us with that. One of the things we were looking at is with the thermal imager we are going to be able to detect what issues are apparent.

**Representative Ekstrom:** In terms of the new construction, you certainly do tell them where to put the insulation. I can't tell you how many times I went in with a thermal imager particularly when you meet a corner of the building and it should be stuff that is voided with insulation and

they don't. You have proof at the point to say you are going to take that corner back out and insulate it.

**Representative Wieland:** Shouldn't the contract provide that imager?

**Mark Johnson:** I know there are a lot of things that a lot of these contractors go over at times. There has been plumbing that has been in the walls. These are all things that we have been looking at. We want to build the best facility that we possibly can. The other piece is that it does go back to the fact that we are being mandated to do tests with that. With this tool we will be able to do that.

**Kristin Lunneborg:** Continued testimony.

**Representative Bellew:** You said the ATV is used to change sprinklers? You don't have an automatic irrigation system?

**Mark Johnson:** That is correct. They don't have an automatic system.

**Representative Bellew:** What kind do you have?

**Mark Johnson:** One that was built in the 1960's.

**Representative Bellew:** What kind of irrigation heads do you use?

**Mark Johnson:** They are flat head. I think they are a Rain Bird. That is the new system we are looking at.

**Kristin Lunneborg:** Continued testimony.

**Representative Wieland:** I was just looking over the list over \$5,000 and tenant ready space. That is something I've never heard of.

**Kristin Lunneborg:** I'll cover that in the housekeeping department.

**Representative Wieland:** Did we talk about utilities?

**Kristin Lunneborg:** We talked about the increase of utility cost in the maintenance

department. That was \$210,500. That went back to the \$600 increase in the city services for sewer and fuel costs.

**Representative Nelson:** Was that something that was passed on city wide or did they just configure a system for assessing the Veteran's Home?

**Kristin Lunneborg:** Prior to having this job I was an auditor so I'm quite familiar with how this works. In the town we were in, it was hard to come up with a way to charge services to apartment buildings and different facilities like that. I know Lisbon took a long look at that. The amount that we were being charged for city sewer services was very minimal and not fair to the city of Lisbon. What they did was looked at it in a way that the apartments were charged is they are charged the same as a house. However many apartments you have in that facility you are going to be charged for them. What they did was kind of looked at a more fair way to charge those services to us based upon how many residents live in the facility. It's not a per room charge. It's a different formula that they came up with.

**Representative Nelson:** I'm assuming that once the new facility is built that there will be an additional charge at that point.

**Mark Johnson:** I attended the meeting in regards to how they set their fees and looked at everything. One of the things is the Veteran's Home is the highest water user in the community. At the time we did this, we were almost being charged one residential charge fee for doing this. What they did was have Interstate Engineering get involved and what they did was have Interstate Engineering work out a calculation to say how much water is going where. They calculated out what would work for the different entities. They came up with the rate we currently have. In the new building, I don't know if there will be a lot difference. There could be. I don't know what they are going to do.

**Representative Bellew:** Are you using city water for the irrigation system or well water?

**Mark Johnson:** We pump out of the river. We have our own Dam and pump house.

**Chairman Pollert:** When we get to the end I'd like you to explain a 45% increase in utilities on that \$200,000. I understand things have gone up but not that much.

**Mark Johnson:** One of the things that was difficult for us is that we are putting two buildings together. That is where the numbers are coming. We are trying to figure that out. We have asked the engineers to come up with what is the new building going to cost, what we are going to be running in between that is where we are at. We can't put a figure on that of what it is going to be. Our goal is to turn back extra dollars. What we did was look at the history of our building, what the cost is going to be and so forth. What they are looking at and what they are speculating the new rates to rise to are some of the issues they are going to have.

**Representative Kreidt:** What are your food costs per meal? How are you working that?

**Kristin Lunneborg:** I know awhile back we calculated what the food would be per meal for food costs. We can certainly get that number to you. We do charge that.

**Representative Kreidt:** On your utilities, what is your main source of heat?

**Mark Johnson:** We currently use fuel oil and electricity as well.

**Representative Kreidt:** What is the alternative backup?

**Mark Johnson:** Our main is actually electric. We are using the fuel oil then. It has been extremely costly. This may sound crazy but during the winter when Ottertail ripples us we will go through a tank in 14 days to heat our building which is 10,000 gallons.

**Representative Kreidt:** Do you try to contract that or do you just go by whatever the market is or whatever you are doing?

**Mark Johnson:** We have done contracting in the past but we actually do pretty well. We get contracting but last year they wouldn't even contract with us. They just said they are going to

have to buy a tanker. Even this year they aren't going to speculate what a contract is. What we are doing is buying a tanker of fuel every time so we usually get a good rate.

**Kristin Lunneborg:** Continued testimony.

**Chairman Pollert:** You talked about the \$3 million in revenues we would get, do you have a flow diagram of what that would mean as far as a payback for the costs for new employees? It is easier to sell your program if there is a possible revenue source.

**Kristi Lunneborg:** I'm not sure if I'm following you exactly either but the amount of general funds we are asking for in those additional FTE's for the \$506,000. Those additional FTE in this biennium is figuring it will take to fill the facility. It is going to generate us \$620,000 in special fund revenue. It is already going to pay for that.

**Representative Kreidt:** These 15 FTE's in your nursing unit, these are nurses and CNA's I would assume.

**Kristin Lunneborg:** These are all CNA's and certified Medication Aids.

**Representative Kreidt:** How many are the CMA's?

**Kristin Lunneborg:** That is 6.4 medication aids and 8.4 CNA's. It is 14.8 all together.

**Representative Ekstrom:** On page 3 you talk about medical, dental, and optical. In the new facility have you started putting together an equipment list in terms of these kinds of things? Would there be anything in the optical department that would be replaced that we might shift? We have another agency that is needing some optical equipment.

**Kristin Lunneborg:** We don't do anything with optical whatsoever. The expenses that we have in that line item are more like your specific supplies. That is what we spend on that line item.

**Representative Ekstrom:** So you send out for that kind of care?

**Kristin Lunneborg:** That is correct. There is a local optometrist in Lisbon that we go out to see. Continued testimony.

**Representative Kreidt:** What they are going to see in clientele they should be doing IV's.

**Mark Johnson:** I'm not saying we don't do that but I'm saying that we have done a lot of feeding tubes and other things like that. Picking up the Medicare piece those are all good pieces. We have worked very hard with our rehab program to try to qualify for Medicare as well.

**Representative Kreidt:** Not even long range once you get into the new facility we don't really want to look at that.

**Mark Johnson:** That is really our main goals for when we look into those things.

**Representative Kreidt:** What about rehab? In the new facility are you going to be expanding that?

**Mark Johnson:** That is one of the things we had talked about and had some discussions, we would like to be able to offer some of that out in the community as well. We contract people in at this time. We work with them. We have a couple staff people that are in the department at this time. We have people who are in the department at this time. We would like to be able to do more rehab. With the new building, there are things we don't have the ability to explore right now. One of the big rates is adult day care. We have good rates from the VA. They will pay for it all.

**Representative Kreidt:** Have you increased your square footage in the new one?

**Mark Johnson:** Yes the square footage that we have right now is doubled. It is a larger area. We were able to design it so we meet some of the privacy requirements. Right now we have

curtains that we pull around. We do have one room that is going to be used for vending and rehab.

**Representative Kreidt:** On the concentrator do you lease that?

**Mark Johnson:** We just got done buying a lot of used concentrators. Since I have been there we have leased them. The costs of the leases are very expensive. Country medical went out of business and I think we bought 15 concentrators at very good rebates.

**Representative Kreidt:** And you have someone to maintain them?

**Mark Johnson:** Yes.

**Representative Bellew:** How much of that salary increase is for the new employee?

**Kristin Lunneborg:** Continued testimony

**Representative Bellew:** How much of that salary is for the new position?

**Kristin Lunneborg:** That is actually a position that we have on board right now. When the budget was prepared it was prepared under the old system where we had the addiction counselor. Over the course of the biennium salaries and budgets of \$116,852. Continued testimony.

**Chairman Pollert:** Is that what you are talking about? Salaries other?

**Kristin Lunneborg:** The consulting fees fall under the operating professional lines item. The salaries other is an Office of Management and Budget thing. It's the 4&4 or 5&5.

**Representative Nelson:** How many social workers do you have there now?

**Kristin Lunneborg:** We have a social services director, 1 social worker, an admissions coordinator who also does some social work.

**Representative Nelson:** So about 2 or there about? As far as the addiction counselor, is that something you can contract in with southeast human service center? What are you looking at as far as being able to employ someone under a contractual basis.

**Kristin Lunneborg:** We used to contract with share house services. I'm not sure if we can go back to share house. There has been some discussions with SE medical. We have had discussions with other people looking at different options of providing those services.

**Representative Nelson:** You think you can access that one day a week?

**Kristin Lunneborg:** That is our hopes. We don't have any for full time addiction counselor. That is why we chose to get rid of that position. We were paying out more money than what we felt it was worth. We feel that it would be beneficial to bring someone in possibly one day a week or something like that.

**Chairman Pollert:** I was going to ask a question on the professional services for \$31,000. Is that what you were talking about?

**Kristin Lunneborg:** Continued testimony.

**Representative Nelson:** Can you tell me what the temp position, what is the salary that accompanies that position? There are no benefits at all in your temps, right?

**Kristin Lunneborg:** I don't have the exact salary for that person. What we do with temps is offer them a \$1 more an hour. They are brought in as the same wage level. For some people that is not enough to keep them there. They are paid \$1 more per hour without the benefits.

**Representative Nelson:** When they come in with that temp position, is there a lot of turnover in housekeeping?

**Kristin Lunneborg:** Generally No.

**Representative Nelson:** When a position opens up whether it be in housekeeping from an internal situation there are food services that would be the only places they would go isn't it?

**Kristin Lunneborg:** That is correct. Housekeeping and dietary sometimes swap staff depending on the positions and the amount of FTE. We have housekeeping staff that have been in that facility for over 20 years. We generally don't have much turnover except for in the

temp position. We did recently have someone resign because of health conditions. Continued testimony.

**Representative Kreidt:** Is the carpet going to be going into the basic care side? Are you carpeting throughout the facility?

**Kristin Lunneborg:** Mostly throughout.

**Representative Kreidt:** You feel like carpet is the way to go?

**Kristin Lunneborg:** A lot of it has to go back to the neighborhood household concept. They want it to be the home like environment. That is a big reason as to why there is carpeting going into a lot of those rooms as well. With this type of machine housekeeping thinks this is a better solution. They want the carpet over the tile floors.

**Representative Bellew:** Extraordinary repairs? You are building a new building and there is \$20,000 in that line item.

**Kristin Lunneborg:** We will be in the facility we are in for a year-1.5 years in the next biennium. The \$20,000 was in there because we do have areas where the tile floors are starting to come up. They are starting to be safety hazards in certain areas. Generally the VA comes down pretty hard on us if we don't fix these areas. It's a big thing for them to have areas to avoid any types of actions that we can. The money is there to fix things if we absolutely have to because of a safety hazard. If we can get by without using it the last thing we want to do is put additional funds into that facility. Continued testimony

**Representative Wieland:** Food and clothing \$20,000, there is no food in that right?

**Kristin Lunneborg:** That line item pays for the linens, towels, and all that kind of stuff.  
Continued testimony.

**Chairman Pollert:** It is roughly a 30% increase. I just took those times to come up with \$1.27 million. Then my next question would be your residents are only for one year. Are the 35 going to be in the worse medical condition?

**Kristin Lunneborg:** That is also figuring in the increased costs projected for the next couple years.

**Chairman Pollert:** So you are saying that it might be 15%?

**Representative Bellew:** Don't the residents pay for their own medical or prescriptions?

**Kristin Lunneborg:** The facility is required to pay for the pharmacy or primary care expenses for the Veteran's in the facility. That is because of the per diem payments.

**Representative Bellew:** What are those payments?

**Representative Nelson:** When you were visiting with the pharmacy after hours, do you utilize a tele-pharmacy after hours?

**Kristin Lunneborg:** The pharmacist that we have on staff is part time. She also works at the hospital and the pharmacy downtown. We have a full time pharmacy tech. The pharmacy tech is able to fill prescriptions as long as the pharmacist is on the other end making sure she is doing the correct thing. That is how we utilize that.

**Representative Nelson:** So you are utilizing tele-pharmacy when the pharmacist isn't in house basically?

**Kristin Lunneborg:** For the night time staff, pretty much all of the prescriptions are filled during the day. There is an emergency supply of certain medications that are kept in another location for them to access if they absolutely have to have something. Otherwise the medications are sent upstairs for a week supply. The pharmacy only fills prescriptions Monday through Friday.

**Representative Nelson:** Is the purchasing of the products done through a straight contractor?

**Kristin Lunneborg:** We use the VA's contractor.

**Chairman Pollert:** Any other questions? The detail on the budget for SB 2007 is finished. Is there anyone else wishing to give testimony? We will close the hearing on SB 2007.

## 2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2007

House Appropriations Committee  
Human Resources Division

Check here for Conference Committee

Hearing Date: 3/24/09

Recorder Job Number: 11483

Committee Clerk Signature

*Morgan Reilly*

Minutes:

**Chairman Pollert:** Opened the hearing and took roll. We will be asking for amendments on SB 2007. Let's go to Veteran's Affairs first. I would ask if there are any amendments to be called for.

**Representative Kreidt:** I would request an amendment to take the equity of \$14,567 or #2 on the green sheet.

**Representative Wieland:** I don't know if we are doing anything on travel.

**Chairman Pollert:** What I am being told is that Government Ops is looking at travel expense and the Motor Pool. I don't know if they are going to make one big swooping motion. If they would we would have to go back to our budgets. There have been a couple we have pulled travel out of and we have those records as well. Any other amendments to Veteran's Affairs?

**Representative Metcalf:** I visited with you before. Since then I've lost my paperwork. The one thing I do remember is that there was a need for \$100,000 and the Governor recommended \$50,000. They would say it is absolutely necessary to have the additional \$50,000 and that is for outreach work for the county veteran's service officers. I would want that motion in there.

**Representative Wieland:** That's not in this bill?

**Chairman Pollert:** Yeah. There is another house bill for \$20,000 some for accreditation

training for county veterans services offices. I'm not sure if that is the same as the \$50,000 or an enhancement?

**Representative Metcalf:** This is to provide outreach for county veteran's service officers. They recommended another \$50,000 and half of that is authorized. They want the total of \$100,000.

**Chairman Pollert:** Basically you are asking for an amendment for \$50,000 increase for training for County Service Veteran's Office.

**Representative Metcalf:** That is correct. Does that make sense to Legislative Council?

**Chairman Pollert:** Are there any other amendments?

**Representative Kerzman:** Not really an amendment but I am just going to add some discussion. During the interim we talked about this issue. They were trying to get the counties on the same page. The other \$20,000 deals with accreditation. One is that you get them all through the grant writing. Otherwise they were talking about more or less consolidating the counties. The Veteran's were having problems. They are probably similar but a bit different.

**Representative Bellew:** The money that is left in the Veteran's administration that is not for employees is it? That is just for the current staff to provide training.

**Sheila Sandness:** That is correct.

**Representative Wieland:** I'm not going to argue that point on here. After the house bill did pass he contacted me and there was supposed to be something in there about combining and making regional. Primarily in my county he is already serving 4 or 5 counties around him. People are coming into him. The county is paying the bills. He is working until 8,9,10 at night because the Veteran's service officers around him aren't doing their job. I don't know what the Senate is doing but they were going to come in and testify. There was some training and certification in that bill as well. We should reconcile between what is going on here and there to make sure we don't duplicate.

**Chairman Pollert:** Any other amendments? So we have 2 for Veteran's Affairs?

**Representative Metcalf:** It has been recommended that the Veteran's service officers have portable computers with programs on that so they can type out the applications as they go along. Most of the time they have to go out and see the Veteran's because they don't come to them. They have enough money to purchase 56 computers. As an alternative, they can get by with is the purchase of 30 computers with \$50,000 of general funds. The last one I have is to increase funding for salary and wages and operating expenses for one FTE training position. The total amount requested is \$107,299.

**Chairman Pollert:** That is for salaries, wages, and one FTE and associated operating expenses?

**Representative Metcalf:** Yes.

**Chairman Pollert:** I gave Representative Metcalf a copy of a letter that he is reading off if you want that. You will see we did that one first. It will be at the end of your testimony.

## 2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2007

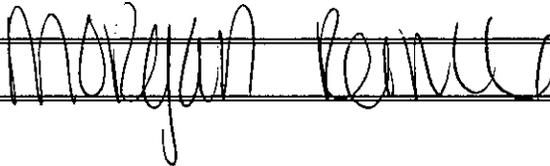
House Appropriations Committee  
Human Resources Division

Check here for Conference Committee

Hearing Date: 3/24/09

Recorder Job Number: 11484

Committee Clerk Signature



Minutes:

**Chairman Pollert:** Does anyone want to bring forward any amendments?

**Representative Bellew:** The Senate changed the funding source for general funds for the Blue Cross Blue Shield increase which is a significant change. I assume they need special und authority then?

**Sheila Sandness:** That is correct. When they did their budget they use all of their special funds and apply that money towards their budget and submit it. When the Governor's salary package comes out it allocates that salary packages based on the percentages that are in that system. Because they have used all the special funds in their budget all of the special funds were used up. When the Governor's package came out and the increase was applied to their budget there weren't enough special funds to cover that increase. The budget applied special funds to the increase that they didn't have. We went in and changed the funding source for special funds to general funds.

**Chairman Pollert:** Where did you see that at?

**Representative Bellew:** On the green sheet on the back page. It's #1 with \$390,750.

**Representative Kreidt:** Looking at the equity we have been pulling out of all the budgets, I would request that we do that here. It is \$4,899. If there is some way with the DOCR we saw

to it that they got some equity put back in their budget. The concern I have is with the Veteran's Home and with other Health Care Facilities, they will be tied into whatever we do with state employees with their pay package. That is a floating target out there. With traditional nursing homes we are looking at the 6%. I've heard rumors that the Senate is going to put that back up to 7%. If there is some way we can pull it out but amend it so that it would come back into salaries again with the DOCR and the percentage of 29% of the equity pool and using the 3-14 classification. If there is some way we can draft an amendment so that the percent of equity would come back again. When it comes to hiring employees and trying to keep this facility in operation with the facilities in the area going up 7%. We don't know the number we are going to do with state employees. The equity is going to be very important to the facility. I'm just bringing that forward.

**Chairman Pollert:** You want to ask for the amendment? The trouble is that the percentage you are asking about on \$13.7 million is less than 1%. It's kind of mute when you look at that. Also the percent quartile was 64% on the DOCR budget. The Veteran's Home graph showed 33.3%.

**Representative Wieland:** Don't they also share in your amendment for nursing home employees?

**Representative Kreidt:** No they don't share. That is a handicap they are going to fall under. I'm not going to say where state employees are going. That is a floating number out there. Say it is at 3% and nursing homes come in at 7%. Out of the session, they are going to be at a handicap if they don't have. They have competition all around them that is going to hurt them. A lot of facilities get health benefits too.

**Chairman Pollert:** If you want to ask for that it is .75 of 1%.

**Representative Kreidt:** I will do that.

**Chairman Pollert:** You want to pull the equity but have language that says you want to have .75 kept for equity out of the total equity pool.

**Representative Metcalf:** This sounds funny but when the pool is big enough that .75 is going to be big enough.

**Chairman Pollert:** Yeah it is \$104,000.

**Representative Metcalf:** That is something to me that we shouldn't pass off.

**Chairman Pollert:** Maybe the equity will go back in at conference committee.

**Representative Kreidt:** To be fair what we are looking at with nursing homes, we have taken administrators out of the equity part or the pass through that we are talking about. It would be fair that we would do that too. That would fall under whatever the states wanted. This additional money would go to the employees. I would include that in my motion.

**Representative Bellew:** This is another question for Sheila. The green sheet says there is \$104,000 in equity and the person we gave the testimony to say there is \$197,000 in this budget for equity.

**Sheila Sandness:** Where did you get the \$197,000? I would have to do some checking. I'm not certain but I can get back to you on that.

**Chairman Pollert:** Representative Metcalf has the amendments of the geothermal with the federal stimulus dollars. Since it's already written out we will hand them out tomorrow. The amendments are .0203.

**Sheila Sandness:** I can just include them in the list. It might be easier to vote on. I can put it down below them so you will have all the amendments on one sheet.

**Chairman Pollert:** What was the decision on the equity?

**Sheila Sandness:** I will have to check into it. It includes the second year of the increase for the last time.

**Chairman Pollert:** What we will do is show a second one at the \$197,247. That way you have it and we can still do the research too and we can do the discussion at the same time. Any other amendments? I will make one. Removal of \$44,900 it entails carpet, tile replacement, for \$20,000. PT/OT and workout rooms for \$13,500, an elliptical machine for \$3,800, an exercise machine for \$4,100, a hydrocolator for \$1,000 and wall eights for \$2,500. I had thought about it but I'm not asking for an amendment for the tool cat.

**Representative Wieland:** I'm not offering this as an amendment. I just want to touch on the one time funding construction for a manager. We talked at length about doing that. We talked about someone who would be representing the interest of Legislative Council and the State of ND as well as the Veteran's Home. I had forgotten where I put that information.

**Chairman Pollert:** I had a discussion with Mr. Johnson today.

**Mark Johnson:** This person would be independent. We are looking at it as an employer rep for ourselves. It would be one time funding. When the funding would be done the person would no longer be employed.

**Representative Wieland:** I appreciate what you are saying but I'm concerned that the individual would have reports that have been sent to Legislative Council or to the budget section. Who does this person report to directly?

**Mark Johnson:** Right now he would be working with us. He would be reporting off to us. We can have him report off to somewhere else. We would work with whatever system you want to have in place. Overall he is going to have to report off of us so we continue to move the project along. He's not going to have any ties to the architect, he won't have any ties to the construction companies, and he will totally be independent. However, if you know a method that will work well.

**Representative Wieland:** I think what we have discussed is that all copies of the written reports. An individual that is doing this should know enough about being a construction manager that he or she would know about how to write up a report so that it is a matter of record and that a copy of those written reports should be sent monthly or quarterly at the minimum to Legislative Council to be forwarded to the budget section as a report. If we need to have an amendment in there to do that I would like that.

**Representative Metcalf:** The information you are asking for is on the 5<sup>th</sup> page of Kristin's testimony. The funding request is \$110,088.

**Representative Wieland:** I know it is funded under 34. The reporting to the legislative council is not.

**Representative Metcalf:** They have a manager on the board of directors. I'm sure that manager would not allow bad work. Having said that it does not guarantee it. I think what you said with reports being made and with the decision of the board, it will go through or pass with the board.

**Representative Bellew:** Will the life safety people be inspecting this since this is a \$35 million project?

**Representative Kreidt:** That is at the request of the facility. They will be requesting that.

**Representative Bellew:** Is this position really needed?

**Representative Kreidt:** Yes it is a large project. They are looking at 4 visits. Their construction manager would be there on a daily basis and overseeing all of that ongoing process. It would not be a double whammy but a safeguard with the health department going down there and redoing the project. For the large project they will pay \$2,400.

**Mark Johnson:** I have had the discussion with the health department. Because we are one entity they are only going to allow one visit that we can get from them. We have a big secured

side and we have a skilled side, can we have four visits? At this time they said no they would only do two.

**Representative Nelson:** I'm wondering regarding Representative Wieland's amendment. If the reporting that is generally done by the budget section is done by Office of Management and Budget, I know the discussion took place this morning. I'm wondering if they wouldn't be the appropriate reporting agency in this case. They deal daily with the Veteran's Home and they do provide the reports to the budget section now. It seems to me that it would be the best area for reporting.

**Representative Wieland:** If it goes to Office of Management and Budget what do they do with it? I'm thinking that there are people in the legislator that would like to see that in particularly the budget section. Unless Office of Management and Budget forwards it to the budget section then I wouldn't care. I only said Legislative Council because then I'm pretty sure that it would come to the budget section.

**Representative Nelson:** If my memory serves me right during the interim the budget section reports would provide that report. The full budget section in her list of duties.

**Lori Laschkewitsch:** We certainly can provide that to the section. In this current biennium the Veteran's home was on the budget agenda to report on the status of the veteran's home project. That can continue through the next biennium.

**Representative Kerzman:** I don't have a problem with it going to the budget section but I think we should include the state architect too or someone that is familiar with that.

**Representative Nelson:** He can certainly see it if he wishes to see it he can see it. He's not involved with this.

**Chairman Pollert:** So the intent of your amendment is to have someone from the Veteran's Home give reports to the budget section?

**Representative Wieland:** No I said the written report from the individual. When he goes out on a daily basis he should write out a written report. They should provide that on a daily basis to them. All I'm asking is that a copy of that every 90 days or so is available to the budget section, or they can make one copy available.

**Chairman Pollert:** Do you want the Veteran's Home to give us updated reports to the budget section?

**Representative Wieland:** I don't really care. I will probably be there. I'm sure Representative Metcalf will be there too. I will go down as long as I'm a representative on occasion just to see what is going on.

**Chairman Pollert:** I didn't know if anyone was bringing forward an amendment for that. Wouldn't the budget section ask for updates on the construction anyways?

**Lori Laschkewitsch:** Most likely they will because most projects the budget section likes to have a continuous update on those kinds of things.

**Representative Metcalf:** This question is for Mark. You mentioned that there will only be 2 visits. When did you ask for these visits? Was it recently or was that 6 months ago?

**Mark Johnson:** When the health department talked about how they are going to be going out and looking at new homes and new home construction, my understanding is that it was all they could work with them on. I probably asked him about six months ago. During that time I was told there will only be two visits.

**Representative Metcalf:** If I may interject that is all being changed. That is not what I would consider good information. They are going to hire two additional people for this purpose. That has already been brought along as far as I'm concerned that is done but it might not be. I realize until the end of the session but their plans are to have at least 4 visits. The plan all looks good as long as it will fall in place.

**Chairman Pollert:** When you were talking the discussion came up about the \$110,088. Maybe I put something into the wording. You said you had someone on the board of directors. I don't remember his name. Are you telling me that this Duane Ternes is going to be the person they hire for \$110,000 when he is already on the board? Or am I just adding 1&1 and getting 3?

**Representative Metcalf:** I think you are adding them together and coming up with the 5.

**Chairman Pollert:** That would kind of be a conflict. I would not like to see that. I appreciate his input and his input is needed.

**Representative Metcalf:** I would like to see that interpreted by a lawyer. There is a difference of being an employee and being on a board of directors. He's not an employee.

**Chairman Pollert:** Are there any more amendments?

**Representative Bellew:** I would like to see the increases reduced by \$22,000 in travel.

**Chairman Pollert:** What was it originally?

**Representative Bellew:** \$45,000 or something like that.

**Chairman Pollert:** So you are saying to reduce travel by \$22,000?

**Representative Bellew:** Also the Bobcat for \$14,000 and a line item for a new ATV. If they aren't going to get a new irrigation system, it's \$5,000. They increased their utilities tremendously. I'm not sure through the testimony if that increase was to cover through the whole. If it was for the biennium they should be reducing the costs.

**Chairman Pollert:** The utilities were how much?

**Representative Bellew:** My request would be for \$50,000 and the utilities were \$200,000.

**Representative Kreidt:** I was looking at this as an amendment and I had some further discussion. I was looking at food items from \$518,000 to \$827,000. Further discussion, they are over in their budget over \$100,000 in food. The \$827,000 is not out of line because they are overspending already.

**Chairman Pollert:** We might get in a discussion with this. The operating expense is going to reduced instead of doing them separate.

**Representative Bellew:** I have a question for Legislative Council. In their new budget request they are requesting \$500,000 in general funds for the employees and new addition. My question to you is can we make that one time funding to make sure those employees are paid with special funds next biennium?

**Sheila Sandness:** You can identify it that way. Or you can address it in the next biennium.

**Representative Bellew:** The reason I asked that is because in the testimony they said there will be special funds next biennium. If we can make that amendment and have it drafted, I would like to see that.

**Sheila Sandness:** You want the amendment to say they are one time general fund funding?

**Representative Bellew:** Yes.

**Sheila Sandness:** Just the general fund portion of the new employees?

**Chairman Pollert:** Any other amendments? I was going to have a discussion on SB 2075 we will just do it then. That will just be kicked out with amendments and be done with. We will wait with that so we can have advantage of the DOCR here today.

**Representative Nelson:** It seems to me that in the last overview that we had regarding the economic stimulus funding there was some money that was not in the construction area.

Maybe in the equipment over \$5,000 area, that thermal imager that we talked about I at least had made a mental note. I was wondering if that had not been able to do that. Has that been done? I thought at the time that it might be appropriate use of the economic stimulus money. I think we should have some language in the bill to procure as much of the items as possible if we would be able to do that and maybe we could use contingent language in that as well.

**Chairman Pollert:** I'm going to read this off. It says SB 2007 Veteran's Home construction of State Extended Care Facilities comparative grant for assisting states in the acquisition of construction of extended care facilities as well as remodeling, altering, or modifying existing facilities for caring for veterans. Also it says state grants for interhealth technology competitive grants for planning or implementation grants for states that facilitate and expend electronic health information exchange. That wasn't for the veteran's home but for the department of health. When we do that we will have to ask for language there too. It is pretty broad but will we have to ask for direction?

**Sheila Sandness:** Those are competitive grants. We weren't able to identify if we were going to get those grants or not.

**Chairman Pollert:** Do we need to have language in the budget saying that the veteran's home needs to go after these competitive grants.

**Sheila Sandness:** We have them drafted in similar language. We could do that here.

**Representative Nelson:** That would be one area. I think there was an area in the building that I thought the thermal energy could have been used and the economic stimulus money could have been used to purchase that thermal imager. It was in that area and that of the energy efficiency statement package. It seemed like an appropriate use because that thermal imager will pick up the insulation or lack of that.

**Sheila Sandness:** Check under Commerce.

**Chairman Pollert:** Is there any other amendments?

**Sheila Sandness:** There is a state energy program as well that talk about state building energy improvements. It was in that area

**Representative Nelson:** It was in the energy efficiency section of the stimulus package.

**Chairman Pollert:** So that will be 3 amendments? One on the health information technology, there has got to be statement language. We will go through the second one. Then the other amendment will deal with the imager.

**Representative Nelson:** As long as we are at it, I understand that there is a motion to delete the tool cat or the bobcat utility vehicle. I would also ask that we would have contingent language put in unless the economic stimulus money could be used to purchase those vehicles. There is 3% transit money in DOT. Some of that may qualify for that.

**Chairman Pollert:** So you would want to say if the federal stimulus dollars weren't available you would still want to have the option of them still buying the tool cat?

**Representative Nelson:** I would allow economic stimulus money to purchase that but if it couldn't then it would be deleted from there. They could apply for the stimulus money to purchase the vehicle money.

**Chairman Pollert:** You mean the utility vehicle and the Polaris ATV with the stimulus dollars if they could use them to buy the Polaris ATV. You want that option?

**Sheila Sandness:** Just to clarify then we are going back to the other amendments and we are changing them to say that they are deleted unless stimulus money is available.

**Chairman Pollert:** It might have to be a different amendment.

**Sheila Sandness:** I will have an amendment to remove the vehicle but then I'll have another one that removes the vehicle unless stimulus money is available.

**Representative Bellev:** In their part time salaries they have an increase of \$20,000. Part of the reasoning for that increase of \$20,000 is for construction. I can't see this part time helping with construction. My amendment would be to remove that \$20,000 increase.

**Chairman Pollert:** Ok. Are there any amendments on the FTE's?

**Representative Bellew:** I have one more. In the operating expense line item if we put all the operating expenses together I think there is at least another \$35,000 that could come out of that line item.

**Chairman Pollert:** Out of all operating?

**Representative Bellew:** Yes. That would be my request.

## 2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2007

House Appropriations Committee  
Human Resources Division

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Hearing Date: 3/25/09

Recorder Job Number: 11539

Committee Clerk Signature

*Morgan Remick*

Minutes:

**Chairman Pollert:** We asked for amendments yesterday. We have 2007 and 2075 left. We will start with 2007 and Veteran's Affairs. Does everyone have a copy of the amendments for Veteran's Affairs? We asked for these amendments yesterday. We will start at number 1 with decreasing funding for salaries and wages to remove salary equity funding. Is there any discussion? If not we will ask for the roll. It passes 5-1-2. I think the next three were Representative Metcalf's. This is to increase funding for salaries and wages and operating expenses for one FTE training position. Is there any other discussion? Amendment 2 fails 1-5-2. Number 3 is increasing funding for operating expenses for the county veterans' service offer training program to provide a total of \$100,000. The Governor put in a \$50,000 increase. I think the veterans' affairs are asking for an extra \$50,000.

**Representative Wieland:** We have another bill which is HB 1057 which is over on the Senate side. It was sent over there with \$20,000 in it for the same purpose. I already see they have \$70,000. This would give them \$120,000 for training. I can't support that.

**Representative Metcalf:** You are right. It is for special training.

**Representative Wieland:** I don't like to debate you but this is just operating expenses. How are they going to spend \$100,000 for operating? I don't understand that.

**Representative Metcalf:** You have to realize that their ability is not the greatest in the world.

We have a lot of training to do. We have a lot of area to cover. In most cases we bring them in and throw them into a hotel and we have to pay all their expenses. The VA has come up with these figures and they feel that they are justified. We started at \$50,000. I would like to see the money left in. We will take the roll. It fails 1-5-2.

**Chairman Pollert:** We will move on to number 4 which is the portable computers.

**Representative Metcalf:** I don't want to get nasty and I'm not going to. If we aren't willing to support the training and equipment that they need to service our veteran's. I'm only asking for \$50,000 which is computers for only half of the people that need them. I would like you to take a serious consideration. We really need those computers.

**Chairman Pollert:** I would say that normally we look at reductions to these budgets because we thought the executive budget was probably heavy on the spending side. We aren't doing anything but pulling the equity.

**Representative Metcalf:** I will have to agree with what you said.

**Representative Nelson:** I remember this coming up in testimony, the computers for each county was the discussion needed. There isn't anything in the executive budget for this.

**Sheila Sandness:** That is correct.

**Representative Nelson:** It seems to me that in this world we look at what we spend in ITD in the state. The veteran's, the closest people to them are the county people. They are doing this as a second job. I think this is one of the technologies that will come at one point in time. This would create more efficiency.

**Chairman Pollert:** We will call the roll. It fails 2-4-2. I know we brought this up yesterday and it will come up again as far as the Senate changing the insurance around. Can you fill me in?

They raised the general fund \$454,000. Am I reading that correct?

