

2021 SENATE APPROPRIATIONS

SB 2007

**Department 313 - Veterans' Home
Senate Bill No. 2007**

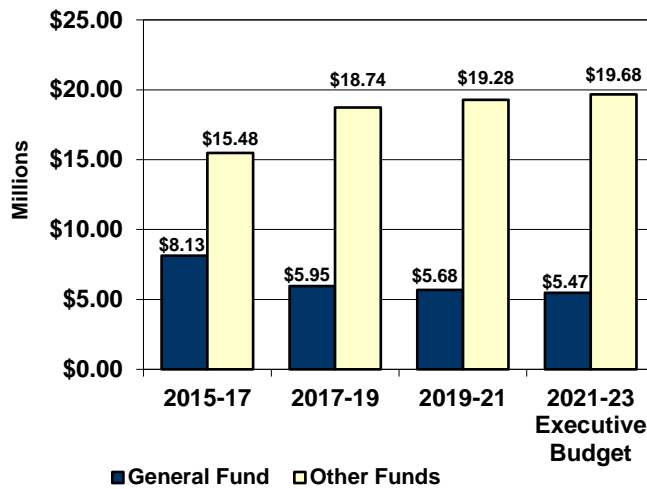
Executive Budget Comparison to Prior Biennium Appropriations

	FTE Positions	General Fund	Other Funds	Total
2021-23 Executive Budget	114.79	\$5,466,701	\$19,677,382	\$25,144,083
2019-21 Legislative Appropriations	120.72	5,679,324	19,275,822	24,955,146
Increase (Decrease)	(5.93)	(\$212,623)	\$401,560	\$188,937

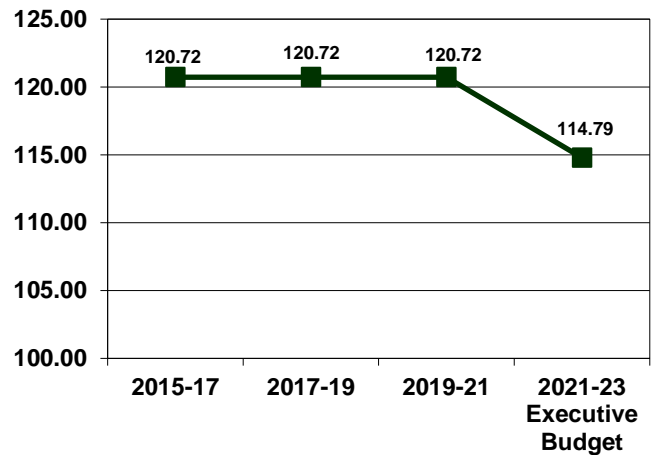
Ongoing and One-Time General Fund Appropriations

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2021-23 Executive Budget	\$5,466,701	\$0	\$5,466,701
2019-21 Legislative Appropriations	5,654,324	25,000	5,679,324
Increase (Decrease)	(\$187,623)	(\$25,000)	(\$212,623)

Agency Funding



FTE Positions



Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
2021-23 Executive Budget	\$5,466,701	\$19,677,382	\$25,144,083
2021-23 Base Level	5,654,324	18,751,772	24,406,096
Increase (Decrease)	(\$187,623)	\$925,610	\$737,987

Attached as an appendix is a detailed comparison of the executive budget to the agency's base level appropriations.

Executive Budget Highlights

	General Fund	Other Funds	Total
1. Provides funding for state employee salary and benefit increases, of which \$397,640 is for salary increases, \$6,365 is for health insurance increases, and \$73,269 is for retirement contribution increases	\$109,698	\$367,576	\$477,274
2. Adjusts funding for base payroll changes, including the removal of 1 unfunded FTE resident living specialist position. Special funds are added from the soldier's home fund.	(\$36,873)	\$224,047	\$187,174
3. Removes 2 FTE skilled care positions, including 1 FTE administrative assistant I position (\$135,039) and 1 FTE direct care associate I position (\$119,890)	(\$254,929)	\$0	(\$254,929)
4. Removes 1.93 FTE basic care positions, including 1 FTE resident living specialist II position (\$126,278) and a 0.93 FTE licensed practical nurse II position (\$147,495)	(\$273,773)	\$0	(\$273,773)

5. Adjusts funding for repairs and maintenance costs from the soldier's home fund by reducing \$191,579 from the salaries and wages line item and adding \$191,921 in the operating expenses line item. Of the amount reduced in the salaries and wages line item, \$142,421 is for the removal of 1 FTE general trades maintenance worker I position. Funding added in the operating expenses line item would be used for contract maintenance work.	\$0	\$342	\$342
6. Adds funding for resident medication to provide a total of \$1,203,216 for medical, dental, and optical expenses	\$238,500	\$0	\$238,500
7. Adds one-time funding from the soldier's home fund for equipment, including a carpet shampooer (\$10,700) and humidifiers (\$6,000)	\$0	\$16,700	\$16,700
8. Adds one-time funding from the soldier's home fund to replace flooring in half of the basic care areas of the Veterans' Home. The 2019 Legislative Assembly appropriated \$138,700 from this fund to replace all of the flooring in the skilled care areas of the Veterans' Home.	\$0	\$131,500	\$131,500
9. Adds one-time funding from the Melvin Norgard memorial fund for a memorial garden project	\$0	\$200,000	\$200,000

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

There are no other sections for this agency.

Continuing Appropriations

Custodial funds - North Dakota Century Code 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.

Deficiency Appropriation

There are no deficiency appropriations for this agency.

Significant Audit Findings

The operational audit for the Veterans' Home conducted by the State Auditor's office for the period ending June 20, 2019, identified no significant audit findings.

Major Related Legislation

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

Veterans' Home - Budget No. 313
Senate Bill No. 2007
Base Level Funding Changes

	Executive Budget Recommendation			
	FTE Position	General Fund	Other Funds	Total
2021-23 Biennium Base Level	120.72	\$5,654,324	\$18,751,772	\$24,406,096
2021-23 Ongoing Funding Changes				
Base payroll changes	(1.00)	(\$36,873)	\$224,047	\$187,174
Salary increase		91,395	306,245	397,640
Health insurance increase		1,463	4,902	6,365
Retirement contribution increase		16,840	56,429	73,269
Removes skilled care positions	(2.00)	(254,929)		(254,929)
Removes basic care positions	(1.93)	(273,773)		(273,773)
Adjusts funding for repairs and maintenance costs	(1.00)		342	342
Adds funding for Microsoft Office 365 license expenses		29,613	3,448	33,061
Adds funding for information technology services and fees		141	37,859	38,000
Reduces funding for professional service fees and staff training			(57,400)	(57,400)
Adds funding for resident medication		238,500		238,500
Adjusts funding for bond and interest payments			1,538	1,538
Total ongoing funding changes	(5.93)	(\$187,623)	\$577,410	\$389,787
One-time funding items				
Adds funding for equipment			\$16,700	\$16,700
Adds funding for a basic care flooring project			131,500	131,500
Adds funding for a memorial garden project			200,000	200,000
Total one-time funding changes	0.00	\$0	\$348,200	\$348,200
Total Changes to Base Level Funding	(5.93)	(\$187,623)	\$925,610	\$737,987
2021-23 Total Funding	114.79	\$5,466,701	\$19,677,382	\$25,144,083
<i>Total ongoing changes as a percentage of base level</i>	(4.9%)	(3.3%)	3.1%	1.6%
<i>Total changes as a percentage of base level</i>	(4.9%)	(3.3%)	4.9%	3.0%

Other Sections in Veterans' Home - Budget No. 313

Executive Budget Recommendation

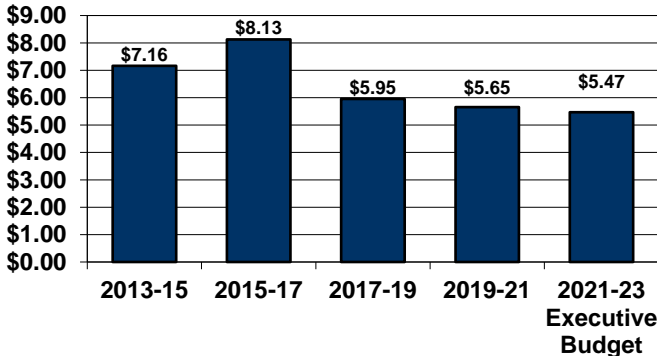
There are no other sections for this agency.

Department 313 - Veterans' Home

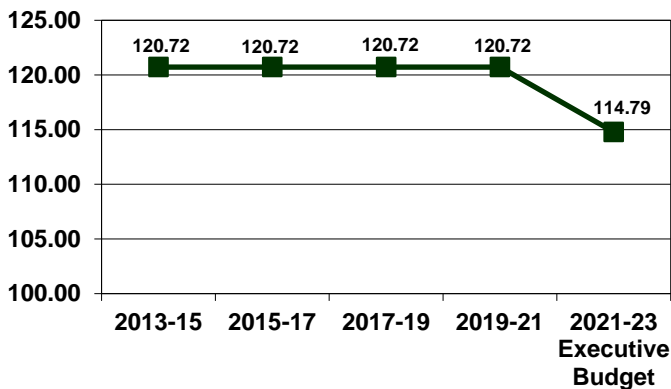
Historical Appropriations Information

Ongoing General Fund Appropriations Since 2013-15

Ongoing General Fund Appropriations (in Millions)



FTE Positions



Ongoing General Fund Appropriations					
	2013-15	2015-17	2017-19	2019-21	2021-23 Executive Budget
Ongoing general fund appropriations	\$7,161,853	\$8,128,024	\$5,951,439	\$5,654,324	\$5,466,701
Increase (decrease) from previous biennium	N/A	\$966,171	(\$2,176,585)	(\$297,115)	(\$187,623)
Percentage increase (decrease) from previous biennium	N/A	13.5%	(26.8%)	(5.0%)	(3.3%)
Cumulative percentage increase (decrease) from 2011-13 biennium	N/A	13.5%	(16.9%)	(21.0%)	(23.7%)

Major Increases (Decreases) in Ongoing General Fund Appropriations

2015-17 Biennium

- 1. Adjusted operating expenses by increasing funding from the general fund (\$103,375) and decreasing funding from special funds (\$206,225) \$103,375

2017-19 Biennium

- 1. Adjusted the funding source from the general fund to the soldiers' home fund for a portion of salaries and wages (\$2,000,000)
- 2. Adjusted funding for operating expenses \$510,268

2019-21 Biennium

- 1. Unfunded 6 FTE positions, of which \$355,309 is from the general fund and \$483,731 is from the soldiers' home fund (\$355,309)

2021-23 Biennium (Executive Budget Recommendation)

- 1. Removes 2 FTE skilled care positions, including 1 FTE administrative assistant I position (\$135,039) and 1 FTE direct care associate I position (\$119,890) (\$254,929)
- 2. Removes 1.93 FTE basic care positions, including 1 FTE resident living specialist II position (\$126,278) and a 0.93 FTE licensed practical nurse II position (\$147,495) (\$273,773)

**GOVERNOR'S RECOMMENDATION FOR THE
VETERANS' HOME AS SUBMITTED BY
THE OFFICE OF MANAGEMENT AND BUDGET**

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the veterans' home for the purpose of defraying the expenses of the veterans' home, for the biennium beginning July 1, 2021 and ending June 30, 2023, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and Wages	\$18,916,632	(\$55,833)	\$18,860,799
Operating Expenses	5,083,731	444,082	5,527,813
Capital Assets	<u>405,733</u>	<u>349,738</u>	<u>755,471</u>
Total All Funds	\$24,406,096	\$ 737,987	\$25,144,083
Less Estimated Income	<u>18,751,772</u>	<u>925,610</u>	<u>19,677,382</u>
Total General Fund	\$ 5,654,324	(\$187,623)	\$5,466,701
Full-time Equivalent Positions	120.72	(5.93)	114.79

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

<u>One-Time Funding Description</u>	<u>2019-21</u>	<u>2021-23</u>
Equipment	\$ 99,400	\$0
Strategic Plan	25,000	0
Administrator's Residence Demolition	233,450	0
Security System Upgrades	52,500	0
Flooring Project	138,700	131,500
Memorial Garden	<u>0</u>	<u>200,000</u>
Total All Funds	\$549,050	\$331,500
Less Estimated Income	<u>524,050</u>	<u>331,500</u>
Total General Fund	\$ 25,000	\$0

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

2021 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee
Roughrider Room, State Capitol

SB 2007
1/7/2021
Senate Appropriations Committee

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

Chairman Holmberg called the meeting to order at 8:30 a.m. Senators Holmberg, Krebsbach, Wanzek, Bekkedahl, Poolman, Erbele, Dever, Oehlke, Rust, Davison, Hogue, Sorvaag, Mathern, and Heckaman were present. .

Discussion Topics:

- Veterans home overview
- Contract nursing program
- COVID problems: staff burnout, no new admissions
- ITD charges

Kristin Lunneborg, CFO, North Dakota Veterans' Home, testified in favor and submitted testimony #214.

Mark Johnson, Administrator of the North Dakota Veterans Home, testified in favor and submitted testimony #215.

Chairman Holmberg closes the hearing at 10:00 a.m.

Skyler Strand, Committee Clerk

TESTIMONY ON SB 2007
SENATE APPROPRIATIONS COMMITTEE
THURSDAY, JANUARY 7, 2021

Chairman Holmberg and members of the Senate Appropriations Committee, I am Kristin Lunneborg, CFO at the North Dakota Veterans Home.

By an act of Congress in 1887, certain lands were set aside in various states for the establishment and maintenance of homes to support veteran soldiers and sailors. The Constitution of North Dakota, enacted in 1889, established a soldier's home to be located at the city of Lisbon. The original barracks opened in 1893 and by 1907 a hospital and Commandant's residence were added to the campus. The name was changed in 1983, by the Administrative Committee on Veterans Affairs, to the North Dakota Veterans Home as they felt it better reflected the clientele being served. In May 2011, we moved into our current facility which has 52 skilled nursing home beds and 98 basic care beds.

The statutory authority for the Veterans Home is found in North Dakota Century Code Chapters 37-15 and 37-18.1. The object of the veterans' home is to provide basic care and long-term care to veterans and their spouses. The century code also sets out the criteria for admission to the veteran's home, what information will be used to calculate fees for resident care, what monies must be deposited into the veterans' home operating fund, as well as sections allowing the Veterans Home to accept and expend donations. Chapter 37-18.1 sets out the power and duty of the Administrative Committee on Veterans Affairs to appoint a seven-member governing board for the administration of the veterans' home; one of the powers of the governing board is to select the administrator.

Basics

Revenue sources for the operation of the Veterans Home include federal per diem funds from the Department of Veterans Affairs (VA) and special fund income. The VA pays us a daily per diem for each veteran for each day they are in the facility and for some leave of absence days. Currently the per diem rates are \$49.91 per day for basic care and \$115.62 per day for skilled

care. The VA also pays us a set per diem rate for each 70% or more service-connected veteran; this money is first applied to their rent and any remaining amount is considered per diem income. Although these are federal funds, per N.D.C.C., this money is deposited into our special fund account. Special funds are all the monies we collect from various sources. Listed below are the historical and projected special fund income amounts and a description of each.

North Dakota Veterans Home Special Fund Revenue
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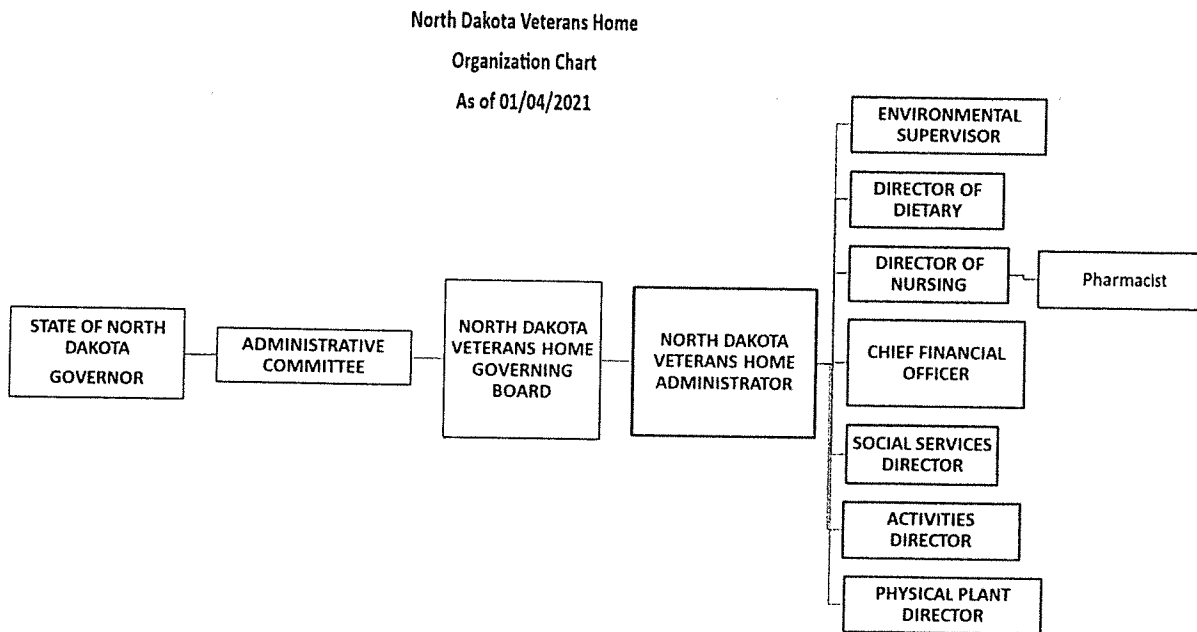
	<u>Actual</u> <u>2015-2017</u>	<u>Actual</u> <u>2017-2019</u>	<u>Projected</u> <u>2019-2021</u>	<u>Projected</u> <u>2021-2023</u>
1 Intergovernmental Grants/Contributions	5,660,005	5,341,234	5,200,000	5,350,000
2 Cash/Investment Earnings	626	750	2,200	1,500
3 Contributions & Private Grants	6,793	4,453	1,500	2,000
4 Charges for Services/Sales	249,826	176,277	128,000	60,000
5 General Government	67,828	59,529	22,000	35,000
6 Health	11,949,489	11,736,939	10,500,000	11,300,000
7 Leases, Rents, and Royalties**	64,437	185,425	360,000	127,000
8 Miscellaneous General Revenue	42,800	10,999	5,500	500
9 Transfers In	434,000	711,984	490,000	510,000
Total Special Fund Revenue	<u>18,475,804</u>	<u>18,227,591</u>	<u>16,709,200</u>	<u>17,386,000</u>

- 1 Intergovernment grants - per diem money from the Dept of Veterans Affairs. We are paid \$49.91 for each basic care veteran and \$115.62 for each skilled care veteran
- 2 Cash/Investment Earnings - interest earned on accounts
- 3 Contributions & Private grants - money taken in at weekly church services.
- 4 Charges for Services/Sales - food sales, veteran medication co-pays and VA pharmacy reimbursements
- 5 General Government - veteran travel pay from VA, resident's monthly cable tv payments, copier revenue
- 6 Health - rent payments from residents, VA, Medicare and Medicaid
- 7 Leases, Rents and Royalties - Lease of room for medical doctor and mineral royalty income
 **Mineral royalty income is included above but deposited into the Melvin Norgard Fund
- 8 Miscellaneous General Revenue - rebates and miscellaneous items that do not fall into another category.
- 9 Transfers In - money we receive from the State Land Department. This Veterans Home has 2,753.89 acres of land that is managed by the State Land Department. Remainder of land set aside by Congress in 1887.

The Melvin Norgard memorial fund, established by the 62nd Legislative Assembly, consists of all income related to a bequest made to the veterans' home by Melvin Norgard and consists of mineral royalties and interest. Money in this fund must be appropriated by the legislature and

can only be spent on projects or programs to benefit and service the residents of the veterans' home, not for the operation of the home.

The Veterans Home has nine individual departments including administration, maintenance, dietary, nursing, activities, social services, housekeeping, laundry and pharmacy. Each of these department work together to carry out our mission "Caring for America's Heroes". The organizational chart below illustrates what I mentioned already regarding the statutory authority and selection of leadership.



