

2015 HOUSE APPROPRIATIONS

HB 1007

2015 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee - Human Resources Division Sakakawea Room, State Capitol

HB1007
1/15/2015
Job 22022

- Subcommittee
 Conference Committee



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the veterans' home; to provide an exemption; and to declare an emergency.

Minutes:

Attachment 1-6

Chairman Pollert called the committee to order.

Sean Smith, Fiscal Analyst, Legislative Council: Explained the fiscal note for Desktop Support for all agencies, which was attached to HB 1053 (attachment 1).

Lori Laschkewitsch, OMB: Provided additional explanations regarding Desktop support.

Kristin Lunneborg, CFO at the ND Veterans Home: (0:13:30) Read written testimony (attachment 2).

Rep. Kreidt: (0:18:09) What is your census in basic care and skilled? What was the average for the year?

Kristin Lunneborg: Our current census is 52 skilled nursing beds full and 85 basic care. Generally skilled care has been full. In basic care, we've been running between 83-88.

Vice Chairman Bellew: Is there a waiting list to get into the home?

Kristin Lunneborg: Skilled generally has a few individuals on a waiting list. We used to have a large waiting list. We generally have up to 5 people on the waiting list. We end up transferring some of our basic care individuals to some of the local nursing homes and then they stay on our waiting list for skilled.

Continued to read written testimony. Referenced attachment 2 (0:21:58).

Chairman Pollert: You said the Department of Health has given variances to other municipalities. Is there a reason why they aren't for you?

Kristin Lunneborg: I don't know what the reasoning is.
Continued to read written testimony.

Chairman Pollert: Can you explain why the Health Department did not give you a variance and what that variance would do?

Mark Johnson, Administrator of the ND Veterans Home: When the contractor had met with the Health Department, he was told that they have granted municipalities and cities waivers. He said that because we are the state, we have the ability to pay for the removal. That's the position that the Health Department took. Being able to be granted a waiver, we would have to find a dumping site for that. It would cost us half the cost of that \$400,000, somewhere in the neighborhood of \$200,000.

Chairman Pollert: What did you say about the dumping site?

Mark Johnson: We are having some issues on where to dump the tile. There was a facility in New Rockford, the old hospital, that talked to a local farmer that allowed them to dump on his land. He buried it. He has been using the ground now to farm. The Health Department recently told him that he can no longer farm that ground because there is asbestos underneath it. He now has to find a contracted site to take that asbestos. If we are forced to follow the Health Department's recommendations, our numbers are high.

Chairman Pollert: So the figure you have is on the high side?

Mark Johnson: Correct.

Rep. Kreidt: Who did the initial testing to the amount of asbestos in this material?

Mark Johnson: There is a firm out of Jamestown. He's actually done the majority of the asbestos removal in the old building. I didn't think that the '80 addition had any issues with asbestos. But since it is in the glue, there is about 80,000 square feet of tile that needs to be removed.

Kristin Lunneborg continued to read written testimony (0:32:05).

Chairman Pollert: Is there a reason why the amount coming in was so low? Is litigation part of the problem?

Kristin Lunneborg: There is some litigation going on. We were expecting that issue would have been settled in December. They are projecting that they will deed 18 acres of land back to us and there is a cash settlement of \$33,000-\$35,000. That however is not even close to making up the difference between what was projected and where we're actually at. There are several parcels of land that we own. The one tied up in this legal situation and 3 additional parcels. We're hoping to have more information for you on that.

Rep. Nelson: Are the production numbers not what was projected? Or is the production there and the money is being tied up in trust? My understanding was that the family had

some issues with the will and that's part of the litigation. Did the judge put the earnings in a trust?

Kristin Lunneborg: It's my understanding that on the one parcel of land that the family is contesting, the attorney feels that the 18 acres that they're going to deed back to us is probably more than they come with that we should have. The attorney's office can only come up with around 13.3 acres that they feel should legally be ours. I assume that the money generated on those 18 acres is the money they are proposing in the cash settlement.

Rep. Nelson: My understanding was that the mineral acres that we were talking with, the Melvin Norgard Trust fund, was certainly in excess of that.

Kristin Lunneborg: There are 4 different parcels. We think that it comes up to 108-118 acres all together.

Rep. Nelson: Are all of the parcels part of the litigation?

Kristin Lunneborg: It's just the one section that is being contested.

Rep. Nelson: The workshop hasn't been started. Can you get the information on how many wells are part of the production on this land? Regarding the litigation on the new home, can you give us a brief explanation on the three contractors that you settled with, what the issues were, and on the one you're going to court with?

Mark Johnson: In regards to the land, we've made an agreement for one parcel of the land and we actually gained in that settlement. It was a little over 12 acres that was in dispute. The issue we have right now is that they are going back to the lineage of the family. When the father passed away, he gave part of the land to his wife and part to his eldest son. When they passed away, Melvin should have gotten that at that time. He didn't. He then received it under his mother. Then he also picked up some from his brother. We're arguing the lineage right now; that it should have been a parallel lineage. At this time, of those 12 acres, we ended up with 18. They just came back with another proposal for another piece of land. That will also be 18 acres. At one time, we had about 118 acres. The only thing we've come to any agreement on is about 36 acres.

Rep. Nelson: Are there some issues on your litigation in the construction of the facility?

Mark Johnson: The biggest issue we're running into is when we started building the new building; there were some soils that they're saying were not appropriate. But we had the soils tested and everything tested fine. The biggest issue that we're running into right now is that the contractors did not pump the site. They weren't draining the site appropriately. The trenches then failed and then they were driving Bobcats in and smashed all the pipes. We went through litigation with Foss, Grants Mechanical, and Nordic Electric. The Nordic Electric claim we settled for \$5000. With Grants Mechanical, it was \$25,000 above the contract. With Foss, they actually ended up paying us \$400,000. Then we had to pay Foss about \$250,000 of that \$400,000. Right now we have Comstock out there. We really haven't gotten a claim from them. They're really looking more at Foss.

Rep. Nelson: From the state's standpoint, this was damage that was done in the installation so there shouldn't be any lasting issues with the construction from a maintenance standpoint after this. Is that correct?

Mark Johnson: We had engineers come back in and assess the damage and make a recommendation of how this needed to be fixed. All of those fixes were made correctly and reviewed by our engineers and architects.

Rep. Silbernagel: What kind of pipes are you talking about and what material are they?

Mark Johnson: Most of it was plumbing and some heating. They replaced all of those.

Rep. Kreidt: Back to the Melvin Norgard, you've said you hired an attorney out of Fargo. Is he on an hourly rate or will he get a percent? If you've been spending money, where has it been coming from?

Kristin Lunneborg: Serkland Law Firm is working under the Attorney General's office, so they are being paid hourly.

Chairman Pollert: When there are contract disputes, are those costs incurred by the Attorney General's office since they are representing the state or is it the Veterans' Home?

Kristin Lunneborg: If the Attorney General's office has the staff to handle it, they handle the situations, but then it's still billed back to us. We're billed hourly for anything they do for us. In cases where they don't have the staff or the expertise, they will appoint special assistant attorney generals and then we pay what their hourly wages are.
Continued to read written testimony (0:48:51).

Vice Chairman Bellew: Is the increase in retirement because of the bill we passed during the last session where the state is picking up an extra 1% of the retirement cost?

Nick Kramer, OMB: I believe you're correct, but I will check and get back to you.

Kristin Lunneborg: The state's compensation package states that the employees have to contribute another percent to the plan as well. In January 2016, the contributions will increase by 2%. The state will pay 1 and the employees will pay 1.

Chairman Pollert: Of the \$429,000 in the equity adjustments, is that an industry equity or is that a Hay study equity? Is there a difference?

Kristin Lunneborg: This isn't something we brought forward. This was put into our budget by HRMS. They did a study on hard to fill positions. They identified that we have 96 people in this category, including our nursing staff.

Sean Smith, fiscal Analyst, Legislative Counsel: It is a study that OMB did that identified agencies that were low on salaries.

Nick Kramer, OMB: That is correct.

Rep. Nelson: In the last biennium was contract nursing part of your budget?

Kristin Lunneborg: No. We haven't had contract nursing for 5-6 years.

Continued to read written testimony (0:55:41).

Rep. Kreidt: A couple of biennia ago, you got out of the state IT system, correct? Have you tracked what you've saved by not being a part of that system?

Kristin Lunneborg: We will bring that in the detail. If we were on the state's telephone system, we would be paying over \$9000 per month. We're currently paying around \$2000 per month. The big reason for that is because we would have to pay separately for every resident room telephone. We have 152 beds and 112 phones we have in offices and the facility. To go with ITD would be an enormous expense for us.

Continued to read written testimony (0:59:34).

Rep. Kreidt: When you built the new facility, was there a reason why you didn't include the new dishwashers in that cost?

Kristin Lunneborg: The new facility has 6 new dishwashers, but they are lemons. Unfortunately when you do a construction project, everything is lowest bid. We've had repair people in almost from day one, constantly coming to fix the machines. It would be more cost beneficial to replace them. We've had a number of problems that we have encountered with the new building.

Rep. Nelson: Are the problems with the heating system because we went geothermal? What are the issues with the heating and cooling?

Kristin Lunneborg: The problem has to do with the units in the residents' rooms. Maintenance has had to buy switches to put in them. They're very noisy and don't work a lot. The company actually quit making them right after they were put into our building. We've had to purchase a number of parts to get them to work. It's not the geothermal system.

Rep. Nelson: On the dishwashers, are the warranties no longer active?

Kristin Lunneborg: Yes, the warranty has expired.

Rep. Nelson: Do you have to go through the bidding process to replace them?

Kristin Lunneborg: We will have to put out bids, but we'll be able to spec the machines.
Continued to read written testimony (1:03:59).

Rep. Nelson: In the bill that you're referring to, would you be borrowing money from the Melvin Norgard fund or are you asking for a direct appropriation to begin the workshop?

Kristin Lunneborg: We're asking to use our own special fund income that we have. It's money we have in our account. Special funds are things like our rent revenues. We just want to switch that funding source from that mineral royalty fund to our special fund. Continued to read written testimony (1:07:58).

Chairman Pollert: Was there a housing allowance?

Rep. Nelson: We previously looked at adjacent houses around the Lisbon area and would have provided Mr. Johnson a housing allowance if he had purchased one of those houses.

Kristin Lunneborg: The item was brought forward last session too for the Veterans' Home to purchase a house right outside of the grounds. There was a stipend of \$21,000 that was put into the budget a number of years ago when the housing issue was addressed. They took the house out of the Governor's recommendation. I asked Lori what their alternative was if they're not going to fund the house. She indicated that she thought that the \$21,000 was still in the salaries line item that would pay for a stipend to the administrator.

Rep. Silbernagel: What is the breakout for the \$880,000 for the demolition?

Kristin Lunneborg: The anticipated costs are \$800,000 for the house and \$80,000 for the demolition of the old home. Continued to read written testimony (1:12:57).

Chairman Pollert: Can you bring a minor schematic on the bridge during detail?

Kristin Lunneborg handed out attachment 4.

Rep. Nelson: I didn't realize the irrigation system was in phases. Was that the way it was proposed? I thought we funded that in total?

Kristin Lunneborg: I did not realize it was in phases either. This is a portion of the ground that does not have irrigation on it. It's directly in front of the new home and off to the side going back out to the direction of where the old home is. It's land that has never had an irrigation system on it before.

Rep. Nelson: Was that Melvin Norgard funds or general funds from day one?

Kristin Lunneborg: No, it was put into the budget before as Melvin Norgard funds.

Mark Johnson, Administrator of the ND Veterans Home: Read written testimony (attachment 5) (1:18:06).

Chairman Pollert: Are you asking for a change to special funds to the \$126,000 or do you mean the whole project?

Kristin Lunneborg: The \$126,800 was put into the budget as special funds. The amendment we're going to bring forward, the \$788,200, we have approximately \$341,000 in the Melvin Norgard fund now. We would leave that amount of Melvin Norgard funds

going towards the workshop. It would be the difference between the 788 and the 341 that we would be asking to switch from the Melvin Norgard fund to special funds.

Mark Johnson: Continued to read written testimony (1:21:22).

Vice Chairman Bellew: Are you a state employee?

Mark Johnson: I serve under the board, but with the state benefits.

Rep. Nelson: Have there been any incidents where there have been any injuries or accidents regarding travel by the residents to the downtown?

Mark Johnson: So far, we haven't had any. We've had some near misses. We have them all wearing bright orange vests. Our big issue is that there are no sidewalks on Jackson Street.

Rep. Nelson: Is that a safety concern for the general public as well? Would the general public have the ability to use the walking bridge?

Mark Johnson: That's been a big push that we've done over the last few years to try to get the community involved in the Veterans' Home campus. We have thousands of people going through the Veterans Home. They walk the grounds all of the time. I know the bridge would be utilized by the community. To qualify for some of these grants, we'll be implementing a Frolf park; it's Frisbees with baskets. It's to get the community involved. Those are all pieces of the grant that if we build these particular pieces, it allows us to get closer to meeting the criteria for funding.

Rep. Silbernagel: Is the capital item request for \$930,000 the total cost of the bridge? Or is there grant money in addition to that?

Mark Johnson: That is the total cost.

Chairman Pollert: Regarding the road they are currently using, are those city or state roads? Have you talked to the city of Lisbon about putting in sidewalks to make it safer?

Mark Johnson: I have. Their position is that they're not going to be putt in any sidewalks.

Rep. Nelson: Looking at the requests that you've made here, I would like to know which of these three you think has the highest priority.

Mark Johnson: It would be the workshop.

Lyle Schuchard, Member of the Legislative Committee of the ND Veterans Coordinating Council: Read testimony in favor of HB1007 (attachment 6).

Chairman Pollert dismissed the committee.

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Appropriations Committee - Human Resources Division Sakakawea Room, State Capitol

HB1007
2/4/2015
Job 23198

- Subcommittee
 Conference Committee



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the veterans' home; to provide an exemption; and to declare an emergency.

Minutes:

Attachments 1-10

Chairman Pollert called the committee to order.

Jeff Sjoquist, Architect, Mednational read written testimony (attachment 1).

Rep. Nelson: Where are we at? The friable asbestos has been removed, but this hasn't?

Jeff Sjoquist: That is correct. The non-friable is beyond the budget. Rather than going to negatives, we had to come back to the committee. They have looked at various alternatives, but this is the best-case scenario. This is the least costly, but it's not inexpensive.

Rep. Nelson: You can't go forward with the total demolition until this is taken out?

Jeff Sjoquist: That's correct. The building demolition and removal can't take place until all of the asbestos is removed.

Rep. Kreidt: You're at about half what was appropriated to do this. It's about \$121,000 for demolition of the former Veterans' Home on the green sheet. Is that included in this \$269,000 or is it \$269,000 above the \$121,000?

Kristin Lunneborg, CFO at the ND Veterans Home: There was \$282,000 that we had set aside for the asbestos removal. The original piece was the \$86,000 plus \$500 per day. Whatever the costs were, those costs would have to come off that \$282,000 first and then whatever is remaining we could put towards the \$269,335. I think we're \$80,000 short if nothing else happens, we would need the difference between those numbers.

Rep. Kreidt: On the green sheet it says provides funding for demolition of former Veterans' Home for \$121,000. That was what the Governor had put in. I want to know if the \$269,000 is part of the \$121,000 or is it above that? Are we looking at closer to \$400,000?

Kristin Lunneborg: There was \$1 million in the budget to deal with the demolition of the old Veterans' Home. When you take the cost of the original contract for demolition away from the \$1 million, we had \$282,000 remaining to cover the total cost of the asbestos removal. I'm not entirely sure what the \$121,000 on the green sheets is because we did not submit anything else in our budget this biennium for the demolition of the old Veterans' Home because that was totally in the last budget plus we were unaware of what the costs were going to be.

Chairman Pollert: The wording says to provide continued funding for the demolition of the former Veterans' Home. It's like there would be \$282,000 left over plus they need another \$121,000. That's what it looks like to me. Rep. Nelson could you go through the e-mail you received from Dave Glatt regarding this (attachment 2)?

Rep. Nelson: It's pretty self-explanatory. It validates what Jeff said about the findings for the asbestos removal.

Jeff Sjoquist continued to read written testimony (attachment 1, page 3) (0:16:10).

Chairman Pollert: I thought this was approved last time for the construction. Was it supposed to come out of Melvin Norgard?

Rep. Nelson: Yes.

Chairman Pollert: Can you give me a breakdown? If I go off the green sheet, the other question would be is that it says resident workshop construction for \$126,800. Is that the additional cost as compared to last biennium? The construction of the workshop is \$900,000. Is that all out of Melvin Norgard? And then you're looking for another \$129,000. Is that federal funds?

Kristin Lunneborg: There is \$788,200 appropriated in this biennium for the resident workshop. We could only start construction once we had enough money in the Melvin Norgard Fund; however we only have \$321,000 in the fund now. There are two pieces to this; the \$126,800 is the increased cost to build the workshop in the next biennium and the second piece is we're asking to have the funding source changed in the next biennium. We can carry the construction funds, the \$788,200, over into the next biennium. But we need to change the funding source of a portion of that from Melvin Norgard funds to special funds so that we can actually start construction on it.

Chairman Pollert: Is it your assumption that over and above the increased costs of \$126,800, that the rest is going to come from the Melvin Norgard because of the build-up of funds? Or is that not correct?

Kristin Lunneborg: That is not correct. We have an amendment drawn up to change that funding source. The mineral royalty money is \$1.2-1.3 million less than what we had anticipated we would have right now. Part of that was because the company we were dealing with was being bought out by another company. We're not thinking we'll even have that money in mineral royalty next biennium and that's why we're going to bring an amendment forward asking to switch some of that funding source to special funds.

Rep. Nelson: The \$321,000 that's in Melvin Norgard, are you proposing to use all of that money up-front for this project first?

Kristin Lunneborg: We're proposing to spend any and all money in the Melvin Norgard Fund. So as it continues to keep coming in, all of that money would be used first towards the workshop and then whatever we couldn't cover with Melvin Norgard money, we want to use special funds.

Rep. Nelson: The challenge we have is oil revenue generation is affecting us in the state as badly as it is the Melvin Norgard Fund. To look at a general fund appropriation for this workshop in this biennium will be challenging. Maybe there is a hybrid that could be considered.

Kristin Lunneborg: We're not actually asking for any general fund dollars for the workshop. The special funds are the revenues that we create ourselves. We are only asking to switch that funding source to allow us to use our own generated money.

Rep. Nelson: What are the special funds being used for today?

Kristin Lunneborg: Looking at the budget for the Veterans' Home, we are funded by three sources. One is the VA per diem money. The second is our special fund revenue which includes rent, sales of meals, interest income, and state land transfers. The third source is general fund dollars. Coming into this biennium there was more money in our special fund account. That's what we're proposing to use. Part of what is in the special fund coming forward is the \$400,000 that we received in the lawsuit settlement and we didn't use all of our appropriation authority last year. We generally spend our special fund dollars first and then general fund dollars. There is also a timing issue because the special funds come in monthly. At the end of last biennium, there was over \$1 million in appropriation authority that we didn't spend, partly special funds and partly general funds.

Rep. Nelson: The special funds are used for operations today and are derived from a mixture of VA, general fund and other income. If the special fund line item was used for the workshop, wouldn't that take away the ability to backfill that number? Would it have to come from general funds?

Kristin Lunneborg: About two-thirds of our budget is paid for with special fund dollars. Going into this session, we did not ask for any more general fund dollars than we have other than putting the bridge project as an optional package when we originally submitted our budget. The Governor's budget moved that into our budget. They also changed some funding sources on some things. We didn't ask for any general fund dollars to support the operation of the Veterans' Home itself.

Rep. Nelson: Is the workshop your top priority?

Kristin Lunneborg: Yes.

Chairman Pollert: You're not having any general fund turn-back; you want to have the authorization to spend what you had appropriated last session, right?

Kristin Lunneborg: There was general fund turn-back last biennium and there will be again this biennium.

Chairman Pollert: Didn't you say that you were hoping to use that general fund turn-back in this budget?

Sheila Sandness, Senior Fiscal Analyst, Legislative Council: I have the answer for the \$121,000. Last time, it was \$1,121,000 that was provided for the demolition of the Veterans Home in the current biennium. But when OMB prepared their base budget, they only removed \$1 million of that. Because we're reporting on a base budget, we removed the whole \$1,121,000 which was shown on the one-time schedule, but to balance to what the Governor was appropriating, we had to add back the \$121,000.

Rep. Nelson: The special funds that you're attempting to use for the workshop are composed primarily of what you were able to achieve as far as efficiencies from the VA? What is the source of the special funds that you're looking at using?

Kristin Lunneborg: The majority of the funds in the special fund account are rent revenues and VA per diem money.

Rep. Nelson: I would guess the VA is the biggest part of that.

Kristin Lunneborg: Actually the rent revenues we take in are more than the per diem.

Chairman Pollert: What were you trying to fund with your original budget to OMB because you didn't have the bridge in there? Were you funding other items out of that and not doing the bridge?

Kristin Lunneborg: The capital items we originally submitted in our budget was the increased cost of the resident workshop, \$261,000 for ceiling lifts in resident rooms, the \$83,000 for the irrigation project, and then the \$880,000 for the administrator's house. The bridge was an optional item for us.

Rep. Silbernagel: So we carried forward \$121,000, but to finish that project you need \$269,000?

Kristin Lunneborg: We're actually going to be short around \$75,000. Of the \$282,000 we have remaining in the current budget to pay for asbestos removal, when you subtract the removal for the overhead pipes and then you look at the removal for the flooring, we're \$73,335 short. The whole issue with that piece is that we need that funding now because if we wait to put it in next biennium's budget, they're going to stop the demolition of the

project and not come back until next year and then they're going to increase their cost. We're asking for an emergency thing to allow us to transfer money from our operating line item down to our capital line item in this biennium's budget so we can complete this project. We're not asking for additional funding to cover the difference in that.

Chairman Pollert: I see that you're asking for an emergency measure on the bridge, but I don't see it for the construction of the workshop.

Kristin Lunneborg: The Governor's office put the bridge in there with an emergency clause. We didn't get the numbers for the asbestos removal until the day I was coming to testify. That was an unknown issue at the time we put our budget together.

Rep. Kreidt: In your budget, don't you have a capital improvement fund for projects? Do you have an account with a balance that keeps accumulating? Do you have enough money between the special funds and the Melvin Norgard Fund to do this right now?

Kristin Lunneborg: For capital improvements, you approve everything in the budget. You approved the \$1 million for the demolition in the current biennium. When it comes to funding of our budget, we have our special fund money that we apply first. Whatever we're short is what you allot for general fund dollars. We have money in the special fund account but we can't touch it because you need to tell us what appropriation we have and for what items we can spend these funds on. We have special funds sitting there; we just can't use them because they were not appropriated for this project.

Rep. Kreidt: So with the balance of the Melvin Norgard fund and the special funds, we can do the workshop?

Kristin Lunneborg: That's correct. When we looked back we actually had more money in our special fund account moving into the next biennium because we had \$400,000 from the lawsuit plus we had a little more in resident rent revenue. We're only asking to be able to use that money in our special fund account towards the workshop project.

Rep. Kreidt: Taking it a step further, the other projects you have listed, will there be enough money in the special fund account to cover these?

Chairman Pollert: Is your plan for the workshop to use the \$400,000? Are you calling that special funds? You want to use the \$400,000 and the \$321,000 in Melvin Norgard Fund?

Kristin Lunneborg: That's correct. That's just money in the special funds account.

Rep. Kreidt: You're calling that special funds. At some point in special funds, you're going to reach a cap. You want to have some reserve.

Kristin Lunneborg: We do try to keep a couple hundred thousand dollars in the special fund account just in case something major happens. We don't try to spend that account down to zero. When we are preparing a budget, we look at spending the money we think we're going to have in that account and keep a little aside in case it's needed.

Rep. Holman: Two years ago, the Melvin Norgard money was supposedly new money. The workshop came around as a result of that money. You had projections on how that fund was going to grow. What are the new projections now for that fund?

Kristin Lunneborg: Last biennium, we asked Lynn Helms to look at the property descriptions and he's the one who came forward with the projections. We're trying to get answers on why the money we're getting now is nowhere close to what we anticipated. We have five sections of land, but right now only one section that's being drilled on. We're receiving money from three wells. We're also in a legal issue over some of that land. If we settle, we'll end up with more acres than we thought and a cash settlement of \$30,000. On the other four sections of land, we haven't received any money. We've contacted Lynn Helms. We've been working with our attorney general and various other organizations trying to find out why we're not receiving any money off of those four sections. We don't have current projections. Nobody has been able to give us any information.

Rep. Holman: Back up two years, if you knew then what you know now, what would you have told us?

Kristin Lunneborg: We would have still gone for the workshop. We just would have tried to find another way to fund it. The workshop is a very high priority. The old building had a workshop, a painting studio, a kiln, and activities areas. When we built the new building, we didn't have the budget to afford those areas.

Rep. Silbernagel: If you pull out the Norgard and the lawsuit for \$400,000, how much goes into your special funds accounts on an annual basis?

Kristin Lunneborg: Around \$15 million.

Rep. Silbernagel: Is that the \$15 million of other funds on the green sheet?

Kristin Lunneborg: Yes.

Rep. Silbernagel: That is being spent down to within a couple hundred thousand dollars?

Kristin Lunneborg: That is what we try to do. We keep a cushion for emergencies.

Rep. Nelson: What is the \$400,000 lawsuit related to?

Kristin Lunneborg: That is related to the construction issues of the new home.

Rep. Nelson: There were some issues with the base. Are there going to be some issues that we're going to deal with in the future as far as the foundation?

Kristin Lunneborg: As far as I know, there have been some settling issues but nothing yet that has caused any major structural damage.

Rep. Nelson: Do you have any discretionary spending authority anywhere to make up \$75,000 that can be backfilled so you don't have to stop the demolition project?

Kristin Lunneborg: We don't have any discretionary fund or anything we can use.

Chairman Pollert: Would it be a correct assumption to say that if the budget gets approved with the emergency measure amendment, they know they're going to get their money. So it's a matter of about 30 days.

Kristin Lunneborg: Yes. We have the money and we have appropriation authority. It's just in our operating line and not in our capital line. If we knew that you were going to put an emergency clause on our bill allowing us to do that, we could continue with the demolition project and not hold anything up.

Jeff Sjoquist continued to read written testimony (attachment 1, page 5) (0:51:56).

Chairman Pollert: Wouldn't it be a stretch to say that you're going to get \$200,000 from the Heritage fund because it's not a conservation measure and that's what the fund is supposed to be for?

Rep. Nelson: No, they're funding playground equipment and a number of things. This would qualify. Is there any seed money being proposed from the city of Lisbon?

Mark Johnson, Administrator of the ND Veterans Home: At this time, no there is no seed money.

Rep. Nelson: My understanding was that the interaction and convenience advantage for the residents of Lisbon if this bridge was built and the safety not only for the Veterans' Home but for the citizens. I would think they should have a little ownership in this project.

Mark Johnson: Some of the issues we run into are all the flood control in the past. They city has had to do a lot of matching. Other issues are that the city had another bridge that failed. They don't want to have any ownership of the bridge.

Rep. Silbernagel: Is this 20 feet wide?

Jeff Sjoquist: Yes.

Rep. Silbernagel: The width of the bridge is pretty expansive. From a functional standpoint there are bridges in Fargo that are quite a bit narrower that are serving the same purpose. You could considerably reduce the cost of this bridge if you were just addressing the functional needs.

Jeff Sjoquist: That is correct. But the physical needs also include things that aren't so easy to put down. I agree that we could narrow it. We could alter the design.

Rep. Silbernagel: Those are some of the concerns that I have. I haven't done an analysis, but the laminate wood versus box steel. There are some things in the design of this project that could lower the cost pretty significantly and still meet the functional need.

Jeff Sjoquist: That's the normal process that we would go through once this is approved. We are suggesting. We're basing the budget that we bring to you today based on this design, but there will always be variables. We are not guaranteeing that this is the exact look of everything because it hasn't been designed to that degree.

Rep. Silbernagel: I'm not clear of the flood stage. How much span does this bridge give you when you have a hundred year flood event?

Jeff Sjoquist: The surface of the bridge is two feet above the current bridge that the city has. That is something the city has requested so that this does not get into the hundred year flood. It's higher than that.

Rep. Silbernagel: How much clearance do you have from the elevation?

Jeff Sjoquist: I don't know because we haven't surveyed both sides yet. We anticipate on the city side having to raise elevation up 5-6 feet where the bridge comes to land.

Rep. Silbernagel: I think that's a critical point in the conversation of the cost of the bridge because now you're talking footings and piers and if you have to raise it another five feet, the cost of your project could raise significantly.

Jeff Sjoquist: Right now we have piers and footings to support the major glulam structure that are the same size that they are no matter how high or how low in the ground elevation they are placed. The issue is that at the apron, that would be a sloped apron to negotiate whatever that grade is to be high enough that the city is comfortable outside the hundred year flood and then down to the existing grades on the city side.

Rep. Silbernagel: In Fargo they've had to raise a number of bridges at a very expensive cost because the hundred year flood event keeps getting higher. Is that included in this?

Jeff Sjoquist: It has not been specifically addressed yet. This is an early stage. With the Governor including it in his budget, we're bringing it forward so that we can find out further. As you see in the projected costs for this, there is a site survey line item. Continued to read written testimony (attachment 1, page 10) (1:05:31).

Chairman Pollert: How is the administrator's home to be funded?

Kristin Lunneborg: We submitted it in our budget as special fund dollars.

Chairman Pollert: Do you have enough special funds for the bridge and the home? You submitted this to the Executive Budget and it didn't get funded, but he funded the bridge instead?

Kristin Lunneborg: That is correct. They took the house out of the budget and put the bridge in instead. When this all plays out we need to sit down and look at where the special funds are because there were a number of things that the Governor's budget added into our budget using special fund dollars and the items that we originally submitted in ours using special fund dollars.

Vice Chairman Bellew: Section 4 of the bill says that the bridge will be funded by general funds.

Chairman Pollert: On the green sheet it shows special funds.

Lori Laschkewitsch, OMB: That is an error.

Sheila Sandness: I think we made note in the green sheet that it needed to be corrected.

Rep. Kreidt: Is the administrator still living in the existing house?

Kristin Lunneborg: Yes.

Rep. Nelson: When the Executive Budget was prepared, the revenue forecast was a little different. We're working off a template that reflects \$4 billion less in our revenue stream. There is going to have to be some prioritization.

Chairman Pollert: In the overview, it shows that the workshop is number one.

Kristin Lunneborg: Yes.

Chairman Pollert: Moving on to the spend-down report.

Kristin Lunneborg read written testimony (attachment 5) (1:14:28).

Vice Chairman Bellew: Are most of the general fund increases for the salary package?

Kristin Lunneborg: Yes, we didn't ask for any increases in the general funds.
Continued to read written testimony.

Rep. Silbernagel: Looking at the salaries, that is a 65% uptick from the prior biennium. Could you walk me through that?

Kristin Lunneborg: The reason for that big change is that anything for equity is lumped together in the administration budget and then we distribute it to the other departments.
Continued to read written testimony.

Vice Chairman Bellew: I thought you had a separate telephone system?

Kristin Lunneborg: We do. The account code says IT communications.
Continued to read written testimony.

Chairman Pollert: Are you expecting more legal fees since it's up 45?

Kristin Lunneborg: In the current biennium, I actually decreased the money we had in that line item thinking that with the construction project coming to a close we would have a lot less attorney fees but we're finding that not to be the case. I had decreased it last biennium and found that I've already overspent that line item.

Continued to read written testimony (attachment 5 and attachment 6).

Vice Chairman Bellew: Is IT communications for this phone system?

Kristin Lunneborg: We have our own phone system. In the account codes it says IT communications, but it has nothing to do with ITD.

Vice Chairman Bellew: On the sheet you gave us, it says IT communications and it's budgeted at \$76,000.

Kristin Lunneborg: Those are the costs. The IT communications that's on the SRO5 amounts to that monthly amount we pay for our current system.

Vice Chairman Bellew: If you multiply that monthly amount by 24, it only comes to \$33,000 and in the budget there's \$76,000.

Kristin Lunneborg: There are also other items that roll up into that detail as well.

Vice Chairman Bellew: If that's all it is, you have money in your current budget to buy that phone system. You have to explain what the IT communications is.

Kristin Lunneborg: I will check into that. What it might be is that was the budget based on what we're currently spending. I think the \$1,400 on this sheet is what they proposed to us if we do this switch. We looked at switching so we would have direct support in town.

Vice Chairman Bellew: I'm all for you doing this because it's so much cheaper than the state charges, I just want to know how the \$76,000 came about.

Rep. Silbernagel: Back to your bonds, can you tell me the amount that was bonded, how much is left, and does the state guarantee those bonds?

Kristin Lunneborg: The bonds came to be with the construction of the new Veterans' Home. We received 65% grant from the Department of Veterans' Affairs to help pay for the cost of construction. The remainder was made up with bonds. The bonding is paid back through the resident rents that we take in. I think it was \$2.4 million that we ended up bonding for.

Rep. Silbernagel: Does the state have to back those bonds?

Chairman Pollert: Yes, OMB and Legislative Council are nodding.

Kristin Lunneborg: The IT communications that you're asking about, that \$76,000, also includes all of our cell phones. There are a number of other components in there other than our regular phone system.

Vice Chairman Bellew: Lori Laschkewitsch is handing out the sheets we requested (attachment 6).

Lori Laschkewitsch, OMB: These would swap out for the ones Kristin has, just note that she has her explanation in front of division so it's not a clean break.

Rep. Nelson: I'd like to talk about the special funding increase. You're looking at just short of \$400,000, is that correct?

Kristin Lunneborg: When we build our budget, we have to tie every line item to whether it's special or general funds. But that's not how the money is actually spent. Even though you'll see increases and decreases on these sheets, they don't really mean anything.

Rep. Nelson: On the raw sheet on the SRO5, the last page of administration shows a \$393,943 increase in special funds.

Kristin Lunneborg: It looks like we're increasing the amount of special funds. This sheet doesn't correlate directly to the special fund revenue we're taking in. It's simply dividing the expenses between the money we have.

Rep. Nelson: Mark talked about the capacity of the Veterans' Home and where the money is generated depending on your census. In the new budget, what capacity are you anticipating? What number are you putting in as far as your census to generate your special funding?

Kristin Lunneborg: When I looked at revenue from skilled, on average we have 51 beds filled, so I used that to figure out the rent. For basic care, I probably used 85 beds filled out of the 98.

Rep. Kreidt: On the skilled side, what is the level of care and case mix average? What is your lowest, average, and highest rates in your case mix average?

Kristin Lunneborg: I don't know what the average is exactly. Our lowest case mix rate for 2015 went up to \$205 per day. The highest would be around \$300 a day.

Rep. Kreidt: Do you do Medicare?

Kristin Lunneborg: Yes, we do Medicare and Medicaid.

Rep. Kreidt: Over the period of a year, do you average 5% on Medicare?

Kristin Lunneborg: We usually have 5 residents a month on Medicare.

Rep. Kreidt: Do you have the Medicare rates?

Kristin Lunneborg: No. But Medicaid reimbursements have gone down. When we have residents on Medicare, we are usually losing a fair amount of money. We lose money when we have people on Medicare coverage.

Continued to read testimony - Maintenance Department (attachment 5, page 6) (1:43:04).

Rep. Kreidt: Going back up to utility fuel oil, is that a backup source of heat?

Kristin Lunneborg: Mark's house is still fuel oil and the backup generator.

Rep. Kreidt: Didn't the home at one time receive their heat from the nursing home?

Kristin Lunneborg: There are three boilers in the old maintenance shop across the street from Mark's house that heated the old Veterans' Home as well as his house so he is still heated by these boilers.

Chairman Pollert: On the demolition, do you salvage the boilers and sell them?

Kristin Lunneborg: Two of those are incredibly old so I don't know how much resale value they would have.

Rep. Nelson: Are the boilers being used for more than Mark's house?

Kristin Lunneborg: Yes, they heat the two maintenance buildings.

Rep. Nelson: If we funded the demolition of the administrator's home, you'd still be using the boilers, would you not? Or would you switch everything to a different heat source?

Mark Johnson: We would make the lower building cold storage and in the upper building we would put in electric heat.

Rep. Nelson: There would be a conversion and a capital cost there?

Mark Johnson: We purchased some electric heaters from surplus so there isn't any cost. My director of maintenance is an electrician so he can put all that in. We don't have any costs at all putting those in.

Vice Chairman Bellew: Explain the \$15,000 increase in your building grounds and maintenance. Also what is the electric lift?

Kristin Lunneborg: The increase is due to the fact that all the warranties have come off of all the equipment in the building so we're seeing an increased cost for repairs.

Chairman Pollert: Under your budget adjustments requested, you said you're requesting a transfer of \$125,000 from the line item for removal of asbestos. I thought it was \$80,000.

Kristin Lunneborg: Yes, it is. The newer figures came to light after I had prepared my testimony.

Mark Johnson: What they are looking at with the electric lift is basically something that they can service all the mowers with. Right now we don't have anything to lift the mowers to do any work on them.

Kristin Lunneborg continued to read written testimony (attachment 5, page 8) (1:51:10).

Chairman Pollert: Are the lifts \$18,000-20,000?

Kristin Lunneborg: The lift itself is not expensive; it's the ceiling tracking.
Continued to read written testimony.

Chairman Pollert: I thought when we did irrigation, it was one-time funding?

Kristin Lunneborg: Yes, we had irrigation money before for the area directly around the new Veterans' Home. The \$83,000 would be to tie some other property to the new system. There is a section in between there that has no irrigation.

Chairman Pollert: Would this take care of all of the irrigation?

Kristin Lunneborg: Yes, this would be all of the irrigation.

Rep. Kreidt: Whatever happened to the gazebo?

Kristin Lunneborg: The gazebo was moved to another location right by our building.

Chairman Pollert: Will you be asking for more lifts in the next biennium besides the 14 you asked for here or are these for specific quality of care issues?

Kristin Lunneborg: The ceiling lifts are beneficial in many ways. It saves on worker's comp claims because there are fewer injuries. We rotate the residents based on who needs the ceiling lifts. I don't foresee coming back in for more funding later. This would allow us to have enough rooms to take care of the people that require those lifts.

Chairman Pollert: The green sheet shows that it is a combination of general funds and special funds.

Kristin Lunneborg: That is correct.

Rep. Kreidt: How many of these lifts do you have now?

Kristin Lunneborg: We have 21.

Rep. Kreidt: So about half of the rooms will have lifts then. If you have someone that needs a room with a lift, you juggle them then?

Kristin Lunneborg: We've had to do that quite a bit recently.
Continued to read written testimony - Dietary Dept. (attachment 5, page 11) (2:01:46).

Rep. Kreidt: Do you have a licensed dietician on staff or do you contract?

Kristin Lunneborg: We had a licensed dietician and then she left the area. Now she's our consultant so she comes in around 8 hours a month.

Vice Chairman Bellew: Do the feds regulate what you feed them, like a certain number of calories?

Kristin Lunneborg: There are regulations on the food. We have a lot of diabetics. We have one main dish for every meal. If the residents don't like that main dish, we do have a short-order menu they can order off of.

Rep. Nelson: When you moved over to the new Veterans' Home, was that stocked with new equipment, like in the kitchen, or did you move equipment over from the old home?

Kristin Lunneborg: There was some equipment used from the old building. We have one main kitchen and satellite kitchens in each of the houses. Most of the equipment in the under \$5,000 category is replacement of mixers, toasters, microwaves. There is some new equipment that we're requesting, electric steamers.

Rep. Nelson: Part of this line item we can expect every session, but in this case there is additional items?

Kristin Lunneborg: Yes, usually this line item stays the same. It's just increased because of the electric steamers.

Rep. Kreidt: In the communities, are the basic care and skilled co-mingled?

Kristin Lunneborg: We have four households that make up each pod. Each of the households has their own dining room, so they only eat with the 13 or so people that are in their household unless they choose to go eat with someone else.

Rep. Kreidt: Are the skilled people in one community?

Kristin Lunneborg: They have one pod with four separate households.

Vice Chairman Bellew: How much do the steamers cost and how many are you buying?

Kristin Lunneborg: I believe there are 6 of them.

Vice Chairman Bellew: About \$4,000 a piece?

Kristin Lunneborg: Yes.

Rep. Silbernagel: What is the Soldier's Home Fund?

Kristin Lunneborg: That is what we call our special funds.
Continued to read written testimony.

Kristin Lunneborg: The next section is Basic Care Nursing Department (attachment 5, page 15) (2:12:04).

Rep. Kreidt: Do you staff that with nurses 24 hours a day?

Kristin Lunneborg: Yes.

Chairman Pollert: Are there 98 basic care beds?

Kristin Lunneborg: Correct.

Chairman Pollert: But you're never really full?

Kristin Lunneborg: We've gotten up to 86. We were slated to go to 88 and then had to move some people to nursing homes.
Continued to read written testimony.

Vice Chairman Bellew: The overtime budget request is going up three times. In the last biennium it was \$60,000 and what the Governor put in this time is \$200,000.

Kristin Lunneborg: The report that I have shows \$200,000 to \$200,000.

Vice Chairman Bellew: On overtime, it says 13-15 appropriation of \$60,000 and the recommendation of \$200,000.

Kristin Lunneborg: I think some of those numbers got shuffled around a little in the current biennium. It was appropriated at \$60,000 so yes, it is \$140,000 increase on paper.

Chairman Pollert: With 85 beds and you're licensed for 98, there shouldn't be a lot of overtime if the beds aren't full. Are you saying that if we went through the whole budget and added all the overtime, would we see all these increases in there?

Kristin Lunneborg: The overtime isn't because the beds are down; because we have positions we aren't filling because the beds are down. The overtime comes into play because the state has a pretty healthy plan for vacation days and we've had a large number of people over the last six years on family medical leave. Since we are a 24/7 facility, every time someone is gone off the floor we have to fill that spot. Usually it's the other workers that will pick up those spots.

Rep. Kreidt: Do you have CNAs in here too?

Kristin Lunneborg: Yes. We call them resident living specialists.

Rep. Kreidt: Do you have one nurse per eight-hour shift for basic care?

Kristin Lunneborg: During the day, there is one in each pod. At night, there is one nurse for both pods and one RLS. Basic care we try to staff with all LPNs, however we've had some quit and been unable to fill them with LPNs so we have a couple of RNs in basic care working in LPN positions.

Rep. Kreidt: Do you pay them LPN salary?

Kristin Lunneborg: We have to pay them the RN salary, otherwise we don't have staff. We had an LPN position open for 9 months. We finally had to fill it with an RN.

Rep. Kreidt: How many residents are in a pod?

Kristin Lunneborg: There are 98 basic beds so half of those would be in each pod.

Rep. Nelson: Back to the overtime. That's your existing staff picking up shifts. If that weren't possible, would the only other option be contract nursing?

Kristin Lunneborg: That's correct. Using our own staff to pick up open shifts, calculating their regular pay plus their incentive pay plus overtime on occasion versus what we would have paid an agency person for those same number of hours, using agency rates for 2011, in 2014 we saved \$272,000, in 2013 we saved \$238,000, in 2012 we saved \$262,000, and in 2011 we saved \$210,000.

Vice Chairman Bellew: In the 13-15 biennium, we have accrued leave payments. Do we do that anymore? Or is it rolled up in the salaries?

Lori Laschkewitsch, OMB: That would be in the fringe benefits. Agencies don't budget extra money for people to leave and pay out accrued leave. If they have someone leave and that person has a lot of banked annual leave or sick leave, they have to find that money in their budget or they have to leave that position vacant for a few months to pay for that. That's why we don't have the accrued leave line.

Kristin Lunneborg continued to read written testimony - Skilled Care Nursing Department (attachment 5, page 18) (2:24:04).

Chairman Pollert: When you do the tuition reimbursements do you have them sign a contract that they have to work there for a while?

Kristin Lunneborg: That is correct. They have to work one hour for every dollar under the current policy and they have to have been employed for a certain amount of time prior to getting accepted.

Rep. Nelson: In the psychological services contract, who do you contract with for those services?

Kristin Lunneborg: It's called Wagner Consulting.

Rep. Nelson: Where are they based?

Kristin Lunneborg: Casselton.

Mark Johnson: Currently our psychologists are out of Casselton, but they also work in Fargo. Our psychiatrist is out of Grand Forks.

Rep. Nelson: Are you seeing the need for more psychiatric services? Are you offering more services under the existing contract?

Kristin Lunneborg: We have contracts; we have one with the Stadter Center. They provide x number of hours to us a month. The residents who have insurance are billed for those services so we don't have to pay for all of them. Anybody who needs to be referred up there, we refer them and transfer them. With the Wagner Consulting group, we have a set dollar amount each month that we pay them. They come down for a set number of hours and we slot in the individuals for them to see. Anybody above and beyond that either goes to the VA or to Stadter Center.

Rep. Nelson: Do you have the capability to interact electronically with Stadter or the VA?

Kristin Lunneborg: We have the equipment. The VA is moving that direction. A lot is done by phone calls. We have the equipment we need to be able to move that direction.

Vice Chairman Bellew: Why in this section did the Governor's budget increase general funds by close to \$1 million and reduce special funds by \$700,000?

Lori Laschkewitsch, OMB: Because they are special funds when they budget for those, they typically budget to use those special funds. So when we do a compensation package that is general funded because if we funded that with special funds and they didn't have the revenue, they wouldn't be able to pay them.

Vice Chairman Bellew: But the compensation package shows \$572,000. That's another \$400,000 in general funds out of this cost center. I'm just curious.

Lori Laschkewitsch, OMB: The way she funds the salaries maybe more of them were funded general funds and maybe more of the operating was funded out of special funds. It goes back to that cash flow piece where if you look at the bottom line of the entire budget, you're not going to see that net change. The salaries are probably funded with general funds because those are certain dollars and she needs to staff.

Rep. Silbernagel: On the general funds and what they can be applied to, is there a worksheet that says how you deal with general funds in the budgeting process?

Lori Laschkewitsch, OMB: No. They have a pot of money they can use. They spend their appropriation. Every dollar isn't tied to every account code.

Rep. Silbernagel: Do they have the discretion to move those percentages and budget accordingly?

Lori Laschkewitsch, OMB: Their limitation is based on what our calculation of their hold-even budget is for general funds and then they have to find the special funds to fill in.

Rep. Kreidt: Explain what a med tech is.

Kristin Lunneborg: Those are the individuals that have gone through training so they are allowed to dispense medications.

Rep. Kreidt: Do you do IV therapy?

Mark Johnson: Yes, we do.

Kristin Lunneborg read written testimony - Activities Department (attachment 5, page 23) (2:36:13).

Lori Laschkewitsch, OMB: I have a one-page report that has their agency budget with the funding at the bottom (attachment 8).

Kristin Lunneborg read written testimony - Social Services (attachment 5, page 26), Housekeeping (attachment 5, page 29) and Laundry Department (attachment 5, page 32).

Rep. Kreidt: Do you own your own linens?

Kristin Lunneborg: Yes we do.

Rep. Kreidt: And you do those in the laundry department?

Kristin Lunneborg: Yes. Basic care residents can wash their own clothes if they want to or send them down to laundry.

Continued to read written testimony - Pharmacy (attachment 5, page 35).

Rep. Kreidt: Are you audited by the state for your cost report?

Kristin Lunneborg: That is correct.

Rep. Silbernagel: On the sheet Lori handed out (attachment 8), federal funds last biennium was \$29,000 and this biennium is \$450,000. What is that?

Kristin Lunneborg: The \$29,475 was FEMA money. In general we don't receive federal fund dollars unless it's a grant project. The \$450,000 included in the next biennium would be if they are able to get the grants for the bridge.

Rep. Silbernagel: The general funds for 13-15 were \$8.5 million and on the green sheet it has \$7.7 million.

Kristin Lunneborg: There are some changes just because of the construction project because there were general fund dollars involved. A lot of that money has rolled forward. Plus the demolition of the old building was funded with general fund dollars.

Lori Laschkewitsch, OMB: We work from the adjusted appropriation. On the green sheet you will see the original appropriation. However, with the construction project where they have to carry over money, that gets added into their 13-15 appropriation. We start from that so we can assure to you that they are removing those extra funding pieces. That's why on these reports you'll see the adjusted appropriation.

Rep. Silbernagel: So the budgeted is on the green sheet?

Sheila Sandness: The green sheet is the Executive budget as it was approved when the Legislature last met. We don't include any interim carry over or emergency commission action because we use that number to calculate their base budget. We take the number you approved last time and subtract the one-time funding to get to the base budget.

Kristin Lunneborg: I also included the proposed amendment to change the funding source for the workshop (attachment 9) and the Melvin Norgard fund (attachment 10).

Vice Chairman Bellew: Didn't you also need authority for \$80,000 for demolition?

Kristin Lunneborg: Yes. Beyond this amendment for the workshop, we wanted an amendment for \$48,000 for the telephone system.

Vice Chairman Bellew: And then the \$80,000?

Kristin Lunneborg: Yes and that would just be funding transfer in our current biennium budget.

Chairman Pollert: Is that for the demolition?

Kristin Lunneborg: Yes, for the asbestos removal.

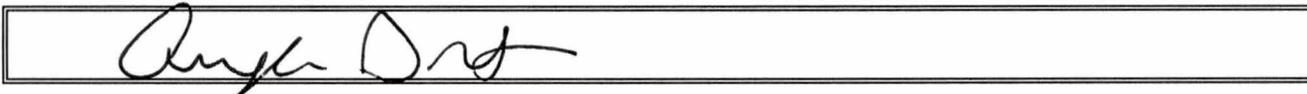
Chairman Pollert dismissed the committee.

2015 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee - Human Resources Division Sakakawea Room, State Capitol

HB1007
2/5/2015
Job 23336

- Subcommittee
 Conference Committee



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the veterans' home; to provide an exemption; and to declare an emergency.

Minutes:

Attachment 1

Chairman Pollert called the committee to order.

Mark Johnson, Administrator of the ND Veterans' Home introduced Bruce Fadness.

Bruce Fadness read written testimony (attachment 1).

Rep. Nelson: I don't think this committee has ever had any doubt about the condition of the home. How often does a home that would be suitable come up and what is the price range?

Bruce Fadness: The one that would be best suited for a new commandant would be a speculative new built home. They run about 1,700-1,800 square feet with an unfinished basement, three bedrooms, two baths, two stall garage for around \$300,000.

Rep. Silbernagel: Is Lisbon's real estate market driven by the factory in Gwinner?

Bruce Fadness: That's correct. The only time it wasn't ramped up is when they shut the factory down for about a month and a half.

Chairman Pollert: Was their money last biennium for a housing allowance?

Lori Laschkewitsch, OMB: There was \$20,000 that was put in their budget last time and remains in their budget.

Rep. Holman: How long would it take someone to find a house?

Bruce Fadness: Currently there are five houses on the market that are all under \$100,000 and are not suitable for a new commandant. To find a home, it would take 6-9 months.

Senator Judy Lee, District 13: I am on the governing board for the Veterans' Home. This is not a wonderful piece of history; this is an old house. Mr. Johnson sleeps with a tennis racket under his bed to beat off the bats. There is room for improvement. Not only is he doing a good job as an administrator, he is doing it under less than ideal conditions. The benefit of consideration of a housing allowance is that it's a nontaxable benefit so there's a little more bang for the buck if that's one of the options you're looking at. I'm just encouraging you to figure out some way for Mr. Johnson's family to be accommodated in a house that is appropriate.

Rep. Nelson: In the priority list, a new workshop for the residents was first on the list. A new bridge was listed as second. The other thing is that we're running out of money. How do we do this?

Senator Lee: I recognize those challenges and I don't have an easy answer. In your consideration of all these issues, this house is not something that I think any of you would be willing to live in and we need to do something in order to move forward with that. The workshop is a very important thing. It's a balancing act.

Rep. Nelson: I agree. We've been trying to address this issue for a couple of sessions.

Senator Lee: It's not that Mr. Johnson is leaving. But if he left, I can't imagine we could hire anybody who would be willing to live in that house.

Chairman Pollert: I would like a clarification because I think there are two priority lists. I think the Executive Budget puts the bridge in front of the house. But I think the administrators are going to say something different.

Mark Johnson: Actually to clarify what our intent was and how we prioritized it from our board the workshop was number one, the residence was number two and the bridge was number three. In the Governor's budget, the Governor funded the workshop and the bridge, but not the house.

Chairman Pollert dismissed the committee.

2015 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee - Human Resources Division Sakakawea Room, State Capitol

HB1007
2/13/2015
Job 23819

- Subcommittee
 Conference Committee



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the veterans' home; to provide an exemption; and to declare an emergency.

Minutes:

Attachment 1

Chairman Pollert called the committee to order.

Chairman Pollert: I will be asking for amendments on the base payroll change, the performance of three and three, and the health insurance. I will ask for those three as one amendment. What is the three and three figure?

Sheila Sandness, Senior Fiscal Analyst, Legislative Council: The performance of three and three for the Veterans' Home is \$505,644.

Chairman Pollert: Are there other funds?

Sheila Sandness: Yes. The general fund portion is \$481,364 and the special fund total is \$24,279.

Chairman Pollert: Rep. Holman, are you asking for the retirement increase?

Rep. Holman: Yes.

Chairman Pollert: As far as section 4, we don't have to bring that forward because it won't be part of the budget, correct?

Sheila Sandness: Yes. If the bridge is not included in the budget, we would eliminate section 4.

Chairman Pollert: We wouldn't have to bring that up?

Sheila Sandness: Correct.

Vice Chairman Bellew: I would like this as an amendment: Since all the equity funds are being pulled, and there is \$429,000 in this budget for equity funds, in special funds under equity I would like to move that up to the salary increases-performance and reduce the general funds by that much and put special funds at an additional \$429,000 to the other funds in that category. Does that make sense Sheila?

Sheila Sandness: You want to change the funding source of the performance to add the \$429,624 to the \$24,279 and then take the difference between that and the 505 as general fund.

Vice Chairman Bellew: Correct.

Sheila Sandness: You would reduce the general fund down to whatever would be needed to make up the difference.

Vice Chairman Bellew: Exactly. Basically on the green sheet there was \$429,000 for equity in special funds. I'm just asking for that to replace the general funds in salary performance increases.

Rep. Nelson: I understand what he's doing. I think the question that has to come up is: are we not serious about a pool for equity funding? If we are serious about creating a pool, wouldn't this maneuver put the Veterans' Home staff in a disadvantaged position when it comes to equity?

Vice Chairman Bellew: I don't think it will. I hope it doesn't.

Chairman Pollert: When we get to the discussion part, I hope we will have an answer from somebody on whether that is legit or not.

Sheila Sandness: I have the number for Representative Bellew's proposal. The funding source for the \$505,644 performance would be \$453,903 special fund and \$51,741 of general fund.

Vice Chairman Bellew: I would move the \$63,957 in adjusts funding for bond and interest over.

Rep. Holman: I'll put the ceiling lifts on so we can vote on them. It's in the equipment, \$261,660.

Chairman Pollert: The \$261,660 is for the 14 lifts and the \$96,700 is for the tool cat, the bobcat broom, the Toro lawnmower, utility vehicle.

Rep. Silbernagel: I would make a motion on patient lifts for 7 lifts for \$130,830.

Chairman Pollert: Are those general funds?

Rep. Silbernagel: Yes.

Rep. Kreidt: The irrigation system other funds of \$83,000; I'll move that over.

Chairman Pollert: Is that on provides funding to complete the irrigation system of other funds?

Rep. Kreidt: Yes. Going back to some of the equipment they asked for. They need dishwashers for \$24,000. That would be under funding for equipment. And the new step for physical therapy department for \$6,200 and the broom for the bobcat for \$6,500.

Chairman Pollert: That would be if Rep. Holman's motion doesn't.

Rep. Holman: I'll pull mine.

Sheila Sandness: To clarify, we're replacing the \$261,660 with \$130,830?

Chairman Pollert: Yes.

Sheila Sandness: So we're taking the \$261,660 off?

Chairman Pollert: Yes, Rep. Holman pulled that.

Sheila Sandness: The \$261,660 is coming off and Rep. Silbernagel's number which was \$130,830 is for 7 lifts. What do you want combined?

Chairman Pollert: Rep. Kreidt's would be for \$36,700.

Vice Chairman Bellew: That is the other funds line item in the equipment because it was \$96,700 and we're replacing that with \$36,700.

Sheila Sandness: We're adding the \$36,700 to the 7 lifts?

Chairman Pollert: Yes. That will be as one amendment. Rep. Nelson I see that you have language on the back page?

Rep. Nelson: I don't know if that's ready yet.

Sheila Sandness: We included some language on the back page for you to review.

Chairman Pollert: The \$84,500 corresponds to the e-mail that the Administrator had sent to us saying how much that was going to cost.

Rep. Nelson: I think that gets to what we're trying to do to allow the Veterans' Home to utilize the funding they have in their budget to finish that asbestos removal and get that project completed. That's the intent of the amendment.

Chairman Pollert: So you want that amendment added?

Rep. Nelson: Absolutely.

Vice Chairman Bellew: I'll move over the removes prior biennium capital assets total of \$213,200; \$142,000 general and \$71,200 special.

Chairman Pollert: Why don't you just move the one above the bond and interest, adjusts funding for operating expenses?

Vice Chairman Bellew: I did that already.

Chairman Pollert: And the bond and interest too?

Vice Chairman Bellew: Yes.

Chairman Pollert: You did them both as one.

Rep. Holman: I have a note here for a phone upgrade for \$48,000.

Vice Chairman Bellew: They brought that up.

Rep. Silbernagel: I would like to propose an amendment for the resident workshop construction in the amount not to exceed \$721,000 utilizing the Norgard Funding and the balance of the lawsuit.

Rep. Kreidt: I was waiting for some information from Lori.

Lori Laschkewitsch, OMB: The balance of the Norgard fund is \$325,702.

Rep. Silbernagel: Yes. In the amendment, not to exceed \$725,000 in construction costs.

Sheila Sandness: The amount that would be included would be the \$126,800, right? That's the amount that we're adding, but it's coming from the Norgard? Is that what the motion is?

Chairman Pollert: If I read Rep. Silbernagel's motion correctly, the special fund is not part of it. I think they wanted more money. Rep. Silbernagel's motion takes the lawsuit money and the Melvin Norgard money to make it work.