**Sheila Sandness:** What happened there was when Kristin prepares her budget she estimates how much special funds she will get. That is their income. When she prepares that she applies the special funds to her anticipated expenditures. When that is gone she uses general funds to supply the rest of the funding for the budget. She had used up all of her special funds when she submitted her budget to Office of Management and Budget. At that point the budget did not have any of the Governor's salary package in it. Office of Management and Budget calculates the salary package and they put it back in the budget or add it. The computer when it does that assumes the funding sources for those increases would be the same as the funding sources for those individuals across the board. Kristin didn't have any money left over in the special funds to fund those increases. She had already used up all the special funds when she did her budget initially. She didn't catch it when she saw the Governor's budget until down the road she realized that the Governor's budget had increased special fund authority for the \$390,000 which she doesn't anticipate she will have.

**Chairman Pollert:** And you said its fees from what?

**Sheila Sandness:** It's actually the increase in health insurance for the Governor's salary package. Her special funds are the resident fees. She uses all those special funds in her budget. She uses them up and takes general funds for the remaining portion of her budget.

**Chairman Pollert:** Are there any other amendments on Veteran's Affairs? We will move to the Veteran's Home.

**Representative Bellew:** I did discuss with Sheila that the \$170,000 for salary equity. The \$104,000 is the right amount.

**Representative Kreidt:** Number 1 is my amendment on removing the equity.

**Chairman Pollert:** Any discussion? We will call the roll. It passes 5-1-2. We will move to number 2 which are increasing one time funding for federal stimulus funds.

**Sheila Sandness:** Representative Metcalf brought forward his amendment yesterday and it included an emergency clause for the geothermal.

**Representative Bellew:** We have had emergency clauses on the budget sections before right?

**Sheila Sandness:** Correct.

**Representative Wieland:** If the bill itself does not reach the 2/3 then the emergency clause isn't applied.

**Sheila Sandness:** If there isn't something that requires them to hold the bid to a certain day that is the purpose of the emergency clause.

**Chairman Pollert:** Correct. Is there any other discussion? We will take the roll. It passes 6-0-2. It was asked to withdraw number 3. Is that ok with everyone. We know the geothermal is important. The next one is 4 which are decreasing funding for capitol assets by \$20,000. Is there discussion?

**Representative Metcalf:** The management has been working with various organizations and they feel that most of this can be provided by donations. They still have a need for this but they feel they can get it by donations.

**Chairman Pollert:** Is there any other discussion? We will take a roll call. It passes 6-0-2. Number 5 is decreasing funding for operating expenses to reduce travel expenses.

**Representative Bellew:** I think the travel is really excessive. That is why I offered the amendments.

**Chairman Pollert:** If Government Ops reduces all budgets on travel expenses, there are discussions on that.

**Sheila Sandness:** I'm not 100% certain of the discussion. I can check with Allen to see where they are at in that process.

**Chairman Pollert:** I think we would have to go back so we don't have a double whammy. I brought it up so you are aware if something like that happens so we can make the appropriate adjustments.

**Representative Metcalf:** Most of the increases in travel were because of the building of the new home. We should have put that extra \$22,000 into that new home.

**Chairman Pollert:** Is there any other discussion? If not we will call the roll on number 5. It passes 5-1-2. We will move on to number 6 which is decreasing funding for capital assets to remove funding for a Bobcat utility vehicle.

**Representative Bellew:** These are both my requests. The biggest reason why I requested this is that they seem to find money for purchasing this stuff anyway. I think it's with funding and donations they can do this. They did purchase a vehicle last biennium after. That is why I reduced these. My understanding is the way that the way they work it is they always spend the special funds first. Then they go to general funds. This could come out of special funds or it could come out of general funds. It just depends on where it would fall.

**Chairman Pollert:** Ok. Is there any other discussion?

**Representative Wieland:** The Bobcat utility vehicle, is that the one that got all beat up?

**Chairman Pollert:** No.

**Representative Metcalf:** Just to make everything clear. This is not a regular Bobcat. This one has regular steering gear and a trailer on the back of it that carries stuff. It is made by Bobcat.

**Chairman Pollert:** What is the difference then? It's not an ATV. They have a luggage carrier or whatever they want to call it. Why would they need the Bobcat utility vehicle and the ATV?

**Representative Nelson:** As I remember the discussion, the ATV that they have now is a 99.

**Chairman Pollert:** So we are not talking about the Bobcat tool cat. That is staying? Is there any other discussion on 6? It passes 6-0-2. We will move on to 7 which is decreasing funding.

**Representative Bellew:** I will ask that this one be withdrawn.

**Chairman Pollert:** We will withdraw number 7. We will then move on to number 8.

**Representative Bellew:** That was also my suggestion. In the budget they have \$210,000 increase in utilities. I think that if they get the new building up and running when they say they will, they will probably use less than what I had in question as a reduction.

**Representative Metcalf:** When we sit back and take a very serious look at this, right now the current budget is \$76,000. They will be having to put heat in that building this fall and continue it all winter. They will have two buildings that need heat for the winter. The thing I'm concerned about too is that here has been no decision as if the old building will be destroyed. That is state property so they can't just take it down. It will have to get approval of the legislative assembly. Or is it going to be kept viable so they can reuse it for another activity. I don't want to see them coming back to the budget section.

**Representative Bellew:** In the construction, the building is part of that cost? That's not part of an expense line item. That is extreme.

**Chairman Pollert:** What was your statement about \$70,000? Can you tell me that again?

**Representative Metcalf:** It was that as of February of this year.

**Chairman Pollert:** Was there any turn back to the Veteran's Home? Like DHS turned back \$22 million and DOCR is going to turn back \$150,000. There is deficiency.

**Lori Lashkewitsch:** At this point they do not anticipate any turn back.

**Representative Kreidt:** With the utility cost item, under their operation are they locked? The line items? They can cost shift if they were under in food and the utilities go up, they can shift? In the operation of a nursing facility, the heating of that facility is one of the most important

things besides food. They aren't going to cut the utilities off but you want enough money.

When I used to budget utilities in our operation I made sure I had a plush amount. You never knew what the winter would be like, you didn't know what the costs would be. You really had to question that to make sure you had the amount of money in that line item to cover that so you didn't wind up not having heat in that facility and jeopardize the safety of the residents.

**Representative Nelson:** I would just like to get clarification on the construction portion of the new veterans' Home. I have never seen a capital construction where utilities were born by the contractor. It has always been the owner.

**Chairman Pollert:** Are you talking about the utilities?

**Representative Nelson:** Obviously the heating and cooling, the shell should be up through the winter. Who is responsible for that?

**Representative Kreidt:** When the contractor puts in they will put in a line to run their electric saws and whatever equipment they are doing. Once you get into the hooking up of the heating system you are going to be going geothermal. I don't know how much heat they are going to require over winter when they have it closed up. They won't need a lot of heat when they are working. They will probably have some portable units. The utility part of that construction would be for saws, hammers, and all of that. If they have to bring in portable heat it will be more than likely they will have natural heaters.

**Representative Metcalf:** The initial operating expense to fill up the needs of our generator is going to be very high price. If we have to buy fuel at that particular time at \$3 a gallon and putting 10,000 gallons it will cost \$30,000. I don't like messing around in the utilities area.

**Representative Kreidt:** I'm not building the building but the utilities generator is going to do that. I would go to natural gas. I don't know what they are going to do. Propane would give you a more efficient operation.

**Chairman Pollert:** Is there any other discussion?

**Lori Laschkewitsch:** They have to continue to keep the current building they have. For this to be an increase from the \$75,000 behind in the current biennium. To add that to the current appropriation is, they will still have that existing building too.

**Representative Wieland:** I don't know exactly what I would do here. I have a tendency to think they might need the money. However, if they keep that old building heated after everyone has moved out of there. Instead of draining the system which is a hot water heat system, and draining the water out and winterizing it, if they try to keep that heated along with the new building I think that is money that is just burned up and gone. I hope they don't do that. That would be very silly.

**Representative Metcalf:** I understand what you are saying. If I were positive that I was going to destroy that building, I would pull the plug on that one second after the last person left. Having the thought that this building can be reused, we shouldn't let it freeze up this winter. Are we going to gamble on that or are we going to accept the fact that this is a dead building? That is fine too. At that point I think we need to keep the minimum heat in there.

**Representative Kreidt:** Someone correct me but if I remember something changing, in the original plans in that bid that included demolition of the old building. There was a discussion in regard to that. Does that change?

**Representative Metcalf:** Yes as far as my knowledge, it has changed. There is nothing in the bid or bill that says it will be torn down at this particular time.

**Representative Kreidt:** You want to keep the minimum heat because you know what happens to a building if you completely shut the heat off. It is going to deteriorate rather quickly. You have to keep some kind of heat in there. If you have plans to reuse it you might as well keep the building in as good as shape as you can if there is some possibility to do that.

**Chairman Pollert:** We will call for the roll. It fails 3-3-2. We will move on to number 9. This is decreasing funding for the general fund and increasing funding from special funds to change the funding source for the electronic health records system.

**Sheila Sandness:** Those would be my competitive grant.

**Chairman Pollert:** Is there any discussion? We will call for the roll. It passes 6-0-2. We will move on to 10. Is there discussion?

**Representative Metcalf:** I will be losing this one probably. Just to let you know that the temporary employees are needed in the maintenance. It allows the maintenance supervisor additional time to spend on the construction site. This is a master electrician and will be building underground and other electrical needs as it progresses. That is the intent of the construction crew and the intent of the governing board and everything else that the Master Electrician and Maintenance supervisor will also be involved in the construction. I guess if you feel that I can't afford a few dollars for assistance and the maintenance supervisor that will be your decision.

**Chairman Pollert:** Is there any discussion? It passes 5-1-2. We will move on to 11.

**Representative Metcalf:** The whole thing is the true needs for this facility going up and the operating expenses that are necessary. The fact that they have gone through the emergency commission to give us a \$3,000 in increased operating expenses this biennium and they will be paying operating expenses for two buildings for half of the biennium. I understand that the operating expenses hopefully go down quite a bit because of different operations of the new building. When you are looking at a new building there is always something that has been missed and will be needed to put that building in complete operation. It says that I will agree that the management of the veteran's home has proven the fact that they are not going out of their way.

**Chairman Pollert:** When I look at the decreases of what we asked for, when you look at their operating expense and if I'm looking at this wrong, if 11 passes we are talking \$77,000. I don't think that is out of line but that is my opinion. If you look at the total and the amendments, the \$22,000 for travel expense, the \$20,000 temporary salaries and the \$35,000 for operating expense. That is \$77,000.

**Representative Metcalf:** I say this with tongue in cheek because I know you have bent over backwards to give the Veteran's Home everything they need. This management of this home has bent over backwards not to exceed any expenses that are needed just for the simple fact that they do not want to be known as padding their budget. I feel that even though we are taking \$70,000 maybe that is justified but to me they are doing the best they possibly can. I don't think we are that much more qualified.

**Chairman Pollert:** Is there any other discussion? We will call for the roll. It passes 5-1-2. I need to have Sheila as we are talking. Do you show it on the general fund of negative 549? Can you have that ready for us as far as where we are at after taking out the money and taking out the \$50,000?

**Sheila Sandness:** Yes.

**Chairman Pollert:** we will go through the other proposed changes. Number one on the bottom does anyone have discussion on that?

**Representative Kreidt:** In the original find we have demolition of the old building, why did that change? Did they have some perspective individual that is looking at occupying that building? Why are we leaving it up?

**Representative Metcalf:** To my knowledge it was probably put in there. With that building at the point now that it can be used, not for a nursing home, it can be used. It is a solid constructed building. It is a very good quality but it can't be used for a nursing home because

of the method it was constructed. Some of the local people have suggested what we use that for. I can't say. I was not there visiting with them.

**Lori Laschkewitsch:** One of the discussions that have been thrown out is for the VA to open up a clinic there. It would save a lot of the expenses for the VA because they wouldn't have to transport residents to the clinic. It would also help with others in the area. That was just a piece of the discussion.

**Representative Wieland:** I would like to ask Mark a question.

**Chairman Pollert:** Let's vote on section 1. It passes 4-2-2.

**Representative Wieland:** What is the current situation with the Cheyenne River in relation to the current site?

**Mark Johnson:** On the existing site right now the Cheyenne River is adjacent to our property. We have our dikes built up and the Cheyenne is right there. To kind of give you an update of where we were at, this morning we were at 17.9 and our dikes were built at 21 feet. I talked to the management this afternoon and the water has receded 6 inches. That is where we are at. The new site is further away and built up. We are a lot further away from the river.

**Representative Wieland:** The whole area is diked so it won't flood that at all?

**Mark Johnson:** That entire area is diked by the Veteran's Home there. Right now the corps is building the dikes up in Lisbon to 24 feet. They are going to be coming in and doing the same area for us. From there we are looking at having them build an additional dike going on the side so if there is water that comes around to the backside we would be ok. Right now FEMA is down there.

**Representative Wieland:** I just can't believe we are keeping that building for any reason. It failed a life safety thing. It should be condemned. Old buildings to be used over again for new proposed stuff are inefficient and don't work.

**Chairman Pollert:** We will move on to number 2. We will call the roll. It passes 6-0-2. We will go to number 3. This isn't a very lengthy one just to keep us more or less informed. We will call the roll. It passes 6-0-2. Now we will go to number 4. Is there any discussion? It passes 6-0-2. We will move to number 5. Is there any discussion? We will call the roll. It passes 6-0-2. The last one is 6. That was kind of a stretch.

**Sheila Sandness:** That was Representative Nelson's amendment. He wanted to say that they could have those items if they could find federal stimulus money for them. However, you did not remove the ATV so it is still in the budget under special funds currently.

**Chairman Pollert:** We removed the Bobcat utility so actually we have to strike out the latter half of that sentence.

**Sheila Sandness:** Right.

**Representative Nelson:** I would suggest that we would remove the language the ATV \$5,000. Then it would have those six words and it would include the Bobcat utility vehicle.

**Chairman Pollert:** Does everyone understand that? We will take the roll. It passes 6-0-2. What was the number on the bottom for general dollars for the Veteran's home?

**Sheila Sandness:** After removing the effects of the \$197 and the \$50,000 in general fund the total would be a reduction of \$301,918. The only change in special funds was the \$5,000 so that amount becomes a positive \$3,099,842. The total would be \$2,797,924.

**Chairman Pollert:** I would ask for an adoption of the amendments.

**Sheila Sandness:** You adopted the amendments individually so you would just move to pass it as amended.

**Representative Kreidt:** I move a do pass as amended.

**Representative Nelson:** I second that.

**Chairman Pollert:** Is there any discussion? If not we will take the roll. The motion passes 4-1-2.

**Representative Kreidt:** I will carry this bill.

## 2009 HOUSE STANDING COMMITTEE MINUTES

SB 2007

House Appropriations Committee

Check here for Conference Committee

Hearing Date: April 1, 2009

Recorder Job Number: 11599

Committee Clerk Signature

*Nancy L. Geschardt*

Minutes:

Rep. Kreidt: Distributed and explained amendment .0204 (Attachment A).

Rep. Kreidt: We removed the \$14,567 from the Veterans' Affairs budget.

Rep. Kreidt: Reviewed the Statement of Purpose of Amendment on amendment .0204.

Chm. Svedjan: Did you say the Health Information Technology is in there?

Rep. Kreidt: Yes. That will at some point become a federal mandate to go onto that type of system.

(8:40) In regards to the equity we added a section

Chm. Svedjan: Is that the bottom of page 2 of the amendments?

Rep. Kreidt: That's right.

Rep. Kreidt moved amendment .0204. If there are no questions on the amendment I would move a Do Pass on the amendment.

Chm. Svedjan: OK, is there a 2<sup>nd</sup>?

Rep. Wieland: 2<sup>nd</sup>.

Chm. Svedjan: 2<sup>nd</sup> by Rep. Wieland. Discussion?

Rep. Skarphol: In our Section we discussed the geothermal. We were told several time that you could only use the funds for the incremental difference. How was your section able to get the entire amount? The \$3 million is the incremental difference?

Rep. Kreidt: Yes.

Rep. Skarphol: What is the total cost of that heating system?

Rep. Metcalf: That was not bid out separately. We have been told that the total cost would add about another \$3 million. It was bid after the other costs were taken out of the project. I asked that question two or three times and they didn't know the difference?

Rep. Skarphol: What is the total square footage?

Rep. Kreidt: I don't have that with me.

Lori Lash: I believe it's 159,000 square feet.

Rep. Wald: We have triggered stimulus money in about three bills this morning. Is LC going to keep track of that.

Chm. Svedjan: I believe that

Allen Knudson: We could publish that.

Rep. Hawken: I don't think it's appropriate to have in statute what brand you are going to buy. I think identifying Bobcat is not appropriate.

Rep. Nelson: the Committee was told that because of the proximity to Gwinner facility, they get a special pricing and that's why the Bobcat was identified. They're not buying at retail.

Re. Glasheim: (14:40) What's the total amount of equity money proposed by the Governor?

Rep. Pollert: \$13.7.

Rep. Glasheim:  $\frac{3}{4}$  of a percent does equal.

Rep. Pollert: That wasn't unanimous in the Section.

Rep. Glasheim: If we were to come up with 60 percent of the amount, then it would be less for them, but it would still be the same proportion.

Chm. Svedjan: Correct. Any further discussion? On The motion to adopt amendment 0204 we will take a voice vote – all in favor say Yea – motion carries and amendment is adopted.

Rep. Delzer: If we think it's going to cover \$3 million for geothermal I have a problem with us having a contingency in there. There are times we need the contingency but I don't think it's appropriate here. I can't support Section 5 at all.

Rep. Delzer: Moved to amend by removing the \$3 million

Chm. Svedjan: We will take them separately.

Rep. Bellew: 2<sup>nd</sup>.

Chm. Svedjan: 2<sup>nd</sup> by Rep. Bellew. Is there any discussion?

Rep. Kroeber: Does this mean you are removing the Geothermal and we are going back to the other heating source, is that correct. They don't get the stimulus money.

Rep. Delzer: Everything that's been said is that it should fit. We have two to three weeks to look into this. The problem I have with contingencies fund is, the most likely hood is its going to fit. This should be the incremental difference and fit. If we put the contingency in here all of a sudden we'll say we'll use stimulus money over here instead of here. If stimulus money comes in I feel it should go for this project.

Rep. Kroeber: I don't disagree. The cost of geothermal will be a great deal less than with a conventional system.

Rep. Delzer: I support geothermal too. If we leave this in the stimulus money will get used for something else and they'll come back and want to spend general fund money on the geothermal.

Rep. Skarphol: Which priority is number one in getting the stimulus money. I think this is a priority. If the executive Branch should decide they have a favorite project they could fund elsewhere, and they could use general funds here it may be a temptation to use the money elsewhere. If you are going to spend the federal stimulus money on this project we want it spent here.

Rep. Wald: My question about the pecking order for stimulus funds. Someone's going to be left out. We need to know if we are going to have these funds available and what the pecking order is.

Chm. Svedjan: You're proposing the amendment to Section 4 of the amendments we adopted.

Rep. Delzer: \$13

Chm. Svedjan: It would have to remove "and" too,

Rep. Delzer: It would have to remove . . .

Rep. Glassheim: These funds would only be from the energy pocket. These funds can't be used in highway construction. They have to be used for something similar. I'm not sure this is a realistic problem. It says the General Fund money may only be spent to the extent that the federal funds are not available. I don't know why they wouldn't be available. I think we're trying to safeguard ourselves against something that is unlikely to happen.

Rep. Skarphol: There are other projects that would qualify for the use of the funds. The dollars could get used up somewhere else knowing the General Fund dollars are available. We need to have that discussion in Conference Committee.

Rep. Glassheim: I think Rep. Wald's idea is the most sound. We need another bill. How is anybody to prioritize unless there is a list. By the last week we will know what the list of demands is.

Chmn. Svedjan: That would be the first week in May.

Rep. Pollert: If that motion pulls out the geothermal, that's a problem for me. The geothermal needs to be in the Vets home. If the stimulus dollars do not show up in . . . If we do the amendment and it is approved, do we lose the geothermal

Allen Knudson: (26:55) If it's approved, Department of Commerce has to get approval . . . It would not be removing the geothermal system.

Rep. Pollert: There might not be stimulus dollars until 2011. This will be under construction. You can't make the decision on the federal dollars because that will have to be done in the next month or two. We won't know the answer on the stimulus dollars for two years. The geothermal has to be in the bill somewhere.

Rep. Metcalf: This is a contracting problem. Geothermal has to be approved by this legislative session and the Governor no more than 90 days after the contract was signed. We have until April 27. It has an Emergency Clause.

Rep. Kreidt: This needs to move forward with the architect to secure the bids that have been put in place. If we don't meet the deadline there will have to be new bids.

Chm. Svedjan: If we adopt Rep. Delzer's amendment it will jeopardize that contract?

Rep. Skarphol: I asked Mr. Knudson how we can ensure that the projects we thought were the most critical got the necessary dollars. For example, if we have \$20 million for this category and there was only 10 available and we put it on Commerce, we don't have control over how they disburse the funds. Maybe the best mechanism is that we list the priorities and put that into the OMB budget. I don't know any other way to handle it. We need some level of confidence that the somebody is going to make the right decision down the road.

Chm. Svedjan: We need that running list.

Rep. Klein: There's another glitch. In talking to Commerce, they submit projects and they are approved based on submittal. They are not even sure what will be approved.

Rep. Delzer: I would remove my motion with the essence that when we do the contingent funds they will be used instead of the stimulus money.

Chm. Svedjan: You're proposing to withdraw your motion?

(32:15) Rep. Delzer moved to amend by removing Section 5. Rep. Bellew seconded the motion.

Rep. Kreidt: If this home operated under the same as other nursing homes,

Rep. Metcalf: The Veterans' Home is having a hard time getting employees. They are under the salaries for nurses. That's the reason this was put in. Without the assurity that this money would be there we are putting them in a very difficult situation. They have to use contract nurses and it costs three times as much. If we can maintain the amount of equity, they feel they can get the nurses they need.

Rep. Pollert: (35:04) I did not support the  $\frac{3}{4}$  percent. For me to look at 34 to 62 percent it was the difference between day and night. That's why I didn't approve of it.

Rep. Kreidt: The Veterans' Home has to compete with another nursing home in the city. They won't receive that. They will be at a real disadvantage. We were trying to protect that little bit of equity to be competitive in the industry.

Rep. Glassheim: It does seem to me that if we want to get our degrees in HR we could micromanage the budgets. All are having trouble retaining employees, etc. We hope they have good judgment in each agency. This is not wise policy to do it in some budgets and not others.

Chm. Svedjan: Any further discussion on the motion? That motion is to remove sect. 5 which has to do with the equity %. Seeing none we will take a roll call vote.

Vote: 10 Yes      11 No      4 Absent      Motion fails.

Chm. Svedjan: We have the amended bill. The only amendment adopted is 0204.

Rep. Wald: On page 1 of the amendments, "new Veterans' Home for 110,088 dollars. What does that mean?

Rep. Kreidt: That is for the Construction Manager to oversee the project. (40:10) I think that came out of the governor's office.

Rep. Wald: We should probably change the wording to construction management fee.

Chm. Svedjan: We know what it means now. We have the amended bill. What are your wishes?

Rep. Kreidt: I move a Do Pass As Amended.

Rep. Metcalf: 2<sup>nd</sup>.

Chm. Svedjan: 2<sup>nd</sup> by Rep. Metcalf. Seeing none we will take a roll call vote on a Do Pass As Amended to SB 2007.

Vote: 18 Yes      3 No      4 Absent      Carrier: Rep. Kreidt      Motion carries.

## Proposed amendments to Senate Bill NO. 2007

Chairman Pollert and Committee members:

Please consider the following amendments to SB2007. The North Dakota Department of Veterans Affairs is in great need of additional resources to address the growing needs of the Veterans of this great state. It is important that we increase our ability to get out into the counties and provide our County Veteran Service Officers (CVSO's) with the training and support that they need and deserve. History shows that war Veterans tend to move to rural areas, we need to help these rural CVSO's serve these veterans. With the rising problems of PTSD and TBI in our veterans our CVSO's need to be able to identify the symptoms and react to these veterans early so that greater problems do not occur. The following amendments would greatly help in serving our nearly 60,000 veterans and their dependents.

**1. Increase funding for salaries and wages (\$92,070) and operating expenses (\$15,229) for one FTE training position.**

It has been a constant concern from our County Veterans Service Officers for this department to provide them with better training. We need to hire a qualified person who can commit the majority of their time to getting well trained, develop great training and travel to the counties to provide quality training. This person will need to travel to obtain the latest up to date training and will then return to present this information/training to the Veteran Service Officers in North Dakota.

This position will also be capable of assisting veterans while doing the outreach to counties.

**2. Increase funding for operating expenses for the county veterans' service officer training program to provide a total of \$100,000.**

Our current budget does not allow for the amount of outreach that is needed to get out to the counties and help them set up good programs. This money will allow our staff to travel to the counties to provide initial training, help CVSO's with difficult or complex veterans cases. This will help our womens' veterans coordinator to travel to assist female veterans with any special needs they have. This will also allow the ND-DVA to visit the CVSO county offices to ensure that they have all the tools they need and are properly being supported by their counties. This money will also be used to bring in quality training organizations to conduct initial and ongoing accredited training for our CVSO's.

**3. Increase funding to provide grants to counties to allow for the purchase of portable personal computers for county veterans' service officers**

It is more and more necessary for our CVSO's to get out into the counties to see their veterans. Some CVSO's lack even a good basic computer for their office. This would allow CVSO's the ability to visit house bound veterans, veterans in nursing homes and veterans unable to travel to the CVSO's office. With a portable lap top all of the

electronic forms can be completed on site and internet access can help CVSO's look up VA records and search for information in the field.

ND has 53 Counties and 3 tribal Veteran Service offices. For a total of 56.  
In checking with Procurement the base cost per computer would be \$1275, computer case \$32 and software \$350. For a total of \$1,657 each. (see attachment).  
\$50,000 would purchase 30 computers with cases and software.  
To purchase 56 computers the cost would be \$92,792.

Please keep in mind that the Federal VA's expenditures in North Dakota for 2007 was in excess of \$183,242,000. This is in the form of medical, insurance and indemnities, education & rehabilitation, construction and direct payments to our veterans for Compensation and Pension in excess of \$89,000,000.

This significant amount of Federal dollars coming into North Dakota can be increased as we increase our training and support for our County Veteran Service Officers.

**ATTACHMENT B****NORTH DAKOTA LAPTOP SPECIFICATIONS / PRICE SHEETS**

The following is Hewlett Packard's laptop PC equipment for the State of ND standard specifications term contract (rev. December 2008)

<b>Device</b>	<b>Minimum Specifications - Mainstream Notebook - 8530p</b>
Model	HP Compaq Business Notebook 8530p
Processor	Intel® Core™2 Duo Processor P8600 (2.4-GHz, 1066-MHz, 3MB L2 cache)
Chip Set	Mobile Intel PM45 Express Chipset ICH9M-Enhanced
Graphics	ATI Mobility Radeon HD 3650 with 256 MB of dedicated video memory
Audio/Visual	High Definition Audio support w/24-bit DAC Integrated stereo speakers Integrated dual-microphone array Touch-sensitive controls for volume up, volume down, and mute Stereo headphone/line out Stereo microphone in 2 MP Webcam
Network & Wireless Specification	Network card - Integrated 10/100/1000 NIC Intel WiFi Link 5300 (802.11 a/b/g/n draft 2.0) Integrated Bluetooth 2.0
Ports	ExpressCard/54 slot Smart Card Reader Media Card Reader External Monitor One - VGA 1394a One - 4-pin connector Stereo microphone in Stereo headphone/line out Power connector RJ-11/modem RJ-45/Ethernet HDMI- 1.3 compatible eSATA USB 2.0 (Four) Docking connector Secondary battery connector
Memory	4096MB 800MHZ DDR2 (2 x 2MB DIMMs)
Hard Drive	160GB 7200 rpm SATA hard drive
Optical Drive	DVD+/-RW SuperMulti with Double Layer LightScribe Drive
Display	15.4-inch WSXGA anti-glare with camera
Operating Systems	Microsoft Windows XP Professional (Downgrade from Windows Vista Business) Windows Vista Business
Input Devices	Dual pointing devices: Touchpad with scroll zone, three pick buttons Pointstick, three pick buttons
Security	Integrated Biometric Fingerprint Sensor Integrated Smart Card Reader TPM 1.2 Embedded Security Chip
Battery	8-cell high capacity Lithium-Ion (73Wh)
Base Warranty	3/3/0 Worldwide Limited Warranty, Parts & Labor, pick-up, toll free 7X24 hardware technical support
Base Cost incl: shipping	\$1275

**ATTACHMENT B**  
**NORTH DAKOTA LAPTOP SPECIFICATIONS / PRICE SHEETS**  
**(Continued)**

<b>Device</b>	<b>Minimum Specifications – Power User Notebook – 8530p</b>
Model	HP Compaq Business Notebook 8530p
Processor	Intel® Core™2 Duo Processor T9400 (2.53-GHz, 1066-MHz, 6MB L2 cache)
Chip Set	Mobile Intel PM45 Express Chipset ICH9M-Enhanced
Graphics	ATI Mobility Radeon HD 3650 with 256 MB of dedicated video memory
Audio/Visual	High Definition Audio support w/24-bit DAC Integrated stereo speakers Integrated dual-microphone array Touch-sensitive controls for volume up, volume down, and mute Stereo headphone/line out Stereo microphone in 2 MP Webcam
Network & Wireless Specification	Network card - Integrated 10/100/1000 NIC Intel WiFi Link 5300 (802.11 a/b/g/n draft 2.0) Integrated Bluetooth 2.0
Ports	ExpressCard/54 slot Smart Card Reader Media Card Reader External Monitor One – VGA 1394a One – 4-pin connector Stereo microphone in Stereo headphone/line out Power connector RJ-11/modem RJ-45/Ethernet HDMI– 1.3 compatible eSATA USB 2.0 (Four) Docking connector Secondary battery connector
Memory	4096MB 800MHZ DDR2 (2 x 2MB DIMMs)
Hard Drive	250GB 7200 rpm SATA hard drive
Optical Drive	DVD+/-RW SuperMulti with Double Layer LightScribe Drive
Display	15.4-inch WSXGA anti-glare with camera
Operating Systems	Microsoft Windows XP Professional (Downgrade from Windows Vista Business) Windows Vista Business
Input Devices	Dual pointing devices: Touchpad with scroll zone, three pick buttons Pointstick, three pick buttons
Security	Integrated Biometric Fingerprint Sensor Integrated Smart Card Reader TPM 1.2 Embedded Security Chip
Battery	8-cell high capacity Lithium-Ion (73Wh)
Base Warranty	3/3/0 Worldwide Limited Warranty, Parts & Labor, pick-up, toll free 7X24 hardware technical support
Base Cost incl. shipping	\$1419

**ATTACHMENT B**  
**NORTH DAKOTA LAPTOP SPECIFICATIONS / PRICE SHEETS**  
**(Continued)**

**Upgrade Components**

<b>Upgrade Component Type</b>	<b>Description</b>	<b>Mainstream Component Price (or separate config price)</b>	<b>Power User Component Price (or separate config price)</b>
Next Business Day Warranty	9x5 Next-business-day on-site coverage (3 yrs)	\$59	\$59
Next Business Day + Accidental Damage	Next-business-day warranty coverage with offsite accidental damage protection	\$80	\$80
Power	Additional Battery – HP 8-cell	\$100	\$100
Docking Station	HP Advanced Docking Station	\$199	\$199
Port Replicator	HP Docking Station	\$130	\$130
Case	Standard Value Notebook Case	\$32	\$32
Case	Universal Nylon Case	\$40	\$40
Case	Deluxe Nylon Backback	\$35	\$35





Date: 3/25/09  
Roll Call Vote #:

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO.

House Appropriations Human Resources Committee

Check here for Conference Committee SB 2007

Legislative Council Amendment Number

Action Taken move Amendment 3

Motion Made By \_\_\_\_\_ Seconded By \_\_\_\_\_

Representatives	Yes	No	Representatives	Yes	No
Chairman Pollert		X	Representative Ekstrom	<del>—</del>	<del>—</del>
Vice Chairman Bellew		X	Representative Kerzman	<del>—</del>	<del>—</del>
Representative Kreidt		X	Representative Metcalf	X	
Representative Nelson		X			
Representative Wieland		X			

Total (Yes) 1 No 5

Absent 2

Floor Assignment \_\_\_\_\_

If the vote is on an amendment, briefly indicate intent:













Date: 3/25/09  
Roll Call Vote #:

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO.

House Appropriations Human Resources Committee

Check here for Conference Committee SB 2007

Legislative Council Amendment Number

Action Taken Move amendment 6

Motion Made By \_\_\_\_\_ Seconded By \_\_\_\_\_

Representatives	Yes	No	Representatives	Yes	No
Chairman Pollert	X		Representative Ekstrom		
Vice Chairman Bellew	X		Representative Kerzman		
Representative Kreidt	X		Representative Metcalf	X	
Representative Nelson	X				
Representative Wieland	X				

Total (Yes) 6 No 0

Absent 2

Floor Assignment \_\_\_\_\_

If the vote is on an amendment, briefly indicate intent:

Date: 3/25/09  
Roll Call Vote #:

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO.