2019-2021 Biennium

Our current biennium base budget of \$24,406,096 includes \$18,916,632 for salaries and wages, \$5,083,731 for operating and \$405,733 for capital assets. Funding sources for our base budget include \$18,751,772 in special funds and \$5,654,324 in general funds. In addition to our base-level appropriation, our current appropriation includes one-time funding of \$25,000 for a strategic plan, \$138,700 for flooring for the skilled nursing pod and townhall, \$52,500 for security system upgrades, \$99,400 for equipment and \$233,450 for demolition of the

Administrator's residence, removal of underground tunnels and demolition of an old maintenance shop, pump house and well shed. We also had carryover funding of \$150,500 for a nurse call system and \$15,000 for electronic health information exchange software.

In January 2020, we started working with Eide Bailly on the strategic plan but unfortunately COVID significantly impacted our ability to complete it by our original goal of December 2020. The installation of flooring for the skilled nursing home and townhall has also been put on hold due to COVID and it is unknown at this time if we will complete it this biennium or request to carryover the funds into next biennium.

We were pleased to discover that a local contractor was able to do our demolition project for much less than the bid we had received in January 2019. In addition to the demolition company, we had to hire two more companies, one to examine the property for asbestos and another to remove the asbestos. The savings from the demolition project ended up being utilized toward a couple of emergency capital asset items, including the replacement of a humidifier, security cameras that had to be installed in medication areas, and an upgrade to our building automation system that became necessary as the software system it was running on became obsolete.

The nurse call system was completed shortly after the biennium started but also ran into some additional unexpected expenditures. The pagers for the system selected run off the wi-fi so before we could proceed with the project, we were required to hire a company to test the signal strength throughout the building. The cost of the study and the additional access points we needed were operating expenses we did not anticipate.

The remaining one-time items include the health information exchange software and a few equipment items we will be purchasing within the next few months.

We have a lot to be thankful for this biennium considering the impacts of COVID. Some of our major accomplishments this biennium include:

- Staff working together as a team to develop protocols to keep our residents safe against COVID-19.
- Set up COVID unit to isolate positive residents which has allowed us to stop the spread of COVID throughout our building.
- Bi-weekly testing of staff and residents to stop the spread of COVID-19.
- Deficiency free surveys from the State Health Department and the Department of Veterans Affairs.
- No findings in the audit performed by the State Auditor's Office.
- Launched an advertising campaign totally funded by donations. Upon recommendations from Austin Schauer we were able to get our commercials aired for free through MIDCO.
- Expanded the VA outreach telehealth clinic at the Veterans Home to provide teleretinal, audiology, dermatology, mental health and other specialty telehealth services to veterans from the veterans home as well as the surrounding community.
- Installed a new security system in the medication areas that has already paid for itself.
- Raised funds for the repair and relocation of the Centennial monument.
- Completed several projects including the installation of a new nurse call system, demolition of the Administrator's residence and completed our facility assessment with UNESCO.
- Received a grant to set up a wellness area for staff.

Although we have a multitude of things we are super proud of and thankful for, following are some of the challenges we have faced:

- Impact of COVID - Long hours, burnout, lack of staff due to vacant positions and staff having to quarantine at home, staff motivation, restrictions on staff when not at work, mental and physical strain, constant PPE use, children at home.
- Low census. Currently unable to admit due to lack of staff.
- Ability to attract and retain staff due to wages/bonuses.
- After 10 years of having no contract staff, we were forced to sign contracts with staffing agencies in order to meet staffing levels.

- High cost of contract agency staff.
- High cost of contracting with outside company for IT support.

2021-2023 Biennium

The budget request limit letter we received from OMB in May 2020 identified that our general fund limit was \$5,088,892, a 10% decrease from our 2019-2021 base amount. In addition, our special fund request limit is \$18,753,310 and of that we needed to reprioritize 5% or \$917,302.

The reprioritization piece was not difficult as we made the decision to go back to the old nursing home model and do away with the use of universal workers. In 2011, we moved into the new veterans' home which was built in the household/neighborhood concept. This concept historically uses a universal worker staffing model. The universal worker performs the C.N.A., housekeeping, activity and dietary roles. This model was very successful for us but as times have changed it has become harder to find the number of C.N.A. certified staff that we need. We have had a significant number of open positions that we have been unable to fill so we decided to go back to the old model and separate the duties with the thought the positions would be easier to fill. Since the salaries and wages for the universal role were all included in the nursing department budget, we were able to reallocate the funding by moving these positions to their new prospective department. In trying to find other areas where we could save money, it was determined that we could potentially find a savings by contracting our outside maintenance work and eliminating an FTE position. These savings could then be put into our repairs line item which is currently over budget as we have seen an increase in costs due of to the age of our building.

The change back to the traditional model of staffing helped us eliminate one supervisory position in nursing that could be used towards the general fund decrease required. We also eliminated one position in our therapy department, another nurse position on basic care and we consolidated our basic and skilled medical records into one position eliminating another FTE

position; the remaining job duties of the skilled ward clerk were moved to a temp position. Even with these changes we were still unable to come within the budget guidelines.

As I have stated many times before, cuts to our budget are difficult since we are a service industry and the majority of our expenses relate to labor and resident care. We have very stringent state and federal regulations and we are one of the most highly regulated industries. It is difficult to cut operating expenses since they are for resident care and the operation of the facility and it is difficult to cut staff due to regulations that govern staffing levels. Our capital line item includes only the bond and interest on the new building and \$16,700 in equipment over \$5,000; leaving nothing to cut there. After reviewing all costs, we determined there were no changes we could make that would not have a significant impact on resident care. Finding no other obvious alternatives, we decided to take the remaining cut from food.

The other major issue we ran into this biennium were all the increases we were seeing in certain expense categories. In addition to the increase needed for repairs, we are also seeing significant increases to our medication costs. The average cost of medications increased from \$19.95 in FY 2019 to \$34.35 in FY 2020. COVID-19 has also impacted our budget due to the new technology needed to carry out our day to day activities; all of which have on-going licensing and maintenance fees. We had to significantly increase the number of Office 365 licenses in order to communicate with staff, we automated our mandatory annual in-service training, and we are in the process of automating our staff scheduling and our maintenance reporting.

Another major area of concern is the amount of general funds we receive. Each biennium there have been cuts, in the 2011-2013 biennium we were one of only a few agencies that received an additional 3% cuts to our general funds, then in the 2015-2017 biennium we had the 4.05% general fund allotment that all agencies had to make, but what hurt us the most was the change in funding made in the 2017-2019 biennium. Our general fund appropriation authority was cut by 2 million and our special fund authority was increased by 2 million due to the need to balance the budget and the fact that we had reserves in our special funds. We were

reassured then that when the time came and we were running low on special funds it would be made right, yet we continue to have to make cuts to our general funding.

Governor's Recommended Budget vs. our Submitted Budget

The Governor's recommended budget includes changes to the salaries and wages, operating and capital line items. The increase to the salaries and wages line is for the Governor's recommended compensation changes. The remaining changes were requests from our optional package which include:

- \$221,546 in special fund authority for food – this was the amount we were forced to cut to meet budget guidelines
- \$238,500 in general fund authority for medications – increase cost for medications. Requested general funds due to the issue I just discussed with all the cuts to general funds and depletion of our special fund balance.
- \$518 in general fund authority and \$3,448 in special fund authority for Office 365
- \$29,095 in special fund authority for IT data processing fees – budget calculated by multiplying ITD services by new rates for 2021-23 biennium. Increase also due to broker fees charged by ITD for all of our web based software programs.
- \$131,500 in special fund authority for carpeting in B Pod – we discovered the funding for this is included in OMB's budget request for all the maintenance and repair priorities identified from the Sitelogiq study of state buildings. We are requesting to keep this appropriation authority in our budget to be used for replacing the thermostats in the basic care unit of the building. The current thermostats are no longer manufactured and there is no replacement for them. The funding would allow us to put in a new wireless thermostat system. The old thermostats that we would take out of the basic care unit could then be used as replacements on skilled unit we eventually end of replacing all of them.
- \$200,000 in Melvin Norgard authority for a memorial garden which would be located on the west side of our 90 acre campus, marking the area of the old Veterans Home. The center of the memorial garden will be a monumental concrete star, which

symbolizes courage, strength and freedom. At the center of the star will be an American flag with each of the military branch flags being represented on the points of the star. Between the sidewalks and the star will be beautifully landscaped gardens with seating areas that will allow individuals a peaceful area to reflect on and pay tribute to veterans. We have raised over \$120,000 towards the project and are requesting to use Melvin Norgard funds to complete it. A copy of our proposed plan is attached to the back of my testimony.

Capital items that were included in our budget request and also in the Governor's executive budget include the following one-time items:

- Large shampooer \$10,700 in special fund authority to purchase a Tennant ready space shampooer or equivalent. Existing 2009 machine is wearing out and is expensive to repair, plus it does not suck up water well, taking additional staff time and also creating a safety risk as resident's go between the carpeted and non-carpeted areas.
- Humidifier \$6,000 in special fund authority to replace one of the 12 humidifiers throughout the building. We had to replace one this biennium and anticipate we will be needed to replace more due to their age.

Items included in our optional request that were not included by the Governor:

- Nursing equity - \$550,000 in general fund authority. Our current wages for our RNs, LPNs, Medication Technicians and C.N.A. staff are around \$4.00 per hour less than the ND Long Term Care average. We are unable to fill a number of vacant positions which also means we are unable to admit more residents as we do not have the staff to care for them.
- Humidifier - \$6,000 in special fund authority. One of the two humidifiers requested is included in the Governor's executive budget. We were requesting funding for 2 units due to their age and the fact that we will have a total of 11 to replace within the next few years.

- Turbine blower - \$8,500 in special fund authority. This blower attachment would be used in place of our existing sweeper to clear snow from sidewalks and clean gutters along our roads that cannot be reached with a sweeper.
- Bladder scanner - \$9,800 in special fund authority. This is used to monitor urinary retention. They are used to help reduce the risk of infections, manage incontinence, assess toileting patterns to create schedules and reduce staff time with incontinence.

Attached to my testimony is a one page sheet showing how we got from the legislative base budget to the Governor's executive recommendation. I have included the adjustments we made to get to our required budget limits as well as the items the Governor included in his executive recommendation.

Looking forward to the next biennium and beyond some of our goals include:

- Completing the strategic plan and working with Eide Bailly on ways to increase our revenues
- Creating a plan to increase the census for basic care and skilled nursing
- Work with others to continue advertising campaign so we are NOT "the best kept secret in North Dakota"
- Build the memorial garden and move the Centennial monument
- Complete all the maintenance and repair projects identified in the study completed by UNESCO
- Work with Eide Bailly on MDS audit and education to ensure we are being reimbursed correctly
- Work with the Air National Guard to set up the B52 propeller display
- Find ways to help minimize the staffing crisis
- Work with the City of Lisbon to develop a plan for a walkway bridge over the Sheyenne River

The last sheet attached to my testimony is a one-page sheet outlining the funding we have received as well as our expenditures in relation to COVID-19. Some of the steps we have

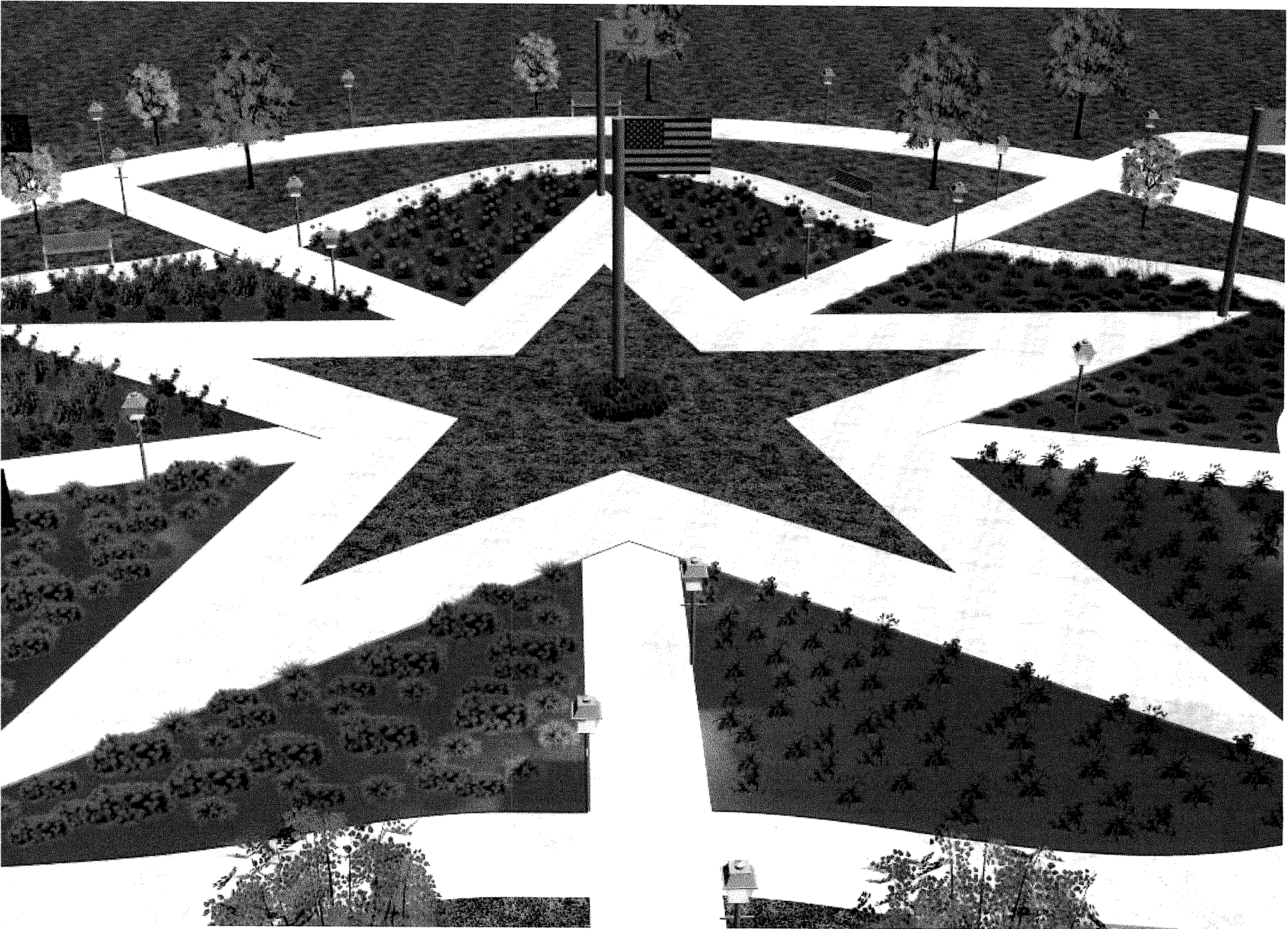
taken to minimize COVID-19 in our facility include enhanced infection control precautions, screening all staff upon entrance and exit into the facility, testing all staff and residents twice a week, decreasing resident interaction, no communal dining or group activities, essential visitors only and they must be tested on site prior to entrance and we continue to follow the guidance of the CDC and CMS to reduce the spread and impacts of COVID-19.

I think the one item we plead with you to consider is some amount of equity funding for our nursing department. One of the things we prided ourselves on was the fact that we were not having to utilize contract agency staff like almost everyone else. These staff are paid at least double what our own employees are paid, and they do not know the residents. The key to good, quality care is to know your residents. Contract agency staff act as a band-aid to fill a position and not a solution to the staffing crisis we are faced with.

In closing, we strongly urge your support for state pay increases this biennium. We used to be the employer of choice in the area but have had a hard time competing with area healthcare facilities as they received wage increases a few years ago when we did not. We need to be able to hire our own staff, not contract for staffing at significantly higher rates. By funding pay increases you will help us be competitive with the large number of healthcare facilities in the area. Lisbon alone has 2 nursing homes, a hospital, 2 assisted living facilities, and 4 medical clinics. There are also 4 skilled nursing facilities, a hospital and 6 more clinics within a 40 mile radius.

We hope that you will support our 2021-2023 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



Summary Comparison of 2021-2023 Base Budget to Governor's Recommended Budget

Description	2021-2023 Legislative Base Budget	Base Payroll Changes	Base Budget Changes	Adjusted Base Budget	Optionals Included in Governors Budget	Governors Compensation Increase	Governors Recommended Budget 2021-2023
Salaries and Wages	\$18,916,632	\$187,174	(\$720,281)	\$18,383,525	\$0	\$477,274	\$18,860,799
Operating Expenses	\$5,083,731	\$0	(\$49,025)	\$5,034,706	\$493,107	\$0	\$5,527,813
Capital Assets	\$405,733	\$0	\$18,238	\$423,971	\$331,500	\$0	\$755,471
	<u>\$24,406,096</u>	<u>\$187,174</u>	<u>(\$751,068)</u>	<u>\$23,842,202</u>	<u>\$824,607</u>	<u>\$477,274</u>	<u>\$25,144,083</u>
By Funding Source							
General Funds	\$5,654,324	(\$36,873)	(\$528,561)	\$5,088,890	\$268,113	\$109,698	\$5,466,701
Special Funds	\$18,751,772	\$224,047	(\$222,507)	\$18,753,312	\$556,494	\$367,576	\$19,677,382
	<u>\$24,406,096</u>	<u>\$187,174</u>	<u>(\$751,068)</u>	<u>\$23,842,202</u>	<u>\$824,607</u>	<u>\$477,274</u>	<u>\$25,144,083</u>
FTE	<u>120.72</u>	<u>-5.93</u>	<u>114.79</u>	<u>114.79</u>			<u>114.79</u>

2021-2023 Budget Adjustments

Salaries and Operating

- *Reduction of 2.93 FTE to meet Governor's request \$528,702 general funds.
- *Budget reprioritizations from nursing to dietary & housekeeping -\$1,288,263 special funds nursing, +\$1,288,605 special funds dietary
- *Reprioritized 1.0 FTE from salaries to operating \$191,921 special funds
- *Reduced 2.0 FTE from basic care - no funding attached - had a total of 6 unfunded positions from last session

Operating

- *Professional services decrease \$55,500 - special funds. Services to be covered by telehealth.
- *Professional services decrease \$1,900 - special funds. No longer need to train everyone for serve safe due to switch back to traditional staffing model.
- *Contractual service fees increase \$37,859 special funds, \$141 general funds. Annual maintenance fees for software and nurse call system.
- *Food decrease \$221,546 special funds - needed additional cut to make budget balance
- *Repairs increase from maintenance FTE reprioritization \$191,921 special funds

Capital

- *Bond & Interest payment increase \$1,538 - special funds
- *Funding for a shampooer for housekeeping and a humidifier \$16,700 special funds

Optional Budget Requests - included in Governor's Budget

	<u>Special funds</u>	<u>General funds</u>
1. Food increase - amount that had to be cut to meet budget limit	\$221,546	
2. Medications - increase in costs		\$238,500
3. Data Processing - ITD brokerage fees for our web based software, Office 365 licenses	\$3,448	\$29,613
4. Carpeting - B Pod	\$131,500	
5. Memorial garden - remaining money needed to finish project. Funding would be from Melvin Norgard Fund	\$200,000	

Optional Budget Requests - Not included in Governor's Budget

1. Nursing Equity		\$550,000
2. Humidifier - currently have 12 in building, looking to replace a few each biennium due to age	\$6,000	
3. Turbine blower - attachment to blow snow in winter, would help reduce damage to grass	\$8,500	
4. Bladder scanner - monitors urinary retention to reduce infections & manage incontinence	\$9,800	

COVID FUNDING

	<u>Amount</u>	<u>From Whom</u>	<u>Date Received</u>
1	\$131,097	State of ND - Cares Act Fund	May-20
2	\$10,331	Provider Relief Funds - Healthcare Enhancement Act	Jun-20
3	\$180,000	Provider Relief Funds - Healthcare Enhancement Act	Jun-20
4	\$85,400	Infection Control Funds - Healthcare Enhancement Act	Sep-20
5	\$330,943	State of ND - Cares Act Fund	Oct-20
6	\$49,082	HHS - September Quality incentive payment	Nov-20
7	\$166,520	HHS - October Quality incentive payment	Dec-20
8	????	Future Quality incentive payments	
9	????	FEMA Reimbursement	

Emergency Commission Requests - Approved

1	\$131,097	COVID expenses Feb - May, 2020; \$35,395 salaries and \$95,702 operating
2	\$190,331	Provider Relief Funds - set up separate class code
3	\$385,400	\$85,400 Provider Relief Funds, \$300,000 potential initial FEMA reimbursement
4	\$330,943	Ion generators, hands free door openers, hands free faucets, hands free toilet flushers, sprayer, software, It's Never 2 Late Boards, PPE, Chemicals, salaries and wages, agency staffing

Need Spending Authority For

\$49,082.17 Federal money for Nursing homes based upon COVID info for facility

\$166,519.72 Federal money for Nursing homes based upon COVID info for facility

Expenditures paid to date

Salaries and Wages	Overtime, directly related COVID hours, hazard pay	\$455,881.96
Operating	PPE, chemicals, sanitizer, medical supplies, mileage computers and supplies, access points for COVID unit oxygen concentrators, carts and serving supplies hands free fixtures	\$283,088.99
Capital	Software programs, hands free doors, It's Never to Late Boards Ion generators	\$147,892.17
		<hr/> \$886,863.12

SENATE APPROPRIATIONS COMMITTEE HEARING
THURSDAY, JANUARY 07, 2021
SENATE BILL 2007

215

Chairman Holmberg and members of the Committee, my name is Mark Johnson, Administrator of the North Dakota Veterans Home. Thank you for giving me the opportunity to address you on any bills being considered by the legislative assembly that may have an impact on our agency.