Rep. Silbernagel: Correct.

Lori Laschkewitsch, OMB: You had an amendment that amended the Legislation that is currently in place that said all of the funding had to come out of the Norgard fund and they couldn't build it until the Norgard fund had sufficient money. We prepared an amendment that changes that so that it can be spent out of other special funds.

Chairman Pollert: We would need that language. Do you have that Sheila?

Sheila Sandness: Yes.

Chairman Pollert: Unless somebody asks for that funding for a motion for the other funding from other funds of the \$126,800 that is not included in Rep. Silbernagel's motion.

Rep. Silbernagel: That's the way we want to write the amendment, yes.

Chairman Pollert: Of the \$325,000, the \$400,000 and the language.

Rep. Silbernagel: And not to exceed \$725,000 in construction costs. We need an amendment for a housing allowance. I would put an amendment forward of \$20,000 for a housing allowance; \$5,000 to come from the general fund and \$15,000 from special funds.

Chairman Pollert: You're motion is housing allowance of \$5,000 general fund and \$15,000 special funds?

Rep. Silbernagel: Yes.

Rep. Holman: Explain the phone upgrade.

Chairman Pollert: I thought they brought forward, it was not in the budget, about a phone system for \$48,000. Can you give us an explanation? But it did not make the Executive budget. They didn't even request it, is that correct?

Lori Laschkewitsch, OMB: That's correct. I don't believe they were aware what the cost of the phone upgrade was going to be. Some of the equipment they have is obsolete so that was going to be the additional cost to replace the obsolete equipment and I believe to change providers.

Rep. Holman: I will bring that forward then, up to \$48,000 for a phone upgrade.

Chairman Pollert: What kind of funds were those?

Rep. Kreidt: I had a number on the phone system of about \$45,000. I would bring a motion forward that we add the phone system into the overall operating costs of the facility and that's \$2,610,000 and that would have to cover for the phone system too.

Rep. Holman: If it's authorized that they can do it, then we're ok.

Chairman Pollert: So it would be \$48,000 for the phone system?

Rep. Kreidt: In my notes I had \$45,000 but it's \$48,000.

Chairman Pollert: You need to work with Sheila on that language. We're going to be voting on these shortly and then the language will have to get corrected better.

Rep. Nelson: There's some confusion about the continued funding for the demolition of the former Veterans' Home, whether we need that to transfer over or not, the \$121,000. I'll have an amendment to move that over.

Chairman Pollert: We will start on the top dealing with salaries. Representative Bellew's amendment is to take what they show on the green sheet of the equity funding out of other funds, the \$429,624 and apply that against the three and three.

Rep. Silbernagel: In the event that there is an increase that comes down the line, can we take out a general to fund that if need be?

Chairman Pollert: I would say what would happen with the equity funds is they will be put on a priority list. My guess is that whole amount is going to drop and then there will be an equity spot. Then would Veterans' Home make that or not? I would say that's possibly not and then would it be a general fund? Possibly. But they might force it to be special funds and then they might run into a shortage. With all the projects they were going to do, there was concern and I asked them if they had enough special funds and they weren't going to have enough.

Lori Laschkewitsch, OMB: That is correct. I'm afraid that when this pool gets created, Legislative Council will be looking at what the funding sources of these equity funds in all the different agency budgets are and then do a percentage of it. I think the whole idea that these special funds got used somewhere else and they would need to be general funds in that pool, I think could very easily just get lost in the shuffle. With using those lawsuit funds for the workshop, the settlement charges of the \$400,000, they still have a pending lawsuit on the home; I think you're probably going to be expending more special funds than they could end up having.

Chairman Pollert: They were trying to do that in the first place.

Rep. Nelson: I'm not going to support this. I think we need to keep all of these agencies on a level playing field. If in fact any equity does appear, this puts the Veterans' Home at a disadvantage in that equity pool. I understand what we're trying to do. The Veterans Home has two funding sources. The VA component of the rate structure, they utilize. In the amendments that are offered, we have them paying for the phone upgrade, the resident workshop, and the irrigation system with special funds. I think what we're saying is that there too much fluff in their funding, but we're biting into that pretty good this time. I don't want them to not have enough money. They talked about a \$200,000 cushion that they wanted in operating for fluctuations. That's not a very big number when you think about the overall expense line item.

Chairman Pollert: They actually took the first step when they were going to overfund when they were going to do a home and a bridge and all the other projects.

Rep. Nelson: That's true.

Vice Chairman Bellew: This would make them manage a little bit and decide what's important to the Veterans' Home.

A Roll Call Vote was taken. Yes: 1, No: 5, Absent: 0

Chairman Pollert: Sheila did anyone ask for a motion on provides a continued funding for demolition of the former Veterans' Home facility?

Sheila Sandness: Rep. Nelson did.

Chairman Pollert: The reason I ask is because of the increase of the Melvin Norgard to the \$325,000 and the \$400,000. Because under one-time funding items, increase funding for construction of resident workshop, was your amendment with the demolition or with the resident workshop?

Rep. Nelson: My amendment was in the line item that says provides continued funding for demolition of former Veterans' Home, the \$121,000.

Chairman Pollert: Thank you for the clarification. Moving on then to the motion I made on the base payroll change, the performance of the three and three, and the health insurance.

A Roll Call Vote was taken. Yes: 6, No: 0, Absent: 0

Chairman Pollert: Next is Rep. Holman's motion to fund the retirement increase.

A Roll Call Vote was taken. Yes: 1, No: 5, Absent: 0

Chairman Pollert: Rep Bellew, can I take yours on the adjust funding for operating expense, adjust funding for bond and interest, and removes the prior biennium?

Vice Chairman Bellew: Those can go together.

A Roll Call Vote was taken. Yes: 6, No: 0, Absent: 0

Chairman Pollert: Next is provides a continued funding for demolition of former Veterans' Home facility.

Vice Chairman Bellew: My understanding is that they won't need this funding if we do that amendment that Rep. Nelson brought forward on the back page.

Lori Laschkewitsch, OMB: That \$121,000 is not continued funding for the demolition. That is part of their base extraordinary repairs. If you look at the next line, where it's removed, the \$142,000, that's the demolition money, the \$121,000 plus \$21,000 for the fence where they removed the demolition and they removed the fence. Although, this says demolition, that is not what that money is. It's part of their base extraordinary repairs for the home.

Rep. Nelson: I think that's important to note. I'm not trying to pull anything here. This isn't the first issue we've had with the way the green sheets were prepared this time. It's been more than confusing compared to other sessions. With the base funding added to that, we're in a more confused state. All I'm trying to do is make sure we have the funding in the right places to do this, to get this demolition project done. I'm not attempting to add another \$121,000 of spending authority.

Lori Laschkewitsch, OMB: Do you have the ability to change what those words are so when you're doing your amendment you're continuing the extraordinary repairs since it isn't demolition money?

Chairman Pollert: Rep. Kreidt will be carrying this bill so he'll need that language.

Vice Chairman Bellew: I don't remember a list of extraordinary repairs.

Chairman Pollert: I know we had the discussion.

Rep. Holman: I'm not clear on the 121 versus the amendment on the back page.

Vice Chairman Bellew: They're different.

Rep. Holman: Are they duplications?

Chairman Pollert: If I'm correct, the \$121,000 is for the continuation of the demolition that is going on but the \$84,000 is for the asbestos removal.

Sheila Sandness: I'm looking at the change package and I think that's where the confusion lies. When Sean was going through and doing the green sheets. On the change package when OMB pulled out the prior biennium demolition costs, they pulled out \$1 million but on the bill for 13-15, the one-time funding item for the demolition was \$1,121,000. That's where the confusion lies in the green sheet. When he was trying to balance the current recommendation with what we calculated as base budget based on last time's appropriation minus the one-time, he was coming up off the \$1,121,000 because the 13-15 biennium appropriation included \$1.121 million for the demolition as one-time funding and that got pulled out to get to the base. I think there is probably a difference in what we considered base funding and what OMB considered base funding. Maybe I'm wrong. I'm looking at the change package and \$1 million was taken out.

Lori Laschkewitsch, OMB: The \$121,000 was the cold storage building.

Rep. Silbernagel: Will we need an amendment to bring the \$84,000 on?

Chairman Pollert: No, we have it. We'll be voting on it.

Rep. Nelson: Just to clarify, the \$121,000 for the demolition is in that next line, that \$142,000 that's taken out and we did move that right?

Chairman Pollert: We haven't voted on it yet.

Rep. Nelson: That's where the \$121,000 exists and the additional \$21,000 is for the fence. It's an off-set but that is the money for the demolition. If we don't pass this but we pass the other one, they will be short \$121,000 and we're back to square one.

Chairman Pollert: Is that correct?

Sheila Sandness: I'm not familiar with how they did their base budget and moved things around so I'd have to defer to Lori on that. All I can tell you is that when I look at the 13-15 biennium, it has the \$1.121 million as demolition of the old Veterans' Home, but \$1 million was removed so that left the \$121,000 which when we tried to balance to the Executive recommendation, that's what we were off. Now if they removed it a different change package and we didn't see it and it was part of another broader change, we could have missed that.

Rep. Nelson: I have the change package and it's in black and white.

Rep. Kreidt: We appropriated the \$1.121 last time.

Lori Laschkewitsch, OMB: I can get you a copy of the change package report that shows where they took out the \$1 million.

Chairman Pollert: Who took out the \$1 million?

Lori Laschkewitsch, OMB: The Veterans' Home removed from their budget request the \$1 million. Then right above it, there is a change package that removes \$213,000 which is \$142,000 in general funds so that's the rest of that \$121,000 plus \$21,000 that we gave them for a fence that they also had to remove because they don't get to carry that forward either. Even on this amendment sheet, you can see they removed \$142,000.

Chairman Pollert: Why would the Veterans' Home remove \$1 million?

Lori Laschkewitsch, OMB: They showed \$1 million in one change package because that was the home and in the other change package that \$121,000 was for the moving of that cold storage building. When it was appropriated to them, I think you lumped it all as \$1,121,000. When they were doing the work, it was two projects so they removed them separately.

Chairman Pollert: It eliminates it so we have to put the \$121,000 back in because cold storage eliminated it?

Lori Laschkewitsch, OMB: No, it's gone. They spent it. The \$121,000, the words here are just wrong. They should say that this is extraordinary repairs which every agency gets extraordinary repairs based on a formula based on the values of their building. All we include in the budget is 20% of that formula.

Chairman Pollert: Without the \$121,000 can they finish the demolition of the Veterans' Home?

Lori Laschkewitsch, OMB: If you don't fund the \$121,000, they just won't have extraordinary repair money to take care of things.

Chairman Pollert: They used \$1 million and they used \$121,000 which would have went to the cold storage. They actually put that in the million so there was \$120,000 left. So they would be short if we don't fund this for the demolition of the old Veterans' Home.

Lori Laschkewitsch, OMB: We're crossing bienniums. It's this biennium's money and they took it out so there won't be any more of that.

Chairman Pollert: That's why we have to put in the \$121,000.

Rep. Holman: But do we have to change what it's for?

Chairman Pollert: If the amendment passes, we have to get the language.

Rep. Kreidt: They were building houses and bridges, can't they cover \$121,000? Why do we want to move it over?

Rep. Nelson: That's why we have the amendment for the \$84,000 because they told us they couldn't complete the project without authorization. They could have done it but it would have been an audit finding because they don't have the authority to move that money over. That's what the amendment does on the back page is to give them the ability to move that funding over. Then we probably have to add the \$121,000 and \$84,000.

Chairman Pollert: The question has been called for the motion.

A Roll Call Vote was taken. Yes: 3, No: 3, Absent: 0

Chairman Pollert: Now we have Rep. Bellew's that removes prior biennium capital assets of the \$121,000 and the \$21,000 for the fence for the \$142,000 for the \$213,200.

A Roll Call Vote was taken. Yes: 5, No: 1, Absent: 0

Chairman Pollert: Next is the \$48,000 on the phones.

A Roll Call Vote was taken. Yes: 6, No: 0, Absent: 0

Chairman Pollert: Next is Rep. Silbernagel's motion on the \$400,000 lawsuit and the \$325,000 Melvin Norgard.

Rep. Nelson: Lori tells me that we have appropriated \$788,000 in this biennium so we have to reconcile the \$725,000 to the \$788,000. If we appropriate \$725,000, there's going to be the difference of \$63,200 that's not accounted for in their budget. I would move a substitute motion to move the \$725,000 to \$788,200.

Rep. Silbernagel: Do I need to withdraw my motion?

Chairman Pollert: We still need the \$400,000 lawsuit. We'd need the \$325,000 Melvin Norgard and then you're saying we need special funds of \$63,000.

Rep. Nelson: Isn't the \$400,000 in special funds? I would increase the special funds.

Chairman Pollert: Rep. Silbernagel, it would be your motion plus \$63,000 in special funds.

Lori Laschkewitsch, OMB: You don't need to specify any of that because it has been specified in current language that all of the money would come out of the Melvin Norgard fund. With that amendment that they presented that changes Melvin Norgard fund and special fund, you don't have to specify any amount.

Chairman Pollert: But we have to go to the \$788,000?

Lori Laschkewitsch, OMB: You don't even have to specify that amount. You're just changing the language to say it's ok to go ahead and build with special funds.

Chairman Pollert: If the workshop would go to \$1.1 million.

Lori Laschkewitsch, OMB: They don't have the authority.

Chairman Pollert: We want to make sure they don't. So we'll put that to \$788,200. Would you add that to your motion Rep. Silbernagel?

Rep. Silbernagel: I would.

Sheila Sandness: The motion is to amend the language from the prior biennium to allow them to use special funds and then to limit the cost to the \$788,200?

Chairman Pollert: Yes.

A Roll Call Vote was taken. Yes: 5, No: 1, Absent: 0

Chairman Pollert: Rep. Kreidt's amendment provides funding to complete the irrigation system, \$83,000 other funds.

A Roll Call Vote was taken. Yes: 4, No: 2, Absent: 0

Chairman Pollert: Rep. Silbernagel's amendment for 7 lifts at \$130,830. Does the committee have a problem if I add Rep. Kreidt's of other funds of the dishwasher, the new step, and the bobcat broom, which would be \$130,830 general funds and \$36,700 other funds?

Rep. Holman: Put them all together.

A Roll Call Vote was taken. Yes: 5, No: 1, Absent: 0

Chairman Pollert: Next is Rep. Silbernagel's amendment for the housing allowance of \$5,000 general funds and \$15,000 special funds.

A Roll Call Vote was taken. Yes: 5, No: 1, Absent: 0

Chairman Pollert: Rep. Nelson's amendment is on the second page with the \$84,500.

Vice Chairman Bellew: Do we need to put an emergency clause on that?

Rep. Nelson: I don't think it would hurt to put the emergency clause on it, but I don't think it's going to affect it.

Chairman Pollert: The way I understand it is that they were more looking at that they could see this rolling through the page if they want to continue the demolition and to get going on the asbestos.

Rep. Nelson: Right. I don't think the emergency clause makes it work any better.

Sheila Sandness: It wouldn't be bad to have it because it is current biennium funding.

Chairman Pollert: We should be ok.

A Roll Call Vote was taken. Yes: 6, No: 0, Absent: 0

Chairman Pollert: We also have to if we want section 3 to go over. On the original bill, the exemption. If I'm correct, that language is needed.

A Roll Call Vote was taken. Yes: 6, No: 0, Absent: 0

Chairman Pollert dismissed the committee.

2015 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee - Human Resources Division
Sakakawea Room, State Capitol

HB1007
2/17/2015
Job 23945

- Subcommittee
 Conference Committee



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the veterans' home; to provide an exemption; and to declare an emergency.

Minutes:

Attachments 1-2

Chairman Pollert called the committee to order.

Chairman Pollert: Is this the updated version with the \$121,000?

Rep. Kreidt: We had removed that \$121,000 and to get the budget to balance out, we added it back to capital assets. You'll see that down on the right side, three up from the bottom. I would move that \$121,000.

Chairman Pollert: This is the one thing we hadn't voted on. Any discussion?

A Roll Call Vote was taken. Yes: 5, No: 1, Absent: 0

Rep. Kreidt: I will move HB 1007 as amended.

Rep. Nelson: Second.

Rep. Kreidt: I've gone through all of the sections and everything looks like it is in place.

Vice Chairman Bellew: Should the \$121,000 that we moved over be one-time funding so it's not included in their base next time?

Sheila Sandness, Senior Fiscal Analyst, Legislative Council: Capital assets are not typically one-time funding. When they do their budget, they remove it and then add back in their capital items each time anyway. You would see the capital items detail again next time and would be able to remove it if you wanted to.

Chairman Pollert: It should show a corresponding reduction on the iBars report and then an addition if there is something new in the next biennium.

Sheila Sandness: That's correct. If you look at their capital assets line on the first page of the amendment you can see that the final number will be \$595,413. That's made up of their bond payments and then those items you added on the bottom of one-time for the irrigation system and the equipment. If you took the \$83,000, the \$167,530, and their bond payment which is \$344,883 and add them you will get the \$595,413.

Vice Chairman Bellew: This does represent a 23.18% increase in general fund spending and according to our new projections, I think it's pretty high.

Chairman Pollert: I would remind the section also, of that 23%, about 1.45% is wages and salaries even though we had a discussion on the special funds and the equity.

Rep. Nelson: When we use those types of numbers, I take some exception to that. Here we have a capital project that is probably the biggest cause of the increase, the workshop.

Vice Chairman Bellew: That's not it at all.

Chairman Pollert: Rep. Bellew is talking about general funds and the special funds you're talking about, I understand that too.

Rep. Nelson: The point is that there is a lot in these budgets that aren't apples to apples comparisons. We can continue to do this but I'm not even going to listen to it.

Chairman Pollert: So noted. I understand both sides.

A Roll Call Vote was taken. Yes: 5, No: 1, Absent: 0

Chairman Pollert: Rep. Kreidt will carry the bill.

Chairman Pollert dismissed the committee.

2015 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee Roughrider Room, State Capitol

HB 1007
2/18/2015
Job Number 24104

- Subcommittee
 Conference Committee



Explanation or reason for introduction of bill/resolution:

Provide an appropriation for defraying expenses of the Veterans' Home

Minutes:

Amendment #15.8115.01002

Representative Kreidt: Handed out the amendment #15.8115.01002.
Explained the amendment. An emergency clause is also included.

Representative Kreidt: Motion made to approve amendment

Representative Nelson: Seconded the motion

Vice Chairman Keith Kempenich: What does the irrigation system consist of?

Representative Kreidt: We gave them money before they started new construction. After the new building was done there is still an area around the new nursing home that they couldn't complete with the irrigation system. They needed another \$83,000 to do it.

Chairman Jeff Delzer: You are talking about the actual lawn?

Representative Kreidt: That is correct.

Chairman Jeff Delzer: What are they doing for a phone system?

Representative Kreidt: They are having a new phone system put in.

Chairman Jeff Delzer: By whom?

Representative Kreidt: The local company in Lisbon.

Chairman Jeff Delzer: \$48,000 is just for the equipment for the phone system?

Representative Kreidt: Installation and everything. You have to provide service for all of the residents. You can charge residents a minimum fee but you are providing the access.

Chairman Jeff Delzer: Can they charge for long distance?

Representative Kreidt: Yes

Chairman Jeff Delzer: Is there an intercom system?

Representative Kreidt: Yes

Representative Hogan: Section 5 says the shop will be completed this biennium?

Representative Kreidt: Yes, with the emergency clause.

Chairman Jeff Delzer: If they didn't get it done, they can come and ask to extend it in the next biennium.

Representative Monson: How many residents?

Representative Kreidt: They have beds for 98 basic care and 52 skilled care residents. They have pods with a home-like atmosphere which adds a lot to the cost of a phone system.

Chairman Jeff Delzer: The facility is huge.

Representative Kreidt: The VA gave them directions to build it.

Chairman Jeff Delzer: It is only about four years old. Why are they in need of a new phone system?

Representative Kreidt: We didn't get into that discussion.

Representative Monson: How many beds are full?

Representative Kreidt: The skilled facility is full with 52. The basic care facility is at about 85% occupancy. That is pretty good for a basic care facility.

Chairman Jeff Delzer: It is paid the same as all other nursing homes. It is by far the highest cost nursing home in the state.

Representative Kreidt: The set up with the home-like atmosphere is not the most efficient but that is the concept that the vets wanted.

Representative Pollert: There was a move to build a bridge and a house and we did not fund that. We did have to put in \$20,000 as a housing allowance for the director.

Representative Nelson: I think we should talk about the \$121,000 and the \$84,500 in Section 4. That is to complete the cleanup of the old veteran's home. They found asbestos in the tile and in the glue in the tile. The \$84,500 is to finish the removal. The emergency clause for that section is very important to the bill.

Chairman Jeff Delzer: You have the \$1 million from last time and that covers that. That is why you want the emergency clause because that million dollars is good until June 30.

Representative Nelson: Yes.

Chairman Jeff Delzer: You are basically adding \$121,000 plus the \$84,500 they can transfer.

Representative Nelson: Not really.

Representative Pollert: The \$1.21 million--when they were tearing down, included in that amount was \$121,000 for a cold storage shed. So they tore it down. They were short \$121,000. They needed the million for the old home and \$121,000. Then they needed the \$84,500 for the asbestos.

Chairman Jeff Delzer: Have they started tearing it down?

Unidentified speaker: They are working on it.

Voice vote taken. Motion to amend carries.

(23:14)

Representative Kreidt: Moved Do Pass as amended.

Representative Nelson: Seconded the motion.

Representative Dosch: I will not support this budget. We are spending \$85,000 per bed per year. That is \$7,000/month. This new building is supposed to be efficient. This has been mismanaged from the beginning of construction. It continues with this operating budget. How can we justify this? Something has to be done to bring this in line. We are wasting a lot of money.

Representative Skarphol: What's required to be admitted to this facility? What does the individual need to pay that is admitted?

Representative Kreidt: You have to be a veteran or spouse of veteran. There is no charge except when you come in for the rental.

Chairman Jeff Delzer: I think we pick up the difference between what the vets pay and the cost.

Representative Kreidt: They can be on VA and also get medical assistance.

Chairman Jeff Delzer: Is that also the case for a spouse?

Representative Kreidt: Yes. On the basic care there is a room charge.

Chairman Jeff Delzer: The VA also funds part of that.

Representative Kreidt: Yes.

Representative Monson: You have \$14.7 million of income. What are the sources of income?

Representative Kreidt: They receive veteran's benefits. If they are on medical assistance that would pay the difference between whatever VA wouldn't cover. If they have enough money set aside; they pay out of their own pocket to make up the difference. Or they could have nursing home insurance that would also assist with the daily rate.

Chairman Jeff Delzer: Is the staff considered full time?

Representative Kreidt: Yes.

Chairman Jeff Delzer: From the state? Does that raise the cost compared to other nursing homes?

Representative Kreidt: They are state employees so they receive the same benefits. Salaries are determined by the Board of Directors at the VA Home.

Chairman Jeff Delzer: Compared to the average nursing home in the state?

Representative Kreidt: They probably do a little better. They have full health insurance which other facilities may not offer.

Representative Hogan: It's surprising to see the estimated income went down \$366,000.

Representative Kreidt: Their income is received from rentals. That depends on their occupancy. That would be the biggest amount.

Representative Nelson: It is important that we know the VA pays the major part of the room rate. It is a more expensive population. It's the highest priced nursing home in the state. But it is also the most mobile population. There are a lot of issues that this population has that another nursing home doesn't have. There are a lot of behavioral health issues, addiction issues, and other issues. We can talk about how inefficient they are but the system almost requires that inefficiency because of the population.

Representative Skarphol: If an individual receives veteran's benefits, are the costs covered or is there an additional charge that the individual has to pay?

Chairman Jeff Delzer: They would have to go through the assessment; and then that would determine what the VA would pay.

Representative Kreidt: If they go into the basic care side; it would be cheaper.

Last session we figured out what their case mix is. It was about a .70; which is on the low side for a skilled facility. I would like to see the basic care level at 1.2 to cash flow it. They are staffed at about 121. For the number of residents they have, the staffing is not out of line.

A Roll Call vote was taken: Yes 19, No 3, Absent 1.

Do Pass as amended carries.

Representative Kreidt will carry the bill.

Handwritten:
2-19-15
183

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1007

Page 1, replace lines 11 through 18 with:

"Salaries and wages	\$15,874,867	\$1,760,786	\$17,635,653
Accrued leave payments	458,196	(458,196)	0
Operating expenses	5,408,850	(102,850)	5,306,000
Capital assets	<u>501,040</u>	<u>94,373</u>	<u>595,413</u>
Total all funds	\$22,242,953	\$1,294,113	\$23,537,066
Less estimated income	<u>15,081,100</u>	<u>(366,692)</u>	<u>14,714,408</u>
Total general fund	\$7,161,853	\$1,660,805	\$8,822,658
Full-time equivalent positions	120.72	0.00	120.72"

Page 1, remove line 24

Page 2, replace lines 1 through 5 with:

"Demolition of old veterans' home	\$1,121,000	\$0
Shop addition	788,200	0
Irrigation system	0	83,000
Equipment	<u>0</u>	<u>167,530</u>
Total all funds	\$1,909,200	\$250,530
Less estimated income	<u>1,348,700</u>	<u>119,700</u>
Total general fund	\$560,500	\$130,830"

Page 2, replace lines 16 through 18 with:

"SECTION 4. FUNDING TRANSFER - EXCEPTION - AUTHORIZATION.

Notwithstanding section 54-16-04, the veterans' home may transfer up to \$84,500 from the operating expenses line item to the capital assets line item, for the biennium beginning July 1, 2013, and ending June 30, 2015. The veterans' home shall notify the office of management and budget of any transfer made pursuant to this section.

SECTION 5. SHOP ADDITION PROJECT. The veterans' home may use up to \$325,000 from the Melvin Norgard memorial fund and up to \$463,200 from litigation proceeds or other funds for the cost of construction of a shop addition, which in total may not exceed \$788,200 for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 6. PHONE SYSTEM PROJECT FUNDING. The veterans' home shall use up to \$48,000 of funding appropriated in the operating expenses line item in section 1 of this Act for a new home phone system for the veterans' home.

SECTION 7. EMERGENCY. Sections 4 and 5 of this Act are declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

2013

House Bill No. 1007 - Veterans' Home - House Action

	Base Budget	House Changes	House Version
Salaries and wages	\$15,874,867	\$1,760,786	\$17,635,653
Operating expenses	5,408,850	(102,850)	5,306,000
Capital assets	501,040	94,373	595,413
Accrued leave payments	458,196	(458,196)	
Total all funds	\$22,242,953	\$1,294,113	\$23,537,066
Less estimated income	15,081,100	(366,692)	14,714,408
General fund	\$7,161,853	\$1,660,805	\$8,822,658
FTE	120.72	0.00	120.72

Department No. 313 - Veterans' Home - Detail of House Changes

	Adds Funding for Base Payroll Changes ¹	Adds Funding for Salary and Benefit Increases ²	Provides Miscellaneous Changes ³	Adds Funding for Housing Allowance ⁴	Adds Funding for Capital Assets ⁵	Adds One-Time Funding for an Irrigation System ⁶
Salaries and wages	\$600,421	\$1,140,365		\$20,000		
Operating expenses			(102,850)			
Capital assets			(277,157)		121,000	83,000
Accrued leave payments	(458,196)					
Total all funds	\$142,225	\$1,140,365	(\$380,007)	\$20,000	\$121,000	\$83,000
Less estimated income	(184,289)	24,279	(341,382)	15,000	0	83,000
General fund	\$326,514	\$1,116,086	(\$38,625)	\$5,000	\$121,000	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Adds One-Time Funding for Equipment ⁷	Total House Changes
Salaries and wages		\$1,760,786
Operating expenses		(102,850)
Capital assets	167,530	94,373
Accrued leave payments		(458,196)
Total all funds	\$167,530	\$1,294,113
Less estimated income	36,700	(366,692)
General fund	\$130,830	\$1,660,805
FTE	0.00	0.00

¹ Funding is added for cost-to-continue 2013-15 biennium salaries and benefit increases and for other base payroll changes.

² The following funding is added for 2015-17 biennium performance salary adjustments of 2 to 4 percent per year and increases in monthly health insurance premiums:

	General Fund	Other Funds	Total
Salary increase - Performance	\$481,364	\$24,279	\$505,643
Health insurance increase	634,722		634,722
Total	\$1,116,086	\$24,279	\$1,140,365

³ Funding is adjusted for:

	General Fund	Other Funds	Total
Operating expenses	\$103,375	(\$206,225)	(\$102,850)
Bond and interest adjustment		(63,957)	(63,957)
Removes prior biennium capital assets	(142,000)	(71,200)	(213,200)

Total	(\$38,625)	(\$341,382)	(\$380,007)
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⁴ Funding for a housing allowance for the Administrator of the Veterans' Home is added.

⁵ Funding is increased for capital assets relating to 2015-17 bond payments.

⁶ One-time funding is added for completion of the irrigation system.

⁷ One-time funding is added for seven patient lifts.

This amendment also adds or changes sections providing:

- Authorization for the Veterans' Home to transfer up to \$84,000 during the 2013-15 biennium from the operating expense line item to the capital assets line item for removing asbestos from the previous Veterans' Home.
- The Veterans' Home may use up to \$325,000 from the Melvin Norgard memorial fund and up to \$463,200 from litigation proceeds and other funds, for the costs of construction of a shop addition for a total of up to \$788,200 during the 2013-15 biennium.
- The use of up to \$48,000 of its operating expenses line item to implement a new phone system at the Veterans' Home.
- An emergency clause relating to a line item transfer and the shop addition project.

**2015 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. HB 1007**

House Appropriations - Human Resources Division Committee

Subcommittee

Amendment LC# or Description: The funding source for the \$505,644 performance would be \$453,903 special fund and \$51,741 of general fund.

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
 Other Actions: Reconsider _____

Motion Made By _____ Seconded By _____

Representatives	Yes	No	Representatives	Yes	No
Chairman Pollert		X	Rep. Holman		X
Vice Chairman Bellew	X				
Rep. Kreidt		X			
Rep. Nelson		X			
Rep. Silbernagel		X			

Total Yes 1 No 5

Absent 0

Floor Assignment _____

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

**2015 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. HB 1007**

House Appropriations - Human Resources Division Committee

Subcommittee

Amendment LC# or Description: the base payroll change, the performance of the three and three, and the health insurance

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
 Other Actions: Reconsider _____

Motion Made By _____ Seconded By _____

Representatives	Yes	No	Representatives	Yes	No
Chairman Pollert	X		Rep. Holman	X	
Vice Chairman Bellew	X				
Rep. Kreidt	X				
Rep. Nelson	X				
Rep. Silbernagel	X				

Total Yes 6 No 0

Absent 0

Floor Assignment _____

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

**2015 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. HB 1007**

House Appropriations - Human Resources Division Committee

Subcommittee

Amendment LC# or Description: adjust funding for operating expense, adjust funding for bond and interest, and removes the prior biennium

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar

Other Actions: Reconsider _____

Motion Made By _____ Seconded By _____

Representatives	Yes	No	Representatives	Yes	No
Chairman Pollert	X		Rep. Holman	X	
Vice Chairman Bellew	X				
Rep. Kreidt	X				
Rep. Nelson	X				
Rep. Silbernagel	X				

Total Yes 6 No 0

Absent 0

Floor Assignment _____

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

**2015 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. HB 1007**

House Appropriations - Human Resources Division Committee

Subcommittee

Amendment LC# or Description: housing allowance of \$5,000 general funds and \$15,000 special funds

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar

Other Actions: Reconsider _____

Motion Made By _____ Seconded By _____

Representatives	Yes	No	Representatives	Yes	No
Chairman Pollert	X		Rep. Holman	X	
Vice Chairman Bellew		X			
Rep. Kreidt	X				
Rep. Nelson	X				
Rep. Silbernagel	X				

Total Yes 5 No 1

Absent 0

Floor Assignment _____

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

**2015 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. HB 1007**

House Appropriations - Human Resources Division Committee

Subcommittee

Amendment LC# or Description: Transfer \$84,500 from operating to capital assets

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
 Other Actions: Reconsider _____

Motion Made By _____ Seconded By _____

Representatives	Yes	No	Representatives	Yes	No
Chairman Pollert	X		Rep. Holman	X	
Vice Chairman Bellew	X				
Rep. Kreidt	X				
Rep. Nelson	X				
Rep. Silbernagel	X				

Total Yes 6 No 0

Absent 0

Floor Assignment _____

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

REPORT OF STANDING COMMITTEE

HB 1007: Appropriations Committee (Rep. Delzer, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (19 YEAS, 3 NAYS, 1 ABSENT AND NOT VOTING). HB 1007 was placed on the Sixth order on the calendar.

Page 1, replace lines 11 through 18 with:

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Accrued leave payments	458,196	(458,196)	0
Operating expenses	5,408,850	(102,850)	5,306,000
Capital assets	501,040	94,373	595,413
Total all funds	\$22,242,953	\$1,294,113	\$23,537,066
Less estimated income	15,081,100	(366,692)	14,714,408
Total general fund	\$7,161,853	\$1,660,805	\$8,822,658
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Page 1, remove line 24

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"Demolition of old veterans' home	\$1,121,000	\$0
Shop addition	788,200	0
Irrigation system	0	83,000
Equipment	0	167,530
Total all funds	\$1,909,200	\$250,530
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Re-number accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1007 - Veterans' Home - House Action

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General fund	\$7,161,853	\$1,660,805	\$8,822,658
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Department No. 313 - Veterans' Home - Detail of House Changes

	Adds Funding for Base Payroll Changes ¹	Adds Funding for Salary and Benefit Increases ²	Provides Miscellaneous Changes ³	Adds Funding for Housing Allowance ⁴	Adds Funding for Capital Assets ⁵	Adds One-Time Funding for an Irrigation System ⁶
Salaries and wages	\$600,421	\$1,140,365		\$20,000		
Operating expenses			(102,850)			
Capital assets			(277,157)		121,000	83,000
Accrued leave payments	(458,196)					
Total all funds	\$142,225	\$1,140,365	(\$380,007)	\$20,000	\$121,000	\$83,000
Less estimated income	(184,289)	24,279	(341,382)	15,000	0	83,000
General fund	\$326,514	\$1,116,086	(\$38,625)	\$5,000	\$121,000	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Adds One-Time Funding for Equipment ⁷	Total House Changes
Salaries and wages		\$1,760,786
Operating expenses		(102,850)
Capital assets	167,530	94,373
Accrued leave payments		(458,196)
Total all funds	\$167,530	\$1,294,113
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	General Fund	Other Funds	Total
Operating expenses	\$103,375	(\$206,225)	(\$102,850)
Bond and interest adjustment		(63,957)	(63,957)
Removes prior biennium capital assets	(142,000)	(71,200)	(213,200)
Total	(\$38,625)	(\$341,382)	(\$380,007)

⁴ Funding for a housing allowance for the Administrator of the Veterans' Home is added.

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- The use of up to \$48,000 of its operating expenses line item to implement a new phone system at the Veterans' Home.
- An emergency clause relating to a line item transfer and the shop addition project.

2015 SENATE APPROPRIATIONS

HB 1007

2015 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Harvest Room, State Capitol

HB 1007
3/11/2015
24626

- Subcommittee
 Conference Committee

Committee Clerk Signature

Katie Oliver for Alice Delzer

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the Veterans' home; to provide an exemption; and to declare an emergency.

Minutes:

Attachment # 1 - 6

Chairman Holmberg called the committee to order on Wednesday, March 11, 2015, at 8:30 am in regards to HB 1007. Roll Call was taken. All committee members were present. Lori Laschkewitsch, OMB and Sean Smith, Legislative Council were also present.

Senator Robinson gave a report on going to the funeral for former Senator Lindas's wife yesterday, stating he was very appreciative of the card and those who were able to go.

Kristen Lunneborg, CFO at North Dakota Veterans' Home testified in favor of HB 1007 and provided written Testimony Attached # 1- a document giving insight into the current biennium budget appropriation and to present the 2015-2017 budget needs for the North Dakota Veterans' Home. (10.33) she stated the amount of \$429,624 was taken out of the house, and stated this is not general funds, this is special funds, which is the money they generate. They are asking for that to be reinstated. Page 1.9 - Comparison of Executive Recommendation to House Version. (24.54)

Senator Judy Lee: District 13. I serve on the board for the veterans' home this facility is doing a great job of serving our veterans. The community of Lisbon really wraps its arms around the people who live in the veterans' home. There certainly are some challenges, which have just been reviewed. I understand where we are with budget projections, capital projects but I want to emphasize some of the items that were mentioned as it relates to the commandants home. It is an old farm house and there is so much that needs to be done. This is something that needs to be kept on our radar; I encourage your favorable review for the facility. I am about to share in my committee an article on our bids on the next school are very high, part of the reason is the economic development going on everywhere. I do ask for your serious consideration regarding this matter.

Senator Mathern: What does the board or advisory board feel about the housing for the commandant?

Senator Judy Lee: It's challenging to find housing in Lisbon; we'd like our administrator live in Lisbon. To have the kind of money that was appropriated that doesn't even amount to \$1,000 a month, it just isn't going to work. At some point how we recruit someone to be the administrator for the great home in Lisbon; renting is not the answer to a long term commitment for housing.

Representative Bill Amerman: District 26. The administrator's residence is a concern. I think that overall the budget was a good budget; basically I wanted to listen to what was done with the budget, support the budget, the bridge, the residence, the equipment that they need to keep up the grounds and the house. (31.51)

Senator Sorvaag: What is the role of the administrator's house? Is this just a home, no other functions held there?

Kristin Lunneborg: The intent is that the house to be built would have some areas for entertaining can go on. The existing house does not lend itself to any type of entertainment.

V. Chairman Krebsbach: In your nursing staff that you would like to see \$429,000 reinstated and it does not come from general funds, it would come from special funds. What are the special funds? Do you have to bring in nurses?

Kristin Lunneborg: The special funds we generate, the rent revenue, per diem funds that we receive from the federal government, sale of prescription, state land transfers. As far as the nursing goes, we have not had contract nursing for quite a while. The reason being is that we instituted and sent this pay policy for if our own staff picks up open shifts on the books they get paid an extra \$6.00 an hour for those hours worked. We calculated out the savings about to \$150,000-\$250,000 per year because of that policy.

Senator Kilzer: The skilled beds are pretty well filled, but basic care are under your projections, does that have to do with your rates?

Kristin Lunneborg: I don't believe it has to do with the rates; the portion basic care rate is paid by the federal government through the VA per diem so our max basic care rate is \$1,453 a month. What we hear a lot we can have an awful lot of admissions, then we have a large number of people who need more care, the money is made in skilled so this is the idea situation for us. One of the things we hear when we have new admits, the veterans' home is the best kept secret in North Dakota; they don't know what we have, or what the cost is, we have admissions from word of mouth.

Senator Kilzer: The asbestos removal coming in over bid, how many bids did you receive?

Kristin Lunneborg: The asbestos removal was part of a change order done through the construction contract. The company that got the contract to demolish the building actually was the company that looked at the asbestos removal. When we have done asbestos removal in the past there has only been one company came forward out of Jamestown. The situation we ran into is that it costs around \$90,000 just to remove the asbestos in the

pipes above the ceiling but there was also asbestos in floor tile and the glue in the floor tile and that is where \$270,000 actually comes from having to remove that section of the asbestos.

Senator Wanzek: I am struggling with the shop. About 4 years ago we built a shop on our farm; we paid about \$295,000 for the whole thing. Now I see you need \$915,000 is there something special about this shop?

Kristin Lunneborg: There are a lot of things that go into this workshop; the mechanical systems needed are incredible. I'll let him make comments. Of the 8 things we have requested, there are only 2 items that affect the general fund dollars, to install the lifts and the pedestrian bridge. I want you to note the majority of this we are funding with our own money. (40.57)

Senator Heckaman: The last page, are they in prioritized order or not?

Kristin Lunneborg: They are listed in priority order.

Jeff Sjoquist, Architect with MedNational presented written Testimony Attached # 2 MEDNATIONAL PRESENTS; DESIGN PLANS FOR THE NORTH DAKOTA VETERANS HOME. He stated he has been working with the veterans' home for the last 3 years regarding the items that are discussed today. About the shop, this is not a shop, this is a workshop, this has a kiln, a paint finishing room, a wood storage area. The existing residence has a lot of deficiencies, the old wiring is knob and tube, it has not insulation, there are bats in the attic, the roof is leaking, the chimney's mortar is crumbling, the plumbing is cast iron and lead. To consider that the residence should be used for social events and other types of things then you do have to be concerned with the ADA, the building is very difficult to minimally meet ADA you will get nothing to the second floor on that, there are small rooms and there is asbestos in the construction products.

Senator O'Connell: What can you tell me about the architecture fees?

Jeff Sjoquist We don't have any standard fees, it depends on the project.

Senator O'Connell: Engineering in the neighborhood of 15%.

Jeff Sjoquist: It would be less than that. But building engineering, it's surprising to be that high it is usually in the 10% area.

Lyle Schuchard: North Dakota Veteran's Coordinating Committee. Recommends a do pass and provided testimony. Attached # 3.

Dean Overby: Chairman of Administrative Committee on Veteran's Affairs and a member of the Governing Board of the Veteran's Home. Asking the committee to consider the housing very seriously and provided testimony. Attached # 4.

Chairman Holmberg closed the hearing on HB 1007.

Testimony submitted in support of HB 1007 but not addressed in the meeting are as follows:

5. ND Veterans Home Commandants Residence Testimony by Bruce A. Fadness
6. Norris Braaten, Chairman ND Veterans Home Governing Board

2015 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Harvest Room, State Capitol

HB 1007
3/26/2015
Job # 25473

- Subcommittee
 Conference Committee

Committee Clerk Signature

Emmery Bobber for Alice Debn

Explanation or reason for introduction of bill/resolution:

A Subcommittee hearing for the Veterans Home.

Minutes:

Testimony # 1 Budget Requests

Chairman Kilzer called the subcommittee hearing to order on Thursday, March 26, 2015 at 11:00 am in the Harvest Room. All subcommittee members were present: Chairman Kilzer, Senator Bowman and Senator Robinson. Lori Laschkewitsch, OMB and Sean Smith, Legislative Council were also present. The roll was called: all committee members were present.

Kristin Lunneborg, CFO at ND Veterans Home, She offered testimony # 1 - Budget Requests.

Priorities:

1. Restore the \$130,830 in appropriation authority for the ceiling lifts.
2. Restore the \$60,000 in special fund appropriation authority to purchase equipment over \$5,000: a utility vehicle, a mower, and a bobcat.
3. Restore the \$126,800 funding for the increased cost of the resident workshop.

Vice Chairman Bowman: When you are talking about increasing that \$126,800 for the workshop, we allocated your authority to use oil money for that workshop before the oil revenue dropped. Giving you the authority to extend that appropriation, is that an option for you? When we initially funded this, the funding was going to come out oil revenues. If we continue, you should pick up approximately half of what you were getting before.

Kristin Lunneborg: Actually we are nowhere near what was projected for our royalty money. We've only taken in \$250,000 in royalties, we were projected to have taken \$1.2M at this point in time. Moving forward, that money isn't going to pick up enough to cover the cost of 780,200 appropriated in this current biennium. So there is an emergency clause and a section added to our bill that allows us to switch that funding as well, the money can carry over to next biennium because it is a capital project. The section added onto the bill, allows us to change the funding source so that a portion of it is the new royalty money, the rest of it will be special fund revenue. The special fund revenue is what we generate from

resident's rents, federal per diem money, some state land money, and other small items.
Priorities:

4. Equity money for the nursing department. HRMS did a study of nursing salaries in the state and determined that our salaries are lower than the rest: our LPN salaries are 31% behind the market, RN salaries are 14-25% behind the market. The equity money would go to our RNs, LPNs, and Universal workers. We have the most difficulty recruiting the LPNs.

Senator Kilzer: Do you have several LPN's open now?

Kristin Lunneborg: We had one, not sure we have filled it. The 2nd item we had was to clean up some language that was in the bill. They had authorized us to use \$48,000 from our current biennium since we have a surplus for the phone system. The phone is a capital expense so we would like the wording clarified.

Senator Kilzer: So this is an upgrade to the telephone system?

Kristin Lunneborg: The project will be bid out and it would be more expensive to upgrade the current system than purchase a new system. We have some estimates from the local telephone company on the new system and they are cheaper than upgrading the current system we have.

Senator Kilzer: All three of us were on the committee about which phones to buy.

Kristin Lunneborg: When we testified in the House, we showed them the savings we have by having our own phone system over the ITD phone system so even this \$48,000 upgrade pays for itself in 6 months.

Priorities: 5. That would leave the house, the administrator's residence.

Senator Kilzer: We are not building buildings this session; this subcommittee recognizes the need that this issue will be here until a home is built.

Mark Johnson, Administrator, Veterans Home: The House version gave a \$20,000 stipend. I would like to see us forgo the stipend and just fix the roof of the house. The shingles are 15 year shingles and they've been there for 22 years and now bats are getting in the roof. We were hoping that by foregoing the stipend, we could use the house for a few more years and then we would like to come back and look at going forward with the house. The governing board wants that in the future, we still want a house on the grounds.

Senator Kilzer: Your governing board takes the same position about the shingles?

Mark Johnson: Yes.

Vice Chairman Bowman: Do you have bids so we know exactly what it is going to cost?

Mark Johnson: Mark: I received a bid, shingling is going to cost us about \$15,000; and we have to hire someone to remove the bats, \$2000 to \$5000.

Mr. Johnson went over bat removal procedures and costs.

Mr. Johnson went on to talk about patient lifts and said that OSHA (Occupational Safety and Health Administration) and CBS passed a safety patient handling act and they have found that the nursing home industry has the highest injury rate of the CNAs: 238 injuries per 10,000. Right now, the CNA's are number one with OSHA as far as the injury rate and nurses are number 5. We are looking at doing a 0 lift policy and that's why we looked at introducing the additional 14 lifts. The lifts reduce turnover, reduce injuries, and we have more patient and staff satisfaction. He went over some of the costs of injuries that have resulted from not using the lifts.

Senator Kilzer: There are things I would insist upon in every nursing home: 1. ceiling track; 2. Non-slippery floors; 3. Lighting.

Mark Johnson: We have carpet in all of the rooms so it is more difficult for the manual lift to be mobile. The ceiling tracts are designed to lift the patient off the bed and into the bathrooms as well. Our patients are very satisfied.

Senator Robinson: Was this an item included in the requested for the new home, and was this reduced?

Mark Johnson: This was something we requested and was reduced on the House side.

Senator Robinson: When we built the new home, was that included at that time?

Mark Johnson: We have 21 patient lifts at this time. We are also an atypical nursing home. Our average veteran is approx. 72 years old and the average weight is about 225 lbs.

Senator Kilzer: Was this an option when the home was built?

Mark Johnson: When we looked at the building itself, we were looking at having more lifts but we were also looking at the cost of the building. In order to cut some of the costs, we also cut some of the lifts so we didn't bring in all new lifts. It could have been an option to have lifts in every room.

Senator Kilzer asked if there was any more information they would like to provide before he closed the hearing.

Kristin Lunneborg: The board is concerned that the roof for the administrators house gets fixed as soon as possible because of the bat issue. We have \$400,000 in our operating line this biennium because we haven't spent this money and we don't have individuals to take care of. I don't know what you want to consider, but that would be another item that could be considered just transferring those funds to the capital line from the funding in our current biennium and taking care of that now so it wouldn't have to be placed in the bill for the next biennium.

Senator Robinson: That would make sense and if we could add an emergency clause to get a move on it quickly. Just going through the list of all your priorities, the general fund appropriation authority for # 1 and the others are special funds, correct?

Kristin Lunneborg: That is correct, the ceiling lift funding could be changed to special funds because I know the general fund dollars are a concern. You could look at funding \$130,830 with special fund authority.

The committee discussed utilizing conference calls to discuss further issues.

Senator Kilzer closed the hearing on HB 1007/

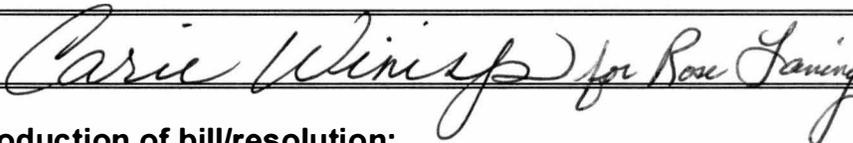
2015 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee
Harvest Room, State Capitol

HB 1007
4/1/2015
Job # 25708

- Subcommittee
 Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the veterans' home.

Minutes:

No Attachments

Legislative Council - Sean Smith
OMB - Nick Creamer

Senator Kilzer called the subcommittee to order on HB 1007. Senator Bowman and Senator Robinson were also present. Kristen Lunneborg and Mark Johnson were present through phone conferencing to answer questions of the committee.

(2:25)Senator Kilzer: I would like to focus on the last page of Kristin's testimony. The first item of request was to restore special fund appropriation authority of \$429,000 to the salary and wage line for nursing department equity. The big news there is that the legislature has received its March forecast from Moody analysts and one of considerations now is not to remove the targeted equity. We are at the present time putting those items back in the budgets and maybe not fully but at least giving full consideration. What is your thought about the \$429,000? Is that an absolute number or how would you use \$300,000 in your budget? That is a very arbitrary number.

Kristen Lunneborg, CFO at North Dakota Veterans' Home: The \$429,000 is actually a number that HRMS came up with and they had a spreadsheet that put everything together with all of the individuals that are working in those nursing positions. This equity was never figured in any of the equity or salary increases that are put in by the Governor's budget. This is in addition just because the nursing staff are under market of what is being offered out there. The increases would be funded with the revenues that we make. If you funded a different amount we would probably just go back to their spreadsheet and make some adjustments so that we could figure what everyone would be at.

Senator Kilzer: In testimony, you said that RN's were 14 to 25% below the market and that LPN's were as much as 31% below the market. Would the \$429,000 restore everyone back up to the full market or just partially?

Kristin Lunneborg: From what I understand that would just be a partial increase to get them closer to market.

Senator Bowman: If this doesn't get them to market, we'll have a problem for a long time.

Senator Kilzer: (Asked Legislative Council to add the \$429,000 to the amendment.)
Let's look at rewording section 6. You had said that it was mostly cleanup language. I haven't looked at the language much because I was mainly looking at the \$48,000 for the phone system. Do you have specific wording?

Kristin Lunneborg: I have not prepared anything for that item. It could be added in with Section 4. Section 4 is the section that transfers the \$84,000 from the operating line to the capital line and that was for the asbestos removal. Basically, we are looking at the same thing with the \$48,000. We just need that \$48,000 transferred from our operating line down to our capital line so that it can be used to purchase the phone system upgrade that we need.

Sean Smith, Legislative Council: That would be a good option to add to Section 4 and eliminate Section 6. It is basically the same thing.

Kristin Lunneborg: I think that is a great option.

Senator Kilzer: Asked Sean Smith to do that.

Senator Kilzer: The third item was the \$60,000 special fund appropriation authority to the capital asset line so that all items on equipment over \$5000 could be purchased. As I understand, that was for a utility vehicle, a bobcat, and a Toro lawnmower.

Kristin Lunneborg: That is correct.

Senator Kilzer: I think we'll leave that out at the present time.

Senator Robinson: For clarification, on that item and the \$130,830, did you not say that it could come from carryover and be a special fund?

Kristin Lunneborg: That is correct. The funding sources for both of those items are carrying over in our special funds which would also be the revenue that we generate ourselves.

Senator Kilzer: Aren't the rest of these special funds except for the last one?

Kristin Lunneborg: Yes.

Senator Bowman: When you are looking at your special funds, do you have a lot of special funds that are left over that carryover in your budget so that if something happens, you'd have the money to do that.

Kristin Lunneborg: Yes. There will still be a significant amount of money left in the special funds just in case there was an emergency type of situation. We always try to keep \$400,000 to \$500,000 in there just because you never know. We actually had increased revenue last biennium above and beyond what we had budgeted for and that is why we have some extra special funds in that account that we'd like to apply towards some of these items.

Senator Kilzer: In your listing on item #4, where you say the \$130,830 in general fund appropriation, you told us that it could be special funds?

Kristin Lunneborg: You are correct. That would be changed to special funds and we would still be ok and we'd still have a balance in that account that would be sufficient enough to carry us forward if an emergency arose.

Senator Kilzer: The committee here is very much in favor of the \$130,000 but in the amendment, are we going to have Sean to take it out of special or general funds?

Kristin Lunneborg: That would be up to you. If we change the funding to special funds we would actually be decreasing our general fund appropriation for next biennium. At the beginning of preparing our budgets we are given an amount, like the carry forward amount that we are allowed to use for general funds so if we change the funding source of this it just decreases that amount. I have no problem changing it to special funds. I know that the state is looking at trying to cut back on some of the general fund spending to make the budget balance. We are in favor of having that switched to special funds.

Senator Kilzer: Is that ok with the subcommittee members? (All indicated they were.) You are right about it being more palatable in special funds. We'll include the \$130,000 in the special fund category.

Mark Johnson, Administrator, Veterans Home: Could I go back and ask about item #3?

Senator Kilzer: Sure.

Mark Johnson: The Bobcat that is in there is actually a Toolcat and we use that machine extensively. We have had it for 6 or 8 years and it is just a vehicle that we constantly use. We have a number of things that have been breaking down on that machine and that is the reason why we are asking for that. We will have to do a lot of repairs in the next couple of years if we did not buy one now.

Senator Bowman: Was that the utility vehicle or the Bobcat.

Mark Johnson: It is a Toolcat.

Kristin Lunneborg: When I said Bobcat, it is actually a Toolcat. The \$60,000 is the Toolcat which is \$28,000, the Toro mower which is \$10,000, and the utility vehicle that is \$22,000.

Senator Kilzer: Which one of those three are the most important and which one is the least?

Mark Johnson: I would say the Toolcat is most important one that we need.

Senator Kilzer: How about the utility vehicle? What kind of vehicle is that and what kind of shape is it in?

Kristin Lunneborg: Our utility vehicle is what we use for salting and we do all of snow removal on our campus. We have about a 1 ½ mile of road that we have to clean off. This all is handled by us. We use the utility vehicle to put down salt along all of the sidewalks and then we use the Toolcat that has a broom attachment and it also has the forks and snow blower. That works well with the 6 foot sidewalks.

Senator Bowman: The \$28,000 for the Toolcat, is that trading in the old one or is it the list price for a new one?

Mark Johnson: That is actually a trade-in. I'm not sure of the total cost of the machine itself.

Kristin Lunneborg: I think it is over \$40,000.

Senator Kilzer: How old is the utility vehicle and the Toro mower?

Mark Johnson: We are looking at trading in the Grasshopper and it was purchased in 2004 and we purchased the utility vehicle in 2005 but the Toolcat was purchased in 2009 but it is used extensively.

Senator Kilzer: Is the mower the only mower that you have?

Mark Johnson: No. We have about 4 other mowers. We are mowing approximately 40 acres out here.

Senator Kilzer: Is there anything else on those 3 vehicles?

Mark Johnson: No.

Senator Kilzer: How difficult is it to get along with one and let the other age for another couple of years?

Mark Johnson: I think we could make them last a couple years, but we need the Toolcat.

Senator Kilzer: And that is the one that you will have to put quite a bit of work into it or get a new one?

Mark Johnson: Right.

Senator Kilzer: Maybe I can change my no vote on this item to getting just the Toolcat. (The rest of the subcommittee agreed.) (Asked Sean Smith to add \$28,000 for trade in on a Toolcat.)

Senator Kilzer: The next item is the ceiling lifts. It think there is agreement that the \$130,000 for that we want in here. That is special funds and you already have 7 and this would be 14 more, correct?

Mark Johnson: We were looking at 14 and the House reduced it to 7 and this would be adding back 7 more. So we would have 14 lifts that we would be purchasing.

Senator Kilzer: In the new veteran's home were there any new ones put in previously?

Kristin Lunneborg: I think we have 21 lifts right now.

Senator Kilzer: This would be 14 more so you would have a total of 35?

Kristin Lunneborg: That is correct.

Senator Kilzer: (Asked Sean to add that back in.) Then the \$126,800 for the increased cost of the workshop. How are things looking on the proceeds from the lawsuit?

Mark Johnson: I just signed some papers. I think that we are getting around a \$50,000 settlement and it would be \$38,000 after expenses and we are gaining 6 acres of mineral rights.

Senator Kilzer: If this adds up to zero, can you still afford it? If you don't get anything from the proceeds, will it run your special funds into the red?

Kristin Lunneborg: The special funds are completely separate from the Melvin Norgaard funds. There is money in the special funds that can cover the increased cost of the workshop and we would still have a sufficient balance left in that account; especially if we are not looking at doing anything with the House. Everything that was put in the budget was put in and there still would have been a sufficient amount in the special funds. If we are actually taking back some of those projects out of our special funding there will be a substantial amount of money probably left in our special funds.

Senator Kilzer: We will go and put that in. The next item is the \$600,000 in special fund appropriation to capital asset construction of a new administrator's residence. That we are changing over to repairing or replacing the roof and making it bat proof.

Mark Johnson: That is correct.

Senator Kilzer: How much is the roof going to cost?

Mark Johnson: With the amount that we need for the bat removal, shingles, fascia boards and other miscellaneous items it would be approximately \$20,000. That is an appraisal. The appraisal was for \$15,000 to do just the shingles and he said that there would be some

additional cost that would have to be added for fixing up fascia and boards. He has to get under the roof to see what kind of damage there is. He was measuring the house from the bottom and he knew the peaks etc. He had everything calculated out for the amount of shingles. We also have to deal with the bats and I know we spent about \$1500 already in to the bat situation in the past. It will be all of \$1500 to \$2000 for trying to get them out.

Senator Kilzer: How would it be if we remove that line of \$600,000 and put in an appropriation for \$20,000? (Asked Sean to add that in.)

Sean Smith: With the \$20,000 stipend, do you want that included in there?

Senator Kilzer: We will call it an appropriation for repairs in place of stipend.

Mark Johnson: That's what we agreed to in the past.

Senator Kilzer: I thought so. Is it ok to put it in that way? Then the \$200,000 for the demolition can be removed.

Kristin Lunneborg: That is correct.

Senator Kilzer: Now to the pedestrian bridge. We have some questions about that.

Senator Bowman: Is this a brand new bridge that you're putting over the creek?