House Appropriations Human Resources Committee

Check here for Conference Committee SB 2007

Legislative Council Amendment Number

Action Taken move amendment 7

Motion Made By \_\_\_\_\_ Seconded By \_\_\_\_\_

Representatives	Yes	No	Representatives	Yes	No
Chairman Pollert			Representative Ekstrom		
Vice Chairman Bellew			Representative Kerzman		
Representative Kreidt			Representative Metcalf		
Representative Nelson					
Representative Wieland					

Total (Yes) \_\_\_\_\_ No \_\_\_\_\_

Absent \_\_\_\_\_

Floor Assignment \_\_\_\_\_

If the vote is on an amendment, briefly indicate intent:

Withdrawn























VR  
4/1/09  
1 of 5

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2007

Page 1, line 2, after the semicolon insert "to provide for contingent funding;"

Page 1, line 3, remove "and" and after "intent" insert "; to provide for a report to the budget section; and to declare an emergency"

Page 1, line 15, replace "2,810,639" with "2,685,740" and replace "11,643,754" with "11,518,855"

Page 1, line 16, replace "1,131,757" with "1,049,857" and replace "4,643,757" with "4,561,857"

Page 1, line 17, replace "(14,651,180)" with "(11,646,457)" and replace "294,597" with "3,299,320"

Page 1, line 20, replace "(\$10,598,696)" with "(\$7,800,772)" and replace "16,692,196" with "19,490,120"

Page 1, line 21, replace "(12,354,465)" with "(12,397,937)" and replace "11,076,861" with "11,033,389"

Page 1, line 22, replace "1,755,769" with "4,597,165" and replace "5,615,335" with "8,456,731"

Page 2, line 4, replace "198,888" with "184,321" and replace "1,006,054" with "991,487"

Page 2, line 5, replace "198,888" with "184,321" and replace "1,006,054" with "991,487"

Page 2, line 11, replace "1,954,657" with "4,781,486" and replace "6,621,389" with "9,448,218"

Page 2, line 12, replace "(12,354,465)" with "(9,239,932)" and replace "11,076,861" with "14,191,394"

Page 2, line 13, replace "(\$10,399,808)" with "(\$4,458,446)" and replace "17,698,250" with "23,639,612"

Page 2, line 21, replace "0" with "3,039,414"

Page 2, line 24, replace "Carpet and floor tile repairs" with "General fund salary funding of new facility positions" and replace "20,000" with "502,240"

Page 2, line 28, replace "228,488" with "3,750,142"

Page 2, line 29, replace "288,488" with "710,728"

Page 2, line 30, replace "0" with "3,039,414"

Page 3, after line 4, insert:

**"SECTION 3. APPROPRIATION - FEDERAL FISCAL STIMULUS FUNDS - ADDITIONAL FUNDING APPROVAL.** The funds provided in this section, or so much

of the funds as may be necessary, are appropriated from federal funds made available to the state under the federal American Recovery and Reinvestment Act of 2009, not otherwise appropriated, to the veterans' home, for the period beginning with the effective date of this Act and ending June 30, 2011, as follows:

Thermal imager (funds from the department of commerce)	\$5,500
Electronic health records system	98,400
Bobcat utility vehicle	14,691
Geothermal heating system (funds from the department of commerce)	3,039,414
Total federal funds	\$3,158,005

The veterans' home may seek emergency commission and budget section approval under chapter 54-16 for authority to spend any additional federal funds received under the federal American Recovery and Reinvestment Act of 2009 in excess of the amounts appropriated in this section for the period beginning with the effective date of this Act and ending June 30, 2011.

Any federal funds appropriated under this section are not a part of the agency's 2011-13 base budget. Any program expenditures made with these funds will not be replaced with state funds after the federal American Recovery and Reinvestment Act of 2009 funds are no longer available.

**SECTION 4. CONTINGENT FUNDING - EQUIPMENT AND PROJECTS.**

Section 1 of this Act includes \$5,500 for a thermal imager, \$98,400 for an electronic health care records system, and \$3,039,414 for a geothermal heating system in the new veterans' home facility from the general fund which may be spent only to the extent that federal funds appropriated in section 3 of this Act are not available for these purposes.

**SECTION 5. VETERANS' HOME SHARE OF SALARY EQUITY POOL.**

The office of management and budget shall provide three-fourths of one percent of any general fund salary equity pool that is appropriated for salary equity increases for classified state employees, for the biennium beginning July 1, 2009, and ending June 30, 2011, to the veterans' home."

Page 3, after line 16, insert:

**"SECTION 8. REPORT TO BUDGET SECTION - VETERANS' HOME CONSTRUCTION PROJECT.** The veterans' home construction project manager shall provide a quarterly written summary report to the budget section regarding the status of the veterans' home construction project during the 2009-10 interim.

**SECTION 9. EMERGENCY.** The appropriation for the geothermal heating system of \$3,039,414 from the general fund in section 1 of this Act and section 3 of this Act are declared to be emergency measures."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT - LC 98026.0204 FN 3**

**A copy of the statement of purpose of amendment is attached.**

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2007 - Summary of House Action**

	Executive Budget	Senate Version	House Changes	House Version
<b>Veterans' Home</b>				
Total all funds	\$16,628,864	\$16,692,196	\$5,955,929	\$22,648,125
Less estimated income	11,467,611	11,076,861	3,114,533	14,191,394
General fund	\$5,161,253	\$5,615,335	\$2,841,396	\$8,456,731
<b>Department of Veterans' Affairs</b>				
Total all funds	\$1,006,054	\$1,006,054	(\$14,567)	\$991,487
Less estimated income	0	0	0	0
General fund	\$1,006,054	\$1,006,054	(\$14,567)	\$991,487
<b>Bill total</b>				
Total all funds	\$17,634,918	\$17,698,250	\$5,941,362	\$23,639,612
Less estimated income	11,467,611	11,076,861	3,114,533	14,191,394
General fund	\$6,167,307	\$6,621,389	\$2,826,829	\$9,448,218

**Senate Bill No. 2007 - Veterans' Home - House Action**

	Executive Budget	Senate Version	House Changes	House Version
Salaries and wages	\$11,643,754	\$11,643,754	(\$124,899)	\$11,518,855
Operating expenses	4,709,709	4,643,757	(81,900)	4,561,857
Capital assets	165,313	294,597	3,004,723	3,299,320
New Veterans' Home	110,088	110,088		110,088
Federal fiscal stimulus funds			3,158,005	3,158,005
Total all funds	\$16,628,864	\$16,692,196	\$5,955,929	\$22,648,125
Less estimated income	11,467,611	11,076,861	3,114,533	14,191,394
General fund	\$5,161,253	\$5,615,335	\$2,841,396	\$8,456,731
FTE	120.72	120.72	0.00	120.72

**Department No. 313 - Veterans' Home - Detail of House Changes**

	Removes Salary Equity Funding <sup>1</sup>	Provides Contingent Funding for Heating System <sup>1</sup>	Removes Funding for Carpet and Equipment <sup>1</sup>	Decreases Funding for Travel <sup>4</sup>	Removes Funding for Bobcat Utility Vehicle <sup>5</sup>	Removes Funding for Temporary Maintenance Salaries <sup>6</sup>
Salaries and wages	(\$104,899)					(\$20,000)
Operating expenses			(24,900)	(22,000)		
Capital assets		3,039,414	(20,000)		(14,691)	
New Veterans' Home						
Federal fiscal stimulus funds						
Total all funds	(\$104,899)	\$3,039,414	(\$44,900)	(\$22,000)	(\$14,691)	(\$20,000)
Less estimated income	0	0	(23,281)	0	(14,691)	0
General fund	(\$104,899)	\$3,039,414	(\$21,619)	(\$22,000)	\$0	(\$20,000)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Adjusts Funding Source for Thermal Imager <sup>7</sup>	Decreases Funding for Operating Expenses <sup>8</sup>	Provides Funding From Federal Fiscal Stimulus Funds <sup>9</sup>	Total House Changes
Salaries and wages				(\$124,899)
Operating expenses		(35,000)		(81,900)
Capital assets				3,004,723
New Veterans' Home				
Federal fiscal stimulus funds			3,158,005	3,158,005
<b>Total all funds</b>	<b>\$0</b>	<b>(\$35,000)</b>	<b>\$3,158,005</b>	<b>\$5,955,929</b>
Less estimated income	(5,500)	0	3,158,005	3,114,533
<b>General fund</b>	<b>\$5,500</b>	<b>(\$35,000)</b>	<b>\$0</b>	<b>\$2,841,396</b>
FTE	0.00	0.00	0.00	0.00

<sup>1</sup> This amendment removes funding added in the executive budget for state employee salary equity adjustments.

<sup>2</sup> This amendment provides **one-time** contingent funding from the general fund for a geothermal heating system in the new Veterans' Home facility. The general fund money may be spent only to the extent that federal funds made available to the state through the Department of Commerce under the American Recovery and Reinvestment Act of 2009 are not available for this purpose.

<sup>3</sup> This amendment decreases funding from the general fund for capital assets by \$20,000 for carpet and tile replacement and decreases funding for operating expenses by \$24,900, of which \$1,619 is from the general fund, for various exercise equipment items under \$5,000.

Funding for travel expense is reduced by \$22,000.

<sup>5</sup> This amendment decreases funding for capital assets to remove funding for a Bobcat utility vehicle. The Veterans' Home may use funding from federal fiscal stimulus funds, if available, to make this purchase.

<sup>6</sup> This amendment decreases funding for salaries and wages to remove funding for temporary maintenance salaries.

<sup>7</sup> This amendment removes the special fund appropriation and adds contingent funding from the general fund for purchasing a thermal imager if federal funds made available to the state under the American Recovery and Reinvestment Act of 2009 are not available for this purpose.

<sup>8</sup> This amendment decreases funding from the general fund for operating expenses.

<sup>9</sup> This amendment provides, in a separate section, funding from federal fiscal stimulus funding for the following items:

Thermal imager (funding from the Department of Commerce)	\$5,500
Electronic health records system	98,400
Bobcat utility vehicle	14,691
Geothermal heating system (funding from the Department of Commerce)	3,039,414
<b>Total federal funds</b>	<b>\$3,158,005</b>

This amendment also:

- Adds a section that directs the Office of Management and Budget to provide three-fourths of 1 percent of any general fund salary equity pool appropriated for salary equity increases for state employees to the Veterans' Home, for the biennium beginning July 1, 2009, and ending June 30, 2011.

- Adds a section to provide the appropriation for the geothermal heating system appropriated in Section 1 of the bill and the federal fiscal stimulus funds appropriation section of the bill are emergency measures.
- Adds a section to require the construction project manager to submit written quarterly summary reports to the Budget Section regarding the new Veterans' Home construction project.
- Removes the carpet and floor tile repairs from **one-time** funding and identifies the geothermal heating system and the portion of salaries and wages for the FTE positions in the new building from the general fund (\$502,240) as **one-time** funding.
- Adds a section to provide the general fund appropriation for the thermal imager (\$5,500), the electronic health records system (\$98,400), and the geothermal heating system in the new Veterans' Home facility (\$3,039,414) may only be spent to the extent that federal funds, available under the American Recovery and Reinvestment Act of 2009, are not available for these items.

**Senate Bill No. 2007 - Department of Veterans' Affairs - House Action**

	<b>Executive Budget</b>	<b>Senate Version</b>	<b>House Changes</b>	<b>House Version</b>
Veterans' Affairs	\$1,006,054	\$1,006,054	(\$14,567)	\$991,487
Total all funds	\$1,006,054	\$1,006,054	(\$14,567)	\$991,487
Less estimated income	0	0	0	0
General fund	\$1,006,054	\$1,006,054	(\$14,567)	\$991,487
FTE	7.00	7.00	0.00	7.00

**Department No. 321 - Department of Veterans' Affairs - Detail of House Changes**

	<b>Removes Salary Equity Funding<sup>1</sup></b>	<b>Total House Changes</b>
Veterans' Affairs	(\$14,567)	(\$14,567)
Total all funds	(\$14,567)	(\$14,567)
Less estimated income	0	0
General fund	(\$14,567)	(\$14,567)
FTE	0.00	0.00

<sup>1</sup> This amendment removes funding added in the executive budget for state employee salary equity adjustments.

Date: 4/1/09  
 Roll Call Vote #: 1

**2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES**  
**BILL/RESOLUTION NO. 2007**

**Full House Appropriations Committee**

Check here for Conference Committee

Legislative Council Amendment Number .0204

Action Taken accept amendment .0204

Motion Made By Kreidt Seconded By Wieland

Representatives	Yes	No	Representatives	Yes	No
Chairman Svedjan					
Vice Chairman Kempenich					
Rep. Skarphol			Rep. Kroeber		
Rep. Wald			Rep. Onstad		
Rep. Hawken			Rep. Williams		
Rep. Klein					
Rep. Martinson					
Rep. Delzer			Rep. Glassheim		
Rep. Thoreson			Rep. Kaldor		
Rep. Berg			Rep. Meyer		
Rep. Dosch					
Rep. Pollert			Rep. Ekstrom		
Rep. Bellew			Rep. Kerzman		
Rep. Kreidt			Rep. Metcalf		
Rep. Nelson					
Rep. Wieland					

Total (Yes) \_\_\_\_\_ No \_\_\_\_\_

Absent \_\_\_\_\_

Floor Assignment Voice Vote - carries

If the vote is on an amendment, briefly indicate intent:

Date: 4/1/09  
 Roll Call Vote #: 2

**2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES**  
**BILL/RESOLUTION NO. 2007**

**Full House Appropriations Committee**

Check here for Conference Committee

Legislative Council Amendment Number TBD

*Withdrawn*

Action Taken remove \$3 million from cont. fund

Motion Made By Delzer Seconded By Bellew

Representatives	Yes	No	Representatives	Yes	No
Chairman Svedjan					
Vice Chairman Kempenich					
Rep. Skarphol			Rep. Kroeber		
Rep. Wald			Rep. Onstad		
Rep. Hawken			Rep. Williams		
Rep. Klein					
Rep. Martinson					
Rep. Delzer			Rep. Glassheim		
Rep. Thoreson			Rep. Kaldor		
Rep. Berg			Rep. Meyer		
Rep. Dosch					
Rep. Pollert			Rep. Ekstrom		
Rep. Bellew			Rep. Kerzman		
Rep. Kreidt			Rep. Metcalf		
Rep. Nelson					
Rep. Wieland					

Total (Yes) \_\_\_\_\_ No \_\_\_\_\_

Absent \_\_\_\_\_

Floor Assignment Voice Vote

If the vote is on an amendment, briefly indicate intent:

Date: 4/1/09  
 Roll Call Vote #: 3

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
 BILL/RESOLUTION NO. 2007

Full House Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number TBD

Action Taken Amend to remove Section 5

Motion Made By Delzer Seconded By Bellew

*Failed*

Representatives	Yes	No	Representatives	Yes	No
Chairman Svedjan	✓				
Vice Chairman Kempenich	—				
Rep. Skarphol	✓		Rep. Kroeber		✓
Rep. Wald	✓		Rep. Onstad		✓
Rep. Hawken	✓		Rep. Williams		✓
Rep. Klein		✓			
Rep. Martinson		✓			
Rep. Delzer	✓		Rep. Glasheim	✓	
Rep. Thoreson	—		Rep. Kaldor	—	
Rep. Berg	✓		Rep. Meyer		✓
Rep. Dosch	✓				
Rep. Pollert	✓		Rep. Ekstrom	—	
Rep. Bellew	✓		Rep. Kerzman		✓
Rep. Kreidt		✓	Rep. Metcalf		✓
Rep. Nelson		✓			
Rep. Wieland		✓			

Total (Yes) 10 No 11

Absent 4

Floor Assignment Voice Vote - uncertain

If the vote is on an amendment, briefly indicate intent:

Date: 4/1/09  
 Roll Call Vote #: 4

**2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES**  
**BILL/RESOLUTION NO. 2007**

**Full House Appropriations Committee**

Check here for Conference Committee

Legislative Council Amendment Number .0204

Action Taken No Pass as Amended

Motion Made By Kreidt Seconded By Metcalf

Representatives	Yes	No	Representatives	Yes	No
Chairman Svedjan	✓				
Vice Chairman Kemperich					
Rep. Skarphol	✓		Rep. Kroeber	✓	
Rep. Wald	✓		Rep. Onstad	✓	
Rep. Hawken	✓		Rep. Williams	✓	
Rep. Klein	✓				
Rep. Martinson	✓				
Rep. Delzer		✓	Rep. Glassheim	✓	
Rep. Thoreson			Rep. Kaldor		
Rep. Berg	✓		Rep. Meyer	✓	
Rep. Dosch		✓			
Rep. Pollert	✓		Rep. Ekstrom		
Rep. Bellew		✓	Rep. Kerzman	✓	
Rep. Kreidt	✓		Rep. Metcalf	✓	
Rep. Nelson	✓				
Rep. Wieland	✓				

Total (Yes) 18 No 3

Absent 4

Floor Assignment Kreidt

If the vote is on an amendment, briefly indicate intent:

**REPORT OF STANDING COMMITTEE**

SB 2007, as engrossed: Appropriations Committee (Rep. Svedjan, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (18 YEAS, 3 NAYS, 4 ABSENT AND NOT VOTING). Engrossed SB 2007 was placed on the Sixth order on the calendar.

Page 1, line 2, after the semicolon insert "to provide for contingent funding;"

Page 1, line 3, remove "and" and after "intent" insert "; to provide for a report to the budget section; and to declare an emergency"

Page 1, line 15, replace "2,810,639" with "2,685,740" and replace "11,643,754" with "11,518,855"

Page 1, line 16, replace "1,131,757" with "1,049,857" and replace "4,643,757" with "4,561,857"

Page 1, line 17, replace "(14,651,180)" with "(11,646,457)" and replace "294,597" with "3,299,320"

Page 1, line 20, replace "(\$10,598,696)" with "(\$7,800,772)" and replace "16,692,196" with "19,490,120"

Page 1, line 21, replace "(12,354,465)" with "(12,397,937)" and replace "11,076,861" with "11,033,389"

Page 1, line 22, replace "1,755,769" with "4,597,165" and replace "5,615,335" with "8,456,731"

Page 2, line 4, replace "198,888" with "184,321" and replace "1,006,054" with "991,487"

Page 2, line 5, replace "198,888" with "184,321" and replace "1,006,054" with "991,487"

Page 2, line 11, replace "1,954,657" with "4,781,486" and replace "6,621,389" with "9,448,218"

Page 2, line 12, replace "(12,354,465)" with "(9,239,932)" and replace "11,076,861" with "14,191,394"

Page 2, line 13, replace "(\$10,399,808)" with "(\$4,458,446)" and replace "17,698,250" with "23,639,612"

Page 2, line 21, replace "0" with "3,039,414"

Page 2, line 24, replace "Carpet and floor tile repairs" with "General fund salary funding of new facility positions" and replace "20,000" with "502,240"

Page 2, line 28, replace "228,488" with "3,750,142"

Page 2, line 29, replace "288,488" with "710,728"

Page 2, line 30, replace "0" with "3,039,414"

Page 3, after line 4, insert:

**"SECTION 3. APPROPRIATION - FEDERAL FISCAL STIMULUS FUNDS - ADDITIONAL FUNDING APPROVAL.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated from federal funds made available to the state under the federal American Recovery and Reinvestment Act of 2009, not

otherwise appropriated, to the veterans' home, for the period beginning with the effective date of this Act and ending June 30, 2011, as follows:

Thermal imager (funds from the department of commerce)	\$5,500
Electronic health records system	98,400
Bobcat utility vehicle	14,691
Geothermal heating system (funds from the department of commerce)	3,039,414
Total federal funds	<u>\$3,158,005</u>

The veterans' home may seek emergency commission and budget section approval under chapter 54-16 for authority to spend any additional federal funds received under the federal American Recovery and Reinvestment Act of 2009 in excess of the amounts appropriated in this section for the period beginning with the effective date of this Act and ending June 30, 2011.

Any federal funds appropriated under this section are not a part of the agency's 2011-13 base budget. Any program expenditures made with these funds will not be replaced with state funds after the federal American Recovery and Reinvestment Act of 2009 funds are no longer available.

**SECTION 4. CONTINGENT FUNDING - EQUIPMENT AND PROJECTS.**

Section 1 of this Act includes \$5,500 for a thermal imager, \$98,400 for an electronic health care records system, and \$3,039,414 for a geothermal heating system in the new veterans' home facility from the general fund which may be spent only to the extent that federal funds appropriated in section 3 of this Act are not available for these purposes.

**SECTION 5. VETERANS' HOME SHARE OF SALARY EQUITY POOL.**

The office of management and budget shall provide three-fourths of one percent of any general fund salary equity pool that is appropriated for salary equity increases for classified state employees, for the biennium beginning July 1, 2009, and ending June 30, 2011, to the veterans' home."

Page 3, after line 16, insert:

**"SECTION 8. REPORT TO BUDGET SECTION - VETERANS' HOME CONSTRUCTION PROJECT.** The veterans' home construction project manager shall provide a quarterly written summary report to the budget section regarding the status of the veterans' home construction project during the 2009-10 interim.

**SECTION 9. EMERGENCY.** The appropriation for the geothermal heating system of \$3,039,414 from the general fund in section 1 of this Act and section 3 of this Act are declared to be emergency measures."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT - LC 98026.0204 FN 3**

A copy of the statement of purpose of amendment is on file in the Legislative Council Office.

2009 SENATE APPROPRIATIONS

CONFERENCE COMMITTEE

SB 2007

## 2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2007 conference committee

Senate Appropriations Committee

Check here for Conference Committee

Hearing Date: April 16, 2009

Recorder Job Number: 11896

Committee Clerk Signature



Minutes:

**Senator Kilzer** called the conference committee hearing to order on SB 2007 which is an appropriation for the veteran's home and the Department of Veterans Affairs.

Conference committee members: **Senator Kilzer, Senator Wardner** (sitting in for **Senator Bowman**), **Senator Mathern, Rep. Kreidt, Rep. Nelson, and Rep. Metcalf.**

**Senator Kilzer:** This is a bill to defray the expenses for veterans home and the Department of Veterans Affairs to provide for contingent funding, basic care bed capacity, legislative intent, to provide for a report to the budget section and to declare an emergency. First order of business would be to ask House members to explain what they have done to make this good bill even better.

**Rep. Kreidt:** Explained the changes that the House made. The Veteran's Affairs came from the Senate with \$1.6 Million and the House removed the equity. As for the veteran's home, we did some changing there in regards to building of new facility. We did remove the equity as in all budgets. We put in the geothermal heating system for \$3,158,000 and funded that with provisions in stimulus bill. If stimulus dollars were not available we'd use general fund. We added an Emergency clause in case the funds became available sooner than expected. We also included some other equipment in regard to the Stimulus dollars. We removed some capital expenditures of carpet and equipment because with new facility being built we felt they

should just do the bare necessities in their existing facilities. We decreased travel by \$22,000 and removed the utility vehicle. If they could use stimulus money to obtain that vehicle they could do that. We reduced the temporary maintenance salary for \$20,000. That's where the amendments from the House are.

**Senator Kilzer:** The big item is the geothermal heating system. Is Commerce happy that the stimulus funds will come from the Department of Commerce?

**Rep. Kreidt:** Yes they are. They felt the stimulus money was appropriate and quite sure those dollars would be there.

**Senator Kilzer:** They don't have buildings of their own that they would like to use their stimulus money for?

**Rep. Kreidt:** We will use general funds if stimulus money is not available. The utility bill will have a good return on the investment.

**Senator Kilzer:** The Senate did not want to fund the geothermal heating system with general fund dollars.

**Rep. Kreidt:** The payback on this is more than worth the dollars.

**Rep. Nelson:** It should also be pointed out that the bid for the geothermal heating system is on a timeline. We're in a box. If we don't fund the project, they are currently holding up the bid. The timing of putting in geothermal is critical. We could wait for funding, but by a practical standpoint, we can't wait. The nursing home air exchange system is more expensive. I hate to correct Rep. Kreidt, but I think payback is more in 10-15 year range payback. We need to move on this if we are going to do it.

**Senator Kilzer:** In testimony on our side, payback was 20 years. Is Dwayne Ternes, Construction overseer on board?

**Rep. Metcalf:** As far as Ternes, he intends to be part of this group that will supervise building that home. He has not made a monetary commitment. The dollars are not a concern to him. He will be there.

**Senator Mathern:** I hope we will support the geothermal project. I have a question about our use of general funds if fiscal not available. It also sounds like you are saying if there is not stimulus money available for the bobcat utility vehicle there is no utility vehicle. I think they need that and I hope the House will consider an amendment to include that. Try to use stimulus but still go ahead.

**Rep. Kreidt:** Utility vehicle is only to be purchased if stimulus funds available. If stimulus available they can purchase it. We felt with their equipment they could get along. As regard to the hiring of a construction manager, we think this is a good move because of the size of the construction and the time it will take to construct this new facility. We have no idea who they are going to hire, but we wanted someone independent of the home at present time.

**Senator Kilzer:** I thought we had an appropriation in one of the budgets for a construction overseer. Weren't they in Senate amendments?

**Rep. Kreidt:** That is possible. Through the Department of Health they do go out and view projects and review the plans periodically.

**Senator Wardner:** On amendment #3 on the Statement of Purpose where you talked about decreasing funding for general funds and capital assets by \$20,000.

**Rep. Kreidt:** The \$20,000, they were going to remove carpet and make purchases for the existing facility. Our House appropriation committee thought this could be held up since they are building new facility. This will help them get by and not spend all those dollars on the old facility.

**Rep. Metcalf:** Had a question on Page 2 – line 22 of bill

**Rep. Nelson:** The operating expense for exercise equipment was an addition that they asked for in the new facility. It was discussed with the home and they said that they would go out in this biennium and raise money from private sources for exercise equipment. They were confident they could do that. That's why that was removed.

**Senator Wardner:** Question on #4 on the deduction of the traveling expense. Are they not going to be traveling as much?

**Rep. Nelson:** We thought some of the costs were inflated from the standpoint of gas. Plus, we thought they wouldn't travel as much.

**Rep. Kreidt:** Some of these price estimates did come out when gas prices were in the \$4 range.

**Senator Kilzer:** Did you remove a certain percentage of their travel account or did you look at each budget.

**Rep. Nelson:** We didn't use any blanket percentage. It's hard to line item the needs in veterans home. They explained their need, but there was no scientific methodology.

**Senator Kilzer:** When you reduced it by \$20,000 was that local staff or contracts for nursing services?

**Rep. Nelson:** That's just the employee travel.

**Senator Mathern:** What have you done with salaries across the board for staff?

**Rep. Kreidt:** Veterans home does not follow same procedure and adjustments as nursing homes. They are state employees. At this point, the 5% is what would be out there for these employees.

**Senator Mathern:** It didn't change any of these?

**Rep. Kreidt:** No: We did put in an amendment in regard to equity. They are somewhat handicapped in regard to other nursing homes. The amendment would give them full equity.

**Senator Mathern:** But it's taken out of this.

**Rep. Kreidt:** Yes. It's consistent with House.

**Senator Kilzer:** Do employees in this home participate in the 7-7-2?

**Rep. Kreidt:** No. They are considered state employees and have the state package. We do have to remain competitive in salaries.

**Rep. Nelson:** Explained the removal of FTEs in the budget. There are 25 new FTEs in nursing services and we left that alone.

**Senator Kilzer:** But that's in another bill.

**Rep. Nelson:** It is, but it's a common theme.

**Rep. Nelson:** Would you like more verification on source for stimulus?

**Senator Wardner:** That would be nice to know. Our position is that the majority wanted it to come from stimulus.

**Senator Kilzer:** we shall meet again on Monday.

## 2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2007 conference committee

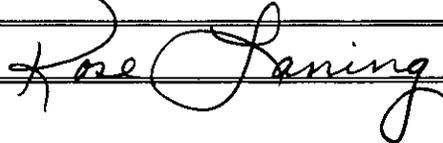
Senate Appropriations Committee

Check here for Conference Committee

Hearing Date: April 20, 2009

Recorder Job Number: 11972

Committee Clerk Signature



Minutes:

**Senator Kilzer** called the conference committee hearing to order on SB 2007 which is an appropriation for the veteran's home and the Department of Veterans Affairs.

Conference committee members: **Senator Kilzer, Senator Bowman, Senator Mathern, Rep. Kreidt, Rep. Nelson, and Rep. Metcalf.**

**Senator Kilzer** Last time we went through amendments add by the House to SB 2007. Is there any further information to come forward?

**Rep. Metcalf:** I was in Lisbon at the veteran's home yesterday and I had taken pictures and forwarded them to everyone. I would encourage all of you to look at the pictures and the damage that has already incurred at the Home. Presently, the Home is empty as far as patients. Skill care clients are in Wahpeton and basic care clients are in Grafton or with family or friends. We have staff in both places assisting with their care. These transfers will require funds for this current time and in the next biennium. I'm going to ask for all reductions that were made to be put back in. The costs are too encompassing. It's going to cost a lot of money. FEMA will be involved. If we could allow \$60,000 to remain in bill, that would pay part of the costs. The other situation is the Geo thermal has to be signed by governor on or by April 25. Must be out of here and signed. That gives them time to contact the contractors and

accept. I would like you to keep those things in mind. The equity situation could maybe transfer into SB 2075. These are my concerns.

**Senator Mathern:** I contacted the accountant at the Veterans Home and asked her to take five items that were cut and give written explanation of need. And this could be part of discussion. Kris Lunneborg, account manager, wrote up list - Veteran's Home Funding for SB 2007 - see attached # 1.

**V. Chair Bowman:** If we restored all of these, can they use this money for other than what it was supposed to go for? Why do they do that?

**Senator Kilzer:** They do move money around within line items. At the end of their biennium, they do have a base for the next biennium to build their budget.

**Rep. Kreidt:** Start with #1 with equity, the position of the House is that we've taken out equity and we're going to stay on that position. In this budget, we included amendment that the amount of equity would come back into this budget because of the competition of facilities in the area and nursing homes.

**Senator Kilzer:** You mentioned Veterans affairs, are you talking about veterans affairs or veterans home?

**Rep. Kreidt:** There are two budgets included in this budget. The House and Senate come to some sort of agreement or we'll never get out of here. Those discussions are going on now. As far as putting items back in budget, I don't feel any of those are related to the flood. FEMA will be there, and they will be back to supplement funds. It is a bad situation for the Veterans Home, but the facility is not flooding. One other comment, as far as utilities and decreases, that had to go with the geo thermal. The decrease of \$50,000 – I hope we see a larger dollar amount through cost savings. We were justified in that reduction as well as others.

**Senator Kilzer:** Question for Metcalf – In transferring residents out, why was it done?

**Rep. Metcalf:** At the recommendation of the city council and mayor. It had to do a lot with dike work. The place is totally accessible and the bridge is still out of the water. There is no water directly at the building. If they lost their sewer system they would be in a serious situation.

**Senator Kilzer:** Are they going to keep paying staff while residents are gone?

**Rep. Metcalf:** Yes, they are with the residents. The residents have phobias and need to keep same staff. This is true especially in the skill living area; they have to use Veterans Home staff because they don't have enough staff at these places to care for them. It is going to cost more money for staff because we have room, board and travel.

**Rep. Nelson:** The equity situation is the problem. In the statement of Purpose of the House amendments in the footnote it says: (14:56).....What that means is that we took the percentage of the equity pool that the veterans home had coming. I think that without making statement in regard to equity pool, we could leave the House amendment that removes equity pool adjustments and with that footnote would come in. If all the equity comes back then that  $\frac{3}{4}$  of one percent is the total. If it's a smaller pool they would get that percentage of the smaller pool. If we went with this we could be sensitive to the time and have it done by April 25.

**Senator Mathern:** I'm on conference committee that is talking about eliminating some agencies from the equity pool. I don't know where they are on the hierarchy. If it went to formula, it may work, but they are talking about using a hierarchy.

**Rep. Nelson:** I'm not privy to those discussions. In the House we had two situations in our subsections where we used grade levels. Those individuals received money. The CNAs and nursing staff should qualify for that in a pool situation. I can't guarantee that. I'm hoping to meet April 25 deadline and we may have to trust one another.

**Senator Kilzer:** The personnel would be eligible for 5-5-5, but not for 7-7-1. They're talking about 23M dollars of general fund dollars. That being distributed among agencies, especially DOCR (Department of Corrections and Rehabilitations) wouldn't go that far. What should we be considering for next time?

**Rep. Metcalf:** I hope you didn't misunderstand me. My only concern was the \$55,000 the rest of items can stand for now as they are.

**Rep. Kreidt:** Maybe in the next day or so, something will be resolved and we can look at this again. I have concern for employees. I have less concern for the April 25 date and Geo-thermal. Rebidding may not even hurt us.

**Senator Mathern:** Maybe we should make a decision about geo-thermal. In 2075, do we have the same conferees? That might be vehicle for the geo thermal also. Could the Legislative Council give us some suggestion?

**Sheila Sandness, Legislative Council:** You could move it, but you have to agree in this conference committee to do it.

Discussion on which would be the better bill.

**Senator Kilzer:** There's no equity in 2075 so let's put it there.

**Rep. Nelson:** Leadership thought 2075 was a better place originally, but may be problematic at this point. There is a huge dollar differences in the two. This equity issue with some creative minds can be solved.

**Rep. Metcalf:** I disagree with Rep. Kreidt's statement. We cannot take this back for re-bid. There's no time.

**Senator Kilzer** adjourned the meeting.

## 2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2007 Conference Committee

Senate Appropriations Committee

Check here for Conference Committee

Hearing Date: 04-24-09

Recorder Job Number: 12227

Committee Clerk Signature

*Alise Delzer* (Alise Delzer)

Minutes:

**Chairman Kilzer** Opened the conference committee hearing in reference to SB 2007. All members were present as follows: Senators: Bowman, and Mathern, Representatives: Kreidt, Nelson, and Metcalf.

**Rep. Kreidt:** Sen. Mathern handed some things out. The house did not decrease \$50,000 from that budget. I just wanted to make that comment.

**Sheila** Legislative Council. When they put together a list of amendments to vote on, it was included in that list but it was not approved as a deduction in house appropriations. When Christian put together the list she may have thought it was an amendment.

**Chairman Kilzer:** So Rep. Kreidt what you are saying is that appears as an error and something that you don't want?

**Rep. Kreidt:** Utilities was the way it came over from the senate but we didn't change the amount in place for the line items to cover the utilities, expenses, etc. They will be heating the old facility for a time so there was quite an increase in the utility amount but we did not take it out.

**Senator Mathern:** Just as a follow up to that, I really saw this as also a question of whether this was an appropriate amount for the House or Senate. They overspent in the last biennium

and the city sewer services were going up. Even if neither of us reduces that, they might have that need.

**Rep. Kreidt:** We did discuss utilities in the language, we did feel they could cover the utility bill with the decrease, but to give them the benefit of the doubt going with the new system they are going to put in the new facility, we figured they had a pretty good cushion with the appropriated amount.

**Chairman Kilzer:** We have not increased that amount in this subcommittee at all, is there any action needed?

**Rep. Metcalf:** I'm not really sure if this is in order or not, but I have informed the request from the Veteran's Administrator for some things we turned down in our review of this particular bill.

**Chairman Kilzer:** When you say we, do you mean the house?

**Rep. Metcalf:** The House, yes. They were brought before the committee and the committee voted them down. I don't know if it would be appropriate to bring them back in.

**Chairman Kilzer:** Which committee voted them down?

**Rep. Metcalf:** Appropriations.

Discussion about appropriation amount

**Chairman Kilzer:** I know we had some difficulty early on in the conference committee because there was some confusion between the veteran's home and department of veteran's affairs.

Which document are we talking about, .0204.?

**Rep. Metcalf:** There is no amendment for that. I brought this proposal which I can hand out and you can take a look at them.

**Chairman Kilzer:** Can you explain what this is?

**Rep. Metcalf:** Number 1 on the list is a request for an FTE with a wage of \$92,000 and \$15,000 for expenses for a total of \$107,000 in general funds. Number 2 is the...

**Chairman Kilzer:**....Just a minute, the FTE is a training position, what is that?

**Rep. Metcalf:** What this position will do is it will travel throughout the state of ND to train the current county veteran service officers. Right now we are having a real problem out there. We are trying to get is to that we can really service the veterans; he (field director) feels we need this position. I believe he is correct in that assumption.