The only bill I am aware impacting the Veterans Home is the implementation of the new payment reform bill. Due to being a high cost facility, the Veterans Home along with 17 other nursing homes will be electing to be placed in the hold harmless category. This will allow us a two-year phase in period to blend into the new rate program without receiving a significant income loss. Rates calculated by a long term care specialists have the Veterans Home losing \$74,400 the first year and \$44,000 the second year of the nursing home reform payment program. More information is forth coming from the Department of Human Services regarding the payment program. I have enclosed a couple of informational sheets that explain the new rate program.

In conclusion, due to the pandemic and the payment reform bill. The North Dakota Veterans Home will need additional general fund dollars to operate in the next biennium. I encourage your support to fund the North Dakota Veterans Home budget. By doing so we will get through the pandemic and arrive at our new norm. What that will be at this time, is still up for debate.

If you have any questions at this time, I will be glad to try answer them.

Respectfully submitted

Mark B. Johnson, Administrator
North Dakota Veterans Home
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Nursing Home Payment Reform

October 2020

What are the parameters and new dollars requested for the recommended models?

NEW CARE MODEL		NEW PROPERTY MODEL	
Parameter	Recommendation	Parameter	Recommendation
Start date	January 1, 2022 (facility option to choose old rate). If facilities choose old rate in 2022, they get inflation of 1.8% in 2023 and facilities choose new rate they get 2.3%.	Start Date	January 1, 2023 but all projects considered for hold harmless must have been approved for financing by 12/31/2021
Rebase in starting year (2022) using June 30, 2021 cost reports	Agree	Occupancy Limitation	Yes
Rebasing frequency	2, 2 year rebasing periods (for a total of 4 years). Reassess in 2025	RS Means	Yes
Inflation between rebasing years	Yes	Location Factor	Minneapolis
Inflation index	Skilled market basket (2019 was estimated at 2.6%)	Land	10%
Margin Cap	3.46%	Equipment	\$15,000 per bed
Hold Harmless for pricing model	Yes, until the first rebasing	Maximum square foot	950 sq. ft.
Length of hold harmless	Should end after 2023 rate year	Depreciation	2% annually
Different Price for Indirect Cost Category for small and large facilities	Agree	Replacement Cost Inflation Factor	2% annually
Total new Medicaid dollars	\$2.5 million in year 1; \$1.6 million in year 2. =~\$4.1 million for biennium	Rental Rate	8%
		FRV average rate per day with phase-in for hold harmless	\$24.77
		Total new Medicaid dollars	\$0 in year 1; \$3.1 million in year 2= ~\$3.1 million for biennium

Total new Medicaid dollars requested for the biennium \$7.2 million

Nursing Home Payment Reform

October 2020



Background: During the 2019 legislative session, the Department of Human Services was asked to conduct a study that would investigate alternative ways to pay nursing homes in North Dakota Medicaid. North Dakota has rate equalization so private pay and Medicaid have the same rate. There are 79 nursing facilities in the State where approximately 2,600 Medicaid enrollees reside. Nursing facility residents constitute about 3.4% of the Medicaid population and account for about 21% of the overall expenditures.

What are the benefits and costs of the new model?

CARE COSTS

- **What:** Each fall, nursing facilities submit their direct (e.g., nursing), other direct (e.g., laundry, food), and indirect costs for the prior state fiscal year. In rebasing years, a rate is set for each facility, adjusting for resident acuity.
- **Benefits:** There are maximum allowable prices set by the State for each cost category. Facilities with costs less than the price can retain 100% of the difference, not to exceed a margin of 3.46% of the price. Facilities will be rebased every 2 years (until year 4) and in the non-rebasing years will receive inflation.
- **Costs:** All aspects of the price-based model are budget neutral. However, funds to assist high cost facilities who likely will be above the set prices are available for 2 years.

Greater efficiency= Greater operating margin

PROPERTY COSTS

- **What:** Property rates are based on several factors; the main factors being effective age, rental rate, location, and square footage.
- **Benefits:** The new model incentivizes renovation, as opposed to new construction, which will extend the life of buildings and reduce the State's financial liability. Property rates are based on facility value not an accounting value which does not reward improvements and long-term ownership
- **Costs:** Property rates will increase for those facilities whose current rate is less than the fair market value. Also, high cost facilities will receive time limited funds to assist them in the transition to the new model as it is likely their property costs will be above the limit.

Improves resident quality of life

The new nursing home payment reform models: 1) incentivize operating efficiency, 2) promote building improvements, 3) reduce variation in rates, and 4) decrease the State's financial liability in the future.

Recommendation

The Department of Human Services and the North Dakota Long Term Care Association recommend the Legislature enact these new payment models in the 2021 session. The new care payment will start in 2022 and the new property payment will start in 2023.

Veterans Home High Costs:

VA Regulations:

- 1) Staffing requirements – 24 hour RN coverage
- 2) Building Requirements- VA dictates what we can do with our building
- 3) VA Reimbursement
- 4) Paying for Pharmacy
- 5) Paying for primary care
- 6) Paying for Psych services
- 7) Additional Social work staff
- 8) Transportation to the VA

State Requirements:

- 1) NDIT services
 - a. Paying for access points
 - b. Brokerage Fees for hosting programs
 - c. Paying fees for each computer
 - d. Microsoft Productivity Charge 365
 - e. Technology Charges
 - f. ConnectND Hosting
 - g. Website Hosting
 - h. Disk Storage
 - i. Third Party fees for paying for DRN's service
 - i. Telephone
 - ii. Internet
 - iii. ITD services
- 2) Transportation (mileage and hourly fees paid for vans, car, truck and bus)
- 3) Buying programs – (due to legal requirements on contracts vendors shy away from doing business with the Veterans Home)

2021 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee
Roughrider Room, State Capitol

SB 2007
1/26/2021
Senate Appropriations Committee

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

Chairman Holmberg opened the meeting at 11:50 a.m.

Senators present: Holmberg, Krebsbach, Wanzek, Bekkedahl, Poolman, Erbele, Dever, Oehlke, Rust, Davison, Hogue, Sorvaag, Mathern, and Heckaman.

Discussion Topics:

- Plans for the sub-committee

Senator Dever discussed the sub-committee on SB 2007.

Chairman Holmberg closed the meeting at 11:56 a.m.

Rose Laning, Committee Clerk

2021 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee
Roughrider Room, State Capitol

SB 2007
2/4/2021
Veteran's Home subcommittee

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

Senator Dever opened the hearing at 2:29 pm.

Senators Dever, Rust and Mathern were present.

Discussion Topics:

- CNAs & Veteran's Home census
- Veteran's Home maintenance
- Eide Bailey study
- Staffing shortages

Kristin Lunneborg, Accounting Manager, North Dakota Veteran's Home – answering questions from the subcommittee.

Mark Johnson, Administrator, North Dakota Veteran's Home – answering subcommittee questions about the Eide Bailey study and Veteran's Home maintenance. He also presented neutral testimony - #5538.

Additional written testimony: #5522

Senator Dever closed the hearing at 3:30 pm.

Rose Laning, Committee Clerk

SB 2007 Requested Budget Changes

- | | | |
|---|-----------|--------------------------------------|
| 1. Funding to change LPN positions to RN positions due to inability to find LPNs | \$78,500 | Special fund authority |
| 2. Nursing equity to allow us to be more competitive with the market - \$1.00 per hour | \$310,000 | General fund authority |
| 3. Increase ITD fees for basic Microsoft Office - \$12 per month x 40 employees | \$11,520 | General fund authority |
| 4. Section added to our bill with an emergency clause for COVID Provider Incentive payments received directly from the federal government | \$450,000 | Federal fund authority
-estimated |

Comparison of Nursing Staff Wages

2020 ND Long Term Care Survey					
	<u>Beginning</u>	<u>Midpoint</u>	<u>Max</u>		
<u>RN</u>				<u>Contract Nursing Staff</u>	
State Overall	\$27.16	\$32.01	\$36.97	AWM	\$56.35 - \$60.54
Our Region	\$27.88	\$33.44	\$39.16	ConVerdia	\$59.00
NDVH	\$26.89	\$29.08	\$34.62	Prairie Traveler	\$52.00
<u>RN Charge</u>					
State Overall	\$27.71	\$32.54	\$37.74		
Our Region	\$28.53	\$34.55	\$40.06		
NDVH	\$29.89	\$32.08	\$34.06		
<u>LPN</u>				<u>Contract Nursing Staff</u>	
State Overall	\$20.92	\$24.75	\$28.70	AWM	\$46.21 - \$49.87
Our Region	\$21.20	\$25.96	\$28.79	ConVerdia	\$48.00
NDVH	\$20.59	\$22.78	\$25.91	Prairie Traveler	\$42.00
<u>Med Tech</u>				<u>Contract Nursing Staff</u>	
State Overall	\$16.48	\$18.88	\$22.34	Prairie Travelers	\$28.50
Our Region	\$16.35	\$19.41	\$22.16		
NDVH	\$16.11	\$18.30	\$20.44		
<u>C.N.A.</u>				<u>Contract Nursing Staff</u>	
State Overall	\$15.40	\$17.70	\$21.27	AWM	\$34.33 - \$40.58
Our Region	\$15.19	\$17.14	\$20.97	ConVerdia	\$38.00
NDVH	\$14.63	\$16.82	\$18.30	Prairie Traveler	\$26.50

C.N.A. Agency Staff Costs vs. Cost of NDVH Staff

<u>Year</u>		<u>Total Hours</u>	<u>Agency Cost</u>	<u>Cost if NDVH employee</u>	<u>Difference</u>
2020	Reg	1,574	\$53,304	\$26,758	\$26,546
2020	OT	433	\$19,919	\$11,258	\$8,661
	Hotel		\$2,296		
Total Costs		2,007	\$75,519	\$38,016	\$37,503

Veterans' Home - Budget No. 313
Senate Bill No. 2007
Base Level Funding Changes

	Executive Budget Recommendation				Senate Version			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2021-23 Biennium Base Level	120.72	\$5,654,324	\$18,751,772	\$24,406,096	120.72	\$5,654,324	\$18,751,772	\$24,406,096
2021-23 Ongoing Funding Changes								
Base payroll changes	(1.00)	(\$36,873)	\$224,047	\$187,174				\$0
Salary increase		91,395	306,245	397,640				0
Health insurance increase		1,463	4,902	6,365				0
Retirement contribution increase		16,840	56,429	73,269				0
Removes skilled care positions	(2.00)	(254,929)		(254,929)				0
Removes basic care positions	(1.93)	(273,773)		(273,773)				0
Adjusts funding for repairs and maintenance costs	(1.00)		342	342				0
Adds funding for Microsoft Office 365 license expenses		29,613	3,448	33,061				0
Adds funding for information technology services and fees		141	37,859	38,000				0
Reduces funding for professional service fees and staff training			(57,400)	(57,400)				0
Adds funding for resident medication		238,500		238,500				0
Adjusts funding for bond and interest payments			1,538	1,538				0
Total ongoing funding changes	(5.93)	(\$187,623)	\$577,410	\$389,787	0.00	\$0	\$0	\$0
One-time funding items								
Adds funding for equipment			\$16,700	\$16,700				\$0
Adds funding for a basic care flooring project			131,500	131,500				0
Adds funding for a memorial garden project			200,000	200,000				0
Total one-time funding changes	0.00	\$0	\$348,200	\$348,200	0.00	\$0	\$0	\$0
Total Changes to Base Level Funding	(5.93)	(\$187,623)	\$925,610	\$737,987	0.00	\$0	\$0	\$0
2021-23 Total Funding	114.79	\$5,466,701	\$19,677,382	\$25,144,083	120.72	\$5,654,324	\$18,751,772	\$24,406,096
<i>Total ongoing changes as a percentage of base level</i>	<i>(4.9%)</i>	<i>(3.3%)</i>	<i>3.1%</i>	<i>1.6%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>
<i>Total changes as a percentage of base level</i>	<i>(4.9%)</i>	<i>(3.3%)</i>	<i>4.9%</i>	<i>3.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>

Other Sections in Veterans' Home - Budget No. 313

	Executive Budget Recommendation	Senate Version
There are no other sections for this agency.		

2021 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee
Roughrider Room, State Capitol

SB 2007
2/10/2021
Veterans' Home sub-committee

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

Senator Dever opened the hearing at 10:38 am.

Senators present: **Dever, Rust and Mathern.**

Discussion Topics:

- Shortage of RN/LPNs and salaries
- Turnover of CNAs

Kristin Lunneborg, Accounting Manager, North Dakota Veteran's Home – answering questions from the subcommittee on shortage of RNs and LPNs.

Mark Johnson, Administrator, North Dakota Veteran's Home – answering subcommittee questions

Additional written testimony: #6258 - neutral

Senator Dever closed the hearing at 11:34 am.

Rose Laning, Committee Clerk

Veterans' Home - Budget No. 313
 Senate Bill No. 2007
 Base Level Funding Changes

Prepared for 2/10/2021

	Executive Budget Recommendation				Senate Version				Senate Changes to Executive Budget Increase (Decrease) - Executive Budget			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2021-23 Biennium Base Level	120.72	\$5,654,324	\$18,751,772	\$24,406,096	120.72	\$5,654,324	\$18,751,772	\$24,406,096	0.00	\$0	\$0	\$0
2021-23 Ongoing Funding Changes												
Base payroll changes	(1.00)	(\$36,873)	\$224,047	\$187,174	(1.00)	(\$36,873)	\$224,047	\$187,174				\$0
Salary increase		91,395	306,245	397,640		90,257	365,783	456,040		(\$1,138)	\$59,538	58,400
Health insurance increase		1,463	4,902	6,365		1,463	4,902	6,365				0
Retirement contribution increase		16,840	56,429	73,269				0		(16,840)	(56,429)	(73,269)
Removes skilled care positions	(2.00)	(254,929)		(254,929)	(2.00)	(254,929)		(254,929)				0
Removes basic care positions	(1.93)	(273,773)		(273,773)	(1.93)	(273,773)		(273,773)				0
Adjusts funding for repairs and maintenance costs	(1.00)		342	342	(1.00)		342	342				0
Adds funding for Microsoft Office 365 license expenses		29,613	3,448	33,061		41,133	3,448	44,581		11,520		11,520
Adds funding for information technology services and fees		141	37,859	38,000		141	37,859	38,000				0
Reduces funding for professional service fees and staff training			(57,400)	(57,400)			(57,400)	(57,400)				0
Adds funding for resident medication		238,500		238,500				0		(238,500)		(238,500)
Adjusts funding for bond and interest payments			1,538	1,538			1,538	1,538				0
Adds funding to convert licensed practical nurse positions to registered nurse positions				0				0				0
Adds funding for nurse salary equity increases of \$1 per hour				0				0				0
Total ongoing funding changes	(5.93)	(\$187,623)	\$577,410	\$389,787	(5.93)	(\$432,581)	\$580,519	\$147,938	0.00	(\$244,958)	\$3,109	(\$241,849)
One-time funding items												
Adds funding for equipment			\$16,700	\$16,700			\$16,700	\$16,700			\$0	\$0
Adds funding for a basic care flooring project			131,500	131,500			131,500	131,500			0	0
Adds funding for a memorial garden project			200,000	200,000			200,000	200,000			0	0
Total one-time funding changes	0.00	\$0	\$348,200	\$348,200	0.00	\$0	\$348,200	\$348,200	0.00	\$0	\$0	\$0
Total Changes to Base Level Funding	(5.93)	(\$187,623)	\$925,610	\$737,987	(5.93)	(\$432,581)	\$928,719	\$496,138	0.00	(\$244,958)	\$3,109	(\$241,849)
2021-23 Total Funding	114.79	\$5,466,701	\$19,677,382	\$25,144,083	114.79	\$5,221,743	\$19,680,491	\$24,902,234	0.00	(\$244,958)	\$3,109	(\$241,849)
<i>Total ongoing changes as a percentage of base level</i>	(4.9%)	(3.3%)	3.1%	1.6%	(4.9%)	(7.7%)	3.1%	0.6%				
<i>Total changes as a percentage of base level</i>	(4.9%)	(3.3%)	4.9%	3.0%	(4.9%)	(7.7%)	5.0%	2.0%				

Other Sections in Veterans' Home - Budget No. 313

	Executive Budget Recommendation	Senate Version
Estimated income - Administrator monthly housing stipend		Section 3 identifies \$48,000 in the estimated income line item in Section 1 is from the soldiers' home fund for the purpose of providing a \$2,000 monthly housing stipend to the veterans' home administrator for housing costs off the veterans' home campus.
Exemption - Skilled nursing area flooring project		Section 4 provides an exemption to allow the Veterans' Home to continue \$138,700 appropriated from the soldiers' home fund for a flooring project in the skilled nursing areas of the Veterans' Home during the 2019-21 biennium into the 2021-23 biennium.

2021 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee
Roughrider Room, State Capitol

SB 2007
2/12/2021
Senate Appropriations Committee

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

Chairman Holmberg opened the hearing at 9:43 a.m.

Senators present: **Holmberg, Krebsbach, Wanzek, Bekkedahl, Poolman, Erbele, Dever, Oehlke, Rust, Davison, Hogue, Sorvaag, Mathern, and Heckaman.**

Discussion Topics:

- Amendments to the Budget

Senator Dever presented amendment [LC 21.0289.01001]; testimony #6539

Senator Dever made a motion to adopt amendment [LC 21.0289.01001]

Senator Rust seconded the motion

Senators			Senators	
<i>Senator Holmberg</i>	Y		<i>Senator Hogue</i>	Y
<i>Senator Krebsbach</i>	Y		<i>Senator Oehlke</i>	Y
<i>Senator Wanzek</i>	Y		<i>Senator Poolman</i>	Y
<i>Senator Bekkedahl</i>	Y		<i>Senator Rust</i>	Y
<i>Senator Davison</i>	Y		<i>Senator Sorvaag</i>	Y
<i>Senator Dever</i>	Y		<i>Senator Heckaman</i>	Y
<i>Senator Erbele</i>	Y		<i>Senator Mathern</i>	Y

Motion Passes 14-0-0

Senator Dever made a motion DO PASS AS AMENDED

Senator Rust seconded the motion

Senators			Senators	
<i>Senator Holmberg</i>	Y		<i>Senator Hogue</i>	Y
<i>Senator Krebsbach</i>	Y		<i>Senator Oehlke</i>	Y
<i>Senator Wanzek</i>	Y		<i>Senator Poolman</i>	Y
<i>Senator Bekkedahl</i>	Y		<i>Senator Rust</i>	Y
<i>Senator Davison</i>	Y		<i>Senator Sorvaag</i>	Y
<i>Senator Dever</i>	Y		<i>Senator Heckaman</i>	Y
<i>Senator Erbele</i>	Y		<i>Senator Mathern</i>	Y

Motion Passes 14-0-0

Chairman Holmberg closed the meeting at 10:02 a.m.