Mark Johnson: Yes. This would be a walking bridge. We're looking at finding some other sources that might have a lesser costs for the bridge. It is a brand new structure and it is going over the Sheyenne River.

Senator Bowman: What will this bridge be used for?

Mark Johnson: We're trying to acquire two different grants. There is a grant that is out of DOT, one out of Parks & Rec, and there is also another grant with the Heritage Outdoor Fund. We're making access to fishing, access to the area on the grounds for recreational things. This is all part of the grant process. What we are doing is a bridge for doing some fishing but it is also a bridge that would give access to our shopping area in town and would only be a couple blocks. Otherwise they would have to travel over a mile. It is the third busiest street in town and we want to make it safer for residents. Currently there is no sidewalk. The community can use the bridge as well.

Senator Robinson: You mentioned the potential of a three different grants; talk to us about the maximum you'd need from the general fund. What are the chances of these grants materializing and what impact would that have on the need for general fund money?

Mark Johnson: I really don't know what the impact is. They are asking for seed money so we have to have the seed money before we can apply for the grants and then from there they will determine what the grant will be. I have been told that we could potentially get upwards of \$200,000 to \$300,000 for grant money.

Senator Kilzer: Is it possible there would be any federal money?

Mark Johnson: We have ability to apply for grants from the VA for various things as well but a lot of the dollars are drying up on the federal side for state facilities for veterans. At this time they underfunded state veteran's homes by about \$86 million last year and so they're saying the dollars aren't there.

Senator Kilzer: Is the \$750,000 a solid number? Is this minimum or the accurate cost for bridge?

Kristin Lunneborg: When it lists the funding sources for the bridge, the potential for the \$450,000 in federal funds is actually the grant money. The funding sources for the bridge would be just the grant money and then the rest would be in general fund money.

Senator Kilzer: Are most of those grant monies that you are hoping for one-to-one match?

Mark Johnson: It would not be a one-to-one match. We would be fine with the \$750,000.

Senator Bowman: Is this a specially designed bridge? What exactly is so expensive about this particular bridge?

Mark Johnson: When we were looking at the bridge and consulted with our architect that had done some additional work on the workshop and he drew up a bridge. After we met with appropriations on the House side we had spoken with another individual regarding a bridge and we do have another bridge that would be of lesser value. It is a pedestrian trail bridge. I am trying to find the numbers on that. Our internet just went down so we won't be able to get those figures to you until we get it back up.

Kristin Lunneborg: The \$750,000 included the construction of the bridge as well as all of the site work that would include the engineering, a sidewalk to the bridge, etc. That was an overall number that they looked at for all of the expenses that would go into the bridge.

Senator Kilzer: My original opinion was that we would not fund \$300,000 of general funds for this project but at the same time, I would encourage you to seek additional grants and if we could get the \$300,000 down then I would be interested in looking at that.

Senator Robinson: I know the general area that they want to construct the bridge. Mark is right about the busy roadway there and I have come to the veteran's home when the veterans are walking back and forth across that street. This would be a shortcut. The question I would have in response to Senator Kilzer is how much more could you do in terms of the potential of exploring other funding sources. Maybe you have already exhausted that. We have deadlines here. Are there any other sources that you haven't explored at this point in time?

Mark Johnson: I talked to the Bremer Foundation and they will not do anything like a bridge because they mostly look at educational things. They look at staffing issues. I contacted DOT and this is when I found out that they have a program that sometimes they piggy back with parks and rec and sometimes between the two of them they might be able

to fund the project to about \$250,000. When I was putting things together I was hoping to qualify for up to \$200,000 from Outdoor Heritage fund. What we have done is back away from that Heritage piece because I do not think we will be funded at that level. The bridge from North Steel was quoted at \$550,000 to build a bridge. From the bid that that we received from True North Steel, I can comfortably say that we can probably reduce the bridge by \$200,000.

Kristin Lunneborg: The \$750,000 bid was based on the bridge that the architect designed for us. After we testified in the House one of the Representatives there has built bridges contacted this other gentleman to come and talk to us. We got this bid after we testified in the Senate. His bid is at \$550,000 and it would meet our needs.

Senator Kilzer: How about the federal and state proportions?

Mark Johnson: I would hope that we can get approximately \$300,000 in grants.

Senator Kilzer: That would still leave \$250,000 for the state or other sources.

Mark Johnson: That is correct.

Senator Kilzer: (Asked Sean to come up with some intent language to pursue the idea.) We'll put in the amendment for encouragement, but with no specific appropriation.

Kristin Lunneborg: On the bridge itself, could they do funding such as they did for the workshop last biennium so if our mineral royalty income picked up and we would have sufficient funds in that Melvin Norgaard fund to cover that cost of the bridge that possibly we can do the project then.

Senator Kilzer: Yes, present it to us or to the emergency commission of the budget section or some source like that. We could give you the authorization for that.

Kristin Lunneborg: The same language that was put in our bill the last time for the workshop would work. We could not do construction unless we had sufficient funds in the Melvin Norgaard fund and federal funds to do the entire project.

Senator Kilzer: (Asked Sean to put that in.)

Sean Smith: It's section 5 of this bill. What amount of funding do you want for that?

Senator Kilzer: Zero funding. How soon can amendments be ready?

Sean Smith: By the end of the week.

Senator Kilzer: Closed the subcommittee discussion on HB 1007.

2015 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee
Harvest Room, State Capitol

HB 1007
4/6/2015
Job # 25841

- Subcommittee
 Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A Bill for an Act to defray the expenses of the Veterans' Home (Do Pass as Amended)

Minutes:

Attachment # 1 amendment

Chairman Holmberg called the committee to order on Monday, April 06, 2015 in the afternoon in regards to HB 1007. All committee members were present. Alex Cronquist, Legislative Council and Becky Deichert, OMB were also present.

Senator Kilzer explained the amendments, Testimony Attached # 1 - Proposed Amendment # 15.8115.02001.

Senator Robinson explained what the tool machine is; a bobcat thing that has several attachments. They need to replace it the utility of that item is big time on the grounds there.

Senator Kilzer continued to explain the amendments, the walk way bridge over the Sheyenne river, there was reluctance on the part of the committee to fund that, they would like to use some of their estate and litigation winnings and get funds federally from the outdoor heritage fund. This walk way would allow the residents to get to the convenience store. They did show us some drawings, almost like a car bridge, we did allow them to not allow general funds for that, but just gave authorization for them to use other funds as they come available through their department.

Senator Robinson: They understood and just asked us to give them authorization here.

Senator Kilzer: There is some concern regarding the fact that some residents are doing some work in their rooms and that seems to be a safety issue.

Senator Kilzer: I move the amendment. 2nd by Senator Robinson.

Senator Robinson: Overall the folks at veterans' home are pleased with this budget. They were high on the targeted need, as was the ability to repair that house, and the new tool machine.

Chairman Holmberg: All in favor of the amendment say aye. It carried.

Senator Robinson moved a Do Pass as Amended on HB 1007. . 2nd by **Senator Kilzer**.

Senator Kilzer: There is \$48,000 for a new phone system.

Senator Robinson: We funded several new lifts for their rooms. So the eliminated that from the construction budget. They have 7, we approved 14 more. Keep in mind most of the residents there are well above 200 lbs. so this is a safety issue for the staff as well as the residents.

Chairman Holmberg: Call the roll on Do Pass as Amended on HB 1007.

A Roll Call vote was taken. Yea: 13; Nay: 0; Absent: 0. Senator Robinson will carry the bill.

The hearing was closed on HB 1007.

April 2, 2015

lots
JK
4/6/15

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1007

Page 1, replace line 11 with:

"Salaries and wages	\$15,874,867	\$2,059,737	\$17,934,604"
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Page 1, replace lines 13 through 17 with:

"Operating expenses	5,408,850	(97,850)	5,311,000
Capital assets	<u>501,040</u>	<u>395,003</u>	<u>896,043</u>
Total all funds	\$22,242,953	\$1,898,694	\$24,141,647
Less estimated income	<u>15,081,100</u>	<u>334,822</u>	<u>15,415,922</u>
Total general fund	\$7,161,853	\$1,563,872	\$8,725,725"

Page 2, replace line 1 with:

"Shop addition	788,200	126,800"
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Page 2, replace lines 3 through 6 with:

"Equipment	<u>0</u>	<u>326,360</u>
Total all funds	\$1,909,200	\$536,160
Less estimated income	<u>1,348,700</u>	<u>377,330</u>
Total general fund	\$560,500	\$158,830"

Page 2, after line 10, insert:

"SECTION 3. ADDITIONAL INCOME - APPROPRIATION - PEDESTRIAN BRIDGE. In addition to the amounts included in the estimated income line item in section 1 of this Act, any additional amounts in the Melvin Norgard memorial fund, or from litigation proceeds or other funds that become available to the veterans' home are appropriated up to \$550,000, subject to budget section approval, for the purpose of constructing a pedestrian bridge, for the biennium beginning July 1, 2015, and ending June 30, 2017. The funding included in this section is considered one-time funding."

Page 2, line 18, replace "\$84,500" with "\$132,500"

Page 2, remove lines 26 through 28

Page 2, line 29, replace "and" with a comma

Page 2, line 29, after "5" insert ", and 6"

Re-number accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1007 - Veterans' Home - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$15,874,867	\$17,635,653	\$298,951	\$17,934,604
Operating expenses	5,408,850	5,306,000	5,000	5,311,000
Capital assets	501,040	595,413	300,630	896,043
Accrued leave payments	458,196			

Pedestrian Bridge			550,000	550,000
Total all funds	\$22,242,953	\$23,537,066	\$1,154,581	\$24,691,647
Less estimated income	15,081,100	14,714,408	1,251,514	15,965,922
General fund	\$7,161,853	\$8,822,658	(\$96,933)	\$8,725,725
FTE	120.72	120.72	0.00	120.72

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

	Adjusts Funding for Health Insurance Premium Increases ¹	Adds Funding for Targeted Market Equity ²	Removes Funding for Housing Allowance ³	Adds Funding for Repairs to Administrator's Residence ⁴	Adds One-Time Funding for Equipment ⁵	Adds One-Time Funding for Construction of a Resident Workshop ⁶
Salaries and wages	(\$110,673)	\$429,624	(\$20,000)			
Operating expenses				5,000		
Capital assets				15,000	158,830	126,800
Accrued leave payments						
Pedestrian Bridge						
Total all funds	(\$110,673)	\$429,624	(\$20,000)	\$20,000	\$158,830	\$126,800
Less estimated income	14,260	429,624	(15,000)	15,000	130,830	126,800
General fund	(\$124,933)	\$0	(\$5,000)	\$5,000	\$28,000	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Adds One-Time Funding for Construction of a Pedestrian Bridge ⁷	Total Senate Changes
Salaries and wages		\$298,951
Operating expenses		5,000
Capital assets		300,630
Accrued leave payments		
Pedestrian Bridge	550,000	550,000
Total all funds	\$550,000	\$1,154,581
Less estimated income	550,000	1,251,514
General fund	\$0	(\$96,933)
FTE	0.00	0.00

¹ Funding for employee health insurance premiums is adjusted to reflect the revised premium estimate of \$1,130.22 per month.

² Funding is provided for targeted equity salary funding from the Soldiers Home Fund.

³ A housing allowance for the administrator of the Veterans' Home is removed.

⁴ Funding is provided for repairs to the administrator's residence, including \$15,000 for replacing shingles and fascia and \$5,000 for bat removal.

⁵ One-time funding is added for equipment, including a toolcat (\$28,000) and seven patient lifts (\$130,830).

⁶ One-time funding is added for construction of a resident workshop.

⁷ Authorizes the Veterans' Home, subject to Budget Section approval, to use up to \$550,000 from the Melvin Norgard memorial fund, or from litigation proceeds or other funds for the construction of a pedestrian bridge.

This amendment also provides:

- Authorizes the Veterans' Home to transfer up to \$132,500 during the 2013-15 biennium from the operating expense line item to the capital assets line item for removing asbestos from the previous Veterans' Home facility (\$84,500) and to implement a new phone system (\$48,000).
- Removes a section requiring the Veterans' Home use funding provided for operating expenses in the 2015-17 biennium for a new phone system.

Date: 4-6-15
Roll Call Vote #: 1

2015 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1007

Senate Appropriations Committee

Subcommittee

Amendment LC# or Description: 15.8115.02001

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
Other Actions: Reconsider _____

Motion Made By Kilzer Seconded By Robinson

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg			Senator Heckaman		
Senator Bowman			Senator Mathern		
Senator Krebsbach			Senator O'Connell		
Senator Carlisle			Senator Robinson		
Senator Sorvaag					
Senator G. Lee					
Senator Kilzer					
Senator Erbele					
Senator Wanzek					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

Voice Vote Carried

Date: 4-6-15
 Roll Call Vote #: 2

**2015 SENATE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 1007**

Senate Appropriations Committee
 Subcommittee

Amendment LC# or Description: _____

- Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
 Other Actions: Reconsider _____

Motion Made By Robinson Seconded By Kilzer

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg	✓		Senator Heckaman	✓	
Senator Bowman	✓		Senator Mathern	✓	
Senator Krebsbach	✓		Senator O'Connell	✓	
Senator Carlisle	✓		Senator Robinson	✓	
Senator Sorvaag	✓				
Senator G. Lee	✓				
Senator Kilzer	✓				
Senator Erbele	✓				
Senator Wanzek	✓				

Total (Yes) 13 No 0

Absent 0

Floor Assignment Robinson

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

REPORT OF STANDING COMMITTEE

HB 1007, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1007 was placed on the Sixth order on the calendar.

Page 1, replace line 11 with:

"Salaries and wages	\$15,874,867	\$2,059,737	\$17,934,604"
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Page 1, replace lines 13 through 17 with:

"Operating expenses	5,408,850	(97,850)	5,311,000
Capital assets	501,040	395,003	896,043
Total all funds	\$22,242,953	\$1,898,694	\$24,141,647
Less estimated income	15,081,100	334,822	15,415,922
Total general fund	\$7,161,853	\$1,563,872	\$8,725,725"

Page 2, replace line 1 with:

"Shop addition	788,200	126,800"
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Page 2, replace lines 3 through 6 with:

"Equipment	0	326,360
Total all funds	\$1,909,200	\$536,160
Less estimated income	1,348,700	377,330
Total general fund	\$560,500	\$158,830"

Page 2, after line 10, insert:

"SECTION 3. ADDITIONAL INCOME - APPROPRIATION - PEDESTRIAN BRIDGE. In addition to the amounts included in the estimated income line item in section 1 of this Act, any additional amounts in the Melvin Norgard memorial fund, or from litigation proceeds or other funds that become available to the veterans' home are appropriated up to \$550,000, subject to budget section approval, for the purpose of constructing a pedestrian bridge, for the biennium beginning July 1, 2015, and ending June 30, 2017. The funding included in this section is considered one-time funding."

Page 2, line 18, replace "\$84,500" with "\$132,500"

Page 2, remove lines 26 through 28

Page 2, line 29, replace "and" with a comma

Page 2, line 29, after "5" insert ", and 6"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1007 - Veterans' Home - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$15,874,867	\$17,635,653	\$298,951	\$17,934,604
Operating expenses	5,408,850	5,306,000	5,000	5,311,000
Capital assets	501,040	595,413	300,630	896,043
Accrued leave payments	458,196			
Pedestrian Bridge			550,000	550,000
Total all funds	\$22,242,953	\$23,537,066	\$1,154,581	\$24,691,647

Less estimated income	15,081,100	14,714,408	1,251,514	15,965,922
General fund	\$7,161,853	\$8,822,658	(\$96,933)	\$8,725,725
FTE	120.72	120.72	0.00	120.72

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

	Adjusts Funding for Health Insurance Premium Increases ¹	Adds Funding for Targeted Market Equity ²	Removes Funding for Housing Allowance ³	Adds Funding for Repairs to Administrator's Residence ⁴	Adds One-Time Funding for Equipment ⁵	Adds One-Time Funding for Construction of a Resident Workshop ⁶
Salaries and wages	(\$110,673)	\$429,624	(\$20,000)			
Operating expenses				5,000		
Capital assets				15,000	158,830	126,800
Accrued leave payments						
Pedestrian Bridge						
Total all funds	(\$110,673)	\$429,624	(\$20,000)	\$20,000	\$158,830	\$126,800
Less estimated income	14,260	429,624	(15,000)	15,000	130,830	126,800
General fund	(\$124,933)	\$0	(\$5,000)	\$5,000	\$28,000	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Adds One-Time Funding for Construction of a Pedestrian Bridge ⁷	Total Senate Changes
Salaries and wages		\$298,951
Operating expenses		5,000
Capital assets		300,630
Accrued leave payments		
Pedestrian Bridge	550,000	550,000
Total all funds	\$550,000	\$1,154,581
Less estimated income	550,000	1,251,514
General fund	\$0	(\$96,933)
FTE	0.00	0.00

¹ Funding for employee health insurance premiums is adjusted to reflect the revised premium estimate of \$1,130.22 per month.

² Funding is provided for targeted equity salary funding from the Soldiers Home Fund.

³ A housing allowance for the administrator of the Veterans' Home is removed.

⁴ Funding is provided for repairs to the administrator's residence, including \$15,000 for replacing shingles and fascia and \$5,000 for bat removal.

⁵ One-time funding is added for equipment, including a toolcat (\$28,000) and seven patient lifts (\$130,830).

⁶ One-time funding is added for construction of a resident workshop.

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This amendment also provides:

- Authorizes the Veterans' Home to transfer up to \$132,500 during the 2013-15 biennium from the operating expense line item to the capital assets line item for

removing asbestos from the previous Veterans' Home facility (\$84,500) and to implement a new phone system (\$48,000).

- Removes a section requiring the Veterans' Home use funding provided for operating expenses in the 2015-17 biennium for a new phone system.

2015 CONFERENCE COMMITTEE

HB 1007

2015 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee - Human Resources Division
Sakakawea Room, State Capitol

HB 1007
4/15/2015
Job #26127

Subcommittee
 Conference Committee

Kenneth M. Tolman

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the veterans' home; to provide an exemption; and to declare an emergency.

Minutes:

Chairman Kreidt called the committee to order.

Sen. Robinson reviewed the Senate amendments.

(0:08:08)

Rep. Nelson: In the House, for the workshop we provided funding for up to \$788,200, and basically using all the funds that would remain in the Melvin Norgaard fund, plus \$463,000 that was in litigation proceeds for that. In your amendments, is the additional \$126,000 over the \$788,200? Is that how I understand that?

Sen. Robinson: That is my understanding based on cost estimates at this point in time. They are going to run over, so we approved the additional dollars on top of the House recommendation.

Rep. Nelson: Is that different numbers than what we looked at? It's the same. You went with the number in the Executive recommendation?

Sen. Robinson: Yes. We felt that we were at a point in time where we needed to finish this project and move forward. It's private dollars, and not to throw money around, not at all. We had discussion in our committee. We have folks on our committee who have farm shops that are pretty sophisticated, but we're comparing apples and oranges. We were of the opinion that this has been in the planning stages and we want to get it done. I know this emergency on the part of the residents to get out and do some of this work. So we granted approval of the additional money.

Rep. Nelson: We made that commitment too on the House side; that the workshop is a priority. It's just a matter of cost. We did add seven patient lifts as well. Did they ask for 14 and we gave them 7? I don't remember.

Sen. Robinson: That is exactly it. They asked for 14 and you gave them 7. We felt, that given the nature of the patients there, this was something they wanted in all the rooms when the facility was built in the first place. Because of costs, reductions and that type of thing; the bids and so on, it wasn't done. But we felt it was just the right thing to do. We don't need any workers' comp claims. If you've been down there, there are a lot of residents that are pretty good sized men. It seems to be the right thing to do to prevent our folks from being injured on the job, lifting folks in and out of the beds. We thought it was a pretty high priority.

Sen. Kilzer: Mark told me that they just settled a claim for \$100,000 on a back injury of a patient that they lifted that probably otherwise, if they had had the patient lifts in place, would not have occurred. The second thing is that the need for building the workshop is getting to be more acute because the residents are starting to build their own things in their rooms with power tools, and of course they're unsupervised. It could happen that a serious injury occurs in the resident's room, which probably wouldn't happen if they have a workshop, where it is supervised.

Chairman Kreidt: In regards to the woodworking shop, when we looked at this in the House, we felt it was a priority and we wanted to have this project completed, but we felt we had put the \$788,000 together, and it was a little bit less than was in the Governor's budget, and we felt that was an appropriate amount that we used out of the Melvin Norgaard fund and some litigation settlement dollars. We thought they could downsize the project a little, and work within a budget, and go ahead and do this. It might have been a little bit smaller, but I think it still would have been adequate to do what they wanted. We felt they could go ahead and complete that project with that amount of dollars, and make that work. Going back to the house for the administrator, on the House side, we felt that we didn't really want to put any more money into an old house. We felt it was the appropriate time to have the administrator either, with the \$20,000 we provided for a housing allowance, that he could either rent a home or he could buy one. I don't know what the plans are for the home on the grounds. I don't know if there is any historical value. I think there has been talk of demolishing it. Why would we want to put another \$20,000 into an old house? It would be money not well spent.

Sen. Robinson: We had this discussion in our committee as well and after looking at all the options, this one seemed to be more appealing from the standpoint that we would buy many more years of utility out of this home for a relatively small investment. If we were to provide a per diem of \$20,000, the commandant would be taxed on those dollars. So this is more attractive from the standpoint of having his home fixed up, and we were led to believe, with the roof and the removal of the bats, and the soffit work, we would have several years of usage of the home and we would not have to look at a few hundred-thousand dollars investment in a new facility. We thought the other issues on the budget request were of a higher priority now.

Sen. Kilzer: Mark, I think, obtained estimates after he spoke with the House and before he spoke with the Senate. He's quite confident that the \$20,000 will go a long ways in repairing and taking care of the problems that he has. And there was the taxable item that Sen. Robinson mentioned.

Rep. Nelson: Regarding the commandant's home, there were also some additional issues with heating. I don't think this \$20,000 buys out of this. I think we're sinking good money into a dark, deep hole. I think the House position was very clear. We don't think that the state of North Dakota should have any interest in providing a home for the commandant going forward. And the \$20,000 would allow him to either provide equity into his own home or, in past sessions we've looked at other options off the grounds. But I think that has been the House position for several sessions now, and I don't think it has changed to any degree. We don't think we should provide housing any longer.

Sen. Bowman: I might take a little different slant on that. You have a house that is still usable if we invest a little money in it. Is that a bad investment when you consider what just the interest would be on a new one? I can't believe we're even arguing about this. I thought it was a pretty good idea. If they can fix the roof and get rid of the bats, they could live in it for a long time, that would be a wonderful thing. So you'd rather not fix it and build a new one? Or you'd rather not fix it and let them find one, even if it has to be in Fargo or wherever they can find a house available? I'm trying to get the reasoning behind this.

Rep. Nelson: I believe in our discussions, the commandant himself said that when the option was to build a new home for him, that was his opinion, not ours necessarily, that this house has become unlivable and it didn't make sense to put money into this facility any longer. We didn't dream that up. That came from the commandant himself. When a new house was on the docket. I don't know what the conversation was on your side. As I remember it, that's what it was on our side. From a standpoint of where housing is, I'm not going to sit here and say that there's not houses available in Lisbon. There are houses being traded in the city of Lisbon all the time. There are new houses that can be contemplated as well. But it was the House position that we are no longer interested in providing housing for the Veteran's home. I don't think we could be any clearer from the House side.

Sen. Robinson: A number of factors played into this. One was the March forecast. That changed the math for all of us. We appreciate the House position, although that's not necessarily the position of the Senate. It's not necessarily the position of the veterans. There's a lot of veterans who would prefer to have the commandant living on the grounds, for a variety of reasons. Mark could speak to that; there's advantages, and there's also disadvantages sometimes. Given the change in the forecast, the prospects of a new house was off the table. So we looked at the rest of the budget and where could we best utilize the dollars that were in front of us, and the items that we funded we thought were priorities. Sen. Bowman makes a point: it will not be a new home. But we're not spending that type of money either. We felt, for this type of investment, there's still some other issues there. We would provide utility in that facility for several years. And it might take some more dollars. Every house, every year takes something, and if you don't put it in every year, you eventually catch up. Some of this is catch-up. We haven't done much to it for a long time. That's kind of where the Senate was coming from. With budget reductions all over the

place, we were sensitive to that, we thought this was maybe the economy way to go, that got the job done and bought us several years in that home.

Chairman Kreidt: I think we'll take a look at these amendments and come back and see if we can come up with something that the House can be comfortable with, and present it to you at our next meeting, and go from there. We'll take these amendments from the Senate under consideration and we'll have another meeting rather shortly, I'm sure.

Chairman Kreidt dismissed the committee.

2015 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee - Human Resources Division
Sakakawea Room, State Capitol

HB 1007
4/16/2015
Job #26168

Subcommittee
 Conference Committee

Kenneth M. Toribara

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the veterans' home; to provide an exemption; and to declare an emergency.

Minutes:

Chairman Kreidt called the committee to order.

Rep. Nelson: I have a proposal I would like to offer. We agree with the Senate changes on footnote number 1, the health insurance. We don't think, in footnote #2, that the targeted market equity is an area that we would accept. Given the fact that that issue, in this budget, I think we have adequately provided for state employees. There's quite a difference in the two proposals, and given the state of the economy, this is an area that we are not willing to delve into. Without a pool, we don't have that authority from our section to get into that, so we're not, in this proposal, I'm not adding that into the equation. On footnote 3 and 4, we would agree with the Senate to remove the housing allowance of \$20,000 and put that into the repair of the existing home for roof and fascia boards and bat removal. We would agree with that. In footnote number 5, we would agree to the additional 7 patient lifts for \$130,830. In footnote number 6, we would propose to remove the cap on the Melvin Norgard Fund. There is a balance in that fund, so that all the funds available in the Melvin Norgard and the litigation proceeds are available and could be used to complete the work on the workshop. That's the proposal that I'm prepared to make.

Sen. Robinson: Regarding the targeted equity, I can appreciate what you're saying about the providers, but I think the providers are going to struggle. The fact is, I think the OMB and HR here did a good job of trying to respond to market demands to recruit and retain employees, and we're seeing tremendous turnover in so many agencies. The cost for training and bringing new people on; we're going to bear that, whether we like it or not. I just came from another conference committee, and 30 percent turnover. They don't know what they're going to do to try to stay on top of things and get their job done. I think it would be a mistake if we don't fund the targeted equity. I understand there's some concerns regarding the issue of the Bobcat. I don't get to the Veterans Home weekly, but I drive through there several times a year. That is a large area. They mow close to 60 acres.

The utility of this vehicle is a high priority just to stay on top of the grounds. And it's got multiple attachments and so on. That's the reason we felt that they made the case in providing funding for that vehicle, that piece of equipment. We said no to a mower and a utility vehicle. If we don't deal with these things they accumulate and pile up. And we'll come back two years from now, and the situation will be more dire, and we'll have this same discussion that we can only go part way, and unfortunately, this equipment isn't on a schedule for replacement and that would be a wise investment. Machines only last so long. It's prudent to trade when you still have some value. If we don't trade this machine now while it still has some value, the chances of the home investing significant dollars in repairs in the next two years is high, and those repairs are not going to add to the value. In fact, it will depreciate even further. I would hope we look seriously at the targeted equity and funding that Bobcat.

Sen. Kilzer: I also would not vote for loss of the equity. They've done a study. RNs are paid 14-25% below market and LPNs up to 31 percent below market. LPNs are used in basic care, and RNs are used in skilled care. In order to fill the slots, they have to go to contracted care. It is not cheap for the hiring institution to have to contract care, bring in outsiders to do the care. There are several bad things about it, and one of them is simply the cost. At this stage, it's going to cost more. I would not support that.

Chairman Kreidt: I don't believe the Veterans' Home at this time is using contract nursing. Getting back to the equity, until we get some direction, that and the Bobcat are the items we're not agreeing on. We are in agreement on the other items.

Sen. Bowman: I've dealt with machinery for years. Understanding the value, you can take a piece of equipment that runs good today, but as soon as you hold it longer and it starts to wear out, all of the parts that you put back into that equipment don't change the value. All it is is an extra expense. If you watch what the big farmers are doing today, they trade so they don't have to put a lot of money into their equipment. They trade very often. And they do that because of the extreme cost today to repair things. It's not like it used to be. You can't just take it down and have somebody fix it. You've got to have a specialist, and they've got to have all this computer technology. And all of that is very expensive. If they have the money in the system to do it, I don't know why we wouldn't allow them to do it before it gets to be money that they have to take away from something else. I think it's a real solid investment, and the price isn't going to change. The price of a new one will go up, the price of the used one won't go up. So that gap gets wider. Then if you multiply that, plus you have to replace the engine or the transmission, or anything like that, and you can't see that it really makes a difference in the equipment, then you really lose.

Rep. Nelson: I understand contract nursing and I agree with Sen. Kilzer's analysis of that. That is one of the reasons why I think this is an area that we can leave out because they explained that they are currently not using contract nursing. So we know what the cost has been in the current biennium for that. And not that we need to stay stagnant on that. I think that's the point; that we are, the bar is moving upwards for most, if you're a state employee, especially, there's a larger increase. The current time, as a state employee, than there is if you're a provider with a provider inflator. When this budget was put together, it was a different time. This is one of the casualties of the current economy, that we have to ratchet some of this stuff back to a more reasonable place. I don't necessarily disagree with your

analysis of the tool cad. If there was some movement on the equity, maybe there's a deal that could be struck here.

Sen. Robinson: We don't want them to get into contract nursing. This is preventative. This is another 24 months. Keep in mind, in the Fargo market, just Sanford, 500+ medical professional openings, and that's before the hospital goes online. We're in the same situation in Valley City. It is like pulling teeth to maintain a medical staff intact in terms of recruitment and retention. They are a hop-skip-and-jump away from Fargo. This new generation looks at things in a whole different light than some of us who have lived in a community for 40 years. They have no problem driving 50 minutes and taking jobs in Fargo. So we want to be preventative. I think we have a problem statewide or that targeted equity wouldn't have gone in there in the first place. I know it's a different time, but I maintain that we're going to see things come back. Competition for quality employees is always going to be there. We shouldn't be in a mode of training and sending them to the private sector. We felt pretty strongly that we want to maintain quality staff there. These folks are front-line staff. Our nurses that work with our veterans every day. We just want to be able to compete, retain and recruit. And right now, we might be full, but that could change tomorrow in a big way.

Sen. Kilzer: The nursing profession is a unique profession in how young graduates transition from school to work. We're seeing more and more potential employers offering forgiveness for the student loans as part of their recruitment. Right here in Bismarck, the MedCenter One School of Nursing graduates, I think 56 nurses each year, and I was told that 54 out of the 56 graduates last spring stayed on and worked for Sanford and a big part of that is the loan forgiveness program. The Veterans' Home is at a tremendous disadvantage when it comes to recruiting new graduates if they don't have a similar program.

Chairman Kreidt: I'm familiar with the programs that are available for nurses, and we have at our facility in New Salem, done that for many years; provided scholarships, forgiven loans, and I know through their association, there is funding available, and we had a bill this session again that we allowed \$15,000 for facilities to provide tuition and books, and we did some changing on that. There are methods out there for individuals out there that are interested in going into that field, to get some financial support. We have an offer on the table. You can look at it and maybe we'll have some news later today on the targeted equity. Hopefully we can get this budget wrapped up and moved out.

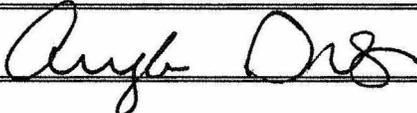
Chairman Kreidt dismissed the committee.

2015 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee - Human Resources Division
Sakakawea Room, State Capitol

HB 1007
4/17/2015
Job 26195

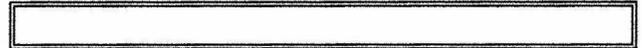
- Subcommittee
 Conference Committee



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the veterans' home; to provide an exemption; and to declare an emergency.

Minutes:



Chairman Kreidt called the committee to order.

Chairman Kreidt: We're at a point in this conference committee where we're waiting on what's going to happen to the targeted equity and market equity. That's what's holding us up. My understanding is that leadership is going to be meeting again today and hopefully they will resolve that issue. Once we know what is going to take place with that funding, I will then call another conference committee together. Hopefully then we can work out the few minor differences that we have.

Chairman Kreidt dismissed the committee.

2015 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee - Human Resources Division
Sakakawea Room, State Capitol

HB 1007
4/18/2015
Job #26241

Subcommittee
 Conference Committee

Kenneth M. Tothel

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the veterans' home; to provide an exemption; and to declare an emergency.

Minutes:

Chairman Kreidt called the committee to order.

Chairman Kreidt: The targeted market equity has been removed from all budgets. They are going to do something similar to last biennium where that will be pooled into a fund in OMB, and the departments will have to come in and justify their need for that funding. That removes that particular part of this budget. We pretty much agreed on the majority of the items. We agreed on the insurance. We agreed on removing the funding for a housing allowance and moving that over to repairing the administrator's residence that is located on the grounds. One-time funding, we did include seven lifts in the House version and the Senate added another seven. We did agree to that. Add one-time funding for the resident woodworking shop, the \$126,800 added onto the \$788,000 that the House had included, allowing the Veteran's Home to go ahead and use Mel Norgaard funds and some litigation money. That pretty much is what was in the budget. The hang-up is the Toolcat. The Toolcat has about 3,000 hours on it. My personal feelings are that that machine could go another couple of years or maybe longer without any major problems. That's my position at this time.

Sen. Kilzer: There were three implements put together when we had the bill. There was the Bobcat, the mower, and this Toolcat. In close questioning of Mark, the Toolcat was the one that needed immediate attention for repairs. The mower and the Bobcat had some useful life left without any need of large repairs. What you're choosing is not to trade in the Toolcat and get a newer one, but to make the major repairs because that is what it is coming down to. It is economically better to go ahead and replace it rather than stick a lot of repair money into it. I know it's a \$28,000 item, but it would be \$15,000-\$20,000 for repairs and then we would still have an old instrument that won't have much resale value. If we keep it, it needs to be repaired. It's going to be pretty expensive, and when they trade it in, it won't be worth very much.

Rep. Holman: Is there any idea of where we give adequate money for that category and lay the selection of what's most important back on Mr. Johnson? Has that ever been part of the discussion?

Sen. Robinson: We did that on the Senate side. Initially the request was for a lawn mover, a utility vehicle and this Toolcat. We put it back on mark to prioritize. We said we weren't going to do all three. He said clearly the Toolcat was number one because of the amount of use it gets, and number of attachments they use on it. He said it was the piece of equipment they depend the most on. The utility vehicle, he said they just put some money into that. And they could buy some time with that. But the Toolcat, would be expensive repairs, and we can get a fairly decent trade on it at this point in time.

Rep. Holman: That is the point of my question. We're quibbling over equipment when we probably are actually quibbling over the amount of money. Is there a way to adjust that and throw it back on him?

Chairman Kreidt: Is this \$28,000 including the trade-in on this one?

Sen. Robinson: Right.

Chairman Kreidt: We did give him the beds. We reduced half, so. What if we gave him the authorization to do the Toolcat, but he has to do it within the money that he's got for equipment. He can decide what priorities; if he wants to leave a few beds off, or lifts off, and go ahead with the Toolcat.

Rep. Nelson: I think if the committee was going to look at that, I think all we would have to do is change the category of spending from General Fund to Special Fund. This was the only piece that was from general funds. The patient lifts were from Special Funds. If you wanted to do that, I think that would allow the Veteran's Home to do that within their budget. Just some clarification points; on the workshop, what I thought we were doing with the Melvin Norgard fund and the litigation fund was that we would allow up to \$126,800 in spending authority if the funds were available in either of those two funds.

Chairman Kreidt: We allowed them to use \$788,000 out of the litigation funds and the Melvin Norgaard funds. What I think the \$126,800, doesn't that bring it up to what the Governor recommended.

Rep. Nelson: It does and this is the additional money. My understanding is that the \$126,800 isn't a hard number; it would have to be available in the Melvin Norgaard fund or the litigation fund for them to use all of that authority. Isn't that correct?

Chairman Kreidt: That's correct.

Rep. Nelson: I think we should have language in the amendment that states that, if everybody is in agreement with that. The only other thing that I would mention, and I don't want to throw this targeted equity discussion back into favor with us again, but in this budget, that's special funds. I was visiting with Lori a little bit about how this would work in

the pool, but I'm guessing that in most of the budgets, the pool is going to be made up of General Fund money. This is a special fund component of this budget. Just so everybody is aware of that; if there needs to be some language in that pool so general and special funds can be utilized for equity, if this agency is included in that.

Chairman Kreidt: Right. Do you remember how they handled the Veteran's Home at that time?

Lori Laschkewitsch, OMB: There was an energy pool in the last budget, but we didn't have an equity pool in it.

Chairman Kreidt: But with the Veteran's Home, I would assume we probably would have pulled that funding out of that budget last time, too. We didn't?

Lori Laschkewitsch, OMB: No.

Chairman Kreidt: We left it?

Lori Laschkewitsch, OMB: The equity money was in each individual budget for this current biennium. We didn't have a pool to dole out to the agencies. When we had the energy pool, we're given general fund and special fund authority for those agencies that have special funds.

Chairman Kreidt: But the way it's listed in this budget is how it's listed in every other budget. The way we read it, it would be consistent with the other budgets.

Lori Laschkewitsch, OMB: The purpose of the equity is listed the same as the other budgets that you're looking at. It's just that the funding source needs to be considered.

Rep. Nelson: We'll have to talk to leadership about that pool.

Chairman Kreidt: I'm wondering if that couldn't be a separate fund or something that the Veteran's Home would have access to when they need to draw on.

Lori Laschkewitsch, OMB: If the pool has other fund authority in it and an agency is funded with special or federal funds, as in this case with the Veteran's Home, they would just be given that authority, and they would draw it from their own funds.

Chairman Kreidt: We could include that in this budget to allow them to do that with amendments.

Lori Laschkewitsch, OMB: You could include in this budget an amendment to give them that amount of authority out of their special funds, certainly.

Chairman Kreidt: Which would be a possibility to do that.

Rep. Nelson: My purpose of bringing that up is to put them on a level playing field in the equity pool.

Lori Laschkewitsch, OMB: The one thing to consider is when we included in the recommendation that this \$426,000 be special funds for their equity, that was based on the executive recommendation, and what their special fund balances were. If there's all kinds of other things appropriated out of their special funds, they may not have enough money for it.

Sen. Robinson: The Senate feels strong about the Toolcat. We're of the opinion that if we don't do that now, we're going to come back, we'll have that in our face, we'll have lawnmowers in our face, and we'll have a utility vehicle in our face. We would be in agreement to provide authorization for that \$28,000 through special and other funds, if they want to go down that road. I'm sure the language can be drafted. If that's something we can reach consensus on, we've about got this wrapped up.

Chairman Kreidt: The only question I have is, we weren't too excited about doing this pedestrian bridge. I see the way the Senate put it in, they could appropriate up to \$50,000 out of the Melvin Norgaard fund, but it would need Budget Section approval before they could go ahead and use any of that money. Right now, they'll expend all of the money out of the fund by doing their woodworking shop, so there really isn't going to be any money there to do this. And this would end on June 30, 2017, so if they couldn't do it in this two years, they'd have to come back in again.

Sen. Robinson: It also provides authorization from them to seek other private dollars, Federal funds and so on. If they do, fine. If not, they're not going to go down that road.

Chairman Kreidt: Right.

Rep. Nelson: I would just as soon we eliminate that from consideration because that's just not going to happen. I think they should come back. First of all, that design that we saw, I don't know if that changed between the House and the Senate, but I think there needs to be some scrutiny put on that design of the bridge when it is a serious proposal.

Chairman Kreidt: If I remember correctly, it was close to \$1 million that was asked for and the Senate reduced it down to \$550,000. That would reduce it down some, but I have real heartburn over that bridge right now. I would be in agreement to everything that we've talked about today, and I think the House members would, also. But I would be a lot more comfortable if we take this bridge out of here and let them come back in next time and ask for it then. Because they're not going to be able to do this, with what we've already obligated out of the fund.

Sen. Kilzer: This was not our highest priority either. Maybe that convenience store that's so close on the other side of the river will contribute a large amount so the veterans can come to their store. I agree that it's not going to happen in two years. And they can come again. I'm willing to give up on that paragraph in the bill.

Chairman Kreidt: So I guess we're probably near to settling this.

Rep. Nelson: That language for the construction of the workshop, are you comfortable with what I had suggested there?

Sean Smith, Legislative Council: Could you repeat what your proposal was?

Rep. Nelson: That the additional \$126,800, up to that level, could be spent from the Melvin Norgard or the litigation proceeds, if they were available?

Sean: Yes. I could draft that.

Lori Laschkewitsch, OMB: If you give them special fund authority, they are going to have to use any of their funds, and you already have them using the Melvin Norgard Fund to its full extent. They're already not going to have enough money for the \$770,000 for the shop base. You wouldn't really need any kind of a section of intent, because of the fact that you've already given them special fund authority, so their only source of funds would be Melvin Norgard, litigation or their proceeds they receive for rent from the veterans.

Chairman Kreidt: What's included in the Senate amendments is, we're fine as is.

Rep. Nelson: I'll withdraw that then.

Chairman Kreidt: What we would need is some language in regard to the targeted equity, so they could access those dollars if they do need them for salaries, the \$429,624. I'm a little concerned with where that money will wind up. I would hope it would stay, that amount for the Veteran's Home.

Rep. Holman: Could we ask for, since this is cutting across every agency's bill; it's almost like there should be some standardized language that could be given to every committee for that targeted equity. Is that something you could look into?

Sean: Yes, I can look into that and get back to you.

Sen. Kilzer: When a group of people receive equity payments, for example, the employees here, what happens next biennium? Is that considered base salary, and it's increased or decreased from there? Or is equity outside of that realm?

Lori Laschkewitsch, OMB: It becomes their base salary. It's not a bonus. They are giving an equity increase to whatever they're making, and that becomes their salary. So that's where we start from with their salary. We don't take it away and give them an increase based on a different amount.

Chairman Kreidt: So in 19 that would be the base and we would go forward from there with that figure?

Lori Laschkewitsch, OMB: That would be correct.

Sen. Kilzer: Is that true for both targeted and market equity?

Lori Laschkewitsch, OMB: That's correct. Any salary increases given to employees becomes their salaries, and any increases that we give are on top of that, unless you're

talking this current biennium, in which case, the market was given; say they make \$3000 and they were given a market percentage, it was on that \$3000 with the calculation, and then if they were given three percent as you have given, that three percent would also be calculated on that \$3000. But then whatever that total is going forward, next time their increase would be on top of that.

Chairman Kreidt: Can we have Council give us a rough draft for the next meeting of what we've proposed here? And then we can look it over and probably finish it up then.

Sean: Yes.

Rep. Nelson: Back to the shop addition, we talked about language. I made my notes on the 0200 version. It's in section 5. We talked about changing that language, that the Veteran's Home may use the Melvin Norgard Memorial Fund and litigation proceeds or other funds for the cost of construction of the shop addition. We'll take those numbers out. I think we accomplish our goal, but in that section, we would get rid of that language, those numbers that are no longer correct.

Chairman Kreidt: Are you talking about the 325 and the 463?

Rep. Nelson: Right. We're taking the 325 and the 463 out, and the 788 as well. So that section would read like we talked about the other day.

Sean: I believe we need an amount in there, but I can check and see. I'll draft it without the dollar amounts, if it's OK.

Lori Laschkewitsch, OMB: I believe you can talk about the amounts in section 1, because the problem we get into is that the Melvin Norgard fund is a moving balance. If you put that in there, you've left them with \$26,000 sitting there that they're not allowed to spend because of this intent language. Or, if there's something that costs a little more or a little less, you start to get into a problem with auditors because of the legislative intent.

Chairman Kreidt: The intent was that we use the 788. They had to do it within that amount.

Lori Laschkewitsch, OMB: That's correct. But if you adopt the other amendment that the Senate had, for the \$126,800 for the increased cost of construction, that's another amount on top of that 788. So that's where you kind of get into problems.

Chairman Kreidt: Are we better off listing a total amount if the combination of the two?

Lori Laschkewitsch, OMB: that would be up to you. If something costs a little more and they have the special funds to do it, do you really want them to stop something? If they have the special fund authority, they still have to do it within their authority.

Chairman Kreidt: If a good chunk comes in and they do a \$1.5-million shop, there has to be some type of guideline there.

Lori Laschkewitsch, OMB: they would still run out of authority, and have to come back to the emergency commission and budget section if they were to increase the scope of this project significantly. They wouldn't have any appropriation authority to spend, so they would have to come ask you for more appropriation authority.

Chairman Kreidt: But the way the money is coming in right now, there's not going to be a lot of extra money.

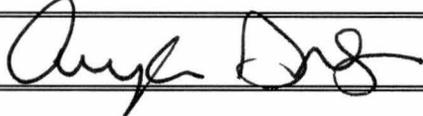
Chairman Kreidt adjourned the committee.

2015 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee - Human Resources Division
Sakakawea Room, State Capitol

HB 1007
4/20/2015
Job 26277

Subcommittee
 Conference Committee



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the veterans' home; to provide an exemption; and to declare an emergency.

Minutes:



Chairman Kreidt called the committee to order.

Chairman Kreidt: I have a proposed amendment to hand out. I think this includes everything we talked about last Saturday.

Sen. Kilzer: Are all of the lifts included somewhere so we know how many there is supposed to be when everything is done?

Sean Smith, Fiscal Analyst, Legislative Council: All the lifts are included. It doesn't show the House side on here, it just shows what you've done in this committee so it's in there.

Sen. Kilzer: I would move adoption of these amendments.

Rep. Nelson: Second.

A Roll Call Vote was taken for Senate recede from Senate amendments and amend as follows. Yes: 6, No: 0, Absent: 0. Motion carries.

Chairman Kreidt adjourned the committee.

SK
 4/20/15
 118

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1007

That the Senate recede from its amendments as printed on pages 1424-1426 of the House Journal and pages 1170-1172 of the Senate Journal and that Engrossed House Bill No. 1007 be amended as follows:

Page 1, replace line 11 with:

"Salaries and wages	\$15,874,867	\$1,630,113	\$17,504,980"
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Page 1, replace lines 13 through 17 with:

"Operating expenses	5,408,850	(97,850)	5,311,000
Capital assets	<u>501,040</u>	<u>395,003</u>	<u>896,043</u>
Total all funds	\$22,242,953	\$1,469,070	\$23,712,023
Less estimated income	<u>15,081,100</u>	<u>(66,802)</u>	<u>15,014,298</u>
Total general fund	\$7,161,853	\$1,535,872	\$8,697,725"

Page 2, replace line 1 with:

"Shop addition		788,200	126,800"
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Page 2, replace lines 3 through 6 with:

"Equipment		<u>0</u>	<u>326,360</u>
Total all funds		\$1,909,200	\$536,160
Less estimated income		<u>1,348,700</u>	<u>405,330</u>
Total general fund		\$560,500	\$130,830"

Page 2, line 18, replace "\$84,500" with "\$132,500"

Page 2, line 22, replace "\$325,000" with "\$788,200"

Page 2, line 23, replace "and up to \$463,200 from" with a comma

Page 2, line 24, remove ", which in total may not exceed \$788,200"

Page 2, remove lines 26 through 28

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1007 - Veterans' Home - Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	\$15,874,867	\$17,635,653	(\$130,673)	\$17,504,980	\$17,934,604	(\$429,624)
Operating expenses	5,408,850	5,306,000	5,000	5,311,000	5,311,000	
Capital assets	501,040	595,413	300,630	896,043	896,043	
Accrued leave payments	458,196					
Pedestrian Bridge					550,000	(550,000)
Total all funds	\$22,242,953	\$23,537,066	\$174,957	\$23,712,023	\$24,691,647	(\$979,624)
Less estimated income	<u>15,081,100</u>	<u>14,714,408</u>	<u>299,890</u>	<u>15,014,298</u>	<u>15,965,922</u>	<u>(951,624)</u>
	\$7,161,853	\$8,822,658	(\$124,933)	\$8,697,725	\$8,725,725	(\$28,000)

7d

General fund						
FTE	120.72	120.72	0.00	120.72	120.72	0.00

Department No. 313 - Veterans' Home - Detail of Conference Committee Changes

	Adjusts Funding for Health Insurance Premium Increases ¹	Removes Funding for Housing Allowance ²	Adds Funding for Repairs to Administrator's Residence ³	Adds One-Time Funding for Equipment ⁴	Adds One-Time Funding for Construction of a Resident Workshop ⁵	Total Conference Committee Changes
Salaries and wages	(\$110,673)	(\$20,000)				(\$130,673)
Operating expenses			5,000			5,000
Capital assets			15,000	158,830	126,800	300,630
Accrued leave payments						
Pedestrian Bridge						
Total all funds	(\$110,673)	(\$20,000)	\$20,000	\$158,830	\$126,800	\$174,957
Less estimated income	14,260	(15,000)	15,000	158,830	126,800	299,890
General fund	(\$124,933)	(\$5,000)	\$5,000	\$0	\$0	(\$124,933)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

¹ Funding for employee health insurance premiums is adjusted to reflect the revised premium estimate of \$1,130.22 per month.

² A housing allowance for the administrator of the Veterans' Home is removed, the same as the Senate version.

³ Funding is provided for repairs to the administrator's residence, including \$15,000 for replacing shingles and fascia and \$5,000 for bat removal, the same as the Senate version.

⁴ One-time funding is added for equipment, including a toolcat (\$28,000) and seven patient lifts (\$130,830) from special funds to provide a total of \$326,360 for equipment. The Senate had included \$28,000 of this funding from the general fund.

⁵ One-time funding from special funds is added for construction of a resident workshop to provide a total of \$915,000. Of this amount, \$788,200 is from other funds available during the 2013-15 biennium and \$126,800 appropriated for the 2015-17 biennium.

This amendment also provides:

- Removes a section added by the Senate authorizing the agency to use Melvin Norgard memorial fund, litigation proceeds, or other funds to construct a pedestrian bridge.
- Authorizes the Veterans' Home to transfer up to \$132,500 during the 2013-15 biennium from the operating expense line item to the capital assets line item for removing asbestos from the previous Veterans' Home facility (\$84,500) and to implement a new phone system (\$48,000), the same as the Senate version.
- Authorizes the use of up to \$788,200 from Melvin Norgard memorial fund and litigation proceeds and other funds available during the 2013-15 biennium for the construction of a shop addition. The Senate also added this section.
- Removes a section requiring the Veterans' Home use funding provided for operating expenses in the 2015-17 biennium for a new phone system, the Senate also removed this section.

Date: [Click here to enter a date.](#)
 Roll Call Vote #: "Enter Vote #"

**2015 HOUSE CONFERENCE COMMITTEE
 ROLL CALL VOTES**

BILL/RESOLUTION NO. HB 1007 as (re) engrossed

House Appropriations - Human Resources Committee

- Action Taken**
- HOUSE accede to Senate Amendments
 - HOUSE accede to Senate Amendments and further amend
 - SENATE recede from Senate amendments
 - SENATE recede from Senate amendments and amend as follows

 - Unable to agree**, recommends that the committee be discharged and a new committee be appointed

Motion Made by: _____ Seconded by: _____

Representatives	4/15	4/16	4/17	Yes	No	Senators	4/15	4/16	4/17	Yes	No
Chairman Kreidt	X	X	X			Sen. Kilzer	X	X	X		
Rep. Nelson	X	X	X			Sen. Bowman	X	X	X		
Rep. Holman	X	X	X			Sen. Robinson	X	X	X		
Total Rep. Vote						Total Senate Vote					

Vote Count Yes: _____ No: _____ Absent: _____

House Carrier _____ Senate Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

**2015 HOUSE CONFERENCE COMMITTEE
 ROLL CALL VOTES**

BILL/RESOLUTION NO. HB 1007 as (re) engrossed

House Appropriations - Human Resources Committee

- Action Taken**
- HOUSE accede to Senate Amendments
 - HOUSE accede to Senate Amendments and further amend
 - SENATE recede from Senate amendments
 - SENATE recede from Senate amendments and amend as follows
- Unable to agree**, recommends that the committee be discharged and a new committee be appointed

Motion Made by: Sen. Kilzer Seconded by: Rep. Nelson

Representatives	4/18	4/20		Yes	No	Senators	4/18	4/20		Yes	No
Chairman Kreidt	X	X		X		Sen. Kilzer	X	X		X	
Rep. Nelson	X	X		X		Sen. Bowman	X	X		X	
Rep. Holman	X	X		X		Sen. Robinson	X	X		X	
Total Rep. Vote				3		Total Senate Vote				3	

Vote Count Yes: 6 No: 0 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number 15.8115 . 02002 of amendment

LC Number .04000 . _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

REPORT OF CONFERENCE COMMITTEE

HB 1007, as engrossed: Your conference committee (Sens. Kilzer, Bowman, Robinson and Reps. Kreidt, J. Nelson, Holman) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1424-1426, adopt amendments as follows, and place HB 1007 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1424-1426 of the House Journal and pages 1170-1172 of the Senate Journal and that Engrossed House Bill No. 1007 be amended as follows:

Page 1, replace line 11 with:

"Salaries and wages	\$15,874,867	\$1,630,113	\$17,504,980"
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Page 2, line 24, remove ", which in total may not exceed \$788,200"

Page 2, remove lines 26 through 28

Re-number accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1007 - Veterans' Home - Conference Committee Action

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Salaries and wages	\$15,874,867	\$17,635,653	(\$130,673)	\$17,504,980	\$17,934,604	(\$429,624)
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General fund	\$7,161,853	\$8,822,658	(\$124,933)	\$8,697,725	\$8,725,725	(\$28,000)
FTE	120.72	120.72	0.00	120.72	120.72	0.00

Department No. 313 - Veterans' Home - Detail of Conference Committee Changes

	Adjusts Funding for Health Insurance Premium Increases ¹	Removes Funding for Housing Allowance ²	Adds Funding for Repairs to Administrator's Residence ³	Adds One-Time Funding for Equipment ⁴	Adds One-Time Funding for Construction of a Resident Workshop ⁵	Total Conference Committee Changes
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Less estimated income	14,260	(15,000)	15,000	158,830	126,800	299,890
General fund	(\$124,933)	(\$5,000)	\$5,000	\$0	\$0	(\$124,933)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

¹ Funding for employee health insurance premiums is adjusted to reflect the revised premium estimate of \$1,130.22 per month.

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- Removes a section requiring the Veterans' Home use funding provided for operating expenses in the 2015-17 biennium for a new phone system, the Senate also removed this section.

Engrossed HB 1007 was placed on the Seventh order of business on the calendar.

2015 TESTIMONY

SB 1007

Department 313 - Veterans' Home
House Bill No. 1007

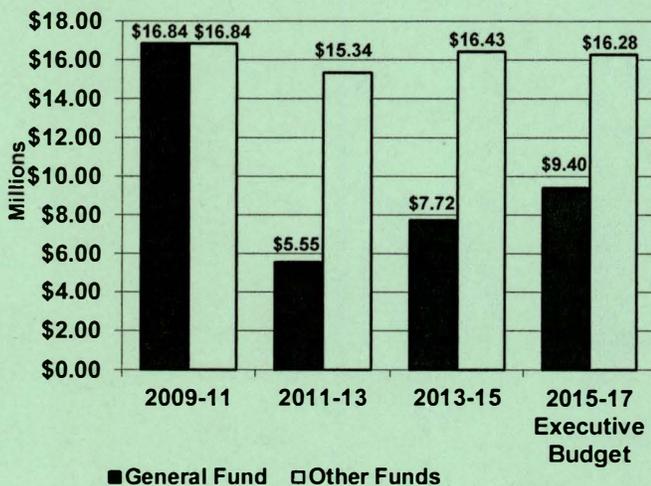
Executive Budget Comparison to Prior Biennium Appropriations

	FTE Positions	General Fund	Other Funds	Total
2015-17 Executive Budget	120.72	\$9,399,650	\$16,284,302	\$25,683,952
2013-15 Legislative Appropriations	120.72	7,722,353	16,429,800	24,152,153
Increase (Decrease)	0	\$1,677,297	(\$145,498)	\$1,531,799

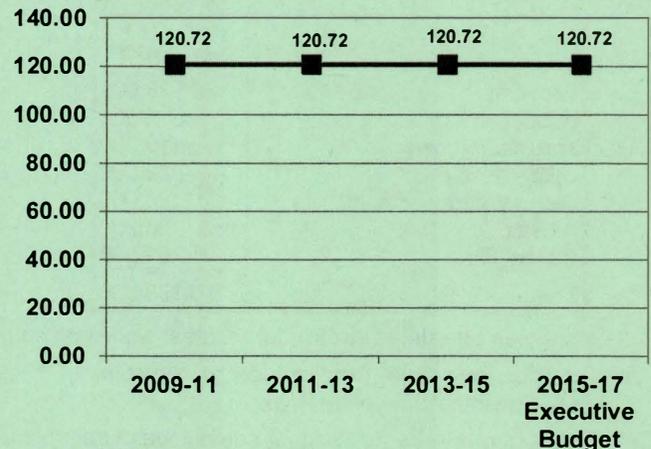
Ongoing and One-Time General Fund Appropriations

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2015-17 Executive Budget	\$9,399,650	\$0	\$9,399,650
2013-15 Legislative Appropriations	7,161,853	560,500	7,722,353
Increase (Decrease)	\$2,237,797	(\$560,500)	\$1,677,297

Agency Funding



FTE Positions



Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
2015-17 Executive Budget	\$9,399,650	\$16,284,302	\$25,683,952
2015-17 Base Level	7,161,853	15,081,100	22,242,953
Increase (Decrease)	\$2,237,797	\$1,203,202	\$3,440,999

Attached as an appendix is a detailed comparison of the executive budget to the agency's base level appropriations.