**Senator Mathern:** I think we discussed that on the bill in the Senate.

**Rep. Metcalf:** Number 2 is increased funding for operating expenses for the CVSO officer training program to provide a total of \$100,000. I believe this can be reduced down to \$50,000. That is a determination I made in discussions with Lonnie Wangne. It probably won't take off as fast as they want it to but what this does, in order for them to become certified as CVSOs, they have to take specific training. They are in desperate need of getting training for CVSOs.

**Senator Mathern:** I am trying to understand the difference between the \$100,000 in the (inaudible) and the \$50,000 in the (inaudible). Does this mean \$50,000 in addition?

**Rep. Metcalf:** What this means is that they need \$100,000 but they can work with \$50,000 at this time.

**Chairman Kilzer:** Ok, and you last item was the computers?

**Rep. Metcalf:** They are requesting one computer for each county. I can give you the cost of computers which I have right here. If they can get 15 computers instead of 50, they feel they can get a good start on getting this process started and then develop it in the future.

**V. Chair Bowman:** How many computers does each county have total?

**Rep. Metcalf:** Right now, as far as I can tell, they have very few if any that are provided by the government. They have individual computer. I would say that there are some that have been purchased by the counties that have more money. But if our computers are being used by CVSOs, that is their own personal computers. These are portable computers, they move

anywhere and take anyplace, and that is the idea so that they can go out to vet home and fill out the applications they need.

**Chairman Kilzer:** Rep. Metcalf, do you propose this as an amendment?

**Rep. Metcalf:** I will propose it if you will allow it.

**Chairman Kilzer:** I will allow it if you can get a second.

**Rep. Metcalf:** I propose we accept the 3 amendments that I proposed here for SB 2007.

**Senator Mathern:** Second. These are thing we did hear about in the Senate. The full loan program was discussed in the Senate which really was considerably more expensive than this. This is really coming in with bare bones to make it happen. We did hear a lot of concern about some counties not getting benefits, some getting more. I see this as just taking a start at trying to create consistent services throughout the state. I hope we get support on this.

**V. Chair Bowman:** There are absolutely no federal special funds involved in this. It surprises me there is not some federal money or grants for this.

**Rep. Metcalf:** I cannot answer that question. I would think that there should be. However, it has to come from the state of ND. I cannot say if there is any other money available.

**Rep Kreidt:** I would hope we could reject this. I feel we did a fair review of the veterans affairs budget as well as the veteran's home. We did remove the equity of \$14557, which will be coming back to them now. They've got a new guy in charge; once he gets his feet on the ground he could get some federal money.

**Chairman Kilzer:** We discussed this on the senate.

The Clerk called the motion by Senator Metcalf. **Yes: 2, No: 4.**

**Chairman Kilzer:** The motion failed. Asked about equity

**Rep. Kreidt:** We did have some discussion on the equity for the veteran's home. We did have some concerns because of the home being at a disadvantage to a traditional nursing home.

Right now we are looking at 6-7% in the salaries and some equity money. The vet home will be locked in to whatever the state employees get, which would be the 5%. We did include \$104,899 in equity. Our amendment here with the .75 which stays in place, I believe the vet home will receive more than the \$104,000 in equity, they will pick up about another \$25. They really do have a significant benefit package; a lot of nursing homes can't come up with stuff. I think right now they are in a pretty good position in regards to salaries. In regards to salaries for employees, we didn't look close at FTE's. The vet home is going forward with the new facility and they have 28.35 new FTEs going into the budget for the opening the new home. The Senate did put on that they could not start hiring until June 1, of 2010. We did look at the increase of 14 beds, the 28 FTEs that is what they will need to staff the new residents. We are leaving that amount so they will have the staffing they need. I think we have a pretty good budget I would like to bring forward, is in regards to the temporary employee where we did take out the \$20,000 on page one of the statement of purpose. I would like the committee to consider bringing back the \$20,000 for the temporary maintenance. I would reduce the construction manager salary by \$20,000 and move that over to the temp. position.

**Chairman Kilzer:** Are you on .0204?

**Rep Kreidt:** Yes I am. I am on page 1, the bottom, on the far right hand side where we would remove the \$20,000. We will need a little more maintenance over there to help because of the flood. I know there has been some discussion, about the construction manager's salary—that would still leave a good salary for that individual (21.36).

Discussion about the construction manager position salary

**Chairman Kilzer:** I do see reference in this bill to the geothermal unit.

**Rep. Kreidt:** That will be removed.

**Chairman Kilzer:** We have to leave here. We will have to finish Rep Kreidt's proposal.

Discussion about 2075 and when it will be voted on

**Chairman Kilzer:** We are adjourned

## 2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2007 conference committee

Senate Appropriations Committee

Check here for Conference Committee

Hearing Date: April 27, 2009

Recorder Job Number: 12290

Committee Clerk Signature	<i>Alice DeJager</i>	<i>done updated</i>
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Minutes:

**Chairman Kilzer:** Opened the conference committee hearing at 11:00 am in reference to SB 2007. The minutes are to reflect that all conferees are present: **Senators Kilzer, Bowman, and Mathern; Representatives Kriedt, Nelson, and Metcalf. Lori Laschkewitch, OMB and Sheila Sandness, Legislative Council.**

**Chairman Kilzer:** We are trying to get 2007 up to date and out of here. First of all I can see geothermal needs to be removed; I do have a question, about the Para geothermal things, like on the House amendments where they put in thermal imager for fifty five hundred dollars, electronic health record system for ninety eight thousand and the Bob cat, those were the additional things that were put in.

**Rep. Kriedt:** In regards to these items we would hope that they would remain in 2007 for the different phone and include them as part of the budget. Originally SB 2046, where the geothermal was, and moved into the veterans home budget, we felt that they would more than likely fall under the stimulus fund, and these are items the facility will need. The medical health care records happening in all facilities, it will become a federal requirement at some point, we hoped we could hope we could use stimulus money for that, if not we would apply general fund if those dollars were not available as we went forward. That's why those items were added.

**Chairman Kilzer:** I have a couple more detailed questions regarding these items. First of the thermal imager, what is that is that a thermostat?

**Rep. Nelson:** What a thermal imager is it's a tool they use to detect heat loss. We thought it would be another tool that either the project manager or the staff would have at the veteran's home as far as the new construction to see the quality of workmanship that is being done of the new facility. It detects the heat loss in the rooms, around the windows, that is what it would do.

**Senator Bowman:** I would think whoever puts in the heating system, the final inspection of the project it should done. Maybe this doesn't have that in it that is a question to ask the contractor, do they do that after they put the heating system in or why not?

**Rep. Metcalf:** I agree we always have to have checkers on top of checkers, even in all our systems in building buildings. Someone comes behind the builder to check that certain things are done. I guess for this amount of money, to make sure the building is done correctly, when you check a nursing home out especially they are so particular on things like this.

**Chairman Kilzer:** It does seem a little strange to me that we would be buying this. What happens to it when the building is done, does it get thrown out?

**Rep. Kreidt:** We wouldn't have put this in if we thought it was a one-time thing. There were some other benefits for the facility to have this. I can't recall those.

**Rep. Nelson:** This is the handout we got from the veterans home, in regard to that item and this was in their budget for equipment, it used for building inspection and to check for electrical panels, it can be used on a regular basis, and it has electrical component they need to comply with VA standards.

**Chairman Kilzer:** Electronic health records system.

**Rep. Kreidt:** As I mentioned all hospitals and health care facilities are moving in this direction, and I had hoped that money would be available for this through the stimulus fund.

**Chairman Kilzer:** Have you heard anything about stimulus funding for this?

**Sheila Sandness:** I believe that the stimulus funding is on competitive grant basis, they would have to apply for that.

**Chairman Kilzer:** How about the bobcat?

**Rep. Kreidt:** That item has been removed we had removed it, if they could find some stimulus funds for that they could go ahead.

**Chairman Kilzer:** Should we remove it from here.

**Rep. Metcalf:** It stayed in the stimulus fund but it has been removed from general funds, there is no general fund dollars for this item.

**Rep. Kreidt:** Okay, I guess there is no general fund dollars available for this item.

**Chairman Kilzer:** Any other items on that section. Section three of the amendments can I have a motion to put in the 3 items, and leave out the geothermal heating system because it is in another bill.

**Rep. Kreidt:** I will so move.

**Senator Nelson:** I second the motion.

**Senator Mathern:** I wonder if we shouldn't have the motion the other way around, take out the geothermal because these items we discussed are in the bill. I just wonder if Sheila could verify what items were put in 2075 and that would be the motion we would use to take out of this bill.

**Rep. Kreidt:** That would only be the geothermal and that was removed from 2007 and placed in 2075, it was the only change in 2007.

**Chairman Kilzer:** So the motion is to remove geothermal heating system for 3.039 million dollars and the second is that okay?

**Rep. Nelson:** In that motion in section 4 that is the contingent funding and the geothermal should probably removed there and as well as the emergency section in section 9, that was transferred over to 2075 as well.

**Chairman Kilzer:** Is that acceptable to Rep. Kreidt to take out these interwoven things?

**Rep. Kreidt:** That's correct.

**Sheila:** I will remove all references to the geothermal from this bill.

**Chairman Kilzer:** The clerk will call the roll on Rep. Kreidt's amendment.

Vote taken: Yes: 6 No: 0

**Rep. Kreidt:** At our last meeting I did have a proposed amendment and I would like to pass them out at this time.

**Chairman Kilzer:** Any question about Duane Ternes and his employment?

**Senator Mathern:** He would be glad to be on the committee not necessarily employed.

**Rep. Kreidt:** My amendments read that the temporary employed removed by the House and we would put that money back in but we would remove twenty thousand dollars from the project manager. If they are looking for someone to work for ninety thousand, I would even take that position if they are looking for a full time. It probably could have been a part time position you still have the architect. The pilot project passed last session, and looking at this point in 2004 in regards to inspection of construction projects of nursing homes, the veteran's home will become a part of that by the health department. I feel this is a reasonable amount, I think the veteran's home could hire someone who is qualified to do this. The person that takes this position, has to realize it is just for the time of the construction, this is not a full time position but for someone who is looking for a good step forward and good experience.

**Chairman Kilzer:** Did this come from the Home?

**Rep. Kreidt:** No, it came from the Representatives.

**Senator Mathern:** I would hope that we could separate the two. I think that restoring the twenty thousand temporary is crucial now considering the damage that was done. I think the other one, spending thirty three to thirty five million dollars, we need a good watchdog there and the reduction there is not appropriate.

**Senator Bowman:** Project managers that are good at what they do will do it in a series, they will go on to the next phase, and they may not be back for a week and a week and half, there is nothing to inspect until after it is done, they have to be there to make sure they are following the blueprints, if there is a mistake, they can bring it to contractor right away.

**Rep. Nelson:** I would like to point out and reiterate that the main reason this amendment is being addressed is that the temporary position, the head at the veterans is vested and his expertise in the areas of the new construction is going to be needed, so that is why that position needed to be filled to augment his other responsibilities, his maintenance duties, so we can argue about the separation as such but we need to fund this and it is only for this biennium it is not a new position and it does come off when construction is over.

**Chairman Kilzer:** This has no effect on the overall budget.

**Senator Mathern:** I really think this project manager has to be there 24 hours a day. I can assure you that people working on a project are waiting to see when the project manager leaves town. The best time to pour concrete is when the project manager is out of town, we need that person there, he needs to be there full time, this project will go on for a couple of years.

**Chairman Kilzer:** Any other comments?

**Rep. Kriedt:** Proposed this amendment be moved.

**Rep. Nelson:** I will second the motion.

**Chairman Kilzer:** The clerk will call the role. Vote Taken: Senators, Yes: 2 No: 1

Representatives, Yes: 2 No: 1

**Sheila:** To move the money from one line to the other.

**Chairman Kilzer:** Adjourned.

## 2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2007 Conference Committee

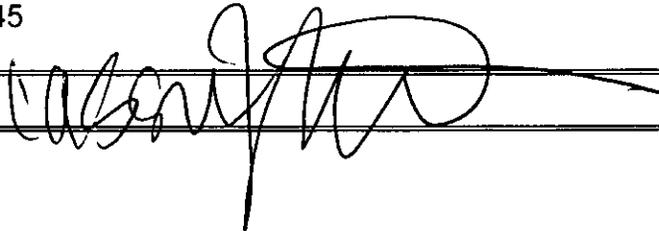
Senate Appropriations Committee

Check here for Conference Committee

Hearing Date: 04-28-09

Recorder Job Number: 12345

Committee Clerk Signature



Minutes:

**Chairman Kilzer** called the conference committee to order on SB 2007 at 1:30 pm regarding the Veterans' Home. Let the record show that all conferees are present: **Senators: Kilzer, Bowman, Mathern; Representatives: Kreidt, Nelson, Metcalf. Sheila Sandness,** Legislative Council and **Lori Laschkewitsch,** OMB were also present.

**Chairman Kilzer** In looking at a copy of amendment .0206 I see one little thing. It is a travel item. The House on all the budgets I've been in they have taken out the travel, pretty often the Senate restores half of that. The conference committee did not do that here.

**Representative Kreidt:** Looking at the budget on the House side, regarding the dollars that when the budget was put together, the price of fuel was a lot higher. We look at the mileage very closely.

**Chairman Kilzer:** Is the amount the increase you took out of the executive budget?

**Representative Kreidt:** I don't remember if that was even half.

**Senator Mathern:** I don't see that the request put in for the 09-11 biennium.

**Representative Kreidt:** They took half.

**Senator Mathern:** They are presently overspent as to March. Their request includes some new things relating to the new construction. The governing board meets, the bill room committee meets, there is also travel to the Fargo VA for medical appointments that have

increased that are planned for in this project. I think the amount requested is probably pretty conservative. I do have a new amendment prepared 98026.0207, see attachment #1.

**Rep. Kriedt** motioned to move amendments and was seconded by **Second Rep. Nelson**.

**Chairman Kilzer**- what motivated this amendment?

**Rep. Kriedt**- the only change from the .0206 amendments is except for adding the \$20,000 to the department of VA for computers.

**Chairman Kilzer**- how many would that be?

**Rep. Kriedt**- depends on what kind of deal they can get, maybe 15.

**Rep. Metcalf**- have a letter from Lonnie Wangen that states that they can probably get closer to 30.

**Chairman Kilzer**- he will keep track of the inventory?

**Rep. Metcalf**- I would think he would.

**Chairman Kilzer**- will there be a request next session for more?

**Rep. Metcalf**- yes, I would think so.

**Sen. Mathern**- these would be grants to counties. The counties would own these computers, through that system, kept track of and passed on to new administrative.

**Lonnie Wangen**, VA administrator, was asked to come to the podium to answer questions of the committee.

**Lonnie**-the computers that were requested were considered to be a grant to the counties to help them as an outreach this way it would be more mobile. The money could either be a grant to the counties but if you wanted it to be state material to where we kept it we would need requirements for maintenance. The thing is that if we buy them as state agency we have to go through the state procurement it is estimated that they could cost up to \$1,500 a piece. If

we were to do a grant the counties could buy them themselves we could get them from Best buy or such and probably cut that price in half.

**Chairman Kilzer-** are there other properties that are owned by the VA? Or do you maintain equipment of anytime.

**Lonnie-** we have a state vehicle that we pay miles on and we have our own computers there.

**Sen. Mathern-** I believe what would happen is that these grants would be made to the county and the grant would be made with some conditions, I think in the granting process there would be a lot of things that would have to be addressed.

**Sheila Sandness, OMB,** answered questions that the committee had.

**Shelia-** the amendment does say that it is for grants for counties to purchase private personal computers so unless you wanted to change that.

**Rep. Kreidt-** I am comfortable with that if the rest of the committee is.

**Rep. Metcalf-** I would like to increase that transportation allowance cause I know that they are going to be short.

**Rep. Metcalf-** I would move to amend the motion and add \$11,000 to the travel fund.

**Chairman Kilzer-** I will not allow another motion until this one is acted upon unless it is a substitute motion.

**Rep. Metcalf -**I move we make a substitute motion to add money into the travel fund seconded by **Sen. Mathern**

Roll call vote on the motion which includes the computer item for 20,000 and changing the travel reduction from \$22,000 to 11,0000, motion fails.

**Chairman Kilzer** motions to add for computers and seconded by **Sen. Mathern.** Roll call vote 6 yea. Motion passed.

**Chairman Kilzer** closed the discussion.

**REPORT OF CONFERENCE COMMITTEE  
(ACCEDE/RECEDE)**

Bill Number 2007 (, as (re)engrossed):

Date: 4/24/09

Your Conference Committee Senate Approp.

*Proposed amend of Mitcalf.*

For the Senate:

4/24 YES / NO

For the House:

4/24 YES / NO

<i>Liber</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<i>Kreidt</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<i>Bowman</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<i>Reborn</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<i>Mathew</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<i>Mitcalf</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

recommends that the (SENATE/HOUSE) (ACCEDE to) (RECEDE from)

*motion failed*

the (Senate/House) amendments on (SJ/HJ) page(s) \_\_\_\_\_

\_\_\_\_\_ and place \_\_\_\_\_ on the Seventh order.

\_\_\_\_\_ , adopt (further) amendments as follows, and place \_\_\_\_\_ on the Seventh order:

\_\_\_\_\_ , having been unable to agree, recommends that the committee be discharged and a new committee be appointed.

((Re)Engrossed) \_\_\_\_\_ was placed on the Seventh order of business on the calendar.

DATE: \_\_\_\_\_

CARRIER: \_\_\_\_\_

LC NO.	of amendment
LC NO.	of engrossment
Emergency clause added or deleted	
Statement of purpose of amendment	

MOTION MADE BY: \_\_\_\_\_

SECONDED BY: \_\_\_\_\_

VOTE COUNT        YES        NO        ABSENT

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2007

That the House recede from its amendments as printed on pages 1224 and 1225 of the Senate Journal and pages 1121 and 1122 of the House Journal and that Engrossed Senate Bill No. 2007 be amended as follows:

Page 1, line 2, after the semicolon insert "to provide for contingent funding;"

Page 1, line 3, remove "and" and after "intent" insert "; and to provide for a report to the budget section"

Page 1, line 15, replace "2,810,639" with "2,705,740" and replace "11,643,754" with "11,538,855"

Page 1, line 16, replace "1,131,757" with "1,049,857" and replace "4,643,757" with "4,561,857"

Page 1, line 17, replace "(14,651,180)" with "(14,685,871)" and replace "294,597" with "259,906"

Page 1, line 19, replace the first "110,088" with "90,088" and replace the second "110,088" with "90,088"

Page 1, line 20, replace "(\$10,598,696)" with "(\$10,840,186)" and replace "16,692,196" with "16,450,706"

Page 1, line 21, replace "(12,354,465)" with "(12,397,937)" and replace "11,076,861" with "11,033,389"

Page 1, line 22, replace "1,755,769" with "1,557,751" and replace "5,615,335" with "5,417,317"

Page 2, line 4, replace "198,888" with "184,321" and replace "1,006,054" with "991,487"

Page 2, line 5, replace "198,888" with "184,321" and replace "1,006,054" with "991,487"

Page 2, line 11, replace "1,954,657" with "1,742,072" and replace "6,621,389" with "6,408,804"

Page 2, line 12, replace "(12,354,465)" with "(12,279,346)" and replace "11,076,861" with "11,151,980"

Page 2, line 13, replace "(\$10,399,808)" with "(\$10,537,274)" and replace "17,698,250" with "17,560,784"

Page 2, line 23, replace "110,088" with "90,088"

Page 2, line 24, replace "Carpet and floor tile repairs" with "General fund salary funding of new facility positions" and replace "20,000" with "502,240"

Page 2, line 28, replace "228,488" with "690,728"

Page 2, line 29, replace "288,488" with "690,728"

Page 3, after line 4, insert:

**"SECTION 3. APPROPRIATION - FEDERAL FISCAL STIMULUS FUNDS - ADDITIONAL FUNDING APPROVAL.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated from federal funds made available to the state under the federal American Recovery and Reinvestment Act of 2009, not otherwise appropriated, to the veterans' home, for the period beginning with the effective date of this Act and ending June 30, 2011, as follows:

Thermal imager (funds from the department of commerce)	\$5,500
Electronic health records system	98,400
Bobcat utility vehicle	<u>14,691</u>
Total federal funds	\$118,591

The veterans' home may seek emergency commission and budget section approval under chapter 54-16 for authority to spend any additional federal funds received under the federal American Recovery and Reinvestment Act of 2009 in excess of the amounts appropriated in this section for the period beginning with the effective date of this Act and ending June 30, 2011.

Any federal funds appropriated under this section are not a part of the agency's 2011-13 base budget. Any program expenditures made with these funds will not be replaced with state funds after the federal American Recovery and Reinvestment Act of 2009 funds are no longer available.

**SECTION 4. CONTINGENT FUNDING - EQUIPMENT AND PROJECTS.**

Section 1 of this Act includes \$5,500 for a thermal imager and \$98,400 for an electronic health care records system from the general fund which may be spent only to the extent that federal funds appropriated in section 3 of this Act are not available for these purposes.

**SECTION 5. VETERANS' HOME SHARE OF SALARY EQUITY POOL.** The office of management and budget shall provide three-fourths of one percent of any general fund salary equity pool that is appropriated for salary equity increases for classified state employees, for the biennium beginning July 1, 2009, and ending June 30, 2011, to the veterans' home."

Page 3, after line 16, insert:

**"SECTION 8. REPORT TO BUDGET SECTION - VETERANS' HOME CONSTRUCTION PROJECT.** The veterans' home construction project manager shall provide a quarterly written summary report to the budget section regarding the status of the veterans' home construction project during the 2009-10 interim."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT - LC 98026.0206 FN 2**

**A copy of the statement of purpose of amendment is attached.**

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2007 - Summary of Conference Committee Action**

	Executive Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
<b>Veterans' Home</b>						
Total all funds	\$16,628,864	\$16,692,196	(\$122,899)	\$16,569,297	\$22,648,125	(\$6,078,828)
Less estimated income	11,467,611	11,076,861	75,119	11,151,980	14,191,394	(3,039,414)
General fund	\$5,161,253	\$5,615,335	(\$198,018)	\$5,417,317	\$8,456,731	(\$3,039,414)
<b>Department of Veterans' Affairs</b>						
Total all funds	\$1,006,054	\$1,006,054	(\$14,567)	\$991,487	\$991,487	\$0
Less estimated income	0	0	0	0	0	0
General fund	\$1,006,054	\$1,006,054	(\$14,567)	\$991,487	\$991,487	\$0
<b>Bill total</b>						
Total all funds	\$17,634,918	\$17,698,250	(\$137,466)	\$17,560,784	\$23,639,612	(\$6,078,828)
Less estimated income	11,467,611	11,076,861	75,119	11,151,980	14,191,394	(3,039,414)
General fund	\$6,167,307	\$6,621,389	(\$212,585)	\$6,408,804	\$9,448,218	(\$3,039,414)

**Senate Bill No. 2007 - Veterans' Home - Conference Committee Action**

	Executive Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages	\$11,643,754	\$11,643,754	(\$104,899)	\$11,538,855	\$11,518,855	\$20,000
Operating expenses	4,709,709	4,643,757	(81,900)	4,561,857	4,561,857	
Capital assets	165,313	294,597	(34,691)	259,906	3,299,320	(3,039,414)
New Veterans' Home	110,088	110,088	(20,000)	90,088	110,088	(20,000)
Federal fiscal stimulus funds			118,591	118,591	3,158,005	(3,039,414)
Total all funds	\$16,628,864	\$16,692,196	(\$122,899)	\$16,569,297	\$22,648,125	(\$6,078,828)
Less estimated income	11,467,611	11,076,861	75,119	11,151,980	14,191,394	(3,039,414)
General fund	\$5,161,253	\$5,615,335	(\$198,018)	\$5,417,317	\$8,456,731	(\$3,039,414)
FTE	120.72	120.72	0.00	120.72	120.72	0.00

**Department No. 313 - Veterans' Home - Detail of Conference Committee Changes**

	Removes Salary Equity Funding <sup>1</sup>	Removes Funding for Carpet and Equipment <sup>2</sup>	Decreases Funding for Travel <sup>3</sup>	Removes Funding for Bobcat Utility Vehicle <sup>4</sup>	Reduces Funding for Construction Project Manager <sup>5</sup>	Adjusts Funding Source for Thermal Imager <sup>6</sup>
Salaries and wages	(\$104,899)					
Operating expenses		(24,900)	(22,000)			
Capital assets		(20,000)		(14,691)		
New Veterans' Home					(20,000)	
Federal fiscal stimulus funds						
Total all funds	(\$104,899)	(\$44,900)	(\$22,000)	(\$14,691)	(\$20,000)	\$0
Less estimated income	0	(23,281)	0	(14,691)	0	(5,500)
General fund	(\$104,899)	(\$21,619)	(\$22,000)	\$0	(\$20,000)	\$5,500
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Decreases Funding for Operating Expenses <sup>7</sup>	Provides Funding From Federal Fiscal Stimulus Funds <sup>8</sup>	Total Conference Committee Changes
Salaries and wages			(\$104,899)
Operating expenses	(35,000)		(81,900)
Capital assets			(34,691)
New Veterans' Home			(20,000)
Federal fiscal stimulus funds		118,591	118,591
<b>Total all funds</b>	<b>(\$35,000)</b>	<b>\$118,591</b>	<b>(\$122,899)</b>
Less estimated income	0	118,591	75,119
<b>General fund</b>	<b>(\$35,000)</b>	<b>\$0</b>	<b>(\$198,018)</b>
FTE	0.00	0.00	0.00

<sup>1</sup> This amendment removes funding added in the executive budget for state employee salary equity adjustments, the same as the House version.

<sup>2</sup> This amendment decreases funding from the general fund for capital assets by \$20,000 for carpet and tile replacement and decreases funding for operating expenses by \$24,900, of which \$1,619 is from the general fund, for various exercise equipment items under \$5,000, the same as the House version.

<sup>3</sup> Funding for travel expenses is reduced by \$22,000, the same as the House version.

This amendment decreases funding for capital assets to remove funding for a Bobcat utility vehicle, the same as the House version. The Veterans' Home may use funding from federal fiscal stimulus funds, if available, to make this purchase.

<sup>5</sup> This amendment decreases funding for the new Veterans' Home line item to reduce funding for the construction project manager. The House reduced funding for temporary maintenance salaries by \$20,000. The Conference Committee restored the funding for temporary maintenance salaries and reduced the funding for the construction project manager for the same amount. The Senate made no reductions to either the temporary maintenance salaries or the construction project manager funding.

<sup>6</sup> This amendment removes the special fund appropriation and adds contingent funding from the general fund for purchasing a thermal imager if federal funds made available to the state under the American Recovery and Reinvestment Act of 2009 are not available for this purpose, the same as the House version.

<sup>7</sup> This amendment decreases funding from the general fund for operating expenses, the same as the House version.

<sup>8</sup> This amendment provides, in a separate section, funding from federal fiscal stimulus funds for the following items:

Thermal imager (funding from the Department of Commerce)	\$5,500
Electronic health records system	98,400
Bobcat utility vehicle	14,691
<b>Total federal funds</b>	<b>\$118,591</b>

The House version included federal fiscal stimulus funding for a geothermal heating system in the new Veterans' Home facility. The Conference Committee removed this funding and included the appropriation in Senate Bill No. 2075 (2009).

This amendment also:

Adds a section that directs the Office of Management and Budget to provide three-fourths of 1 percent of any general fund salary equity pool appropriated for salary equity increases for state employees to the Veterans' Home, for the biennium beginning July 2009, and ending June 30, 2011. The House version also included this section.

- Adds a section to require the construction project manager to submit written quarterly summary reports to the Budget Section regarding the new Veterans' Home construction project. The House version also included this section.
- Removes the carpet and floor tile repairs from one-time funding, reduces the one-time funding for the construction project manager, and identifies the portion of salaries and wages for the FTE positions in the new building from the general fund (\$502,240) as one-time funding. The House version also included this section.
- Adds a section to provide the general fund appropriation for the thermal imager (\$5,500) and the electronic health records system (\$98,400) may only be spent to the extent that federal funds, available under the American Recovery and Reinvestment Act of 2009, are not available for these items. The House version also included this section.

This amendment does not include contingent funding from the general fund for the geothermal heating system in the new Veterans' Home facility included in the House version because funding for the geothermal heating system was included in Senate Bill No. 2075 (2009).

**Senate Bill No. 2007 - Department of Veterans' Affairs - Conference Committee Action**

	Executive Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Veterans' Affairs	\$1,006,054	\$1,006,054	(\$14,567)	\$991,487	\$991,487	
Total all funds	\$1,006,054	\$1,006,054	(\$14,567)	\$991,487	\$991,487	\$0
Less estimated income	0	0	0	0	0	0
General fund	\$1,006,054	\$1,006,054	(\$14,567)	\$991,487	\$991,487	\$0
FTE	7.00	7.00	0.00	7.00	7.00	0.00

**Department No. 321 - Department of Veterans' Affairs - Detail of Conference Committee Changes**

	Removes Salary Equity Funding <sup>1</sup>	Total Conference Committee Changes
Veterans' Affairs	(\$14,567)	(\$14,567)
Total all funds	(\$14,567)	(\$14,567)
Less estimated income	0	0
General fund	(\$14,567)	(\$14,567)
FTE	0.00	0.00

<sup>1</sup> This amendment removes funding added in the executive budget for state employee salary equity adjustments, the same as the House version.

**REPORT OF CONFERENCE COMMITTEE  
(ACCEDE/RECEDE)**

# 9206  
Amended  
motion by  
Kreidt  
Passed

Bill Number 2007 (, as (re)engrossed):

Date: 4/27/09

Your Conference Committee Senate Approp

For the Senate:

4/27 YES / NO

For the House:

4/27 YES / NO

<u>Kilzer</u>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>Kreidt</u>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<u>Bowman</u>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>Nelson</u>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<u>Matheron</u>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>Metcalf</u>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

recommends that the (SENATE/HOUSE) (ACCEDE to) (RECEDE from)

the (Senate/House) amendments on (SJ/HJ) page(s) \_\_\_\_\_ - \_\_\_\_\_

\_\_\_\_\_, and place \_\_\_\_\_ on the Seventh order.

\_\_\_\_\_, adopt (further) amendments as follows, and place \_\_\_\_\_ on the Seventh order:

\_\_\_\_\_, having been unable to agree, recommends that the committee be discharged and a new committee be appointed.

((Re)Engrossed) \_\_\_\_\_ was placed on the Seventh order of business on the calendar.

DATE: \_\_\_\_\_

CARRIER: \_\_\_\_\_

LC NO.	of amendment
LC NO.	of engrossment
Emergency clause added or deleted	
Statement of purpose of amendment	

MOTION MADE BY: \_\_\_\_\_

SECONDED BY: \_\_\_\_\_

VOTE COUNT        YES        NO        ABSENT

*2nd Vote Passed*  
*Kreidt Second Amend*

**REPORT OF CONFERENCE COMMITTEE  
 (ACCEDE/RECEDE)**

Bill Number 2007 (, as (re)engrossed): Date: 4/27

Your Conference Committee Senate Appropriations

**For the Senate:**

**For the House:**

YES / NO		YES / NO	
<u>Kilger</u>	<input checked="" type="checkbox"/>	<u>Kreidt</u>	<input checked="" type="checkbox"/>
<u>Bowman</u>	<input checked="" type="checkbox"/>	<u>Nelson</u>	<input checked="" type="checkbox"/>
<u>Malvern</u>	<input type="checkbox"/>	<u>Milcraft</u>	<input checked="" type="checkbox"/>

recommends that the (SENATE/HOUSE) (ACCEDE to) (RECEDE from)

the (Senate/House) amendments on (SJ/HJ) page(s) \_\_\_\_\_

\_\_\_\_\_ and place \_\_\_\_\_ on the Seventh order.

\_\_\_\_\_ , adopt (further) amendments as follows, and place \_\_\_\_\_ on the Seventh order:

\_\_\_\_\_ , having been unable to agree, recommends that the committee be discharged and a new committee be appointed.

((Re)Engrossed) \_\_\_\_\_ was placed on the Seventh order of business on the calendar.

DATE: \_\_\_\_\_

CARRIER: \_\_\_\_\_

LC NO. _____	of amendment
LC NO. _____	of engrossment
Emergency clause added or deleted	
Statement of purpose of amendment	

MOTION MADE BY: \_\_\_\_\_

SECONDED BY: \_\_\_\_\_

VOTE COUNT        YES        NO        ABSENT

*It failed* <sup>①</sup> *Subs Motions. includes travel + -0207*

**REPORT OF CONFERENCE COMMITTEE  
(ACCEDE/RECEDE)**

Bill Number 2007 (, as (re)engrossed):

Date: 4/28/09

Your Conference Committee \_\_\_\_\_

**For the Senate:**

**For the House:**

	YES / NO			YES / NO	
<i>Kulzin</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<i>Metcalf</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<i>Bowman</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<i>Kreidt</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<i>Mather</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<i>Aulson</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

recommends that the (SENATE/HOUSE) (ACCEDE to) (RECEDE from)

the (Senate/House) amendments on (SJ/HJ) page(s) \_\_\_\_\_ - \_\_\_\_\_

\_\_\_\_\_, and place \_\_\_\_\_ on the Seventh order.

\_\_\_\_\_, adopt (further) amendments as follows, and place \_\_\_\_\_ on the Seventh order:

\_\_\_\_\_, having been unable to agree, recommends that the committee be discharged and a new committee be appointed.

((Re)Engrossed) \_\_\_\_\_ was placed on the Seventh order of business on the calendar.