Skyler Strand

C:
 2/12
 1 of 3

PROPOSED AMENDMENTS TO SENATE BILL NO. 2007

Page 1, line 1, after "home" insert "; to provide an exemption; and to provide for a report"

Page 1, replace lines 8 through 16 with:

"	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$18,916,632	\$275,298	\$19,191,930
Operating expenses	5,083,731	455,602	5,539,333
Capital assets	<u>405,733</u>	<u>349,738</u>	<u>755,471</u>
Total all funds	\$24,406,096	\$1,080,638	\$25,486,734
Less estimated income	<u>18,751,772</u>	<u>964,719</u>	<u>19,716,491</u>
Total general fund	\$5,654,324	\$115,919	\$5,770,243
Full-time equivalent positions	120.72	(5.93)	114.79"

Page 1, line 17, after "**FUNDING**" insert "**- EFFECT ON BASE BUDGET - REPORT TO SIXTY-EIGHTH LEGISLATIVE ASSEMBLY**"

Page 1, line 18, after "biennium" insert "and the 2021-23 biennium one-time funding items included in the appropriation in section 1 of this Act"

Page 1, remove lines 19 through 24

Page 2, replace lines 1 through 3 with:

"	<u>One-Time Funding Description</u>	<u>2019-21</u>	<u>2021-23</u>
Equipment		\$99,400	\$16,700
Strategic plan		25,000	0
Skilled care flooring project		138,700	0
Basic care flooring project		0	131,500
Administrator's residence demolition		233,450	0
Security system upgrades		52,500	0
Memorial garden project		<u>0</u>	<u>200,000</u>
Total all funds		\$549,050	\$348,200
Less estimated income		<u>524,050</u>	<u>348,200</u>
Total general fund		\$25,000	\$0

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

Page 2, after line 7, insert:

"SECTION 4. EXEMPTION - SKILLED CARE FLOORING PROJECT. The \$138,700 appropriated from the soldiers' home fund for a skilled care flooring project in section 1 of chapter 7 of the 2019 Session Laws is not subject to section 54-44.1-11 and any unspent funds may be continued and is available for defraying the expenses of completing the project during the biennium beginning July 1, 2021, and ending June 30, 2023."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

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

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General fund	\$5,654,324	\$115,919	\$5,770,243
FTE	120.72	(5.93)	114.79

Department 313 - Veterans' Home - Detail of Senate Changes

	Adjusts Funding for Base Payroll Changes ¹	Adds Funding for Salary and Benefit Increases ²	Removes FTE Positions ³	Adjusts Funding for Repairs and Maintenance ⁴	Adjusts Base Level Funding ⁵	Adds Funding for Registered Nurse Positions ⁵
Salaries and wages	\$187,174	\$462,405	(\$528,702)	(\$191,579)		\$36,000
Operating expenses				191,921	\$263,681	
Capital assets					1,538	
Total all funds	\$187,174	\$462,405	(\$528,702)	\$342	\$265,219	\$36,000
Less estimated income	224,047	370,685	0	342	(14,555)	36,000
General fund	(\$36,873)	\$91,720	(\$528,702)	\$0	\$279,774	\$0
FTE	(1.00)	0.00	(3.93)	(1.00)	0.00	0.00

	Adds Funding for Salary Equity Increases ⁷	Adds One-Time Funding for Equipment ⁸	Adds One-Time Funding for Basic Care Flooring ⁹	Adds One-Time Funding for Memorial Garden ¹⁰	Total Senate Changes
Salaries and wages	\$310,000				\$275,298
Operating expenses					455,602
Capital assets		\$16,700	\$131,500	\$200,000	349,738
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Less estimated income	0	16,700	131,500	200,000	964,719
General fund	\$310,000	\$0	\$0	\$0	\$115,919
FTE	0.00	0.00	0.00	0.00	(5.93)

¹ Funding is adjusted for base payroll changes, including the removal of 1 unfunded FTE resident living specialist position. Special funds are added from the soldiers' home fund.

² The following funding is added for 2021-23 biennium salary adjustments of 2 percent on July 1, 2021, with a minimum monthly increase of \$80 and a maximum monthly increase of \$300 and 2 percent on July 1, 2022; and increases in health insurance premiums from \$1,427 to \$1,429 per month:

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Salary increase	\$90,257	\$365,783	\$456,040
Health insurance increase	1,463	4,902	6,365
Total	\$91,720	\$370,685	\$462,405

³ Funding of \$528,702 from the general fund and authority for 3.93 FTE positions is removed as follows:

	FTE Positions	General Fund	Other Funds	Total
Administrative assistant	(1.00)	(\$135,039)	\$0	(\$135,039)
Direct care associate I	(1.00)	(119,890)	0	(119,890)
Resident living specialist II	(1.00)	(126,278)	0	(126,278)
Licensed practical nurse II	(0.93)	(147,495)	0	(147,495)
Total	(3.93)	(\$528,702)	\$0	(\$528,702)

⁴ Funding is adjusted for repairs and maintenance costs from the soldiers' home fund by reducing \$191,579 from the salaries and wages line item and adding \$191,921 in the operating expenses line item. Of the amount reduced in the salaries and wages line item, \$142,421 is for the removal of 1 FTE general trades maintenance worker I position. Funding added in the operating expenses line item is for contract maintenance work.

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	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
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Reduces funding for professional service fees and staff training	0	(57,400)	(57,400)
Adds funding for resident medication	238,500	0	238,500
Adjusts funding for bond and interest payments	<u>0</u>	<u>1,538</u>	<u>1,538</u>
Total	\$279,774	(\$14,555)	\$265,219

⁶ Funding is added to reclassify 3 FTE licensed practical nurse positions to FTE registered nurse positions by adding \$36,000 from the soldiers' home fund in the salaries and wages line item.

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¹⁰ One-time funding of \$200,000 from the Melvin Norgard memorial fund is added for a memorial garden project.

This amendment also adds a section to provide an exemption to allow the Veterans' Home to continue \$138,700 appropriated from the soldiers' home fund for a flooring project in the skilled nursing areas of the Veterans' Home during the 2019-21 biennium into the 2021-23 biennium.

REPORT OF STANDING COMMITTEE

SB 2007: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2007 was placed on the Sixth order on the calendar.

Page 1, line 1, after "home" insert "; to provide an exemption; and to provide for a report"

Page 1, replace lines 8 through 16 with:

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2021 HOUSE APPROPRIATIONS

SB 2007

**Department 313 - Veterans' Home
Senate Bill No. 2007**

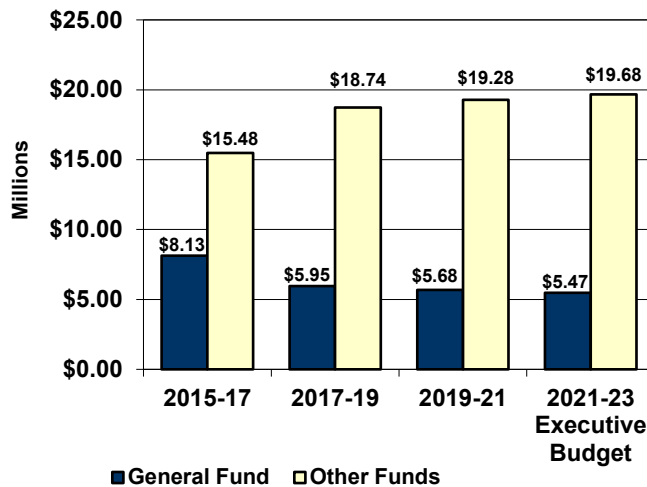
Executive Budget Comparison to Prior Biennium Appropriations

	FTE Positions	General Fund	Other Funds	Total
2021-23 Executive Budget	114.79	\$5,466,701	\$19,677,382	\$25,144,083
2019-21 Legislative Appropriations	120.72	5,679,324	19,275,822	24,955,146
Increase (Decrease)	(5.93)	(\$212,623)	\$401,560	\$188,937

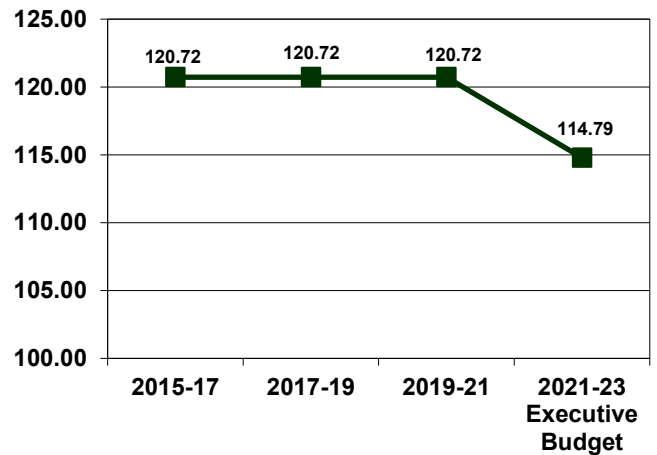
Ongoing and One-Time General Fund Appropriations

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2021-23 Executive Budget	\$5,466,701	\$0	\$5,466,701
2019-21 Legislative Appropriations	5,654,324	25,000	5,679,324
Increase (Decrease)	(\$187,623)	(\$25,000)	(\$212,623)

Agency Funding



FTE Positions



Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
2021-23 Executive Budget	\$5,466,701	\$19,677,382	\$25,144,083
2021-23 Base Level	5,654,324	18,751,772	24,406,096
Increase (Decrease)	(\$187,623)	\$925,610	\$737,987

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
1. Provides funding for state employee salary and benefit increases, of which \$397,640 is for salary increases, \$6,365 is for health insurance increases, and \$73,269 is for retirement contribution increases. The Senate added funding for salary adjustments of 2 percent on July 1, 2021, with a minimum monthly increase of \$80 and a maximum monthly increase of \$300 and 2 percent on July 1, 2022, and increases in health insurance premiums from \$1,427 to \$1,429 per month. The Senate did not add funding for retirement contribution increases.	\$109,698	\$367,576	\$477,274
2. Adjusts funding for base payroll changes, including the removal of 1 unfunded FTE resident living specialist position. Special funds are added from the soldier's home fund. The Senate added	(\$36,873)	\$224,047	\$187,174

\$310,000 from the general fund for nurse salary equity increases of \$1 per hour.

3. Removes 2 FTE skilled care positions, including 1 FTE administrative assistant I position (\$135,039) and 1 FTE direct care associate I position (\$119,890)	(\$254,929)	\$0	(\$254,929)
4. Removes 1.93 FTE basic care positions, including 1 FTE resident living specialist II position (\$126,278) and a 0.93 FTE licensed practical nurse II position (\$147,495)	(\$273,773)	\$0	(\$273,773)
5. Adjusts funding for repairs and maintenance costs from the soldier's home fund by reducing \$191,579 from the salaries and wages line item and adding \$191,921 in the operating expenses line item. Of the amount reduced in the salaries and wages line item, \$142,421 is for the removal of 1 FTE general trades maintenance worker I position. Funding added in the operating expenses line item would be used for contract maintenance work.	\$0	\$342	\$342
6. Adds funding for resident medication to provide a total of \$1,203,216 for medical, dental, and optical expenses	\$238,500	\$0	\$238,500
7. Adds one-time funding from the soldier's home fund for equipment, including a carpet shampooer (\$10,700) and humidifiers (\$6,000)	\$0	\$16,700	\$16,700
8. Adds one-time funding from the soldier's home fund to replace flooring in half of the basic care areas of the Veterans' Home. The 2019 Legislative Assembly appropriated \$138,700 from this fund to replace all of the flooring in the skilled care areas of the Veterans' Home.	\$0	\$131,500	\$131,500
9. Adds one-time funding from the Melvin Norgard memorial fund for a memorial garden project	\$0	\$200,000	\$200,000

Other Sections in Senate Bill No. 2007

Administrator monthly housing stipend - Section 3 identifies \$48,000 in the estimated income line item in Section 1 is from the soldiers' home fund for the purpose of providing a \$2,000 monthly housing stipend to the Veterans' Home administrator for housing costs off the Veterans' Home campus.

Exemption - Skilled nursing area flooring project - Section 4 provides an exemption to allow the Veterans' Home to continue \$138,700 appropriated from the soldiers' home fund for a flooring project in the skilled nursing areas of the Veterans' Home during the 2019-21 biennium into the 2021-23 biennium.

Continuing Appropriations

Custodial funds - North Dakota Century Code 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.

Deficiency Appropriation

There are no deficiency appropriations for this agency.

Significant Audit Findings

The operational audit for the Veterans' Home conducted by the State Auditor's office for the period ending June 20, 2019, identified no significant audit findings.

Major Related Legislation

House Bill No. 1394 - This bill provides a 2019-21 biennium appropriation of \$650,000 to the Veterans' Home from federal funds received as a result of the Coronavirus (COVID-19) pandemic for COVID-19 provider incentive payments for the purchase of personal protective equipment, cleaning supplies, hands free door openers, and qualifying employee wages. Section 2 of the bill provides an exemption for the Veterans' Home to continue the funding into the 2021-23 biennium.

House Bill No. 1395 - This bill provides a 2019-21 biennium appropriation of \$462,040 of federal funding to the Veterans' Home, as approved by the Emergency Commission and Budget Section during the 2019-20 interim, from the state's allocation from the federal Coronavirus Relief Fund for salaries, personal protective equipment, cleaning supplies, training, and other costs related to the COVID-19 pandemic.

Veterans' Home - Budget No. 313
Senate Bill No. 2007
Base Level Funding Changes

	Executive Budget Recommendation				Senate Version			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2021-23 Biennium Base Level	120.72	\$5,654,324	\$18,751,772	\$24,406,096	120.72	\$5,654,324	\$18,751,772	\$24,406,096
2021-23 Ongoing Funding Changes								
Base payroll changes	(1.00)	(\$36,873)	\$224,047	\$187,174	(1.00)	(\$36,873)	\$224,047	\$187,174
Salary increase		91,395	306,245	397,640		90,257	365,783	456,040
Health insurance increase		1,463	4,902	6,365		1,463	4,902	6,365
Retirement contribution increase		16,840	56,429	73,269				0
Removes skilled care positions	(2.00)	(254,929)		(254,929)	(2.00)	(254,929)		(254,929)
Removes basic care positions	(1.93)	(273,773)		(273,773)	(1.93)	(273,773)		(273,773)
Adjusts funding for repairs and maintenance costs	(1.00)		342	342	(1.00)		342	342
Adds funding for Microsoft Office 365 license expenses		29,613	3,448	33,061		41,133	3,448	44,581
Adds funding for information technology services and fees		141	37,859	38,000		141	37,859	38,000
Reduces funding for professional service fees and staff training			(57,400)	(57,400)			(57,400)	(57,400)
Adds funding for resident medication		238,500		238,500		238,500		238,500
Adjusts funding for bond and interest payments			1,538	1,538			1,538	1,538
Adds funding to reclassify licensed practical nurse positions to registered nurse positions				0			36,000	36,000
Adds funding for nurse salary equity increases of \$1 per hour				0		310,000		310,000
Total ongoing funding changes	(5.93)	(\$187,623)	\$577,410	\$389,787	(5.93)	\$115,919	\$616,519	\$732,438
One-time funding items								
Adds funding for equipment			\$16,700	\$16,700			\$16,700	\$16,700
Adds funding for a basic care flooring project			131,500	131,500			131,500	131,500
Adds funding for a memorial garden project			200,000	200,000			200,000	200,000
Total one-time funding changes	0.00	\$0	\$348,200	\$348,200	0.00	\$0	\$348,200	\$348,200
Total Changes to Base Level Funding	(5.93)	(\$187,623)	\$925,610	\$737,987	(5.93)	\$115,919	\$964,719	\$1,080,638
2021-23 Total Funding	114.79	\$5,466,701	\$19,677,382	\$25,144,083	114.79	\$5,770,243	\$19,716,491	\$25,486,734
<i>Total ongoing changes as a percentage of base level</i>	(4.9%)	(3.3%)	3.1%	1.6%	(4.9%)	2.1%	3.3%	3.0%
<i>Total changes as a percentage of base level</i>	(4.9%)	(3.3%)	4.9%	3.0%	(4.9%)	2.1%	5.1%	4.4%

Other Sections in Veterans' Home - Budget No. 313

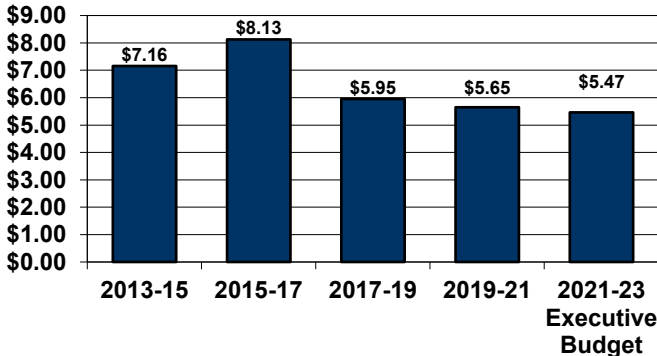
	Executive Budget Recommendation	Senate Version
Estimated income - Administrator monthly housing stipend		Section 3 identifies \$48,000 in the estimated income line item in Section 1 is from the soldiers' home fund for the purpose of providing a \$2,000 monthly housing stipend to the Veterans' Home administrator for housing costs off the Veterans' Home campus.
Exemption - Skilled nursing area flooring project		Section 4 provides an exemption to allow the Veterans' Home to continue \$138,700 appropriated from the soldiers' home fund for a flooring project in the skilled nursing areas of the Veterans' Home during the 2019-21 biennium into the 2021-23 biennium.

Department 313 - Veterans' Home

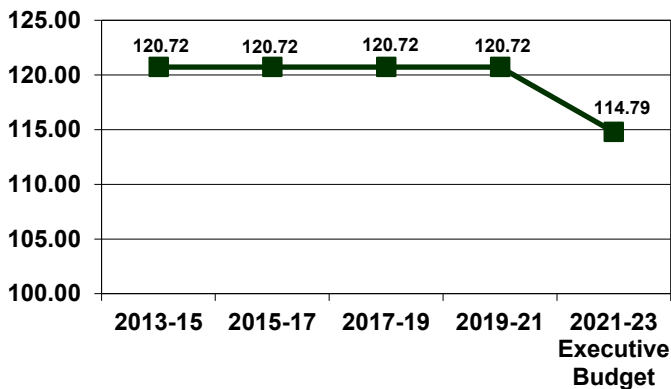
Historical Appropriations Information

Ongoing General Fund Appropriations Since 2013-15

Ongoing General Fund Appropriations (in Millions)



FTE Positions



Ongoing General Fund Appropriations					
	2013-15	2015-17	2017-19	2019-21	2021-23 Executive Budget
Ongoing general fund appropriations	\$7,161,853	\$8,128,024	\$5,951,439	\$5,654,324	\$5,466,701
Increase (decrease) from previous biennium	N/A	\$966,171	(\$2,176,585)	(\$297,115)	(\$187,623)
Percentage increase (decrease) from previous biennium	N/A	13.5%	(26.8%)	(5.0%)	(3.3%)
Cumulative percentage increase (decrease) from 2011-13 biennium	N/A	13.5%	(16.9%)	(21.0%)	(23.7%)

Major Increases (Decreases) in Ongoing General Fund Appropriations

2015-17 Biennium

- 1. Adjusted operating expenses by increasing funding from the general fund (\$103,375) and decreasing funding from special funds (\$206,225) \$103,375

2017-19 Biennium

- 1. Adjusted the funding source from the general fund to the soldiers' home fund for a portion of salaries and wages (\$2,000,000)
- 2. Adjusted funding for operating expenses \$510,268

2019-21 Biennium

- 1. Unfunded 6 FTE positions, of which \$355,309 is from the general fund and \$483,731 is from the soldiers' home fund (\$355,309)

2021-23 Biennium (Executive Budget Recommendation)

- 1. Removes 2 FTE skilled care positions, including 1 FTE administrative assistant I position (\$135,039) and 1 FTE direct care associate I position (\$119,890) (\$254,929)
- 2. Removes 1.93 FTE basic care positions, including 1 FTE resident living specialist II position (\$126,278) and a 0.93 FTE licensed practical nurse II position (\$147,495) (\$273,773)

**GOVERNOR'S RECOMMENDATION FOR THE
VETERANS' HOME AS SUBMITTED BY
THE OFFICE OF MANAGEMENT AND BUDGET**

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the veterans' home for the purpose of defraying the expenses of the veterans' home, for the biennium beginning July 1, 2021 and ending June 30, 2023, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and Wages	\$18,916,632	(\$55,833)	\$18,860,799
Operating Expenses	5,083,731	444,082	5,527,813
Capital Assets	<u>405,733</u>	<u>349,738</u>	<u>755,471</u>
Total All Funds	\$24,406,096	\$ 737,987	\$25,144,083
Less Estimated Income	<u>18,751,772</u>	<u>925,610</u>	<u>19,677,382</u>
Total General Fund	\$ 5,654,324	(\$187,623)	\$5,466,701
Full-time Equivalent Positions	120.72	(5.93)	114.79

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

<u>One-Time Funding Description</u>	<u>2019-21</u>	<u>2021-23</u>
Equipment	\$ 99,400	\$0
Strategic Plan	25,000	0
Administrator's Residence Demolition	233,450	0
Security System Upgrades	52,500	0
Flooring Project	138,700	131,500
Memorial Garden	<u>0</u>	<u>200,000</u>
Total All Funds	\$549,050	\$331,500
Less Estimated Income	<u>524,050</u>	<u>331,500</u>
Total General Fund	\$ 25,000	\$0

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

2021 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Human Resources Division Harvest Room, State Capitol

SB 2007

3/8/2021

pm

House Appropriations Human Resources

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

Chair Nelson Opened the meeting at 3:18 p.m.