Executive Budget Highlights

	General Fund	Other Funds	Total
Salaries and Wages			
1. Provides funding for state employee salary and benefit increases, of which \$676,351 relates to performance increases, \$249,644 is for market equity adjustments, \$634,722 is for health insurance increases, and \$69,055 is for retirement contribution increases	\$1,567,248	\$62,524	\$1,629,772
2. Provides targeted equity salary funding	\$0	\$429,624	\$429,624
Operating Expenses			
3. Adjusts funding for various operating expenses, including the following increases (decreases):	\$103,375	(\$206,225)	(\$102,850)

	Increase (Decrease)	Total Provided
Information technology - Contractual services	\$6,650	\$201,600
Information technology - Data Processing	23,000	115,000
Fees - Professional services	(5,000)	596,500
Building, ground, maintenance	5,600	194,451
Repairs	14,000	98,800
Medical, dental, and optical	(251,050)	1,150,850
Professional development	17,500	69,500
Information technology equipment under \$5,000	54,000	95,500
Other equipment under \$5,000	30,550	78,350
Printing	1,900	9,500
Total	(\$102,850)	\$2,610,051

Capital Assets

- | | | | |
|--|-------------|------------|-------------|
| 4. Removes funding provided for capital assets in the 2013-15 biennium | (\$142,000) | (\$71,200) | (\$213,200) |
| 5. Adjusts funding for bond and interest payments | \$0 | (\$63,957) | (\$63,957) |
| 6. Provides continued funding for the demolition of the former Veterans' Home facility | \$121,000 | \$0 | \$121,000 |
| 7. Provides one-time funding for equipment as follows: | \$261,660 | \$96,700 | \$358,360 |

	Total Provided
Tool Cat	\$28,000
Bobcat broom	6,500
Toro lawn mower	10,000
Utility vehicle	22,000
Dishwashers	24,000
NuStep	6,200
Patient lifts	261,660
Total	\$358,360

- | | | | |
|---|-----|-----------|-----------|
| 8. Increases one-time funding for resident workshop construction | \$0 | \$126,800 | \$126,800 |
| 9. Provides one-time funding for construction of a pedestrian bridge over the Sheyenne River | \$0 | \$930,225 | \$930,225 |
| 10. Provides one-time funding for completion of irrigation system | \$0 | \$83,000 | \$83,000 |

Other Sections in Bill

Exemption - Veterans' home construction project funding - Section 3 provides the unexpended amount remaining from the appropriation for the Veterans' Home construction project in Chapter 53 of the 2009 Session Laws which was continued into the 2011-13 biennium and the 2013-15 biennium under North Dakota Century Code Section 54-44.1-11 is not subject to the provisions of Section 54-44.1-11 at the end of the 2013-15 biennium and may be continued into the 2015-17 biennium for paying expenses of the Veterans' Home construction project.

Emergency - Section 4 provides funding of \$930,225, from the general fund for the construction of a pedestrian bridge is declared to be an emergency measure. However, funding for the pedestrian bridge is provided from special funds, therefore Section 4 should be amended to reference the correct funding source.

Continuing Appropriations

Custodial funds - Section 37-15-21 - The Veterans' Home may accept gifts, donations, or bequests. Any money received must be used for the specific purposes as designated by the donor or grantor.

Significant Audit Findings

There are no significant audit findings for this agency.

Major Related Legislation

House Bill No. 1053 - Centralized Desktop Support Services - Requires certain agencies to obtain centralized desktop support services from the Information Technology Department.

Veterans' Home - Budget No. 313
House Bill No. 1007
Base Level Funding Changes

	Executive Budget Recommendation			
	FTE			
	Positions	General Fund	Other Funds	Total
2015-17 Biennium Base Level	120.72	\$7,161,853	\$15,081,100	\$22,242,953
2015-17 Ongoing Funding Changes				
Base payroll changes		\$326,514	(\$184,289)	\$142,225
Salary Increase - Performance		623,320	53,031	676,351
Salary Increase - Market		240,151	9,493	249,644
Salary Increase - Targeted equity			429,624	429,624
Retirement increase		69,055		69,055
Health insurance increase		634,722		634,722
Adjusts funding for operating expenses		103,375	(206,225)	(102,850)
Adjusts funding for bond and interest			(63,957)	(63,957)
Provides continued funding for demolition of former Veterans' Home facility		121,000		121,000
Removes prior biennium capital assets		(142,000)	(71,200)	(213,200)
Total ongoing funding changes	0.00	\$1,976,137	(\$33,523)	\$1,942,614
One-time funding items				
Increases funding for construction of resident workshop			126,800	126,800
Provides funding to complete irrigation system			83,000	83,000
Provides funding to construct pedestrian bridge			930,225	930,225
Adds funding for equipment		261,660	96,700	358,360
Total one-time funding changes	0.00	\$261,660	\$1,236,725	\$1,498,385
Total Changes to Base Level Funding	0.00	\$2,237,797	\$1,203,202	\$3,440,999
2015-17 Total Funding	120.72	\$9,399,650	\$16,284,302	\$25,683,952

Other Sections in House Bill No. 1007

Exemption - Veterans' Home construction project funding

Executive Budget Recommendation
 Section 3 provides the unexpended amount remaining from the appropriation for the Veterans' Home construction project in Chapter 53 of the 2009 Session Laws which was continued into the 2011-13 biennium and the 2013-15 biennium under Section 54-44.1-11 is not subject to the provisions of North Dakota Century Code Section 54-44.1-11 at the end of the 2013-15 biennium and may be continued into the 2015-17 biennium for paying expenses of the Veterans' Home construction project.

Emergency

Section 4 provides funding of \$930,225, from the general fund for the construction of a pedestrian bridge is declared to be an emergency measure. However, funding for the pedestrian bridge is provided from special funds; therefore, section 4 should be amended to reference the correct funding source.

**Department 313 - Veterans' Home
 House Bill No. 1007**

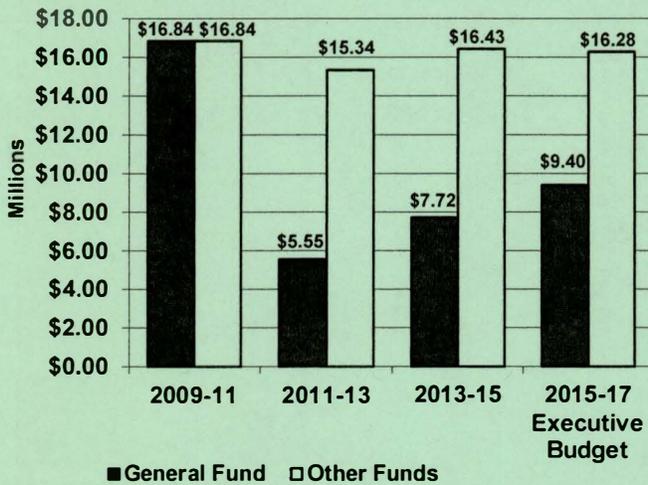
Executive Budget Comparison to Prior Biennium Appropriations

	FTE Positions	General Fund	Other Funds	Total
2015-17 Executive Budget	120.72	\$9,399,650	\$16,284,302	\$25,683,952
2013-15 Legislative Appropriations	120.72	7,722,353	16,429,800	24,152,153
Increase (Decrease)	0	\$1,677,297	(\$145,498)	\$1,531,799

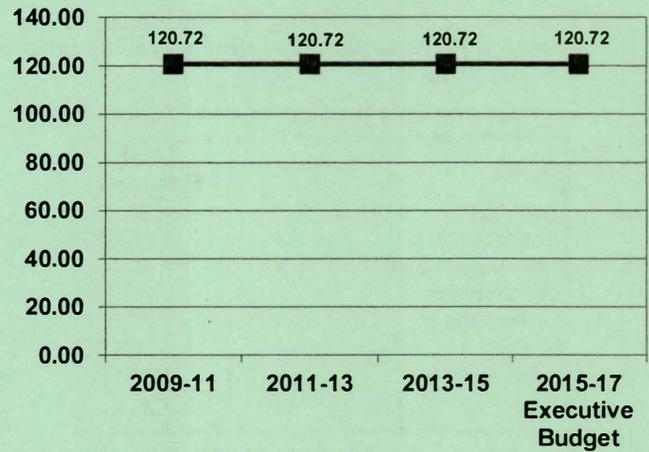
Ongoing and One-Time General Fund Appropriations

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2015-17 Executive Budget	\$9,399,650	\$0	\$9,399,650
2013-15 Legislative Appropriations	7,161,853	560,500	7,722,353
Increase (Decrease)	\$2,237,797	(\$560,500)	\$1,677,297

Agency Funding



FTE Positions



Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
2015-17 Executive Budget	\$9,399,650	\$16,284,302	\$25,683,952
2015-17 Base Level	7,161,853	15,081,100	22,242,953
Increase (Decrease)	\$2,237,797	\$1,203,202	\$3,440,999

First House Action

Attached is a comparison worksheet detailing first house changes to base level funding and the executive budget.

**Executive Budget Highlights
 (With First House Changes in Bold)**

	General Fund	Other Funds	Total
Salaries and Wages			
1. Provides funding for state employee salary and benefit increases, of which \$676,351 relates to performance increases, \$249,644 is for market equity adjustments, \$634,722 is for health insurance increases, and \$69,055 is for retirement contribution increases. The House provided funding for performance salary increases of 2 to 4 percent per year and funding for health insurance increases, but did not include funding for market equity increases or funding for retirement contribution increases.	\$1,567,248	\$62,524	\$1,629,772
2. Provides targeted equity salary funding. The House did not include the targeted equity salary funding.	\$0	\$429,624	\$429,624

Operating Expenses

3. Adjusts funding for various operating expenses, including the following increases (decreases): \$103,375 (\$206,225) (\$102,850)

	Increase (Decrease)	Total Provided
Information technology - Contractual services	\$6,650	\$201,600
Information technology - Data Processing	23,000	115,000
Fees - Professional services	(5,000)	596,500
Building, ground, maintenance	5,600	194,451
Repairs	14,000	98,800
Medical, dental, and optical	(251,050)	1,150,850
Professional development	17,500	69,500
Information technology equipment under \$5,000	54,000	95,500
Other equipment under \$5,000	30,550	78,350
Printing	1,900	9,500
Total	(\$102,850)	\$2,610,051

Capital Assets

4. Removes funding provided for capital assets in the 2013-15 biennium. (\$142,000) (\$71,200) (\$213,200)
5. Adjusts funding for bond and interest payments. \$0 (\$63,957) (\$63,957)
6. Provides continued funding for the demolition of the former Veterans' Home facility. **The House provided this funding for capital assets.** \$121,000 \$0 \$121,000
7. Provides **one-time funding** for equipment as follows: \$261,660 \$96,700 \$358,360

	Total Provided
Tool Cat	\$28,000
Bobcat broom	6,500
Toro lawn mower	10,000
Utility vehicle	22,000
Dishwashers	24,000
NuStep	6,200
Patient lifts	261,660
Total	\$358,360

The House provided \$167,530 for seven patient lifts, dishwashers, Bobcat broom, and NuStep.

8. Increases **one-time funding** for resident workshop construction. **The House did not provide funding for the project.** \$0 \$126,800 \$126,800
9. Provides **one-time funding** for construction of a pedestrian bridge over the Sheyenne River. **The House did not provide funding for the project.** \$0 \$930,225 \$930,225
10. Provides **one-time funding** for completion of irrigation system \$0 \$83,000 \$83,000

Other Sections in Bill

Exemption - Veterans' Home construction project funding - Section 3 provides the unexpended amount remaining from the appropriation for the Veterans' Home construction project in Chapter 53 of the 2009 Session Laws which was continued into the 2011-13 biennium and the 2013-15 biennium under North Dakota Century Code Section 54-44.1-11 is not subject to the provisions of Section 54-44.1-11 at the end of the 2013-15 biennium and may be continued into the 2015-17 biennium for paying expenses of the Veterans' Home construction project.

Emergency - Section 4 provides funding of \$930,225, from the general fund for the construction of a pedestrian bridge is declared to be an emergency measure. However, funding for the pedestrian bridge is provided from special funds, therefore Section 4 should be amended to reference the correct funding source. **The House did not include this emergency clause.**

2013-15 funding transfer authorization - The House added a section to provide the Veterans' Home may transfer up to \$84,500 from the operating expenses line item to the capital assets line item during the 2013-15 biennium to pay for asbestos removal from the former Veterans' Home.

Shop addition project - The House added a section to provide the Veterans' Home may use up to \$325,000 from the Melvin Norgard memorial fund and up to \$463,200 from litigation proceeds or other funds for the cost of construction of a shop addition, which in total may not exceed \$788,200 for the 2013-15 biennium.

Phone system project funding - The House added a section to provide the Veterans' Home must use up to \$48,000 of funding appropriated in the operating expenses line item for a new home phone system for the Veterans' Home.

Emergency clause - The House added a section to provide an emergency measure.

Continuing Appropriations

Custodial funds - Section 37-15-21 - The Veterans' Home may accept gifts, donations, or bequests. Any money received must be used for the specific purposes as designated by the donor or grantor.

Significant Audit Findings

The Veterans' Home overspent payroll authority. The overspending of payroll authority resulted from overtime and additional temporary employees that were required to move to the new Veterans' Home and as the result of increased training resulting from changes in job duties of employees.

Major Related Legislation

House Bill No. 1053 - Centralized Desktop Support Services - Requires certain agencies to obtain centralized desktop support services from the Information Technology Department.

Veterans' Home - Budget No. 313
House Bill No. 1007
Base Level Funding Changes

	Executive Budget Recommendation				House Version			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2015-17 Biennium Base Level	120.72	\$7,161,853	\$15,081,100	\$22,242,953	120.72	\$7,161,853	\$15,081,100	\$22,242,953
2015-17 Ongoing Funding Changes								
Base payroll changes		\$326,514	(\$184,289)	\$142,225		\$326,514	(\$184,289)	\$142,225
Salary increase - Performance		623,320	53,031	676,351		481,364	24,279	505,643
Salary increase - Market		240,151	9,493	249,644				0
Salary increase - Targeted equity			429,624	429,624				0
Retirement increase		69,055		69,055				0
Health insurance increase		634,722		634,722		634,722		634,722
Adjust funding for operating expenses		103,375	(206,225)	(102,850)		103,375	(206,225)	(102,850)
Adjust funding for bond and interest			(63,957)	(63,957)			(63,957)	(63,957)
Provide continued funding for demolition of former Veterans' Home facility		121,000		121,000				0
Remove prior biennium capital assets		(142,000)	(71,200)	(213,200)		(142,000)	(71,200)	(213,200)
Housing allowance				0		5,000	15,000	20,000
Provide an increase for capital assets				0		121,000		121,000
Total ongoing funding changes	0.00	\$1,976,137	(\$33,523)	\$1,942,614	0.00	\$1,529,975	(\$486,392)	\$1,043,583
One-time funding items								
Increase funding for construction of resident workshop			126,800	126,800				0
Provide funding to complete irrigation system			83,000	83,000			83,000	83,000
Provide funding to construct pedestrian bridge			930,225	930,225				0
Add funding for equipment		261,660	96,700	358,360		130,830	36,700	167,530
Total one-time funding changes	0.00	\$261,660	\$1,236,725	\$1,498,385	0.00	\$130,830	\$119,700	\$250,530
Total Changes to Base Level Funding	0.00	\$2,237,797	\$1,203,202	\$3,440,999	0.00	\$1,660,805	(\$366,692)	\$1,294,113
2015-17 Total Funding	120.72	\$9,399,650	\$16,284,302	\$25,683,952	120.72	\$8,822,658	\$14,714,408	\$23,537,066

Other Sections in House Bill No. 1007

Executive Budget Recommendation

House Version

Exemption - Veterans' Home construction project funding

Section 3 provides the unexpended amount remaining from the appropriation for the Veterans' Home construction project in Chapter 53 of the 2009 Session Laws which was continued into the 2011-13 biennium and the 2013-15 biennium under North Dakota Century Code Section 54-44.1-11 is not subject to the provisions of Section 54-44.1-11 at the end of the 2013-15 biennium and may be continued into the 2015-17 biennium for paying expenses of the Veterans' Home construction project.

Section 3 provides the unexpended amount remaining from the appropriation for the Veterans' Home construction project in Chapter 53 of the 2009 Session Laws which was continued into the 2011-13 biennium and the 2013-15 biennium under Section 54-44.1-11 is not subject to the provisions of Section 54-44.1-11 at the end of the 2013-15 biennium and may be continued into the 2015-17 biennium for paying expenses of the Veterans' Home construction project.

Emergency

Section 4 provides funding of \$930,225 from the general fund for the construction of a pedestrian bridge is declared to be an emergency measure. However, funding for the pedestrian bridge is provided from special funds; therefore, Section 4 should be amended to reference the correct funding source.

2013-15 funding transfer to provide for asbestos removal from the previous Veterans' Home

Section 4 provides that the Veterans' Home may transfer up to \$84,500 from the operating expenses line item to the capital assets line item, for the 2013-15 biennium to pay for asbestos removal from the previous Veterans' Home.

Shop addition project

Section 5 provides the Veterans' Home may use up to \$325,000 from the Melvin Norgard memorial fund and up to \$463,200 from litigation proceeds or other funds for the cost of construction of a shop addition, which in total may not exceed \$788,200 for the 2013-15 biennium.

Phone system project funding

Section 6 provides the Veterans' Home shall is to use up to \$48,000 of funding appropriated in the operating expenses line item for a new phone system for the Veterans' Home.

Emergency clause

Section 7 provides the funding transfer and shop addition project are emergency measures.

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HB 1053 Fiscal Note

Agency	Agencies included in Executive Recommendation			2017-2019		
	General	Other	Total	General	Other	Total
Center for Tobacco	-	56,831	56,831	-	23,520	23,520
Council on the Arts	15,800	-	15,800	14,700	-	14,700
Dept of Agriculture	352,912	-	352,912	226,380	-	226,380
Dept of Labor	46,118	-	46,118	38,220	-	38,220
Indian Affairs	21,775	-	21,775	14,700	-	14,700
Protection and Advocacy	132,838	-	132,838	82,320	-	82,320
Secretary of State	96,000	-	96,000	91,140	-	91,140
State Treasurer	20,880	-	20,880	23,520	-	23,520
State Auditors	69,200	14,500	83,700	158,760	-	158,760
Securities	46,805	-	46,805	26,460	-	26,460
Total Executive Recommendation	802,328	71,331	873,659	676,200	23,520	699,720
	Remaining Agencies included in Desktop Study					
Agency	General	Other	Total	General	Other	Total
Governor's Office	78,390		78,390	52,920		52,920
Admin Hearings		27,363	27,363		14,700	14,700
Aeronautics	32,835		32,835	17,640		17,640
Career and Tech Ed	147,758		147,758	79,380		79,380
Commerce	377,603		377,603	202,860		202,860
Trust Lands		169,648	169,648		91,140	91,140
DPI	547,250		547,250	294,000		294,000
Financial Institutions		158,703	158,703		85,260	85,260
Historical	377,603		377,603	202,860		202,860
Insurance		273,625	273,625		147,000	147,000
Legal Council	180,593		180,593	97,020		97,020
NDPERS		180,593	180,593		97,020	97,020
OMB	716,898		716,898	385,140		385,140
Parks & Rec	300,988		300,988	161,700		161,700
RIO		103,978	103,978		55,860	55,860
Deaf	246,263		246,263	132,300		132,300
Sec of State	78,508		78,508	-		-
Library	164,175		164,175	88,200		88,200
University System	109,450		109,450	58,800		58,800
Veterans Affairs	43,780		43,780	23,520		23,520
Total Other Agencies	3,402,091	913,908	4,315,998	1,796,340	490,980	2,287,320
Total All Agencies	4,204,419	985,239	5,189,657	2,472,540	514,500	2,987,040

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01-15-15
#2

TESTIMONY ON HB 1007
HOUSE HUMAN RESOURCES COMMITTEE
THURSDAY, JANUARY 15, 2015

Chairman Pollert and members of the Human Resources Committee, I am Kristin Lunneborg, CFO at the North Dakota Veterans Home. I am here today to discuss with you the audit findings from our most recent audit and to provide you some insight into our current biennium budget appropriation as well as our 2015-2017 budget needs.

Our June 30, 2013 Audit

Our biennium end June 30, 2013 audit was performed by the State Auditor's Office. There was only one issue of noncompliance noted in our audit. According to NDCC 54-27-10, no state institution shall disburse more than 75% of their payroll line item authority within the first 18 months of the biennium. Although we did overspend our appropriation authority this was a one-time situation relating to the set-up and move to our new facility. When the 2011-2013 budget was prepared we were in the planning stages for our new facility and we did not anticipate that we would be changing the majority of our staff roles to align with the household/neighborhood concept of our new facility. The change in roles required many hours of additional training for the majority of our staff which lead to additional salary expenses for the staff that worked their shifts in order to provide 24 hour care to our residents. Additional salary and wage expenses were also incurred with having to move all the residents, their belongings, and all our facility equipment and supplies as well as having to set-up everything in the new facility. This item was addressed during the 2011 legislative session and a funding transfer of \$170,000 was authorized in our appropriation bill.

Our 2013 – 2015 Budget Appropriation

Our current appropriation of \$25,036,622 includes \$23,437,828 for our operating budget, \$794,280 in construction carryover for the new veterans' home, \$788,200 for the construction

of a resident workshop and \$16,314 in construction carryover to complete work on the oxbow and irrigation system.

With twenty-five percent of the budget remaining we are right on track with approximately thirty percent of our salaries and wages appropriation remaining. We will not realize the entire five percent we are ahead of budget by the end of the biennium but we will have some unused appropriation authority.

Since our budget is based upon a higher occupancy than we have experienced we will not be using all of our operating appropriation authority. Our facility has 52 skilled nursing home beds and 98 basic care beds. Since our move to the new facility in May 2011 we have had over 180 admissions. We have been able to consistently keep our skilled nursing home beds filled but have been unable to reach capacity in our basic care unit. It seems every time we get close we have a number of resident that we have to transfer as they need a higher level of services. I have attached a spreadsheet, Attachment A, which illustrates the number of admissions, discharges and deaths we have had since July 2008. As you can see from the numbers listed, a good percentage of our skilled admits come from individuals living in the basic care unit that are in need of greater care.

The lower than anticipated occupancy will result in unused appropriation authority for food, medications, medical supplies and professional services relating to the primary care of the veterans. I am anticipating that we will not use approximately \$450,000 - \$500,000 of our current appropriation for operating expenses.

Work has recently begun on the last remaining item in our capital asset budget – the demolition of the old veterans' home. The contract to take down the building was awarded to RTS Shearing, LLC from Jamestown, ND for \$718,000. They just moved equipment on site in December to begin the demolition process. They are still in the early stages of demolition and have just recently identified all the asbestos that needs to be removed before the building can

be taken down. Subtracting the cost of taking down the building from our total budget of \$1.0 million leaves us \$282,000 to pay for asbestos removal. At a meeting held earlier this week we learned that the cost to remove the asbestos is going to exceed our budget. We are requesting a fund transfer be added to our bill allowing us to transfer funds from our operating line to our capital asset line.

We have \$232,191 remaining in our construction carryover line that we have not spent on the building in case the funds are needed to settle any legal issues. We encountered legal situations with four of the companies contracted to work on the new veterans' home. Three of these situations have been settled. We were scheduled to go to court with the remaining contractor in March of 2015 but just learned this week that the court date has been moved to March 2016. Since we will be unable to complete this project in the 2013-2015 biennium, we are requesting an exemption to be added to our bill allowing us to carryover the remaining funds to the 2015-2017 biennium.

The entire appropriation of \$788,200 allocated for a resident workshop is remaining in our budget. Legislation was passed last session allowing us to construct a resident workshop when "the balance in the Melvin Norgard fund is sufficient to cover all costs of the project". Since the mineral royalty projections are substantially lower than anticipated we will not be able to begin construction on the resident workshop this biennium. Projections received during last legislative session showed mineral royalty income of almost \$1.3 million by the end of 2014 but we have only received \$282,000. Below is a graph that illustrates what was projected and what we have actually received.



The final line in our 2013-2015 biennium budget relates to new veterans’ home project carryover funds in the amount of \$16,313 to complete work on the oxbow and irrigation system. All projects have been completed so will have unused appropriation authority of \$6,400 for this line item.

2015-2017 Budget

I have attached a summary comparison of the current biennium budget to the 2015-2017 requested budget. See Attachment B.

We are not requesting any major changes to our salaries and wages for the 2015-2017 biennium. There is a slight increase requested in the line items for temporary employees, shift differential and overtime for the nursing departments. The Veterans Home instituted a policy a few years ago to pay our current staff an additional wage if they pick up open shifts on the schedule. This policy has slightly increased our wages for shift differential and overtime but has totally eliminated the need for contract nursing; which is substantially higher in cost.

The adjustment for \$2,059,396 in salary and wages comes from the Governor’s executive budget. This includes funding the increases for employee health insurance and retirement, the

recommended salary increases and \$429,624 in equity adjustments for hard to fill positions. There are currently 96 employees in the positions identified by HRMS as hard to fill; these include our resident living specialists, LPNs and RNs.

After making a few minor adjustments to our operating budget, we are actually reducing our overall base budget for operating expenses by almost \$103,000. This decrease can be attributed to a reduction in the budgeted amount for veteran medications. Based upon our historical data we have determined that the budgeted amount for this item can be reduced.

The budget request submitted for capital assets is \$97,128 over the 2013-2015 biennium appropriation. The summary comparison sheet, Attachment B, lists out the capital asset items in order of importance. Our number one priority has to be the bond and interest payments for the new veterans' home followed by a mandatory upgrade to our telephone system. We were informed, after our budget was submitted, that our current phone system will need to be addressed before 2017. We have three options before us which include a major upgrade to the system for roughly \$48,000, purchasing a new system for \$47,800 or leasing a system from the local telephone company. In comparing the lease versus purchase option we have determined that we are better off purchasing a new system or upgrading the current system. Since this item was not included in our original budget request we are asking to have it added to our capital asset appropriation.

The next priority on our capital asset request is for equipment over \$5,000. Included in our request is funding for a NuStep (therapy equipment), dishwashers, a toolcat, a bobcat broom, a toro mower and a utility vehicle.

The remaining items requested in our capital asset line are all one-time items.

We are requesting \$261,600 to install ceiling lifts in our therapy department and some of our resident rooms. Funding for the new veterans home allowed us to install ceiling lifts in 21 of our

resident rooms when the building was originally constructed. These mechanical lifts have been very beneficial in reducing staff injuries and resulting workers compensation claims, reducing resident falls, skin tears and abrasions and they provide increased patient safety, comfort, security and dignity. Funding this request would allow us to install an additional 14 lifts.

The next item on our capital asset list relates to the resident workshop. As I explained previously, we have been unable to start construction on the resident workshop due to the lack of mineral royalty income. We currently have many residents that build and create items in their own rooms; some of the residents even have their own power tools. This is not a safe environment and has also lead to damage to resident room furniture. The old veterans home had a resident workshop and painting studio but we were unable to include this in our new building due to budget constraints. Many of our residents know that legislation was passed last session to construct the workshop and don't understand why we haven't started construction. There is a great need to build this resident workshop to provide safe facilities for the residents to construct their projects, be active and grow their imaginations. We will be bringing an amendment forward to change a portion of the funding source for the resident workshop from Norgard funds to special funds so we can begin construction in the near future. Tied to this request is the next item listed on our capital asset request; the need to add an appropriation for \$126,800 to cover the increased cost of the resident workshop. The initial estimate received before last legislative session for the design drawn up by architect Jeff Sjoquist from Mednational was \$788,200. Based upon the square footage of 4,542 the current estimate is \$915,000, a difference of \$126,800.

Item number six on our list of capital assets is for the construction of a new Administrator's house as well as the demolition of the old house. If kept, the current house, which was built in 1907, needs a laundry list of repairs including those listed below:

- All wiring would need to be removed and replaced to meet current codes
- All plumbing would need to be removed and replaced
- All existing windows would need to be replaced

- The existing roof would need to be replaced
- A heating source would need to be installed in the house. The house is currently heated by the old steam boiler system which consists of three boilers located in the maintenance shop across the road. The longevity of these boilers is also in question as two of them were installed in 1956 and the other in 1981.
- Settling of the foundation and interior supports has caused interior and exterior cracking of the walls and damage to the floors, as well as a place for animals and insects to find a home. All these issues would need to be addressed.
- The house is not ADA accessible.

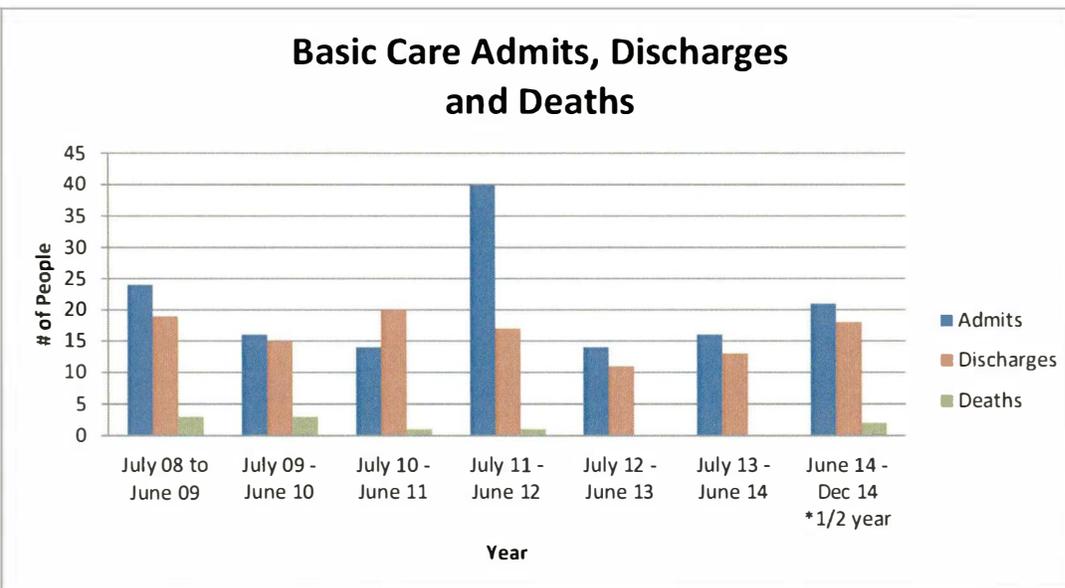
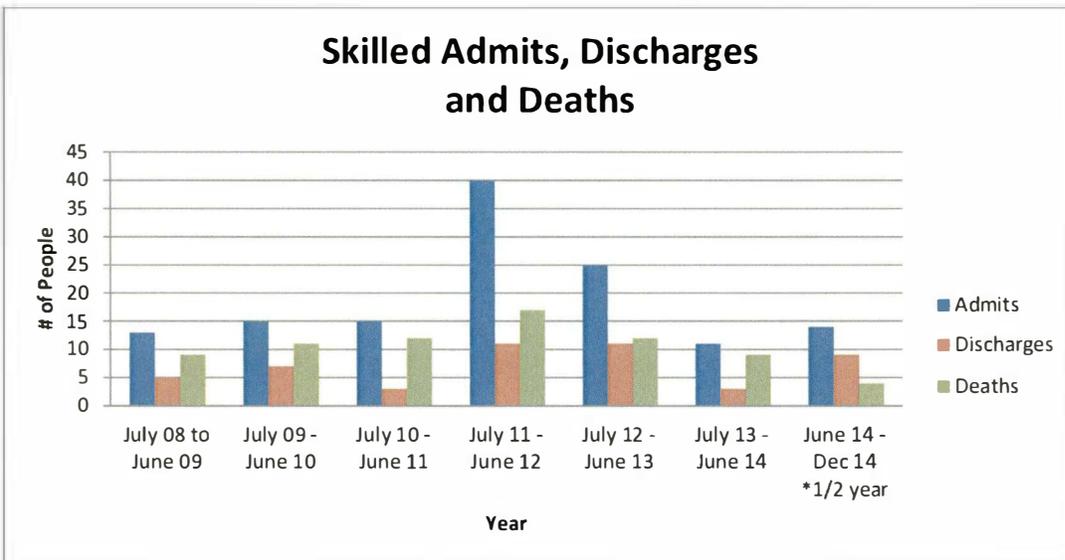
In 2008 we received an estimate for \$397,000 to fix the majority of the items listed above; current costs would be significantly higher. Since it does not seem cost beneficial to fix the existing home we are proposing to construct a new 4,000 sq. ft. residence on the grounds.

The next capital asset item requested for the 2015-2017 budget is to complete the irrigation system on the veterans' home grounds. The \$83,000 in funding would allow us to complete the irrigation system on the grounds tying it into the current system so the entire system functions as one.

The final capital asset item for \$930,225 was included as an optional package in our budget request. This would fund a steel bridge approximately 200 ft. x 20 ft. to be erected over the Sheyenne River. This bridge would allow the residents safe access from the veterans' home grounds to 16th Avenue without having to cross the bridge on Jackson Street. Many of our residents walk or drive their scooters downtown. Lisbon has a limited number of areas you can cross to access the business district in downtown. Jackson Street, which is the closest, is an incredibly busy, narrow street that does not have a sidewalk. It is not a safe area for pedestrians. There is potential grant funding available from the Department of Transportation and the Heritage Foundation that would cover a portion of the cost. We are requesting general funds for this project.

We hope that you will support our 2015-2017 budget request and help us to provide the care that our veterans deserve.

Kristin Lunneborg
North Dakota Veterans Home CFO
701-683-6503
klunneborg@nd.gov



Skilled	Admits	Discharges	Deaths	% In-House Transfers	
July 08 to June 09	13	5	9	28%	*5 of the admits & discharges between units
July 09 - June 10	15	7	11	55%	*12 of the admits & discharges between units
July 10 - June 11	15	3	12	50%	*9 of the admits & discharges between units
July 11 - June 12	40	11	17	33%	*17 of the admits & discharges between units
July 12 - June 13	25	11	12	53%	*19 of the admits & discharges between units
July 13 - June 14	11	3	9	36%	*5 of the admits & discharges between units
June 14 - Dec 14 *1/2 year	14	9	4	52%	*12 of the admits & discharges between units

Basic	Admits	Discharges	Deaths	% In-House Transfers	
July 08 to June 09	24	19	3	9%	*4 of the admits & discharges between units
July 09 - June 10	16	15	3	39%	*12 of the admits & discharges between units
July 10 - June 11	14	20	1	35%	*12 of the admits & discharges between units
July 11 - June 12	40	17	1	23%	*13 of the admits & discharges between units
July 12 - June 13	14	11	0	44%	*11 of the admits & discharges between units
July 13 - June 14	16	13	0	21%	*6 of the admits & discharges between units
June 14 - Dec 14 *1/2 year	21	18	2	33%	*13 of the admits & discharges between units

Summary Comparison of Current Budget to 2015-2017 Requested Budget

Description	Present Budget 2013-2015	2015-2017 Net Change	2015-2017 Submitted Budget	2015-2017 Adjustments	2015-2017 Requested Budget
Salaries and Wages	\$16,333,063	\$142,224	\$16,475,287	\$2,059,396	\$18,534,683
Operating Expenses	\$5,408,850	(\$102,849)	\$5,306,001	\$0	\$5,306,001
Capital Assets	\$1,695,915	\$97,128	\$1,793,043	\$48,000 *	\$1,841,043
	\$23,437,828	\$136,503	\$23,574,331	\$2,107,396	\$25,681,727
Construction Carryover	\$794,281	(\$794,281)	\$0	\$232,191	\$232,191
Workshop	\$788,200	(\$788,200)	\$0	\$788,200	\$788,200
New Home Project Carryover	\$16,314	(\$16,314)	\$0	\$0	\$0
Total Budget	\$25,036,623	(\$1,462,292)	\$23,574,331	\$3,127,787	\$26,702,118

By Funding Source

General Funds	\$8,516,633	(\$684,230)	\$7,832,403	\$2,059,396	\$9,891,799
Special Funds	\$16,519,991	(\$778,063)	\$15,741,928	\$788,200	\$16,530,128
	\$25,036,624	(\$1,462,293)	\$23,574,331	\$2,847,596	\$26,421,927

Items Proposed in 2015-2017 Budget

1. Bond & Interest Payments	\$344,883
2. Telephone System	\$48,000 * needs to be added to budget request
3. Equipment > \$5,000	\$96,700
4. Install ceiling lifts	\$261,660 *One-time expense
5. Increased cost for resident workshop	\$126,800 *One-time expense
6. Administrator's House & demolition of old house	\$880,000 *One-time expense
7. Irrigation	\$83,000 *One-time expense
	<u>\$1,841,043</u>

Items in Optional Package

1. Bridge	\$930,225 *One-time expense
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HB1007
01-15-15
#3



PO Box 1177
JAMESTOWN, ND 58402
PH: 701-252-8608
FAX: 701-252-1809

January 13, 2015

Mr. Jeff Sjoquist
Mednational Architects LLC
4265 45th Street South - Suite 200
Fargo, ND 58104
Sent Via Email - jsjoquist@mednational-llc.com

RE: Vet's Home-Lisbon - TSI Abatement

In follow-up to your meeting of today with Mike Watkins and me, RTS will perform the TSI removal for \$86,000.00. Price to include the selective demolition necessary to access the pipes, including the work performed to date by RTS.

Additionally, we will continue to employ the services of L & M Contracting at the rate of \$500.00 per day, as necessary to monitor asbestos related matters.

Please prepare Change Order accordingly. Should you have any questions please contact us.

Sincerely,

RTS SHEARING, LLC

A handwritten signature in black ink, appearing to read 'Tyler Szarkowski', is written over the printed name below.

Tyler Szarkowski - President



PO Box 1177
JAMESTOWN, ND 58402
PH: 701-252-8608
FAX: 701-252-1809

January 14, 2015

Mr. Jeff Sjoquist
Mednational Architects LLC
4265 45th Street South - Suite 200
Fargo, ND 58104
Sent Via Email - jsjoquist@mednational-llc.com

RE: Vet's Home-Lisbon - Floor Tile and Mastic Removal

Regarding the above referenced project we are providing the following options:

Option 1 - We will perform removal of multiple layers of ACM containing floor tile and mastic for all three additions. Price includes temporary heat, removal and disposal of existing tile and mastic including manifests and landfill fees.

80,400 SF @ \$4.15/SF - \$333,660.00

Option 2 - Concerning non-regulated disposal, we have contacted the ND Dept of Health (NDDH) and have been informed it would be extremely unlikely they would grant a waiver. In any event we did contact the two possible leads you forwarded. The first party has sold the land in question and the new owner has no interest. The second party would be interested if the concrete could be used as riprap. We can see no likelihood that NDDH would allow the material to be dumped in a waterway. If you can obtain a variance from the NDDH we would be willing to price out this option. Truthfully, at this time we are highly skeptical any significant cost savings would be realized.

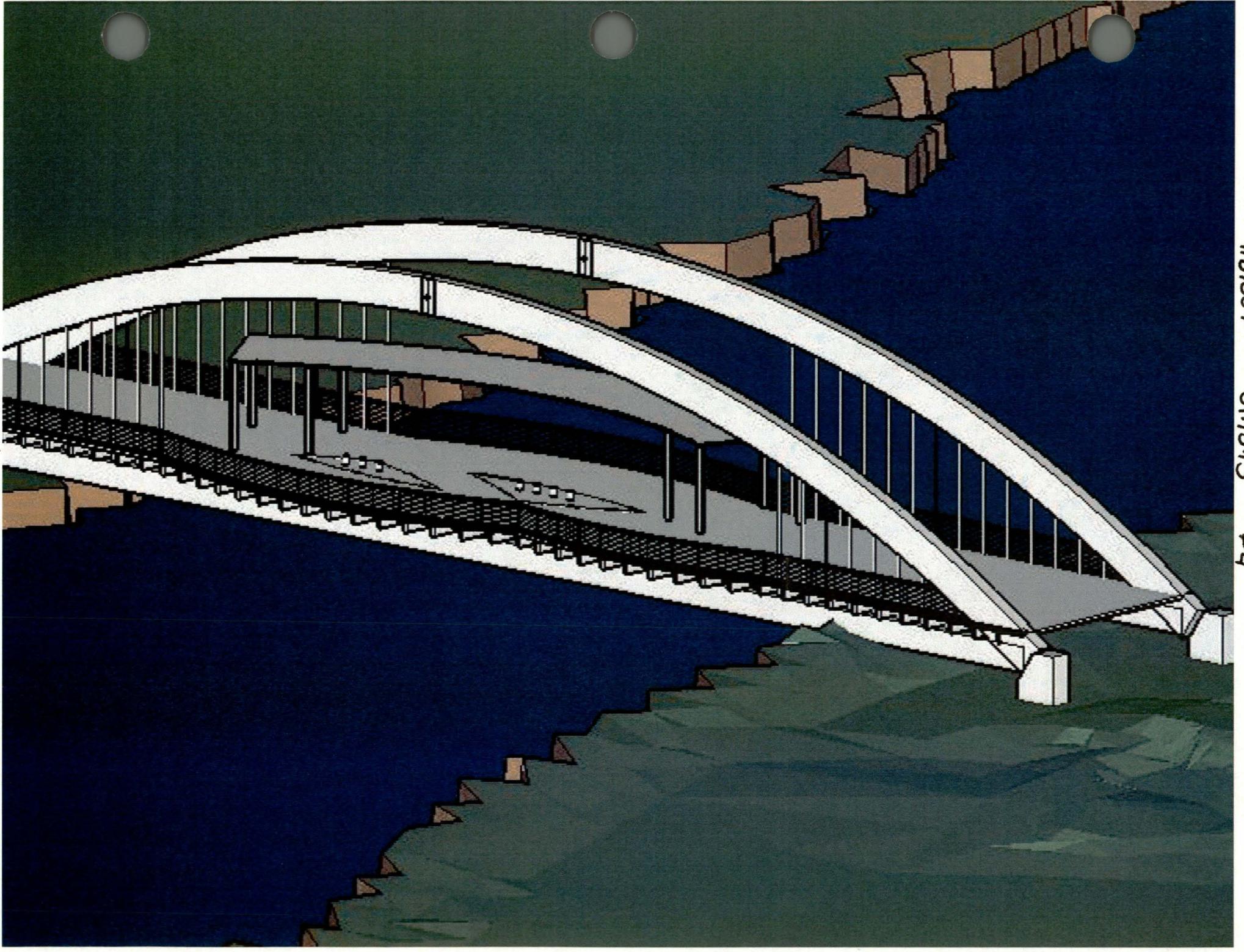
Regarding scheduling, we understand it will be necessary to obtain additional funding from the Legislature. We also understand that the process will move at its own pace. As you are aware RTS bid the work to be performed during the winter months. We will proceed with the TSI removal, pre-cleaning and other non-ACM impacted activities. If however, the heavy demolition is delayed to the point it conflicts with our normal seasonal construction activities, RTS reserves the right to delay demolition until the 2015 - 2016 winter. At this time we do not believe it will be necessary for any additional compensation for such delay, but reserve all rights normally associated with delays beyond the control of the contractor.

Should you have any questions please contact us.

Sincerely,

RTS SHEARING, LLC

Tyler Szarkowski - President



H61007 40019H 01.15.15 #4

**CITY OF LISBON
NORTH DAKOTA**



December 10th, 2014

To Whom it May Concern:

The City of Lisbon has been requested to write a letter of support for a grant to help offset the expense of the ND Veterans Home Walk Bridge Project.

As mayor of the City of Lisbon I am writing this letter on behalf of the City and the Lisbon City Council to express our support for this project. The current situation for our veterans to get to Lisbon's business district is putting them in harm's way. The street that they currently must travel is a heavily traveled street used by cars, trucks and farm machinery to get through town and this presents many hazards for pedestrians.

Please consider funding this project as it would be a very positive improvement for the safety of North Dakota's Veterans.

Sincerely,

A handwritten signature in black ink that reads "Tim Meyer". The signature is written in a cursive, flowing style.

Tim Meyer
Mayor
City of Lisbon

423 Main Street ~ PO Box 1079 ~ Lisbon, ND 58054
Phone (701) 683-4140 Fax (701) 683-9710
TDD: 1-800-366-6888

This Institution is an equal opportunity provider, and employer.



LISBON POLICE DEPARTMENT

**Chief of Police Jeanette Persons
Police Officer Tim Jordan
Officer Tim Jokerst
PO Box 705, Lisbon, ND 58054
(701) 683-4141 Fax (701) 683-4593**



December 11, 2014

TO WHOM IT MAY CONCERN:

I am writing this letter of support for the proposed walk bridge connecting the North Dakota Veteran's Home to 17th Avenue East in Lisbon, North Dakota.

What a wonderful idea for not only the residents of the Vet's Home but for residents of Lisbon.

This bridge would make it a safe, accessible route for residents of the home to walk or bike to the grocery and discount store. Distance would be cut in half.

Another aspect to this endeavor would be for the numerous walkers/joggers we have in Lisbon who utilize the beautiful campus for their exercise routine.

The bridge would offer a sustainable future while contributing to a safe environment of our residents.

The veterans who reside at the Vet's Home have served our country so that we can have the freedoms we have today. Let's give them the safe route to enhance their daily routines.

Thank you for your consideration.

Sincerely,

**Jeanette C. Persons
Chief of Police
Lisbon Police Department**

HOUSE HUMAN RESOURCES COMMITTEE HEARING
THURSDAY, JANUARY 15, 2015
HOUSE BILL 1007

HB 1007
01-15-15
#5

Chairman Pollert and members of the House Appropriations Committee, my name is Mark Johnson, Administrator of the North Dakota Veterans Home. I am here today to ask for your support in approving a funding change for the resident workshop and funding the increase in cost for the workshop, an Administrator's house, and a walking bridge.

The Administrator's home is the oldest structures on the Veterans Home grounds today. The house was built in 1907 for the cost of \$9,000.00. For over 107 years, it has housed 13 Commandants/Administrators and their families. The square footage of the home is approximately 3,400 square feet, which includes the unfinished basement in the calculation. The house has played an essential role in attracting and keeping qualified Administrators' at the North Dakota Veterans Home. The Veterans Home Governing Board currently offers the home and pays the utilities as part of the Administrators salary package.

The Lisbon market is like most small communities, it suffers from the lack of good housing. Many of the homes are over 50 to 60 years which makes it very difficult to find quality affordable housing. The Lisbon's market is very volatile due to the Gwinner Bobcat plant, which employees over 1,550 employees. Other factors effecting housing is Lisbon's demographic location to Fargo, Wahpeton and Valley City. The Administrator's house was submitted in our budget to be funded 100% with special funds.

In 2013, the North Dakota Veterans Home hired Jeff Sjoquist, an architect from Mednational, to come up with a design for the resident workshop. He utilized a special program that analyzed program space for all of the equipment that we would need for the studio and workshop. After completing his analysis he determined that we would need approximately 4,542 sq ft to build the studio and workshop. We encourage your support in changing the funding source for the workshop from Melvin Norgard funds to special funds so we can begin construction in the near future. We also ask that you approve the increased appropriation for the increase in construction costs.

HOUSE HUMAN RESOURCES COMMITTEE HEARING
THURSDAY, JANUARY 15, 2015
HOUSE BILL 1007

After building the new Veterans Home, we have seen a major increase in residents walking, riding bikes and driving self-propelled wheelchairs downtown. Our residents end up driving approximately a little over a mile on busy narrow streets with no sidewalks.

By installing a bridge it would decrease travel for the residents by approximately a mile and give the residents a safe route for travel. The bridge design will allow for sportsman fishing and nature watching.

Due to the design the Veterans Home will qualify for possible funding from the Park & Recreational Department and the Department of Transportation. The amount of the grant we will qualify for could range up to \$200,000. I have also contacted the Outdoor Heritage Fund and we may potentially qualify for another grant through them if the bridge has an area for fishing and wildlife observation. Therefore, I am requesting one-time funding of \$930,225 in general funds to build a walkway bridge that will provide a safe passageway for the community for walking as well as opportunities for recreational fishing and wildlife observation. Funding for the grants is reliant on seed money from the state. Any grant money we qualify for would decrease the amount of general funds needed to construct the bridge.

Respectfully submitted

Mark B. Johnson, Administrator

North Dakota Veterans Home

NORTH DAKOTA VETERANS COORDINATING COUNCIL

Mr. Chairman and members of the Committee:

My name is Lyle Schuchard, I AM A MEMBER OF THE Legislative Committee of the North Dakota Veterans Coordinating Council. The Coordinating Council is made up of 15 members, 3 from each of the five veterans' organizations in North Dakota. They are:

American Legion

AMVETS

Disabled American Veterans

Veterans of Foreign Wars

Vietnam Veterans of America

I served in the United States Army for two years and in the Army Reserves for 26 years, retiring as a Sergeant Major. It is the policy of the Coordinating Council to support Legislation that will benefit the welfare of the members of the Armed Forces. The committee must concur totally, that is all 15 members must agree on the Legislation to be supported, or else it does not get the support.

In this case I have been instructed to recommend to this Legislative Committee that a "Do Pass" on HB 1007 is supported by the Veterans Coordinating Council.

If there are any questions I will try to answer them at this time.



2015 Legislative Session
North Dakota Veteran's Home
*Presented by Jeff L. Sjoquist
Principal of Mednational*

1

Agenda Items

- 1 - Demolition of Original Veterans Home
- 2 - Workshop Addition
- 3 - Pedestrian Bridge Project
- 4 - Potential Residence Replacement



2

1
Demolition of Original Veterans Home

- Goal:
 - o To bring Legislature up to date on progress and concerns.
 - o To discuss Asbestos options
 - o To request additional funds



3

1
Demolition of Original Veterans Home

- Older additions had *concealed* asbestos containing materials (ACM).
- Demolition Contractor exposed for testing.
 - o 1600 LF of Friable ACM discovered.
 - o Change Order written for removal and disposal of Friable ACM; \$86,000 plus \$500 per day supervision (10 - 12 days)
 - o Cost covered by project contingency



1
Demolition of Original Veterans Home

- Sample taken in all additions of existing.
 - o 1990 addition was "clean"
- Non-friable ACM also discovered
 - o Floor tile
 - o Mastic for the floor tile
 - o Total quantity 64,900 SF of non-friable ACM
 - o Cost for removal and disposal = \$269,335.



1
Demolition of Original Veterans Home
Discussions





2

Workshop Addition to new Veterans Home

- **Goal:**
 - To bring Legislature up to date on progress.
 - Presented in 2013 Legislative Session.
 - Request Funding for Project.



2

Workshop Addition to new Veterans Home

- **Area of Addition = 4504 SF**
 - Includes: Wood shop, arts and crafts, project storage, & display
- **Cost of addition presented in 2013 for 2014 construction**
 - \$833,240 (\$185 per SF)
- **Handouts available**



2

Workshop Addition to new Veterans Home

- **Current Cost Estimate for Construction**
 - \$850,000 (\$188 / SF) if bid in 2015
- **Fees**
 - Architectural Engineering \$74,500.
 - Civil Engineering \$5500.
 - Total Fees \$80,000.





2

Workshop Addition to new Veterans Home

• Project Costs Summary

- o Construction Costs \$850,000
- o Fees \$80,000
- o Total Project Costs \$930,000.



2

Workshop Addition to new Veterans Home

Discussions



3

Pedestrian Bridge Project

• Goal:

- o To present Project to Legislature for consideration for funding
- o Project is included in Governor's Budget
- o Seek approval for the Project





3
Pedestrian Bridge Project

- Rationale for Project:
 - o Improve dangerous current access to downtown for residents
 - o Need for more connectivity between Residents and General Public
 - o Allow greater use of Sheyenne River and ND Veterans Home grounds



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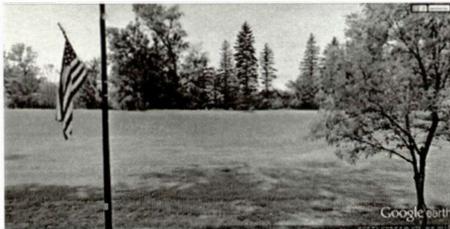
3
Pedestrian Bridge Project

- Description of the Project:
 - o Lighted Pedestrian Bridge connecting the ND Veterans Home campus with the City of Lisbon
 - o Travel via foot, scooter, bikes
 - o Fishing, birdwatching, visiting
 - o Covered portion for sitting areas and fishing
 - o Glue-laminated wood structure spanning about 200 LF.



34

3
Pedestrian Bridge Project



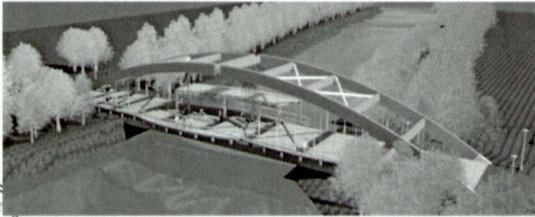
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Pedestrian Bridge Project



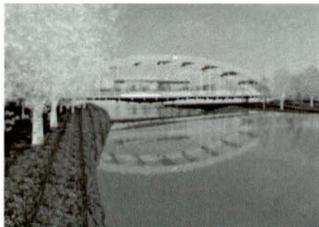
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Pedestrian Bridge Project



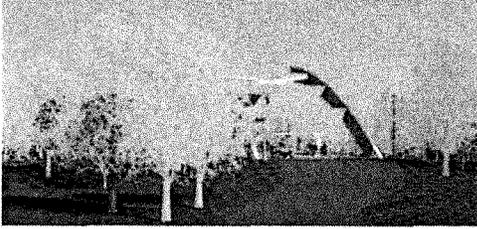
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3
Pedestrian Bridge Project



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3
Pedestrian Bridge Project



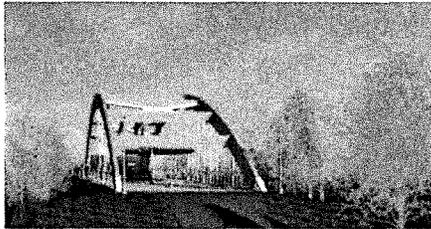
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3
Pedestrian Bridge Project



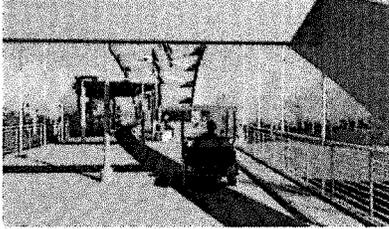
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Pedestrian Bridge Project



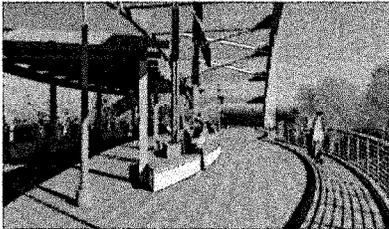
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3
Pedestrian Bridge Project



23

3
Pedestrian Bridge Project



24

3
Pedestrian Bridge Project

- Grant Possibilities
 - o Parks and Rec, and DOT up to \$200,000 if have seed money
 - o Outdoor Heritage Fund up to \$200,000 if have seed money.
- Requires additional development on Vet Home site
Frisbee park, horseshoe pits



24



3

Pedestrian Bridge Project

• Cost Estimate

oConstruction cost estimate for 2016	\$815,500	\$815,500
oArchitectural / Engineering fees	\$77,500	
oSite Survey	\$7,500	
oCivil Engineering	\$20,000	
oLegal fees	\$10,000	
oTotal fees	\$115,000	<u>\$115,000</u>
oTotal Project Costs		\$930,500



36

3

Pedestrian Bridge Project

Discussions



36

4

Administrator's Residence

• Goal:

- oTo introduce Project to Legislature for consideration for funding
- oExplain Options
- oExplore Cost Considerations



37



4

Administrator's Residence

- Existing Residence
 - Around 100 years old
 - Heated by central campus boiler room
 - No longer needed for main campus
 - Poor condition
 - Needs new electrical, plumbing and HVAC
 - Needs new windows
 - Needs exterior maintenance for brick masonry
 - No wall insulation



38

4

Administrator's Residence

- Asbestos Containing Materials are present
 - Plaster ceilings
 - Plaster walls
- Does not meet ADA
 - 3 floors make full accessibility impractical
 - Door sizes too narrow
- Expensive to maintain; inefficient heating, cooling, windows



39

4

Administrator's Residence

- Remodeling for continued use costly - \$517,800
 - Includes New roof
 - New windows
 - Exterior repairs
 - Demo of asbestos
 - New Plumbing, Electrical, HVAC systems
 - Insulation
 - New Doors & hardware
 - New kitchen and appliances



34



4

Administrator's Residence

- Replacement
 - Description: Single story rambler with about 3800 SF, with 4 bedrooms, 2.5 bath, 3 stall garage, screen patio, storm shelter, fully ADA compliant
- New Residence Project Cost
 - \$599,500 construction and fees
- Demo of and removal of Existing Residence
 - \$199,000

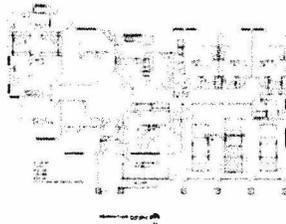


Total Project Cost including fees = \$798,500

31

4

Administrator's Residence



32

4

Administrator's Residence

Discussions



33

#B 1007
02.04.15
#2

Nelson, Jon O.

From: Glatt, Dave D.
Sent: Wednesday, January 21, 2015 6:55 AM
To: Nelson, Jon O.
Subject: FW: ND Veteran's Home Demolition

Rep. Nelson,

This is the latest background information I have received regarding the Veterans Home demolition.

If you would like to discuss further or are need of additional information please let us know.