DATE: \_\_\_\_\_

CARRIER: \_\_\_\_\_

LC NO.	of amendment
LC NO.	of engrossment
Emergency clause added or deleted	
Statement of purpose of amendment	

MOTION MADE BY: *Metcalf*

SECONDED BY: *Mather*

VOTE COUNT    YES    NO    ABSENT

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2007

That the House recede from its amendments as printed on pages 1224 and 1225 of the Senate Journal and pages 1121 and 1122 of the House Journal and that Engrossed Senate Bill No. 2007 be amended as follows:

Page 1, line 2, after the semicolon insert "to provide for contingent funding;"

Page 1, line 3, remove "and" and after "intent" insert "; and to provide for a report to the budget section"

Page 1, line 15, replace "2,810,639" with "2,705,740" and replace "11,643,754" with "11,538,855"

Page 1, line 16, replace "1,131,757" with "1,049,857" and replace "4,643,757" with "4,561,857"

Page 1, line 17, replace "(14,651,180)" with "(14,685,871)" and replace "294,597" with "259,906"

Page 1, line 19, replace the first "110,088" with "90,088" and replace the second "110,088" with "90,088"

Page 1, line 20, replace "(\$10,598,696)" with "(\$10,840,186)" and replace "16,692,196" with "16,450,706"

Page 1, line 21, replace "(12,354,465)" with "(12,397,937)" and replace "11,076,861" with "11,033,389"

Page 1, line 22, replace "1,755,769" with "1,557,751" and replace "5,615,335" with "5,417,317"

Page 2, line 4, replace "198,888" with "204,321" and replace "1,006,054" with "1,011,487"

Page 2, line 5, replace "198,888" with "204,321" and replace "1,006,054" with "1,011,487"

Page 2, line 11, replace "1,954,657" with "1,762,072" and replace "6,621,389" with "6,428,804"

Page 2, line 12, replace "(12,354,465)" with "(12,279,346)" and replace "11,076,861" with "11,151,980"

Page 2, line 13, replace "(\$10,399,808)" with "(\$10,517,274)" and replace "17,698,250" with "17,580,784"

Page 2, line 23, replace "110,088" with "90,088"

Page 2, line 24, replace "Carpet and floor tile repairs" with "General fund salary funding of new facility positions" and replace "20,000" with "502,240"

Page 2, line 28, replace "228,488" with "690,728"

Page 2, line 29, replace "288,488" with "690,728"

Page 3, after line 4, insert:

**"SECTION 3. APPROPRIATION - FEDERAL FISCAL STIMULUS FUNDS - ADDITIONAL FUNDING APPROVAL.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated from federal funds made available to the state under the federal American Recovery and Reinvestment Act of 2009, not otherwise appropriated, to the veterans' home, for the period beginning with the effective date of this Act and ending June 30, 2011, as follows:

Thermal imager (funds from the department of commerce)	\$5,500
Electronic health records system	98,400
Bobcat utility vehicle	<u>14,691</u>
Total federal funds	\$118,591

The veterans' home may seek emergency commission and budget section approval under chapter 54-16 for authority to spend any additional federal funds received under the federal American Recovery and Reinvestment Act of 2009 in excess of the amounts appropriated in this section for the period beginning with the effective date of this Act and ending June 30, 2011.

Any federal funds appropriated under this section are not a part of the agency's 2011-13 base budget. Any program expenditures made with these funds will not be replaced with state funds after the federal American Recovery and Reinvestment Act of 2009 funds are no longer available.

**SECTION 4. CONTINGENT FUNDING - EQUIPMENT AND PROJECTS.** Section 1 of this Act includes \$5,500 for a thermal imager and \$98,400 for an electronic health care records system from the general fund which may be spent only to the extent that federal funds appropriated in section 3 of this Act are not available for these purposes.

**SECTION 5. VETERANS' HOME SHARE OF SALARY EQUITY POOL.** The office of management and budget shall provide three-fourths of one percent of any general fund salary equity pool that is appropriated for salary equity increases for classified state employees, for the biennium beginning July 1, 2009, and ending June 30, 2011, to the veterans' home."

Page 3, after line 16, insert:

**"SECTION 8. REPORT TO BUDGET SECTION - VETERANS' HOME CONSTRUCTION PROJECT.** The veterans' home construction project manager shall provide a quarterly written summary report to the budget section regarding the status of the veterans' home construction project during the 2009-10 interim."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT - LC 98026.0207 FN 3**

**A copy of the statement of purpose of amendment is attached.**

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2007 - Summary of Conference Committee Action**

	Executive Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
<b>Veterans' Home</b>						
Total all funds	\$16,628,864	\$16,692,196	(\$122,899)	\$16,569,297	\$22,648,125	(\$6,078,828)
Less estimated income	11,467,611	11,076,861	75,119	11,151,980	14,191,394	(3,039,414)
General fund	\$5,161,253	\$5,615,335	(\$198,018)	\$5,417,317	\$8,456,731	(\$3,039,414)
<b>Department of Veterans' Affairs</b>						
Total all funds	\$1,006,054	\$1,006,054	\$5,433	\$1,011,487	\$991,487	\$20,000
Less estimated income	0	0	0	0	0	0
General fund	\$1,006,054	\$1,006,054	\$5,433	\$1,011,487	\$991,487	\$20,000
<b>Bill total</b>						
Total all funds	\$17,634,918	\$17,698,250	(\$117,466)	\$17,580,784	\$23,639,612	(\$6,058,828)
Less estimated income	11,467,611	11,076,861	75,119	11,151,980	14,191,394	(3,039,414)
General fund	\$6,167,307	\$6,621,389	(\$192,585)	\$6,428,804	\$9,448,218	(\$3,019,414)

**Senate Bill No. 2007 - Veterans' Home - Conference Committee Action**

	Executive Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages	\$11,643,754	\$11,643,754	(\$104,899)	\$11,538,855	\$11,518,855	\$20,000
Operating expenses	4,709,709	4,643,757	(81,900)	4,561,857	4,561,857	
Capital assets	165,313	294,597	(34,691)	259,906	3,299,320	(3,039,414)
New Veterans' Home	110,088	110,088	(20,000)	90,088	110,088	(20,000)
Federal fiscal stimulus funds			118,591	118,591	3,158,005	(3,039,414)
Total all funds	\$16,628,864	\$16,692,196	(\$122,899)	\$16,569,297	\$22,648,125	(\$6,078,828)
Less estimated income	11,467,611	11,076,861	75,119	11,151,980	14,191,394	(3,039,414)
General fund	\$5,161,253	\$5,615,335	(\$198,018)	\$5,417,317	\$8,456,731	(\$3,039,414)
FTE	120.72	120.72	0.00	120.72	120.72	0.00

**Department No. 313 - Veterans' Home - Detail of Conference Committee Changes**

	Removes Salary Equity Funding <sup>1</sup>	Removes Funding for Carpet and Equipment <sup>2</sup>	Decreases Funding for Travel <sup>3</sup>	Removes Funding for Bobcat Utility Vehicle <sup>4</sup>	Reduces Funding for Construction Project Manager <sup>5</sup>	Adjusts Funding Source for Thermal Imager <sup>6</sup>
Salaries and wages	(\$104,899)					
Operating expenses		(24,900)	(22,000)			
Capital assets		(20,000)		(14,691)		
New Veterans' Home					(20,000)	
Federal fiscal stimulus funds						
Total all funds	(\$104,899)	(\$44,900)	(\$22,000)	(\$14,691)	(\$20,000)	\$0
Less estimated income	0	(23,281)	0	(14,691)	0	(5,500)
General fund	(\$104,899)	(\$21,619)	(\$22,000)	\$0	(\$20,000)	\$5,500
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Decreases Funding for Operating Expenses <sup>1</sup>	Provides Funding From Federal Fiscal Stimulus Funds <sup>2</sup>	Total Conference Committee Changes
Salaries and wages			(\$104,899)
Operating expenses	(35,000)		(81,900)
Capital assets			(34,691)
New Veterans' Home			(20,000)
Federal fiscal stimulus funds		118,591	118,591
<b>Total all funds</b>	<b>(\$35,000)</b>	<b>\$118,591</b>	<b>(\$122,899)</b>
Less estimated income	0	118,591	75,119
<b>General fund</b>	<b>(\$35,000)</b>	<b>\$0</b>	<b>(\$198,018)</b>
FTE	0.00	0.00	0.00

<sup>1</sup> This amendment removes funding added in the executive budget for state employee salary equity adjustments, the same as the House version.

<sup>2</sup> This amendment decreases funding from the general fund for capital assets by \$20,000 for carpet and tile replacement and decreases funding for operating expenses by \$24,900, of which \$1,619 is from the general fund, for various exercise equipment items under \$5,000, the same as the House version.

<sup>3</sup> Funding for travel expenses is reduced by \$22,000, the same as the House version.

<sup>4</sup> This amendment decreases funding for capital assets to remove funding for a Bobcat utility vehicle, the same as the House version. The Veterans' Home may use funding from federal fiscal stimulus funds, if available, to make this purchase.

<sup>5</sup> This amendment decreases funding for the new Veterans' Home line item to reduce funding for the construction project manager. The House reduced funding for temporary maintenance salaries by \$20,000. The Conference Committee restored the funding for temporary maintenance salaries and reduced the funding for the construction project manager for the same amount. The Senate made no reductions to either the temporary maintenance salaries or the construction project manager funding.

<sup>6</sup> This amendment removes the special fund appropriation and adds contingent funding from the general fund for purchasing a thermal imager if federal funds made available to the state under the American Recovery and Reinvestment Act of 2009 are not available for this purpose, the same as the House version.

<sup>7</sup> This amendment decreases funding from the general fund for operating expenses, the same as the House version.

<sup>8</sup> This amendment provides, in a separate section, funding from federal fiscal stimulus funds for the following items:

Thermal imager (funding from the Department of Commerce)	\$5,500
Electronic health records system	98,400
Bobcat utility vehicle	14,691
<b>Total federal funds</b>	<b>\$118,591</b>

The House version included federal fiscal stimulus funding for a geothermal heating system in the new Veterans' Home facility. The Conference Committee removed this funding and included the appropriation in Senate Bill No. 2075 (2009).

This amendment also:

- Adds a section that directs the Office of Management and Budget to provide three-fourths of 1 percent of any general fund salary equity pool appropriated for salary equity increases for state employees to the Veterans' Home for the biennium beginning July 2009, and ending June 30, 2011. The House version also included this section.

- Adds a section to require the construction project manager to submit written quarterly summary reports to the Budget Section regarding the new Veterans' Home construction project. The House version also included this section.
- Removes the carpet and floor tile repairs from **one-time** funding, reduces the **one-time** funding for the construction project manager, and identifies the portion of salaries and wages for the FTE positions in the new building from the general fund (\$502,240) as **one-time** funding. The House version also included this section.
- Adds a section to provide the general fund appropriation for the thermal imager (\$5,500) and the electronic health records system (\$98,400) may only be spent to the extent that federal funds, available under the American Recovery and Reinvestment Act of 2009, are not available for these items. The House version also included this section.

This amendment does not include contingent funding from the general fund for the geothermal heating system in the new Veterans' Home facility included in the House version because funding for the geothermal heating system was included in Senate Bill No. 2075 (2009).

**Senate Bill No. 2007 - Department of Veterans' Affairs - Conference Committee Action**

	Executive Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Veterans' Affairs	\$1,006,054	\$1,006,054	\$5,433	\$1,011,487	\$991,487	\$20,000
Total all funds	\$1,006,054	\$1,006,054	\$5,433	\$1,011,487	\$991,487	\$20,000
Less estimated income	0	0	0	0	0	0
General fund	\$1,006,054	\$1,006,054	\$5,433	\$1,011,487	\$991,487	\$20,000
FTE	7.00	7.00	0.00	7.00	7.00	0.00

**Department No. 321 - Department of Veterans' Affairs - Detail of Conference Committee Changes**

	Removes Salary Equity Funding <sup>1</sup>	Adds Funding for Computer Grants <sup>2</sup>	Total Conference Committee Changes
Veterans' Affairs	(\$14,567)	\$20,000	\$5,433
Total all funds	(\$14,567)	\$20,000	\$5,433
Less estimated income	0	0	0
General fund	(\$14,567)	\$20,000	\$5,433
FTE	0.00	0.00	0.00

<sup>1</sup> This amendment removes funding added in the executive budget for state employee salary equity adjustments, the same as the House version.

<sup>2</sup> This amendment increases funding for grants to counties to allow for the purchase of portable personal computers for county veterans' service officers.

2

Amend. 2007  
Just Computers

REPORT OF CONFERENCE COMMITTEE  
(ACCEDE/RECEDE)

Bill Number 2007 (, as (re)engrossed): Date: 4/28

Your Conference Committee Senate Appropriations

DATE 4/28	For the Senate:				For the House:				DATE 4/28
	Yes	No	YES / NO		Yes	No	YES / NO		
✓			✓				✓		✓
✓			✓				✓		✓
✓			✓				✓		✓

recommends that the (SENATE/HOUSE) (ACCEDE to) (RECEDE from)

the (Senate/House) amendments on (SJ/HJ) page(s) 224 - 225

\_\_\_\_\_ and place \_\_\_\_\_ on the Seventh order.

adopt (further) amendments as follows, and place 2007 on the Seventh order:

\_\_\_\_\_ having been unable to agree, recommends that the committee be discharged and a new committee be appointed.

((Re)Engrossed) \_\_\_\_\_ was placed on the Seventh order of business on the calendar.

DATE: 4/28/09  
CARRIER: Kilger

LC NO.	of amendment
LC NO.	of engrossment
Emergency clause added or deleted	
Statement of purpose of amendment	

MOTION MADE BY: Kreidt

SECONDED BY: Nelson

VOTE COUNT    YES    NO    ABSENT

**REPORT OF CONFERENCE COMMITTEE**

**SB 2007, as engrossed:** Your conference committee (Sens. Kilzer, Bowman, Mathern and Reps. Kreidt, Nelson, Metcalf) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 1224-1225, adopt amendments as follows, and place SB 2007 on the Seventh order:

That the House recede from its amendments as printed on pages 1224 and 1225 of the Senate Journal and pages 1121 and 1122 of the House Journal and that Engrossed Senate Bill No. 2007 be amended as follows:

Page 1, line 2, after the semicolon insert "to provide for contingent funding;"

Page 1, line 3, remove "and" and after "intent" insert "; and to provide for a report to the budget section"

Page 1, line 15, replace "2,810,639" with "2,705,740" and replace "11,643,754" with "11,538,855"

Page 1, line 16, replace "1,131,757" with "1,049,857" and replace "4,643,757" with "4,561,857"

Page 1, line 17, replace "(14,651,180)" with "(14,685,871)" and replace "294,597" with "259,906"

Page 1, line 19, replace the first "110,088" with "90,088" and replace the second "110,088" with "90,088"

Page 1, line 20, replace "(\$10,598,696)" with "(\$10,840,186)" and replace "16,692,196" with "16,450,706"

Page 1, line 21, replace "(12,354,465)" with "(12,397,937)" and replace "11,076,861" with "11,033,389"

Page 1, line 22, replace "1,755,769" with "1,557,751" and replace "5,615,335" with "5,417,317"

Page 2, line 4, replace "198,888" with "204,321" and replace "1,006,054" with "1,011,487"

Page 2, line 5, replace "198,888" with "204,321" and replace "1,006,054" with "1,011,487"

Page 2, line 11, replace "1,954,657" with "1,762,072" and replace "6,621,389" with "6,428,804"

Page 2, line 12, replace "(12,354,465)" with "(12,279,346)" and replace "11,076,861" with "11,151,980"

Page 2, line 13, replace "(\$10,399,808)" with "(\$10,517,274)" and replace "17,698,250" with "17,580,784"

Page 2, line 23, replace "110,088" with "90,088"

Page 2, line 24, replace "Carpet and floor tile repairs" with "General fund salary funding of new facility positions" and replace "20,000" with "502,240"

Page 2, line 28, replace "228,488" with "690,728"

Page 2, line 29, replace "288,488" with "690,728"

Page 3, after line 4, insert:

**"SECTION 3. APPROPRIATION - FEDERAL FISCAL STIMULUS FUNDS - ADDITIONAL FUNDING APPROVAL.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated from federal funds made available to the state under the federal American Recovery and Reinvestment Act of 2009, not otherwise appropriated, to the veterans' home, for the period beginning with the effective date of this Act and ending June 30, 2011, as follows:

Thermal imager (funds from the department of commerce)	\$5,500
Electronic health records system	98,400
Bobcat utility vehicle	<u>14,691</u>
Total federal funds	\$118,591

The veterans' home may seek emergency commission and budget section approval under chapter 54-16 for authority to spend any additional federal funds received under the federal American Recovery and Reinvestment Act of 2009 in excess of the amounts appropriated in this section for the period beginning with the effective date of this Act and ending June 30, 2011.

Any federal funds appropriated under this section are not a part of the agency's 2011-13 base budget. Any program expenditures made with these funds will not be replaced with state funds after the federal American Recovery and Reinvestment Act of 2009 funds are no longer available.

**SECTION 4. CONTINGENT FUNDING - EQUIPMENT AND PROJECTS.** Section 1 of this Act includes \$5,500 for a thermal imager and \$98,400 for an electronic health care records system from the general fund which may be spent only to the extent that federal funds appropriated in section 3 of this Act are not available for these purposes.

**SECTION 5. VETERANS' HOME SHARE OF SALARY EQUITY POOL.** The office of management and budget shall provide three-fourths of one percent of any general fund salary equity pool that is appropriated for salary equity increases for classified state employees, for the biennium beginning July 1, 2009, and ending June 30, 2011, to the veterans' home."

Page 3, after line 16, insert:

**"SECTION 8. REPORT TO BUDGET SECTION - VETERANS' HOME CONSTRUCTION PROJECT.** The veterans' home construction project manager shall provide a quarterly written summary report to the budget section regarding the status of the veterans' home construction project during the 2009-10 interim."

Re-number accordingly

**STATEMENT OF PURPOSE OF AMENDMENT - LC 98026.0207 FN 3**

A copy of the statement of purpose of amendment is on file in the Legislative Council Office.

Engrossed SB 2007 was placed on the Seventh order of business on the calendar.

2009 TESTIMONY

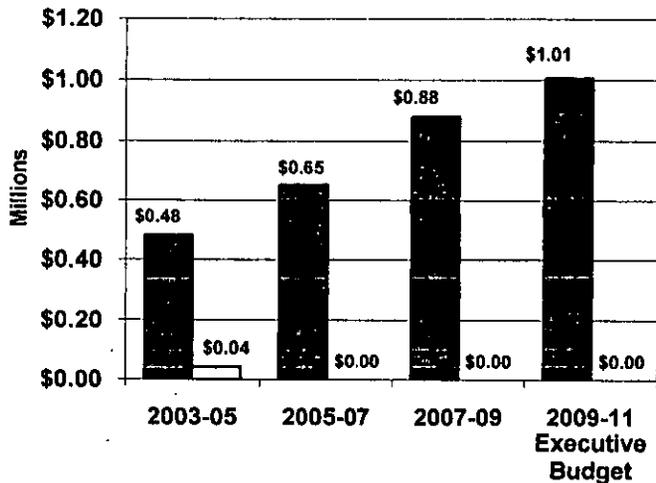
SB 2007

**Department 321 - Department of Veterans' Affairs**  
**Senate Bill No. 2007**

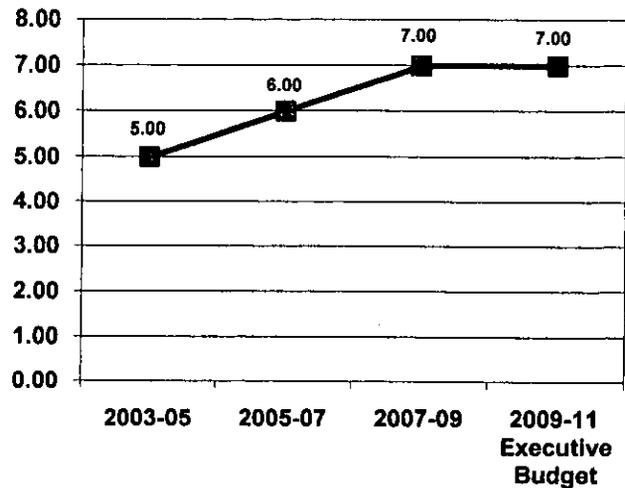
	FTE Positions	General Fund	Other Funds	Total
2009-11 Executive Budget	7.00	\$1,006,054	\$0	\$1,006,054
2007-09 Legislative Appropriations	7.00	878,278	0	878,278 <sup>1</sup>
Increase (Decrease)	0.00	\$127,776	\$0	\$127,776

<sup>1</sup>The 2007-09 appropriation amounts include \$11,506 from the general fund for the agency's share of the \$10 million funding pool appropriated to the Office of Management and Budget for special market equity adjustment for classified employees.

**Agency Funding**



**FTE Positions**



■ General Fund □ Other Funds

**Ongoing and One-Time General Fund Appropriations**

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2009-11 Executive Budget	\$1,006,054	\$0	\$1,006,054
2007-09 Legislative Appropriations	818,672	59,606	878,278
Increase (Decrease)	\$187,382	(\$59,606)	\$127,776

**First House Action**

The Senate did not change the executive budget recommendation for the Department of Veterans' Affairs. Attached is a summary of first house changes.

**Executive Budget Highlights**

	General Fund	Other Funds	Total
1. Removes one-time funding for the 2007-09 biennium	(\$59,606)	\$0	(\$59,606)
2. Provides funding to address salary equity issues, including \$1,200 for the related second-year salary increase	\$14,567	\$0	\$14,567
3. Provides funding for information technology increases, including loan software annual maintenance contract (\$5,000), technology fee for information Technology Department services (\$5,094), and equipment (\$6,075)	\$16,169	\$0	\$16,169
4. Provides funding for increased travel expenses	\$23,540	\$0	\$23,540
5. Provides funding to develop and provide training to county veterans' service officers	\$50,000	\$0	\$50,000

**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.

### **Major Related Legislation**

**House Bill No. 1057** - This bill requires county veterans' service officers maintain accreditation and provides \$20,000 from the general fund for accreditation training.

**House Bill No. 1414** - This bill relates to the issuance of special plates for surviving family members of fallen members of the militia.

**House Bill No. 1482** - This bill relates to the definition of foreign service, period of service, and payment of adjusted compensation.

**House Bill No. 1510** - This bill relates to veterans' preference.

**Senate Bill No. 2082** - This bill provides for the eligibility of veterans for resident tuition at state institutions of higher education.

**Senate Bill No. 2201** - This bill provides \$2,700,000 from the general fund to the Tax Commissioner for paying the state reimbursement for a property tax exemption for disabled veterans.

ATTACH:1

## STATEMENT OF PURPOSE OF AMENDMENT:

## ate Bill No. 2007 - Funding Summary

	Executive Budget	Senate Changes	Senate Version
<b>Veterans' Home</b>			
Salaries and wages	\$11,643,754		\$11,643,754
Operating expenses	4,709,709	(65,952)	4,643,757
Capital assets	165,313	129,284	294,597
New Veterans' Home	110,088		110,088
<b>Total all funds</b>	<b>\$16,628,864</b>	<b>\$63,332</b>	<b>\$16,692,196</b>
Less estimated income	11,467,611	(390,750)	11,076,861
General fund	\$5,161,253	\$454,082	\$5,615,335
<b>FTE</b>	<b>120.72</b>	<b>0.00</b>	<b>120.72</b>
<b>Department of Veterans' Affairs</b>			
Veterans' Affairs	\$1,006,054		\$1,006,054
<b>Total all funds</b>	<b>\$1,006,054</b>	<b>\$0</b>	<b>\$1,006,054</b>
Less estimated income	0	0	0
General fund	\$1,006,054	\$0	\$1,006,054
<b>FTE</b>	<b>7.00</b>	<b>0.00</b>	<b>7.00</b>
<b>Bill Total</b>			
Total all funds	\$17,634,918	\$63,332	\$17,698,250
Less estimated income	11,467,611	(390,750)	11,076,861
General fund	\$6,167,307	\$454,082	\$6,621,389
<b>FTE</b>	<b>127.72</b>	<b>0.00</b>	<b>127.72</b>

## ate Bill No. 2007 - Veterans' Home - Senate Action

	Executive Budget	Senate Changes	Senate Version
Salaries and wages	\$11,643,754		\$11,643,754
Operating expenses	4,709,709	(65,952)	4,643,757
Capital assets	165,313	129,284	294,597
New Veterans' Home	110,088		110,088
<b>Total all funds</b>	<b>\$16,628,864</b>	<b>\$63,332</b>	<b>\$16,692,196</b>
Less estimated income	11,467,611	(390,750)	11,076,861
General fund	\$5,161,253	\$454,082	\$5,615,335
<b>FTE</b>	<b>120.72</b>	<b>0.00</b>	<b>120.72</b>

## Department 313 - Veterans' Home - Detail of Senate Changes

	Changes Funding Source for Fringe Benefits Increase <sup>1</sup>	Adds Funding for Telephone System <sup>2</sup>	Total Senate Changes
Salaries and wages			
Operating expenses		(65,952)	(65,952)
Capital assets		129,284	129,284
New Veterans' Home			
Total all funds	\$0	\$63,332	\$63,332
Less estimated income	(390,750)	0	(390,750)
General fund	\$390,750	\$63,332	\$454,082
FTE	0.00	0.00	0.00

<sup>1</sup> This amendment changes the funding source for the increase in health insurance premiums provided in the Governor's recommendation from special funds to the general fund.

<sup>2</sup> This amendment increases capital assets funding by \$129,284 to purchase a telephone system for the new Veterans' Home facility from a local provider and decreases funding for operating expenses by \$65,952, the difference between the operating cost of the new system and the current appropriation for Information Technology Department services.

This amendment also:

- Provides that \$35,200 of funding from the general fund for the electronic health care records system is ongoing funding, and \$98,400 from the general fund is one-time funding.
- Adds a section authorizing one additional licensed basic care bed to the Veterans' Home providing a total of 98 basic care beds and 52 nursing facility beds.
- Adds a section providing that the Veterans' Home not hire any of the 24 FTE positions authorized for the new Veterans' Home facility prior to June 1, 2010.

### Senate Bill No. 2007 - Department of Veterans' Affairs - Senate Action

The Senate did not change the executive budget recommendation for the Department of Veterans Affairs.

Testimony on Senate Bill 2007  
Senate Appropriations Committee  
Department of Veterans Affairs  
January 8, 2009

*Same given to  
House*

*2*

Chairman Holmberg and Committee Members:

My name is Lonnie Wangen, I am the Commissioner of the Department of Veterans Affairs. I will briefly outline our current budget and our proposed 2009-2011 Budget.

First I would like to explain that our budget is a "Lump Sum" budget, meaning we have no line items. This allows us great flexibility in meeting our agency's needs throughout the biennium.

The first attachment has the "Lump Sum" amount.

The second attachment shows the breakdown of our budget dollars. The Two columns on the left reflect the 2007-2009 biennium appropriation given.

The three columns on the right show the proposed 2007-2009 biennium budget, the first column reflects the Governors Budget Appropriation. The Second and Third columns show the optional packages which we respectfully ask that you add to our budget.

The First request in our optional package is for a FTE Training Position. This would be an individual which would coordinate our County Veterans Service officers (CVSO's) training events to include the spring and fall training sessions, but most importantly this person would maintain up to date training materials and skills which would be used to train and integrate new CVSO's hired by the counties, retrain current CVSO's with up to date information and materials.

The second request in our optional package is CVSO training money. This is to help the expense of conducting training, travel to counties for out reach training, bringing in professional trainers in various fields and assisting counties during transition between CVSO's to ensure veteran care is not hindered.

I thank you for considering these important optional packages for our 2009-2011 budget.

If you have any questions, I will try to answer them for you.

Respectfully submitted,



Lonnie Wangen  
Commissioner  
ND-Veterans Affairs

Agency Name: DEPARTMENT OF VETERANS AFFAIRS  
 Program: Veterans Affairs Administration  
 Reporting Level: 00-321-100-00-00-00-00000000

1 Object/Revenue Code		2 2005-07 Biennium Expenditures	3 2007-09 First Year Expenditures	4 2007-09 Biennium Balance	5 Change from 2007-09	6 2009-11 Base Budget Changes	7 2009-11 Budget Recommendation
Description							
<b>FUNDING SOURCES</b>							
<b>GENERAL FUNDING SOURCES</b>							
STATE GENERAL FUND	001	651,496	375,659	502,619	127,776	95,073	1,006,054
TOTAL GENERAL FUNDS		651,496	375,659	502,619	127,776	95,073	1,006,054
	<b>TOTAL</b>	651,496	375,659	502,619	127,776	95,073	1,006,054
<b>TOTAL EXPENDITURES</b>		651,496	375,659	502,619	127,776	95,073	1,006,054
<b>FUNDING SOURCES</b>							
<b>GENERAL FUNDING SOURCES</b>							
STATE GENERAL FUND	001	651,496	375,659	502,619	127,776	95,073	1,006,054
TOTAL GENERAL FUNDS		651,496	375,659	502,619	127,776	95,073	1,006,054
<b>TOTAL FUNDING SOURCES</b>		651,496	375,659	502,619	127,776	95,073	1,006,054
<b>FTE COUNTS</b>	S100	0.00	0.00	0.00	7.00	0.00	7.00

2007 - 2009 Biennium

- 2011 Biennium

Optional Packages

	Budget Appropriation	One - Time Expenditures	Budget Appropriation	Training Position	CVSO Training
Salaries	\$459,942.00		\$476,168.00	57,216.00	
Salary Budget Adjustment	\$0.00		\$13,367.00		
Salary Increase	\$0.00		\$37,555.00		
Benefit Increase	\$0.00		\$6,145.00		
Temporary Salaries	11,960.00	11,960.00	0.00		
Fringe Benefits	189,759.00	1,196.00	222,146.00	25,724.00	
Travel	58,473.00		117,673.00	7,500.00	50,000.00
IT-Software/Supplies	2,050.00 IT	1,550.00	0.00 IT	300.00	
Supply/Materials-Prof	0.00		840.00	60.00	
Bldg, Grnds	325.00		360.00		
Misc. Supplies	1,450.00		0.00		
Office Supplies	5,000.00		4,200.00	300.00	
Postage	4,800.00		3,500.00	450.00	
Printing	2,682.00		2,100.00		
Equipment under \$5000	4,900.00 IT	800.00	6,075.00 IT	2,775.00	
Office Equip & Furn	38,250.00	38,250.00	0.00	1,500.00	
Utilities	1,700.00		5,280.00		
Insurance	2,160.00		1,482.00		
Lease/Rental Equip	7,100.00		6,174.00		
Lease/Rental Bldg	46,600.00		63,074.00		
Repairs	800.00		800.00		
IT-Data Processing	14,573.00 IT	5,850.00	13,938.00 IT	1,044.00	
IT-Communications	15,508.00 IT		16,331.00 IT	600.00	
IT - Contractual Services	5,000.00 IT		5,000.00 IT		
Professional Development	3,696.00		3,696.00	700.00	
Operating Fees	150.00		150.00		
Fees-Professional Service	500.00		0.00		
<b>TOTAL FUNDING</b>	<b>\$877,378.00</b>	<b>59,606.00</b>	<b>\$1,006,054.00</b>	<b>98,169.00</b>	<b>50,000.00</b>

Discharge Project  
Agency Security

**LISTING OF PROPOSED CHANGES TO SENATE BILL NO. 2007**

**Department of Veterans' Affairs**

**Proposed funding changes:**

<b>Description</b>	<b>FTE</b>	<b>General Fund</b>	<b>Special Funds</b>	<b>Total</b>
1 Decrease funding for salaries and wages to remove salary equity funding		(\$14,567)		(\$14,567)
2 Increase funding for salaries and wages (\$92,070) and operating expenses (\$15,229) for one FTE training position	1.00	107,299		107,299
3 Increase funding for operating expenses for the county veterans' service officer training program to provide a total of \$100,000		50,000		50,000
4 Increase funding to provide grants to counties to allow for the purchase of portable personal computers for county veterans' service officers		50,000		50,000
Total proposed funding changes		<u>\$192,732</u>	<u>\$0</u>	<u>\$192,732</u>

**Other proposed changes:**

None

1

Testimony on SB 2007  
Senate Appropriations Committee  
**ND Administrative Committee on Veterans' Affairs**  
Rudy Jenson, Chairman  
January 8, 2009

Good morning Chairman Holmberg and committee members. I am Rudy Jenson, Chairman of the Administrative Committee on Veterans' Affairs.

The Administrative Committee on Veterans' Affairs is a 15 member committee appointed by the Governor from names submitted by each of the state's 5 major veterans organizations. We are responsible for overseeing the operations of the North Dakota Department of Veterans' Affairs and the North Dakota Veterans' Home.

Our committee is responsible for assuring compliance with federal and state laws in the administration of both the Department of Veterans' Affairs and the Veterans' Home. For example, we oversee the emergency hardship grants program, veterans aid loan program, and van transportation program run by the Department of Veterans' Affairs.

These programs, as will be reported in later testimony, have helped many of the state's veterans and their dependents. Most of these programs are funded from the interest earned on the Veterans' Postwar Trust Fund.

We are here to help our state's 60,000 veterans, their spouses and dependents. Working together with county veterans' service officers, numerous federal, state, tribal and local agencies, as well as community and professional groups our two departments, the Department of Veterans' Affairs and the State Veterans' Home, are able to assist our veterans in their obtaining the benefits and services to which they are entitled.

I want to respectfully ask for your consideration to support funding for the Veterans' Affairs Department to do outreach work with county veterans service officers. The Department requested \$100,000 to develop, train, and provide outreach to County Veterans' Service Officers. The Governor's budget recommended \$50,000 or half of the amount requested. Your consideration of the full \$100,000 would be greatly appreciated. Commissioner Wangen will address this further in his testimony.

Secondly, I would urge your support of the operating budget for the Veterans' Home. The Governor's budget includes the necessary staffing for the new home, as well as e-charting software to convert and maintain resident records electronically.

Additionally, let me also urge you to support equity funding for state employees. Low salaries seriously impact our agencies. Your support for this would be appreciated.

The Administrative Committee on Veterans' Affairs approved both of these budgets. Today, the agencies will make the actual budget presentations to your committee. Veterans' Affairs Commissioner, Lonnie Wangen will present the budget for the Department of Veterans' Affairs. Veterans' Home Administrator, Mark Johnson, and the Home's accounting manager, Kristin Lunneborg, will present the Veterans' Home budget.

At the close of the hearing on SB 2007, I will again address you on the issue of the construction of a new Veterans' Home at Lisbon, which is contained in SB 2025.

Thank you.

A

Testimony on SB 2007  
House Appropriations Committee  
**ND Administrative Committee on Veterans' Affairs**  
Rudy Jenson, Chairman  
March 16, 2009

Good morning Chairman Pollert and committee members. I am Rudy Jenson, Chairman of the Administrative Committee on Veterans' Affairs.

The Administrative Committee on Veterans' Affairs is a 15 member committee appointed by the Governor from names submitted by each of the state's 5 major veterans' organizations. We are responsible for overseeing the operations of the North Dakota Department of Veterans' Affairs and the North Dakota Veterans' Home.

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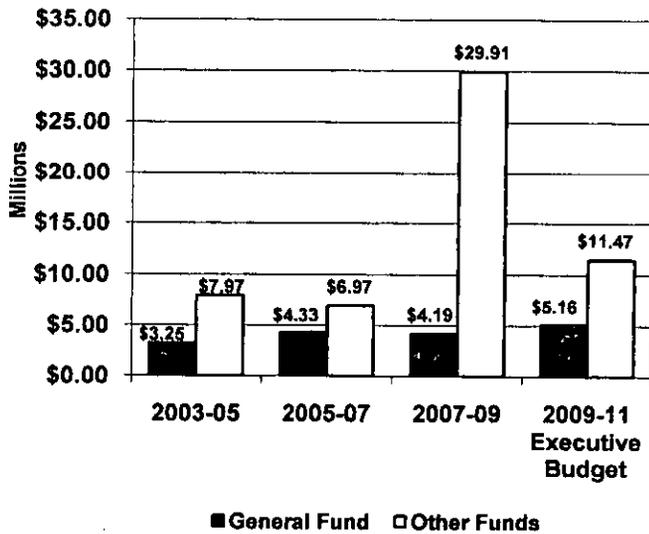
Thank you.