Representative	Present	Absent
Nelson	P	
Kreidt		A
Andersen	P	
Mitskog	P	
Schobinger	P	
Strinden	P	

Discussion Topics:

- Veterans Home
- Revenue Sources
- 2019-2021 biennium
- Special Fund

Kristin Lunneburg, CFO, ND Veteran's Home (3:19 pm) testified #7899

Chair Nelson closed the meeting at 4:48 p.m.

Cole Fleck, Committee Clerk

TESTIMONY ON SB 2007
HOUSE HUMAN RESOURCES COMMITTEE
MONDAY, MARCH 8, 2021 #7899

Chairman Nelson and members of the House Human Resources Committee, I am Kristin Lunneborg, CFO at the North Dakota Veterans Home.

By an act of Congress in 1887, certain lands were set aside in various states for the establishment and maintenance of homes to support veteran soldiers and sailors. The Constitution of North Dakota, enacted in 1889, established a soldier's home to be located at the city of Lisbon. The original barracks opened in 1893 and by 1907 a hospital and Commandant's residence were added to the campus. In 1983, the Administrative Committee on Veterans Affairs change the name from the Soldiers home to the North Dakota Veterans Home as they felt it better reflected the clientele being served. In May 2011, we moved into our current facility which has 52 skilled nursing home beds and 98 basic care beds.

The statutory authority for the Veterans Home is found in North Dakota Century Code Chapters 37-15 and 37-18.1. The purpose of the veterans' home is to provide basic care and long-term care to veterans and their spouses. The century code also sets out the criteria for admission to the veteran's home, what information will be used to calculate fees for resident care, what monies must be deposited into the veterans' home operating fund, as well as sections allowing the Veterans Home to accept and expend donations. Chapter 37-18.1 sets out the power and duty of the Administrative Committee on Veterans Affairs to appoint a seven-member governing board for the administration of the veterans' home; one of the powers of the governing board is to select the administrator.

Basics

Revenue sources for the operation of the Veterans Home include federal per diem funds from the Department of Veterans Affairs (VA) and special fund income. The VA pays us a daily per diem for each veteran for each day they are in the facility and for some leave of absence days. Currently the per diem rates are \$49.91 per day for basic care and \$115.62 per day for skilled

care. The VA also pays us a set per diem rate for each 70% or more service-connected veteran; this money is first applied to their rent and any remaining amount is considered per diem income. Although these are federal funds, per N.D.C.C., this money is deposited into our special fund account. Special funds are all the monies we collect from various sources. Listed below are the historical and projected special fund income amounts and a description of each.

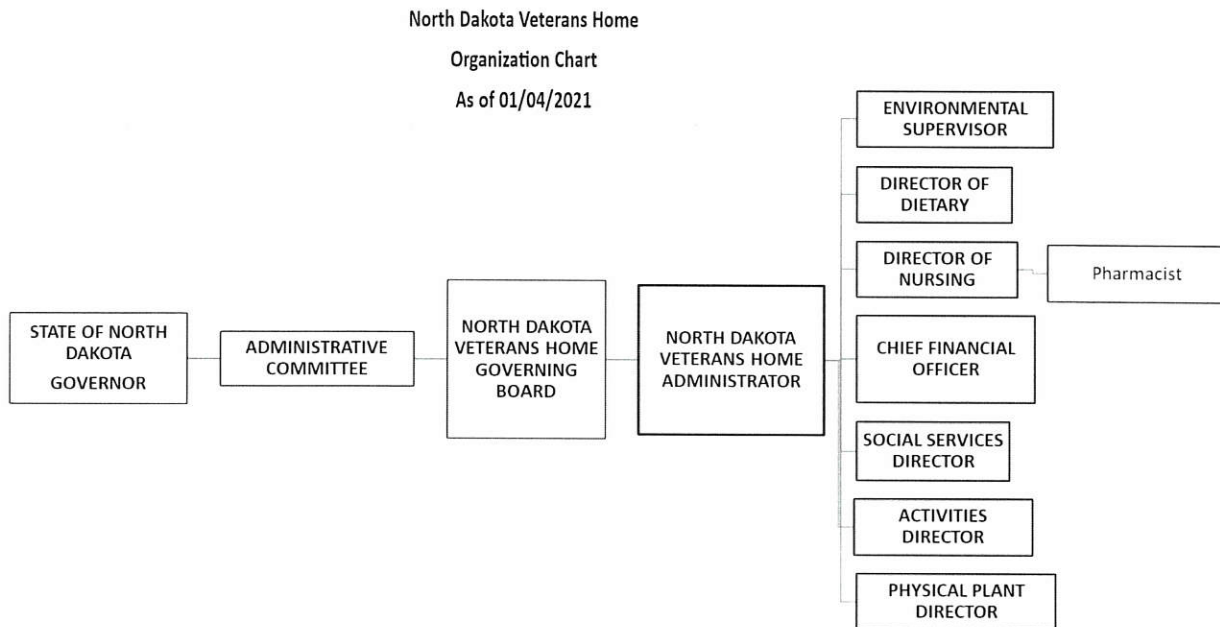
North Dakota Veterans Home Special Fund Revenue				
	<u>Actual</u> <u>2015-2017</u>	<u>Actual</u> <u>2017-2019</u>	<u>Projected</u> <u>2019-2021</u>	<u>Projected</u> <u>2021-2023</u>
1 Intergovernmental Grants/Contributions	5,660,005	5,341,234	5,200,000	5,350,000
2 Cash/Investment Earnings	626	750	2,200	1,500
3 Contributions & Private Grants	6,793	4,453	1,500	2,000
4 Charges for Services/Sales	249,826	176,277	128,000	60,000
5 General Government	67,828	59,529	22,000	35,000
6 Health	11,949,489	11,736,939	10,500,000	11,300,000
7 Leases, Rents, and Royalties**	64,437	185,425	360,000	127,000
8 Miscellaneous General Revenue	42,800	10,999	5,500	500
9 Transfers In	434,000	711,984	490,000	510,000
Total Special Fund Revenue	<u>18,475,804</u>	<u>18,227,591</u>	<u>16,709,200</u>	<u>17,386,000</u>

- 1 **Intergovernment grants** - per diem money from the Dept of Veterans Affairs. We are paid \$49.91 for each basic care veteran and \$115.62 for each skilled care veteran
- 2 **Cash/Investment Earnings** - interest earned on accounts
- 3 **Contributions & Private grants** - money taken in at weekly church services.
- 4 **Charges for Services/Sales** - food sales, veteran medication co-pays and VA pharmacy reimbursements
- 5 **General Government** - veteran travel pay from VA, resident's monthly cable tv payments, copier revenue
- 6 **Health** - rent payments from residents, VA, Medicare and Medicaid
- 7 **Leases, Rents and Royalties** - Lease of room for medical doctor and mineral royalty income
 **Mineral royalty income is included above but deposited into the Melvin Norgard Fund
- 8 **Miscellaneous General Revenue** - rebates and miscellaneous items that do not fall into another category.
- 9 **Transfers In** - money we receive from the State Land Department. This Veterans Home has 2,753.89 acres of land that is managed by the State Land Department. Remainder of land set aside by Congress in 1887.

The Melvin Norgard memorial fund, established by the 62nd Legislative Assembly, consists of all income related to a bequest made to the veterans' home by Melvin Norgard and consists of mineral royalties and interest. Money in this fund must be appropriated by the legislature and

can only be spent on projects or programs to benefit and service the residents of the veterans' home, not for the operation of the home.

The Veterans Home has nine individual departments including administration, maintenance, dietary, nursing, activities, social services, housekeeping, laundry and pharmacy. Each of these department work together to carry out our mission "Caring for America's Heroes". The organizational chart below illustrates what I mentioned already regarding the statutory authority and selection of leadership.



2019-2021 Biennium

Our current biennium base budget of \$24,406,096 includes \$18,916,632 for salaries and wages, \$5,083,731 for operating and \$405,733 for capital assets. Funding sources for our base budget include \$18,751,772 in special funds and \$5,654,324 in general funds. In addition to our base-level appropriation, our current appropriation includes one-time funding of \$25,000 for a strategic plan, \$138,700 for flooring for the skilled nursing pod and townhall, \$52,500 for security system upgrades, \$99,400 for equipment and \$233,450 for demolition of the

Administrator's residence, removal of underground tunnels and demolition of an old maintenance shop, pump house and well shed. We also had carryover funding of \$150,500 for a nurse call system and \$15,000 for electronic health information exchange software.

In January 2020, we started working with Eide Bailly on the strategic plan but unfortunately COVID has significantly impacted our ability to complete it by our original goal of December 2020. Our latest meeting was held in February, when Eide Bailly held a brainstorming session with the ND Veterans Home governing board and several key staff. Our next step is to identify five or six key strategies to begin focusing on. Eide Bailly would also like to meet with a few key legislators for input from your point of view.

The installation of flooring for the skilled nursing home and townhall area was put on hold due to COVID and with nursing home restrictions still in place and the uncertainty of when they will change, the Senate added a section to our bill allowing us to carryover the funding into the 2021-2023 biennium.

We were pleased to discover that a local contractor was able to do our demolition project for much less than the bid we had received in January 2019. In addition to the demolition company, we had to hire two more companies, one to examine the property for asbestos and another to remove the asbestos. We would like to request authority to use the savings from the demolition project toward several emergency capital asset items we encountered this biennium, including the replacement of a humidifier, security cameras that became a necessity in our medication areas, and an upgrade to our building automation system as it was running on an obsolete software system. The \$233,450 for the demolition project was set up in our current budget under class code 31372. We would like to request to have the remaining \$54,925 moved from class code 31372 to class code 31350 so it could be used for the three emergency capital asset items identified above, which totaled \$56,901.

The nurse call system was completed shortly after the biennium started but also ran into some additional unexpected expenditures. The pagers for the system selected in the bidding process

run off wi-fi so before we could proceed with the project, we were required to hire a company to test the signal strength throughout the building. The cost of the testing and the additional access points that had to be installed were operating expenses we did not anticipate.

The remaining one-time items include the health information exchange software and a few equipment items we will be purchasing within the next few months.

We have a lot to be thankful for this biennium considering the impacts of COVID. Some of our major accomplishments this biennium include:

- Staff working together as a team to develop protocols to keep our residents safe against COVID-19.
- Set up COVID unit to isolate positive residents which has allowed us to stop the spread of COVID throughout our building.
- Frequent testing of staff and residents to stop the spread of COVID-19; sometimes weekly, sometimes bi-weekly.
- Deficiency free surveys from the State Health Department and the Department of Veterans Affairs.
- No findings in the audit performed by the State Auditor's Office.
- Launched an advertising campaign totally funded by donations. Upon recommendations from Austin Schauer we were able to get our commercials aired for free through MIDCO.
- Expanded the VA outreach telehealth clinic at the Veterans Home to provide teleretinal, audiology, dermatology, mental health and other specialty telehealth services to veterans from the veterans home as well as the surrounding community.
- Installed a new security system in the medication areas that has already paid for itself.
- Raised funds for the repair and relocation of the Centennial monument.
- Completed several projects including the installation of a new nurse call system, demolition of the Administrator's residence and completed our facility assessment with SitelogiQ.
- Received a grant to set up a wellness area for staff.

Although we have a multitude of things we are super proud of and thankful of, following are some of the challenges we have faced:

- Impact of COVID - Long hours, burnout, lack of staff due to vacant positions and staff having to quarantine at home, staff motivation, restrictions on staff when not at work, mental and physical strain, constant PPE use, children doing schoolwork from home.
- Low census. Unable to admit for many months due to lack of staff.
- Ability to attract and retain staff due to wages and bonuses paid by other facilities.
- After 10 years of having no contract staff, we were forced to sign contracts with staffing agencies in order to meet staffing levels.
- High cost of contract agency staff.
- High cost of contracting with outside company for IT support.

2021-2023 Biennium

The budget request limit letter we received from OMB in May 2020 identified that our general fund limit was \$5,088,892, a 10% decrease from our 2019-2021 base amount. In addition, our special fund request limit is \$18,753,310 and of that we needed to reprioritize 5% or \$917,302.

The reprioritization piece was not difficult as we made the decision to go back to the old nursing home model and do away with the use of universal workers. In 2011, we moved into the new veterans' home which was built in the household/neighborhood concept. This concept uses a universal worker staffing model. The universal worker performs the C.N.A., housekeeping, activity and dietary roles. This model was very successful for us but as times have changed it has become harder to find the number of C.N.A. certified staff that we need for this model. We have had a significant number of open positions that we have been unable to fill so we decided to go back to the old model and separate the duties with the thought the positions would be easier to fill. Since the salaries and wages for the universal role were all included in the nursing department budget, we were able to reallocate the required funding by moving these positions to their new prospective department. In trying to find other areas

where we could save money, it was determined that we could potentially find a savings by contracting our outside maintenance work and eliminating an FTE position. These savings could then be put into our repairs line item which is currently over budget this biennium as we have seen an increase in costs due of to the age of our equipment.

The change back to the traditional model of staffing helped us eliminate one supervisory position in nursing that could be used towards the required general fund decrease. We also eliminated a position in our therapy department, a nurse position on basic care and we consolidated our basic and skilled medical records into one FTE position and one part-time temp position, reducing salary and benefit dollars for the second position. Even with these changes, we were still unable to come within the budget guidelines.

As I have stated many times before, cuts to our budget are difficult since we are a service industry and the majority of our expenses relate to labor and resident care. We have very stringent state and federal regulations and we are one of the most highly regulated industries. It is difficult to cut operating expenses since they are for resident care and the operation of the facility and it is difficult to cut staff due to required staffing levels. Our capital line item includes only the bond and interest on the new building and \$16,700 in equipment over \$5,000; leaving nothing to cut there. After reviewing all costs, we determined there were no changes we could make that would not have a significant impact on resident care. Finding no other obvious alternatives, we decided to take the remaining cut from food.

The other major issue we ran into this biennium were all the increases we were seeing in certain expense categories. In addition to the increase needed for repairs, we are also seeing significant increases to our medication costs. The average cost of medications increased from \$19.95 in FY 2019 to \$34.35 in FY 2020. COVID-19 has also impacted our budget due to the new technology needed to carry out our day to day activities; all of which has on-going licensing and maintenance fees. We had to significantly increase the number of Office 365 licenses in order to communicate with staff, we had to automate our mandatory annual in-service training,

and we are in the process of automating our staff scheduling and maintenance management systems.

Another major area of concern is the amount of general funds we receive. Each biennium there have been cuts. In the 2011-2013 biennium we were one of only a few agencies that received an additional 3% cut to our general funds, then in the 2015-2017 biennium we had the 4.05% general fund allotment that all agencies had to make, but what hurt us the most was the change in funding made in the 2017-2019 biennium. Due to the legislature's need to balance the budget and the fact that we had reserves in our special funds, our general fund appropriation authority was cut by \$2.1 million, or 26.8%, and our special fund authority was increased by \$2 million. We were reassured then that when the time came and we were running low on special funds it would be made right, yet we continue to have to make cuts to our general funding. The 2019-2021 biennium saw another 5% cut in general funding and the required cuts for the 2021-2023 biennium request was another 5%.

Governor's Recommended Budget vs. our Submitted Budget

The Governor's recommended budget includes changes to the salaries and wages, operating and capital line items. The increase to the salaries and wages line is for the Governor's recommended compensation changes. The remaining changes were requests from our optional package which include:

- \$221,546 in special fund authority for food – this was the amount we were forced to cut to meet budget guidelines
- \$238,500 in general fund authority for medications – increased cost for medications. Requested general funds due to the issue I just discussed with all the cuts to general funds and depletion of our special fund balance.
- \$29,095 in special fund authority for IT data processing fees – budget calculated by multiplying ITD services by new rates for 2021-23 biennium. Increase also due to broker fees charged by ITD for our web-based software programs.

- \$131,500 in special fund authority for carpeting in B Pod – Funding was included by the Governor for carpeting, but we have a more urgent need and are requesting to use this money for replacing the thermostats in the basic care unit of the building. They quit manufacturing the current thermostats in July of 2017 and there is no replacement for them. Any thermostats we can find run about \$600 each. The funding would allow us to put in a new wireless thermostat system. The old thermostats that would be taken out of the basic care unit could then be used as replacements in the skilled unit until we are able to get enough funding to replace that system. Cost to replace the entire system is \$226,000.
- \$200,000 in Melvin Norgard authority for a memorial garden to be located on the west side of our 90-acre campus, marking the area of the old Veterans Home. The center of the memorial garden will be a monumental concrete star, which symbolizes courage, strength and freedom. At the center of the star will be an American flag with each of the military branch flags being represented on the points of the star. Between the sidewalks and the star will be beautifully landscaped gardens with seating areas that will allow individuals a peaceful area to reflect and pay tribute to veterans. We have raised over \$120,000 towards the project and are requesting to use Melvin Norgard funds to complete it. A copy of our proposed plan is attached to the back of my testimony.

Not included in our optional package but included by the Governor:

- \$518 in general fund authority and \$3,448 in special fund authority for increased fees for Office 365

Capital items that were included in our budget request and in the Governor's executive budget include the following one-time items:

- Large shampooer - \$10,700 in special fund authority to purchase a Tennant ready space shampooer or equivalent. Existing 2009 machine is wearing out and is expensive to repair, plus it does not suck up water well, resulting in additional staff time and also creating a safety risk as resident's go between the carpeted and non-carpeted areas.

- Humidifier - \$6,000 in special fund authority to replace one of 12 humidifiers throughout the building. We had to replace one this biennium and anticipate we will be needed to replace more due to their age.

Items included in our optional request that were not included by the Governor:

- Nursing equity - \$550,000 in general fund authority. Our current wages for our RNs, LPNs, Medication Technicians and C.N.A. staff are up to \$4.00 per hour less than the current market and lower than the ND Long Term Care average for starting wages and up to \$5.00 per hour less after being employed for a number of years. We are unable to fill a number of vacant positions which also limits our ability to admit residents if we do not have the staff to care for them.
- Humidifier - \$6,000 in special fund authority. One of the two humidifiers requested is included in the Governor's executive budget. We were requesting funding for 2 units due to their age and the fact that we will have a total of 11 to replace within the next few years.
- Turbine blower - \$8,500 in special fund authority. This blower attachment would be used in place of our existing sweeper to clear snow from sidewalks and clean gutters along our roads that cannot be reached with a sweeper.
- Bladder scanner - \$9,800 in special fund authority. This is used to monitor urinary retention. They are used to help reduce the risk of infections, manage incontinence, assess toileting patterns to create schedules and reduce staff time with incontinence.

Attached to my testimony is a one-page sheet showing how we got from the legislative base budget to the Governor's executive recommendation. I have included the adjustments we made to get to our required budget limits as well as the items the Governor included in his executive recommendation.