Thanks,
Dave Glatt
North Dakota Department of Health
Environmental Health Section
701-328-5152

From: Kangas, Jane K.
Sent: Tuesday, January 20, 2015 11:47 AM
To: Glatt, Dave D.; O'Clair, Terry L.
Cc: Tillotson, Steve J.
Subject: ND Veteran's Home Demolition

Dave & Terry,

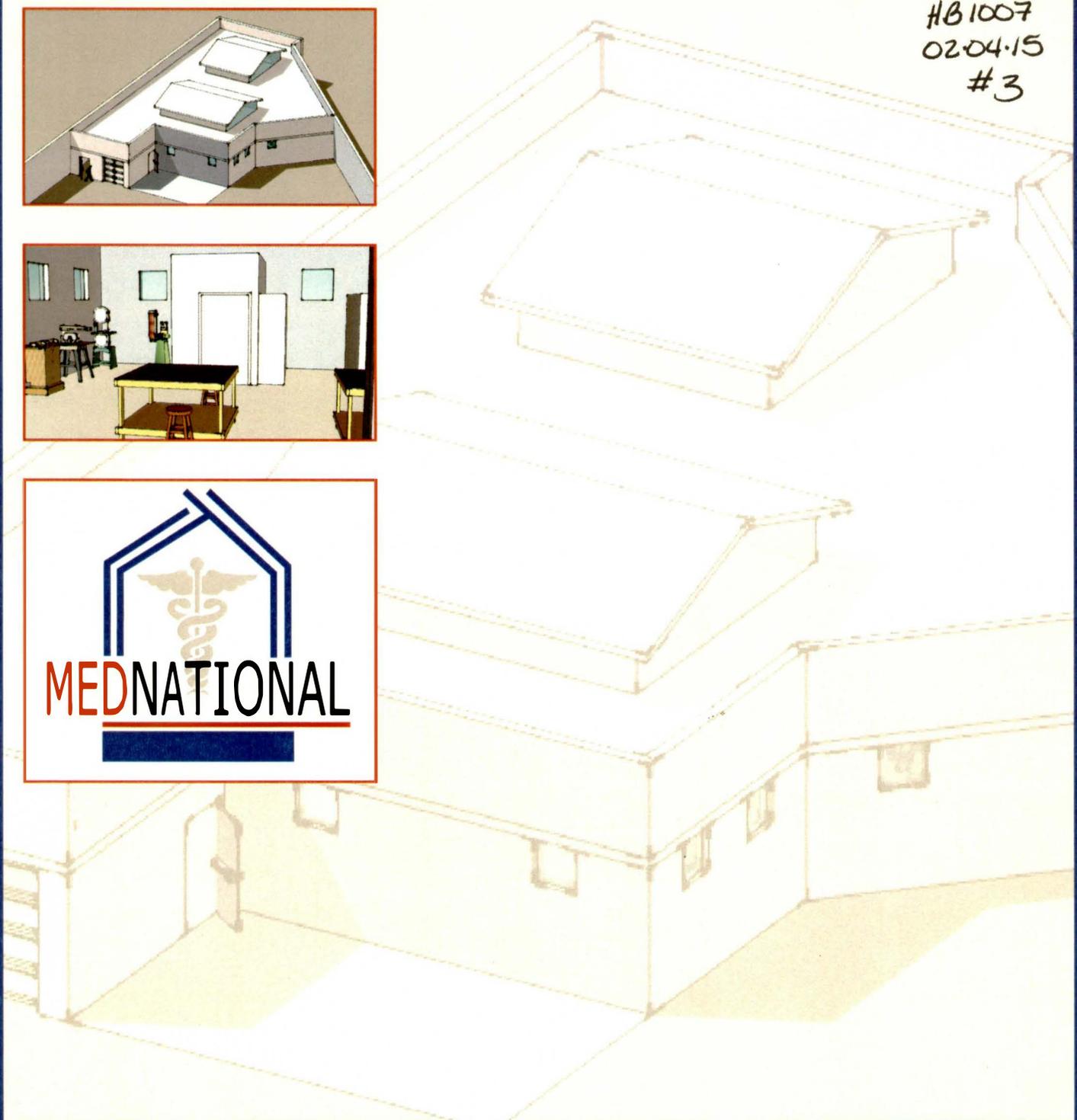
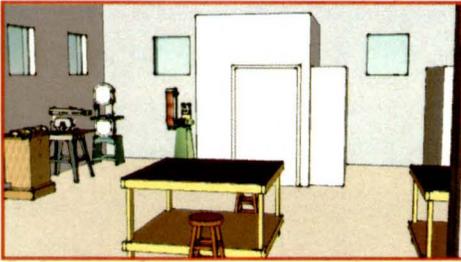
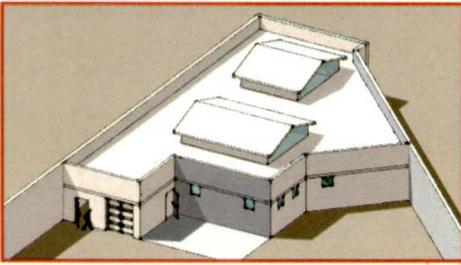
I spoke again with the demolition contractor, RTS Shearing, this morning to find out the latest regarding the ND Veteran's Home. Apparently, when the demolition project was originally bid, the contractors were told to assume no asbestos was present...but in the event asbestos should be encountered, the bid could be amended with a change order.

RTS Shearing hired L & M Contractors, a certified asbestos inspector, out of Jamestown to do a final walk thru before demolition, to make sure no asbestos was present. L & M found over 1600 linear feet of asbestos pipe insulation above the ceilings and over 65,000 square feet of asbestos floor tile and mastic. The ND Veteran's Home had assumed all the asbestos had been abated throughout the years, but apparently quite a bit was missed. RTS Shearing submitted the change order last Thursday to include the additional cost for abatement and disposal of the asbestos-containing materials. L & M is also an abatement contractor, so they will be performing the abatement of the pipe insulation, and they will also supervise RTS Shearing during the removal of the floor tile/mastic (which is not regulated and can be removed with hand tools by non-certified individuals). The asbestos waste materials will be going to Dakota Landfill in Gwinner and the concrete will be recycled.

If you have any questions, please let me know. RTS Shearing will be submitted an amended Notification of Demolition to the Department sometime today, to include the extra materials.

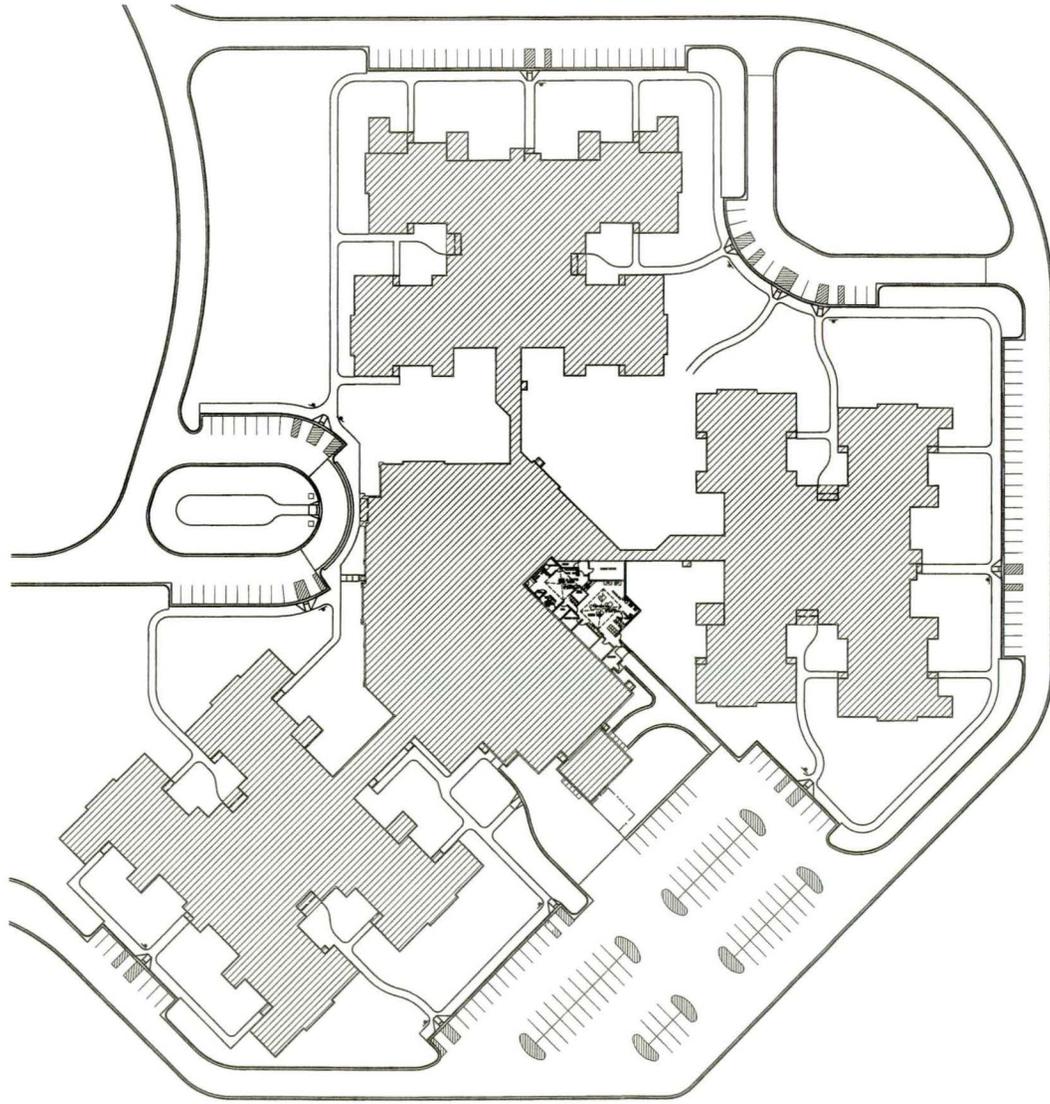
*Jane K. Kangas
ND Department of Health
Divisions of Air Quality & Waste Management
701-499-5208*

HB1007
02.04.15
#3



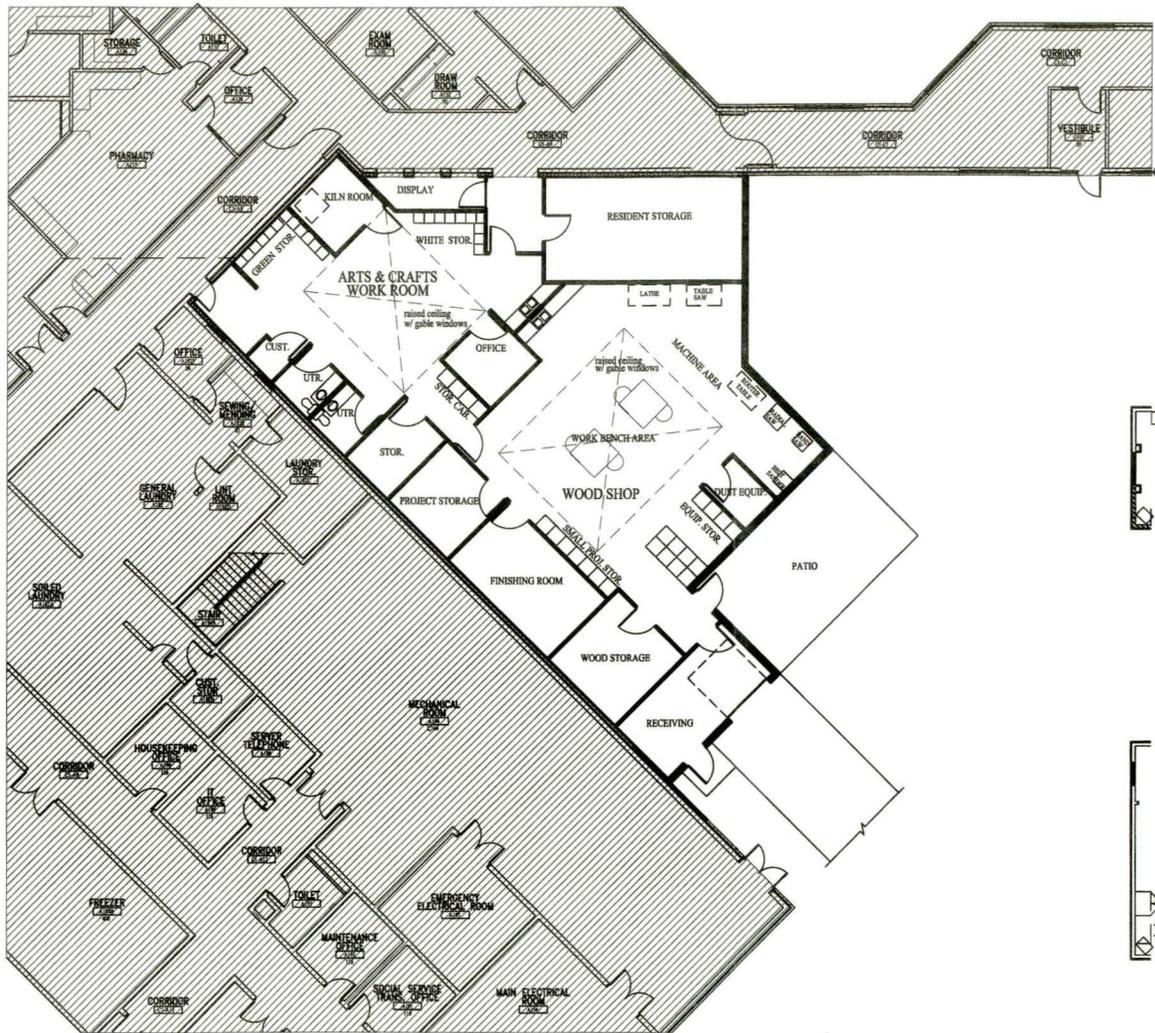
MEDNATIONAL PRESENTS:

DESIGN PLANS FOR THE
NORTH DAKOTA VETERANS HOME



4265 45th Street South
Suite 200
Fargo, ND 58104
PH: (701) 499-0212

NORTH DAKOTA VETERANS HOME

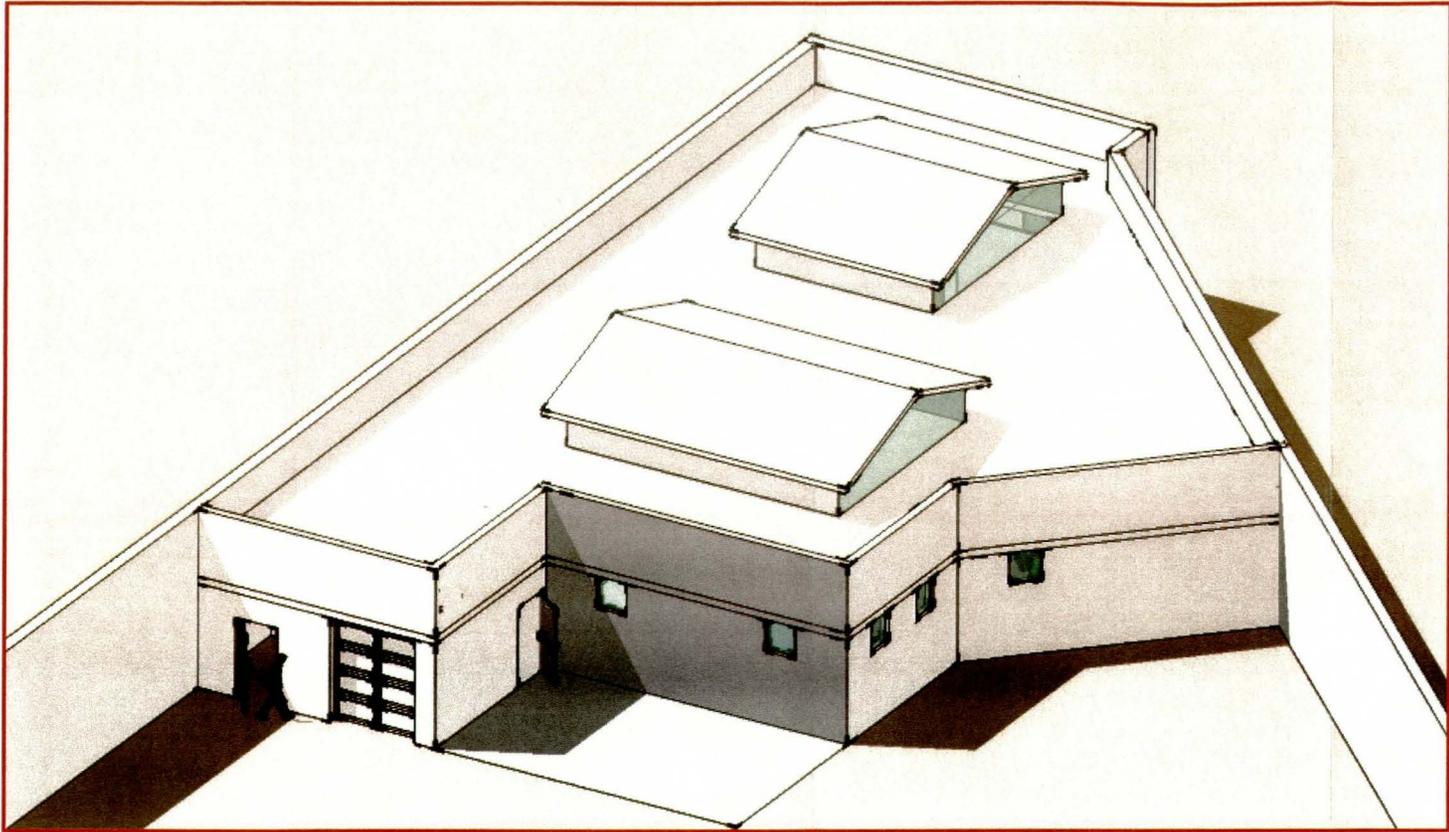


FLOOR PLAN
 ADDITION AREA: 4,504 65F



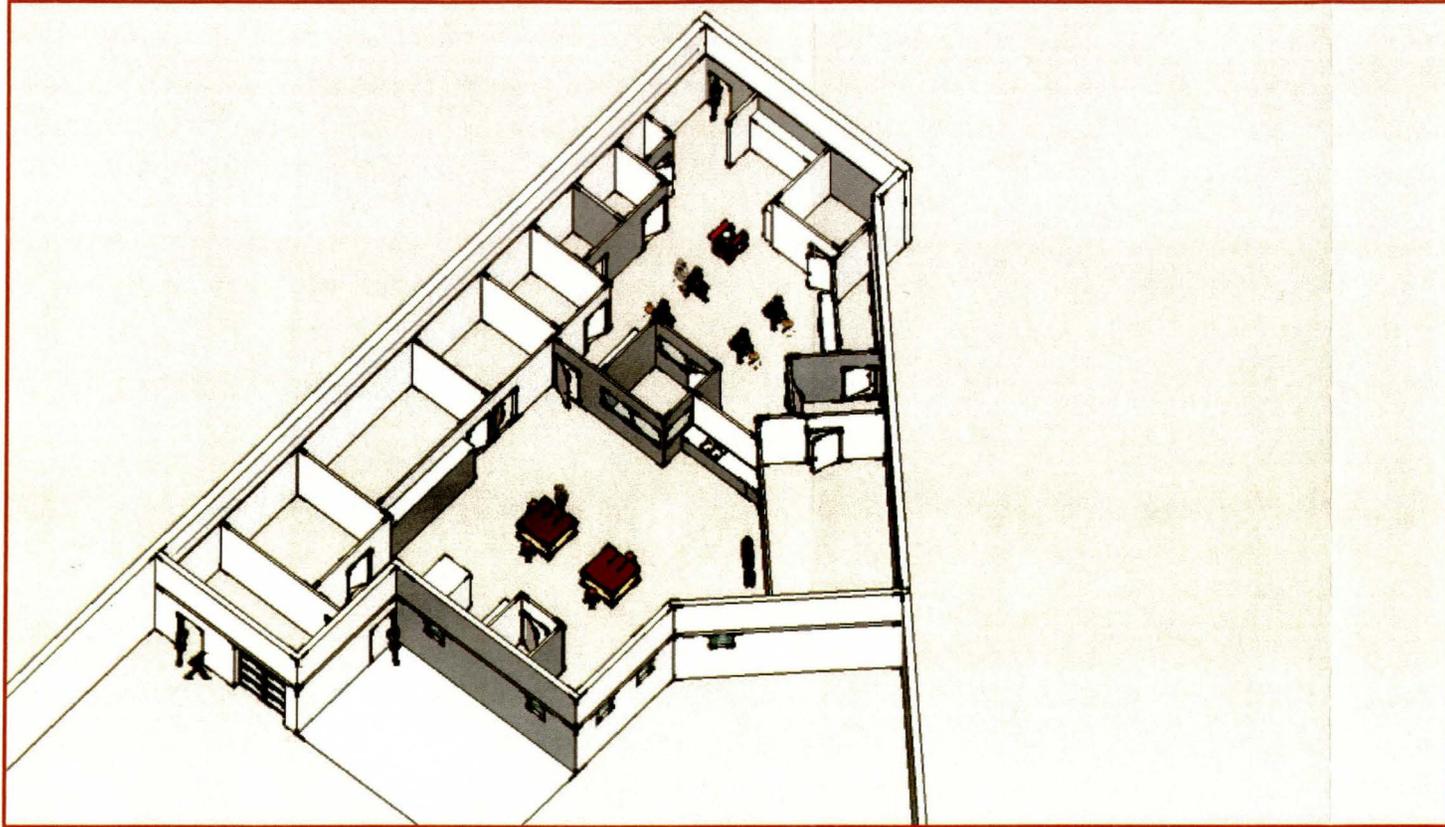
4265 45th Street South
 Suite 200
 Fargo, ND 58104
 PH: (701) 499-0212

NORTH DAKOTA VETERANS HOME



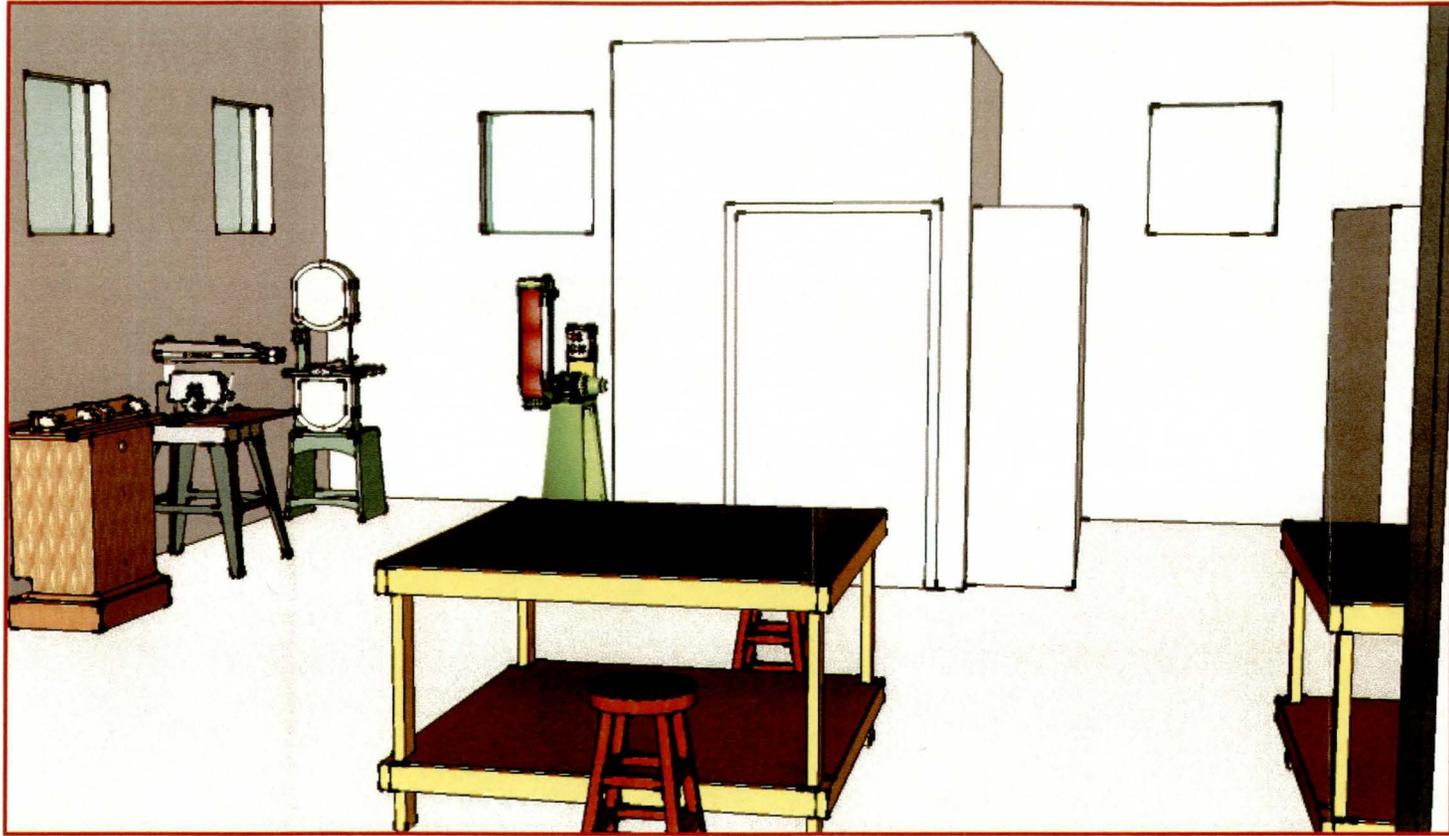
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NORTH DAKOTA VETERANS HOME



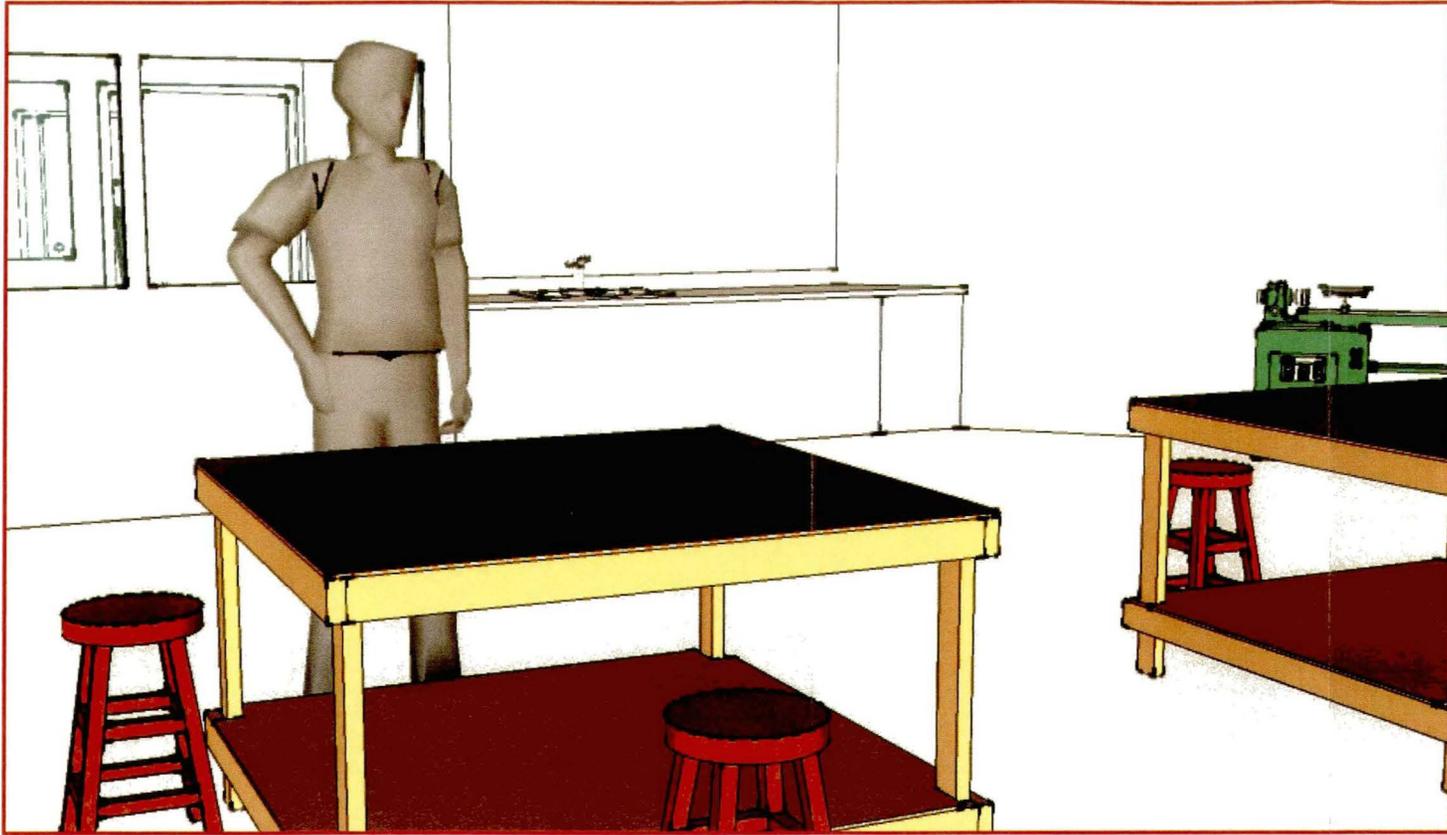
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NORTH DAKOTA VETERANS HOME

Construction Estimate

Site Work -	\$9.31/SF
Substructure -	\$11.13/SF
Shell -	\$63.60/SF
Interior -	\$16.00/SF
Plumbing -	\$17.39/SF
HVAC -	\$29.38/SF
Electrical -	\$20.80/SF
Fire Protection -	\$5.93/SF
<hr/>	
Total SF Cost =	\$173.54/SF

Total construction cost = \$782,000



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NORTH DAKOTA VETERANS HOME

HB 1007
02-04-15
#4

37-15-21. Administrator may accept gifts, donations, or bequests.

The administrator for and in behalf of the veterans' home may accept and expend funds from any source, including federal or private sources and donations, gifts, or bequests offered or tendered to, or for the benefit of, the veterans' home to be used to benefit the veterans' home. All moneys received or accepted must be used for the specific purposes for which they were given or donated. This authority applies and is retroactive to any or all gifts, donations, or bequests already tendered, offered, or made. The veterans' home may establish and maintain its own local fund to administer moneys received under this section. All interest, rent, or income from moneys or property received under this section must be deposited in the veterans' home operating fund unless by the terms of acquisition the moneys are required to be maintained in a different manner.

37-15-22. Telephone services.

Notwithstanding any other provision of law, the veterans' home may purchase or arrange for independent third-party telephone services.

37-15-23. Melvin Norgard memorial fund - Creation.

There is created in the state treasury the Melvin Norgard memorial fund. All income related to a bequest made to the veterans' home by Melvin Norgard, including mineral lease income, royalties, and sale proceeds, must be transferred or deposited into the Melvin Norgard memorial fund. Notwithstanding any other provision of law, the state treasurer shall invest moneys in the fund in accordance with section 21-10-07. Investment income of the fund must be retained in the fund. Moneys in the fund are available, subject to legislative appropriations, for projects and programs to benefit and serve the residents of the veterans' home. The legislative assembly shall consider recommendations of the governing board of the veterans' home when determining appropriations from this fund for projects and programs to benefit and serve the residents of the veterans' home.

**NORTH DAKOTA VETERANS HOME
2015-2017 BUDGET DETAIL**

**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>2013-2015 Budget</u>	<u>2015-2017 Executive Recommendation</u>	<u>% of Executive Recommendation</u>	<u>Change From 13-15</u>
Salaries	1,089,992	1,804,108	61%	714,116
Operating	664,450	786,450	27%	122,000
Capital	482,715	344,883	12%	-137,832
Total	2,237,157	2,935,441	100%	698,284
General	496,186	775,810		279,624
Special	1,740,971	2,159,631		418,660
Total	2,237,157	2,935,441		698,284
FTE	5.6	5.6		0

LINE ITEM DETAIL

Salaries and Benefits - \$1,804,108 61% of budget

- Administrator 1.0 FTE
- Executive Secretary – 1.0 FTE
- Accounting Manager – 1.0 FTE
- Account Technician – 1.6 FTE
- Human Resource Technician - 1.0 FTE

Travel - \$25,000 .9% of budget

Expenses include employee reimbursed travel and governing board travel

IT Supplies - \$16,250 .6% of budget

IT equipment under \$750 – includes such things as cables, data storage, computer drives, and printers for entire building

Supplies and materials/professional - \$4,000 .1% of budget

Resource materials, educational supplies and testing supplies

Building, ground and maintenance - \$750 .02% of budget
Miscellaneous building supplies

Miscellaneous supplies - \$1,000 .03% of budget
Marketing supplies, miscellaneous items

Office supplies - \$52,500 1.8% of budget
Office supplies for facility including copy paper, ink jet and toner cartridges

Postage - \$7,000 .2% of budget
Stamps and mailing of packages

Printing - \$4,500 .2% of budget
Printing of letterhead, envelopes and brochures

IT equipment under \$5,000 - \$94,500 3% of budget
This funding will replace ½ of the computer work stations in the facility

Office Equipment & Furniture Supplies - \$2,500 .08% of budget
Filing cabinets, office furniture and chairs

Insurance - \$33,900 - 1% of budget
State Fire & Tornado insurance and flood insurance

Rentals/leases of equipment - \$5,500 .2% of budget
Lease payments for copy machine

Repairs - \$8,000 .3% of budget
Repairs of office equipment

IT- Data processing - \$115,000 4% of budget
ITD fees for computers and fees for People Soft

IT - Communications - \$76,000 3% of budget
Monthly telephone fees

IT- Contractual services - \$188,500 6% of budget
IT consultant fees and maintenance and support agreements for our computer software programs

Professional development - \$22,000 .7% of budget
Workshop and convention registrations, dues and memberships fees

Operating fees and services - \$4,500 .2% of budget
Help wanted ads, advertising fees and background checks for employees

Professional services - \$125,000 4% of budget
Legal services, audit fees and employee drug testing fees

Other capital payments - \$344,883 12% of budget
Bond and Interest payments for new home

SIGNIFICANT CHANGES

Salaries and benefits - \$714,116 increase

Governor's recommended increases for health insurance, retirement, and salaries and wages
Equity money for hard to fill positions

IT equipment under \$5,000 - \$54,000 increase

Includes normal infrastructure replacement of 27 desktop workstations, 12 notebooks and 17 tablets. The increase in infrastructure units is in direct support of the new electronic health records system.

IT data processing - \$23,000 increase

Based on ITD's fees for our computer workstations; increase due mainly to the increased number of computers due to the electronic health records system.

Professional service fees - \$45,000 increase

Decreased the budget for professional service fees for the 2013-2015 biennium with the thought that expenses would decrease with the construction projects coming to a close; however, expenses have not gone down.

BUDGET ADJUSTMENT REQUESTED

Equipment over \$5,000 - \$48,000 in general funds requested to replace our telephone system.

2013-2015 BUDGET

As of December 2014, 78% of this cost center's budget has been expended. Anticipate 100% expended at the end of this biennium.

Agency Veterans Home
 Program 100 Administration
 Reporting Level 00-313-100-00-00-00-00000000

1 Object/Revenue	2 2013-15 Biennium Balance	3 2013-15 Biennium Appropriation	4 2015-17 Base Budget Changes	5 Compensation	6 2015-17 Total Changes	7 2015-17 Recommendation
Description	Code					
EXPENDITURES						
Salaries - Permanent	511000	387,354	739,892	0	0	717,960
Health Increase	511012	0	0	0	25,908	25,908
Retirement Increase	511013	0	0	0	5,385	5,385
Salary Budget Adjustment	511900	0	0	249,644	0	249,644
Salaries - Other	512000	376	500	429,624	0	430,124
Temporary Salaries	513000	2,000	2,000	0	0	0
Overtime	514000	16,702	40,000	0	0	30,000
Fringe Benefits	516000	136,491	279,967	0	0	293,593
Salary Increase	599110	0	0	0	43,651	43,651
Benefit Increase	599160	0	0	0	7,843	7,843
Salaries and Wages	10	542,923	1,062,359	679,268	82,787	1,804,108
Salaries - Permanent	511000	27,633	27,633	0	0	0
Accrued Leave Payments	12	27,633	27,633	0	0	0
Travel	521000	9,343	25,000	0	0	25,000
Supplies - IT Software	531000	4,856	16,250	0	0	16,250
Supply/Material-Professional	532000	2,200	4,000	0	0	4,000
Bldg, Ground, Maintenance	534000	190	750	0	0	750
Miscellaneous Supplies	535000	896	1,000	0	0	1,000
Office Supplies	536000	32,062	52,500	0	0	52,500
Postage	541000	4,638	7,000	0	0	7,000
Printing	542000	3,324	4,500	0	0	4,500
IT Equip Under \$5,000	551000	223	40,500	54,000	0	94,500
Office Equip & Furn Supplies	553000	327	2,500	0	0	2,500
Insurance	571000	19,243	33,900	0	0	33,900
Rentals/Leases-Equip & Other	581000	3,328	5,500	0	0	5,500
Repairs	591000	3,557	8,000	0	0	8,000
IT - Data Processing	601000	43,380	92,000	23,000	0	115,000
IT - Communications	602000	39,195	76,000	0	0	76,000
IT Contractual Svcs and Rprs	603000	93,321	188,500	0	0	188,500
Professional Development	611000	10,981	22,000	0	0	22,000
Operating Fees and Services	621000	2,619	4,500	0	0	4,500
Fees - Professional Services	623000	905	80,000	45,000	0	125,000
Medical, Dental and Optical	625000	50	50	0	0	50
Operating Expenses	30	274,638	664,450	122,000	0	786,450
Other Capital Payments	683000	200,147	408,840	344,883	0	344,883
IT Equip/Sftware Over \$5000	693000	0	73,875	0	0	0
Capital Assets	50	200,147	482,715	344,883	0	344,883
TOTAL EXPENDITURES for 100 Administration		1,045,341	2,237,157	1,146,151	82,787	2,935,441

Agency Veterans Home
 Program 100 Administration
 Reporting Level 00-313-100-00-00-00-00000000

1 Object/Revenue		2 2013-15 Biennium Balance	3 2013-15 Biennium Appropriation	4 2015-17 Base Budget Changes	5 Compensation	6 2015-17 Total Changes	7 2015-17 Recommendation
Description	Code						

MEANS OF FUNDING

State General Fund	001	440,409	496,186	297,426	58,070	221,554	775,810
General Fund	GEN	440,409	496,186	297,426	58,070	221,554	775,810
Special Fund Budget	003	0	0	9,493	0	9,493	9,493
Soldiers Home Fund 380	380	604,932	1,740,971	839,232	24,717	384,450	2,150,138
Special Funds	SPEC	604,932	1,740,971	848,725	24,717	393,943	2,159,631
TOTAL FUNDING for 100 Administration		1,045,341	2,237,157	1,146,151	82,787	615,497	2,935,441

AUTHORIZED EMPLOYEES

FTE		5.60	5.60	0.00	0.00	0.00	5.60
TOTAL AUTHORIZED EMPLOYEES for 100 Administration		5.60	5.60	0.00	0.00	0.00	5.60

**NORTH DAKOTA VETERANS HOME
2015-2017 BUDGET DETAIL**

**MAINTENANCE DEPARTMENT
Reporting level 00-313-200-00**

EXPLANATION OF PROGRAM COSTS

Expenses for the maintenance department include upkeep of the grounds and buildings, motor pool vehicles, utilities, equipment and repairs.

BUDGET BY TRADITIONAL LINE

<u>Description</u>	<u>2013-2015 Budget</u>	<u>2015-2017 Executive Recommendation</u>	<u>% of Executive Recommendation</u>	<u>Change From 13-15</u>
Salaries	861,290	917,796	25%	56,506
Operating	1,303,251	1,312,401	35%	9,150
Capital	1,999,400	1,468,185	40%	-531,215
Total	4,163,941	3,698,382	100%	-465,559
Norgard	788,200	126,800		-661,400
Federal	0	450,000		450,000
General	1,781,762	1,494,202		-287,560
Special	1,593,979	1,627,380		33,401
Total	4,163,941	3,698,382		-465,559
FTE	5.6	5.6		0

LINE ITEM DETAIL

Salaries and Benefits - \$917,796 25% of budget

Maintenance Supervisor – 1.0 FTE

Maintenance Workers – 3.0 FTE

Night watchman – 1.6 FTE

Travel - \$115,000 3% of budget

Expenses include motor pool charges and employee reimbursed travel

Professional Supplies & Materials - \$3,000 .08% of budget

Chemicals

Food and Clothing - \$450 .01% of budget

Safety clothing

Building, ground and maintenance - \$125,001 3% of budget
Equipment and building supplies, including repair parts, electrical, plumbing, heating and painting supplies

Miscellaneous supplies - \$5,000 .1% of budget
Tools and miscellaneous equipment under \$750

Other equipment under \$4,750 - 13,400 .4% of budget
Electric lift

Utilities - \$1,000,000 27% of budget
Electricity, fuel oil, garbage, sewer and water services

Insurance - \$3,500 .1% of budget
Insurance for boilers and maintenance equipment

Rentals/leases – equipment - \$2,500 .07% of budget
Equipment rental fees

Rentals/leases – building/land - \$5,000 .1% of budget
Water softener leases

Repairs - \$45,000 1% of budget
Service contracts and repair services

Operating fees and services - \$2,500 .07% of budget
Licenses, electrical certificates

Medical, dental and optical - \$100
Flu shots for staff

Equipment over \$5,000 - \$66,500 2% of budget
Toolcat, bobcat broom, Toro mower and utility vehicle

Land and Buildings - \$126,800 3% of budget
Increase in construction costs for the resident workshop

Other Capital Payments - \$261,660 7% of budget
Electric ceiling lifts

Extraordinary repairs - \$1,013,225 27% of budget
Includes irrigation system addition and bridge

SIGNIFICANT CHANGES

Salaries and benefits - \$56,506 increase

Governor's recommended increases for health insurance, retirement, benefits, salaries and wages

Building, grounds and maintenance - \$15,000 increase

Increase due to repair parts as equipment is no longer covered under warranty

Equipment under \$5,000 - \$5,850 decrease

Fewer equipment needs this biennium

Land and Buildings - \$126,800

Additional funding needed to build the resident workshop; represents the increased cost to construct the resident workshop this biennium.

Other capital payments - \$261,660

Funding would install 14 electric ceiling lifts in the therapy department and several resident rooms

Extraordinary Repairs - \$1,013,225

Funding includes \$83,000 to complete irrigation work on the grounds and \$930,225 in funding to build a bridge over the Sheyenne River connecting the veterans' home grounds with 16th Avenue

Equipment over \$5,000 - \$2,700 decrease

- **Toolcat** - \$28,000 – Funding would allow us to replace our 2009 Toolcat which has approximately 3,000 hours. The toolcat is a multi-purpose vehicle that is used for just about everything including sweeping, snowblowing, hauling and lifting.
- **Bobcat broom** - \$6,500 – used for snow removal and upkeep on grounds.
- **Toro mower** - \$10,000– funding will purchase a Toro Z5000 Pro EFI mower. We will be trading in a 2004 Grasshopper that has approximately 1800 hours.
- **Utility Vehicle** - \$22,000 – funding would allow us to replace our 2005 utility vehicle which has approximately 2,050 hours.

BUDGET ADJUSTMENTS REQUESTED

Not included in the Governor's budget but one of our top priorities is funding for a new administrator's house. Requesting \$800,000 in special fund appropriation authority to construct a new 4,000 sq. ft. residence on the veterans' home grounds.

Request a funding transfer exception to be added to our bill allowing us to transfer up to \$125,000 from the operating expenses line item to the capital line item for additional costs incurred in the removal of asbestos from the old veterans' home.

2013-2015 BUDGET

As of December 2014, 71% of this cost center's operating and salary and wage budget has been expended and only 14% of the capital budget has been spent. Anticipate spending the majority of the operating and salary budget but only anticipate spending 62% of the capital budget as we do not have the funding to start the workshop project.

Agency	Veterans Home
Program	200 Plant Operations
Reporting Level	00-313-200-00-00-00-00000000

1 Object/Revenue		2 2013-15 Biennium Balance	3 2013-15 Biennium Appropriation	4 2015-17 Base Budget Changes	5 Compensation	6 2015-17 Total Changes	7 2015-17 Recommendation
Description	Code						
EXPENDITURES							
Salaries - Permanent	511000	245,138	480,727	0	0	28,701	509,428
Health Increase	511012	0	0	0	21,587	0	21,587
Retirement Increase	511013	0	0	0	3,823	0	3,823
Salaries - Other	512000	3,461	7,000	0	0	0	7,000
Temporary Salaries	513000	64,684	80,000	0	0	(2,000)	78,000
Overtime	514000	10,335	20,000	0	0	2,000	22,000
Fringe Benefits	516000	137,456	249,289	0	0	(10,549)	238,740
Salary Increase	599110	0	0	0	30,974	0	30,974
Benefit Increase	599160	0	0	0	6,244	0	6,244
Salaries and Wages	10	461,074	837,016	0	62,628	18,152	917,796
Salaries - Permanent	511000	18,745	24,274	0	0	(24,274)	0
Accrued Leave Payments	12	18,745	24,274	0	0	(24,274)	0
Travel	521000	75,242	115,000	0	0	0	115,000
Supply/Material-Professional	532000	1,741	3,000	0	0	0	3,000
Food and Clothing	533000	366	450	0	0	0	450
Bldg, Ground, Maintenance	534000	38,400	110,001	15,000	0	15,000	125,001
Miscellaneous Supplies	535000	2,768	5,000	0	0	0	5,000
Other Equip Under \$5,000	552000	2,215	10,600	(5,850)	0	(5,850)	4,750
Utilities	561000	528,171	1,000,000	0	0	0	1,000,000
Insurance	571000	2,466	3,500	0	0	0	3,500
Rentals/Leases-Equip & Other	581000	2,020	2,500	0	0	0	2,500
Rentals/Leases - Bldg/Land	582000	3,044	5,000	0	0	0	5,000
Repairs	591000	20,041	45,000	0	0	0	45,000
IT Contractual Svcs and Rprs	603000	45	100	0	0	0	100
Professional Development	611000	405	500	0	0	0	500
Operating Fees and Services	621000	1,555	2,500	0	0	0	2,500
Medical, Dental and Optical	625000	100	100	0	0	0	100
Operating Expenses	30	678,579	1,303,251	9,150	0	9,150	1,312,401
Land and Buildings	682000	0	0	126,800	0	126,800	126,800
Other Capital Payments	683000	51,171	142,000	261,660	0	119,660	261,660
Extraordinary Repairs	684000	1,000,000	1,000,000	1,013,225	0	13,225	1,013,225
Equipment Over \$5000	691000	14,706	45,700	6,500	0	(39,200)	6,500
Motor Vehicles	692000	903	23,500	60,000	0	36,500	60,000
Capital Assets	50	1,066,780	1,211,200	1,468,185	0	256,985	1,468,185
Land and Buildings	682000	788,200	788,200	0	0	(788,200)	0
Shop Addition	52	788,200	788,200	0	0	(788,200)	0
TOTAL EXPENDITURES for 200 Plant Operations		3,013,378	4,163,941	1,477,335	62,628	(528,187)	3,698,382

Agency	Veterans Home
Program	200 Plant Operations
Reporting Level	00-313-200-00-00-00-00000000

1 Object/Revenue		2 2013-15 Biennium Balance	3 2013-15 Biennium Appropriation	4 2015-17 Base Budget Changes	5 Compensation	6 2015-17 Total Changes	7 2015-17 Recommendation
Description	Code						

MEANS OF FUNDING

Federal Grant Funds	H128	0	0	450,000	0	450,000	450,000
Federal Funds	FED	0	0	450,000	0	450,000	450,000
State General Fund	001	1,453,935	1,781,762	276,660	55,369	(342,929)	1,494,202
General Fund	GEN	1,453,935	1,781,762	276,660	55,369	(342,929)	1,494,202
Melvin Norgard Memorial Fund 289	289	788,200	788,200	126,800	0	(661,400)	126,800
Soldiers Home Fund 380	380	771,243	1,593,979	623,875	7,259	26,142	1,627,380
Special Funds	SPEC	1,559,443	2,382,179	750,675	7,259	(635,258)	1,754,180
TOTAL FUNDING for 200 Plant Operations		3,013,378	4,163,941	1,477,335	62,628	(528,187)	3,698,382

AUTHORIZED EMPLOYEES

FTE		5.60	5.60	0.00	0.00	0.00	5.60
TOTAL AUTHORIZED EMPLOYEES for 200 Plant Operations		5.60	5.60	0.00	0.00	0.00	5.60

**NORTH DAKOTA VETERANS HOME
2015-2017 BUDGET DETAIL**

**DIETARY DEPARTMENT
Reporting level 00-313-300-00**

EXPLANATION OF PROGRAM COSTS

The dietary department is responsible for cooking the main part of each meal and ordering and stocking food supplies for the main kitchen and all of the household pantries. The Veterans Home services approximately 12,000 meals per month.

BUDGET BY TRADITIONAL LINE

<u>Description</u>	<u>2013-2015 Budget</u>	<u>2015-2017 Executive Recommendation</u>	<u>% of Executive Recommendation</u>	<u>Change From 13-15</u>
Salaries	558,106	627,125	36%	69,019
Operating	1,042,350	1,077,450	62%	35,100
Capital	0	24,000	2%	24,000
Total	1,600,456	1,728,575	100%	128,119
General	306,303	328,603		22,300
Special	1,294,153	1,399,972		105,819
Total	1,600,456	1,728,575		128,119
FTE	5	5		0

LINE ITEM DETAIL

Salaries and Benefits - \$627,125 36% of budget

- Dietician – 1.0 FTE
- Dietary Manager – 1.0 FTE
- Cook - 1.0 FTE
- Food service worker – 1.0 FTE
- Dietary Assistant – 1.0 FTE

Travel - \$2,500 .14% of budget

- Employee reimbursed travel expenses

Professional supplies and materials - \$30,000 2% of budget

- Chemicals, resource materials, serve safe training materials

Food - \$900,000 52% of budget
Food, supplements

Building, ground and maintenance - \$12,000 .7% of budget
Repair parts, janitorial supplies

Miscellaneous supplies - \$75,000 4% of budget
Dishes, silverware, equipment under \$750, paper products

Repairs - \$20,000 1% of budget
Hired repair work, service contracts such as hood cleaners

Professional development - \$4,000 .2% of budget
Workshops, certifications for staff, serve safe testing

Operating fees and services - \$1,100 .06% of budget
Help wanted ads, years of service awards

Medical, dental and optical - \$100
Flu shots for dietary employees, first aid kits

SIGNIFICANT CHANGES

Salaries and benefits - \$69,019 increase
Governor's recommended increases for health insurance, retirement benefits, salaries and wages.

Building, grounds and Maintenance - \$4,000 increase
Increase in repair parts as equipment is no longer covered under warranty.

Other equipment under \$5,000 - \$26,100 increase
Includes commercial mixer, electric steamers, microwaves and toasters.

2013-2015 BUDGET

As of December 2014, 73% of this cost center's budget has been expended. We will not use all of the appropriation authority for operating expenses since our census was lower than anticipated.

Agency	Veterans Home
Program	300 Dietary
Reporting Level	00-313-300-00-00-00-00000000

1 Object/Revenue		2 2013-15 Biennium Balance	3 2013-15 Biennium Appropriation	4 2015-17 Base Budget Changes	5 Compensation	6 2015-17 Total Changes	7 2015-17 Recommendation
Description	Code						

EXPENDITURES

Salaries - Permanent	511000	163,380	313,771	0	0	17,923	331,694
Health Increase	511012	0	0	0	21,588	0	21,588
Retirement Increase	511013	0	0	0	2,489	0	2,489
Salaries - Other	512000	1,889	2,000	0	0	(1,000)	1,000
Temporary Salaries	513000	11,875	30,000	0	0	0	30,000
Overtime	514000	27	10,000	0	0	10,000	20,000
Fringe Benefits	516000	91,245	186,606	0	0	9,338	195,944
Salary Increase	599110	0	0	0	20,167	0	20,167
Benefit Increase	599160	0	0	0	4,243	0	4,243
Salaries and Wages	10	268,416	542,377	0	48,487	36,261	627,125

Salaries - Permanent	511000	14,134	15,729	0	0	(15,729)	0
Accrued Leave Payments	12	14,134	15,729	0	0	(15,729)	0

Travel	521000	182	2,500	0	0	0	2,500
Supply/Material-Professional	532000	15,543	30,000	0	0	0	30,000
Food and Clothing	533000	485,626	900,000	0	0	0	900,000
Bldg, Ground, Maintenance	534000	2,140	8,000	4,000	0	4,000	12,000
Miscellaneous Supplies	535000	36,097	75,000	0	0	0	75,000
Office Supplies	536000	1,110	1,500	0	0	0	1,500
Other Equip Under \$5,000	552000	2,458	3,700	26,100	0	26,100	29,800
Repairs	591000	2,915	15,000	5,000	0	5,000	20,000
IT Contractual Svcs and Rprs	603000	50	50	0	0	0	50
Professional Development	611000	2,242	4,000	0	0	0	4,000
Operating Fees and Services	621000	1,057	1,100	0	0	0	1,100
Fees - Professional Services	623000	475	1,000	0	0	0	1,000
Medical, Dental and Optical	625000	315	500	0	0	0	500
Operating Expenses	30	550,210	1,042,350	35,100	0	35,100	1,077,450

Equipment Over \$5000	691000	0	0	24,000	0	24,000	24,000
Capital Assets	50	0	0	24,000	0	24,000	24,000

TOTAL EXPENDITURES for 300 Dietary		832,760	1,600,456	59,100	48,487	79,632	1,728,575
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MEANS OF FUNDING

State General Fund	001	281,180	306,303	31,100	32,635	(10,335)	328,603
General Fund	GEN	281,180	306,303	31,100	32,635	(10,335)	328,603
Soldiers Home Fund 380	380	551,580	1,294,153	28,000	15,852	89,967	1,399,972
Special Funds	SPEC	551,580	1,294,153	28,000	15,852	89,967	1,399,972

TOTAL FUNDING for 300 Dietary		832,760	1,600,456	59,100	48,487	79,632	1,728,575
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Agency: Veterans Home
 Program: 300 Dietary
 Reporting Level: 00-313-300-00-00-00-00000000

1 Object/Revenue Description Code	2 2013-15 Biennium Balance	3 2013-15 Biennium Appropriation	4 2015-17 Base Budget Changes	5 Compensation	6 2015-17 Total Changes	7 2015-17 Recommendation
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AUTHORIZED EMPLOYEES

FTE	5.00	5.00	0.00	0.00	0.00	5.00
TOTAL AUTHORIZED EMPLOYEES for 300 Dietary	5.00	5.00	0.00	0.00	0.00	5.00

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**NORTH DAKOTA VETERANS HOME
2015-2017 BUDGET DETAIL**

**BASIC CARE NURSING DEPARTMENT
Reporting level 00-313-300-00**

EXPLANATION OF PROGRAM COSTS

The basic care nursing department is responsible for the medical needs of the basic care residents. The nursing department dispenses medications, provides blood pressure checks, glucose screenings, nebulizer treatments and various other tests and services for the residents. This department also includes the Resident Living Specialists that are responsible for cooking, cleaning, activities and assisting with activities of daily living for those basic care residents that need assistance.

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, occupational and speech therapists, psychiatrists and continuing education for employees.

BUDGET BY TRADITIONAL LINE

<u>Description</u>	<u>2013-2015</u>	<u>2015-2017</u>	<u>% of</u>	<u>Change</u>
	<u>Budget</u>	<u>Executive</u>	<u>Executive</u>	
		<u>Recommendation</u>	<u>Recommendation</u>	<u>From 13-15</u>
Salaries	4,416,428	5,120,737	96%	704,309
Operating	217,700	217,700	4%	0
Capital	0	0	0	0
Total	4,634,128	5,338,437	100%	704,309
General	379,248	862,551		483,303
Special	4,254,880	4,475,886		221,006
Total	4,634,128	5,338,437		704,309
FTE	35.10	35.10		0

LINE ITEM DETAIL

Salaries and Benefits - \$5,120,737 96% of budget

Clinical Care Partner – 1.0 FTE

RNs/LPNs – 7.6 FTE

Med Techs – 7.0 FTE

Resident Living Specialists – 18.5 FTE

Medical Records – 1.0 FTE

Travel - \$3,000 .05% of budget

Expenses include employee reimbursed travel

Supplies and materials/professional - \$2,500 .04% of budget

Resource materials, educational supplies and subscriptions

Food and Clothing - \$5,500 .1% of budget

Safety clothing - gloves

Bldg, ground, maintenance supplies - \$1,000 .01% of budget

Repair parts, misc. building supplies

Miscellaneous supplies - \$6,500 .1% of budget

Health and beauty supplies, paper products for dispensing medications

Professional development - \$4,500 .08% of budget

Workshop and convention registrations, dues and memberships

Operating fees and services - \$4,500 .08% of budget

Hazardous waste removal, help wanted ads, years of service awards and workers comp payments

Professional services - \$150,000 3% of budget

Medical service consultants, physical, occupational and speech therapy consultants, Psychiatric consultants, primary care services including lab testing and x-rays

Medical, dental and optical - \$40,000 .7% of budget

Lab and nursing supplies, medical equipment, stock medications

SIGNIFICANT CHANGES

Salaries and benefits - \$704,309 increase

Governor's recommended compensation adjustments

Health insurance and retirement increase

Increase in funding for employee overtime

2013-2015 BUDGET

As of December 2014, 71% of this cost center's budget has been expended. Since the basic care nursing budget was based upon a higher occupancy we will have unspent operating authority.

Agency	Veterans Home
Program	401 Nursing Basic Care
Reporting Level	00-313-401-00-00-00-00000000

1 Object/Revenue Description	Code	2 2013-15 Biennium Balance	3 2013-15 Biennium Appropriation	4 2015-17 Base Budget Changes	5 Compensation	6 2015-17 Total Changes	7 2015-17 Recommendation
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EXPENDITURES

Salaries - Permanent	511000	1,169,632	2,322,639	0	0	145,548	2,468,187
Health Increase	511012	0	0	0	202,937	0	202,937
Retirement Increase	511013	0	0	0	18,514	0	18,514
Salaries - Other	512000	70,437	140,000	0	0	0	140,000
Temporary Salaries	513000	83,036	200,000	0	0	0	200,000
Overtime	514000	19,130	60,000	0	0	140,000	200,000
Fringe Benefits	516000	832,499	1,569,322	0	0	139,645	1,708,967
Salary Increase	599110	0	0	0	150,064	0	150,064
Benefit Increase	599160	0	0	0	32,068	0	32,068
Salaries and Wages	10	2,174,734	4,291,961	0	403,583	425,193	5,120,737

Salaries - Permanent	511000	122,376	124,467	0	0	(124,467)	0
Accrued Leave Payments	12	122,376	124,467	0	0	(124,467)	0

Travel	521000	1,331	3,000	0	0	0	3,000
Supply/Material-Professional	532000	1,586	2,500	0	0	0	2,500
Food and Clothing	533000	3,345	5,500	0	0	0	5,500
Bldg, Ground, Maintenance	534000	992	1,000	0	0	0	1,000
Miscellaneous Supplies	535000	3,805	6,500	0	0	0	6,500
IT Contractual Svcs and Rprs	603000	57	200	0	0	0	200
Professional Development	611000	3,292	4,500	0	0	0	4,500
Operating Fees and Services	621000	2,549	4,500	0	0	0	4,500
Fees - Professional Services	623000	113,312	150,000	0	0	0	150,000
Medical, Dental and Optical	625000	27,543	40,000	0	0	0	40,000
Operating Expenses	30	157,812	217,700	0	0	0	217,700

TOTAL EXPENDITURES for 401 Nursing Basic Care		2,454,922	4,634,128	0	403,583	300,726	5,338,437
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MEANS OF FUNDING

State General Fund	001	376,669	379,248	0	403,583	79,720	862,551
General Fund	GEN	376,669	379,248	0	403,583	79,720	862,551
Soldiers Home Fund 380	380	2,078,253	4,254,880	0	0	221,006	4,475,886
Special Funds	SPEC	2,078,253	4,254,880	0	0	221,006	4,475,886

TOTAL FUNDING for 401 Nursing Basic Care		2,454,922	4,634,128	0	403,583	300,726	5,338,437
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AUTHORIZED EMPLOYEES

FTE		35.10	35.10	0.00	0.00	0.00	35.10
TOTAL AUTHORIZED EMPLOYEES for 401 Nursing Basic Care		35.10	35.10	0.00	0.00	0.00	35.10

**NORTH DAKOTA VETERANS HOME
2015-2017 BUDGET DETAIL**

**SKILLED CARE NURSING DEPARTMENT
Reporting level 00-313-300-00**

EXPLANATION OF PROGRAM COSTS

The skilled care nursing department is responsible for the medical needs of the skilled residents. The nursing department dispenses medications, provides blood pressure checks, glucose screenings, nebulizer treatments and various other tests and services for the residents. This department also includes the Resident Living Specialists that are responsible for cooking, cleaning, activities and assisting the residents with activities of daily living.