**Department 313 - Veterans' Home  
 Senate Bill No. 2007**

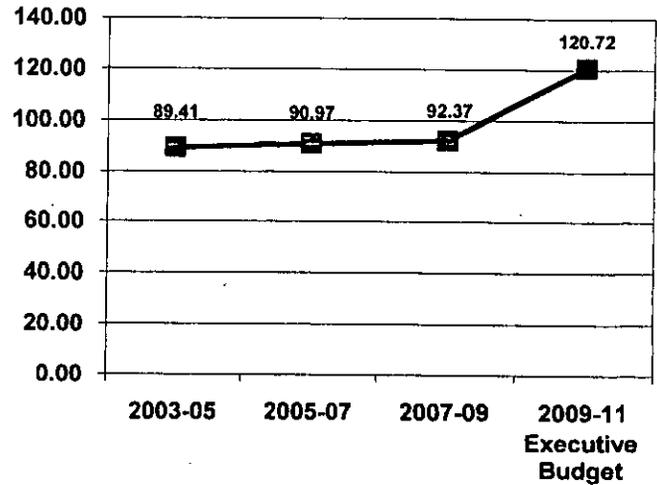
	FTE Positions	General Fund	Other Funds	Total
2009-11 Executive Budget	120.72	\$5,161,253	\$11,467,611	\$16,628,864
2007-09 Legislative Appropriations	92.37	4,189,013	29,914,552	34,103,565 <sup>1</sup>
Increase (Decrease)	28.35	\$972,240	(\$18,446,941)	(\$17,474,701)

<sup>1</sup>The 2007-09 appropriation amounts include \$63,747 from the general fund for the agency's share of the \$10 million funding pool appropriated to the Office of Management and Budget for special market equity adjustments for classified employees. The 2007-09 appropriation amounts do not include \$109,000 of additional general fund authority and \$2,252,500 of additional special funds authority resulting from Emergency Commission action during the 2007-09 biennium.

**Agency Funding**



**FTE Positions**



**Ongoing and One-Time General Fund Appropriations**

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2009-11 Executive Budget	\$4,897,565	\$263,688	\$5,161,253
2007-09 Legislative Appropriations	3,923,313	265,700	4,189,013
Increase (Decrease)	\$974,252	(\$2,012)	\$972,240

**First House Action**

Attached is a summary of first house changes.

**Executive Budget Highlights  
 (With First House Changes in Bold)**

**Salaries and Wages**

	General Fund	Other Funds	Total
1. Increases .65 FTE account technician I position to a 1.00 FTE account technician I position		\$29,465	\$29,465
2. Adds funding for 3.00 FTE health care orderly II positions approved by the Emergency Commission during the 2007-08 interim		\$238,590	\$238,590
3. Adds funding for .40 FTE cook I position		\$8,642	\$8,642
4. Removes .40 FTE security officer I position	(\$34,674)		(\$34,674)
5. Adds funding for 2.70 FTE cook I positions for the new building	\$3,886	\$77,027	\$80,913
6. Adds funding for .50 FTE administrative assistant II position for the new building	\$719	\$20,507	\$21,226

7. Adds funding for 2.50 FTE registered nurse III positions for the new building	\$7,006	\$162,043	\$169,049
8. Adds funding for 1.00 FTE social work designee position for the new building	\$1,641	\$43,437	\$45,078
9. Adds funding for 1.00 FTE custodian position for the new building	\$1,435	\$25,894	\$27,329
10. Adds funding for 1.00 FTE laundry worker position for the new building	\$1,439	\$25,465	\$26,904
11. Adds funding for .50 FTE registered pharmacy technician position for the new building	\$719	\$19,670	\$20,389
12. Adds funding for 1.00 FTE custodian position	\$4,260	\$64,647	\$68,907
13. Adds funding for 14.80 FTE health care orderly II positions for the new building	\$485,395		\$485,395
14. Provides funding to address salary equity issues, including \$4,995 for the related second-year salary increase	\$104,899		\$104,899
<b>Operating Expenses</b>			
15. Provides <b>one-time funding</b> for nursing equipment under \$5,000 for each neighborhood in the new facility, including scales, blood pressure machines, hemoglobin monitors, otoscopes, resident lifts, treatment tables, and therapy equipment		\$82,955	\$82,955
16. Increases funding for pharmaceutical costs to provide a total of \$1,036,500		\$246,200	\$246,200
17. Increases funding for utility costs to provides a total of \$702,000		\$210,500	\$210,500
18. Increases funding for Information Technology Department rate increases and data processing to provide total Information Technology Department data processing and communications costs of \$280,060		\$88,960	\$88,960
19. Increases funding for administrative professional services to provide a total of \$110,000		\$38,000	\$38,000
20. Increases funding for food to provide a total of \$877,774	\$233,857	\$75,417	\$309,274
21. Increases funding for motor pool costs due to rate increases		\$31,500	\$31,500
22. Increases funding for supplies and materials, office supplies, and miscellaneous supplies		\$113,500	\$113,500
23. Increases funding for social services professional services to provide a total of \$35,000		\$31,000	\$31,000
24. Increases funding for nursing professional services to provide a total of \$300,000		\$68,000	\$68,000
25. Increases funding for pharmacy professional services to provide a total of \$9,500		\$5,550	\$5,550
26. Increases funding for other operating expenses		\$37,770	\$37,770
27. Decreases funding for equipment		(\$100,700)	(\$100,700)
<b>Capital Assets</b>			
28. Removes prior capital asset appropriation provided in the 2007-09 biennium	(\$126,869)	(\$203,478)	(\$330,347)
29. Provides <b>one-time funding</b> for carpet and floor tile (\$20,000), a Bobcat Toolcat (\$12,797), ATV (\$5,000), and thermal imager (\$5,500)	\$20,000	\$23,297	\$43,297
30. Provides funding for a carpet cleaner (\$8,925) and a Bobcat utility vehicle (\$14,691)		\$23,616	\$23,616
31. Provides <b>one-time funding</b> for an electronic health record system, including \$35,200 for operating expenses. <b>The House adjusted one-time funding to exclude the operating expenses.</b>	\$133,600		\$133,600
<b>Life Safety Improvements</b>			
32. Removes one-time funding for life safety improvements provided in the 2007-09 biennium	(\$265,700)		(\$265,700)

**New Veterans' Home**

33. Removes prior capital asset appropriation for the new building provided in the 2007-09 biennium	(\$109,000)	(\$23,117,656)	(\$23,226,656)
34. Provides <b>one-time funding</b> for a construction project manager for the new Veterans' Home building project	\$110,088		\$110,088

**Other Sections in Bill**

**Exception to the moratorium on basic care bed capacity** - The Senate added a section authorizing one additional licensed basic care bed to the Veterans' Home providing a total of 98 basic care beds and 52 nursing facility beds.

**Legislative intent** - The Senate added a section providing that the Veterans' Home not hire any of the 24 FTE positions authorized for the new Veterans' Home facility prior to June 1, 2010.

**Continuing Appropriations**

**Custodial funds** - North Dakota Century Code (NDCC) Section 37-15-21 - The Veterans' Home may accept gifts, donations, or bequests, and any money received must be used for the specific purposes as designated by the donor or grantor.

**Major Related Legislation**

**Senate Bill No. 2025** - This bill provides an appropriation of \$10,588,895, of which \$7,944,991 is from the general fund, to the Veterans' Home for the purpose of building a new facility. The bill also continues the appropriation of \$6,483,226 from the permanent oil tax trust fund and \$12,040,278 from federal funds and bond issuance authorization for project costs associated with expanding the Veterans' Home construction project from a 121-bed capacity facility to a 150-bed facility provided by 2007 Senate Bill No. 2418.

**Senate Bill No. 2075** - This bill provides a \$1,118,134 general fund appropriation to the Veterans' Home for improvements associated with the new Veterans' Home.

**Senate Bill No. 2133** - This bill provides Veterans' Home resident fees may be established by the Veterans' Home Governing Board rather than the Administrative Committee on Veterans' Affairs and allows the Veterans' Home to purchase or arrange for independent third-party telephone services.

ATTACH:1

SENATE APPROPRIATION COMMITTEE HEARING  
THURSDAY, JANUARY 8, 2009

Chairman Holmberg and members of the Senate Appropriations Committee, I am Kristin Lunneborg, Accounting Manager at the North Dakota Veterans Home. I am here today to update you on our 2007-2009 budget appropriation and status of our one-time funding items and to inform you of our 2009-2011 budget needs.

2007 – 2009 Budget Appropriation

Our total operating budget for the 2007-2009 biennium was \$13,113,151, which includes \$240,442 for one-time funding. We did go to the Emergency commission in November 2008 to request permission to transfer \$300,000 from the salaries and benefits line item to the operating line item. The line item transfer was requested due to increased costs for contract nursing, food, utilities and supplies. Staff turnover and staff out on medical leave has forced us to utilize contract nursing to fill our shifts. The costs for contract nursing are paid out of the operating line item. High fuel prices had a huge impact on our utility and supply costs, including our food costs which are approximately 20% over budget.

The Veterans Home has made several requests to the emergency commission this biennium. The first requests were made in March 2008, one request was to increase the appropriation for the new Veterans Home and the other request was for 3 FTE positions and \$133,500 in increased appropriation authority. On August 23 & 24, 2007, the VA Medical Center surveyed the Veterans Home and cited us under VA Standard of Care 51.201c for insufficient staffing on the evening shift. On December 19, 2007, the VA Medical Center did a focus review and cited us for unsafe medication administration practices. These two citations prompted us to request the 3 FTE positions to allow us to hire medication aides for basic care.

In November 2008, we made an Emergency commission request for 2.8 FTE to hire a full-time medication aide and a weekend CNA for the skilled nursing home. These positions were requested to comply with the two citations from the VA Medical Center.

We did not request any additional funding authority as we have a surplus in the salary line item that will cover this.

#### 2007-2009 One-time Funding Items

The State appropriated \$165,700 for life safety improvements that were mandated by the VA Medical Center. All work on these improvements has been completed, for a total cost of \$130,725, resulting in a net turn back to the State of \$34,975.

The State also appropriated \$100,000 to be used for preplanning costs relating to the construction of a new veterans home. All of these funds have been spent and will be submitted to the Federal Department of Veterans Affairs for matching reimbursement.

SB 2418 included one-time funding of \$6,483,226 from the permanent oil tax trust fund for the new Veterans Home. This money will continue to be spent as work progresses on the new home.

#### 2009-2011 Budget

The budget for the 2009-2011 biennium was a difficult one to prepare as we are budgeting for one year in the current facility and one year in the new facility. The new facility is being built in the "household" and "neighborhood" concept and will deliver care in a totally different manner. This concept has universal workers providing most of the care for the residents. We will be looking at possible reclassifications to many of our positions in nursing, dietary, housekeeping, social services and activities. We are also requesting additional FTE as we will be delivering care to approximately 30 more residents and our building size will increase from 100,000 sq. ft. to 160,000 sq. ft.

The major changes to our 2009-2011 budget request relate to the increased costs for utilities, supplies, travel and the costs related to the increase in residents we will have once we move into the new facility.

Of the \$2,810,639 increase in the salaries and benefits line item, \$1,583,765 is attributed to the Governor's salary recommendations, \$197,247 is for equity increases and the additional FTE requested from the Emergency commission and the remaining increase is for the additional FTE requested for the new facility.

The \$1,197,700 increase in operating expenses can be broken down as follows:

\$45,500	Travel – increase in motor pool rates
\$210,500	Utilities – increased costs for fuel oil, electricity and city services
\$667,700	Supplies – chemicals, medical supplies, food, medications
\$41,000	IT – based on increase in ITD rates
\$48,000	Telephone – based on ITD rates, additional phones in new bldg.
\$74,500	Consulting fees – relief pharmacist, increased need for consulting services for residents, IT services, Attorney General services
\$68,000	Professional services – primary care medical
\$35,000	Monthly fees for e-charting system
\$7,000	Leases and rentals – water softeners, etc.

All budget projections were prepared using vendor estimates of future rate increases.

Many of our supply vendors projected rates to increase 20 – 25% per year.

We have a significant decrease in the capital assets line as the bond issue for the skilled addition is being paid off this biennium.

#### 2009-2011 One-time Funding Needs

The Veterans Home is requesting one-time funding of \$133,600 for an electronic health records system, \$110,088 for a project manager for the construction of the new Veterans Home and \$20,000 for carpet and tile repairs.

Of the \$133,600 requested for the electronic health records system, \$98,400 is to purchase the software and \$35,200 is for monthly maintenance and support fees associated with using the software. The correct amount of the one-time funding should be \$98,400, not the total \$133,600, as the monthly maintenance fees of \$35,200 would be an ongoing operating expense.

The electronic health records system would replace our current paper medical records system with a completely electronic records system. The system would include clinical records, electronic medication administration records, electronic charting, MDS submission, accounting and billing. The current system at the Veterans Home is hard to work with, does not produce the required reports, and has very poor accounting and billing functions. Our recent audit report from the State Auditor's Office addressed the internal control weaknesses with our current system and recommended that we purchase a new system that has the necessary internal controls. The electronic health records system would eliminate paper medical records, allow real time input of medical information, allow for the electronic interchange of medical information with other health care providers, insure timely and accurate medication dispensing, and allow the Veterans Home to comply with Presidential Executive Order 13335.

We are requesting \$110,088 for a project manager to oversee the construction of the new Veterans Home. Due to the scope of the project and the amount of time Veterans Home staff had to spend on the project, it was recommended by the Governor's office and OMB that we hire a project manager.

We are requesting \$20,000 for carpet and tile repairs. Due to the age and wear on some of the flooring in the building, we may need to fix these areas if they become a safety hazard. Our goal is to not put any additional money into the existing facility unless something is in need of repair.



We are asking for your support of our 2009-2011 biennium budget. The increase in general fund dollars requested can be attributed to the Governor's salary recommendations. The remaining increase in expenses will be paid for with the anticipated \$2,678,000 in additional special fund revenue to be generated next biennium.

Although we will have increased expenses with 30 more residents, we anticipate a significant increase in special fund revenue from residents rent payments and federal per diem payments. We will not see the full effect of this in the 2009-2011 biennium as we project that it may take up to 6 months to fill all the additional beds. We hope to decrease our general fund appropriation in the 2011-2013 biennium due to the increase in special fund revenue that the new home will generate.

Thank you for allowing me the opportunity to speak to you about our budget.



TESTIMONY ON SB 2007  
HOUSE HUMAN RESOURCES COMMITTEE  
MONDAY, MARCH 16, 2009

Chairman Pollert and members of the Human Resources Committee, I am Kristin Lunneborg, Accounting Manager at the North Dakota Veterans Home. I am here today to update you on our 2007-2009 budget appropriation, the status of our one-time funding items and to inform you of our 2009-2011 budget needs.

Our 2007 – 2009 Budget Appropriation

Our total operating budget for the 2007-2009 biennium is \$13,113,151, which includes \$240,442 of one-time funding. With 17% of the biennium remaining, we have spent 82% of our current budget appropriation. I have no doubt we will spend 100% of the budget by the end of the biennium and I anticipate that we may have to go to the emergency commission for additional funding authority before the end of the biennium.

We have made several requests to the emergency commission this biennium. In March 2008, we made two requests, one request was to increase the appropriation for the new veterans home and the other request was for 3 FTE positions and \$133,500 in increased appropriation authority. On August 23 & 24, 2007, the VA Medical Center surveyed the veterans home and cited us under VA Standard of Care 51.201c for insufficient staffing on the evening shift. On December 19, 2007, the VA Medical Center did a focus review and cited us for unsafe medication administration practices. These two citations prompted us to request the 3 FTE positions to allow us to hire medication aides for basic care.

In November 2008, we made a request to the Emergency commission to transfer \$300,000 from the salaries and benefits line item to the operating line item. The line item transfer was requested due to increased costs for contract nursing, travel, food, and utilities. Staff turnover and staff on medical leave has forced us to utilize contract nursing to fill some of our nursing shifts. The line item transfer was needed as the costs for contract nursing are paid out of the operating line item rather than the salary line item.

High fuel prices have also had a huge impact on our utility, travel and supply costs, including our food costs which are currently 20% over budget.

The second request we made to the Emergency Commission in November 2008 was for 2.8 FTE to hire medication aides for the pm shift and a weekend CNA for the skilled nursing home. These positions were requested to comply with the two citations from the VA Medical Center.

#### Status of 2007-2009 One-time Funding Items

The State appropriated \$165,700 for life safety improvements that were mandated by the VA Medical Center. All work on these improvements has been completed, for a total cost of \$130,725, resulting in a net turn back to the State of \$34,975.

The State also appropriated \$100,000 to be used for preplanning costs relating to the construction of a new veterans home. All of these funds have been spent and will be submitted to the Federal Department of Veterans Affairs for matching reimbursement.

SB 2418 included one-time funding of \$6,483,226 from the permanent oil tax trust fund for the new veterans home. This money will continue to be spent as work progresses on the new home.

#### Our 2009-2011 Budget Needs

The budget for the 2009-2011 biennium was a difficult one to prepare as we are budgeting for one year in the current facility and one year in the new facility. The new facility is being built in the "household/neighborhood" concept and will deliver care in a totally different manner. This concept has universal workers providing most of the care for the residents. We will be looking at possible reclassifications to many of our positions in nursing, dietary, housekeeping, social services and activities. We are also requesting

additional FTE as we will be delivering care to approximately 35 more residents and our building size will increase from 100,000 sq. ft. to 160,000 sq. ft.

The major changes to our 2009-2011 budget request relate to the increased costs for utilities, supplies, and travel and the costs related to the increase in residents we will have once we move into the new facility.

Of the \$2,810,639 increase in the salaries and benefits line item, \$1,583,765 is attributed to the Governor's salary recommendations, \$197,247 is for equity increases, \$333,623 is the additional FTE (5.8) requested from the Emergency commission to meet the VA staffing requirements, and the remaining increase is for the additional FTE requested for the new facility.

One of the greatest challenges that we are facing is the shortage of staff. Although the unemployment rate is high, we are still having difficulties finding the staff we need. The main reason for this is that we cannot offer wages that compete with the other employers. Our wages are lower than the surrounding nursing homes and well under the wages being offered in the bigger cities. We have had staff leave for jobs that are paying up to \$7.00 more per hour. The state does offer a good benefits package but that is not enough to attract and retain employees. We cannot compete with other employers. Another factor to consider is the package being offered to Long Term Care in HB 1012. HB 1012 passed through the House with a 6 & 6 inflator and a wage pass through of \$1 for each employee earning a salary less than the eightieth percentile. We need all the equity and wage increase money that has been recommended in the Governor's budget in order to be able to attract and retain staff.

The \$1,131,757 increase in operating expenses can be broken down as follows:

\$45,500	Travel
\$210,500	Utilities
\$650,000	Supplies

\$41,000	IT – data processing
\$74,500	Consulting fees
\$68,000	Professional services
\$35,000	Monthly fees for e-charting system
\$7,000	Leases and rentals

I will go into these in more detail in a few minutes. All budget projections were prepared using vendor estimates of future rate increases. Many of our supply vendors projected rate increases of 20 – 25% per year.

There is a significant decrease in our capital assets line as the bond issue for the skilled addition will be paid off this biennium.

Our 2009-2011 One-time Funding Needs

The veterans home is requesting one-time funding of \$98,400 for an electronic health records system, \$110,088 for an owners representative for the construction of the new veterans home and \$20,000 for carpet and tile repairs.

We are requesting \$133,600 for the electronic health records system, \$98,400 is one-time funding to purchase the software and \$35,200 is for monthly maintenance and support fees associated with using the software. The amount of one-time funding was incorrectly stated in our bill as \$133,600 and was corrected by an amendment in the Senate.

The electronic health records system would replace our current paper medical records system with a completely electronic records system. The system would include clinical records, electronic medication administration records, electronic charting, MDS submission, accounting and billing. The current system at the veterans home is hard to work with, does not produce the required reports, and has very poor accounting and billing functions. Our recent audit report from the State Auditor’s Office addressed the internal control weaknesses with our current system and recommended that we purchase

a new system that has the necessary internal controls. The electronic health records system would eliminate paper medical records, allow real time input of medical information, allow for the electronic interchange of medical information with other health care providers, insure timely and accurate medication dispensing, and allow the veterans home to comply with Presidential Executive Order 13335.

We are requesting \$110,088 of one-time funding to hire an owners representative to oversee the construction of the new veterans home. Due to the scope of the project and the amount of time Veterans Home staff have had to spend on the project, it was recommended by the Governor's office and OMB that we hire an owners rep. This individual will help to oversee and manage the construction project, reducing the amount of time that the Veterans Home staff will have to spend on the project. The other benefit to hiring an owners rep is that this individual will possess the knowledge and skill to oversee the project, which will potentially save the State money.

We are requesting \$20,000 of one-time funding for carpet and tile repairs. Due to the age and wear on some of the flooring in the building, we may need to fix these areas if they become a safety hazard. Our goal is to not put any additional money into the existing facility unless something is in need of repair.

There were several changes made by the Senate to our budget. Besides clarifying the correct amount of the one-time spending for the electronic health records system, the senate corrected a funding issue with the health insurance increase. The funding of the health insurance increase is calculated by the Bars system. It splits the increase amount proportionate to how the salaries and benefits are split in the system. For example, if the salary budget for administration was paid for with 90% special funds and 10% general funds, Bars would split the health insurance increase 90% special and 10% general. The problem with this is that the system allotted \$390,750 of the health insurance increase to special funds and we used all of our special fund revenue in figuring out the budget submitted to OMB, leaving no special fund revenue to fund the increase. This increase is put in the budget after we submit our budget to OMB and we did not notice the issue until

after we testified in the Senate. The Senate made an amendment to switch the health insurance increase to all General funds.

The Senate also added a moratorium to the basic care bed capacity to allow us to have one basic care bed. We are currently licensed for 150 beds with the VA and 149 with the State. We had 150 beds licensed with the State but the State "de-licensed" one bed as it was being used as a treatment/sick bay bed. The solution made with the Health Department and Human Services Department was to add a moratorium for one basic care bed.

The last change made by the Senate was in relation to funding the exemption of the Veterans Home from the state ITD telephone system (SB 2133). The change decreased the operating line by \$65,952 and increased the capital line item by \$129,284. This will allow the Veterans Home to purchase an independent third party telephone system. The decrease in the operating line is due to the cost savings that we will see by having a third party telephone system. By having the third party telephone system, we will be able to save the State almost ½ million dollars in a ten year period.

Although the amount of additional staff we are requesting for the new facility may concern you, there are more FTE needed to staff a facility that runs on a 24/7 schedule. It requires 1.4 FTE to staff an 8 hour shift 7 days a week. Since the Federal VA mandates the staffing levels that we must have, additional staff are needed to care for the additional 35 residents that we will have in the new facility. It is also important to note that although we are requesting \$506,000 in general funds to fund these FTE, we will gain \$620,000 in special fund revenue. The general funds are only needed to fund these FTE this biennium as the revenue generated from the additional residents will pay for these FTE in the future.

We are asking for your support of our 2009-2011 biennium budget. The increase in general fund dollars requested can be attributed to the Governor's salary

recommendations. The remaining increase in expenses will be paid for with the anticipated \$2,678,000 in additional special fund revenue to be generated next biennium.

Although we will have increased expenses with 35 more residents, we anticipate a significant increase in special fund revenue from resident rent payments and federal per diem payments. We will not see the full effect of this in the 2009-2011 biennium as we project that it may take up to 6 months to fill all our beds. We hope to decrease our general fund appropriation in the 2011-2013 biennium due to the increase in special fund revenue that the new home will generate.

Kristin Lunneborg  
North Dakota Veterans Home Accounting Manager  
701-683-6503  
[klunneborg@nd.gov](mailto:klunneborg@nd.gov)

111

**FINANCIAL IMPACT OF TELEPHONE SYSTEM**

		<u>Operating</u>	<u>Capital</u>	<u>Change to Budget</u>	
<b><u>Option 1</u></b>	<b><u>Remain with ITD</u></b>				
	Current appropriation in budget	\$155,160		\$0	
<b><u>Option 2</u></b>	<b><u>Lease purchase system from other provider</u></b>				
	Operate ITD system in current facility	\$76,500			
	Lease purchase costs per year for new facility	<u>\$54,948</u>			
		\$131,448		-\$23,712	Decrease in operating line item
<b><u>Option 3</u></b>	<b><u>Purchase system outright from other provider</u></b>				
	Operate ITD system in current facility	\$76,500			
	Monthly costs for outside system	<u>\$12,708</u>			
		\$89,208		-\$65,952	Decrease in operating line item
	Capital outlay to purchase system	\$129,284	\$129,284	\$129,284	Increase needed in capital line item

**LISTING OF PROPOSED CHANGES TO SENATE BILL NO. 2007**

**Veterans' Home**

**Proposed funding changes:**

Description	FTE	General Fund	Special Funds	Total
1 Decrease funding for salaries and wages to remove salary equity funding (see No. 1 under <b>Other proposed changes</b> .)		(\$104,899)		(\$104,899)
2 Increase <b>one-time</b> funding from federal stimulus funds, available through the Department of Commerce, for capital assets to provide for a geothermal heating system in the new Veterans' Home facility (see Nos. 2 and 5 under <b>Other proposed changes</b> .)			\$3,039,414	3,039,414
3 Decrease funding for salaries and wages to remove funding to address salary equity issues		(197,247)		(197,247)
4 Decrease funding for capital assets by \$20,000 and decrease funding for operating expenses by \$24,900 to remove funding for carpet and various other equipment items under \$5,000		(21,619)	(23,281)	(44,900)
5 Decrease funding for operating expenses to reduce travel expenses		(22,000)		(22,000)
6 Decrease funding for capital assets to remove funding for a Bobcat utility vehicle			(14,691)	(14,691)
7 Decrease funding for capital assets to remove funding for an all-terrain vehicle			(5,000)	(5,000)
8 Decrease funding for operating expenses to reduce utility expense		(50,000)		(50,000)
9 Decrease funding from the general fund and increase funding from special funds to change the funding source for the the electronic health records system from the general fund to federal funds made available under the American Recovery and Reinvestment Act of 2009		(98,400)	98,400	0
10 Decrease funding for salaries and wages to remove funding for temporary maintenance salaries		(20,000)		(20,000)
11 Decrease funding for operating expenses		(35,000)		(35,000)
<b>Total proposed funding changes</b>		<u>(\$549,165)</u>	<u>\$3,094,842</u>	<u>\$2,545,677</u>

**Other proposed changes:**

- 1 Add a section that directs the Office of Management and Budget to provide .75 of one percent of any general fund salary equity pool appropriated for salary equity increases for state employees to the Veterans' Home, for the biennium beginning July 1, 2009, and ending June 30, 2011

- 2 Add a section to provide the appropriation for the geothermal heating system to be an emergency measure
- 3 Add a section to require the construction project manager to submit quarterly summary reports regarding the new Veterans' Home construction project to the Budget Section
- 4 Identify the portion of salaries and wages for the FTE positions in the new building funded by general funds (\$502,240) as **one-time** funding
- 5 Add a section to provide a contingent general fund appropriation for the thermal imager (\$5,500), the electronic health records system (\$98,400), and the geothermal heating system in the new Veterans' Home facility (\$3,039,414). The general fund appropriation is available only if federal stimulus funds, available under the American Recovery and Reinvestment Act of 2009, are not available for these items.
- 6 Add a section to replace the special funding identified for the Bobcat utility vehicle (\$14,691) and the all-terrain vehicle (\$5,000) with federal stimulus funds available under the American Recovery and Reinvestment Act of 2009

3

<b>NORTH DAKOTA VETERANS HOME</b> <b>2009-2011 BUDGET DETAIL</b>
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**ADMINISTRATION DEPARTMENT**  
 Reporting level 00-313-100-00

**EXPLANATION OF PROGRAM COSTS**

Program costs for the administration department include salaries and benefits for administrative staff and facility expenses for insurance, legal fees, postage, office supplies, information technology, telephone, data processing, background checks, board meeting fees and auditing fees.

**BUDGET BY TRADITIONAL LINE**

<u>Description</u>	<u>2007-2009 Budget</u>	<u>2009-2011 Executive Recommendation</u>	<u>% of Executive Recommendation</u>	<u>Change From 07-09</u>
Salaries	660,114	905,379	53%	245,265
Operating	492,800	689,060	41%	196,260
Capital	260,205	98,400	6%	-133,336
<b>Total</b>	<b>1,413,119</b>	<b>1,692,839</b>	<b>100%</b>	<b>279,720</b>
General	334,707	476,461		141,754
Special	1,078,412	1,216,378		137,966
<b>Total</b>	<b>1,413,119</b>	<b>1,692,839</b>		<b>279,720</b>
FTE	5.65	6		.35

**LINE ITEM DETAIL**

Salaries and Benefits - \$905,379 53% of budget

- Administrator 1.0 FTE
- Executive Secretary - 1.0 FTE
- Accounting Manager - 1.0 FTE
- Account Technician - 1.0 FTE
- Account Technician - 1.0 FTE
- Human Resource Technician - 1.0 FTE

Travel - \$42,000 2% of budget

Expenses include employee reimbursed travel and governing board travel

IT Supplies - \$6,500 .4% of budget

Software licenses and IT equipment under \$750

Supplies and materials/professional - \$2,500 .1% of budget

Resource materials, educational supplies and testing supplies

Building, ground and maintenance - \$1,500 .1% of budget

Miscellaneous building supplies

Miscellaneous supplies - \$5,500 .3% of budget

Marketing supplies, miscellaneous items

Office supplies - \$56,000 3% of budget

Office supplies for facility, ink jet cartridges and toner

Postage - \$9,000 .5% of budget

Stamps and mailing of packages

Printing - \$5,000 .3% of budget

Printing of letterhead, envelopes and business cards

IT equipment under \$5,000 - \$43,500 3% of budget

This funding will replace ½ of the computer work stations in the facility and allow us to purchase 8 tablet computers for the electronic health records system

Rentals/leases of equipment - \$5,000 .3% of budget

Lease payments for copy machine

Data Processing - \$124,900 7% of budget

ITD charges for each computer workstation

IT - Communications - \$155,160 9% of budget

Telephone charges

IT- Contractual services - \$61,100 4% of budget

Maintenance and support agreements for our computer software programs

Professional development - \$21,000 1% of budget

Workshop and convention registrations, dues and memberships fees

Operating fees and services - \$7,000 .4% of budget

Help wanted ads, advertising and background checks

Professional services - \$110,000 6% of budget

Legal fees, auditing fees, drug testing fees, IT consultant fees.

IT equipment over \$5,000 - \$98,400 6% of budget  
Purchase of electronic health records system software

### **SIGNIFICANT CHANGES**

**Salaries and benefits - \$245,265 increase**

.35 increase in FTE for account technician  
Governor's recommended 5% and 5% compensation adjustment  
Governor's recommended equity package  
Health insurance increase

**Travel - \$14,000 increase**

Employee and governing board reimbursed travel expenses, increased number of board meetings due to building project, increased travel costs

**Office supplies - \$22,000 increase**

Increase in cost of supplies, purchase of ergonomic supplies, file cabinets, some specialty products have really increased in price ie. Backup tapes

**IT communications - \$48,060 increase**

Due to increase in ITD rates for phones and phone services

**IT contractual services - \$35,200 increase**

Increase is for monthly maintenance and support fees for the electronic health records system

**IT data processing - \$40,900 increase**

Based ITD's fees for our computer workstations.

**Professional service fees - \$38,000 increase**

Increase in IT consultant fees, increased legal fees, drug testing fees

### **2007-2009 BUDGET**

As of February 2009, 88% of this cost center's budget has been expended. Anticipate 100% expended at the end of this biennium.