The Senate made three changes to our executive budget request. The first was an additional \$11,520 in general fund authority for IT data processing fees for additional Office 365 basic licenses. We were recently notified that we would need to purchase additional Office 365 basic

licenses for any employees that need an e-mail address. We employ a large number of staff that only use the computers for charting in our electronic health records system. When COVID restrictions went into place last year we needed a way to communicate with some of these staff members. Although they do not use the computers for any other purpose than to send e-mails or receive communication via Teams, we are forced to purchase basic Office 365 licenses for them at a cost of \$17.00 per month. An e-mail was recently sent out by OMB encouraging agencies to purchase a license for all of our staff; if we did this it would cost us an additional \$47,232 per biennium.

The second addition to our budget includes \$36,000 to change LPN positions to RN positions, if needed. LPN positions are becoming increasingly difficult to fill. Due to receiving \$6.00 per hour or more for an RN position, most nurses chose to attend school for the additional nine months. North Dakota currently has 15,537 licensed RNs and 3,134 licensed LPNs; that means less than 1 out of 5 nurses is an LPN. Recruitment for LPNS is very difficult given the limited number of them. We also employ many individuals that are going to school to get their RN degrees and upon completion of their education we lose many of them as we often only have LPN positions available. We currently have an LPN position filled by an RN that is considering leaving as she is only getting paid LPN wages. The funding included by the Senate would allow us to change three positions from LPNs to RNs if necessary. We will only switch the positions if we are unable to hire LPNS. The 2017-2019 biennium budget included \$120,870 to switch these positions if needed. The funding was never used and we forgot to include it in our 2019-2021 budget request.

The final item the Senate included was \$310,000 in general fund authority for nursing equity. One of the things we have prided ourselves on was the fact that we were not having to utilize contract agency staff like the rest of the healthcare field does. These staff are paid at least double what our own employees are paid, and they do not know the residents. The key to good, quality care is to know your residents. Contract agency staff act as a band-aid to fill a position and not a solution to the staffing crisis we are faced with. Attached to the back of my testimony is a one-page sheet comparing our nursing wages to other ND Long Term Care

facilities as well as a comparison of staffing agency costs versus employee costs. Our current wages are lower than the overall state wages and more importantly, lower yet to the wages offered in our region. The other disadvantage we have in recruiting staff is that we do not offer the sign on bonuses that some facilities offer, ranging from \$2,500 to \$15,000 in facilities within reasonable travel distance.

Looking forward to the next biennium and beyond some of our goals include:

- Completing the strategic plan and working with Eide Bailly on ways to increase our revenues
- Creating a plan to increase the census for basic care and skilled nursing
- Work with others to continue advertising campaign so we are NOT “the best kept secret in North Dakota”
- Build the memorial garden and move the Centennial monument
- Complete some of the maintenance and repair projects identified in the study completed by SitelogiQ
- Work with Eide Bailly on MDS audit and education to ensure we are being reimbursed correctly
- Work with the Air National Guard to set up the B52 propeller display
- Find ways to help minimize the staffing crisis
- Work with the City of Lisbon to develop a plan for a walkway bridge over the Sheyenne River

The last sheet attached to my testimony is a one-page sheet outlining the funding we have received as well as our expenditures in relation to COVID-19. Some of the steps we have taken to minimize COVID-19 in our facility include enhanced infection control precautions, screening all staff upon entrance and exit into the facility, testing all staff and residents weekly or bi-weekly depending upon the number of positive cases, ensuring staff and residents follow the recommendations of the CDC and CMS in regards to visitations, resident interactions, communal dining and group activities. Since we last testified in the Senate, we have been able to make a few small changes including scheduled visitations two

days a week, ability for residents to eat in the dining rooms, and some group activities including the reopening of the workshop and art studio. All visitors and vendors still need to be tested on site prior to being allowed entrance into the facility or gazebo.

The last attachment to my testimony outlines the federal funds we have received to date, our expenditures as of the end of February 2021 and our 2020 emergency commission requests relating to COVID-19 funds. Spending authority for the two nursing home incentive payments we received in November and December is being requested in HB1394.

In closing, we strongly urge your support for state pay increases this biennium. We used to be the employer of choice in the area but have had a hard time competing with area healthcare facilities as they received wage increases a few years ago when we did not. We need to be able to hire our own staff, not contract for staffing at significantly higher rates. By funding pay increases you will help us be competitive with the large number of healthcare facilities in the area. Lisbon alone has 2 nursing home/basic care facilities, a hospital with swing bed, 2 assisted living facilities, and 4 medical clinics. There are also 4 skilled nursing facilities, a hospital and 6 more clinics within a 40-mile radius.

We hope that you will support our 2021-2023 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



Summary Comparison of 2021-2023 Base Budget to Governor's Recommended Budget

Description	2021-2023 Legislative Base Budget	Base Payroll Changes	Base Budget Changes	Adjusted Base Budget	Optionals Included in Governors Budget	Governors Compensation Increase	Governors Recommended Budget 2021-2023
Salaries and Wages	\$18,916,632	\$187,174	(\$720,281)	\$18,383,525	\$0	\$477,274	\$18,860,799
Operating Expenses	\$5,083,731	\$0	(\$49,025)	\$5,034,706	\$493,107	\$0	\$5,527,813
Capital Assets	\$405,733	\$0	\$18,238	\$423,971	\$331,500	\$0	\$755,471
	<u>\$24,406,096</u>	<u>\$187,174</u>	<u>(\$751,068)</u>	<u>\$23,842,202</u>	<u>\$824,607</u>	<u>\$477,274</u>	<u>\$25,144,083</u>
By Funding Source							
General Funds	\$5,654,324	(\$36,873)	(\$528,561)	\$5,088,890	\$268,113	\$109,698	\$5,466,701
Special Funds	\$18,751,772	\$224,047	(\$222,507)	\$18,753,312	\$556,494	\$367,576	\$19,677,382
	<u>\$24,406,096</u>	<u>\$187,174</u>	<u>(\$751,068)</u>	<u>\$23,842,202</u>	<u>\$824,607</u>	<u>\$477,274</u>	<u>\$25,144,083</u>
FTE	120.72	-5.93	114.79	114.79			114.79

2021-2023 Budget Adjustments

Salaries and Operating

- *Reduction of 2.93 FTE to meet Governor's request \$528,702 general funds.
- *Budget reprioritizations from nursing to dietary & housekeeping -\$1,288,263 special funds nursing, +\$1,288,605 special funds dietary
- *Reprioritized 1.0 FTE from salaries to operating \$191,921 special funds
- *Reduced 2.0 FTE from basic care - no funding attached - had a total of 6 unfunded positions from last session

Operating

- *Professional services decrease \$55,500 - special funds. Services to be covered by telehealth.
- *Professional services decrease \$1,900 - special funds. No longer need to train everyone for serve safe due to switch back to traditional staffing model.
- *Contractual service fees increase \$37,859 special funds, \$141 general funds. Annual maintenance fees for software and nurse call system.
- *Food decrease \$221,546 special funds - needed additional cut to make budget balance
- *Repairs increase from maintenance FTE reprioritization \$191,921 special funds

Capital

- *Bond & Interest payment increase \$1,538 - special funds
- *Funding for a shampooer for housekeeping and a humidifier \$16,700 special funds

Optional Budget Requests - included in Governor's Budget

	<u>Special funds</u>	<u>General funds</u>
1. Food increase - amount that had to be cut to meet budget limit	\$221,546	
2. Medications - increase in costs		\$238,500
3. Data Processing - ITD brokerage fees for our web based software, Office 365 licenses	\$3,448	\$29,613
4. Carpeting - B Pod	\$131,500	
5. Memorial garden - remaining money needed to finish project. Funding would be from Melvin Norgard Fund	\$200,000	

Optional Budget Requests - Not included in Governor's Budget

1. Nursing Equity		\$550,000
2. Humidifier - currently have 12 in building, looking to replace a few each biennium due to age	\$6,000	
3. Turbine blower - attachment to blow snow in winter, would help reduce damage to grass	\$8,500	
4. Bladder scanner - monitors urinary retention to reduce infections & manage incontinence	\$9,800	

Nursing Wage Comparisons

2020 ND Long Term Care Survey

	<u>Beginning</u>	<u>Midpoint</u>	<u>Max</u>
<u>RN</u>			
State Overall	\$27.16	\$32.01	\$36.97
Our Region	\$27.88	\$33.44	\$39.16
NDVH	\$26.89	<u>\$29.08</u>	<u>\$34.62</u>

Contract Nursing Staff

AWM	\$56.35 - \$60.54
ConVerdia	\$59.00
Prairie Traveler	\$52.00

RN Charge

State Overall	\$27.71	\$32.54	\$37.74
Our Region	\$28.53	\$34.55	\$40.06
NDVH	\$29.89	<u>\$32.08</u>	<u>\$35.17</u>

LPN

State Overall	\$20.92	\$24.75	\$28.70
Our Region	\$21.20	\$25.96	\$28.79
NDVH	\$20.59	<u>\$22.78</u>	<u>\$25.91</u>

Contract Nursing Staff

AWM	\$46.21 - \$49.87
ConVerdia	\$48.00
Prairie Traveler	\$42.00

Med Tech

State Overall	\$16.48	\$18.88	\$22.34
Our Region	\$16.35	\$19.41	\$22.16
NDVH	\$16.11	<u>\$18.30</u>	<u>\$20.44</u>

Contract Nursing Staff

Prairie Travelers	\$28.50
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C.N.A.

State Overall	\$15.40	\$17.70	\$21.27
Our Region	\$15.19	\$17.14	\$20.97
NDVH	\$14.63	<u>\$16.82</u>	<u>\$18.30</u>

Contract Nursing Staff

AWM	\$34.33 - \$40.58
ConVerdia	\$38.00
Prairie Traveler	\$26.50

Days to fill C.N.A. position by shift - 2019

Days	28
PMs	214
Nights	42

Days to fill C.N.A. position by shift - 2020

Days	30
PMs	204
Nights	142

C.N.A. Agency Staff Costs vs. Cost of NDVH Staff

<u>Year</u>	<u>Total Hours</u>	<u>Agency Cost</u>	<u>Cost if NDVH employee</u>	<u>Difference</u>
2020	Reg	1,574	\$53,304	\$26,758
2020	OT	433	\$19,919	\$11,258
Hotel			\$2,296	\$0
Total Costs		2,007	\$75,519	\$38,016
				\$39,798

COVID FUNDING

	<u>Amount</u>	<u>From Whom</u>	<u>Date Received</u>
1	\$131,097	State of ND - Cares Act Fund	May-20
2	\$10,331	Provider Relief Funds - Healthcare Enhancement Act	Jun-20
3	\$180,000	Provider Relief Funds - Healthcare Enhancement Act	Jun-20
4	\$85,400	Infection Control Funds - Healthcare Enhancement Act	Sep-20
5	\$330,943	State of ND - Cares Act Fund	Oct-20
6	\$49,082	HHS - September Quality incentive payment	Nov-20
7	\$166,520	HHS - October Quality incentive payment	Dec-20
9	\$63,548	1st FEMA Reimbursement	Mar-21
10	????	Future FEMA Reimbursement	

Emergency Commission Requests - Approved

1	\$131,097	COVID expenses Feb - May, 2020; \$35,395 salaries and \$95,702 operating
2	\$190,331	Provider Relief Funds - set up separate class code
3	\$385,400	\$85,400 Provider Relief Funds, \$300,000 potential initial FEMA reimbursement
4	\$330,943	Ion generators, hands free door openers, hands free faucets, hands free toilet flushers, sprayer, software, It's Never 2 Late Boards, PPE, Chemicals, salaries and wages, agency staffing

Need Spending Authority For

\$49,082.17	Quality incentive payments based upon COVID info for facility
\$166,519.72	Quality incentive payments based upon COVID info for facility

Expenditures paid to date - February 2021

Salaries and Wages	Overtime, directly related COVID hours, hazard pay	\$598,706.19
Operating	PPE, chemicals, sanitizer, medical supplies, mileage computers and supplies, access points for COVID unit oxygen concentrators, carts and serving supplies hands free fixtures	\$345,867.72
Capital	Software programs, hands free doors, It's Never to Late Boards Ion generators	\$142,309.23
		<hr/> \$1,086,883.14

2021 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Human Resources Division Harvest Room, State Capitol

SB 2007
3/22/2021 pm
House Appropriations Human Resources

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

Chair Nelson Opened the meeting at 3:35 p.m.

Representative	Present	Absent
Nelson	P	
Kreidt	P	
Andersen	P	
Mitskog	P	
Schobinger	P	
Strinden	P	

Discussion Topics:

- Veteran's Home
- Budget Detail
- Budget Request

Kristin Lunneborg, CFO, ND Veteran's Home (3:36 pm) testified #10489

Chair Nelson closed the meeting at 5:07 p.m.

Cole Fleck, Committee Clerk

**NORTH DAKOTA VETERANS HOME
2021-2023 BUDGET DETAIL #10489**

ADMINISTRATION DEPARTMENT

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, employee background checks and drug testing, board meeting fees and auditing fees.

BUDGET BY TRADITIONAL LINE

<u>Description</u>	<u>Base Level</u>	2021-2023		<u>Change</u>
		<u>Executive Recommendation</u>	<u>% of Executive Recommendation</u>	
Salaries	1,108,725	1,304,830	49%	196,105
Operating	861,755	932,816	35%	71,061
Capital	405,733	407,271	16%	1,538
Total	2,376,213	2,644,917	100%	268,704
General	704,592	723,525		18,933
Special	1,671,621	1,921,392		249,771
Total	2,376,213	2,644,917		268,704
FTE	5.0	6.0		+1.0

LINE ITEM DETAIL

Salaries and Benefits - \$1,304,830 49% of budget

Administrator 1 FTE

Executive Secretary – 1 FTE

Accounting Manager – 1 FTE

Account Technician – 1 FTE

Human Resource Technician - 1 FTE

*Admissions/Marketing Coordinator – position transferred from Social Services Dept.

Travel - \$63,000 2% of budget

Employee reimbursed travel. governing board travel and housing allowance for Administrator (\$48,000 for biennium)

IT Supplies & Software - \$50,000 2% of budget

IT equipment under \$750 such as cables, data storage, computer drives, switches and printers; various software licenses including It's Never 2 Late, TeleAgenda, Prime Solutions, Ability Network, and Digital Simplistics

Supplies and materials/professional - \$11,200 < 1% of budget

Resource materials, educational supplies and testing supplies

SIGNIFICANT CHANGES

Salaries and benefits - \$196,105 decrease

- Increase of 1 FTE position for our Admissions/Marketing Coordinator – position was transferred from the Social Services department
- Governor’s recommended salary and benefit increases

IT data processing - \$44,581 increase

- Includes our optional budget request for \$29,095, OMB’s addition of \$3,966 and an additional request for \$11,520 added by the Senate for a total of \$44,581
- Increase in Office 365 costs - needed to add 36 basic licenses for staff that previously did need, licenses going up from \$6.50 currently to \$17.00 each next biennium. State encouraging all staff to have licenses which would add an additional \$44,472 on top of the \$44,581
- Other increases due to other ITD fees, including brokerage fees for our new web-based software systems.

IT Contractual Services & Repairs - \$38,000 increase

Majority of increase for maintenance and support fees for our new nurse call system, staff scheduling system, staff training software and maintenance management software.

Other capital payments - \$1,538 increase

Increase in bond and interest payments for 2021-2023 biennium

REQUESTED BUDGET CHANGES

Add \$50,000 in general fund appropriation authority for advertising. We currently rely on donated money and free advertising as there is no money in our budget for this. With our current census being so low, we need to work on making sure the veterans home is not the “best kept secret” in North Dakota.

Agency: Veterans Home
 Program: 100 Administration
 Reporting Level: 00-313-100-00-00-00-00000000

1 Object/Revenue	2 2017-19 Biennium Expenditures	3 2019-21 Legislative Base	4 2021-23 Total Changes	5 Compensation	6 2021-23 Recommendation	7
Description	Code					

EXPENDITURES

Salaries - Permanent	511000	737,479	768,767	101,079	0	869,846	0
Salary Increase	511010	0	0	26,270	26,270	26,270	0
Benefit Increase	511011	0	0	4,914	4,914	4,914	0
Health Increase	511012	0	0	289	289	289	0
Retirement Increase	511013	0	0	6,527	6,527	6,527	0
Salaries - Other	512000	670	600	0	0	600	0
Overtime	514000	16,087	10,000	0	0	10,000	0
Fringe Benefits	516000	299,553	329,358	57,026	0	386,384	0
Salaries and Wages	10	1,053,789	1,108,725	196,105	38,000	1,304,830	0
Salaries and Benefits	510000	1,585	0	0	0	0	0
Travel	521000	14,998	63,000	0	0	63,000	0
Supplies - IT Software	531000	42,907	50,000	0	0	50,000	0
Supply/Material-Professional	532000	9,970	11,200	0	0	11,200	0
Bldg, Ground, Maintenance	534000	25	250	0	0	250	0
Miscellaneous Supplies	535000	340	250	0	0	250	0
Office Supplies	536000	24,957	25,000	0	0	25,000	0
Postage	541000	7,463	4,500	0	0	4,500	0
Printing	542000	1,744	3,500	0	0	3,500	0
IT Equip Under \$5,000	551000	86,733	80,500	0	0	80,500	0
Other Equip Under \$5,000	552000	2,799	3,000	0	0	3,000	0
Office Equip & Furn Supplies	553000	14,119	2,500	0	0	2,500	0
Insurance	571000	31,916	33,900	0	0	33,900	0
Rentals/Leases-Equip & Other	581000	11,622	20,000	0	0	20,000	0
Repairs	591000	2,597	4,000	0	0	4,000	0
IT - Data Processing	601000	112,489	150,905	33,061	0	183,966	0
IT - Communications	602000	96,178	99,000	0	0	99,000	0
IT Contractual Svcs and Rprs	603000	170,287	222,250	38,000	0	260,250	0
Professional Development	611000	23,594	24,000	0	0	24,000	0
Operating Fees and Services	621000	3,066	4,000	0	0	4,000	0
Fees - Professional Services	623000	43,690	60,000	0	0	60,000	0
Medical, Dental and Optical	625000	389	0	0	0	0	0
Operating Expenses	30	703,468	861,755	71,061	0	932,816	0
Other Capital Payments	683000	406,960	405,733	1,538	0	407,271	0
Capital Assets	50	406,960	405,733	1,538	0	407,271	0
TOTAL EXPENDITURES for 100 Administration		2,164,217	2,376,213	268,704	38,000	2,644,917	0

MEANS OF FUNDING

State General Fund	001	521,375	704,592	18,933	16,433	723,525	0
General Fund	GEN	521,375	704,592	18,933	16,433	723,525	0

**NORTH DAKOTA VETERANS HOME
2021-2023 BUDGET DETAIL**

MAINTENANCE DEPARTMENT

Expenses for the maintenance department include upkeep of the buildings and grounds on our 90-acre campus, motor pool vehicles, utilities, equipment and repairs.

BUDGET BY TRADITIONAL LINE

<u>Description</u>	<u>Base Level</u>	2021-2023	% of	<u>Change</u>
		<u>Executive Recommendation</u>	<u>Executive Recommendation</u>	
Salaries	922,204	729,793	27%	-192,411
Operating	1,473,050	1,664,971	61%	191,921
Capital	0	337,500	12%	337,500
Total	2,395,254	2,732,264	100%	337,010
General	1,207,169	1,183,835		-23,334
Norgard	0	200,000		200,000
Special	1,188,085	1,348,429		160,344
Total	2,395,254	2,732,264		337,010
FTE	5.4	4.4		-1.0

LINE ITEM DETAIL

Salaries and Benefits - \$729,793 37% of budget

Maintenance Supervisor – 1 FTE

Maintenance Workers – 2 FTE

Night watchman – 1.4 FTE

Travel - \$80,000 3% of budget

Motor pool charges

Professional Supplies & Materials - \$3,000 < 1% of budget

Chemicals

Food and Clothing - \$400 < 1% of budget

Safety clothing

Building, ground and maintenance - \$130,000 5% of budget

Equipment and building supplies; including repair parts, electrical, plumbing, heating and painting supplies

Miscellaneous supplies - \$7,000 < 1% of budget

Tools and miscellaneous equipment under \$750

- **Memorial garden - \$200,000** – Melvin Norgard funds would allow us to complete our memorial garden project. We have raised \$120,000 over the last 8 years; enough to help us complete the first phase of the project. This funding would allow us to complete the entire project.