Expenses cover such things as lab and medical supplies, OTC medications, briefs, health and beauty supplies, primary care expenses for medical services, labs, x-rays and other medical tests, consulting fees for physical, occupational and speech therapists, psychiatrists and continuing education for employees.

BUDGET BY TRADITIONAL LINE

<u>Description</u>	<u>2013-2015 Budget</u>	<u>2015-2017 Executive Recommendation</u>	<u>% of Executive Recommendation</u>	<u>Change From 13-15</u>
Salaries	7,202,117	7,498,229	92%	296,112
Operating	697,350	667,650	8%	-29,700
Capital	2,000	6,200	0	4,200
Total	7,901,467	8,172,079	100%	270,612
General	3,901,496	4,901,397		999,901
Special	3,999,971	3,270,682		-729,289
Total	7,2901,467	8,172,079		270,612
FTE	50.62	50.62		0

LINE ITEM DETAIL

Salaries and Benefits - \$6,840,456 91% of budget

RNs – 7.1 FTE
 LPNs – 2.6 FTE
 Med Tech – 2.55 FTE
 Resident Living Specialists – 32.37 FTE
 Household Coordinators – 2.0 FTE

Therapy – 2.0 FTE
 Medical Records – 1.0 FTE
 Director of Nursing – 1.0 FTE

Travel - \$7,000 .08% of budget

Expenses include employee reimbursed travel

Supplies and materials/professional - \$15,000 .2% of budget

Resource materials, educational supplies and subscriptions

Food and Clothing - \$75,000 .9% of budget

Briefs, safety clothing, and gloves

Bldg, ground, maintenance supplies - \$4,500 .05% of budget

Repair parts, misc. building supplies

Miscellaneous supplies - \$30,000 .4% of budget

Health and beauty supplies, paper products for dispensing medications

Office supplies - \$1,350 .01% of budget

Special order office supplies

Other equipment under \$5,000 - \$37,300 .5% of budget

Walkers, wheelchairs, oxygen concentrators, vital machines, pal lifts, mattresses

Rental/lease of Equipment - \$6,000 .07% of budget

Rent/lease of specialized medical equipment

Repairs - \$5,000 .06% of budget

Repair of medical equipment

IT contractual services and repairs - \$500

Employee name badges

Professional development - \$25,000 .3% of budget

Workshop and convention registrations, dues and memberships, tuition reimbursement

Operating fees and services - \$8,500 .1% of budget

Hazardous waste removal, help wanted ads, years of service awards and workers comp payments

Professional services - \$242,500 3% of budget

Medical service consultants, physical, occupational and speech therapy consultants, Psychiatrists, primary care services including lab testing and x-rays

Medical, dental and optical - \$210,000 3% of budget

Lab and nursing supplies, rehabilitation supplies, stock medications

SIGNIFICANT CHANGES

Salaries and benefits - \$296,112 increase

Governor's recommended compensation adjustments

Health insurance and retirement increase
Slight increase for shift differentials and overtime

Other equipment under \$5,000 - \$10,300 increase

Increased needs to equipment – includes low air loss mattresses, pal lifts, ultrasound machine for therapy, bariatric trapeze system

Professional development - \$10,000 increase

Due to new nursing program being offered through NDSCS we have several staff going back to school to get their LPN and RN degrees

Professional service fees - \$50,000 decrease

Decrease in expenses

2013-2015 BUDGET

As of December 2014, 71% of this cost center's budget has been expended. We will have some unspent operating authority due to decreased expenses for professional fees and services.

Agency	Veterans Home
Program	402 Nursing Skilled Care
Reporting Level	00-313-402-00-00-00-00000000

1 Object/Revenue		2 2013-15 Biennium Balance	3 2013-15 Biennium Appropriation	4 2015-17 Base Budget Changes	5 Compensation	6 2015-17 Total Changes	7 2015-17 Recommendation
Description	Code						
EXPENDITURES							
Salaries - Permanent	511000	1,911,483	3,770,084	0	0	336	3,770,420
Health Increase	511012	0	0	0	272,025	0	272,025
Retirement Increase	511013	0	0	0	28,278	0	28,278
Salaries - Other	512000	75,423	170,000	0	0	10,000	180,000
Temporary Salaries	513000	194,928	400,000	0	0	0	400,000
Overtime	514000	61,805	175,000	0	0	10,000	185,000
Fringe Benefits	516000	1,370,093	2,481,855	0	0	(96,725)	2,385,130
Salary Increase	599110	0	0	0	229,241	0	229,241
Benefit Increase	599160	0	0	0	48,135	0	48,135
Salaries and Wages	10	3,613,732	6,996,939	0	577,679	(76,389)	7,498,229
Salaries - Permanent	511000	189,733	205,178	0	0	(205,178)	0
Accrued Leave Payments	12	189,733	205,178	0	0	(205,178)	0
Travel	521000	3,256	7,000	0	0	0	7,000
Supply/Material-Professional	532000	7,995	15,000	0	0	0	15,000
Food and Clothing	533000	46,021	75,000	0	0	0	75,000
Bldg, Ground, Maintenance	534000	2,737	4,500	0	0	0	4,500
Miscellaneous Supplies	535000	16,855	30,000	0	0	0	30,000
Office Supplies	536000	1,103	1,350	0	0	0	1,350
Other Equip Under \$5,000	552000	23,638	27,000	10,300	0	10,300	37,300
Rentals/Leases-Equip & Other	581000	6,000	6,000	0	0	0	6,000
Repairs	591000	2,800	5,000	0	0	0	5,000
IT Contractual Svcs and Rprs	603000	236	500	0	0	0	500
Professional Development	611000	11,187	15,000	10,000	0	10,000	25,000
Operating Fees and Services	621000	4,090	8,500	0	0	0	8,500
Fees - Professional Services	623000	240,704	292,500	(50,000)	0	(50,000)	242,500
Medical, Dental and Optical	625000	124,438	210,000	0	0	0	210,000
Operating Expenses	30	491,060	697,350	(29,700)	0	(29,700)	667,650
Equipment Over \$5000	691000	253	2,000	6,200	0	4,200	6,200
Capital Assets	50	253	2,000	6,200	0	4,200	6,200
TOTAL EXPENDITURES for 402 Nursing Skilled Care		4,294,778	7,901,467	(23,500)	577,679	(307,067)	8,172,079
MEANS OF FUNDING							
State General Fund	001	2,269,479	3,901,496	0	572,476	427,425	4,901,397
General Fund	GEN	2,269,479	3,901,496	0	572,476	427,425	4,901,397
Soldiers Home Fund 380	380	2,025,299	3,999,971	(23,500)	5,203	(734,492)	3,270,682
Special Funds	SPEC	2,025,299	3,999,971	(23,500)	5,203	(734,492)	3,270,682

Agency: Veterans Home
 Program: 402 Nursing Skilled Care
 Reporting Level: 00-313-402-00-00-00-00000000

1 Object/Revenue Description	2 2013-15 Biennium Balance	3 2013-15 Biennium Appropriation	4 2015-17 Base Budget Changes	5 Compensation	6 2015-17 Total Changes	7 2015-17 Recommendation
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TOTAL FUNDING for 402 Nursing Skilled Care	4,294,778	7,901,467	(23,500)	577,679	(307,067)	8,172,079
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AUTHORIZED EMPLOYEES

FTE	50.62	50.62	0.00	0.00	(0.80)	49.82
Vacant	0.00	0.00	0.00	0.00	0.80	0.80
TOTAL AUTHORIZED EMPLOYEES for 402 Nursing Skilled Care	50.62	50.62	0.00	0.00	0.00	50.62

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**NORTH DAKOTA VETERANS HOME
2015-2017 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 outside donations.

BUDGET BY TRADITIONAL LINE

<u>Description</u>	<u>2013-2015 Budget</u>	<u>2015-2017 Executive Recommendation</u>	<u>% of Executive Recommendation</u>	<u>Change From 13-15</u>
Salaries	238,864	277,569	94%	38,705
Operating	9,750	18,300	6%	8,550
Capital	0	0	0%	0
Total	248,614	295,869	100%	47,255
General	77,291	74,851		-2,440
Special	171,323	221,018		49,695
Total	248,614	295,869		47,255
FTE	2	2		0

LINE ITEM DETAIL

Salaries and Benefits - \$277,569 94% of budget
 Activities coordinator – 1.0 FTE
 Activities assistant – 1.0 FTE

Travel - \$1,000 .6% of budget
 Employee reimbursed travel

Supplies and materials/professional - \$1,500 .5% of budget
 Resource materials and educational supplies

Miscellaneous supplies - \$2,000 .7% of budget
Recreational supplies

Printing - \$4,500 2% of budget
Printing and mailing of the Scuttlebutt, the NDVH newsletter that is mailed out twice a year to about 1,000 organizations and individuals

Repairs - \$800 .3% of budget
Piano tuning and repair services

IT Contractual Services and Repairs - \$6,650 2% of budget
Annual licensing and support fees for our TelAgenda system

Professional development - \$1,000 .3% of budget
Workshop and convention registrations and membership fees

Operating fees and services - \$500 .3% of budget
Advertising, license fees

SIGNIFICANT CHANGES

Salaries and benefits - \$38,705 increase
Governor's recommended increases for health insurance, retirement, salaries and wages

Printing- \$1,900 increase
Increase in printing and postage fees for our semi-annual newsletter

IT Contractual Services and Repairs - \$6,650 increase
The TelAgenda system is a digital display system used to inform residents and visitors of daily activities, menus, special occasions etc. The television display screens were donated by Dickey Rural Networks and the system was purchased with money donated for this project. These are the ongoing yearly licensing and support fees.

2013-2015 BUDGET

As of December 2014, 73% of this cost center's budget has been expended. Anticipate 100% expended at the end of this biennium.

Agency	Veterans Home
Program	500 Resident Services
Reporting Level	00-313-500-00-00-00-00000000

1 Object/Revenue	2 2013-15 Biennium Balance	3 2013-15 Biennium Appropriation	4 2015-17 Base Budget Changes	5 Compensation	6 2015-17 Total Changes	7 2015-17 Recommendation
Description	Code					
EXPENDITURES						
Salaries - Permanent	511000	54,005	114,475	0	0	129,500
Health Increase	511012	0	0	0	8,636	8,636
Retirement Increase	511013	0	0	0	971	971
Salaries - Other	512000	151	750	0	0	1,000
Temporary Salaries	513000	26,201	40,000	0	0	40,000
Overtime	514000	220	4,000	0	0	7,500
Fringe Benefits	516000	40,646	75,110	0	0	80,452
Salary Increase	599110	0	0	0	7,874	7,874
Benefit Increase	599160	0	0	0	1,636	1,636
Salaries and Wages	10	121,223	234,335	0	19,117	277,569
Salaries - Permanent	511000	4,529	4,529	0	0	0
Accrued Leave Payments	12	4,529	4,529	0	(4,529)	0
Travel	521000	823	1,000	0	0	1,000
Supplies - IT Software	531000	46	100	0	0	100
Supply/Material-Professional	532000	615	1,500	0	0	1,500
Bldg, Ground, Maintenance	534000	96	200	0	0	200
Miscellaneous Supplies	535000	1,798	2,000	0	0	2,000
Printing	542000	753	2,600	1,900	0	4,500
Repairs	591000	525	800	0	0	800
IT Contractual Srvcs and Rprs	603000	0	0	6,650	0	6,650
Professional Development	611000	952	1,000	0	0	1,000
Operating Fees and Services	621000	477	500	0	0	500
Medical, Dental and Optical	625000	50	50	0	0	50
Operating Expenses	30	6,135	9,750	8,550	0	18,300
TOTAL EXPENDITURES for 500 Resident Services		131,887	248,614	8,550	19,117	295,869
MEANS OF FUNDING						
State General Fund	001	77,291	77,291	0	19,117	74,851
General Fund	GEN	77,291	77,291	0	19,117	74,851
Soldiers Home Fund 380	380	54,596	171,323	8,550	0	221,018
Special Funds	SPEC	54,596	171,323	8,550	0	221,018
TOTAL FUNDING for 500 Resident Services		131,887	248,614	8,550	19,117	295,869
AUTHORIZED EMPLOYEES						
FTE		2.00	2.00	0.00	0.00	2.00

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**NORTH DAKOTA VETERANS HOME
2015-2017 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, consulting fees, membership dues and professional development.

BUDGET BY TRADITIONAL LINE

<u>Description</u>	2013-2015	2015-2017	% of	Change From 13- 15
	<u>Budget</u>	Executive <u>Recommendation</u>	Executive <u>Recommendation</u>	
Salaries	1,082,350	1,219,123	93%	136,773
Operating	82,800	90,300	7%	7,500
Capital	0	0	0%	0
Total	1,196,538	1,309,423	100%	144,273
General	417,211	459,649		42,438
Special	779,327	849,774		70,447
Total	1,196,538	1,309,423		112,885
FTE	8.2	8.2		0

LINE ITEM DETAIL

Salaries and Benefits - \$1,309,423 93% of budget
 Social Services Director 1.0 FTE
 Social Worker – 3.0 FTE
 Marketing and Admissions coordinator – 1.0 FTE
 Transportation Coordinator - .8 FTE
 Transportation employees – 2.4 FTE

Travel - \$6,250 7% of budget

Employee reimbursed travel

Supplies and materials/professional - \$250 .3% of budget

Resource materials and educational supplies

Professional development - \$10,000 11% of budget

Workshop and convention registrations, dues and memberships, tuition reimbursement

Operating fees and services - \$3,500 4% of budget

Background checks on potential residents

Professional services - \$70,000 78% of budget

Religious support services, psychologist consulting fees

Medical, Dental and Optical - \$100 .1% of budget

Flu shots for social services staff

SIGNIFICANT CHANGES

Salaries and benefits - \$136,773 increase

Governor's recommended increases for health insurance, retirement, salaries and wages

Professional development- \$7,500 increase

Increase for tuition reimbursement for employee in social work program

2013-2015 BUDGET

As of December 2014, 74% of this cost center's budget has been expended. We anticipate expending 100% by the end of the biennium.

Agency	Veterans Home
Program	600 Social Services
Reporting Level	00-313-600-00-00-00-00000000

1 Object/Revenue	2 2013-15 Biennium Balance	3 2013-15 Biennium Appropriation	4 2015-17 Base Budget Changes	5 Compensation	6 2015-17 Total Changes	7 2015-17 Recommendation
Description	Code					

EXPENDITURES

Salaries - Permanent	511000	322,975	646,862	0	0	34,788	681,650
Health Increase	511012	0	0	0	38,862	0	38,862
Retirement Increase	511013	0	0	0	5,112	0	5,112
Salaries - Other	512000	888	1,500	0	0	0	1,500
Temporary Salaries	513000	26,597	50,000	0	0	(5,000)	45,000
Overtime	514000	16,545	30,000	0	0	0	30,000
Fringe Benefits	516000	179,574	353,988	0	0	13,072	367,060
Salary Increase	599110	0	0	0	41,445	0	41,445
Benefit Increase	599160	0	0	0	8,494	0	8,494
Salaries and Wages	10	546,579	1,082,350	0	93,913	42,860	1,219,123
Salaries - Permanent	511000	28,812	31,388	0	0	(31,388)	0
Accrued Leave Payments	12	28,812	31,388	0	0	(31,388)	0
Travel	521000	1,804	6,250	0	0	0	6,250
Supply/Material-Professional	532000	159	250	0	0	0	250
Miscellaneous Supplies	535000	121	200	0	0	0	200
Professional Development	611000	808	2,500	7,500	0	7,500	10,000
Operating Fees and Services	621000	1,694	3,500	0	0	0	3,500
Fees - Professional Services	623000	39,987	70,000	0	0	0	70,000
Medical, Dental and Optical	625000	100	100	0	0	0	100
Operating Expenses	30	44,673	82,800	7,500	0	7,500	90,300
TOTAL EXPENDITURES for 600 Social Services		620,064	1,196,538	7,500	93,913	18,972	1,309,423

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MEANS OF FUNDING

State General Fund	001	414,177	417,211	0	93,913	(51,475)	459,649
General Fund	GEN	414,177	417,211	0	93,913	(51,475)	459,649
Soldiers Home Fund 380	380	205,887	779,327	7,500	0	70,447	849,774
Special Funds	SPEC	205,887	779,327	7,500	0	70,447	849,774
TOTAL FUNDING for 600 Social Services		620,064	1,196,538	7,500	93,913	18,972	1,309,423

AUTHORIZED EMPLOYEES

FTE		8.20	8.20	0.00	0.00	0.00	8.20
TOTAL AUTHORIZED EMPLOYEES for 600 Social Services		8.20	8.20	0.00	0.00	0.00	8.20

**NORTH DAKOTA VETERANS HOME
2015-2017 BUDGET DETAIL**

HOUSEKEEPING DEPARTMENT

EXPLANATION OF PROGRAM COSTS

BUDGET BY TRADITIONAL LINE

<u>Description</u>	<u>2013-2015 Budget</u>	<u>2013-2015 Executive Recommendation</u>	<u>% of Executive Recommendation</u>	<u>Change From 13-15</u>
Salaries	307,138	425,867	75%	118,729
Operating	155,250	141,850	25%	-13,400
Capital	0	0	0%	0
Total	462,388	567,717	100%	105,329
General	162,975	197,413		34,438
Special	299,413	370,304		70,891
Total	462,388	567,717		105,329
FTE	4	4		0

LINE ITEM DETAIL

Salaries and Benefits - \$425,867 75% of budget

Housekeeping supervisor – 1.0 FTE

Housekeepers – 3.0 FTE

Travel - \$500 .1% of budget

Employee reimbursed travel

Supplies and materials/professional - \$40,000 7% of budget

Chemicals

Food and Clothing - \$1,500 .3% of budget

Safety items such as gloves

Building, ground and maintenance - \$50,000 9% of budget

Janitorial supplies and misc. building supplies

Miscellaneous supplies - \$35,000 6% of budget

Paper products – paper towels, toilet paper

Other equipment under \$5,000 - \$6,500 1% of budget
Vacuum cleaners and carpet shampooers

Repairs - \$2,000 .4% of budget
Equipment repairs

Professional development - \$500
Continuing education, dues and memberships

Operating fees and services - \$5,750 1% of budget
Extermination services

SIGNIFICANT CHANGES

Salaries and benefits - \$127,385 increase

Governor's recommended increases for health insurance, retirement, and salaries and wages

Salary and fringe benefit increase partially due to transferring 1.0 FTE from the skilled nursing department to housekeeping. The salary budget for the FTE transfer is not reflected on the Bars reports.

Building, Ground, Maintenance fees - \$13,400 decrease

Fewer budget needs than anticipated.

20013-2015 BUDGET

As of December 2014, 72% of this cost center's budget has been expended. Anticipate close to 100% expended at the end of this biennium.

Agency	Veterans Home
Program	700 Housekeeping
Reporting Level	00-313-700-00-00-00-00000000

1 Object/Revenue	2 2013-15 Biennium Balance	3 2013-15 Biennium Appropriation	4 2015-17 Base Budget Changes	5 Compensation	6 2015-17 Total Changes	7 2015-17 Recommendation
Description	Code					
EXPENDITURES						
Salaries - Permanent	511000	49,189	173,199	0	0	233,496
Health Increase	511012	0	0	0	17,272	17,272
Retirement Increase	511013	0	0	0	1,751	1,751
Salaries - Other	512000	628	1,000	0	0	1,000
Temporary Salaries	513000	11,342	11,500	0	0	5,000
Overtime	514000	3,212	4,000	0	0	3,000
Fringe Benefits	516000	30,181	108,783	0	0	146,759
Salary Increase	599110	0	0	0	14,480	14,480
Benefit Increase	599160	0	0	0	3,109	3,109
Salaries and Wages	10	94,552	298,482	0	36,612	425,867
Salaries - Permanent	511000	8,656	8,656	0	0	0
Accrued Leave Payments	12	8,656	8,656	0	0	0
Travel	521000	500	500	0	0	500
Supply/Material-Professional	532000	21,235	40,000	0	0	40,000
Food and Clothing	533000	767	1,500	0	0	1,500
Bldg, Ground, Maintenance	534000	49,372	63,400	(13,400)	0	50,000
Miscellaneous Supplies	535000	20,919	35,000	0	0	35,000
Other Equip Under \$5,000	552000	3,894	6,500	0	0	6,500
Repairs	591000	2,000	2,000	0	0	2,000
IT Contractual Srvcs and Rprs	603000	50	50	0	0	50
Professional Development	611000	500	500	0	0	500
Operating Fees and Services	621000	5,414	5,750	0	0	5,750
Medical, Dental and Optical	625000	50	50	0	0	50
Operating Expenses	30	104,701	155,250	(13,400)	0	141,850
TOTAL EXPENDITURES for 700 Housekeeping		207,909	462,388	(13,400)	36,612	567,717
MEANS OF FUNDING						
State General Fund	001	162,975	162,975	0	36,612	197,413
General Fund	GEN	162,975	162,975	0	36,612	197,413
Soldiers Home Fund 380	380	44,934	299,413	(13,400)	0	370,304
Special Funds	SPEC	44,934	299,413	(13,400)	0	370,304
TOTAL FUNDING for 700 Housekeeping		207,909	462,388	(13,400)	36,612	567,717
AUTHORIZED EMPLOYEES						
FTE		4.00	4.00	0.00	0.00	4.00

**NORTH DAKOTA VETERANS HOME
2015-2017 BUDGET DETAIL**

LAUNDRY DEPARTMENT

EXPLANATION OF PROGRAM COST

BUDGET BY TRADITIONAL LINE

<u>Description</u>	<u>2013-2015 Budget</u>	<u>2015-2017 Executive Recommendation</u>	<u>% of Executive Recommendation</u>	<u>Change From 13-15</u>
Salaries	235,666	287,667	81%	52,001
Operating	57,000	66,000	19%	9,000
Capital	0	0	0%	0
Total	292,666	353,667	100%	61,001
General	48,142	96,723		48,581
Special	244,524	256,944		12,420
Total	292,666	353,667		61,001
FTE	2.6	2.6		0

LINE ITEM DETAIL

Salaries and Benefits - \$287,667 81% of budget

Laundry supervisor – 1.0 FTE

Laundry workers – 1.6 FTE

Supplies and materials/professional - \$15,000 4% of budget

Chemicals for laundry

Food and Clothing - \$29,950 8% of budget

Linens, towels and washcloths

Building, grounds and maintenance - \$1,000 .2% of budget

Equipment repair parts

Miscellaneous supplies - \$2,000 .6% of budget

Laundry supplies

Repairs – \$18,000 5% of budget

Equipment repairs

SIGNIFICANT CHANGES

Salaries and benefits - \$61,001 increase

Governor's recommended increases for health insurance, retirement, salaries and wages

Salary and Fringe benefit increase – partially due to change from temporary staff to a part-time FTE person. We used to have resident workers that helped in laundry but over the last few years we have not had any residents willing to work.

Repairs - \$9,000 increase

Increase in repair costs as equipment is no longer covered under warranty.

2013-2015 BUDGET

As of December 2014, 54% of this cost center's budget has been expended. The majority of the operating budget remaining is for linens which we will be bidding out soon. Anticipate spending the majority of this cost center's budget by biennium end.

Agency	Veterans Home
Program	800 Laundry
Reporting Level	00-313-800-00-00-00-00000000

1 Object/Revenue	2 2013-15 Biennium Balance	3 2013-15 Biennium Appropriation	4 2015-17 Base Budget Changes	5 Compensation	6 2015-17 Total Changes	7 2015-17 Recommendation
Description	Code					
EXPENDITURES						
Salaries - Permanent	511000	75,019	127,175	0	0	156,258
Health Increase	511012	0	0	0	12,954	12,954
Retirement Increase	511013	0	0	0	1,172	1,172
Salaries - Other	512000	59	100	0	0	100
Temporary Salaries	513000	20,435	25,000	0	(25,000)	0
Overtime	514000	238	500	0	0	500
Fringe Benefits	516000	48,062	76,249	0	0	105,208
Salary Increase	599110	0	0	0	9,500	9,500
Benefit Increase	599160	0	0	0	1,975	1,975
Salaries and Wages	10	143,813	229,024	0	25,601	287,667
Salaries - Permanent	511000	6,642	6,642	0	0	0
Accrued Leave Payments	12	6,642	6,642	0	(6,642)	0
Supply/Material-Professional	532000	12,189	15,000	0	0	15,000
Food and Clothing	533000	29,950	29,950	0	0	29,950
Bldg, Ground, Maintenance	534000	1,000	1,000	0	0	1,000
Miscellaneous Supplies	535000	1,114	2,000	0	0	2,000
Repairs	591000	9,000	9,000	9,000	0	18,000
IT Contractual Svcs and Rprs	603000	39	50	0	0	50
Operating Expenses	30	53,292	57,000	9,000	0	66,000
TOTAL EXPENDITURES for 800 Laundry		203,747	292,666	9,000	25,601	353,667
MEANS OF FUNDING						
State General Fund	001	48,142	48,142	0	25,601	96,723
General Fund	GEN	48,142	48,142	0	25,601	96,723
Soldiers Home Fund 380	380	155,605	244,524	9,000	0	256,944
Special Funds	SPEC	155,605	244,524	9,000	0	256,944
TOTAL FUNDING for 800 Laundry		203,747	292,666	9,000	25,601	353,667
AUTHORIZED EMPLOYEES						
FTE		2.60	2.60	0.00	0.00	2.60
TOTAL AUTHORIZED EMPLOYEES for 800 Laundry		2.60	2.60	0.00	0.00	2.60

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**NORTH DAKOTA VETERANS HOME
2015-2017 BUDGET DETAIL**

PHARMACY DEPARTMENT

EXPLANATION OF PROGRAM COSTS

BUDGET BY TRADITIONAL LINE

<u>Description</u>	<u>2013-2015 Budget</u>	<u>2015-2017 Executive Recommendation</u>	<u>% of Executive Recommendation</u>	<u>Change From 13-15</u>
Salaries	309,724	356,462	28%	46,738
Operating	1,178,950	927,900	72%	-251,050
Capital	0	0	0%	0
Total	1,488,674	1,284,362	100%	-204,312
General	151,738	208,451		56,713
Special	1,336,936	1,075,911		-261,025
Total	1,488,674	1,284,362		-204,312
FTE	2	2		0

LINE ITEM DETAIL

Salaries and Benefits - \$356,462 28% of budget
 Pharmacist - .5 FTE
 Pharmacy Techs - 1.5 FTE

Travel - \$200
 Employee reimbursed travel

IT software/supplies - \$6,700 .5% of budget
 Software license for pharmacy computer software

Professional supplies and materials - \$2,500 .2% of budget
 Resource materials

Printing - \$500
 Prescription pads

IT Equipment under \$5,000 - \$1,000
 Equipment for pharmacy computer system

Office equip and furniture - \$1,000
Fax machines

IT contractual services - \$5,500 .4% of budget
Contract for pharmacy computer system

Professional development - \$2,000 .2% of budget
Membership fees, workshops

Operating fees and services - \$500
Licensing fees

Professional services - \$8,000 .6% of budget
Relief pharmacist to cover vacations and sick leave

Medical, dental and optical - \$900,000 70% of budget
Medications for veteran residents

SIGNIFICANT CHANGES

Salaries and benefits - \$46,738 increase

Governor's recommended increases for health insurance, retirement, salaries and wages

Part of the increase in salary and benefits can also be attributed to staff turnover; the replacement staff wages and benefits are higher than previous staff

Medical, dental and optical - \$250,050 decrease

Historical data shows that less funding is needed

2013-2015 BUDGET

As of December 2014, 48% of this cost center's budget has been expended. Anticipate expending 100% of this department's salary budget but will have unspent operating authority of approximately \$350,000 due to the lower than anticipated census and decreased budget for medications.

Agency	Veterans Home
Program	900 Pharmacy
Reporting Level	00-313-900-00-00-00-00000000

1 Object/Revenue Description	Code	2 2013-15 Biennium Balance	3 2013-15 Biennium Appropriation	4 2015-17 Base Budget Changes	5 Compensation	6 2015-17 Total Changes	7 2015-17 Recommendation
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EXPENDITURES

Salaries - Permanent	511000	81,325	186,842	0	0	21,075	207,917
Health Increase	511012	0	0	0	12,953	0	12,953
Retirement Increase	511013	0	0	0	1,560	0	1,560
Salaries - Other	512000	221	250	0	0	(50)	200
Temporary Salaries	513000	294	750	0	0	(750)	0
Overtime	514000	861	2,000	0	0	500	2,500
Fringe Benefits	516000	52,576	110,181	0	0	5,943	116,124
Salary Increase	599110	0	0	0	12,643	0	12,643
Benefit Increase	599160	0	0	0	2,565	0	2,565
Salaries and Wages	10	135,277	300,023	0	29,721	26,718	356,462
Salaries - Permanent	511000	101	9,701	0	0	(9,701)	0
Accrued Leave Payments	12	101	9,701	0	0	(9,701)	0
Travel	521000	200	200	0	0	0	200
Supplies - IT Software	531000	3,383	6,700	0	0	0	6,700
Supply/Material-Professional	532000	1,519	2,500	0	0	0	2,500
Printing	542000	355	500	0	0	0	500
IT Equip Under \$5,000	551000	1,000	1,000	0	0	0	1,000
Office Equip & Furn Supplies	553000	1,000	1,000	0	0	0	1,000
IT Contractual Svcs and Rprs	603000	3,978	5,500	0	0	0	5,500
Professional Development	611000	1,152	2,000	0	0	0	2,000
Operating Fees and Services	621000	119	500	0	0	0	500
Fees - Professional Services	623000	4,312	8,000	0	0	0	8,000
Medical, Dental and Optical	625000	882,819	1,151,050	(251,050)	0	(251,050)	900,000
Operating Expenses	30	899,837	1,178,950	(251,050)	0	(251,050)	927,900
TOTAL EXPENDITURES for 900 Pharmacy		1,035,215	1,488,674	(251,050)	29,721	(234,033)	1,284,362

MEANS OF FUNDING

State General Fund	001	75,375	151,738	0	29,721	26,992	208,451
General Fund	GEN	75,375	151,738	0	29,721	26,992	208,451
Soldiers Home Fund 380	380	959,840	1,336,936	(251,050)	0	(261,025)	1,075,911
Special Funds	SPEC	959,840	1,336,936	(251,050)	0	(261,025)	1,075,911
TOTAL FUNDING for 900 Pharmacy		1,035,215	1,488,674	(251,050)	29,721	(234,033)	1,284,362

AUTHORIZED EMPLOYEES

FTE		2.00	2.00	0.00	0.00	0.00	2.00
TOTAL AUTHORIZED EMPLOYEES for 900 Pharmacy		2.00	2.00	0.00	0.00	0.00	2.00

Agency Veterans Home
 Program 100 Administration
 Reporting Level 00-313-100-00-00-00-00000000

#6

1 Object/Revenue		2 2011-13 Biennium Expenditures	3 2013-15 First Year Expenditures	4 2013-15 Biennium Appropriation	5 2015-17 Base Budget Changes	6 Compensation	7 2015-17 Recommendation
Description	Code						
10 Salaries and Wages							
Salaries - Permanent	511000	619,306	352,538	739,892	0	0	717,960
Health Increase	511012	0	0	0	0	25,908	25,908
Retirement Increase	511013	0	0	0	0	5,385	5,385
Salary Budget Adjustment	511900	0	0	0	249,644	0	249,644
Salaries - Other	512000	266	124	500	429,624	0	430,124
Temporary Salaries	513000	8,897	0	2,000	0	0	0
Overtime	514000	49,157	23,298	40,000	0	0	30,000
Fringe Benefits	516000	243,768	143,476	279,967	0	0	293,593
Salary Increase	599110	0	0	0	0	43,651	43,651
Benefit Increase	599160	0	0	0	0	7,843	7,843
TOTAL		921,394	519,436	1,062,359	679,268	82,787	1,804,108
MEANS OF FUNDING							
State General Fund	001	58,006	0	399,622	240,151	58,070	649,604
General Fund TOTAL		58,006	0	399,622	240,151	58,070	649,604
Special Fund Budget	003	0	0	0	9,493	0	9,493
Soldiers Home Fund 380	380	863,388	519,436	662,737	429,624	24,717	1,145,011
Special Funds TOTAL		863,388	519,436	662,737	439,117	24,717	1,154,504
TOTAL		921,394	519,436	1,062,359	679,268	82,787	1,804,108
12 Accrued Leave Payments							
Salaries - Permanent	511000	0	0	27,633	0	0	0
TOTAL		0	0	27,633	0	0	0
MEANS OF FUNDING							
State General Fund	001	0	0	27,633	0	0	0
General Fund TOTAL		0	0	27,633	0	0	0
TOTAL		0	0	27,633	0	0	0
30 Operating Expenses							
Travel	521000	21,421	15,657	25,000	0	0	25,000
Supplies - IT Software	531000	17,540	11,394	16,250	0	0	16,250
Supply/Material-Professional	532000	2,727	1,800	4,000	0	0	4,000
Food and Clothing	533000	26	0	0	0	0	0
Bldg, Ground, Maintenance	534000	23	560	750	0	0	750
Miscellaneous Supplies	535000	394	104	1,000	0	0	1,000
Office Supplies	536000	56,871	20,438	52,500	0	0	52,500
Postage	541000	7,704	2,362	7,000	0	0	7,000
Printing	542000	4,749	1,176	4,500	0	0	4,500
IT Equip Under \$5,000	551000	70,767	40,277	40,500	54,000	0	94,500
Other Equip Under \$5,000	552000	3,446	0	0	0	0	0
Office Equip & Furn Supplies	553000	8,110	2,173	2,500	0	0	2,500

Agency Veterans Home
 Program 100 Administration
 Reporting Level 00-313-100-00-00-00000000

1 Object/Revenue		2 2011-13 Biennium Expenditures	3 2013-15 First Year Expenditures	4 2013-15 Biennium Appropriation	5 2015-17 Base Budget Changes	6 Compensation	7 2015-17 Recommendation
Decription	Code						
Insurance	571000	31,026	14,657	33,900	0	0	33,900
Rentals/Leases-Equip & Other	581000	4,774	2,172	5,500	0	0	5,500
Repairs	591000	8,224	4,443	8,000	0	0	8,000
IT - Data Processing	601000	90,092	48,620	92,000	23,000	0	115,000
IT - Communications	602000	74,805	36,805	76,000	0	0	76,000
IT Contractual Srvc and Rprs	603000	29,167	95,179	188,500	0	0	188,500
Professional Development	611000	22,884	11,019	22,000	0	0	22,000
Operating Fees and Services	621000	3,872	1,881	4,500	0	0	4,500
Fees - Professional Services	623000	243,775	79,095	80,000	45,000	0	125,000
Medical, Dental and Optical	625000	0	0	50	0	0	50
TOTAL		702,397	389,812	664,450	122,000	0	786,450
MEANS OF FUNDING							
State General Fund	001	110,103	55,777	68,931	57,275	0	126,206
General Fund TOTAL		110,103	55,777	68,931	57,275	0	126,206
Melvin Norgard Memorial Fund 289	289	10,000	0	0	0	0	0
Soldiers Home Fund 380	380	582,294	334,035	595,519	64,725	0	660,244
Special Funds TOTAL		592,294	334,035	595,519	64,725	0	660,244
TOTAL		702,397	389,812	664,450	122,000	0	786,450
50 Capital Assets							
Other Capital Payments	683000	376,884	208,693	408,840	344,883	0	344,883
IT Equip/Sftware Over \$5000	693000	25,364	73,875	73,875	0	0	0
TOTAL		402,248	282,568	482,715	344,883	0	344,883
MEANS OF FUNDING							
State General Fund	001	65,799	0	0	0	0	0
General Fund TOTAL		65,799	0	0	0	0	0
Soldiers Home Fund 380	380	336,449	282,568	482,715	344,883	0	344,883
Special Funds TOTAL		336,449	282,568	482,715	344,883	0	344,883
TOTAL		402,248	282,568	482,715	344,883	0	344,883
Agency TOTALS							
TOTAL EXPENDITURES		2,026,039	1,191,816	2,237,157	1,146,151	82,787	2,935,441
General Fund							
State General Fund	001	233,908	55,777	496,186	297,426	58,070	775,810
TOTAL		233,908	55,777	496,186	297,426	58,070	775,810
Special Funds							
Special Fund Budget	003	0	0	0	9,493	0	9,493

Agency Veterans Home
 Program 100 Administration
 Reporting Level 00-313-100-00-00-00-00000000

1 Object/Revenue		2 2011-13 Biennium Expenditures	3 2013-15 First Year Expenditures	4 2013-15 Biennium Appropriation	5 2015-17 Base Budget Changes	6 Compensation	7 2015-17 Recommendation
Description	Code						
Melvin Norgard Memorial Fund 289	289	10,000	0	0	0	0	0
Soldiers Home Fund 380	380	1,782,131	1,136,039	1,740,971	839,232	24,717	2,150,138
TOTAL		1,792,131	1,136,039	1,740,971	848,725	24,717	2,159,631
TOTAL FUNDING		2,026,039	1,191,816	2,237,157	1,146,151	82,787	2,935,441
AUTHORIZED EMPLOYEES							
FTE		6.00	0.00	5.60	0.00	0.00	5.60
TOTAL AUTHORIZED EMPLOYEES		6.00	0.00	5.60	0.00	0.00	5.60

Agency Veterans Home
 Program 200 Plant Operations
 Reporting Level 00-313-200-00-00-00-00000000

1 Object/Revenue		2 2011-13 Biennium Expenditures	3 2013-15 First Year Expenditures	4 2013-15 Biennium Appropriation	5 2015-17 Base Budget Changes	6 Compensation	7 2015-17 Recommendation
Decription	Code						
10 Salaries and Wages							
Salaries - Permanent	511000	404,367	235,589	480,727	0	0	509,428
Health Increase	511012	0	0	0	0	21,587	21,587
Retirement Increase	511013	0	0	0	0	3,823	3,823
Salaries - Other	512000	5,239	3,539	7,000	0	0	7,000
Temporary Salaries	513000	63,883	15,316	80,000	0	0	78,000
Overtime	514000	16,823	9,665	20,000	0	0	22,000
Fringe Benefits	516000	193,240	111,833	249,289	0	0	238,740
Salary Increase	599110	0	0	0	0	30,974	30,974
Benefit Increase	599160	0	0	0	0	6,244	6,244
TOTAL		683,552	375,942	837,016	0	62,628	917,796
MEANS OF FUNDING							
State General Fund	001	51,989	5,080	398,095	0	55,369	439,649
General Fund TOTAL		51,989	5,080	398,095	0	55,369	439,649
Soldiers Home Fund 380	380	631,563	370,862	438,921	0	7,259	478,147
Special Funds TOTAL		631,563	370,862	438,921	0	7,259	478,147
TOTAL		683,552	375,942	837,016	0	62,628	917,796
12 Accrued Leave Payments							
Salaries - Permanent	511000	0	5,529	24,274	0	0	0
TOTAL		0	5,529	24,274	0	0	0
MEANS OF FUNDING							
State General Fund	001	0	5,529	24,274	0	0	0
General Fund TOTAL		0	5,529	24,274	0	0	0
TOTAL		0	5,529	24,274	0	0	0
30 Operating Expenses							
Travel	521000	99,163	39,758	115,000	0	0	115,000
Supply/Material-Professional	532000	4,624	1,259	3,000	0	0	3,000
Food and Clothing	533000	108	84	450	0	0	450
Bldg, Ground, Maintenance	534000	133,983	71,601	110,001	15,000	0	125,001
Miscellaneous Supplies	535000	5,411	2,232	5,000	0	0	5,000
IT Equip Under \$5,000	551000	2,214	0	0	0	0	0
Other Equip Under \$5,000	552000	32,614	8,385	10,600	(5,850)	0	4,750
Utilities	561000	935,268	471,829	1,000,000	0	0	1,000,000
Insurance	571000	1,749	1,034	3,500	0	0	3,500
Rentals/Leases-Equip & Other	581000	2,282	480	2,500	0	0	2,500
Rentals/Leases - Bldg/Land	582000	3,981	1,956	5,000	0	0	5,000
Repairs	591000	45,059	24,959	45,000	0	0	45,000
IT - Communications	602000	43	0	0	0	0	0
IT Contractual Srvc and Rprs	603000	33	55	100	0	0	100

Agency Veterans Home
 Program 200 Plant Operations
 Reporting Level 00-313-200-00-00-00-00000000

1 Object/Revenue		2 2011-13 Biennium Expenditures	3 2013-15 First Year Expenditures	4 2013-15 Biennium Appropriation	5 2015-17 Base Budget Changes	6 Compensation	7 2015-17 Recommendation
Decription	Code						
Professional Development	611000	455	95	500	0	0	500
Operating Fees and Services	621000	3,804	945	2,500	0	0	2,500
Fees - Professional Services	623000	573	0	0	0	0	0
Medical, Dental and Optical	625000	0	0	100	0	0	100
TOTAL		1,271,364	624,672	1,303,251	9,150	0	1,312,401
MEANS OF FUNDING							
State General Fund	001	335,994	230,491	238,393	15,000	0	253,393
General Fund TOTAL		335,994	230,491	238,393	15,000	0	253,393
Soldiers Home Fund 380	380	935,370	394,181	1,064,858	(5,850)	0	1,059,008
Special Funds TOTAL		935,370	394,181	1,064,858	(5,850)	0	1,059,008
TOTAL		1,271,364	624,672	1,303,251	9,150	0	1,312,401
50 Capital Assets							
Land and Buildings	682000	4,477	0	0	126,800	0	126,800
Other Capital Payments	683000	76,500	90,829	142,000	261,660	0	261,660
Extraordinary Repairs	684000	65,260	0	1,000,000	1,013,225	0	1,013,225
Equipment Over \$5000	691000	45,574	30,994	45,700	6,500	0	6,500
Motor Vehicles	692000	0	22,597	23,500	60,000	0	60,000
TOTAL		191,811	144,420	1,211,200	1,468,185	0	1,468,185
MEANS OF FUNDING							
Federal Grant Funds	H128	0	0	0	450,000	0	450,000
Federal Funds TOTAL		0	0	0	450,000	0	450,000
State General Fund	001	3,202	86,727	1,121,000	261,660	0	801,160
General Fund TOTAL		3,202	86,727	1,121,000	261,660	0	801,160
Melvin Norgard Memorial Fund 289	289	99,294	0	0	126,800	0	126,800
Soldiers Home Fund 380	380	89,315	57,693	90,200	629,725	0	90,225
Special Funds TOTAL		188,609	57,693	90,200	756,525	0	217,025
TOTAL		191,811	144,420	1,211,200	1,468,185	0	1,468,185
52 Shop Addition							
Land and Buildings	682000	0	0	788,200	0	0	0
TOTAL		0	0	788,200	0	0	0
MEANS OF FUNDING							
Melvin Norgard Memorial Fund 289	289	0	0	788,200	0	0	0
Special Funds TOTAL		0	0	788,200	0	0	0
TOTAL		0	0	788,200	0	0	0
55 New Veterans Home							

Agency Veterans Home
 Program 200 Plant Operations
 Reporting Level 00-313-200-00-00-00-00000000

1 Object/Revenue		2 2011-13 Biennium Expenditures	3 2013-15 First Year Expenditures	4 2013-15 Biennium Appropriation	5 2015-17 Base Budget Changes	6 Compensation	7 2015-17 Recommendation
Decription	Code						
Operating Fees and Services	621000	149	0	0	0	0	0
TOTAL		149	0	0	0	0	0
MEANS OF FUNDING							
Melvin Norgard Memorial Fund 289	289	149	0	0	0	0	0
Special Funds TOTAL		149	0	0	0	0	0
TOTAL		149	0	0	0	0	0
Agency TOTALS							
TOTAL EXPENDITURES		2,146,876	1,150,563	4,163,941	1,477,335	62,628	3,698,382
Federal Funds							
Federal Grant Funds	H128	0	0	0	450,000	0	450,000
TOTAL		0	0	0	450,000	0	450,000
General Fund							
State General Fund	001	391,185	327,827	1,781,762	276,660	55,369	1,494,202
TOTAL		391,185	327,827	1,781,762	276,660	55,369	1,494,202
Special Funds							
Melvin Norgard Memorial Fund 289	289	99,443	0	788,200	126,800	0	126,800
Soldiers Home Fund 380	380	1,656,248	822,736	1,593,979	623,875	7,259	1,627,380
TOTAL		1,755,691	822,736	2,382,179	750,675	7,259	1,754,180
TOTAL FUNDING		2,146,876	1,150,563	4,163,941	1,477,335	62,628	3,698,382
AUTHORIZED EMPLOYEES							
FTE		5.00	0.00	5.60	0.00	0.00	5.60
TOTAL AUTHORIZED EMPLOYEES		5.00	0.00	5.60	0.00	0.00	5.60

Agency Veterans Home
 Program 250 New Veterans Home
 Reporting Level 00-313-250-00-00-00-00000000

1 Object/Revenue		2 2011-13 Biennium Expenditures	3 2013-15 First Year Expenditures	4 2013-15 Biennium Appropriation	5 2015-17 Base Budget Changes	6 Compensation	7 2015-17 Recommendation
Decription	Code						
10 Salaries and Wages							
Temporary Salaries	513000	28,168	0	0	0	0	0
Fringe Benefits	516000	2,155	0	0	0	0	0
TOTAL		30,323	0	0	0	0	0
MEANS OF FUNDING							
State General Fund	001	30,323	0	0	0	0	0
General Fund TOTAL		30,323	0	0	0	0	0
TOTAL		30,323	0	0	0	0	0
30 Operating Expenses							
Bldg, Ground, Maintenance	534000	589	0	0	0	0	0
Fees - Professional Services	623000	76,468	0	0	0	0	0
TOTAL		77,057	0	0	0	0	0
MEANS OF FUNDING							
State General Fund	001	76,468	0	0	0	0	0
General Fund TOTAL		76,468	0	0	0	0	0
Melvin Norgard Memorial Fund 289	289	589	0	0	0	0	0
Special Funds TOTAL		589	0	0	0	0	0
TOTAL		77,057	0	0	0	0	0
51 Capital Construction Carryover							
Travel	521000	85	0	0	0	0	0
Supplies - IT Software	531000	12,948	0	0	0	0	0
Food and Clothing	533000	14,150	0	0	0	0	0
Bldg, Ground, Maintenance	534000	7,159	0	0	0	0	0
Miscellaneous Supplies	535000	3,700	0	0	0	0	0
Other Equip Under \$5,000	552000	60,551	0	0	0	0	0
Office Equip & Furn Supplies	553000	91,034	0	0	0	0	0
Repairs	591000	7,700	0	0	0	0	0
Operating Fees and Services	621000	566	0	0	0	0	0
Fees - Professional Services	623000	194,301	0	0	0	0	0
Land and Buildings	682000	507	0	0	0	0	0
Other Capital Payments	683000	249,504	269,947	589,281	0	0	0
Extraordinary Repairs	684000	148,222	0	0	0	0	0
Equipment Over \$5000	691000	15,314	0	0	0	0	0
Grants, Benefits & Claims	712000	0	205,000	205,000	0	0	0
TOTAL		805,741	474,947	794,281	0	0	0
MEANS OF FUNDING							
Federal Grant Funds	H128	29,475	0	0	0	0	0
Federal Funds TOTAL		29,475	0	0	0	0	0

Agency Veterans Home
 Program 250 New Veterans Home
 Reporting Level 00-313-250-00-00-00-00000000

1 Object/Revenue		2 2011-13 Biennium Expenditures	3 2013-15 First Year Expenditures	4 2013-15 Biennium Appropriation	5 2015-17 Base Budget Changes	6 Compensation	7 2015-17 Recommendation
Decription	Code						
State General Fund	001	738,337	474,947	794,281	0	0	0
General Fund TOTAL		738,337	474,947	794,281	0	0	0
Soldiers Home Fund 380	380	37,929	0	0	0	0	0
Special Funds TOTAL		37,929	0	0	0	0	0
TOTAL		805,741	474,947	794,281	0	0	0
55 New Veterans Home							
Bldg, Ground, Maintenance	534000	324	0	0	0	0	0
Operating Fees and Services	621000	173	0	0	0	0	0
Fees - Professional Services	623000	58,853	0	0	0	0	0
Other Capital Payments	683000	0	6,759	16,314	0	0	0
Extraordinary Repairs	684000	256,186	0	0	0	0	0
TOTAL		315,536	6,759	16,314	0	0	0
MEANS OF FUNDING							
Melvin Norgard Memorial Fund 289	289	25,000	0	0	0	0	0
Soldiers Home Fund 380	380	290,536	6,759	16,314	0	0	0
Special Funds TOTAL		315,536	6,759	16,314	0	0	0
TOTAL		315,536	6,759	16,314	0	0	0
Agency TOTALS							
TOTAL EXPENDITURES		1,228,657	481,706	810,595	0	0	0
Federal Funds							
Federal Grant Funds	H128	29,475	0	0	0	0	0
TOTAL		29,475	0	0	0	0	0
General Fund							
State General Fund	001	845,128	474,947	794,281	0	0	0
TOTAL		845,128	474,947	794,281	0	0	0
Special Funds							
Melvin Norgard Memorial Fund 289	289	25,589	0	0	0	0	0
Soldiers Home Fund 380	380	328,465	6,759	16,314	0	0	0
TOTAL		354,054	6,759	16,314	0	0	0
TOTAL FUNDING		1,228,657	481,706	810,595	0	0	0

Agency Veterans Home
 Program 300 Dietary
 Reporting Level 00-313-300-00-00-00-00000000

1 Object/Revenue		2 2011-13 Biennium Expenditures	3 2013-15 First Year Expenditures	4 2013-15 Biennium Appropriation	5 2015-17 Base Budget Changes	6 Compensation	7 2015-17 Recommendation
Decription	Code						
10 Salaries and Wages							
Salaries - Permanent	511000	279,592	150,391	313,771	0	0	331,694
Health Increase	511012	0	0	0	0	21,588	21,588
Retirement Increase	511013	0	0	0	0	2,489	2,489
Salaries - Other	512000	3,257	111	2,000	0	0	1,000
Temporary Salaries	513000	32,655	18,125	30,000	0	0	30,000
Overtime	514000	10,898	9,973	10,000	0	0	20,000
Fringe Benefits	516000	166,539	95,361	186,606	0	0	195,944
Salary Increase	599110	0	0	0	0	20,167	20,167
Benefit Increase	599160	0	0	0	0	4,243	4,243
TOTAL		492,941	273,961	542,377	0	48,487	627,125
MEANS OF FUNDING							
State General Fund	001	12,796	0	257,702	0	32,635	264,631
General Fund TOTAL		12,796	0	257,702	0	32,635	264,631
Soldiers Home Fund 380	380	480,145	273,961	284,675	0	15,852	362,494
Special Funds TOTAL		480,145	273,961	284,675	0	15,852	362,494
TOTAL		492,941	273,961	542,377	0	48,487	627,125
12 Accrued Leave Payments							
Salaries - Permanent	511000	0	1,595	15,729	0	0	0
TOTAL		0	1,595	15,729	0	0	0
MEANS OF FUNDING							
State General Fund	001	0	1,595	15,729	0	0	0
General Fund TOTAL		0	1,595	15,729	0	0	0
TOTAL		0	1,595	15,729	0	0	0
30 Operating Expenses							
Travel	521000	976	2,318	2,500	0	0	2,500
Supplies - IT Software	531000	996	0	0	0	0	0
Supply/Material-Professional	532000	23,180	14,457	30,000	0	0	30,000
Food and Clothing	533000	781,966	414,374	900,000	0	0	900,000
Bldg, Ground, Maintenance	534000	9,254	5,860	8,000	4,000	0	12,000
Miscellaneous Supplies	535000	69,070	38,903	75,000	0	0	75,000
Office Supplies	536000	2,424	390	1,500	0	0	1,500
Postage	541000	18	0	0	0	0	0
Other Equip Under \$5,000	552000	3,065	1,242	3,700	26,100	0	29,800
Repairs	591000	16,960	12,085	15,000	5,000	0	20,000
IT Contractual Srvcs and Rprs	603000	11	0	50	0	0	50
Professional Development	611000	1,827	1,758	4,000	0	0	4,000
Operating Fees and Services	621000	806	43	1,100	0	0	1,100
Fees - Professional Services	623000	0	525	1,000	0	0	1,000

Agency Veterans Home
 Program 300 Dietary
 Reporting Level 00-313-300-00-00-00-00000000

1 Object/Revenue		2 2011-13 Biennium Expenditures	3 2013-15 First Year Expenditures	4 2013-15 Biennium Appropriation	5 2015-17 Base Budget Changes	6 Compensation	7 2015-17 Recommendation
Decription	Code						
Medical, Dental and Optical	625000	0	185	500	0	0	500
TOTAL		910,553	492,140	1,042,350	35,100	0	1,077,450
MEANS OF FUNDING							
State General Fund	001	225,850	23,528	32,872	31,100	0	63,972
General Fund TOTAL		225,850	23,528	32,872	31,100	0	63,972
Soldiers Home Fund 380	380	684,703	468,612	1,009,478	4,000	0	1,013,478
Special Funds TOTAL		684,703	468,612	1,009,478	4,000	0	1,013,478
TOTAL		910,553	492,140	1,042,350	35,100	0	1,077,450
50 Capital Assets							
Equipment Over \$5000	691000	0	0	0	24,000	0	24,000
TOTAL		0	0	0	24,000	0	24,000
MEANS OF FUNDING							
Soldiers Home Fund 380	380	0	0	0	24,000	0	24,000
Special Funds TOTAL		0	0	0	24,000	0	24,000
TOTAL		0	0	0	24,000	0	24,000
Agency TOTALS							
TOTAL EXPENDITURES		1,403,494	767,696	1,600,456	59,100	48,487	1,728,575
General Fund							
State General Fund	001	238,646	25,123	306,303	31,100	32,635	328,603
TOTAL		238,646	25,123	306,303	31,100	32,635	328,603
Special Funds							
Soldiers Home Fund 380	380	1,164,848	742,573	1,294,153	28,000	15,852	1,399,972
TOTAL		1,164,848	742,573	1,294,153	28,000	15,852	1,399,972
TOTAL FUNDING		1,403,494	767,696	1,600,456	59,100	48,487	1,728,575
AUTHORIZED EMPLOYEES							
FTE		5.00	0.00	5.00	0.00	0.00	5.00
TOTAL AUTHORIZED EMPLOYEES		5.00	0.00	5.00	0.00	0.00	5.00

Agency Veterans Home
 Program 401 Nursing Basic Care
 Reporting Level 00-313-401-00-00-00-00000000

1 Object/Revenue		2 2011-13 Biennium Expenditures	3 2013-15 First Year Expenditures	4 2013-15 Biennium Appropriation	5 2015-17 Base Budget Changes	6 Compensation	7 2015-17 Recommendation
Description	Code						
10 Salaries and Wages							
Salaries - Permanent	511000	2,199,763	1,153,007	2,322,639	0	0	2,468,187
Health Increase	511012	0	0	0	0	202,937	202,937
Retirement Increase	511013	0	0	0	0	18,514	18,514
Salaries - Other	512000	140,778	69,563	140,000	0	0	140,000
Temporary Salaries	513000	158,887	116,964	200,000	0	0	200,000
Overtime	514000	64,465	40,870	60,000	0	0	200,000
Fringe Benefits	516000	1,318,621	736,823	1,569,322	0	0	1,708,967
Salary Increase	599110	0	0	0	0	150,064	150,064
Benefit Increase	599160	0	0	0	0	32,068	32,068
TOTAL		3,882,514	2,117,227	4,291,961	0	403,583	5,120,737
MEANS OF FUNDING							
State General Fund	001	51,385	0	250,581	0	403,583	858,351
General Fund TOTAL		51,385	0	250,581	0	403,583	858,351
Soldiers Home Fund 380	380	3,831,129	2,117,227	4,041,380	0	0	4,262,386
Special Funds TOTAL		3,831,129	2,117,227	4,041,380	0	0	4,262,386
TOTAL		3,882,514	2,117,227	4,291,961	0	403,583	5,120,737
12 Accrued Leave Payments							
Salaries - Permanent	511000	0	2,091	124,467	0	0	0
TOTAL		0	2,091	124,467	0	0	0
MEANS OF FUNDING							
State General Fund	001	0	2,091	124,467	0	0	0
General Fund TOTAL		0	2,091	124,467	0	0	0
TOTAL		0	2,091	124,467	0	0	0
30 Operating Expenses							
Travel	521000	2,019	1,669	3,000	0	0	3,000
Supply/Material-Professional	532000	1,482	914	2,500	0	0	2,500
Food and Clothing	533000	4,722	2,155	5,500	0	0	5,500
Bldg, Ground, Maintenance	534000	217	8	1,000	0	0	1,000
Miscellaneous Supplies	535000	5,125	2,695	6,500	0	0	6,500
Office Supplies	536000	469	0	0	0	0	0
Other Equip Under \$5,000	552000	4,538	0	0	0	0	0
Repairs	591000	119	0	0	0	0	0
IT Contractual Svcs and Rprs	603000	264	143	200	0	0	200
Professional Development	611000	4,233	1,208	4,500	0	0	4,500
Operating Fees and Services	621000	4,956	1,951	4,500	0	0	4,500
Fees - Professional Services	623000	77,537	36,688	150,000	0	0	150,000
Medical, Dental and Optical	625000	26,088	12,457	40,000	0	0	40,000
TOTAL		131,769	59,888	217,700	0	0	217,700