Agency Name: VETERANS HOME  
 Program: Administration  
 Reporting Level: 00-313-100-00-00-00-00000000

1 Object/Revenue		2	3	4	5	6	7
Description		2005-07 Biennium Expenditures	2007-09 First Year Expenditures	2007-09 Biennium Balance	2007-09 Biennium Appropriation	2009-11 Budget Recommendation	Change from 2007-09
Code							
EXPENDITURES							
SALARIES - PERMANENT	511000	423,415	252,984	204,995	457,979	508,518	50,539
SALARY BUDGET ADJUSTMENT	511900	0	0	0	0	99,904	99,904
SALARIES - OTHER	512000	963	2,233	2,767	5,000	300	(4,700)
TEMPORARY SALARIES	513000	39,694	5,366	2,634	8,000	0	(8,000)
OVERTIME	514000	31,148	12,593	14,407	27,000	30,000	3,000
FRINGE BENEFITS	516000	150,013	96,945	65,190	162,135	216,330	54,195
SALARY INCREASE	599110	0	0	0	0	43,771	43,771
BENEFIT INCREASE	599160	0	0	0	0	6,556	6,556
SALARIES AND WAGES	10	645,233	370,121	289,993	660,114	905,379	245,265
MEANS OF FUNDING							
STATE GENERAL FUND	001	412,602	0	31,873	31,873	166,896	135,023
General Fund	GEN	412,602	0	31,873	31,873	166,896	135,023
SOLDIERS HOME FUND 380	380	232,631	370,121	258,120	628,241	738,483	110,242
Special Funds	SPEC	232,631	370,121	258,120	628,241	738,483	110,242
EXPENDITURES							
TRAVEL	521000	43,677	21,460	6,540	28,000	42,000	14,000
SUPPLIES - IT SOFTWARE	531000	5,429	2,930	3,570	6,500	6,500	0
SUPPLY/MATERIAL-PROFESSIONAL	532000	2,378	929	1,571	2,500	2,500	0
FOOD AND CLOTHING	533000	158	82	18	100	0	(100)
BLDG, GROUND, MAINTENANCE	534000	1,570	251	1,249	1,500	1,500	0
MISCELLANEOUS SUPPLIES	535000	4,498	426	5,074	5,500	5,500	0
OFFICE SUPPLIES	536000	39,432	25,501	8,499	34,000	56,000	22,000
POSTAGE	541000	6,270	3,870	5,130	9,000	9,000	0
PRINTING	542000	5,599	565	3,435	4,000	5,000	1,000
IT EQUIP UNDER \$5,000	551000	21,892	19,539	25,761	45,300	43,500	(1,800)

Agency Name: VETERANS HOME  
 Program: Administration  
 Reporting Level: 00-313-100-00-00-00-00000000

1 Object/Revenue Description		2 2005-07 Biennium Expenditures	3 2007-09 First Year Expenditures	4 2007-09 Biennium Balance	5 2007-09 Biennium Appropriation	6 2009-11 Budget Recommendation	7 Change from 2007-09
Code							
EXPENDITURES							
OTHER EQUIP UNDER \$5,000	552000	0	583	417	1,000	0	(1,000)
OFFICE EQUIP & FURN SUPPLIES	553000	1,646	1,908	592	2,500	2,500	0
INSURANCE	571000	24,415	8,474	17,426	25,900	25,900	0
RENTALS/LEASES-EQUIP & OTHER	581000	6,116	2,604	2,396	5,000	5,000	0
REPAIRS	591000	4,422	2,470	2,530	5,000	5,000	0
IT - DATA PROCESSING	601000	76,671	33,820	50,180	84,000	124,900	40,900
IT-COMMUNICATIONS	602000	93,738	53,297	53,803	107,100	155,160	48,060
IT CONTRACTUAL SERVICES AND RE	603000	24,392	16,662	9,238	25,900	61,100	35,200
PROFESSIONAL DEVELOPMENT	611000	28,038	7,814	13,186	21,000	21,000	0
OPERATING FEES AND SERVICES	621000	6,521	3,401	3,599	7,000	7,000	0
FEES - PROFESSIONAL SERVICES	623000	91,505	58,753	13,247	72,000	110,000	38,000
MEDICAL, DENTAL AND OPTICAL	625000	42	0	0	0	0	0
OPERATING EXPENSES	30	488,409	265,339	227,461	492,800	689,060	196,260
MEANS OF FUNDING							
STATE GENERAL FUND	001	13,508	175,965	0	175,965	211,165	35,200
General Fund	GEN	13,508	175,965	0	175,965	211,165	35,200
SOLDIERS HOME FUND 380	380	474,901	89,374	227,461	316,835	477,895	161,060
Special Funds	SPEC	474,901	89,374	227,461	316,835	477,895	161,060
EXPENDITURES							
OTHER CAPITAL PAYMENTS	683000	231,512	126,869	133,336	260,205	0	(260,205)
EQUIPMENT OVER \$5000	691000	13,275	0	0	0	0	0
IT EQUIP/SFTWARE OVER \$5000	693000	6,854	0	0	0	98,400	98,400
CAPITAL ASSETS	50	251,641	126,869	133,336	260,205	98,400	(161,805)
MEANS OF FUNDING							
STATE GENERAL FUND	001	97,812	126,869	0	126,869	98,400	(28,469)

Agency Name: VETERANS HOME  
 Program: Administration  
 Reporting Level: 00-313-100-00-00-00-00000000

1 Object/Revenue Code		2 2005-07 Biennium Expenditures	3 2007-09 First Year Expenditures	4 2007-09 Biennium Balance	5 2007-09 Biennium Appropriation	6 2009-11 Budget Recommendation	7 Change from 2007-09
Description							
MEANS OF FUNDING							
General Fund	GEN	97,812	126,869	0	126,869	98,400	(28,469)
SOLDIERS HOME FUND 380	380	153,829	0	133,336	133,336	0	(133,336)
Special Funds	SPEC	153,829	0	133,336	133,336	0	(133,336)
EXPENDITURES							
TOTAL EXPENDITURES		1,385,283	762,329	650,790	1,413,119	1,692,839	279,720
MEANS OF FUNDING							
TOTAL FUNDING		1,385,283	762,329	650,790	1,413,119	1,692,839	279,720
AUTHORIZED EMPLOYEES							
FTE		5.65	0.00	5.65	5.65	6.00	0.35

**NORTH DAKOTA VETERANS HOME  
2009-2011 BUDGET DETAIL**

**MAINTENANCE DEPARTMENT  
Reporting level 00-313-200-00**

**EXPLANATION OF PROGRAM COSTS**

The maintenance department is responsible for upkeep of the grounds and buildings, motor pool vehicles, utilities, equipment and repairs.

**BUDGET BY TRADITIONAL LINE**

<u>Description</u>	2007-2009	2009-2011	% of	<u>Change From 07-09</u>
	<u>Budget</u>	<u>Executive Recommendation</u>	<u>Executive Recommendation</u>	
Salaries	580,217	667,744	39%	87,527
Operating	778,600	1,022,300	59%	243,700
Capital	40,500	37,988	2%	-2,512
Life Safety	240,442	0		-240,442
<b>Total</b>	<b>1,399,317</b>	<b>1,728,032</b>	<b>100%</b>	<b>88,273</b>
General	396,661	1,046,045		408,942
Special	1,002,656	681,987		-320,669
<b>Total</b>	<b>1,399,317</b>	<b>1,728,032</b>		<b>88,273</b>
FTE	5.4	5		-4

**LINE ITEM DETAIL**

Salaries and Benefits - \$667,744 39% of budget

Maintenance Supervisor – 1.0 FTE

Maintenance Worker – 3.0 FTE

Night watchman – 1.0 FTE

Travel - \$125,000 7% of budget

Expenses include motor pool charges and employee reimbursed travel

Building, ground and maintenance - \$120,000 7% of budget

Equipment and building supplies, electrical supplies, boiler supplies, repair parts,  
plumbing and painting supplies

Miscellaneous supplies - \$5,000 .2% of budget

Tools and miscellaneous equipment under \$750

Other equipment under \$5,000 - \$8,550 .5% of budget  
Bobcat sander and trencher

Utilities - \$675,000 39% of budget  
Electricity, fuel oil, garbage and water service

Insurance - \$3,500 .2% of budget  
Insurance for boilers

Rentals/leases – equipment \$5,000 .3% of budget  
Equipment rental fees

Rentals/leases – building/land - \$6,000 .3% of budget  
Water softener leases

Repairs - \$65,000 4% of budget  
Elevator maintenance contract, service contracts and repair services

Operating fees and services - \$2,500 .1% of budget  
Licenses, miscellaneous operating expenses

Professional services - \$5,000 .3% of budget  
Asbestos removal services

Professional development - \$1,000 .05% of budget  
Training and workshops

Equipment over \$5,000 - \$37,988 2% of budget  
Thermal imager, bobcat toolcat, utility vehicle, atv

### **SIGNIFICANT CHANGES**

**Salaries and benefits** - \$87,527 increase  
Governor's recommended 5% and 5% compensation adjustment  
Governor's recommended equity package  
Health insurance increase  
Need for more temp staff – summer help, construction help

**Travel** - \$31,500 increase  
Increase based on motor pool rates

**Other equipment under \$5,000** - \$4,800 decrease  
Bobcat sander and trencher – less equipment needed

**Utilities** - \$210,500 increase  
Increase in fuel oil prices, increase of \$600 per month for city services

**Rental/Lease Equipment** - \$4,500 increase  
Anticipate renting equipment to help with landscaping etc. for new facility

**Rental/Lease bldg/land - \$2,000 increase**  
Increased costs for water softeners in new facility

**Extraordinary repairs - \$8,000 decrease**  
No money needed due to new facility

**Equipment over \$5,000 - \$5,488 increase**

- **Thermal imager** – used for building inspections. Can be used for checking electrical panels, check for holes in rubber roofing, for construction. Will allow us to comply with VA requirement to check electrical panels on a regular basis
- **Bobcat 5600 Turbo Toolcat** – Versatile vehicle that can work as a pickup, tractor, skid-steer loader and utility vehicle. Saves time and money, can be used with sander, has broom attachment to do sidewalks, uses ½ the amount of salt and sand. Will help us maintain sidewalks and road to help minimize fall risks. All wheel steering does not destroy grass.
- **Bobcat 2200S Utility vehicle** – Used for salting and sanding the sidewalks in winter. Can also be used on construction site.
- **Polaris 300 Sportsman ATV** – Current 4-wheeler was purchased in 1999 and needs to be replaced. Used on grounds in summer – working on irrigation system.

**Life safety improvements – \$240,442 decrease**  
Project completed under budget – turn back to state of \$34,975

### **2007-2009 BUDGET**

As of February 2009, 81% of this cost center's budget has been expended. Anticipate 100% expended by the end of the biennium.

Agency Name: VETERANS HOME  
 Program: Plant Operations  
 Reporting Level: 00-313-200-00-00-00-00000000

1 Object/Revenue Description Code		2 2005-07 Biennium Expenditures	3 2007-09 First Year Expenditures	4 2007-09 Biennium Balance	5 2007-09 Biennium Appropriation	6 2009-11 Budget Recommendation	7 Change from 2007-09
EXPENDITURES							
SALARIES - PERMANENT	511000	220,700	146,972	185,267	332,239	335,876	3,637
SALARIES - OTHER	512000	1,713	3,470	2,530	6,000	12,000	6,000
TEMPORARY SALARIES	513000	87,782	39,574	32,426	72,000	92,000	20,000
OVERTIME	514000	16,166	9,131	10,869	20,000	22,000	2,000
FRINGE BENEFITS	516000	94,977	68,636	81,342	149,978	175,926	25,948
SALARY INCREASE	599110	0	0	0	0	25,612	25,612
BENEFIT INCREASE	599160	0	0	0	0	4,330	4,330
SALARIES AND WAGES	10	421,338	267,783	312,434	580,217	667,744	87,527
MEANS OF FUNDING							
STATE GENERAL FUND	001	251,351	6,972	11,388	18,360	667,744	649,384
General Fund	GEN	251,351	6,972	11,388	18,360	667,744	649,384
SOLDIERS HOME FUND 380	380	169,987	260,811	301,046	561,857	0	(561,857)
Special Funds	SPEC	169,987	260,811	301,046	561,857	0	(561,857)
EXPENDITURES							
TRAVEL	521000	99,011	58,422	35,078	93,500	125,000	31,500
SUPPLY/MATERIAL-PROFESSIONAL	532000	401	139	111	250	250	0
FOOD AND CLOTHING	533000	0	245	255	500	500	0
BLDG, GROUND, MAINTENANCE	534000	126,231	43,673	76,327	120,000	120,000	0
MISCELLANEOUS SUPPLIES	535000	2,675	1,456	3,544	5,000	5,000	0
OFFICE SUPPLIES	536000	88	0	0	0	0	0
OTHER EQUIP UNDER \$5,000	552000	11,353	6,240	7,110	13,350	8,550	(4,800)
OFFICE EQUIP & FURN SUPPLIES	553000	2,428	0	0	0	0	0
UTILITIES	561000	477,417	275,699	188,801	464,500	675,000	210,500
INSURANCE	571000	2,857	1,806	1,694	3,500	3,500	0
RENTALS/LEASES-EQUIP & OTHER	581000	220	490	10	500	5,000	4,500

Agency Name: VETERANS HOME  
 Program: Plant Operations  
 Reporting Level: 00-313-200-00-00-00-00000000

1 Object/Revenue		2	3	4	5	6	7
Description		2005-07 Biennium Expenditures	2007-09 First Year Expenditures	2007-09 Biennium Balance	2007-09 Biennium Appropriation	2009-11 Budget Recommendation	Change from 2007-09
Code							
EXPENDITURES							
RENTALS/LEASES - BLDG/LAND	582000	3,903	2,208	1,792	4,000	6,000	2,000
REPAIRS	591000	68,356	22,820	42,180	65,000	65,000	0
PROFESSIONAL DEVELOPMENT	611000	1,564	223	777	1,000	1,000	0
OPERATING FEES AND SERVICES	621000	1,585	1,044	1,456	2,500	2,500	0
FEES - PROFESSIONAL SERVICES	623000	11,750	802	4,198	5,000	5,000	0
MEDICAL, DENTAL AND OPTICAL	625000	269	0	0	0	0	0
OPERATING EXPENSES	30	810,108	415,267	363,333	778,600	1,022,300	243,700
MEANS OF FUNDING							
STATE GENERAL FUND	001	37,750	153,454	202,887	356,341	356,341	0
General Fund	GEN	37,750	153,454	202,887	356,341	356,341	0
SOLDIERS HOME FUND 380	380	772,358	261,813	160,446	422,259	665,959	243,700
Special Funds	SPEC	772,358	261,813	160,446	422,259	665,959	243,700
EXPENDITURES							
LAND AND BUILDINGS	682000	0	0	0	0	0	0
EXTRAORDINARY REPAIRS	684000	70,845	3,245	4,755	8,000	0	(8,000)
EQUIPMENT OVER \$5000	691000	49,991	20,882	11,618	32,500	37,988	5,488
CAPITAL ASSETS	50	120,836	24,127	16,373	40,500	37,988	(2,512)
MEANS OF FUNDING							
STATE GENERAL FUND	001	49,991	20,882	1,078	21,960	21,960	0
General Fund	GEN	49,991	20,882	1,078	21,960	21,960	0
SOLDIERS HOME FUND 380	380	70,845	3,245	15,295	18,540	16,028	(2,512)
Special Funds	SPEC	70,845	3,245	15,295	18,540	16,028	(2,512)
EXPENDITURES							
BLDG, GROUND, MAINTENANCE	534000	0	1,665	335	2,000	0	(2,000)
REPAIRS	591000	0	59,627	38,815	98,442	0	(98,442)
FEES - PROFESSIONAL SERVICES	623000	25,258	11,241	100,759	112,000	0	(112,000)

Agency Name: VETERANS HOME  
 Program: Plant Operations  
 Reporting Level: 00-313-200-00-00-00-00000000

1 Object/Revenue		2	3	4	5	6	7
Description		2005-07 Biennium Expenditures	2007-09 First Year Expenditures	2007-09 Biennium Balance	2007-09 Biennium Appropriation	2009-11 Budget Recommendation	Change from 2007-09
Code							
EXPENDITURES							
EXTRAORDINARY REPAIRS	684000	0	26,638	1,362	28,000	0	(28,000)
LIFE SAFETY IMPROVEMENTS	52	25,258	99,171	141,271	240,442	0	(240,442)
MEANS OF FUNDING							
STATE GENERAL FUND	001	25,258	99,171	141,271	240,442	0	(240,442)
General Fund	GEN	25,258	99,171	141,271	240,442	0	(240,442)
EXPENDITURES							
TOTAL EXPENDITURES		1,377,540	806,348	833,411	1,639,759	1,728,032	88,273
MEANS OF FUNDING							
TOTAL FUNDING		1,377,540	806,348	833,411	1,639,759	1,728,032	88,273
AUTHORIZED EMPLOYEES							
FTE		4.00	0.00	5.40	5.40	5.00	(0.40)

**NORTH DAKOTA VETERANS HOME  
2009-2011 BUDGET DETAIL**

**DIETARY DEPARTMENT  
Reporting level 00-313-300-00**

**EXPLANATION OF PROGRAM COSTS**

The dietary department is responsible for cooking and serving meals to all residents, staff and guests at the Veterans Home. They serve approximately 8,500 meals per month.

**BUDGET BY TRADITIONAL LINE**

<u>Description</u>	2007-2009	2009-2011	% of	<u>Change</u>
	<u>Budget</u>	<u>Executive Recommendation</u>	<u>Executive Recommendation</u>	
Salaries	1,195,344	1,349,655	59%	154,311
Operating	610,100	936,974	41%	326,874
Capital	0	0	0%	0
<b>Total</b>	<b>1,805,444</b>	<b>2,286,629</b>	<b>100%</b>	<b>481,185</b>
General	1,068,375	582,094		-486,281
Special	737,069	1,704,535		967,400
<b>Total</b>	<b>1,805,444</b>	<b>2,286,629</b>		<b>481,185</b>
FTE	14.9	18		3.1

**LINE ITEM DETAIL**

Salaries and Benefits - \$1,349,655 59% of budget

Dietician - .8 FTE

Dietary Manager - 1.0 FTE

Cooks - 5.8 FTE

Food service workers - 7.3 FTE

Requesting 3.1 FTE for new facility

Professional supplies and materials - \$30,500 1% of budget

Chemicals, resource and educational materials

Food - \$827,274 36% of budget

Building, ground and maintenance - \$8,000 .3% of budget

Repair parts, janitorial supplies

Miscellaneous supplies - \$53,000 2.3% of budget  
Dishes, silverware, equipment under \$750, paper products

Other equipment under \$5,000 - \$7,250 .3% of budget  
6 gallon steam jacket kettle, garbage disposal, conveyor toaster

Repairs - \$5,000 .2% of budget  
Hired repair work, service contracts

Professional development - \$2,500 .1% of budget  
Workshops, certifications for staff

### **SIGNIFICANT CHANGES**

**Salaries and benefits** - \$154,311 increase  
Governor's recommended 5% and 5% compensation adjustment  
Governor's recommended equity package  
Health insurance increase  
Requested 3.1 FTE for new facility – due to increase in residents and design of new facility

**Supply/material professional** - \$8,300 increase  
Increased costs for chemicals, increased need for new facility. Suppliers projected a 25% year increase in prices.

**Food and Clothing** - \$309,274 increase  
Increase in food costs mostly due to increase in fuel prices, increase of 35 residents in new facility. Current food budget is \$90,000 overspent as of the end of February.

**Miscellaneous supplies** - \$29,000 increase  
Price increases, need for more supplies in new facility

**Other equipment under \$5,000** - \$19,650 decrease  
Fewer equipment needs this biennium

### **2007-2009 BUDGET**

As of February 2009, 84% of this cost center's budget has been expended. Anticipate this department to be over budget by the end of the biennium. Hoping to have cost savings in other department to cover this.

Agency Name: VETERANS HOME  
 Program: Dietary  
 Reporting Level: 00-313-300-00-00-00-00000000

1 Object/Revenue Description		2 2005-07 Biennium Expenditures	3 2007-09 First Year Expenditures	4 2007-09 Biennium Balance	5 2007-09 Biennium Appropriation	6 2009-11 Budget Recommendation	7 Change from 2007-09
Code							
EXPENDITURES							
SALARIES - PERMANENT	511000	544,743	288,496	387,528	676,024	707,518	31,494
SALARIES - OTHER	512000	8,840	7,559	7,441	15,000	17,000	2,000
TEMPORARY SALARIES	513000	82,467	50,644	51,356	102,000	67,500	(34,500)
OVERTIME	514000	12,181	5,220	10,780	16,000	14,000	(2,000)
FRINGE BENEFITS	516000	308,090	178,991	207,329	386,320	471,339	85,019
SALARY INCREASE	599110	0	0	0	0	61,014	61,014
BENEFIT INCREASE	599160	0	0	0	0	11,284	11,284
SALARIES AND WAGES	10	956,321	530,910	664,434	1,195,344	1,349,655	154,311
MEANS OF FUNDING							
STATE GENERAL FUND	001	620,123	252,833	575,903	828,736	108,598	(720,138)
General Fund	GEN	620,123	252,833	575,903	828,736	108,598	(720,138)
SOLDIERS HOME FUND 380	380	336,198	278,077	88,531	366,608	1,241,057	874,449
Special Funds	SPEC	336,198	278,077	88,531	366,608	1,241,057	874,449
EXPENDITURES							
TRAVEL	521000	1,308	818	882	1,700	1,700	0
SUPPLY/MATERIAL-PROFESSIONAL	532000	19,997	9,432	12,768	22,200	30,500	8,300
FOOD AND CLOTHING	533000	537,078	325,111	192,889	518,000	827,274	309,274
BLDG. GROUND, MAINTENANCE	534000	9,856	3,968	4,032	8,000	8,000	0
MISCELLANEOUS SUPPLIES	535000	24,451	23,044	956	24,000	53,000	29,000
OFFICE SUPPLIES	536000	310	44	456	500	500	0
PRINTING	542000	176	0	0	0	0	0
OTHER EQUIP UNDER \$5,000	552000	7,211	15,191	11,709	26,900	7,250	(19,650)
OFFICE EQUIP & FURN SUPPLIES	553000	476	15	35	50	0	(50)
INSURANCE	571000	3,993	0	0	0	0	0
REPAIRS	591000	4,565	1,819	3,181	5,000	5,000	0

Agency Name: VETERANS HOME  
 Program: Dietary  
 Reporting Level: 00-313-300-00-00-00-00000000

1 Object/Revenue		2	3	4	5	6	7
Description		2005-07 Biennium Expenditures	2007-09 First Year Expenditures	2007-09 Biennium Balance	2007-09 Biennium Appropriation	2009-11 Budget Recommendation	Change from 2007-09
Code							
EXPENDITURES							
IT CONTRACTUAL SERVICES AND RE	603000	2,100	0	0	0	0	0
PROFESSIONAL DEVELOPMENT	611000	1,755	1,798	702	2,500	2,500	0
OPERATING FEES AND SERVICES	621000	418	440	60	500	500	0
FEES - PROFESSIONAL SERVICES	623000	370	0	500	500	500	0
MEDICAL, DENTAL AND OPTICAL	625000	251	0	250	250	250	0
OPERATING EXPENSES	30	614,315	381,680	228,420	610,100	936,974	328,874
MEANS OF FUNDING							
STATE GENERAL FUND	001	48,850	239,639	0	239,639	473,496	233,857
General Fund	GEN	48,850	239,639	0	239,639	473,496	233,857
SOLDIERS HOME FUND 380	380	565,465	142,041	228,420	370,461	463,478	93,017
Special Funds	SPEC	565,465	142,041	228,420	370,461	463,478	93,017
EXPENDITURES							
EQUIPMENT OVER \$5000	691000	11,050	0	0	0	0	0
CAPITAL ASSETS	50	11,050	0	0	0	0	0
MEANS OF FUNDING							
SOLDIERS HOME FUND 380	380	11,050	0	0	0	0	0
Special Funds	SPEC	11,050	0	0	0	0	0
EXPENDITURES							
TOTAL EXPENDITURES		1,581,686	912,590	892,854	1,805,444	2,286,629	481,185
MEANS OF FUNDING							
TOTAL FUNDING		1,581,686	912,590	892,854	1,805,444	2,286,629	481,185
AUTHORIZED EMPLOYEES							
FTE		14.90	0.00	14.90	14.90	14.90	0.00
VACANT		0.00	0.00	0.00	0.00	3.10	3.10

**NORTH DAKOTA VETERANS HOME  
2009-2011 BUDGET DETAIL**

**NURSING DEPARTMENT  
Reporting level 00-313-300-00**

**EXPLANATION OF PROGRAM COSTS**

The nursing department is responsible for the medical needs of the skilled and basic residents. Nursing dispenses approximately 47,000 pills per month, provides blood pressure checks, glucose screenings, nebulizer treatments and various other tests and services for the residents.

Expenses cover such things as lab and medical supplies, primary care expenses for medical services, labs, x-rays and various other tests, consulting fees for physical and occupational therapists and psychiatrists, charting supplies and continuing education for employees.

**BUDGET BY TRADITIONAL LINE**

<u>Description</u>	<u>2007-2009 Budget</u>	<u>2009-2011 Executive Recommendation</u>	<u>% of Executive Recommendation</u>	<u>Change From 07-09</u>
Salaries	4,751,827	4,593,859	89%	658,730
Operating	546,700	541,700	11%	-28,350
Capital	6,442	6,442	0%	-18
<b>Total</b>	<b>5,304,969</b>	<b>5,142,001</b>	<b>100%</b>	<b>630,362</b>
General	1,380,509	1,406,041		-340,412
Special	3,924,460	3,735,960		970,774
<b>Total</b>	<b>5,304,969</b>	<b>5,142,001</b>		<b>630,362</b>
FTE	47.32	66.12		20.8

**LINE ITEM DETAIL**

Salaries and Benefits - \$4,751,827 89% of budget

Travel - \$9,000 .1% of budget  
Expenses include employee reimbursed travel

Supplies and materials/professional - \$12,500 .2% of budget  
Resource materials, educational supplies and subscriptions

Food and Clothing - \$30,000 .6% of budget  
Incontinent briefs

Bldg, ground, maintenance supplies - \$4,000 .07% of budget  
Repair parts, misc. building supplies

Miscellaneous supplies - \$37,500 .7% of budget  
Health and beauty supplies, paper products

Office supplies - \$9,400 .2% of budget  
Charts and charting supplies

Other equipment under \$5,000 - \$95,655 2% of budget  
.Equipment for nursing stations, physical therapy, resident lifts

Professional development - \$19,500 .4% of budget  
Workshop and convention registrations, dues and memberships and tuition reimbursements

Operating fees and services - \$10,000 .2% of budget  
Hazardous waste removal and help wanted ads

Professional services - \$300,000 6% of budget  
Medical service consultants, PT/OT consultants and Psychiatric consultants, contract nursing services

Medical, dental and optical - \$189,500 4% of budget  
Lab and nursing supplies and equipment

### **SIGNIFICANT CHANGES**

**Salaries and benefits** - \$1,615,546 increase  
Governor's recommended 5% and 5% compensation adjustment  
Governor's recommended equity package  
Health insurance increase  
Additional 20.8 FTE needed for new facility – added into the budget for 1 year

**Miscellaneous supplies** - \$12,000 increase  
Increased costs for paper supplies, increase in supplies needed for additional residents in the new facility

**Other equipment under \$5,000** - \$82,955 increase  
More equipment needed for the new facility. Includes scales, blood pressure machines, oxygen concentrators, resident lifts, physical therapy equipment, and various other pieces of nursing equipment.

**Professional service fees** - \$68,000 increase  
Increase for primary care services needed for additional residents in the new facility, increased fees for contract help

**Medical, dental and optical - \$11,500 increase**  
Increase in supplies needed for additional residents in the new facility

**Equipment over \$5,000 - \$6,442 decrease**  
No equipment needed for this biennium

**2007-2009 BUDGET**

As of February 2009, 85% of this cost center's budget has been expended. Anticipate 100% expended by end of biennium.

Agency Name: VETERANS HOME  
 Program: Nursing Services  
 Reporting Level: 00-313-400-00-00-00-00000000

1 Object/Revenue Description		2 2005-07 Biennium Expenditures	3 2007-09 First Year Expenditures	4 2007-09 Biennium Balance	5 2007-09 Biennium Appropriation	6 2009-11 Budget Recommendation	7 Change from 2007-09
EXPENDITURES							
SALARIES - PERMANENT	511000	2,535,262	1,368,698	1,557,792	2,926,490	3,441,017	514,527
SALARIES - OTHER	512000	101,322	52,346	57,654	110,000	263,680	153,680
TEMPORARY SALARIES	513000	94,193	88,212	21,788	110,000	190,000	80,000
OVERTIME	514000	138,178	52,806	107,194	160,000	190,000	30,000
FRINGE BENEFITS	516000	1,161,098	658,360	786,977	1,445,337	1,967,237	521,900
SALARY INCREASE	599110	0	0	0	0	268,488	268,488
BENEFIT INCREASE	599160	0	0	0	0	46,951	46,951
SALARIES AND WAGES	10	4,030,053	2,220,422	2,531,405	4,751,827	6,367,373	1,615,546
MEANS OF FUNDING							
STATE GENERAL FUND	001	1,917,650	1,216,554	117,295	1,333,849	1,474,732	140,883
General Fund	GEN	1,917,650	1,216,554	117,295	1,333,849	1,474,732	140,883
SOLDIERS HOME FUND 380	380	2,112,403	1,003,868	2,414,110	3,417,978	4,892,641	1,474,663
Special Funds	SPEC	2,112,403	1,003,868	2,414,110	3,417,978	4,892,641	1,474,663
EXPENDITURES							
TRAVEL	521000	6,202	3,959	5,041	9,000	9,000	0
SUPPLY/MATERIAL-PROFESSIONAL	532000	9,659	4,054	8,446	12,500	12,500	0
FOOD AND CLOTHING	533000	25,217	12,768	17,232	30,000	30,000	0
BLDG, GROUND, MAINTENANCE	534000	4,126	1,446	2,554	4,000	4,000	0
MISCELLANEOUS SUPPLIES	535000	18,082	15,827	9,673	25,500	37,500	12,000
OFFICE SUPPLIES	536000	7,978	3,968	5,432	9,400	9,400	0
POSTAGE	541000	0	12	88	100	100	0
PRINTING	542000	10	0	0	0	0	0
OTHER EQUIP UNDER \$5,000	552000	14,902	12,524	176	12,700	95,655	82,955
OFFICE EQUIP & FURN SUPPLIES	553000	60	0	0	0	0	0
INSURANCE	571000	12,640	0	0	0	0	0

Agency Name: VETERANS HOME

Program: Nursing Services

Reporting Level: 00-313-400-00-00-00-00000000

1 Object/Revenue Description Code		2 2005-07 Biennium Expenditures	3 2007-09 First Year Expenditures	4 2007-09 Biennium Balance	5 2007-09 Biennium Appropriation	6 2009-11 Budget Recommendation	7 Change from 2007-09
EXPENDITURES							
RENTALS/LEASES-EQUIP & OTHER	581000	1,276	306	1,194	1,500	1,500	0
REPAIRS	591000	899	50	2,450	2,500	2,500	0
IT-COMMUNICATIONS	602000	153	0	0	0	0	0
PROFESSIONAL DEVELOPMENT	611000	21,416	6,576	12,924	19,500	19,500	0
OPERATING FEES AND SERVICES	621000	5,844	4,107	5,893	10,000	10,000	0
FEES - PROFESSIONAL SERVICES	623000	341,192	137,418	94,582	232,000	300,000	68,000
MEDICAL, DENTAL AND OPTICAL	625000	170,299	84,507	93,493	178,000	189,500	11,500
OPERATING EXPENSES	30	639,955	287,522	259,178	546,700	721,155	174,455
MEANS OF FUNDING							
STATE GENERAL FUND	001	28,022	46,660	0	46,660	46,660	0
General Fund	GEN	28,022	46,660	0	46,660	46,660	0
SOLDIERS HOME FUND 380	380	611,933	240,862	259,178	500,040	674,495	174,455
Special Funds	SPEC	611,933	240,862	259,178	500,040	674,495	174,455
EXPENDITURES							
EQUIPMENT OVER \$5000	691000	6,460	0	6,442	6,442	0	(6,442)
CAPITAL ASSETS	50	6,460	0	6,442	6,442	0	(6,442)
MEANS OF FUNDING							
SOLDIERS HOME FUND 380	380	6,460	0	6,442	6,442	0	(6,442)
Special Funds	SPEC	6,460	0	6,442	6,442	0	(6,442)
EXPENDITURES							
TOTAL EXPENDITURES		4,676,468	2,507,944	2,797,025	5,304,969	7,088,528	1,783,559
MEANS OF FUNDING							
TOTAL FUNDING		4,676,468	2,507,944	2,797,025	5,304,969	7,088,528	1,783,559

Agency Name: VETERANS HOME  
 Program: Nursing Services  
 Reporting Level: 00-313-400-00-00-00-00000000

1 Object/Revenue Code		2 2005-07 Biennium Expenditures	3 2007-09 First Year Expenditures	4 2007-09 Biennium Balance	5 2007-09 Biennium Appropriation	6 2009-11 Budget Recommendation	7 Change from 2007-09
Description							
AUTHORIZED EMPLOYEES							
FTE		46.32	0.00	46.32	46.32	45.42	(0.90)
VACANT		0.00	0.00	0.00	0.00	21.70	21.70

**NORTH DAKOTA VETERANS HOME  
2009-2011 BUDGET DETAIL**

**RESIDENT SERVICES (ACTIVITIES) DEPARTMENT  
Reporting level 00-313-500-00**

**EXPLANATION OF PROGRAM COSTS**

The majority of the expenses for resident services are for salaries and benefits. Additional funding is for workshops, travel and supplies. All funding for resident activities is through donations.

**BUDGET BY TRADITIONAL LINE**

<u>Description</u>	<u>2007-2009 Budget</u>	<u>2009-2011 Executive Recommendation</u>	<u>% of Executive Recommendation</u>	<u>Change From 07-09</u>
Salaries	349,367	528,459	98%	179,092
Operating	7,600	8,500	2%	900
Capital	0	0	0%	0
<b>Total</b>	<b>356,967</b>	<b>536,959</b>	<b>100%</b>	<b>179,992</b>
General	2,382	530,841		528,459
Special	354,585	6,118		-348,467
<b>Total</b>	<b>356,967</b>	<b>536,959</b>		<b>179,992</b>
<b>FTE</b>	<b>3.6</b>	<b>4.6</b>		<b>1</b>

**LINE ITEM DETAIL**

Salaries and Benefits - \$528,459 98% of budget  
 Therapeutic Recreational Specialist – 1.0 FTE  
 Activities Assistants – 3.6

Travel - \$2,200 .4% of budget  
 Expenses include employee reimbursed travel

Supplies and materials/professional - \$1,000 .2% of budget  
 Resource materials and educational supplies

Postage - \$2,200 .4% of budget

Postage for mailing of the Scuttlebutt, NDVH newsletter that is mailed out every four months to about 800 organizations and individuals

Professional development - \$2,500 .5% of budget

Workshop and convention registrations and membership fees

### **SIGNIFICANT CHANGES**

**Salaries and benefits** - \$179,092 increase

1.0 FTE for Therapeutic Recreation Specialist – FTE transferred from the Social Services department (replaced addiction counselor)

Governor's recommended 5% and 5% compensation adjustment

Governor's recommended equity package

Health insurance increase

**Professional development** - \$1,100 increase

Increase in funding needed for continuing education and membership dues

### **2007-2009 BUDGET**

As of February 2009, 88% of this cost center's budget has been expended. Anticipate 100% expended by end of biennium.