BUDGET ADJUSTMENTS REQUESTED

Humidifier - \$6,000 – increase equipment over \$5,000 to allow us to purchase one more humidifier. As I mentioned above, only 4 out of the 12 units are fully functional at this time.

Allow us to use the \$131,500 in capital improvements for thermostats rather than carpeting. Funding would be used to replace the thermostats in the basic care unit of the building. They quit manufacturing the current thermostats in July 2017. Replacements are near impossible to find and when we do find them, they run about \$600 per thermostat.

Agency	Veterans Home					
Program	200 Plant Operations					
Reporting Level	20-313-200-00-00-00-00000000					

1		2	3	4	5	6	7
Object/Revenue		2017-19	2019-21	2021-23 Total	Compensation	2021-23	
Code		Biennium	Legislative Base	Changes		Recommendation	
Description	Code	Expenditures					

EXPENDITURES

Salaries - Permanent	511000	533,317	539,442	(106,886)	0	432,556	0
Salary Increase	511010	0	0	14,854	14,854	14,854	0
Benefit Increase	511011	0	0	3,109	3,109	3,109	0
Health Increase	511012	0	0	242	242	242	0
Retirement Increase	511013	0	0	3,246	3,246	3,246	0
Salaries - Other	512000	7,534	7,000	0	0	7,000	0
Temporary Salaries	513000	32,805	45,000	(45,001)	0	(1)	0
Overtime	514000	4,835	5,000	0	0	5,000	0
Fringe Benefits	516000	259,630	325,762	(61,975)	0	263,787	0
Salaries and Wages	10	838,121	922,204	(192,411)	21,451	729,793	0

Salaries and Benefits	510000	1,516	0	0	0	0	0
Travel	521000	79,990	80,000	0	0	80,000	0
Supply/Material-Professional	532000	3,039	3,000	0	0	3,000	0
Food and Clothing	533000	61	400	0	0	400	0
Bldg, Ground, Maintenance	534000	157,125	130,000	0	0	130,000	0
Miscellaneous Supplies	535000	7,680	7,000	0	0	7,000	0
IT Equip Under \$5,000	551000	4,449	0	0	0	0	0
Other Equip Under \$5,000	552000	20,504	5,950	0	0	5,950	0
Utilities	561000	1,140,749	1,093,000	0	0	1,093,000	0
Insurance	571000	425	1,000	0	0	1,000	0
Rentals/Leases-Equip & Other	581000	960	1,000	0	0	1,000	0
Rentals/Leases - Bldg/Land	582000	3,716	4,000	0	0	4,000	0
Repairs	591000	109,606	132,600	191,921	0	324,521	0
Professional Development	611000	620	500	0	0	500	0
Operating Fees and Services	621000	1,220	1,000	0	0	1,000	0
Fees - Professional Services	623000	2,788	13,600	0	0	13,600	0
Operating Expenses	30	1,534,448	1,473,050	191,921	0	1,664,971	0

Land and Buildings	682000	64,291	0	0	0	0	0
Extraordinary Repairs	684000	0	0	331,500	0	331,500	0
Equipment Over \$5000	691000	32,012	0	6,000	0	6,000	0
Capital Assets	50	96,303	0	337,500	0	337,500	0

Other Capital Payments	683000	214,071	0	0	0	0	0
Capital Construction Carryover	51	214,071	0	0	0	0	0

TOTAL EXPENDITURES for 200 Plant Operations		2,682,943	2,395,254	337,010	21,451	2,732,264	0
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MEANS OF FUNDING

State General Fund	001	895,887	1,207,169	(23,334)	12,163	1,183,835	0
General Fund	GEN	895,887	1,207,169	(23,334)	12,163	1,183,835	0

**NORTH DAKOTA VETERANS HOME
2021-2023 BUDGET DETAIL**

DIETARY DEPARTMENT

EXPLANATION OF PROGRAM COSTS

The dietary department is responsible for cooking meals, ordering and stocking food supplies for the main kitchen and all the household pantries. The Veterans Home serves approximately 10,000 – 11,000 meals per month.

Expenses include food and supplements, dishes and silverware, dietary equipment, continuing education, resource materials, paper products, and cleaning supplies.

BUDGET BY TRADITIONAL LINE

<u>Description</u>	<u>Base Budget</u>	2021-2023	% of	<u>Change</u>
		<u>Executive Recommendation</u>	<u>Executive Recommendation</u>	
Salaries	764,113	1,929,595	67%	1,165,482
Operating	950,100	948,200	33%	-1,900
Capital	0	0	0%	0
Total	1,714,213	2,877,795	100%	1,163,582
General	348,156	235,123		-113,033
Special	1,366,057	2,642,672		1,276,615
Total	1,714,213	2,877,795		1,163,582
FTE	5	14		+9.0

LINE ITEM DETAIL

Salaries and Benefits - \$1,929,595 67% of budget

Dietary Manager – 1 FTE

Cooks - 11 FTE

Food service assistant– 1 FTE

Food services operations supervisor – 1 FTE

Travel - \$2,000 < 1% of budget

Employee reimbursed travel expenses for food shows and workshops

Professional supplies and materials - \$25,000 < 1% of budget

Chemicals, resource materials, serve safe training materials

Food - \$800,000 28% of budget

Food, supplements

*We cut \$221,546 to meet budget guidelines, Governor restored

Agency: Veterans Home
 Program: 300 Dietary
 Reporting Level: 00-313-300-00-00-00-00000000

1 Object/Revenue	2 2017-19 Biennium Expenditures	3 2019-21 Legislative Base	4 2021-23 Total Changes	5 Compensation	6 2021-23 Recommendation	7
Description	Code					

EXPENDITURES

Salaries - Permanent	511000	369,612	395,114	916,343	0	1,311,457	0
Salary Increase	511010	0	0	39,607	39,607	39,607	0
Benefit Increase	511011	0	0	4,266	4,266	4,266	0
Health Increase	511012	0	0	438	438	438	0
Retirement Increase	511013	0	0	4,904	4,904	4,904	0
Salaries - Other	512000	365	15,000	0	0	15,000	0
Temporary Salaries	513000	38,524	85,000	(5,000)	0	80,000	0
Overtime	514000	3,635	9,300	5,700	0	15,000	0
Fringe Benefits	516000	228,154	259,699	199,224	0	458,923	0
Salaries and Wages	10	640,290	764,113	1,165,482	49,215	1,929,595	0

Salaries and Benefits	510000	1,413	0	0	0	0	0
Travel	521000	728	2,000	0	0	2,000	0
Supplies - IT Software	531000	78	0	0	0	0	0
Supply/Material-Professional	532000	23,241	25,000	0	0	25,000	0
Food and Clothing	533000	829,479	800,000	0	0	800,000	0
Bldg, Ground, Maintenance	534000	8,031	10,000	0	0	10,000	0
Miscellaneous Supplies	535000	91,232	85,000	0	0	85,000	0
Office Supplies	536000	112	200	0	0	200	0
Other Equip Under \$5,000	552000	31,152	7,000	0	0	7,000	0
Repairs	591000	8,001	16,500	0	0	16,500	0
Professional Development	611000	3,147	3,400	(1,900)	0	1,500	0
Operating Fees and Services	621000	2,215	1,000	0	0	1,000	0
Medical, Dental and Optical	625000	240	0	0	0	0	0
Operating Expenses	30	999,069	950,100	(1,900)	0	948,200	0

Equipment Over \$5000	691000	8,211	0	0	0	0	0
Capital Assets	50	8,211	0	0	0	0	0

TOTAL EXPENDITURES for 300 Dietary		1,647,570	1,714,213	1,163,582	49,215	2,877,795	0
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MEANS OF FUNDING

State General Fund	001	604,925	348,156	(113,033)	1,766	235,123	0
General Fund	GEN	604,925	348,156	(113,033)	1,766	235,123	0
Soldiers Home Fund 380	380	1,042,645	1,366,057	1,276,615	47,449	2,642,672	0
Special Funds	SPEC	1,042,645	1,366,057	1,276,615	47,449	2,642,672	0

TOTAL FUNDING for 300 Dietary		1,647,570	1,714,213	1,163,582	49,215	2,877,795	0
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AUTHORIZED EMPLOYEES

TE		5.00	5.00	9.00	0.00	14.00	0.00
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**NORTH DAKOTA VETERANS HOME
2021-2023 BUDGET DETAIL**

BASIC CARE NURSING DEPARTMENT

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.

Expenses cover such things as 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>	2021-2023		<u>% of Executive Recommendation</u>	<u>Change</u>
	<u>Base Budget</u>	<u>Executive Recommendation</u>		
Salaries	4,711,351	3,805,406	97%	-905,945
Operating	116,000	116,000	3%	0
Capital	0	0	0	0
Total	4,827,351	3,921,406	100%	-905,945
General	931,646	717,823		-213,823
Special	3,895,705	3,203,583		-692,122
Total	4,827,351	3,921,406		-905,945
FTE	35.28	25.95		-9.33

LINE ITEM DETAIL

Salaries and Benefits - \$3,805,406 97% of budget

- Clinical Care Partner (RN) – 1 FTE
- RNs – 1.6 FTE
- LPNs – 8.6 FTE
- Med Techs – 5.75 FTE
- C.N.A.s – 4 FTE
- Medical Records – 1 FTE
- Vacant unfunded positions – 4 FTE

Travel - \$1,000 < 1% of budget

Employee travel for workshops and continuing education

Supplies and materials/professional - \$3,000 < 1% of budget

Hand sanitizer, resource materials and educational supplies

Agency	Veterans Home
Program	401 Nursing Basic Care
Reporting Level	00-313-401-00-00-00-00000000

1 Object/Revenue		2 2017-19 Biennium Expenditures	3 2019-21 Legislative Base	4 2021-23 Total Changes	5 Compensation	6 2021-23 Recommendation	7
Description	Code						
EXPENDITURES							
Salaries - Permanent	511000	2,265,061	2,417,364	(825,290)	0	1,592,074	0
Salary Increase	511010	0	0	71,824	71,824	71,824	0
Benefit Increase	511011	0	0	15,428	15,428	15,428	0
Health Increase	511012	0	0	1,652	1,652	1,652	0
Retirement Increase	511013	0	0	16,878	16,878	16,878	0
Salaries - Other	512000	115,756	110,000	10,000	0	120,000	0
Temporary Salaries	513000	186,421	150,000	50,000	0	200,000	0
Overtime	514000	48,317	100,000	0	0	100,000	0
Fringe Benefits	516000	1,591,262	1,933,987	(246,437)	0	1,687,550	0
Salaries and Wages	10	4,206,817	4,711,351	(905,945)	105,782	3,805,406	0
Salaries and Benefits	510000	9,991	0	0	0	0	0
Travel	521000	677	1,000	0	0	1,000	0
Supply/Material-Professional	532000	3,018	3,000	0	0	3,000	0
Food and Clothing	533000	6,248	6,000	0	0	6,000	0
Bldg, Ground, Maintenance	534000	84	0	0	0	0	0
Miscellaneous Supplies	535000	4,172	4,000	0	0	4,000	0
Other Equip Under \$5,000	552000	713	0	0	0	0	0
Repairs	591000	707	0	0	0	0	0
Professional Development	611000	1,857	1,500	0	0	1,500	0
Operating Fees and Services	621000	2,874	6,000	0	0	6,000	0
Fees - Professional Services	623000	57,972	63,000	0	0	63,000	0
Medical, Dental and Optical	625000	28,872	31,500	0	0	31,500	0
Operating Expenses	30	117,185	116,000	0	0	116,000	0
TOTAL EXPENDITURES for 401 Nursing Basic Care		4,324,002	4,827,351	(905,945)	105,782	3,921,406	0
MEANS OF FUNDING							
State General Fund	001	905,542	931,646	(213,823)	22,052	717,823	0
General Fund	GEN	905,542	931,646	(213,823)	22,052	717,823	0
Soldiers Home Fund 380	380	3,418,460	3,895,705	(692,122)	83,730	3,203,583	0
Special Funds	SPEC	3,418,460	3,895,705	(692,122)	83,730	3,203,583	0
TOTAL FUNDING for 401 Nursing Basic Care		4,324,002	4,827,351	(905,945)	105,782	3,921,406	0
AUTHORIZED EMPLOYEES							
FTE		35.28	35.28	(9.33)	0.00	25.95	0.00
TOTAL AUTHORIZED EMPLOYEES for 401 Nursing Basic Care		35.28	35.28	(9.33)	0.00	25.95	0.00

**NORTH DAKOTA VETERANS HOME
2021-2023 BUDGET DETAIL**

SKILLED CARE NURSING DEPARTMENT

EXPLANATION OF PROGRAM COSTS

The skilled care nursing department is responsible for the overall 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.

Besides salaries and wages, expenses cover such things as lab and medical supplies, over-the-counter 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>Base Budget</u>	<u>2021-2023 Executive Recommendation</u>	<u>% of Executive Recommendation</u>	<u>Change</u>
Salaries	8,648,530	8,419,838	93%	-228,692
Operating	634,510	634,510	7%	0
Capital	0	0	0	0
Total	9,283,040	9,054,348	100%	-228,692
General	1,288,126	1,063,267		-224,859
Special	7,994,914	7,991,081		-3,833
Total	9,283,040	9,054,348		-228,692
FTE	51.24	45.64		-5.6

LINE ITEM DETAIL

Salaries and Benefits - \$8,419,838 93% of budget

RNs – 5.1 FTE

LPNs – 2.1 FTE

Med Tech – 3.9 FTE

C.N.A.s – 27.54 FTE

Therapy – 1 FTE

Director of Nursing – 1 FTE

Household Coordinator – 1 FTE

Clinical Care Partners (RN) – 4 FTE

Travel - \$,000 < 1% of budget

Employee reimbursed travel for workshops, continuing education

Supplies and materials/professional - \$20,000 < 1% of budget

Hand sanitizer, resource materials, educational supplies/materials

Agency	Veterans Home
Program	402 Nursing Skilled Care
Reporting Level	00-313-402-00-00-00-00000000

1		2	3	4	5	6	7
Object/Revenue		2017-19	2019-21	2021-23 Total	Compensation	2021-23	
Code		Biennium	Legislative Base	Changes		Recommendation	
Description		Expenditures					
EXPENDITURES							
Salaries - Permanent	511000	4,309,597	4,362,358	(315,804)	0	4,046,554	0
Salary Increase	511010	0	0	133,049	133,049	133,049	0
Benefit Increase	511011	0	0	28,770	28,770	28,770	0
Health Increase	511012	0	0	2,716	2,716	2,716	0
Retirement Increase	511013	0	0	30,352	30,352	30,352	0
Salaries - Other	512000	271,603	280,000	20,000	0	300,000	0
Temporary Salaries	513000	668,077	635,000	115,000	0	750,000	0
Overtime	514000	125,279	200,000	20,000	0	220,000	0
Fringe Benefits	516000	2,745,880	3,171,172	(262,775)	0	2,908,397	0
Salaries and Wages	10	8,120,436	8,648,530	(228,692)	194,887	8,419,838	0
Salaries and Benefits	510000	14,573	0	0	0	0	0
Travel	521000	3,573	4,000	0	0	4,000	0
Supply/Material-Professional	532000	15,467	20,000	0	0	20,000	0
Food and Clothing	533000	67,406	70,000	0	0	70,000	0
Bldg, Ground, Maintenance	534000	6,158	5,000	0	0	5,000	0
Miscellaneous Supplies	535000	30,883	30,000	0	0	30,000	0
Office Supplies	536000	49	350	0	0	350	0
Other Equip Under \$5,000	552000	36,744	30,400	0	0	30,400	0
Rentals/Leases-Equip & Other	581000	0	1,000	0	0	1,000	0
Repairs	591000	1,405	2,500	0	0	2,500	0
Professional Development	611000	21,048	21,000	0	0	21,000	0
Operating Fees and Services	621000	6,215	8,500	0	0	8,500	0
Fees - Professional Services	623000	204,406	261,760	0	0	261,760	0
Medical, Dental and Optical	625000	186,722	180,000	0	0	180,000	0
Operating Expenses	30	594,649	634,510	0	0	634,510	0
TOTAL EXPENDITURES for 402 Nursing Skilled Care		8,715,085	9,283,040	(228,692)	194,887	9,054,348	0
MEANS OF FUNDING							
State General Fund	001	1,967,224	1,288,126	(224,859)	29,515	1,063,267	0
General Fund	GEN	1,967,224	1,288,126	(224,859)	29,515	1,063,267	0
Soldiers Home Fund 380	380	6,747,861	7,994,914	(3,833)	165,372	7,991,081	0
Special Funds	SPEC	6,747,861	7,994,914	(3,833)	165,372	7,991,081	0
TOTAL FUNDING for 402 Nursing Skilled Care		8,715,085	9,283,040	(228,692)	194,887	9,054,348	0
AUTHORIZED EMPLOYEES							
TOTAL		51.24	51.24	(5.60)	0.00	45.64	0.00

**NORTH DAKOTA VETERANS HOME
2021-2023 BUDGET DETAIL**

RESIDENT SERVICES (ACTIVITES) DEPARTMENT

EXPLANATION OF PROGRAM COSTS

The majority of the expenses for resident services are salaries and benefits for our activities staff that coordinate all group activities as well as activities in each individual household. Some additional funding is available for workshops, travel and supplies. All funding for resident activities is from donations.

BUDGET BY TRADITIONAL LINE

<u>Description</u>	<u>Base Budget</u>	<u>2021-2023 Executive Recommendation</u>	<u>% of Executive Recommendation</u>	<u>Change</u>
Salaries	290,826	269,225	98%	-21,601
Operating	5,000	5,000	2%	0
Capital	0	0	0%	0
Total	295,826	274,225	100%	-21,601
General	51,014	64,827		13,813
Special	244,812	209,398		-35,414
Total	295,826	274,225		-21,601
FTE	2	2		0

LINE ITEM DETAIL

Salaries and Benefits - \$269,225 98% of budget

 Activities coordinator – 1 FTE

 Activities assistant – 1 FTE

Travel - \$1,000 < 1% of budget

 Employee reimbursed travel for workshops, continuing education

Miscellaneous supplies - \$500 < 1% of budget

 Recreational supplies

Printing - \$1,750 < 1% of budget

 Printing and mailing of the Scuttlebutt, our semi-annual newsletter that is sent out to about 1,000 organizations and individuals

Professional development - \$1,000 < 1% of budget

 Workshop and convention registrations, membership fees

Agency	Veterans Home						
Program	500 Resident Services						
Reporting Level	00-313-500-00-00-00-00000000						
1 Object/Revenue		2 2017-19 Biennium Expenditures	3 2019-21 Legislative Base	4 2021-23 Total Changes	5 Compensation	6 2021-23 Recommendation	7
Description	Code						
EXPENDITURES							
Salaries - Permanent	511000	141,603	149,715	(5,445)	0	144,270	0
Salary Increase	511010	0	0	4,357	4,357	4,357	0
Benefit Increase	511011	0	0	961	961	961	0
Health Increase	511012	0	0	98	98	98	0
Retirement Increase	511013	0	0	1,081	1,081	1,081	0
Salaries - Other	512000	710	1,000	0	0	1,000	0
Temporary Salaries	513000	2,082	30,000	(20,000)	0	10,000	0
Overtime	514000	5,513	4,500	1,500	0	6,000	0
Fringe Benefits	516000	91,595	105,611	(4,153)	0	101,458	0
Salaries and Wages	10	241,503	290,826	(21,601)	6,497	269,225	0
Salaries and Benefits	510000	586	0	0	0	0	0
Travel	521000	1,480	1,000	0	0	1,000	0
Miscellaneous Supplies	535000	660	500	0	0	500	0
Printing	542000	1,361	1,750	0	0	1,750	0
Professional Development	611000	1,049	1,000	0	0	1,000	0
Operating Fees and Services	621000	85	150	0	0	150	0
Fees - Professional Services	623000	443	600	0	0	600	0
Operating Expenses	30	5,664	5,000	0	0	5,000	0
TOTAL EXPENDITURES for 500 Resident Services		247,167	295,826	(21,601)	6,497	274,225	0
MEANS OF FUNDING							
State General Fund	001	52,150	51,014	13,813	1,203	64,827	0
General Fund	GEN	52,150	51,014	13,813	1,203	64,827	0
Soldiers Home Fund 380	380	195,017	244,812	(35,414)	5,294	209,398	0
Special Funds	SPEC	195,017	244,812	(35,414)	5,294	209,398	0
TOTAL FUNDING for 500 Resident Services		247,167	295,826	(21,601)	6,497	274,225	0
AUTHORIZED EMPLOYEES							
FTE		2.00	2.00	0.00	0.00	2.00	0.00
TOTAL AUTHORIZED EMPLOYEES for 500 Resident Services		2.00	2.00	0.00	0.00	2.00	0.00

**NORTH DAKOTA VETERANS HOME
2021-2023 BUDGET DETAIL**

SOCIAL SERVICES DEPARTMENT

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. Social service costs include salaries and benefits for our social services staff, transportation staff, resident worker wages, pastoral fees, resource materials and supplies, membership dues, and professional development.