Agency Veterans Home
 Program 401 Nursing Basic Care
 Reporting Level 00-313-401-00-00-00-00000000

1 Object/Revenue		2 2011-13 Biennium Expenditures	3 2013-15 First Year Expenditures	4 2013-15 Biennium Appropriation	5 2015-17 Base Budget Changes	6 Compensation	7 2015-17 Recommendation
Decription	Code						
MEANS OF FUNDING							
State General Fund	001	27,974	488	4,200	0	0	4,200
General Fund TOTAL		27,974	488	4,200	0	0	4,200
Soldiers Home Fund 380	380	103,795	59,400	213,500	0	0	213,500
Special Funds TOTAL		103,795	59,400	213,500	0	0	213,500
TOTAL		131,769	59,888	217,700	0	0	217,700
Agency TOTALS							
TOTAL EXPENDITURES		4,014,283	2,179,206	4,634,128	0	403,583	5,338,437
General Fund							
State General Fund	001	79,359	2,579	379,248	0	403,583	862,551
TOTAL		79,359	2,579	379,248	0	403,583	862,551
Special Funds							
Soldiers Home Fund 380	380	3,934,924	2,176,627	4,254,880	0	0	4,475,886
TOTAL		3,934,924	2,176,627	4,254,880	0	0	4,475,886
TOTAL FUNDING		4,014,283	2,179,206	4,634,128	0	403,583	5,338,437
AUTHORIZED EMPLOYEES							
FTE		34.20	0.00	35.10	0.00	0.00	35.10
TOTAL AUTHORIZED EMPLOYEES		34.20	0.00	35.10	0.00	0.00	35.10

Agency Veterans Home
 Program 402 Nursing Skilled Care
 Reporting Level 00-313-402-00-00-00-00000000

1 Object/Revenue		2 2011-13 Biennium Expenditures	3 2013-15 First Year Expenditures	4 2013-15 Biennium Appropriation	5 2015-17 Base Budget Changes	6 Compensation	7 2015-17 Recommendation
Decription	Code						
10 Salaries and Wages							
Salaries - Permanent	511000	3,391,530	1,858,601	3,770,084	0	0	3,770,420
Health Increase	511012	0	0	0	0	272,025	272,025
Retirement Increase	511013	0	0	0	0	28,278	28,278
Salaries - Other	512000	167,977	94,577	170,000	0	0	180,000
Temporary Salaries	513000	441,129	205,072	400,000	0	0	400,000
Overtime	514000	163,261	113,195	175,000	0	0	185,000
Fringe Benefits	516000	1,968,106	1,111,762	2,481,855	0	0	2,385,130
Salary Increase	599110	0	0	0	0	229,241	229,241
Benefit Increase	599160	0	0	0	0	48,135	48,135
TOTAL		6,132,003	3,383,207	6,996,939	0	577,679	7,498,229
MEANS OF FUNDING							
State General Fund	001	3,739,445	1,608,758	3,780,809	0	572,476	4,885,888
General Fund TOTAL		3,739,445	1,608,758	3,780,809	0	572,476	4,885,888
Soldiers Home Fund 380	380	2,392,558	1,774,449	3,216,130	0	5,203	2,612,341
Special Funds TOTAL		2,392,558	1,774,449	3,216,130	0	5,203	2,612,341
TOTAL		6,132,003	3,383,207	6,996,939	0	577,679	7,498,229
12 Accrued Leave Payments							
Salaries - Permanent	511000	0	15,445	205,178	0	0	0
TOTAL		0	15,445	205,178	0	0	0
MEANS OF FUNDING							
State General Fund	001	0	12,354	105,178	0	0	0
General Fund TOTAL		0	12,354	105,178	0	0	0
Soldiers Home Fund 380	380	0	3,091	100,000	0	0	0
Special Funds TOTAL		0	3,091	100,000	0	0	0
TOTAL		0	15,445	205,178	0	0	0
30 Operating Expenses							
Travel	521000	4,738	3,744	7,000	0	0	7,000
Supplies - IT Software	531000	378	0	0	0	0	0
Supply/Material-Professional	532000	19,570	7,005	15,000	0	0	15,000
Food and Clothing	533000	49,500	28,979	75,000	0	0	75,000
Bldg, Ground, Maintenance	534000	7,012	1,763	4,500	0	0	4,500
Miscellaneous Supplies	535000	28,585	13,145	30,000	0	0	30,000
Office Supplies	536000	1,793	247	1,350	0	0	1,350
Other Equip Under \$5,000	552000	49,167	3,362	27,000	10,300	0	37,300
Office Equip & Furn Supplies	553000	3,570	0	0	0	0	0
Rentals/Leases-Equip & Other	581000	2,384	0	6,000	0	0	6,000
Repairs	591000	509	2,200	5,000	0	0	5,000

Agency Veterans Home
 Program 402 Nursing Skilled Care
 Reporting Level 00-313-402-00-00-00-00000000

1 Object/Revenue		2 2011-13 Biennium Expenditures	3 2013-15 First Year Expenditures	4 2013-15 Biennium Appropriation	5 2015-17 Base Budget Changes	6 Compensation	7 2015-17 Recommendation
Description	Code						
IT - Communications	602000	49	0	0	0	0	0
IT Contractual Svcs and Rprs	603000	441	264	500	0	0	500
Professional Development	611000	15,648	3,813	15,000	10,000	0	25,000
Operating Fees and Services	621000	4,640	4,410	8,500	0	0	8,500
Fees - Professional Services	623000	146,511	51,796	292,500	(50,000)	0	242,500
Medical, Dental and Optical	625000	160,097	85,562	210,000	0	0	210,000
TOTAL		494,592	206,290	697,350	(29,700)	0	667,650
MEANS OF FUNDING							
State General Fund	001	102,601	10,905	15,509	0	0	15,509
General Fund TOTAL		102,601	10,905	15,509	0	0	15,509
Soldiers Home Fund 380	380	391,991	195,385	681,841	(29,700)	0	652,141
Special Funds TOTAL		391,991	195,385	681,841	(29,700)	0	652,141
TOTAL		494,592	206,290	697,350	(29,700)	0	667,650
50 Capital Assets							
Equipment Over \$5000	691000	11,449	1,747	2,000	6,200	0	6,200
TOTAL		11,449	1,747	2,000	6,200	0	6,200
MEANS OF FUNDING							
Soldiers Home Fund 380	380	11,449	1,747	2,000	6,200	0	6,200
Special Funds TOTAL		11,449	1,747	2,000	6,200	0	6,200
TOTAL		11,449	1,747	2,000	6,200	0	6,200
51 Capital Construction Carryover							
Other Equip Under \$5,000	552000	2,474	0	0	0	0	0
TOTAL		2,474	0	0	0	0	0
MEANS OF FUNDING							
State General Fund	001	2,474	0	0	0	0	0
General Fund TOTAL		2,474	0	0	0	0	0
TOTAL		2,474	0	0	0	0	0
Agency TOTALS							
TOTAL EXPENDITURES		6,640,518	3,606,689	7,901,467	(23,500)	577,679	8,172,079
General Fund							
State General Fund	001	3,844,520	1,632,017	3,901,496	0	572,476	4,901,397
TOTAL		3,844,520	1,632,017	3,901,496	0	572,476	4,901,397
Special Funds							
Soldiers Home Fund 380	380	2,795,998	1,974,672	3,999,971	(23,500)	5,203	3,270,682

Agency Veterans Home
 Program 402 Nursing Skilled Care
 Reporting Level 00-313-402-00-00-00-00000000

1 Object/Revenue Description Code	2 2011-13 Biennium Expenditures	3 2013-15 First Year Expenditures	4 2013-15 Biennium Appropriation	5 2015-17 Base Budget Changes	6 Compensation	7 2015-17 Recommendation
TOTAL	2,795,998	1,974,672	3,999,971	(23,500)	5,203	3,270,682
TOTAL FUNDING	6,640,518	3,606,689	7,901,467	(23,500)	577,679	8,172,079
AUTHORIZED EMPLOYEES						
FTE	55.52	0.00	50.62	0.00	0.00	49.82
Vacant	0.00	0.00	0.00	0.00	0.00	0.80
TOTAL AUTHORIZED EMPLOYEES	55.52	0.00	50.62	0.00	0.00	50.62

Agency Veterans Home
 Program 500 Resident Services
 Reporting Level 00-313-500-00-00-00-00000000

1 Object/Revenue		2 2011-13 Biennium Expenditures	3 2013-15 First Year Expenditures	4 2013-15 Biennium Appropriation	5 2015-17 Base Budget Changes	6 Compensation	7 2015-17 Recommendation
Decription	Code						
10 Salaries and Wages							
Salaries - Permanent	511000	66,232	60,470	114,475	0	0	129,500
Health Increase	511012	0	0	0	0	8,636	8,636
Retirement Increase	511013	0	0	0	0	971	971
Salaries - Other	512000	764	599	750	0	0	1,000
Temporary Salaries	513000	53,556	13,799	40,000	0	0	40,000
Overtime	514000	3,904	3,780	4,000	0	0	7,500
Fringe Benefits	516000	39,254	34,464	75,110	0	0	80,452
Salary Increase	599110	0	0	0	0	7,874	7,874
Benefit Increase	599160	0	0	0	0	1,636	1,636
TOTAL		163,710	113,112	234,335	0	19,117	277,569
MEANS OF FUNDING							
State General Fund	001	24,361	0	70,378	0	19,117	72,467
General Fund TOTAL		24,361	0	70,378	0	19,117	72,467
Soldiers Home Fund 380	380	139,349	113,112	163,957	0	0	205,102
Special Funds TOTAL		139,349	113,112	163,957	0	0	205,102
TOTAL		163,710	113,112	234,335	0	19,117	277,569
12 Accrued Leave Payments							
Salaries - Permanent	511000	0	0	4,529	0	0	0
TOTAL		0	0	4,529	0	0	0
MEANS OF FUNDING							
State General Fund	001	0	0	4,529	0	0	0
General Fund TOTAL		0	0	4,529	0	0	0
TOTAL		0	0	4,529	0	0	0
30 Operating Expenses							
Travel	521000	446	177	1,000	0	0	1,000
Supplies - IT Software	531000	0	54	100	0	0	100
Supply/Material-Professional	532000	83	885	1,500	0	0	1,500
Bldg, Ground, Maintenance	534000	44	104	200	0	0	200
Miscellaneous Supplies	535000	2,011	202	2,000	0	0	2,000
Postage	541000	289	0	0	0	0	0
Printing	542000	2,144	1,847	2,600	1,900	0	4,500
Repairs	591000	0	275	800	0	0	800
IT Contractual Srvcs and Rprs	603000	0	0	0	6,650	0	6,650
Professional Development	611000	393	48	1,000	0	0	1,000
Operating Fees and Services	621000	102	23	500	0	0	500
Fees - Professional Services	623000	125	0	0	0	0	0
Medical, Dental and Optical	625000	0	0	50	0	0	50
TOTAL		5,637	3,615	9,750	8,550	0	18,300

Agency Veterans Home
 Program 500 Resident Services
 Reporting Level 00-313-500-00-00-00-00000000

1 Object/Revenue		2 2011-13 Biennium Expenditures	3 2013-15 First Year Expenditures	4 2013-15 Biennium Appropriation	5 2015-17 Base Budget Changes	6 Compensation	7 2015-17 Recommendation
Decription	Code						
MEANS OF FUNDING							
State General Fund	001	1,065	0	2,384	0	0	2,384
General Fund TOTAL		1,065	0	2,384	0	0	2,384
Soldiers Home Fund 380	380	4,572	3,615	7,366	8,550	0	15,916
Special Funds TOTAL		4,572	3,615	7,366	8,550	0	15,916
TOTAL		5,637	3,615	9,750	8,550	0	18,300
Agency TOTALS							
TOTAL EXPENDITURES		169,347	116,727	248,614	8,550	19,117	295,869
General Fund							
State General Fund	001	25,426	0	77,291	0	19,117	74,851
TOTAL		25,426	0	77,291	0	19,117	74,851
Special Funds							
Soldiers Home Fund 380	380	143,921	116,727	171,323	8,550	0	221,018
TOTAL		143,921	116,727	171,323	8,550	0	221,018
TOTAL FUNDING		169,347	116,727	248,614	8,550	19,117	295,869
AUTHORIZED EMPLOYEES							
FTE		1.00	0.00	2.00	0.00	0.00	2.00
TOTAL AUTHORIZED EMPLOYEES		1.00	0.00	2.00	0.00	0.00	2.00

Agency Veterans Home
 Program 600 Social Services
 Reporting Level 00-313-600-00-00-00-00000000

1 Object/Revenue		2 2011-13 Biennium Expenditures	3 2013-15 First Year Expenditures	4 2013-15 Biennium Appropriation	5 2015-17 Base Budget Changes	6 Compensation	7 2015-17 Recommendation
Decription	Code						
10 Salaries and Wages							
Salaries - Permanent	511000	578,588	323,887	646,862	0	0	681,650
Health Increase	511012	0	0	0	0	38,862	38,862
Retirement Increase	511013	0	0	0	0	5,112	5,112
Salaries - Other	512000	1,030	612	1,500	0	0	1,500
Temporary Salaries	513000	53,997	23,403	50,000	0	0	45,000
Overtime	514000	19,646	13,455	30,000	0	0	30,000
Fringe Benefits	516000	291,203	174,414	353,988	0	0	367,060
Salary Increase	599110	0	0	0	0	41,445	41,445
Benefit Increase	599160	0	0	0	0	8,494	8,494
TOTAL		944,464	535,771	1,082,350	0	93,913	1,219,123
MEANS OF FUNDING							
State General Fund	001	95,561	0	360,689	0	93,913	434,515
General Fund TOTAL		95,561	0	360,689	0	93,913	434,515
Soldiers Home Fund 380	380	848,903	535,771	721,661	0	0	784,608
Special Funds TOTAL		848,903	535,771	721,661	0	0	784,608
TOTAL		944,464	535,771	1,082,350	0	93,913	1,219,123
12 Accrued Leave Payments							
Salaries - Permanent	511000	0	2,576	31,388	0	0	0
TOTAL		0	2,576	31,388	0	0	0
MEANS OF FUNDING							
State General Fund	001	0	2,576	31,388	0	0	0
General Fund TOTAL		0	2,576	31,388	0	0	0
TOTAL		0	2,576	31,388	0	0	0
30 Operating Expenses							
Travel	521000	6,642	4,446	6,250	0	0	6,250
Supply/Material-Professional	532000	243	91	250	0	0	250
Miscellaneous Supplies	535000	132	79	200	0	0	200
Office Supplies	536000	226	0	0	0	0	0
Printing	542000	27	0	0	0	0	0
IT - Communications	602000	20	0	0	0	0	0
IT Contractual Srvcs and Rprs	603000	33	0	0	0	0	0
Professional Development	611000	1,989	1,692	2,500	7,500	0	10,000
Operating Fees and Services	621000	3,317	1,806	3,500	0	0	3,500
Fees - Professional Services	623000	60,685	30,013	70,000	0	0	70,000
Medical, Dental and Optical	625000	0	0	100	0	0	100
TOTAL		73,314	38,127	82,800	7,500	0	90,300
MEANS OF FUNDING							

Agency Veterans Home
 Program 600 Social Services
 Reporting Level 00-313-600-00-00-00-00000000

1 Object/Revenue		2 2011-13 Biennium Expenditures	3 2013-15 First Year Expenditures	4 2013-15 Biennium Appropriation	5 2015-17 Base Budget Changes	6 Compensation	7 2015-17 Recommendation
Description	Code						
State General Fund	001	8,838	458	25,134	0	0	25,134
General Fund TOTAL		8,838	458	25,134	0	0	25,134
Soldiers Home Fund 380	380	64,476	37,669	57,666	7,500	0	65,166
Special Funds TOTAL		64,476	37,669	57,666	7,500	0	65,166
TOTAL		73,314	38,127	82,800	7,500	0	90,300
Agency TOTALS							
TOTAL EXPENDITURES		1,017,778	576,474	1,196,538	7,500	93,913	1,309,423
General Fund							
State General Fund	001	104,399	3,034	417,211	0	93,913	459,649
TOTAL		104,399	3,034	417,211	0	93,913	459,649
Special Funds							
Soldiers Home Fund 380	380	913,379	573,440	779,327	7,500	0	849,774
TOTAL		913,379	573,440	779,327	7,500	0	849,774
TOTAL FUNDING		1,017,778	576,474	1,196,538	7,500	93,913	1,309,423
AUTHORIZED EMPLOYEES							
FTE		7.00	0.00	8.20	0.00	0.00	8.20
TOTAL AUTHORIZED EMPLOYEES		7.00	0.00	8.20	0.00	0.00	8.20

Agency Veterans Home
 Program 700 Housekeeping
 Reporting Level 00-313-700-00-00-00-00000000

1 Object/Revenue		2 2011-13 Biennium Expenditures	3 2013-15 First Year Expenditures	4 2013-15 Biennium Appropriation	5 2015-17 Base Budget Changes	6 Compensation	7 2015-17 Recommendation
Decription	Code						
10 Salaries and Wages							
Salaries - Permanent	511000	191,075	124,010	173,199	0	0	233,496
Health Increase	511012	0	0	0	0	17,272	17,272
Retirement Increase	511013	0	0	0	0	1,751	1,751
Salaries - Other	512000	1,048	372	1,000	0	0	1,000
Temporary Salaries	513000	7,148	158	11,500	0	0	5,000
Overtime	514000	3,096	788	4,000	0	0	3,000
Fringe Benefits	516000	115,480	78,602	108,783	0	0	146,759
Salary Increase	599110	0	0	0	0	14,480	14,480
Benefit Increase	599160	0	0	0	0	3,109	3,109
TOTAL		317,847	203,930	298,482	0	36,612	425,867
MEANS OF FUNDING							
State General Fund	001	23,996	0	93,264	0	36,612	136,358
General Fund TOTAL		23,996	0	93,264	0	36,612	136,358
Soldiers Home Fund 380	380	293,851	203,930	205,218	0	0	289,509
Special Funds TOTAL		293,851	203,930	205,218	0	0	289,509
TOTAL		317,847	203,930	298,482	0	36,612	425,867
12 Accrued Leave Payments							
Salaries - Permanent	511000	0	0	8,656	0	0	0
TOTAL		0	0	8,656	0	0	0
MEANS OF FUNDING							
State General Fund	001	0	0	8,656	0	0	0
General Fund TOTAL		0	0	8,656	0	0	0
TOTAL		0	0	8,656	0	0	0
30 Operating Expenses							
Travel	521000	0	0	500	0	0	500
Supply/Material-Professional	532000	32,599	18,765	40,000	0	0	40,000
Food and Clothing	533000	944	733	1,500	0	0	1,500
Bldg, Ground, Maintenance	534000	57,777	14,028	63,400	(13,400)	0	50,000
Miscellaneous Supplies	535000	28,363	14,081	35,000	0	0	35,000
Office Supplies	536000	84	0	0	0	0	0
Other Equip Under \$5,000	552000	24,290	2,606	6,500	0	0	6,500
Office Equip & Furn Supplies	553000	1,469	0	0	0	0	0
Repairs	591000	214	0	2,000	0	0	2,000
IT Contractual Svcs and Rprs	603000	11	0	50	0	0	50
Professional Development	611000	50	0	500	0	0	500
Operating Fees and Services	621000	458	336	5,750	0	0	5,750
Medical, Dental and Optical	625000	0	0	50	0	0	50
TOTAL		146,259	50,549	155,250	(13,400)	0	141,850

Agency Veterans Home
 Program 700 Housekeeping
 Reporting Level 00-313-700-00-00-00-00000000

1 Object/Revenue Description Code	2 2011-13 Biennium Expenditures	3 2013-15 First Year Expenditures	4 2013-15 Biennium Appropriation	5 2015-17 Base Budget Changes	6 Compensation	7 2015-17 Recommendation
MEANS OF FUNDING						
State General Fund 001	10,179	0	61,055	0	0	61,055
General Fund TOTAL	10,179	0	61,055	0	0	61,055
Soldiers Home Fund 380	136,080	50,549	94,195	(13,400)	0	80,795
Special Funds TOTAL	136,080	50,549	94,195	(13,400)	0	80,795
TOTAL	146,259	50,549	155,250	(13,400)	0	141,850
Agency TOTALS						
TOTAL EXPENDITURES	464,106	254,479	462,388	(13,400)	36,612	567,717
General Fund						
State General Fund 001	34,175	0	162,975	0	36,612	197,413
TOTAL	34,175	0	162,975	0	36,612	197,413
Special Funds						
Soldiers Home Fund 380	429,931	254,479	299,413	(13,400)	0	370,304
TOTAL	429,931	254,479	299,413	(13,400)	0	370,304
TOTAL FUNDING	464,106	254,479	462,388	(13,400)	36,612	567,717
AUTHORIZED EMPLOYEES						
FTE	3.00	0.00	4.00	0.00	0.00	4.00
TOTAL AUTHORIZED EMPLOYEES	3.00	0.00	4.00	0.00	0.00	4.00

Agency Veterans Home
 Program 800 Laundry
 Reporting Level 00-313-800-00-00-00-00000000

1 Object/Revenue		2 2011-13 Biennium Expenditures	3 2013-15 First Year Expenditures	4 2013-15 Biennium Appropriation	5 2015-17 Base Budget Changes	6 Compensation	7 2015-17 Recommendation
Decription	Code						
10 Salaries and Wages							
Salaries - Permanent	511000	98,358	52,156	127,175	0	0	156,258
Health Increase	511012	0	0	0	0	12,954	12,954
Retirement Increase	511013	0	0	0	0	1,172	1,172
Salaries - Other	512000	29	41	100	0	0	100
Temporary Salaries	513000	19,536	4,565	25,000	0	0	0
Overtime	514000	346	262	500	0	0	500
Fringe Benefits	516000	54,656	28,187	76,249	0	0	105,208
Salary Increase	599110	0	0	0	0	9,500	9,500
Benefit Increase	599160	0	0	0	0	1,975	1,975
TOTAL		172,925	85,211	229,024	0	25,601	287,667
MEANS OF FUNDING							
State General Fund	001	15,626	0	19,567	0	25,601	74,790
General Fund TOTAL		15,626	0	19,567	0	25,601	74,790
Soldiers Home Fund 380	380	157,299	85,211	209,457	0	0	212,877
Special Funds TOTAL		157,299	85,211	209,457	0	0	212,877
TOTAL		172,925	85,211	229,024	0	25,601	287,667
12 Accrued Leave Payments							
Salaries - Permanent	511000	0	0	6,642	0	0	0
TOTAL		0	0	6,642	0	0	0
MEANS OF FUNDING							
State General Fund	001	0	0	6,642	0	0	0
General Fund TOTAL		0	0	6,642	0	0	0
TOTAL		0	0	6,642	0	0	0
30 Operating Expenses							
Supply/Material-Professional	532000	19,459	2,811	15,000	0	0	15,000
Food and Clothing	533000	15,130	0	29,950	0	0	29,950
Bldg, Ground, Maintenance	534000	1,033	0	1,000	0	0	1,000
Miscellaneous Supplies	535000	1,456	886	2,000	0	0	2,000
Other Equip Under \$5,000	552000	1,475	0	0	0	0	0
Repairs	591000	0	0	9,000	9,000	0	18,000
IT Contractual Svcs and Rprs	603000	11	11	50	0	0	50
Operating Fees and Services	621000	904	0	0	0	0	0
TOTAL		39,468	3,708	57,000	9,000	0	66,000
MEANS OF FUNDING							
State General Fund	001	2,526	0	21,933	0	0	21,933
General Fund TOTAL		2,526	0	21,933	0	0	21,933

Agency Veterans Home
 Program 800 Laundry
 Reporting Level 00-313-800-00-00-00-00000000

1 Object/Revenue		2 2011-13 Biennium Expenditures	3 2013-15 First Year Expenditures	4 2013-15 Biennium Appropriation	5 2015-17 Base Budget Changes	6 Compensation	7 2015-17 Recommendation
Description	Code						
Soldiers Home Fund	380	36,942	3,708	35,067	9,000	0	44,067
Special Funds TOTAL		36,942	3,708	35,067	9,000	0	44,067
TOTAL		39,468	3,708	57,000	9,000	0	66,000
Agency TOTALS							
TOTAL EXPENDITURES		212,393	88,919	292,666	9,000	25,601	353,667
General Fund							
State General Fund	001	18,152	0	48,142	0	25,601	96,723
TOTAL		18,152	0	48,142	0	25,601	96,723
Special Funds							
Soldiers Home Fund	380	194,241	88,919	244,524	9,000	0	256,944
TOTAL		194,241	88,919	244,524	9,000	0	256,944
TOTAL FUNDING		212,393	88,919	292,666	9,000	25,601	353,667
AUTHORIZED EMPLOYEES							
FTE		2.00	0.00	2.60	0.00	0.00	2.60
TOTAL AUTHORIZED EMPLOYEES		2.00	0.00	2.60	0.00	0.00	2.60

Agency Veterans Home
 Program 900 Pharmacy
 Reporting Level 00-313-900-00-00-00-00000000

1 Object/Revenue		2 2011-13 Biennium Expenditures	3 2013-15 First Year Expenditures	4 2013-15 Biennium Appropriation	5 2015-17 Base Budget Changes	6 Compensation	7 2015-17 Recommendation
Decription	Code						
10 Salaries and Wages							
Salaries - Permanent	511000	180,264	105,517	186,842	0	0	207,917
Health Increase	511012	0	0	0	0	12,953	12,953
Retirement Increase	511013	0	0	0	0	1,560	1,560
Salaries - Other	512000	98	29	250	0	0	200
Temporary Salaries	513000	0	456	750	0	0	0
Overtime	514000	1,913	1,139	2,000	0	0	2,500
Fringe Benefits	516000	96,010	57,605	110,181	0	0	116,124
Salary Increase	599110	0	0	0	0	12,643	12,643
Benefit Increase	599160	0	0	0	0	2,565	2,565
TOTAL		278,285	164,746	300,023	0	29,721	356,462
MEANS OF FUNDING							
State General Fund	001	130,164	50,853	121,096	0	29,721	187,510
General Fund TOTAL		130,164	50,853	121,096	0	29,721	187,510
Soldiers Home Fund 380	380	148,121	113,893	178,927	0	0	168,952
Special Funds TOTAL		148,121	113,893	178,927	0	0	168,952
TOTAL		278,285	164,746	300,023	0	29,721	356,462
12 Accrued Leave Payments							
Salaries - Permanent	511000	0	9,600	9,701	0	0	0
TOTAL		0	9,600	9,701	0	0	0
MEANS OF FUNDING							
State General Fund	001	0	9,600	9,701	0	0	0
General Fund TOTAL		0	9,600	9,701	0	0	0
TOTAL		0	9,600	9,701	0	0	0
30 Operating Expenses							
Travel	521000	0	0	200	0	0	200
Supplies - IT Software	531000	6,858	3,317	6,700	0	0	6,700
Supply/Material-Professional	532000	1,198	981	2,500	0	0	2,500
Miscellaneous Supplies	535000	270	0	0	0	0	0
Office Supplies	536000	683	0	0	0	0	0
Printing	542000	495	145	500	0	0	500
IT Equip Under \$5,000	551000	0	0	1,000	0	0	1,000
Office Equip & Furn Supplies	553000	0	0	1,000	0	0	1,000
IT Contractual Srvc and Rprs	603000	2,815	1,522	5,500	0	0	5,500
Professional Development	611000	778	848	2,000	0	0	2,000
Operating Fees and Services	621000	398	381	500	0	0	500
Fees - Professional Services	623000	10,432	3,688	8,000	0	0	8,000
Medical, Dental and Optical	625000	599,385	268,231	1,151,050	(251,050)	0	900,000
TOTAL		623,312	279,113	1,178,950	(251,050)	0	927,900

Agency Veterans Home
 Program 900 Pharmacy
 Reporting Level 00-313-900-00-00-00-00000000

1 Object/Revenue		2 2011-13 Biennium Expenditures	3 2013-15 First Year Expenditures	4 2013-15 Biennium Appropriation	5 2015-17 Base Budget Changes	6 Compensation	7 2015-17 Recommendation
Description	Code						
MEANS OF FUNDING							
State General Fund	001	287,020	15,910	20,941	0	0	20,941
General Fund TOTAL		287,020	15,910	20,941	0	0	20,941
Soldiers Home Fund 380	380	336,292	263,203	1,158,009	(251,050)	0	906,959
Special Funds TOTAL		336,292	263,203	1,158,009	(251,050)	0	906,959
TOTAL		623,312	279,113	1,178,950	(251,050)	0	927,900
Agency TOTALS							
TOTAL EXPENDITURES		901,597	453,459	1,488,674	(251,050)	29,721	1,284,362
General Fund							
State General Fund	001	417,184	76,363	151,738	0	29,721	208,451
TOTAL		417,184	76,363	151,738	0	29,721	208,451
Special Funds							
Soldiers Home Fund 380	380	484,413	377,096	1,336,936	(251,050)	0	1,075,911
TOTAL		484,413	377,096	1,336,936	(251,050)	0	1,075,911
TOTAL FUNDING		901,597	453,459	1,488,674	(251,050)	29,721	1,284,362
AUTHORIZED EMPLOYEES							
FTE		2.00	0.00	2.00	0.00	0.00	2.00
TOTAL AUTHORIZED EMPLOYEES		2.00	0.00	2.00	0.00	0.00	2.00

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North Dakota Veterans Home Phone System Comparison

Our Current Cisco Phone System

Description	Rate Per Month	Units / Lump Sum	CostPer Month
T1 Service 15 Lines	\$1,112.03	1	\$1,112.03
Cisco Warranty on Router & Call Manager	\$49.81	1	\$49.81
Cisco Software Assurance	\$79.67	1	\$79.67
Service Calls	\$100.00	1	\$100.00 *Average monthly cost
Phone Replacement	\$50.00	1	\$50.00 *Haven't had to replace any phones in 4 years
Total Monthly Cost for Current System			<u><u>\$1,391.51</u></u>

ITD Phone System

Description	ITD Phone Rate	Number of Units	Cost Per Month	Remarks
Phone Basic Service	\$20.00	138	\$2,760.00	133 IP Voice/Display+3Conf+2Mobile
Phone Basic Service Analog	\$20.00	158	\$3,160.00	Our Equip / Lic 192 lines
Analog Port - FAX, Paging	\$15.00	10	\$150.00	
Professional Speaker Display	\$3.00	133	\$399.00	
Voice Mail	\$5.00	191	\$955.00	Our Lic includes 330 Voice Mails
Conference numbers	\$16.75	2	\$33.50	We have 2 Meet Me Conf Numbers
Mobile Suite Smart Phone	\$5.00	2	\$10.00	Cisco Wireless Phone with 4 Line Capability
Total Monthly Phone Cost Using ITD System			<u><u>\$7,467.50</u></u>	

Monthly Savings

\$6,075.99

Proposed Cost of New Phone System

\$48,000.00

Number of Months for System to Pay for Itself

7.90

Agency: Veterans Home

Agcy No: 00313

1 Object/Revenue		2 2011-13 Biennium Expenditures	3 2013-15 First Year Expenditures	4 2013-15 Biennium Appropriation	5 2015-17 Base Budget Changes	6 Compensation	7 2015-17 Recommendation
Description	Code						
100 Administration	100	2,026,039	1,191,816	2,237,157	1,146,151	82,787	2,935,441
200 Plant Operations	200	2,146,876	1,150,563	4,163,941	1,477,335	62,628	3,698,382
250 New Veterans Home	250	1,228,657	481,706	810,595	0	0	0
300 Dietary	300	1,403,494	767,696	1,600,456	59,100	48,487	1,728,575
401 Nursing Basic Care	401	4,014,283	2,179,206	4,634,128	0	403,583	5,338,437
402 Nursing Skilled Care	402	6,640,518	3,606,689	7,901,467	(23,500)	577,679	8,172,079
500 Resident Services	500	169,347	116,727	248,614	8,550	19,117	295,869
600 Social Services	600	1,017,778	576,474	1,196,538	7,500	93,913	1,309,423
700 Housekeeping	700	464,106	254,479	462,388	(13,400)	36,612	567,717
800 Laundry	800	212,393	88,919	292,666	9,000	25,601	353,667
900 Pharmacy	900	901,597	453,459	1,488,674	(251,050)	29,721	1,284,362
TOTAL BY APPROPRIATION ORGS		20,225,088	10,867,734	25,036,624	2,419,686	1,380,128	25,683,952
Salaries and Wages	10	14,019,958	7,772,543	15,874,866	679,268	1,380,128	18,534,683
Accrued Leave Payments	12	0	36,836	458,197	0	0	0
Operating Expenses	30	4,475,722	2,147,914	5,408,851	(102,850)	0	5,306,001
Capital Assets	50	605,508	428,735	1,695,915	1,843,268	0	1,843,268
Capital Construction Carryover	51	808,215	474,947	794,281	0	0	0
Shop Addition	52	0	0	788,200	0	0	0
New Veterans Home	55	315,685	6,759	16,314	0	0	0
TOTAL BY OBJECT SERIES		20,225,088	10,867,734	25,036,624	2,419,686	1,380,128	25,683,952
Federal Funds	FED	29,475	0	0	450,000	0	450,000
General Fund	GEN	6,232,082	2,597,667	8,516,633	605,186	1,327,097	9,399,650
Special Funds	SPEC	13,963,531	8,270,067	16,519,991	1,364,500	53,031	15,834,302
TOTAL BY FUNDS		20,225,088	10,867,734	25,036,624	2,419,686	1,380,128	25,683,952
FTE		120.72	0.00	120.72	0.00	0.00	119.92
Vacant		0.00	0.00	0.00	0.00	0.00	0.80
TOTAL AUTHORIZED EMPLOYEES		120.72	0.00	120.72	0.00	0.00	120.72

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PROPOSED AMENDMENT TO HOUSE BILL NO. 1007

Page 1, line 1, after "Act" insert "to amend and reenact section 6 of chapter 38 of the 2013 Session Laws, relating to shop addition project, and"

Page 1, after line 3, insert:

"SECTION 1. AMENDMENT. Section 6 of chapter 38 of the 2013 Session Laws is amended and reenacted as follows:

SECTION 6. SHOP ADDITION PROJECT - MELVIN NORGARD MEMORIAL FUND. The funds appropriated in the shop addition line item in section 1 of this Act are from the Melvin Norgard memorial or the soldiers home fund for. ~~The veterans' home may begin construction of the shop addition when the balance in the Melvin Norgard memorial fund is sufficient to provide for all costs of the project during the biennium beginning July 1, 2013, and ending June 30, 2015. Any funds not spent for the purposes of this section by June 30, 2015, are not subject to section 54-44.1-11 and are available for all costs of the shop addition project during the biennium beginning July 1, 2015, and ending June 30, 2017.~~

Renumber accordingly

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Melvin Norgard Income

	<u>Amount</u>	<u>Check Date</u>
Lease of Mineral Rights - 3 years	\$258,966.02	1/31/12 *fund set up
Mineral Royalty Payments	\$110.42	2/28/12
	\$269.43	5/30/12
	\$132.57	6/28/12
	\$4,530.85	8/29/12
	\$2,990.41	9/26/12
	\$2,385.10	10/29/12
	\$2,005.90	11/29/12
	\$27,055.72	12/26/12
	\$1,052.21	1/7/13
	\$24,977.44	2/5/13
	\$22,828.55	3/4/13
	\$15,652.70	4/1/13
	\$12,580.95	5/1/13
	\$13,189.27	6/1/13
	\$13,871.44	7/1/13
	\$9,694.65	8/1/13
	\$13,365.75	9/1/13
	\$11,266.90	10/1/13
	\$9,087.10	11/1/13
	\$7,417.92	12/5/13
	\$8,603.71	1/1/14
	\$9,313.99	2/1/14
	\$8,514.67	3/1/14
	\$7,944.57	4/1/14
	\$8,115.57	5/1/14
	\$6,822.29	6/1/14
	\$7,043.51	6/30/14
	\$6,959.51	8/31/14
	\$6,632.59	9/30/14
	\$5,876.16	10/31/14
	\$4,382.02	11/30/14
	<u>\$3,509.43</u>	12/31/14
	\$268,183.30	

Interest income \$117.15

Total Revenue Collections \$527,266.47

Expenditures to Date \$205,942.66

Current Fund Balance \$321,323.81

<u>Year</u>	<u>Quarter</u>	<u>Projected Mineral Royalties</u>	<u>Actual Mineral Royalties</u>
2013	Q1	\$125,743.00	\$48,858.20
2013	Q2	\$193,275.00	\$41,422.92
2013	Q3	\$174,524.00	\$36,931.84
2013	Q4	\$220,789.00	\$27,771.92
2014	Q1	\$186,243.00	\$26,432.37
2014	Q2	\$151,341.00	\$22,882.43
2014	Q3	\$129,283.00	\$20,635.61
2014	Q4	<u>\$110,814.00</u>	<u>\$13,767.61</u>
		\$1,292,012.00	\$238,702.90
	Difference	-\$1,053,309.10	

Melvin Norgard funds appropriated in the 2011-2013 Biennium Budget

\$55,000	Irrigation system repairs
\$46,500	Oxbow work
\$25,000	Landscaping for new veterans home
\$75,000	Gazebo relocation and setup
<u>\$10,000</u>	Architect for resident workshop design
\$211,500	

HB 1007
02.05.15
#1

ND Veterans Home-Commandants Residence-Testimony



Testimony prepared and presented by: Bruce A. Fadness

Owner/Broker/Certified General Real Property Appraiser

Fadness Realty and Appraisal

13-11th Ave West

Lisbon, ND

Chairman Pollert and members of the Human Resources Committee, my name is Bruce Fadness, and I have 30 years of real estate sales and appraising experience in Lisbon. I was contacted to give an unbiased opinion of the North Dakota Veterans Home Commandant's residence that is located on the grounds of the North Dakota Veterans Home in Lisbon, ND. I toured the home with Mr. Mark Johnson, Commandant.

BRIEF BACKGROUND AND DESCRIPTION OF THE HOME

The ND Veterans Home is over 100 years old and is a basic 4-square, two and one half story design. The current condition of the home would be rated poor with many deficiencies in electrical, plumbing, heating, insulation, windows, doors, roofing material. The home has had no updating of the kitchen and bathrooms for the past 30 years as indicated by the cabinetry and fixtures found in the kitchen and bathrooms.

This home is heated by a central boiler, which is not a practical source for heating as the heat is coming from a source that is not attached to the current structure. The heat is brought to the home through a tunnel system with poor insulation surrounding the pipes causing loss of heat. There is water leaking from the pipes and found on the basement floor. The home is cooled with individual air conditioning wall units, which are not very efficient or practical. The windows and doors are old and are not energy efficient along with the fact that there is little, if any, insulation in the exterior walls, making the heating of this home very difficult.

The electrical wiring has had some updating, but it is unknown to what extent and if the electrical updates have been done to code. It appears that outlets have been added, but the number of outlets is not sufficient for all the electronics found in most homes today.

There seems to be settling of the structure which is evidenced in the unevenness of the floors throughout the home. The exterior of the home has brick and tuck pointing has been done in many areas where the settling has caused the mortar and the bricks to separate. The basement area has several floor jacks that are used for additional support and this would indicate some structural and foundation weakness. There are also large cracks in the floor of the basement along with the floor of the garage. In fact, there is a tapered piece of wood that is used to help cover a gap when the garage door is closed.

The main negative to the home is that it is functionally obsolete. The room layout is such that all of the bedrooms are located on the second and third floors and the laundry is located in the basement. This is not very practical to have to haul laundry up and down 2 – 3 flights of stairs.

Also there is a small ½ bath on the main level and the only full bathrooms are located on the second and third floors.. The garage is attached to the basement level of the home so it is necessary to go up or down stairs in order to use the garage. This also means that groceries and other items would need to be hauled up a flight of stairs from the garage and this is another functional obsolescence for this home

The home is not handicapped accessible as there are no ramps to even to get into its main level. It is currently not possible for this home to be used for caring for or entertaining handicapped individuals. The ½ bath on the main level is only about 4' x 4' and could not be accessed with someone in a wheel chair. The only way to correct the issue of the bathrooms and bedrooms being on the second and third levels and making them accessible to a handicapped individual would be with an elevator system.

An estimate of the cost to cure was completed in December, 2014 and the total was \$517,881. The current condition and the cost to cure the deficiencies make the restoration of this home very costly and some of the functional obsolescence may not be able to be cured based on cost and structural design. There is a point when a structure has outlived its usefulness and functional utility and the cost to cure becomes too expensive or deficiencies just cannot be cured.

A positive for the home is that it has most of the original woodwork and hardwood floors on the main level along with some stained glass windows that could be salvaged, but the woodwork on the second level does not appear to be original.

LISBON HOUSING

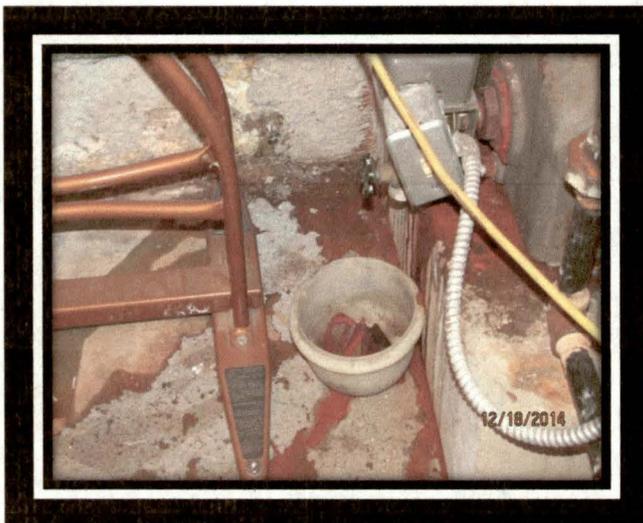
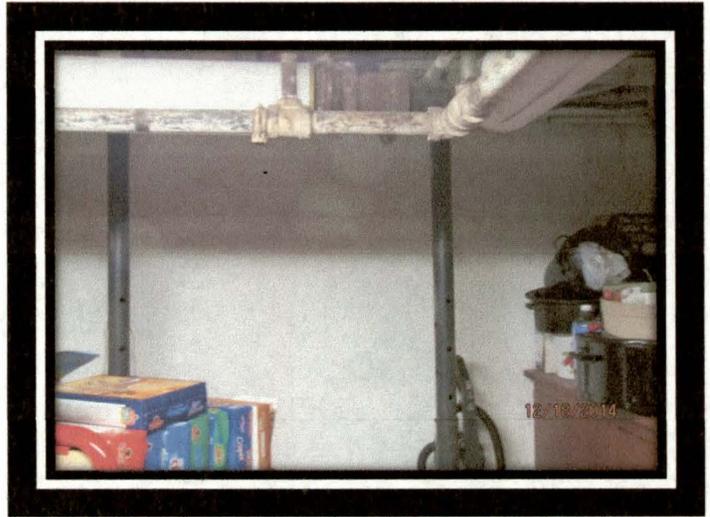
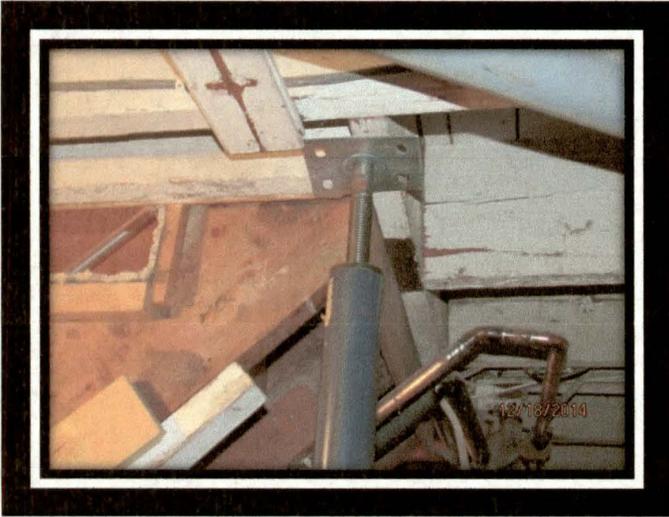
Housing in Lisbon is and probably will continue to be very tight with demand outpacing the supply of homes. There are usually 1 or 2 new speculative homes built a year and are usually sold prior to completion. The housing market is driven by the largest employer in the area, Bobcat Manufacturing, in Gwinner, ND. Many workers commute the 15 miles to work there and this creates not only a demand for homes to purchase, but also rental units.

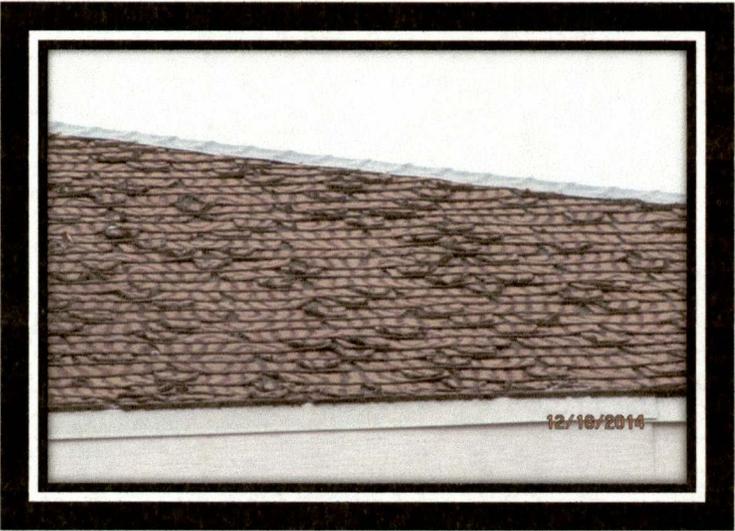
Rental properties are nearly non-existent in Lisbon. The vacancy rate is less than 5% with most of the rental units being older homes that are currently renting from \$650-\$800 per month and these would be 2 and 3 bedroom homes with less than 1500 sq. ft. The commandant's home has 5 bedrooms and nearly one and one half times the square footage and if the commandant's

home were a rentable unit it would rent for \$1000/month, utilities would be an additional \$600/month for a total of \$1600/month housing cost.

The lack of rental homes and homes for purchase in Lisbon would not be a positive when recruiting a new commandant. The current condition of the commandant's home would be a definite negative due to many current deficiencies and inadequacies of the structure. If adequate housing on site were not provided for the commandant, the ability to recruit a new commandant would be very difficult based on the current housing trends in Lisbon







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**Veterans' Home - Budget No. 313
House Bill No. 1007
Base Level Funding Changes**

	Executive Budget Recommendation				House Version			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2015-17 Biennium Base Level	120.72	\$7,161,853	\$15,081,100	\$22,242,953	120.72	\$7,161,853	\$15,081,100	\$22,242,953
2015-17 Ongoing Funding Changes								
Base payroll changes		\$326,514	(\$184,289)	\$142,225				\$0
Salary Increase - Performance		623,320	53,031	676,351				0
Salary Increase - Market		240,151	9,493	249,644				0
Salary Increase - Targeted equity			429,624	429,624				0
Retirement increase		69,055		69,055				0
Health insurance increase		634,722		634,722				0
Adjusts funding for operating expenses		103,375	(206,225)	(102,850)				0
Adjusts funding for bond and interest			(63,957)	(63,957)				0
Provides continued funding for demolition of former Veterans' Home facility		121,000		121,000				0
Removes prior biennium capital assets		(142,000)	(71,200)	(213,200)				0
Other change				0				0
Other change				0				0
Total ongoing funding changes	0.00	\$1,976,137	(\$33,523)	\$1,942,614	0.00	\$0	\$0	\$0
One-time funding items								
Increases funding for construction of resident workshop			126,800	126,800				0
Provides funding to complete irrigation system			83,000	83,000				0
Provides funding to construct pedestrian bridge			930,225	930,225				0
Adds funding for equipment		261,660	96,700	358,360				0
Other one-time funding item				0				0
Other one-time funding item				0				0
Total one-time funding changes	0.00	\$261,660	\$1,236,725	\$1,498,385	0.00	\$0	\$0	\$0
Total Changes to Base Level Funding	0.00	\$2,237,797	\$1,203,202	\$3,440,999	0.00	\$0	\$0	\$0
2015-17 Total Funding	120.72	\$9,399,650	\$16,284,302	\$25,683,952	120.72	\$7,161,853	\$15,081,100	\$22,242,953

Other Sections in House Bill No. 1007

Executive Budget Recommendation

House Version

Executive Budget Recommendation

House Version

Exemption - Veterans' Home construction project funding

Section 3 provides the unexpended amount remaining from the appropriation for the Veterans' Home construction project in Chapter 53 of the 2009 Session Laws which was continued into the 2011-13 biennium and the 2013-15 biennium under Section 54-44.1-11 is not subject to the provisions of North Dakota Century Code Section 54-44.1-11 at the end of the 2013-15 biennium and may be continued into the 2015-17 biennium for paying expenses of the Veterans' Home construction project.

Emergency

Section 4 provides funding of \$930,225, from the general fund for the construction of a pedestrian bridge is declared to be an emergency measure. However, funding for the pedestrian bridge is provided from special funds; therefore, section 4 should be amended to reference the correct funding source.

Funding Transfer - Exception - Authorization
(Representative J. Nelson)

Notwithstanding section 54-16-04, the veterans' home may transfer up to \$84,500 from the operating expenses line item to the capital assets line item, for the biennium beginning July 1, 2013, and ending June 30, 2015. The veterans' home shall notify the office of management and budget of any transfer made pursuant to this section.

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Veterans' Home - Budget No. 313
House Bill No. 1007
Base Level Funding Changes

	Executive Budget Recommendation				House Version				House Changes to Executive Recommendation			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2015-17 Biennium Base Level	120.72	\$7,161,853	\$15,081,100	\$22,242,953	120.72	\$7,161,853	\$15,081,100	\$22,242,953	0.00	\$0	\$0	\$0
2015-17 Ongoing Funding Changes												
Base payroll changes		\$326,514	(\$184,289)	\$142,225		\$326,514	(\$184,289)	\$142,225				\$0
Salary Increase - Performance		623,320	53,031	676,351		481,364	24,279	505,643		(141,956)	(28,752)	(170,708)
Salary Increase - Market		240,151	9,493	249,644				0		(240,151)	(9,493)	(249,644)
Salary Increase - Targeted equity			429,624	429,624				0			(429,624)	(429,624)
Retirement increase		69,055		69,055				0		(69,055)		(69,055)
Health insurance increase		634,722		634,722		634,722		634,722				0
Adjusts funding for operating expenses		103,375	(206,225)	(102,850)		103,375	(206,225)	(102,850)				0
Adjusts funding for bond and interest			(63,957)	(63,957)			(63,957)	(63,957)				0
Provides continued funding for demolition of former Veterans' Home facility		121,000		121,000				0		(121,000)		(121,000)
Removes prior biennium capital assets		(142,000)	(71,200)	(213,200)		(142,000)	(71,200)	(213,200)				0
Housing Allowance				0		5,000	15,000	20,000		5,000	15,000	20,000
Provides an increase for capital assets				0		121,000		121,000		121,000		121,000
Other change				0				0				0
Other change				0				0				0
Total ongoing funding changes	0.00	\$1,976,137	(\$33,523)	\$1,942,614	0.00	\$1,529,975	(\$486,392)	\$1,043,583	0.00	(\$446,162)	(\$452,869)	(\$899,031)
One-time funding items												
Increases funding for construction of resident workshop			126,800	126,800				0			(126,800)	(126,800)
Provides funding to complete irrigation system			83,000	83,000			83,000	83,000			0	0
Provides funding to construct pedestrian bridge			930,225	930,225				0			(930,225)	(930,225)
Adds funding for equipment		261,660	96,700	358,360		130,830	36,700	167,530		(130,830)	(60,000)	(190,830)
Other one-time funding item				0				0				0
Other one-time funding item				0				0				0
Total one-time funding changes	0.00	\$261,660	\$1,236,725	\$1,498,385	0.00	\$130,830	\$119,700	\$250,530	0.00	(\$130,830)	(\$1,117,025)	(\$1,247,855)
Total Changes to Base Level Funding	0.00	\$2,237,797	\$1,203,202	\$3,440,999	0.00	\$1,660,805	(\$366,692)	\$1,294,113	0.00	(\$576,992)	(\$1,569,894)	(\$2,146,886)
2015-17 Total Funding	120.72	\$9,399,650	\$16,284,302	\$25,683,952	120.72	\$8,822,658	\$14,714,408	\$23,537,066	0.00	(\$576,992)	(\$1,569,894)	(\$2,146,886)

Other Sections in House Bill No. 1007

Executive Budget Recommendation

House Version

Exemption - Veterans' Home construction project funding

Section 3 provides the unexpended amount remaining from the appropriation for the Veterans' Home construction project in Chapter 53 of the 2009 Session Laws which was continued into the 2011-13 biennium and the 2013-15 biennium under Section 54-44.1-11 is not subject to the provisions of North Dakota Century Code Section 54-44.1-11 at the end of the 2013-15 biennium and may be continued into the 2015-17 biennium for paying expenses of the Veterans' Home construction project.

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Emergency

Section 4 provides funding of \$930,225, from the general fund for the construction of a pedestrian bridge is declared to be an emergency measure. However, funding for the pedestrian bridge is provided from special funds; therefore, section 4 should be amended to reference the correct funding source.

Funding Transfer - Exception - Authorization
(Representative J. Nelson)

Notwithstanding section 54-16-04, the veterans' home may transfer up to \$84,500 from the operating expenses line item to the capital assets line item, for the biennium beginning July 1, 2013, and ending June 30, 2015. The veterans' home shall notify the office of management and budget of any transfer made pursuant to this section.

Shop addition project

The veterans' home may use up to \$325,000 from the Melvin Norgard memorial fund and up to \$463,200 from litigation proceeds or other funds for the cost of construction of a shop addition, which in total may not exceed \$788,200 for the biennium beginning July 1, 2013, and ending June 30, 2015.

Phone system project funding

The veterans' home shall use up to \$48,000 of funding appropriated in the operating expenses line item in section 1 of this Act for a new home phone system for the veterans' home.

Emergency clause

Provides an emergency clause for the funding transfer and shop addition project

15.8115.01002
Title.

Prepared by the Legislative Council staff for
House Appropriations - Human Resources
Division Committee

HB1007
02-17-15
#2

Fiscal No. 2

February 16, 2015

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1007

Page 1, replace lines 11 through 18 with:

"Salaries and wages	\$15,874,867	\$1,760,786	\$17,635,653
Accrued leave payments	458,196	(458,196)	0
Operating expenses	5,408,850	(102,850)	5,306,000
Capital assets	501,040	94,373	595,413
Total all funds	\$22,242,953	\$1,294,113	\$23,537,066
Less estimated income	15,081,100	(366,692)	14,714,408
Total general fund	\$7,161,853	\$1,660,805	\$8,822,658
Full-time equivalent positions	120.72	0.00	120.72"

Page 1, remove line 24

Page 2, replace lines 1 through 5 with:

"Demolition of old veterans' home	\$1,121,000	\$0
Shop addition	788,200	0
Irrigation system	0	83,000
Equipment	0	167,530
Total all funds	\$1,909,200	\$250,530
Less estimated income	1,348,700	119,700
Total general fund	\$560,500	\$130,830"

Page 2, replace lines 16 through 18 with:

"SECTION 4. FUNDING TRANSFER - EXCEPTION - AUTHORIZATION.

Notwithstanding section 54-16-04, the veterans' home may transfer up to \$84,500 from the operating expenses line item to the capital assets line item, for the biennium beginning July 1, 2013, and ending June 30, 2015. The veterans' home shall notify the office of management and budget of any transfer made pursuant to this section.

SECTION 5. SHOP ADDITION PROJECT. The veterans' home may use up to \$325,000 from the Melvin Norgard memorial fund and up to \$463,200 from litigation proceeds or other funds for the cost of construction of a shop addition, which in total may not exceed \$788,200 for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 6. PHONE SYSTEM PROJECT FUNDING. The veterans' home shall use up to \$48,000 of funding appropriated in the operating expenses line item in section 1 of this Act for a new home phone system for the veterans' home.

SECTION 7. EMERGENCY. Sections 4 and 5 of this Act are declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1007 - Veterans' Home - House Action

	Base Budget	House Changes	House Version
Salaries and wages	\$15,874,867	\$1,760,786	\$17,635,653
Operating expenses	5,408,850	(102,850)	5,306,000
Capital assets	501,040	94,373	595,413
Accrued leave payments	458,196	(458,196)	
Total all funds	\$22,242,953	\$1,294,113	\$23,537,066
Less estimated income	15,081,100	(366,692)	14,714,408
General fund	\$7,161,853	\$1,660,805	\$8,822,658
FTE	120.72	0.00	120.72

Department No. 313 - Veterans' Home - Detail of House Changes

	Adds Funding for Base Payroll Changes ¹	Adds Funding for Salary and Benefit Increases ²	Provides Miscellaneous Changes ³	Adds Funding for Housing Allowance ⁴	Adds Funding for Capital Assets ⁵	Adds One-Time Funding for an Irrigation System ⁶
Salaries and wages	\$600,421	\$1,140,365		\$20,000		
Operating expenses			(102,850)			
Capital assets			(277,157)		121,000	83,000
Accrued leave payments	(458,196)					
Total all funds	\$142,225	\$1,140,365	(\$380,007)	\$20,000	\$121,000	\$83,000
Less estimated income	(184,289)	24,279	(341,382)	15,000	0	83,000
General fund	\$326,514	\$1,116,086	(\$38,625)	\$5,000	\$121,000	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Adds One-Time Funding for Equipment ⁷	Total House Changes
Salaries and wages		\$1,760,786
Operating expenses		(102,850)
Capital assets	167,530	94,373
Accrued leave payments		(458,196)
Total all funds	\$167,530	\$1,294,113
Less estimated income	36,700	(366,692)
General fund	\$130,830	\$1,660,805
FTE	0.00	0.00

¹ Funding is added for cost-to-continue 2013-15 biennium salaries and benefit increases and for other base payroll changes.