Agency Name: VETERANS HOME  
 Program: Resident Services  
 Reporting Level: 00-313-500-00-00-00-00000000

1 Object/Revenue		2	3	4	5	6	7
Description		2005-07 Biennium Expenditures	2007-09 First Year Expenditures	2007-09 Biennium Balance	2007-09 Biennium Appropriation	2009-11 Budget Recommendation	Change from 2007-09
Code							
EXPENDITURES							
SALARIES - PERMANENT	511000	187,600	103,008	92,703	195,711	332,054	136,343
SALARIES - OTHER	512000	1,038	827	173	1,000	2,000	1,000
TEMPORARY SALARIES	513000	28,396	9,555	23,445	33,000	0	(33,000)
OVERTIME	514000	11,400	2,653	10,347	13,000	7,000	(6,000)
FRINGE BENEFITS	516000	87,972	49,505	57,151	106,656	160,408	53,752
SALARY INCREASE	599110	0	0	0	0	23,047	23,047
BENEFIT INCREASE	599160	0	0	0	0	3,950	3,950
SALARIES AND WAGES	10	316,406	165,548	183,819	349,367	528,459	179,092
MEANS OF FUNDING							
STATE GENERAL FUND	001	129,706	0	0	0	528,459	528,459
General Fund	GEN	129,706	0	0	0	528,459	528,459
SOLDIERS HOME FUND 380	380	186,700	165,548	183,819	349,367	0	(349,367)
Special Funds	SPEC	186,700	165,548	183,819	349,367	0	(349,367)
EXPENDITURES							
TRAVEL	521000	2,179	1,097	1,103	2,200	2,200	0
SUPPLY/MATERIAL-PROFESSIONAL	532000	1,388	0	1,000	1,000	1,000	0
MISCELLANEOUS SUPPLIES	535000	265	436	64	500	500	0
OFFICE SUPPLIES	536000	105	0	0	0	0	0
POSTAGE	541000	854	515	1,685	2,200	2,200	0
INSURANCE	571000	980	0	0	0	0	0
PROFESSIONAL DEVELOPMENT	611000	2,228	759	641	1,400	2,500	1,100
OPERATING FEES AND SERVICES	621000	130	252	48	300	100	(200)
FEES - PROFESSIONAL SERVICES	623000	170	0	0	0	0	0
OPERATING EXPENSES	30	8,299	3,059	4,541	7,600	8,500	900

Agency Name: VETERANS HOME  
 Program: Resident Services  
 Reporting Level: 00-313-500-00-00-00-00000000

1 Object/Revenue Code		2 2005-07 Biennium Expenditures	3 2007-09 First Year Expenditures	4 2007-09 Biennium Balance	5 2007-09 Biennium Appropriation	6 2009-11 Budget Recommendation	7 Change from 2007-09
MEANS OF FUNDING							
STATE GENERAL FUND	001	225	2,382	0	2,382	2,382	0
General Fund	GEN	225	2,382	0	2,382	2,382	0
SOLDIERS HOME FUND 380	380	8,074	677	4,541	5,218	6,118	900
Special Funds	SPEC	8,074	677	4,541	5,218	6,118	900
EXPENDITURES							
TOTAL EXPENDITURES		324,705	168,607	188,360	356,967	536,959	179,992
MEANS OF FUNDING							
TOTAL FUNDING		324,705	168,607	188,360	356,967	536,959	179,992
AUTHORIZED EMPLOYEES							
FTE		3.60	0.00	3.60	3.60	3.60	0.00
VACANT		0.00	0.00	0.00	0.00	1.00	1.00

**NORTH DAKOTA VETERANS HOME  
2009-2011 BUDGET DETAIL**

**SOCIAL SERVICES DEPARTMENT  
Reporting level 00-313-600-00**

**EXPLANATION OF PROGRAM COSTS**

The social services department acts as the liaison and resident advocate for resident and family members regarding individual issues to ensure that the residents' personal, social and emotional needs are being met.

The social services department costs include salaries and benefits, pastoral fees, resource materials and supplies, membership dues and professional development.

**BUDGET BY TRADITIONAL LINE**

<u>Description</u>	<u>2007-2009 Budget</u>	<u>2009-2011 Executive Recommendation</u>	<u>% of Executive Recommendation</u>	<u>Change From 07-09</u>
Salaries	601,357	673,308	93%	-5,246
Operating	17,700	48,700	7%	500
Capital	0	0	0%	0
<b>Total</b>	<b>619,057</b>	<b>722,008</b>	<b>100%</b>	<b>-4,746</b>
General	50,000	137,867		-199,859
Special	569,057	584,141		195,113
<b>Total</b>	<b>619,057</b>	<b>722,008</b>		<b>-4,746</b>
FTE	6	6		0

**LINE ITEM DETAIL**

Salaries and Benefits - \$673,308 93% of budget

Social Services Director 1.0 FTE

Social Worker - 1.0 FTE

Admissions coordinator/Social worker - 1.0 FTE

Transportation Coordinator - 1.0 FTE

Requesting Social Worker for new facility - 1.0 FTE

Travel - \$4,000 .5% of budget

Expenses include employee reimbursed travel

Supplies and materials/professional - \$3,500 .5% of budget  
Resource materials, educational supplies and testing supplies

Professional development - \$5,000 .7% of budget  
Workshop and convention registrations, dues and memberships and tuition reimbursements

Operating fees and services - \$1,000 .1% of budget  
Background checks

Professional services - \$35,000 5% of budget  
Religious support services, consulting fees

### **SIGNIFICANT CHANGES**

**Salaries and benefits** - \$71,951 increase  
Governor's recommended 5% and 5% compensation adjustment  
Governor's recommended equity package  
Health insurance increase  
Addition of social worker for new facility – due to increase in residents

**Professional service fees** - \$31,000 increase  
Consulting fees – addiction counseling

### **2007-2009 BUDGET**

As of February 2009, 69% of this cost center's budget has been expended. Any money left at end of biennium will help cover the deficits expected in administration, nursing and dietary.

Agency Name: VETERANS HOME  
 Program: Social Services  
 Reporting Level: 00-313-600-00-00-00-00000000

1 Object/Revenue		2	3	4	5	6	7
Description		2005-07 Biennium Expenditures	2007-09 First Year Expenditures	2007-09 Biennium Balance	2007-09 Biennium Appropriation	2009-11 Budget Recommendation	Change from 2007-09
Code							
EXPENDITURES							
SALARIES - PERMANENT	511000	335,337	163,832	205,637	369,469	405,926	36,457
SALARIES - OTHER	512000	1,070	682	318	1,000	8,000	7,000
TEMPORARY SALARIES	513000	57,110	25,838	28,662	54,500	17,000	(37,500)
OVERTIME	514000	18,485	10,008	9,992	20,000	24,000	4,000
FRINGE BENEFITS	516000	130,767	67,479	88,909	156,388	187,215	30,827
SALARY INCREASE	599110	0	0	0	0	26,661	26,661
BENEFIT INCREASE	599160	0	0	0	0	4,506	4,506
SALARIES AND WAGES	10	542,769	267,839	333,518	601,357	673,308	71,951
MEANS OF FUNDING							
STATE GENERAL FUND	001	231,769	24,997	25,003	50,000	137,867	87,867
General Fund	GEN	231,769	24,997	25,003	50,000	137,867	87,867
SOLDIERS HOME FUND 380	380	311,000	242,842	308,515	551,357	535,441	(15,916)
Special Funds	SPEC	311,000	242,842	308,515	551,357	535,441	(15,916)
EXPENDITURES							
TRAVEL	521000	5,852	2,085	1,915	4,000	4,000	0
SUPPLIES - IT SOFTWARE	531000	71	0	0	0	0	0
SUPPLY/MATERIAL-PROFESSIONAL	532000	3,561	244	3,256	3,500	3,500	0
BLDG. GROUND, MAINTENANCE	534000	20	0	0	0	0	0
MISCELLANEOUS SUPPLIES	535000	263	34	166	200	200	0
OFFICE SUPPLIES	536000	224	0	0	0	0	0
PRINTING	542000	140	0	0	0	0	0
IT EQUIP UNDER \$5,000	551000	283	0	0	0	0	0
OTHER EQUIP UNDER \$5,000	552000	53	0	0	0	0	0
OFFICE EQUIP & FURN SUPPLIES	553000	109	0	0	0	0	0
INSURANCE	571000	1,421	0	0	0	0	0

Agency Name: VETERANS HOME  
 Program: Social Services  
 Reporting Level: 00-313-600-00-00-00-00000000

1 Object/Revenue Description		2 2005-07 Biennium Expenditures	3 2007-09 First Year Expenditures	4 2007-09 Biennium Balance	5 2007-09 Biennium Appropriation	6 2009-11 Budget Recommendation	7 Change from 2007-09
Code							
EXPENDITURES							
PROFESSIONAL DEVELOPMENT	611000	8,469	1,869	3,131	5,000	5,000	0
OPERATING FEES AND SERVICES	621000	597	596	404	1,000	1,000	0
FEES - PROFESSIONAL SERVICES	623000	3,700	1,700	2,300	4,000	35,000	31,000
OPERATING EXPENSES	30	24,763	6,528	11,172	17,700	48,700	31,000
MEANS OF FUNDING							
SOLDIERS HOME FUND 380	380	24,763	6,528	11,172	17,700	48,700	31,000
Special Funds	SPEC	24,763	6,528	11,172	17,700	48,700	31,000
EXPENDITURES							
TOTAL EXPENDITURES		567,532	274,367	344,690	619,057	722,008	102,951
MEANS OF FUNDING							
TOTAL FUNDING		567,532	274,367	344,690	619,057	722,008	102,951
AUTHORIZED EMPLOYEES							
FTE		6.00	0.00	6.00	6.00	5.00	(1.00)
VACANT		0.00	0.00	0.00	0.00	1.00	1.00

**NORTH DAKOTA VETERANS HOME  
2009-2011 BUDGET DETAIL**

**HOUSEKEEPING DEPARTMENT**

**EXPLANATION OF PROGRAM COSTS**

**BUDGET BY TRADITIONAL LINE**

<u>Description</u>	2007-2009	2009-2011	% of	Change From 07-09
	<u>Budget</u>	<u>Executive Recommendation</u>	<u>Executive Recommendation</u>	
Salaries	607,296	780,152	82%	172,856
Operating	178,750	147,450	15%	-31,300
Capital	23,200	28,925	3%	5,725
<b>Total</b>	<b>809,246</b>	<b>956,527</b>	<b>100%</b>	<b>147,281</b>
General	70,499	200,864		130,365
Special	738,747	755,663		16,916
<b>Total</b>	<b>809,246</b>	<b>956,527</b>		<b>147,281</b>
FTE	8	10		2

**LINE ITEM DETAIL**

Salaries and Benefits - \$780,152 82% of budget  
 Housekeeping supervisor – 1.0 FTE  
 Housekeepers – 7.0 FTE  
 Additional housekeepers requested – 2.0 FTE

Travel - \$1,000 .1% of budget  
 Expenses include employee reimbursed travel

Supplies and materials/professional - \$70,000 7% of budget  
 Chemicals

**Building, ground and maintenance** - \$40,000 4% of budget  
 Janitorial supplies and misc. building supplies

Miscellaneous supplies - \$18,000 2% of budget  
 Paper products – paper towels, toilet paper

Other equipment under \$5,000 - \$10,750 1% of budget  
Vacumn cleaners, carpet cleaners, replacement blinds

Repairs - \$4,000 .4% of budget  
Equipment repairs

Professional development - \$1,200 .1% of budget  
Continuing education, dues and memberships

Operating fees and services - \$2,000 .2% of budget  
Extermination services

### **SIGNIFICANT CHANGES**

#### **Salaries and benefits - \$172,856 increase**

Governor's recommended 5% and 5% compensation adjustment

Governor's recommended equity package

Health insurance increase

Additional FTE requested

- 1 position has been a temporary position for a very long time and we would like to make it an FTE position in order to retain staff
- 1 FTE is requested for the new facility due to increase in sq. ft. and resident rooms

#### **Supply/material professional - \$32,000 increase**

Increase in cost of chemical supplies. Projected to be 25% per year increase.

#### **Bldg, grounds, maintenance supplies - \$7,500 increase**

Increase in cost of janitorial supplies

#### **Miscellaneous supplies - \$2,200 increase**

Increase in cost of paper products

#### **Other equipment under \$5,000 - \$72,000 decrease**

Decrease in equipment needs

#### **Equipment over \$5,000 - \$8,925 increase**

Money to purchase a Tennant ready space machine – rapid drying carpet cleaner – dries in 30 minutes or less. Quiet, uses 80% less water, uses minimal chemical, extends life of carpets and increases staff productivity. Reduces risk of slips and falls.

### **2007-2009 BUDGET**

As of February 2009, 68% of this cost center's budget has been expended. This department is currently under budget but is in the process of purchasing new beds for skilled with the \$75,000 allocated this biennium. Anticipate 100% expended at the end of this biennium.

Agency Name: VETERANS HOME

Program: Housekeeping

Reporting Level: 00-313-700-00-00-00-00000000

1 Object/Revenue		2	3	4	5	6	7
Description		2005-07 Biennium Expenditures	2007-09 First Year Expenditures	2007-09 Biennium Balance	2007-09 Biennium Appropriation	2009-11 Budget Recommendation	Change from 2007-09
Code							
EXPENDITURES							
SALARIES - PERMANENT	511000	311,524	161,597	181,802	343,399	454,994	111,595
SALARIES - OTHER	512000	3,332	1,563	1,437	3,000	4,000	1,000
TEMPORARY SALARIES	513000	46,871	20,452	35,048	55,500	0	(55,500)
OVERTIME	514000	4,417	2,412	1,088	3,500	7,000	3,500
FRINGE BENEFITS	516000	168,470	95,097	106,800	201,897	273,093	71,196
SALARY INCREASE	599110	0	0	0	0	34,832	34,832
BENEFIT INCREASE	599160	0	0	0	0	6,233	6,233
SALARIES AND WAGES	10	534,614	281,121	326,175	607,296	780,152	172,856
MEANS OF FUNDING							
STATE GENERAL FUND	001	227,162	0	0	0	110,365	110,365
General Fund	GEN	227,162	0	0	0	110,365	110,365
SOLDIERS HOME FUND 380	380	307,452	281,121	326,175	607,296	669,787	62,491
Special Funds	SPEC	307,452	281,121	326,175	607,296	669,787	62,491
EXPENDITURES							
TRAVEL	521000	444	668	332	1,000	1,000	0
SUPPLY/MATERIAL-PROFESSIONAL	532000	36,761	20,998	17,002	38,000	70,000	32,000
FOOD AND CLOTHING	533000	842	0	0	0	0	0
BLDG, GROUND, MAINTENANCE	534000	42,401	18,693	13,807	32,500	40,000	7,500
MISCELLANEOUS SUPPLIES	535000	12,568	7,740	8,060	15,800	18,000	2,200
OTHER EQUIP UNDER \$5,000	552000	0	2,898	79,852	82,750	10,750	(72,000)
OFFICE EQUIP & FURN SUPPLIES	553000	1,191	758	242	1,000	0	(1,000)
INSURANCE	571000	2,180	0	0	0	0	0
REPAIRS	591000	5,202	0	4,000	4,000	4,000	0
PROFESSIONAL DEVELOPMENT	611000	971	254	946	1,200	1,200	0
OPERATING FEES AND SERVICES	621000	9,781	818	1,182	2,000	2,000	0

Agency Name: VETERANS HOME  
 Program: Housekeeping  
 Reporting Level: 00-313-700-00-00-00-00000000

1 Object/Revenue Description Code		2 2005-07 Biennium Expenditures	3 2007-09 First Year Expenditures	4 2007-09 Biennium Balance	5 2007-09 Biennium Appropriation	6 2009-11 Budget Recommendation	7 Change from 2007-09
EXPENDITURES							
FEES - PROFESSIONAL SERVICES	623000	390	0	500	500	500	0
MEDICAL, DENTAL AND OPTICAL	625000	34	0	0	0	0	0
OPERATING EXPENSES	30	112,765	52,827	125,923	178,750	147,450	(31,300)
MEANS OF FUNDING							
STATE GENERAL FUND	001	1,984	23,417	47,082	70,499	70,499	0
General Fund	GEN	1,984	23,417	47,082	70,499	70,499	0
SOLDIERS HOME FUND 380	380	110,781	29,410	78,841	108,251	76,951	(31,300)
Special Funds	SPEC	110,781	29,410	78,841	108,251	76,951	(31,300)
EXPENDITURES							
LAND AND BUILDINGS	682000	3,220	0	0	0	0	0
EXTRAORDINARY REPAIRS	684000	19,665	0	23,200	23,200	20,000	(3,200)
EQUIPMENT OVER \$5000	691000	0	0	0	0	8,925	8,925
CAPITAL ASSETS	50	22,885	0	23,200	23,200	28,925	5,725
MEANS OF FUNDING							
STATE GENERAL FUND	001	0	0	0	0	20,000	20,000
General Fund	GEN	0	0	0	0	20,000	20,000
SOLDIERS HOME FUND 380	380	22,885	0	23,200	23,200	8,925	(14,275)
Special Funds	SPEC	22,885	0	23,200	23,200	8,925	(14,275)
EXPENDITURES							
TOTAL EXPENDITURES		670,264	333,948	475,298	809,246	956,527	147,281
MEANS OF FUNDING							
TOTAL FUNDING		670,264	333,948	475,298	809,246	956,527	147,281
AUTHORIZED EMPLOYEES							
FTE		8.00	0.00	8.00	8.00	8.00	0.00

Agency Name: VETERANS HOME

Program: Housekeeping

Reporting Level: 00-313-700-00-00-00-00000000

<p>1 Object/Revenue Code</p> <p>Description</p>	<p>2 2005-07 Biennium Expenditures</p>	<p>3 2007-09 First Year Expenditures</p>	<p>4 2007-09 Biennium Balance</p>	<p>5 2007-09 Biennium Appropriation</p>	<p>6 2009-11 Budget Recommendation</p>	<p>7 Change from 2007-09</p>
<p>VACANT</p> <p>AUTHORIZED EMPLOYEES</p>	<p>0.00</p>	<p>0.00</p>	<p>0.00</p>	<p>0.00</p>	<p>2.00</p>	<p>2.00</p>

**NORTH DAKOTA VETERANS HOME  
2009-2011 BUDGET DETAIL**

**LAUNDRY DEPARTMENT**

**EXPLANATION OF PROGRAM COSTS**

**BUDGET BY TRADITIONAL LINE**

<u>Description</u>	<u>2007-2009 Budget</u>	<u>2009-2011 Executive Recommendation</u>	<u>% of Executive Recommendation</u>	<u>Change From 07-09</u>
Salaries	103,460	141,995	67%	38,535
Operating	71,500	71,500	33%	0
Capital	0	0	0%	0
<b>Total</b>	<b>174,960</b>	<b>213,495</b>	<b>100%</b>	<b>38,535</b>
General	4,850	39,514		34,664
Special	170,110	173,981		3,871
<b>Total</b>	<b>174,960</b>	<b>213,495</b>		<b>38,535</b>
FTE	1.0	2.0		1.0

**LINE ITEM DETAIL**

Salaries and Benefits - \$141,995 67% of budget  
 Laundry supervisor – 1.0 FTE  
 Additional laundry worker – 1.0 FTE requested for new facility

Supplies and materials/professional - \$8,000 4% of budget  
 Chemicals for laundry

Food and Clothing - \$20,000 9% of budget  
 Linens, towels and washcloths

Building, grounds and maintenance - \$10,000 5% of budget  
 Equipment repair parts

Miscellaneous supplies - \$2,250 1% of budget  
 Laundry supplies

Utilities - \$27,000 13% of budget  
Fuel oil for laundry

Repairs – \$4,000 2% of budget  
Equipment repairs

**SIGNIFICANT CHANGES**

**Salaries and benefits - \$38,535 increase**  
Governor's recommended 5% and 5% compensation adjustment  
Governor's recommended equity package  
Health insurance increase  
Additional 1.0 FTE requested for new facility

**2007-2009 BUDGET**

As of February 2009, 67% of this cost center's budget has been expended. Any money left at the end of the biennium will help cover the deficit expected in administration, nursing and dietary.

Agency Name: VETERANS HOME  
 Program: Laundry  
 Reporting Level: 00-313-800-00-00-00-00000000

1 Object/Revenue Code		2 2005-07 Biennium Expenditures	3 2007-09 First Year Expenditures	4 2007-09 Biennium Balance	5 2007-09 Biennium Appropriation	6 2009-11 Budget Recommendation	7 Change from 2007-09
EXPENDITURES							
SALARIES - PERMANENT	511000	48,121	27,175	23,397	50,572	92,676	42,104
SALARIES - OTHER	512000	40	38	212	250	0	(250)
TEMPORARY SALARIES	513000	35,732	11,528	12,072	23,600	0	(23,600)
OVERTIME	514000	644	211	539	750	0	(750)
FRINGE BENEFITS	516000	24,770	13,334	14,954	28,288	43,255	14,967
SALARY INCREASE	599110	0	0	0	0	5,156	5,156
BENEFIT INCREASE	599160	0	0	0	0	908	908
SALARIES AND WAGES		10	52,286	51,174	103,460	141,995	38,535
MEANS OF FUNDING							
STATE GENERAL FUND	001	41,113	0	0	0	34,664	34,664
General Fund	GEN	41,113	0	0	0	34,664	34,664
SOLDIERS HOME FUND 380	380	68,194	52,286	51,174	103,460	107,331	3,871
Special Funds	SPEC	68,194	52,286	51,174	103,460	107,331	3,871
EXPENDITURES							
TRAVEL	521000	57	0	0	0	0	0
SUPPLY/MATERIAL-PROFESSIONAL	532000	5,187	3,055	4,945	8,000	8,000	0
FOOD AND CLOTHING	533000	16,347	0	20,000	20,000	20,000	0
BLDG, GROUND, MAINTENANCE	534000	1,414	2,386	7,614	10,000	10,000	0
MISCELLANEOUS SUPPLIES	535000	1,672	1,169	1,081	2,250	2,250	0
UTILITIES	561000	17,613	11,047	15,953	27,000	27,000	0
INSURANCE	571000	441	0	0	0	0	0
REPAIRS	591000	0	0	4,000	4,000	4,000	0
PROFESSIONAL DEVELOPMENT	611000	0	21	29	50	50	0
OPERATING FEES AND SERVICES	621000	0	200	0	200	200	0
OPERATING EXPENSES	30	42,731	17,878	53,622	71,500	71,500	0

Agency Name: VETERANS HOME

Program: Laundry

Reporting Level: 00-313-800-00-00-00-00000000

1 Object/Revenue Code		2 2005-07 Biennium Expenditures	3 2007-09 First Year Expenditures	4 2007-09 Biennium Balance	5 2007-09 Biennium Appropriation	6 2009-11 Budget Recommendation	7 Change from 2007-09
Description							
MEANS OF FUNDING							
STATE GENERAL FUND	001	142	4,764	86	4,850	4,850	0
General Fund	GEN	142	4,764	86	4,850	4,850	0
SOLDIERS HOME FUND 380	380	42,589	13,114	53,536	66,650	66,650	0
Special Funds	SPEC	42,589	13,114	53,536	66,650	66,650	0
EXPENDITURES							
TOTAL EXPENDITURES		152,038	70,164	104,796	174,960	213,495	38,535
MEANS OF FUNDING							
TOTAL FUNDING		152,038	70,164	104,796	174,960	213,495	38,535
AUTHORIZED EMPLOYEES							
FTE		1.00	0.00	1.00	1.00	2.00	1.00

**NORTH DAKOTA VETERANS HOME  
2009-2011 BUDGET DETAIL**

**PHARMACY DEPARTMENT**

**EXPLANATION OF PROGRAM COSTS**

**BUDGET BY TRADITIONAL LINE**

<u>Description</u>	<u>2007-2009 Budget</u>	<u>2009-2011 Executive Recommendation</u>	<u>% of Executive Recommendation</u>	<u>Change From 07-09</u>
Salaries	181,380	229,689	18%	48,309
Operating	808,250	1,064,070	82%	255,820
Capital	0	0	0%	0
<b>Total</b>	<b>989,630</b>	<b>1,293,759</b>	<b>100%</b>	<b>255,820</b>
General	615,330	516,087		-99,243
Special	374,300	777,672		403,372
<b>Total</b>	<b>989,630</b>	<b>1,293,759</b>		<b>304,129</b>
FTE	1.5	2.0		.5

**LINE ITEM DETAIL**

Salaries and Benefits - \$229,689 18% of budget  
    Pharmacist - .5 FTE  
    Pharmacy Tech - 1.0 FTE  
    Additional .5 pharmacy tech requested for new facility

Travel - \$200  
    Expenses include employee reimbursed travel

Supplies - IT software \$9,120 .7% of budget  
    Monthly pharmacy software updates

Supplies and materials/professional - \$2,000 .15% of budget  
    Resource materials

Office supplies - \$1,200  
    Labeling supplies

Postage - \$100

Postage for pharmacy

Printing - \$250

Prescription pads

Office equip & furn supplies - \$700

Pharmacy equipment – fax machines, printers. etc.

IT contractual services - \$2,000 .15% of budget

New mandates for pharmacy telemed system will require contracting fees

Professional development - \$2,000 .2% of budget

Membership fees, pharmacy technician schooling

Operating fees and services - \$500

Licenses

Professional services - \$9,500 .7% of budget

Relief pharmacist to cover vacations and sick leave

Medical, dental and optical - \$1,036,500 80% of budget

Medications

### **SIGNIFICANT CHANGES**

**Salaries and benefits** - \$48,309 increase

Governor's recommended 5% and 5% compensation adjustment

Governor's recommended equity package

Health insurance increase

Requested .5 pharmacy tech for new facility due to increase in residents

**Supplies – IT software** - \$5,120 increase

Not enough money budgeted in 07-09 for software updates

**Office supplies** - \$500 increase

More labeling supplies needed due to increase in residents

**Other equip under \$5,000** - \$2,250 decrease

No equipment needed for biennium

**Office equipment** - \$700 increase

Need for new fax machine, printer

**Professional service fees** - \$5,550 increase

Not enough money budgeted in 07-09 for relief pharmacist and consulting fees

**Medical, dental and optical - \$246,200 increase**

Increase in costs of medications, increase of 35 residents in new facility

**2007-2009 BUDGET**

As of February 2009, 76% of this cost center's budget has been expended. Anticipate 100% expended at the end of this biennium.

Agency Name: VETERANS HOME

Program: Pharmacy

Reporting Level: 00-313-900-00-00-00-00000000

1 Object/Revenue		2	3	4	5	6	7
Description		2005-07 Biennium Expenditures	2007-09 First Year Expenditures	2007-09 Biennium Balance	2007-09 Biennium Appropriation	2009-11 Budget Recommendation	Change from 2007-09
Code							
EXPENDITURES							
SALARIES - PERMANENT	511000	95,316	47,618	77,500	125,118	140,666	15,548
SALARIES - OTHER	512000	213	29	71	100	0	(100)
TEMPORARY SALARIES	513000	515	0	0	0	0	0
OVERTIME	514000	133	0	400	400	0	(400)
FRINGE BENEFITS	516000	35,342	20,324	35,438	55,762	74,204	18,442
SALARY INCREASE	599110	0	0	0	0	12,659	12,659
BENEFIT INCREASE	599160	0	0	0	0	2,160	2,160
SALARIES AND WAGES	10	131,519	67,971	113,409	181,380	229,689	48,309
MEANS OF FUNDING							
STATE GENERAL FUND	001	65,203	653	113,409	114,062	14,819	(99,243)
General Fund	GEN	65,203	653	113,409	114,062	14,819	(99,243)
SOLDIERS HOME FUND 380	380	66,316	67,318	0	67,318	214,870	147,552
Special Funds	SPEC	66,316	67,318	0	67,318	214,870	147,552
EXPENDITURES							
TRAVEL	521000	86	0	200	200	200	0
SUPPLIES - IT SOFTWARE	531000	4,153	3,764	236	4,000	9,120	5,120
SUPPLY/MATERIAL-PROFESSIONAL	532000	1,298	457	1,543	2,000	2,000	0
MISCELLANEOUS SUPPLIES	535000	156	0	0	0	0	0
OFFICE SUPPLIES	536000	776	505	195	700	1,200	500
POSTAGE	541000	15	12	88	100	100	0
PRINTING	542000	240	120	130	250	250	0
OTHER EQUIP UNDER \$5,000	552000	0	2,207	43	2,250	0	(2,250)
OFFICE EQUIP & FURN SUPPLIES	553000	0	0	0	0	700	700
INSURANCE	571000	416	0	0	0	0	0
REPAIRS	591000	162	0	0	0	0	0

Agency Name: VETERANS HOME  
 Program: Pharmacy  
 Reporting Level: 00-313-900-00-00-00-00000000

1 Object/Revenue Description		2 2005-07 Biennium Expenditures	3 2007-09 First Year Expenditures	4 2007-09 Biennium Balance	5 2007-09 Biennium Appropriation	6 2009-11 Budget Recommendation	7 Change from 2007-09
Code							
EXPENDITURES							
IT CONTRACTUAL SERVICES AND RE	603000	3,330	0	2,000	2,000	2,000	0
PROFESSIONAL DEVELOPMENT	611000	1,898	33	1,967	2,000	2,000	0
OPERATING FEES AND SERVICES	621000	919	175	325	500	500	0
FEES - PROFESSIONAL SERVICES	623000	2,708	3,913	37	3,950	9,500	5,550
MEDICAL, DENTAL AND OPTICAL	625000	776,865	387,107	403,193	790,300	1,036,500	246,200
OPERATING EXPENSES	30	793,022	398,293	409,957	808,250	1,064,070	255,820
MEANS OF FUNDING							
STATE GENERAL FUND	001	73,308	196,890	304,378	501,268	501,268	0
General Fund	GEN	73,308	196,890	304,378	501,268	501,268	0
SOLDIERS HOME FUND 380	380	719,714	201,403	105,579	306,982	562,802	255,820
Special Funds	SPEC	719,714	201,403	105,579	306,982	562,802	255,820
EXPENDITURES							
TOTAL EXPENDITURES		924,541	466,264	523,366	989,630	1,293,759	304,129
MEANS OF FUNDING							
TOTAL FUNDING		924,541	466,264	523,366	989,630	1,293,759	304,129
AUTHORIZED EMPLOYEES							
FTE		1.50	0.00	1.50	1.50	2.00	0.50

**EQUIPMENT OVER \$5,000**

313 VETERANS HOME

Version: 2009-R-03-00313

Date: 12/18/2008

Time: 12:53:48

Description	Funding	2009-2011 Request	2009-2011 Optional Request	2009-2011 Recommendation
ATV	General Fund	0	0	0
	Federal Funds	0	0	0
	Special Funds	5,000	0	5,000
		<u>5,000</u>	<u>0</u>	<u>5,000</u>
Bobcat utility vehicle	General Fund	0	0	0
	Federal Funds	0	0	0
	Special Funds	14,691	0	14,691
		<u>14,691</u>	<u>0</u>	<u>14,691</u>
Tennant Ready Space Machine	General Fund	0	0	0
	Federal Funds	0	0	0
	Special Funds	8,925	0	8,925
		<u>8,925</u>	<u>0</u>	<u>8,925</u>
Thermal Imager	General Fund	0	0	0
	Federal Funds	0	0	0
	Special Funds	5,500	0	5,500
		<u>5,500</u>	<u>0</u>	<u>5,500</u>
Toolcat	General Fund	0	0	0
	Federal Funds	0	0	0
	Special Funds	12,797	0	12,797
		<u>12,797</u>	<u>0</u>	<u>12,797</u>
	General Fund	0	0	0
	Federal Funds	0	0	0
	Special Funds	46,913	0	46,913
	<b>Agency Total</b>	<u>46,913</u>	<u>0</u>	<u>46,913</u>

April 20, 2009 1

**Veterans Home Funding for SB 2007**

**1. Take out Equity - \$104,899**

- It is imperative that the equity money stay in our budget so the Veterans Home can compete with the other long term care facilities in the area. The other nursing home in Lisbon already offers their CNA's \$1.00 more per hour and with the funding package being offered to Long Term Care their wages would be \$1.50 - \$1.75 more per hour than ours. Without this equity money we will struggle to retain and recruit employees!

**2. Travel – decrease \$22,000.**

- Current budget overspent by \$46,000 as of March 2008 – increase requested from the 07-09 biennium to the 09-11 biennium is \$45,500
- The main reason for the increase in travel is due to the increased amount of governing board and building committee meetings due to the construction of the new veteran's home. We also have to provide travel to the Fargo VA for the veteran's medical appointments and with an increase in residents we may have an increase in the number of trips to Fargo.
- Travel rates have increased this biennium.
- Our travel costs for the 07-09 biennium will be around \$200,000 and our request for the 09-11 biennium is \$185,000.
- New to our travel budget this biennium - we have mileage and hotel costs for contract nursing

**3. Utilities – decrease \$50,000.**

- Current budget overspent by \$85,000 as of March 2008
- We will have 2 buildings to heat
- New facility is 60,000 sq. ft. larger than current facility
- City sewer services will be increasing \$600 per month in July and may possibly increase more with the new facility

**4. Operating – decrease \$35,000.**

- We do not pad our budget which is shown by the fact that we had to go to the emergency commission to transfer \$300,000 to the operating line to cover increased expenses.
- We will be paying operating expenses for 2 buildings for half of the biennium

- The true costs for the new facility and increase in residents are unknown – this budget was built conservatively – costs could be much higher!

**5. Temp salaries in maintenance – decrease \$20,000.**

- Temp employees are needed to help in maintenance to allow the maintenance supervisor additional time to spend on the construction site. Our maintenance supervisor is a master electrician with a building background. He will need to spend time on the building site.
- Veterans Home staff will be doing the landscaping for the new facility
- This individual will assist with security at the new facility.
- This individual will also free up time to allow the supervisor to work on developing the facility's COG plan and evacuation plans.
- The grounds have been destroyed by the dikes currently going up in front of our facility. Extra staff will be needed to restore the facility grounds.

**LISTING OF PROPOSED CONFERENCE COMMITTEE CHANGES TO ENGROSSED SENATE BILL NO. 2007**

**Veterans' Home**

**Proposed funding changes:**

Description	FTE	General Fund	Special Funds	Total
1 Increases funding for salaries and wages to restore temporary maintenance salaries removed by the House		\$20,000		\$20,000
2 Decreases the new Veterans' Home line item for a reduction in the funding for the construction project manager		(20,000)		(20,000)
<b>Total proposed funding changes</b>		<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**Other proposed changes:**

None

SENATE APPROPRIATION COMMITTEE HEARING  
THURSDAY, JANUARY 8, 2009

Chairman Holmberg and members of the Senate Appropriations committee, I am Norris Braaten, Chairman of the North Dakota Veterans Home Governing Board. My purpose is to briefly introduce Kristin Lunneborg, Accounting Manager of our facility who will present testimony on Senate Bill 2007, the budget for 2009-2011.

The proposal takes into consideration a new facility which was approved by the Legislature in the 2007 session and the Department of Veterans Affairs to construct a new 150 bed facility. The original estimates were made in 2007 dollars – with hastily drafted plans and this resulted in a facility with insufficient funds to complete.

In addition to the early plans, the Department of Veterans Affairs requested the construction incorporate the greenhouse design (neighborhoods to provide a homelike setting for the residents).

I present Kristin Lunneborg, the presenter for the budget bill and she will be followed by Mark Johnson, Administrator of the Veterans Home, who will present testimony on Senate Bill 2025.



Testimony on SB 2007  
House Human Resources Committee Hearing  
Monday, March 16, 2009

Chairman Pollert and members of the House Appropriation Committee, I am Norris Braaten, Chairman of the North Dakota Veterans Home Governing Board. My purpose is to briefly introduce the 2009-2011 budget for the NDVH.

The proposed budget considers the additional operating expenses of our new 150-bed veterans home with construction to commence in April 2009. I would urge consideration of the additional staff members proposed in the budget at the time of the opening of the new facility. I served on the board of directors of the St. Francis Medical Center at the time it constructed and moved into the new 25-bed hospital and 120-bed nursing home and we became aware of the change the staff must experience as you move to a new environment. The additional staff members are required to care for the increase in nursing home residents and basic care residents we will have in the new facility.

The NDVH Governing Board has approved the budget and recommends approval by this committee. I present Kristin Lunneborg, the presenter for the budget for 2009-2011.