² The following funding is added for 2015-17 biennium performance salary adjustments of 2 to 4 percent per year and increases in monthly health insurance premiums:

	General Fund	Other Funds	Total
Salary increase - Performance	\$481,364	\$24,279	\$505,643
Health insurance increase	634,722		634,722
Total	\$1,116,086	\$24,279	\$1,140,365

³ Funding is adjusted for:

	General Fund	Other Funds	Total
Operating expenses	\$103,375	(\$206,225)	(\$102,850)
Bond and interest adjustment		(63,957)	(63,957)
Removes prior biennium capital assets	(142,000)	(71,200)	(213,200)

Total	(\$38,625)	(\$341,382)	(\$380,007)
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⁴ Funding for a housing allowance for the Administrator of the Veterans' Home is added.

⁵ Funding is increased for capital assets relating to 2015-17 bond payments.

⁶ One-time funding is added for completion of the irrigation system.

⁷ One-time funding is added for seven patient lifts.

This amendment also adds or changes sections providing:

- Authorization for the Veterans' Home to transfer up to \$84,000 during the 2013-15 biennium from the operating expense line item to the capital assets line item for removing asbestos from the previous Veterans' Home.
- The Veterans' Home may use up to \$325,000 from the Melvin Norgard memorial fund and up to \$463,200 from litigation proceeds and other funds, for the costs of construction of a shop addition for a total of up to \$788,200 during the 2013-15 biennium.
- The use of up to \$48,000 of its operating expenses line item to implement a new phone system at the Veterans' Home.
- An emergency clause relating to a line item transfer and the shop addition project.

TESTIMONY ON HB 1007
SENATE APPROPRIATIONS COMMITTEE
WEDNESDAY, MARCH 11, 2015

1
3-11-15
NB 1007

Chairman Holmberg and members of the Senate Appropriations Committee, I am Kristin Lunneborg, CFO at the North Dakota Veterans Home. I am here today to provide you some insight into our current biennium budget appropriation and to present our 2015-2017 budget needs.

Our 2013 – 2015 Budget Appropriation

Our current appropriation of \$25,036,622 includes \$23,437,828 for our operating budget, \$794,280 in construction carryover for the new veterans' home, \$788,200 for the construction of a resident workshop and \$16,314 in construction carryover to complete work on the oxbow and irrigation system.

Since our budget is based upon a higher occupancy than we have experienced we will not be using all of our salary and wages appropriation authority. Our facility has 52 skilled nursing home beds and 98 basic care beds. Since our move to the new facility in May 2011 we have had over 190 admissions. We have been able to consistently keep our skilled nursing home beds filled but have been unable to exceed the 88% occupancy rate for our basic care unit.

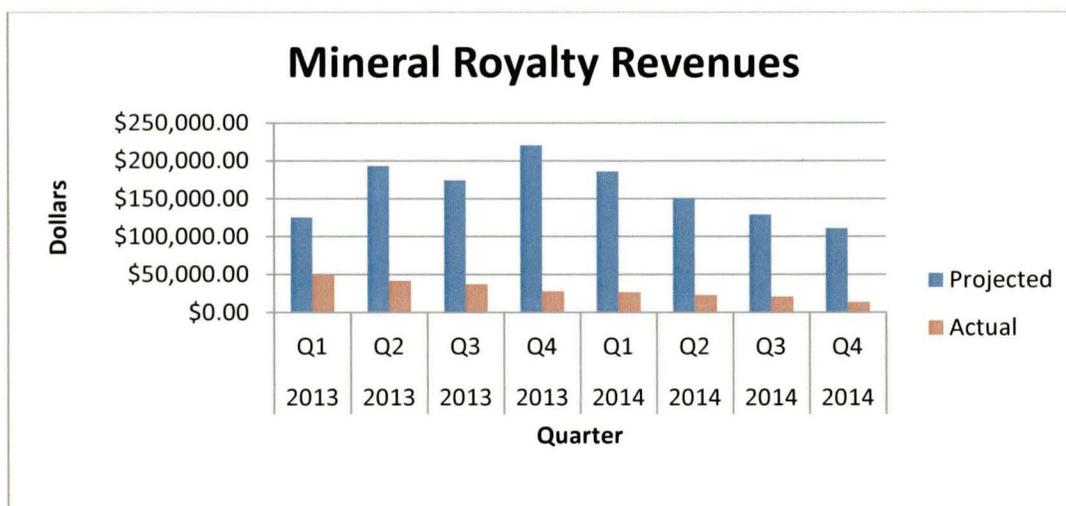
We have approximately 4 FTE in our budget that will not be filled until the occupancy is higher and the help is needed. Since we have not filled these positions this biennium we will have unused appropriation authority this biennium.

The lower than anticipated occupancy will result in unused appropriation authority for food, medications, medical supplies and professional services relating to the primary care of the veterans. I am anticipating that we will not use approximately \$500,000 of our current appropriation for operating expenses.

2013-2015 One-Time Items

One-time funding in the amount of \$1.0 million was appropriated in the current biennium for the demolition of the old veterans' home. RTS Shearing, LLC from Jamestown, ND was awarded the contract to demolish the old veterans' home for \$718,000. The \$718,000 bid does not include the asbestos removal which came in much higher than anticipated with a price tag of \$366,500. Since we only had \$282,000 left in the budget to pay for the asbestos removal, the House Appropriations committee added a section to our bill allowing us to transfer \$84,500 from our current biennium operating line to our capital assets line.

Our 2013-2015 capital budget included one-time funding of \$788,200 for a resident workshop. Legislation was passed last session allowing us to construct a resident workshop when "the balance in the Melvin Norgard fund is sufficient to cover all costs of the project". Since the mineral royalty projections are substantially lower than anticipated we have not been able to begin construction on the resident workshop. Projections received during last legislative session showed mineral royalty income of almost \$1.3 million by the end of 2014 but we have only received \$282,000. Below is a graph that illustrates what was projected and what we have actually received.



We have \$232,191 remaining in our construction carryover line that we have not spent on the building in case the funds are needed to settle any legal issues. We encountered legal situations with four of the companies contracted to work on the new veterans' home. Three of these situations have been settled. We were scheduled to go to court with the remaining contractor in March of 2015 but we were recently informed that the court date has been moved to March 2016. Since we will be unable to complete this project in the 2013-2015 biennium, a section has been added to our bill allowing us to carryover the remaining construction funds to the 2015-2017 biennium.

The final line in our 2013-2015 biennium budget relates to new veterans' home project carryover funds in the amount of \$16,313 to complete work on the oxbow and irrigation system. All projects have been completed and there is a small amount of unused appropriation authority remaining.

2015-2017 Budget

Attached is a two-sided spreadsheet; the first page shows the House changes to the Governor's recommended budget. The second page shows the changes we are requesting to the Governor's budget.

Included in the Governor's budget but removed by the House was \$429,624 in equity money for the nursing department. There is a high demand for direct care and nursing staff everywhere, making it difficult to recruit and retain staff. Turnover is high in direct care staff (25%) and LPNs (31%) and RN recruitment is very difficult. HRMS conducted a study of our nursing department staff and based upon market data found that our LPN salaries lag by up to 31% and our RN salaries lag by 14-25%. They were unable to find a direct comparison to our direct care Resident Living Specialist position as this position encompasses the roles of CNA, housekeeping, dietary and activities. They were able to determine that our salaries for this role still lagged behind the market data available for CNAs. We are requesting the \$429,624 in

equity funding included in the Governor's budget be added back into HB 1007 so we can remain competitive in the nursing industry. This amount does not affect the general fund as the funding source for this item comes from special funds, which is the money we generate.

In order for us to be able to attract and retain staff at the Veterans Home, we also ask that the state employee salary and benefit package be restored to the amount recommended in the Governor's budget.

There is only a slight change to our operating budget for the 2015-2017 biennium. We are reducing our overall base budget for operating expenses by \$102,850. This decrease can be attributed to a reduction in the budgeted amount for veteran medications. Based upon our historical data we have determined that the budgeted amount for this item should be reduced.

Following is a prioritized list of the capital items included in our budget request:

Capital Items Included in Veterans Home 2015-2017 Budget Request

1. Bond & Interest Payments	\$344,883	
2. Telephone System	\$48,000	*One-time expense
3. Equipment > \$5,000	\$96,700	*One-time expense
4. Install ceiling lifts	\$261,660	*One-time expense
5. Increased cost for resident workshop	\$126,800	*One-time expense
6. Administrator's House & demolition of old house	\$800,000	*One-time expense
7. Irrigation	\$83,000	*One-time expense
	<u>\$1,761,043</u>	

Capital Items in Optional Package

1. Bridge	<u>\$750,225</u>	*One-time expense
	<u>\$750,225</u>	

Part of the funding for the new veterans home included \$2.9 million in bonding that we started repaying in the 2011-2013 biennium. The projected bond and interest payments for the 2015-2017 biennium are \$344,883. This will reduce the amount outstanding on our bonds to \$2,490,000.

The remaining items requested in our capital asset line are all one-time items.

We were informed, after our budget was submitted, that our current phone system will need to be updated or replaced before 2017. When we presented to House Appropriations we discussed three options which included \$48,000 for an upgrade of the current system, \$47,800 for a new telephone system or funding authority to lease a system from the local telephone company. Since the telephone system was not included in our 2015-2017 budget request, and we will not be using all of the operating authority in our current biennium budget, House Appropriations added section 6 to our bill allowing us to spend up to \$48,000 from our operating line for a new telephone system. The purchase of a new telephone system is a capital expense rather than an operating expense. The language in Section 6 is also unclear as to which biennium this purchase should occur. We request that Section 6 of the bill be reworded to authorize a transfer of \$48,000 from the operating line to the capital assets line during the current biennium.

The next priority on our capital asset request is for equipment over \$5,000. Included in our initial budget request was funding for a NuStep (therapy equipment), 3 dishwashers, a toolcat, a bobcat broom, a Toro mower and a utility vehicle. House Appropriations removed funding for all items except the 3 dishwashers and the bobcat broom. We request that \$60,000 in special fund appropriation authority be added back to the capital asset line so all equipment items can be purchased.

We requested \$261,600 to install ceiling lifts in our therapy department and some of our resident rooms. These mechanical lifts have been very beneficial in reducing staff injuries and resulting workers compensation claims, reducing resident falls, skin tears and abrasions and they provide increased patient safety, comfort, security and dignity. Funding this request would allow us to install an additional 14 lifts. House Appropriations removed funding in the amount of \$130,830 from our request with the intent that we only purchase ceiling lifts for 7 rooms. We

ask that the \$130,830 in general fund authority be restored to our budget so we can install 14 ceiling lifts.

The next item on our capital asset list relates to the resident workshop. As I explained previously, we have been unable to start construction on the resident workshop due to the lack of mineral royalty income. We currently have many residents that build and create items in their own rooms; some of the residents even have their own power tools. This is not a safe environment and has also lead to damage to resident room furniture. The old veterans home had a resident workshop and painting studio but we were unable to include this in our new building due to budget constraints. There is a great need to build this resident workshop to provide safe facilities for the residents to construct their projects, be active and grow their imaginations.

When we presented to House Appropriations we brought an amendment forward that would allow us to change a portion of the funding source for the resident workshop from Norgard funds to special funds so we can begin construction in the near future. House Appropriations added Section 5 to our bill allowing us to spend \$325,000 from the Norgard fund and up to \$463,200 from litigation proceeds and other funds so we can begin construction in the near future.

Tied to this request is the next item listed on our capital asset request; the need to add an appropriation for \$126,800 to cover the increased cost of the resident workshop. The initial estimate received before last legislative session for the design drawn up by architect Jeff Sjoquist from Mednational was \$788,200. Based upon the square footage of 4,542 the current estimate is \$915,000, a difference of \$126,800. The Governor's budget included the \$126,800 but House Appropriations removed the funding. We ask that this funding please be restored in our budget.

Item number six on our list of capital assets is for the construction of a new Administrator's house as well as the demolition of the old house. If kept, the current house, which was built in 1907, needs a laundry list of repairs including those listed below:

- All wiring would need to be removed and replaced to meet current codes
- All plumbing would need to be removed and replaced
- All existing windows would need to be replaced
- The existing roof would need to be replaced
- A heating source would need to be installed in the house. The house is currently heated by the old steam boiler system which consists of three boilers located in the maintenance shop across the road. The longevity of these boilers is also in question as two of them were installed in 1956 and the other in 1981.
- Settling of the foundation and interior supports has caused interior and exterior cracking of the walls and damage to the floors, as well as a place for animals and insects to find a home. All these issues would need to be addressed.

The estimated cost to fix the majority of the items listed above is well above \$450,000. Since it does not seem cost beneficial to fix the existing home we are proposing to construct a new 4,000 sq. ft. residence on the grounds.

The funding to build a new Administrator's house and the cost to demolish the old Administrator's house were not included by the Governor or House Appropriations. The governing board of the veterans' home feels very strongly that a new residence needs to be built on campus as suitable housing in Lisbon is near impossible to find.

House Appropriations did not support funding for a new residence but added \$20,000 to the salary budget for a housing stipend for the Administrator. If the legislature decides to support the stipend over a new residence, the amount of the stipend needs to be increased significantly. The stipend becomes taxable to the recipient so approximately 30% of it would be

paid in taxes leaving very little to cover the cost of the housing benefits currently received. Further testimony will be given by other regarding the house and stipend.

The next capital asset item requested for the 2015-2017 budget is to complete the irrigation system on the veterans' home grounds. The \$83,000 in funding would allow us to complete the irrigation system on the grounds tying it into the current system so the entire system functions as one.

The final capital asset item was included as an optional package in our budget request but was included in the Governor's recommended budget. Funding would allow construction of a steel bridge approximately 200 ft. x 12 ft. to be erected over the Sheyenne River. This bridge would allow the residents safe access from the veterans' home grounds to 16th Avenue without having to cross the bridge on Jackson Street. Many of our residents walk or drive their scooters downtown. Lisbon has a limited number of areas you can cross to access the business district in downtown. Jackson Street, which is the closest, is an incredibly busy, narrow street that does not have a sidewalk. It is not a safe area for pedestrians. There is potential grant funding available from the Department of Transportation and the Outdoor Heritage Foundation that would cover a portion of the cost. The width of the bridge has been changed from our original proposal so the proposed funding of \$930,225 that was included in the Governor's budget has been reduced to \$750,225. In our initial budget request we asked that the difference between the bridge cost and the grants be funded with general funds. The Governor included the bridge in the executive budget recommendation as federal grant funding and special funds. We ask that the funding source be changed from special funds to general funds.

We hope that you will support our 2015-2017 budget request and help us to provide the care that our veterans deserve.

Kristin Lunneborg
North Dakota Veterans Home CFO
701-683-6503
klunneborg@nd.gov

HB 1007 - Veterans Home
Comparison of Executive Recommendation to House Version

	Executive Recommendation	House Changes	House Version
Salaries and wages	18,534,683	(899,030)	17,635,653
Operating expenses	5,306,001	(1)	5,306,000
Capital assets	1,843,268	(1,247,855)	595,413
Total all funds	25,683,952	(2,146,886)	23,537,066
Less estimated income	16,284,302	(1,569,894)	14,714,408
Total general fund	9,399,650	(576,992)	8,822,658

	Executive Recommendation			House Version			Change to Executive Recommendation		
	General Fund	Other Funds	Total Funds	General Fund	Other Funds	Total Funds	General Fund	Other Funds	Total Funds
Ongoing									
Housing Allowance for Administrator	-	-	-	5,000	15,000	20,000	5,000	15,000	20,000
Performance Increase	623,320	53,031	676,351	481,364	24,279	505,643	(141,956)	(28,752)	(170,708)
Market Increase	240,151	9,493	249,644	-	-	-	(240,151)	(9,493)	(249,644)
Targeted Market Increase	-	429,624	429,624	-	-	-	-	(429,624)	(429,624)
Retirement Increase	69,055	-	69,055	-	-	-	(69,055)	-	(69,055)
Health Increase	-	-	-	-	-	-	-	-	-
Total Ongoing	932,526	492,148	1,424,674	486,364	39,279	525,643	(446,162)	(452,869)	(899,031)
One-Time									
Increased construction cost for workshop	-	126,800	126,800	-	-	-	-	(126,800)	(126,800)
Pedestrian Bridge	-	930,225	930,225	-	-	-	-	(930,225)	(930,225)
Irrigation System	-	83,000	83,000	-	83,000	83,000	-	-	-
Ceiling Lifts	261,660	-	261,660	130,830	-	130,830	(130,830)	-	(130,830)
Equipment Over \$5,000	-	96,700	96,700	-	36,700	36,700	-	(60,000)	(60,000)
Total One-Time	261,660	1,236,725	1,498,385	130,830	119,700	250,530	(130,830)	(1,117,025)	(1,247,855)
Total Budget Changes	1,194,186	1,728,873	2,923,059	617,194	158,979	776,173	(576,992)	(1,569,894)	(2,146,886)

6.9

**HB 1007 - Veterans Home
Comparison of Executive Recommendation to Veterans Home Request**

	Executive Recommendation	Vets Home Changes	Requested Version
Salaries and wages	18,534,683	-	18,534,683
Operating expenses	5,306,001	-	5,306,001
Capital assets	1,843,268	620,000	1,223,268
Total all funds	25,683,952	620,000	26,303,952
Less estimated income	16,284,302	319,775	16,604,077
Total general fund	9,399,650	300,225	9,699,875

	Executive Recommendation			Veterans Home Version			Change to Executive Recommendation		
	General Fund	Other Funds	Total Funds	General Fund	Other Funds	Total Funds	General Fund	Other Funds	Total Funds
Ongoing									
Performance Increase	623,320	53,031	676,351	623,320	53,031	676,351	-	-	-
Market Increase	240,151	9,493	249,644	240,151	9,493	249,644	-	-	-
Targeted Market Increase		429,624	429,624		429,624	429,624	-	-	-
Retirement Increase	69,055		69,055	69,055		69,055	-	-	-
Health Increase			-			-	-	-	-
Total Ongoing	932,526	492,148	1,424,674	932,526	492,148	1,424,674	-	-	-
One-Time									
Increased construction cost for workshop	-	126,800	126,800	-	126,800	126,800	-	-	-
Ceiling Lifts	261,660	-	261,660	261,660	-	261,660	-	-	-
Equipment Over \$5,000	-	96,700	96,700		96,700	96,700			
Administrator's House	-	-	-	-	600,000	600,000	-	600,000	600,000
Demo of existing Administrator's House	-	-	-	-	200,000	200,000	-	200,000	200,000
Irrigation Completion	-	83,000	83,000	-	83,000	83,000	-	-	-
Pedestrian Bridge (Vets Home optional)	-	930,225	930,225	300,225	450,000	750,225	300,225	(480,225)	(180,000)
Total One-Time	261,660	1,236,725	1,498,385	561,885	1,556,500	2,118,385	300,225	319,775	620,000
Total Budget Changes	1,194,186	1,728,873	2,923,059	1,494,411	2,048,648	3,543,059	300,225	319,775	620,000

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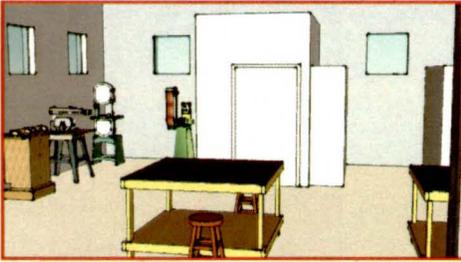
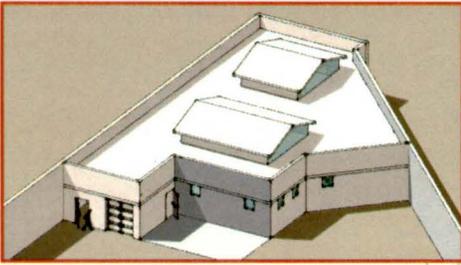
VETERANS HOME 2015-2017 BUDGET REQUESTS

- Restore special fund appropriation authority of \$429,624 to the salary and wages line for nursing department equity
- Reword Section 6 of HB 1007 to authorize a transfer during the current biennium of \$48,000 from the operating line to the capital asset line for the purchase of a new phone system
- Restore \$60,000 in special fund appropriation authority to the capital asset line so all items on the equipment over \$5,000 list can be purchased
- Restore \$130,830 in general fund appropriation authority to the capital asset line so we can install 14 ceiling lifts instead of 7
- Restore \$126,800 in special fund appropriation authority to the capital asset line for the increased cost of the workshop
- Add \$600,000 in special fund appropriation authority to the capital asset line for the construction of an Administrator's residence
- Add \$200,000 in special fund appropriation authority to the capital asset line for the demolition of the current Administrator's residence
- Restore funding to the capital asset line for a pedestrian bridge in the amount of \$750,225; \$450,000 in federal funds and \$300,225 in general funds

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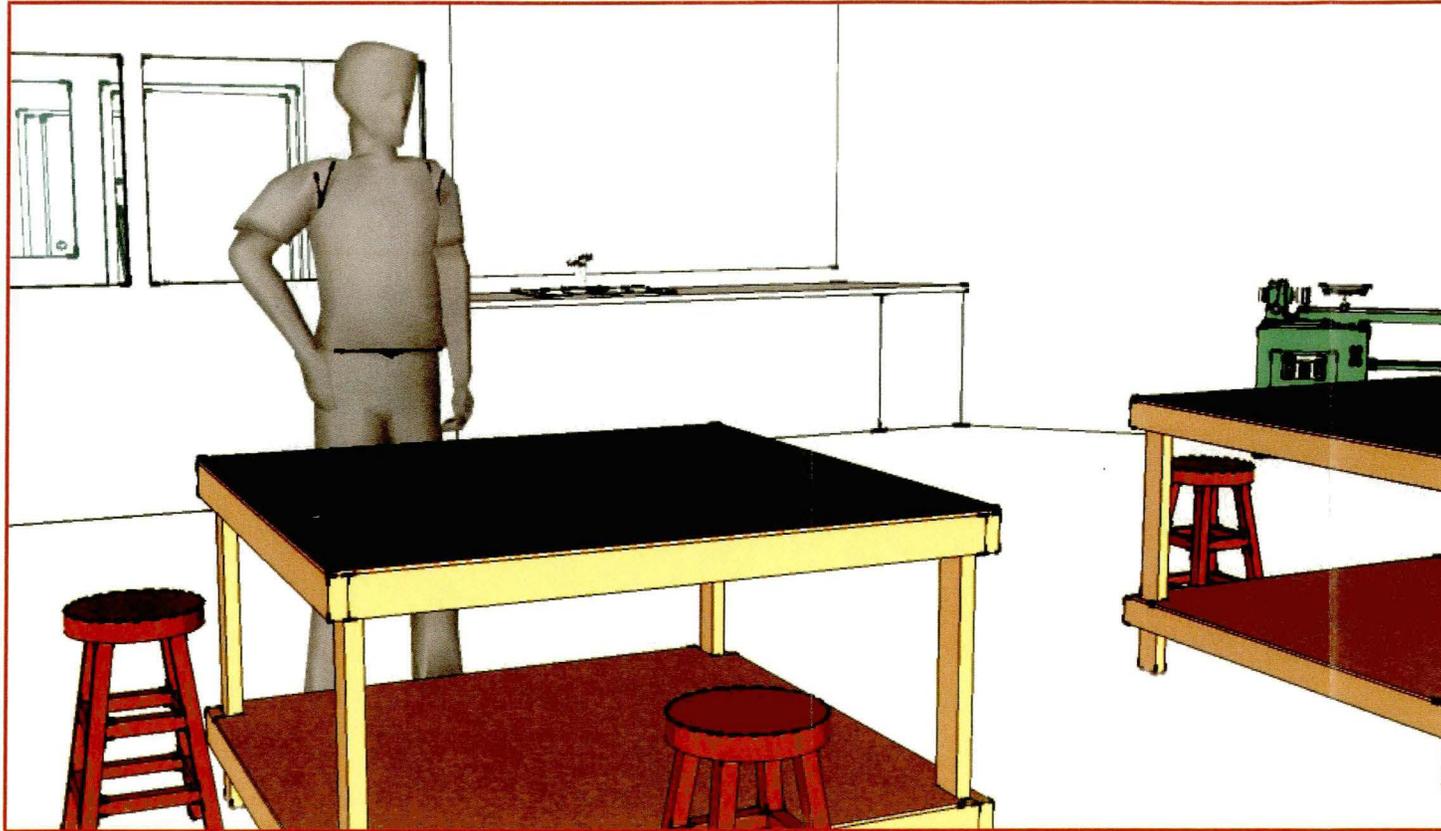
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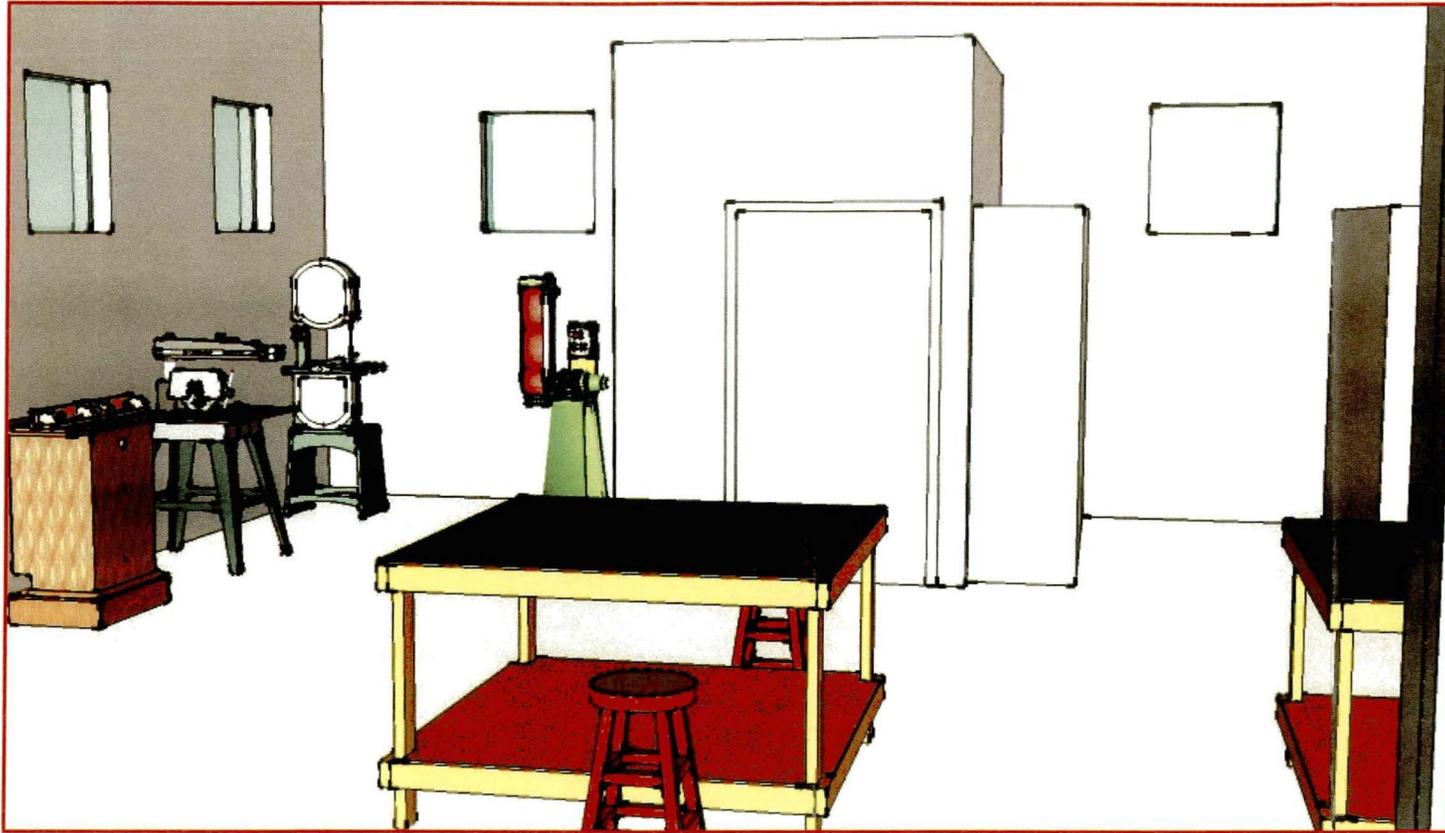
MEDNATIONAL PRESENTS:

DESIGN PLANS FOR THE
NORTH DAKOTA VETERANS HOME



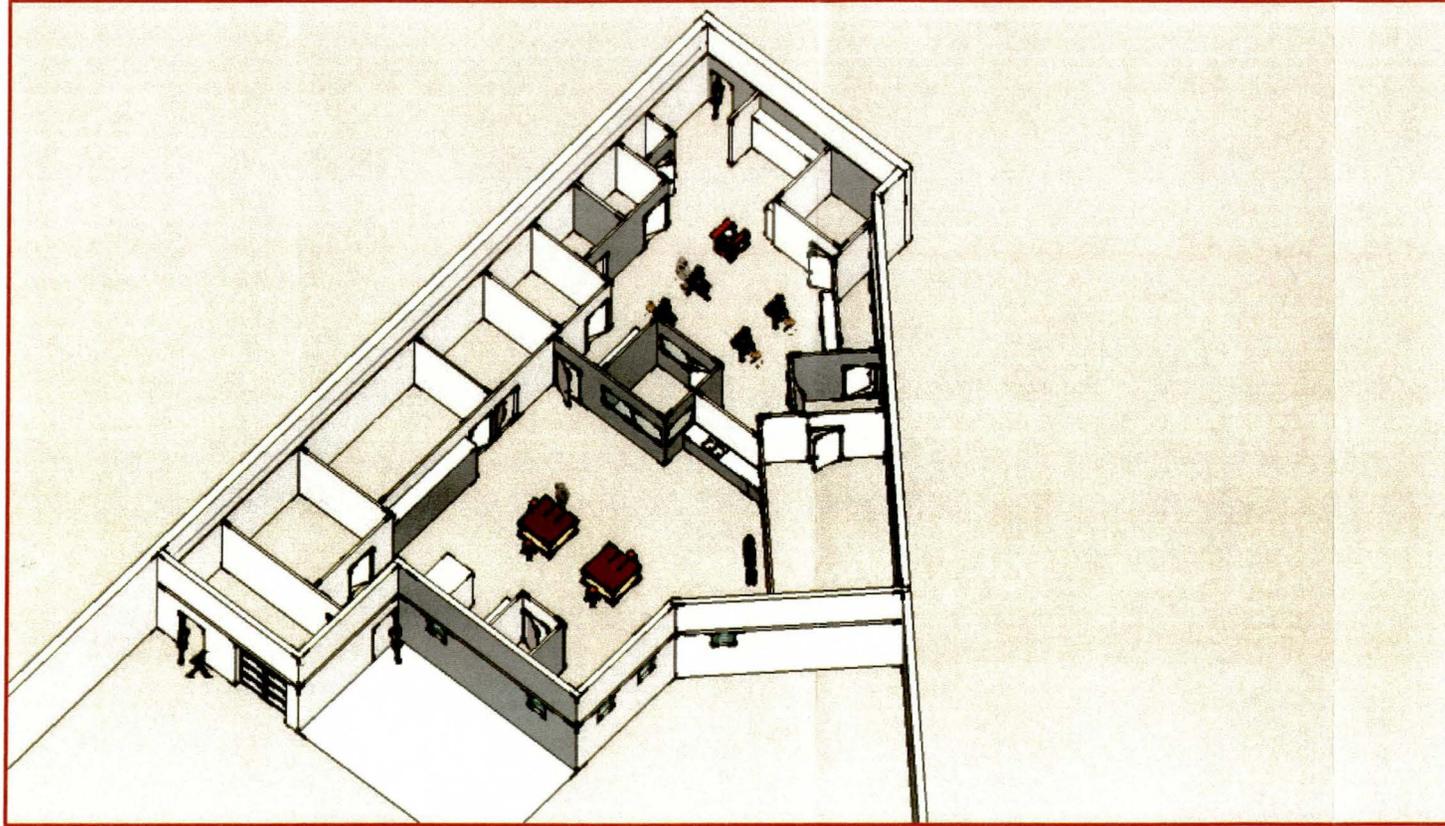
4265 45th Street South
Suite 200
Fargo, ND 58104
PH: (701) 499-0212

NORTH DAKOTA VETERANS HOME



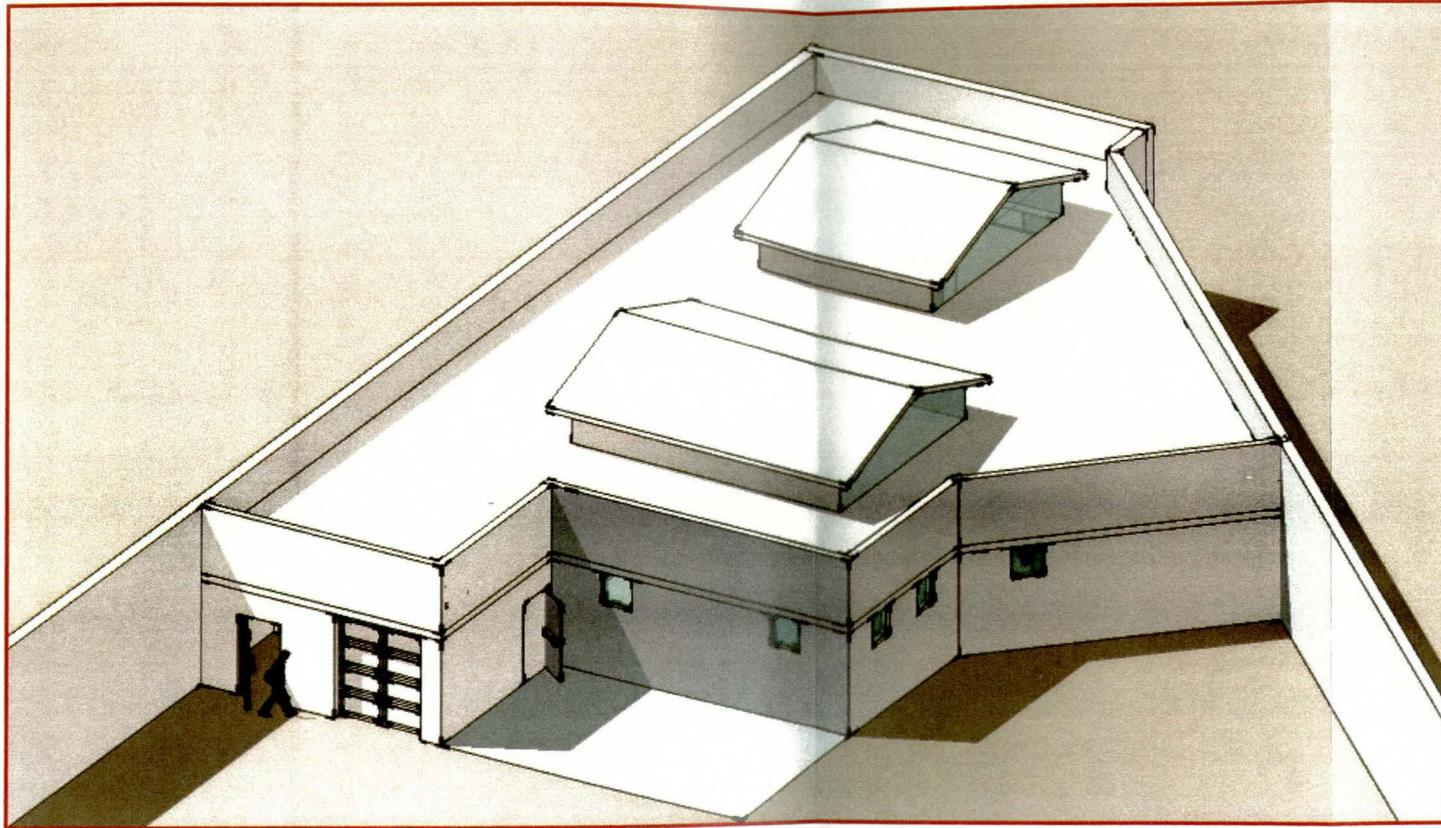
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NORTH DAKOTA VETERANS HOME



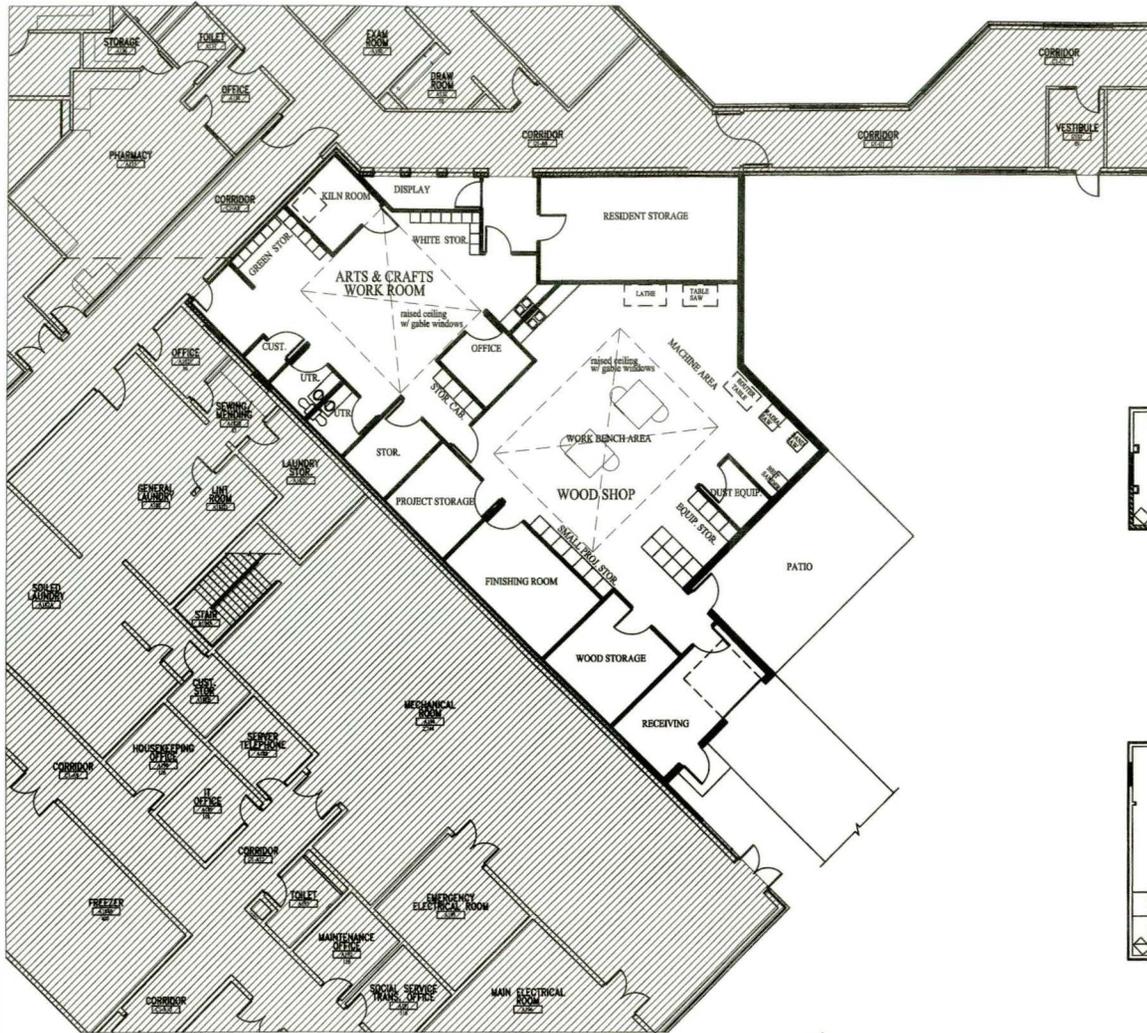
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NORTH DAKOTA VETERANS HOME



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NORTH DAKOTA VETERANS HOME

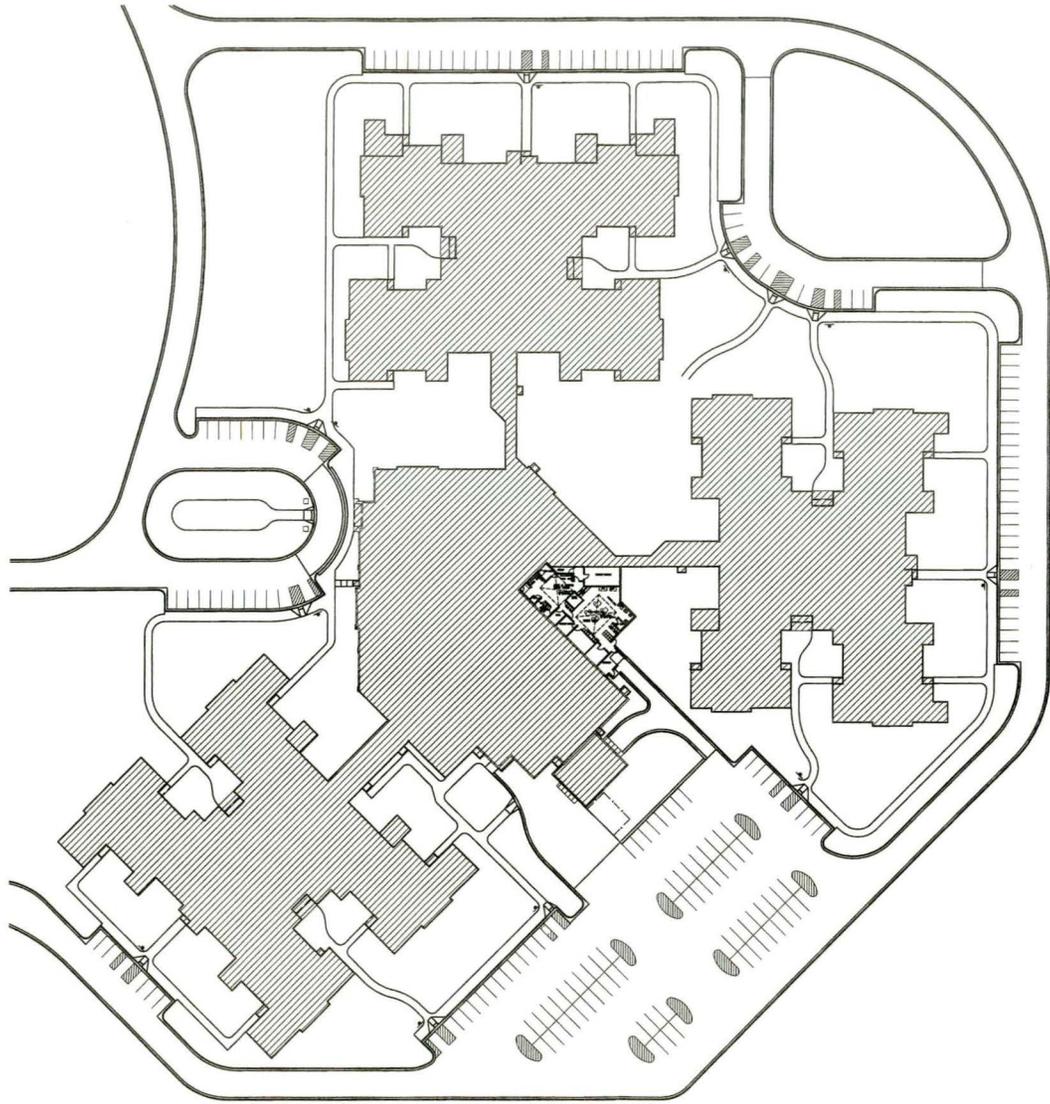


FLOOR PLAN
ADDITION AREA: 4,504 GSF



4265 45th Street South
Suite 200
Fargo, ND 58104
PH: (701) 499-0212

NORTH DAKOTA VETERANS HOME



4265 45th Street South
Suite 200
Fargo, ND 58104
PH: (701) 499-0212

NORTH DAKOTA VETERANS HOME

Cost Estimate

Construction Estimate

Site Work -	\$9.31/SF
Substructure -	\$11.13/SF
Shell -	\$63.60/SF
Interior -	\$16.00/SF
Plumbing -	\$17.39/SF
HVAC -	\$29.38/SF
Electrical -	\$20.80/SF
Fire Protection -	\$5.93/SF
<hr/>	
Total SF Cost =	\$173.54/SF

Total construction cost = \$782,000



4265 45th Street South
Suite 200
Fargo, ND 58104
PH: (701) 499-0212

NORTH DAKOTA VETERANS HOME

#3
HB 1007
3-11-15

NORTH DAKOTA VETERANS COORDINATING COUNCIL

Mr. Chairman and members of the Committee:

My name is Lyle Schuchard, I AM A MEMBER OF THE Legislative Committee of the North Dakota Veterans Coordinating Council. The Coordinating Council is made up of 15 members, 3 from each of the five veterans' organizations in North Dakota. They are:

- American Legion**
- AMVETS**
- Disabled American Veterans**
- Veterans of Foreign Wars**
- Vietnam Veterans of America**

I served in the United States Army for two years and in the Army Reserves for 26 years, retiring as a Sergeant Major.

It is the policy of the Coordinating Council to support Legislation that will benefit the welfare of the members of the Armed Forces. The committee must concur totally, that is all 15 members must agree on the Legislation to be supported, or else it does not get the support.

In this case I have been instructed to recommend to this Legislative Committee that a "Do Pass" on HB 1007 is supported by the Veterans Coordinating Council. Mr. Chairman that is my testimony.

If there are any questions I will try to answer them at this time.

TESTIMONY ON HB 1007
SENATE APPROPRIATIONS COMMITTEE
WEDNESDAY, MARCH 11, 2015

3-11-15
of
HB 1007

Chairman Holmberg and members of the Senate Appropriations , I am Dean Overby, chairman of the ACOVA and North Dakota Veterans Home governing board member.

I am here today to ask your support for an Administrator's residence to be built on the Veterans Home grounds. As already discussed the current residence is old and has served its purpose. The high cost to repair the house and bring it up to code is not cost beneficial. The North Dakota governing board feels very strongly that a residence needs to be built on the grounds. If we are to attract and retain future administrators we need to be able to provide housing as there is a very limited amount of housing available in the Lisbon area. The demand for housing in Lisbon is higher than the supply, thanks to the largest employer in the area, Bobcat Manufacturing.

If the legislature decides to follow the path of House Appropriations and fund a stipend the amount of the stipend needs to be increased. The administrator's current housing package includes the residence, heat, electricity, water, sewer and garbage service. The Veterans Home pays the insurance on the residence and there are no property taxes. If we provide a stipend to the administrator all of these things need to be taken into consideration. The stipend is also taxable to the administrator so the cash value is 30% less than the amount of the stipend.

Following are the monthly rates based upon the housing market in Lisbon:

Rent for dwelling	\$800 - \$1,000
Average heating cost	\$250
Electricity	\$125
Utilities	\$150

Based upon this, the total value of a housing package would be closer to \$1,325 to \$1,525 per month. If you figure in the taxes that will be paid on the stipend the value of the housing package should be closer to \$1,725 - \$1,975.

Ho /

ND Veterans Home-Commandants Residence-Testimony

HB 1007
#5
3-11-15



Testimony prepared and presented by: Bruce A. Fadness

Owner/Broker/Certified General Real Property Appraiser

Fadness Realty and Appraisal

13-11th Ave West

Lisbon, ND

Chairman Pollert and members of the Human Resources Committee, my name is Bruce Fadness, and I have 30 years of real estate sales and appraising experience in Lisbon. I was contacted to give an unbiased opinion of the North Dakota Veterans Home Commandant's residence that is located on the grounds of the North Dakota Veterans Home in Lisbon, ND. I toured the home with Mr. Mark Johnson, Commandant.

BRIEF BACKGROUND AND DESCRIPTION OF THE HOME

The ND Veterans Home is over 100 years old and is a basic 4-square, two and one half story design. The current condition of the home would be rated poor with many deficiencies in electrical, plumbing, heating, insulation, windows, doors, roofing material. The home has had no updating of the kitchen and bathrooms for the past 30 years as indicated by the cabinetry and fixtures found in the kitchen and bathrooms.

This home is heated by a central boiler, which is not a practical source for heating as the heat is coming from a source that is not attached to the current structure. The heat is brought to the home through a tunnel system with poor insulation surrounding the pipes causing loss of heat. There is water leaking from the pipes and found on the basement floor. The home is cooled with individual air conditioning wall units, which are not very efficient or practical. The windows and doors are old and are not energy efficient along with the fact that there is little, if any, insulation in the exterior walls, making the heating of this home very difficult.

The electrical wiring has had some updating, but it is unknown to what extent and if the electrical updates have been done to code. It appears that outlets have been added, but the number of outlets is not sufficient for all the electronics found in most homes today.

There seems to be settling of the structure which is evidenced in the unevenness of the floors throughout the home. The exterior of the home has brick and tuck pointing has been done in many areas where the settling has caused the mortar and the bricks to separate. The basement area has several floor jacks that are used for additional support and this would indicate some structural and foundation weakness. There are also large cracks in the floor of the basement along with the floor of the garage. In fact, there is a tapered piece of wood that is used to help cover a gap when the garage door is closed.

The main negative to the home is that it is functionally obsolete. The room layout is such that all of the bedrooms are located on the second and third floors and the laundry is located in the basement. This is not very practical to have to haul laundry up and down 2 – 3 flights of stairs.

Also there is a small ½ bath on the main level and the only full bathrooms are located on the second and third floors.. The garage is attached to the basement level of the home so it is necessary to go up or down stairs in order to use the garage. This also means that groceries and other items would need to be hauled up a flight of stairs from the garage and this is another functional obsolescence for this home

The home is not handicapped accessible as there are no ramps to even to get into its main level. It is currently not possible for this home to be used for caring for or entertaining handicapped individuals. The ½ bath on the main level is only about 4' x 4' and could not be accessed with someone in a wheel chair. The only way to correct the issue of the bathrooms and bedrooms being on the second and third levels and making them accessible to a handicapped individual would be with an elevator system.

An estimate of the cost to cure was completed in December, 2014 and the total was \$517,881. The current condition and the cost to cure the deficiencies make the restoration of this home very costly and some of the functional obsolescence may not be able to be cured based on cost and structural design. There is a point when a structure has outlived its usefulness and functional utility and the cost to cure becomes too expensive or deficiencies just cannot be cured.

A positive for the home is that it has most of the original woodwork and hardwood floors on the main level along with some stained glass windows that could be salvaged, but the woodwork on the second level does not appear to be original.

LISBON HOUSING

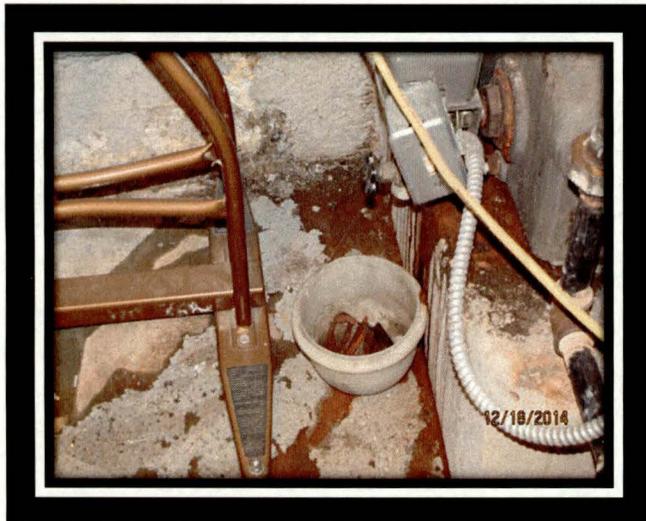
Housing in Lisbon is and probably will continue to be very tight with demand outpacing the supply of homes. There are usually 1 or 2 new speculative homes built a year and are usually sold prior to completion. The housing market is driven by the largest employer in the area, Bobcat Manufacturing, in Gwinner, ND. Many workers commute the 15 miles to work there and this creates not only a demand for homes to purchase, but also rental units.

Rental properties are nearly non-existent in Lisbon. The vacancy rate is less than 5% with most of the rental units being older homes that are currently renting from \$650-\$800 per month and these would be 2 and 3 bedroom homes with less than 1500 sq. ft. The commandant's home has 5 bedrooms and nearly one and one half times the square footage and if the commandant's

home were a rentable unit it would rent for \$1000/month, utilities would be an additional \$600/month for a total of \$1600/month housing cost.

The lack of rental homes and homes for purchase in Lisbon would not be a positive when recruiting a new commandant. The current condition of the commandant's home would be a definite negative due to many current deficiencies and inadequacies of the structure. If adequate housing on site were not provided for the commandant, the ability to recruit a new commandant would be very difficult based on the current housing trends in Lisbon







6
HB 1007
3-11-15

Testimony for the 8:30 a.m. and 2:00 p.m. January 26, 2011 hearing for the North Dakota Veterans Home Budget including the proposed request for a replacement dwelling for the Administrator/Commandant constructed on our site. My name is Norris Braaten and I am the Chairman of the North Dakota Veterans Home Governing Board.

In the budget for the North Dakota Veterans Home, OMB has suggested a \$20,000.00 stipend for the period July 1, 2011 to June 30, 2013 to compensate our Administrator for the dwelling he and his family are furnished. To adequately arrive at a compensation for the dwelling one needs to return to the negotiations from 2006 at the time our present administrator was hired. We were proud of the fact we were able to successful locate an experienced former North Dakota nursing home manager to return from the State of Washington to accept this position. As we determined the salary the board considered and discussed with the Administrator the value of furnishing the residence and assigned an amount we determined to represent a fair and equitable salary.

One must recognize we affect net amount of salary translating into available cash. First, we convert a tax free benefit into a taxable event. Second, one must return to the amount assigned as salary in lieu of the value the board placed on the residence as we negotiated his return to our state. My notes indicate he was to be furnished the dwelling, expense of cleaning the residence from pet damage which had occurred in the past, heat, electricity, water, garbage removal and telephone was considered in this benefit package. I would submit the following amounts per month considered in 2006 as we determined the Administrator's salary:

Rent for a dwelling	\$700.00
Heat-monthly average for a season	250.00
Electricity	125.00
Basic fee for telephone and other utilities	150.00

The total of the basic fees for rent and utilities was estimated at \$1225.00 or \$14,700 annually and translated to a taxable event the minimum addition required to allow for social security and medicare tax deduction as an employee

6.1

and income tax, the amount of 33% would represent an annual cash equivalent of \$19,551.00 annually. As one considers the aspect of inflation for 5 years it is apparent the proposed stipend would be inadequate. Either the amount of the stipend needs to be increased or the board be given authority to increase the salary to compensate for the loss of spendable income.

I request this committee consider these items as we proceed to resolve the issue of investing in a future dwelling or furnishing a stipend to our Administrator.

VETERANS HOME 2015-2017 BUDGET REQUESTS

1007 Subcomm
3.26-15
#1

- Restore special fund appropriation authority of \$429,624 to the salary and wages line for nursing department equity
- Reword Section 6 of HB 1007 to authorize a transfer during the current biennium of \$48,000 from the operating line to the capital asset line for the purchase of a new phone system
- Restore \$60,000 in special fund appropriation authority to the capital asset line so all items on the equipment over \$5,000 list can be purchased
- Restore \$130,830 in general fund appropriation authority to the capital asset line so we can install 14 ceiling lifts instead of 7
- Restore \$126,800 in special fund appropriation authority to the capital asset line for the increased cost of the workshop
- Add \$600,000 in special fund appropriation authority to the capital asset line for the construction of an Administrator's residence
- Add \$200,000 in special fund appropriation authority to the capital asset line for the demolition of the current Administrator's residence
- Restore funding to the capital asset line for a pedestrian bridge in the amount of \$750,225; \$450,000 in federal funds and \$300,225 in general funds

April 2, 2015

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1007

Page 1, replace line 11 with:

"Salaries and wages	\$15,874,867	\$2,059,737	\$17,934,604"
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Page 1, replace lines 13 through 17 with:

"Operating expenses	5,408,850	(97,850)	5,311,000
Capital assets	<u>501,040</u>	<u>395,003</u>	<u>896,043</u>
Total all funds	\$22,242,953	\$1,898,694	\$24,141,647
Less estimated income	<u>15,081,100</u>	<u>334,822</u>	<u>15,415,922</u>
Total general fund	\$7,161,853	\$1,563,872	\$8,725,725"

Page 2, replace line 1 with:

"Shop addition	788,200	126,800"
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Page 2, replace lines 3 through 6 with:

"Equipment	<u>0</u>	<u>326,360</u>
Total all funds	\$1,909,200	\$536,160
Less estimated income	<u>1,348,700</u>	<u>377,330</u>
Total general fund	\$560,500	\$158,830"

Page 2, after line 10, insert:

"SECTION 3. ADDITIONAL INCOME - APPROPRIATION - PEDESTRIAN BRIDGE. In addition to the amounts included in the estimated income line item in section 1 of this Act, any additional amounts in the Melvin Norgard memorial fund, or from litigation proceeds or other funds that become available to the veterans' home are appropriated up to \$550,000, subject to budget section approval, for the purpose of constructing a pedestrian bridge, for the biennium beginning July 1, 2015, and ending June 30, 2017. The funding included in this section is considered one-time funding."

Page 2, line 18, replace "\$84,500" with "\$132,500"

Page 2, remove lines 26 through 28

Page 2, line 29, replace "and" with a comma

Page 2, line 29, after "5" insert ", and 6"

Re-number accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1007 - Veterans' Home - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$15,874,867	\$17,635,653	\$298,951	\$17,934,604
Operating expenses	5,408,850	5,306,000	5,000	5,311,000
Capital assets	501,040	595,413	300,630	896,043
Accrued leave payments	458,196			

This amendment also provides:

- Authorizes the Veterans' Home to transfer up to \$132,500 during the 2013-15 biennium from the operating expense line item to the capital assets line item for removing asbestos from the previous Veterans' Home facility (\$84,500) and to implement a new phone system (\$48,000).
- Removes a section requiring the Veterans' Home use funding provided for operating expenses in the 2015-17 biennium for a new phone system.