BUDGET BY TRADITIONAL LINE

<u>Description</u>	<u>Base Budget</u>	2021-2023		<u>Change</u>
		<u>Executive Recommendation</u>	<u>% of Executive Recommendation</u>	
Salaries	1,331,627	1,126,654	98%	-204,973
Operating	73,250	17,750	2%	-55,500
Capital	0	0	0%	0
Total	1,404,877	1,144,404	100%	-260,473
General	703,042	717,248		14,206
Special	701,835	427,156		-274,679
Total	1,404,877	1,144,404		-260,473
FTE	8.2	7.2		-1.0

LINE ITEM DETAIL

Salaries and Benefits - \$1,126,654 98% of budget

Social Services Director 1 FTE

Social Workers – 3 FTE

Transportation Coordinator - .8 FTE

Transportation employees – 2.4 FTE

Travel - \$7,000 < 1% of budget

Employee reimbursed travel for workshops, continuing education, meal reimbursements for transportation staff

Supplies and materials/professional - \$250 < 1% of budget

Resource materials and educational supplies

Agency	Veterans Home
Program	300 Social Services
Reporting Level	00-313-600-00-00-00-00000000

1 Object/Revenue		2 2017-19 Biennium Expenditures	3 2019-21 Legislative Base	4 2021-23 Total Changes	5 Compensation	6 2021-23 Recommendation	7
Description	Code						
EXPENDITURES							
Salaries - Permanent	511000	768,559	802,577	(138,302)	0	664,275	0
Salary Increase	511010	0	0	20,060	20,060	20,060	0
Benefit Increase	511011	0	0	4,261	4,261	4,261	0
Health Increase	511012	0	0	390	390	390	0
Retirement Increase	511013	0	0	4,980	4,980	4,980	0
Salaries - Other	512000	333	500	250	0	750	0
Temporary Salaries	513000	25,068	30,000	(25,000)	0	5,000	0
Overtime	514000	10,784	15,000	(5,000)	0	10,000	0
Fringe Benefits	516000	434,470	483,550	(66,612)	0	416,938	0
Salaries and Wages	10	1,239,214	1,331,627	(204,973)	29,691	1,126,654	0
Salaries and Benefits	510000	2,343	0	0	0	0	0
Travel	521000	6,503	7,000	0	0	7,000	0
Supply/Material-Professional	532000	189	250	0	0	250	0
Professional Development	611000	3,089	3,000	0	0	3,000	0
Operating Fees and Services	621000	2,445	2,500	0	0	2,500	0
Fees - Professional Services	623000	58,158	60,500	(55,500)	0	5,000	0
Operating Expenses	30	72,727	73,250	(55,500)	0	17,750	0
TOTAL EXPENDITURES for 600 Social Services		1,311,941	1,404,877	(260,473)	29,691	1,144,404	0
MEANS OF FUNDING							
State General Fund	001	304,913	703,042	14,206	18,563	717,248	0
General Fund	GEN	304,913	703,042	14,206	18,563	717,248	0
Soldiers Home Fund 380	380	1,007,028	701,835	(274,679)	11,128	427,156	0
Special Funds	SPEC	1,007,028	701,835	(274,679)	11,128	427,156	0
TOTAL FUNDING for 600 Social Services		1,311,941	1,404,877	(260,473)	29,691	1,144,404	0
AUTHORIZED EMPLOYEES							
FTE		8.20	8.20	(1.00)	0.00	7.20	0.00
TOTAL AUTHORIZED EMPLOYEES for 600 Social Services		8.20	8.20	(1.00)	0.00	7.20	0.00

**NORTH DAKOTA VETERANS HOME
2021-2023 BUDGET DETAIL**

HOUSEKEEPING DEPARTMENT

EXPLANATION OF PROGRAM COSTS

Housekeeping staff work to upkeep the 171,000 square feet of the Veterans Home clean and maintained. Housekeeping costs include salaries and wages, cleaning supplies and chemicals, pest control, toiletry items, equipment and repairs.

BUDGET BY TRADITIONAL LINE

<u>Description</u>	<u>Base Budget</u>	2021-2023	% of	<u>Change</u>
		<u>Executive Recommendation</u>	<u>Executive Recommendation</u>	
Salaries	462,080	573,391	81%	111,311
Operating	119,050	119,050	17%	0
Capital	0	10,700	02%	10,700
Total	581,130	703,141	100%	122,011
General	194,319	313,641		119,322
Special	386,811	389,500		2,689
Total	581,130	703,141		122,011
FTE	4.05	5.05		+1.0

LINE ITEM DETAIL

Salaries and Benefits - \$573,391 81% of budget
Housekeeping supervisor – 1 FTE
Housekeepers – 4.05 FTE

Supplies and materials/professional - \$32,000 5% of budget
Chemicals for cleaning

Food and Clothing - \$1,500 < 1% of budget
Safety items - gloves

Building, ground and maintenance - \$35,000 5% of budget
Janitorial supplies and misc. building supplies

Miscellaneous supplies - \$35,000 5% of budget
Paper products such as paper towels, toilet paper, tissues

Office Supplies - \$500 < 1% of budget

Other equipment under \$5,000 - \$5,000 < 1% of budget
Vacuum cleaners and carpet shampoos

Agency	Veterans Home
Program	700 Housekeeping
Reporting Level	00-313-700-00-00-00-00000000

1 Object/Revenue		2 2017-19 Biennium Expenditures	3 2019-21 Legislative Base	4 2021-23 Total Changes	5 Compensation	6 2021-23 Recommendation	7
Description	Code						

EXPENDITURES

Salaries - Permanent	511000	252,173	259,211	56,158	0	315,369	0
Salary Increase	511010	0	0	9,524	9,524	9,524	0
Benefit Increase	511011	0	0	2,053	2,053	2,053	0
Health Increase	511012	0	0	247	247	247	0
Retirement Increase	511013	0	0	2,364	2,364	2,364	0
Salaries - Other	512000	1,445	1,000	0	0	1,000	0
Temporary Salaries	513000	6,643	4,000	(4,000)	0	0	0
Overtime	514000	1,973	2,000	0	0	2,000	0
Fringe Benefits	516000	187,900	195,869	44,965	0	240,834	0
Salaries and Wages	10	450,134	462,080	111,311	14,188	573,391	0

Salaries and Benefits	510000	1,171	0	0	0	0	0
Travel	521000	234	0	0	0	0	0
Supply/Material-Professional	532000	35,416	32,000	0	0	32,000	0
Food and Clothing	533000	1,788	1,550	0	0	1,550	0
Bldg, Ground, Maintenance	534000	34,605	35,000	0	0	35,000	0
Miscellaneous Supplies	535000	28,186	30,000	0	0	30,000	0
Office Supplies	536000	211	500	0	0	500	0
Other Equip Under \$5,000	552000	5,025	5,000	0	0	5,000	0
Office Equip & Furn Supplies	553000	2,460	0	0	0	0	0
Repairs	591000	17,897	9,500	0	0	9,500	0
Professional Development	611000	0	500	0	0	500	0
Operating Fees and Services	621000	4,430	5,000	0	0	5,000	0
Operating Expenses	30	131,423	119,050	0	0	119,050	0

Equipment Over \$5000	691000	6,649	0	10,700	0	10,700	0
Capital Assets	50	6,649	0	10,700	0	10,700	0

TOTAL EXPENDITURES for 700 Housekeeping		588,206	581,130	122,011	14,188	703,141	0
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MEANS OF FUNDING

State General Fund	001	154,214	194,319	119,322	6,544	313,641	0
General Fund	GEN	154,214	194,319	119,322	6,544	313,641	0
Soldiers Home Fund 380	380	433,992	386,811	2,689	7,644	389,500	0
Special Funds	SPEC	433,992	386,811	2,689	7,644	389,500	0

TOTAL FUNDING for 700 Housekeeping		588,206	581,130	122,011	14,188	703,141	0
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AUTHORIZED EMPLOYEES

FTE		4.05	4.05	1.00	0.00	5.05	0.00
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**NORTH DAKOTA VETERANS HOME
2021-2023 BUDGET DETAIL**

LAUNDRY DEPARTMENT

EXPLANATION OF PROGRAM COST

Laundry services are provided 5 days per week with an average of 7,200 lbs. of laundry per month for basic and 11,300 lbs. of laundry per month for skilled. Costs for the laundry department include salaries and benefits for 2 full-time and 1 part-time employee, laundry supplies, equipment and repairs, bed linens, towels, and pillows for the residents.

BUDGET BY TRADITIONAL LINE

<u>Description</u>	<u>Base Budget</u>	<u>2019-2021</u>		<u>Change</u>
		<u>Executive Recommendation</u>	<u>% of Executive Recommendation</u>	
Salaries	293,422	302,642	82%	9,220
Operating	64,500	64,500	18%	0
Capital	0	0	0%	0
Total	357,922	367,142	100%	9,220
General	105,961	96,364		-9,597
Special	251,961	270,778		18,817
Total	357,922	367,142		9,220
FTE	2.55	2.55		0

LINE ITEM DETAIL

Salaries and Benefits - \$302,642 82% of budget

Laundry supervisor – 1 FTE
Laundry workers – 1.55 FTE

Supplies and materials/professional - \$31,000 8% of budget

Chemicals for laundry

Food and Clothing - \$10,000 3% of budget

Linens, pillows, towels and washcloths

Building, grounds and maintenance - \$7,500 2% of budget

Equipment repair parts

Miscellaneous supplies - \$5,500 1% of budget

Laundry supplies

Repairs – \$10,000 3% of budget

Equipment repairs

Agency	Veterans Home
Program	800 Laundry
Reporting Level	00-313-800-00-00-00-00-00000000

1 Object/Revenue Description	Code	2 2017-19 Biennium Expenditures	3 2019-21 Legislative Base	4 2021-23 Total Changes	5 Compensation	6 2021-23 Recommendation	7
EXPENDITURES							
Salaries - Permanent	511000	152,872	157,965	1,444	0	159,409	0
Salary Increase	511010	0	0	4,814	4,814	4,814	0
Benefit Increase	511011	0	0	1,026	1,026	1,026	0
Health Increase	511012	0	0	143	143	143	0
Retirement Increase	511013	0	0	1,196	1,196	1,196	0
Salaries - Other	512000	69	101	(51)	0	50	0
Overtime	514000	331	500	0	0	500	0
Fringe Benefits	516000	125,682	134,856	648	0	135,504	0
Salaries and Wages	10	278,954	293,422	9,220	7,179	302,642	0
Salaries and Benefits	510000	689	0	0	0	0	0
Supply/Material-Professional	532000	38,772	31,000	0	0	31,000	0
Food and Clothing	533000	20,387	10,000	0	0	10,000	0
Bldg, Ground, Maintenance	534000	7,706	7,500	0	0	7,500	0
Miscellaneous Supplies	535000	3,558	5,500	0	0	5,500	0
Other Equip Under \$5,000	552000	2,109	0	0	0	0	0
Repairs	591000	200	10,000	0	0	10,000	0
Operating Fees and Services	621000	546	500	0	0	500	0
Operating Expenses	30	73,967	64,500	0	0	64,500	0
TOTAL EXPENDITURES for 800 Laundry		352,921	357,922	9,220	7,179	367,142	0
MEANS OF FUNDING							
State General Fund	001	76,009	105,961	(9,597)	1,459	96,364	0
General Fund	GEN	76,009	105,961	(9,597)	1,459	96,364	0
Soldiers Home Fund 380	380	276,912	251,961	18,817	5,720	270,778	0
Special Funds	SPEC	276,912	251,961	18,817	5,720	270,778	0
TOTAL FUNDING for 800 Laundry		352,921	357,922	9,220	7,179	367,142	0
AUTHORIZED EMPLOYEES							
FTE		2.55	2.55	0.00	0.00	2.55	0.00
TOTAL AUTHORIZED EMPLOYEES for 800 Laundry		2.55	2.55	0.00	0.00	2.55	0.00

**NORTH DAKOTA VETERANS HOME
2021-2023 BUDGET DETAIL**

PHARMACY DEPARTMENT

EXPLANATION OF PROGRAM COSTS

The pharmacy dispensed 14,178 medications from July 1, 2019 to June 30, 2020. Of these, 2,532 were new prescriptions and 11,646 were refills. The average cost of these prescriptions was \$34.35; 15% of these prescriptions had a resident copay, 7% were billed to the VA for reimbursement, 6% was billed to Medicare and the remaining 72% was the responsibility of the Veterans Home. Program costs include salaries and benefits, medications, packaging and labeling supplies, licensing, computer programs, and resource materials.

BUDGET BY TRADITIONAL LINE

<u>Description</u>	<u>Base Budget</u>	2021-2023	% of	<u>Change</u>
		<u>Executive Recommendation</u>	<u>Executive Recommendation</u>	
Salaries	383,754	399,425	28%	15,671
Operating	786,516	1,025,016	72%	238,500
Capital	0	0		0
Total	1,170,270	1,424,441	100%	254,171
General	120,299	351,048		230,749
Special	1,049,971	1,073,393		23,422
Total	1,170,270	1,424,441		254,171
FTE	2.0	2.0		0

LINE ITEM DETAIL

Salaries and Benefits - \$399,425 28% of budget

Pharmacist - .5 FTE

Pharmacy Techs - 1.5 FTE

Travel - \$100 < 1% of budget

Employee reimbursed travel for continuing education

IT software/supplies - \$9,000 < 1% of budget

Software license for pharmacy computer software

Professional supplies and materials - \$2,500 < 1% of budget

Resource materials

Printing - \$500 < 1% of budget

Prescription pads

Agency	Veterans Home
Program	900 Pharmacy
Reporting Level	00-313-900-00-00-00-00000000

1 Object/Revenue	2 2017-19 Biennium Expenditures	3 2019-21 Legislative Base	4 2021-23 Total Changes	5 Compensation	6 2021-23 Recommendation	7
Description	Code					

EXPENDITURES

Salaries - Permanent	511000	229,116	230,059	1,848	0	231,907	0
Salary Increase	511010	0	0	7,004	7,004	7,004	0
Benefit Increase	511011	0	0	1,489	1,489	1,489	0
Health Increase	511012	0	0	150	150	150	0
Retirement Increase	511013	0	0	1,741	1,741	1,741	0
Salaries - Other	512000	22	50	0	0	50	0
Overtime	514000	90	1,500	0	0	1,500	0
Fringe Benefits	516000	136,891	152,145	3,439	0	155,584	0
Salaries and Wages	10	366,119	383,754	15,671	10,384	399,425	0
Salaries and Benefits	510000	586	0	0	0	0	0
Travel	521000	0	100	0	0	100	0
Supplies - IT Software	531000	8,831	9,000	0	0	9,000	0
Supply/Material-Professional	532000	2,150	2,500	0	0	2,500	0
Food and Clothing	533000	0	500	0	0	500	0
Printing	542000	460	500	0	0	500	0
IT Contractual Srvcs and Rprs	603000	3,000	3,200	0	0	3,200	0
Professional Development	611000	1,964	2,000	0	0	2,000	0
Operating Fees and Services	621000	450	5,000	0	0	5,000	0
Fees - Professional Services	623000	5,945	10,500	0	0	10,500	0
Medical, Dental and Optical	625000	712,495	753,216	238,500	0	991,716	0
Operating Expenses	30	735,881	786,516	238,500	0	1,025,016	0
TOTAL EXPENDITURES for 900 Pharmacy		1,102,000	1,170,270	254,171	10,384	1,424,441	0

MEANS OF FUNDING

State General Fund	001	474,177	120,299	230,749	0	351,048	0
General Fund	GEN	474,177	120,299	230,749	0	351,048	0
Soldiers Home Fund 380	380	627,823	1,049,971	23,422	10,384	1,073,393	0
Special Funds	SPEC	627,823	1,049,971	23,422	10,384	1,073,393	0
TOTAL FUNDING for 900 Pharmacy		1,102,000	1,170,270	254,171	10,384	1,424,441	0

AUTHORIZED EMPLOYEES

FTE		2.00	2.00	0.00	0.00	2.00	0.00
TOTAL AUTHORIZED EMPLOYEES for 900 Pharmacy		2.00	2.00	0.00	0.00	2.00	0.00

SB 2007 Requested Budget Changes

1. Add language to allow us to carry over funding authority for the dryer \$20,700 special funds
2. Add funding for an additional humidifier – requested 2 in budget, funding was provided for 1 \$6,000 special funds
3. Allow us to use the capital money in the maintenance budget for thermostats instead of carpeting \$131,500 special funds
4. Add section to our bill allowing us to use the remaining money from the demolition project in the current budget for the unexpected capital items - i.e. security cameras, humidifier, building automation system \$54,925 from class 31372 to class 31350
5. Add money to the 2021-2023 budget for advertising \$50,000 general funds

2021 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Human Resources Division Harvest Room, State Capitol

SB 2007
3/29/2021 am
House Appropriations Human Resources

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

Chair Nelson Opened the meeting at 9:41 a.m.

Representative	Present	Absent
Nelson	P	
Kreidt	P	
Andersen	P	
Mitskog	P	
Schobinger	P	
Strinden	P	

Discussion Topics:

- **Review and Approval**

Chair Nelson introduced the bill (9:42 am) general discussion

Rep Kreidt moved to amend for Telephone services

Rep Anderson Second

Roll Call Vote:

Representative	Yea	Nay	Absent
Nelson	x		
Kreidt	x		
Anderson	x		
Mitskog	x		
Schobinger		x	
Strinden	x		

Motion Carries 5-1-0

Rep Kreidt moved to amend to divert funding for new carpet to installing thermostats

Rep Strinden Second

Roll Call Vote:

Representative	Yea	Nay	Absent
Nelson	x		
Kreidt	x		
Anderson	x		
Mitskog	x		
Schobinger	x		
Strinden	x		

Motion Carries 6-0-0

Rep Kreidt moved amendment for payroll changes

Rep Anderson Second

Roll Call Vote:

Representative	Yea	Nay	Absent
Nelson	x		
Kreidt	x		
Anderson	x		
Mitskog	x		
Schobinger	x		
Strinden	x		

Motion Carries 6-0-0

Rep Anderson moved amendment for vacation

Rep Strinden Second

Roll Call Vote:

Representative	Yea	Nay	Absent
Nelson	x		
Kreidt	x		
Anderson	x		
Mitskog	x		
Schobinger	x		
Strinden	x		

Motion Carries 6-0-0

Rep Kreidt moved amendment for Security

Rep Strinden Second

Roll Call Vote:

Representative	Yea	Nay	Absent
Nelson	x		
Kreidt	x		
Anderson	x		
Mitskog	x		
Schobinger	x		
Strinden	x		

Motion Carries 6-0-0

Rep Kreidt moved amendment for equipment

Representative Anderson Second

Roll Call Vote:

Representative	Yea	Nay	Absent
Nelson	x		
Kreidt	x		
Anderson	x		
Mitskog	x		
Schobinger	x		
Strinden	x		

Motion Carries 6-0-0

Rep Kreidt moved for a do pass as amended

Rep Mitskog seconded

Roll Call Vote:

Representative	Yea	Nay	Absent
Nelson	x		
Kreidt	x		
Anderson	x		
Mitskog	x		
Schobinger	x		
Strinden	x		

Motion Carries 6-0-0

Chair Nelson closed the meeting at 10:45 a.m.

Additional testimony #11730

Cole Fleck, Committee Clerk

**Veterans' Home - Budget No. 313
Senate Bill No. 2007
Base Level Funding Changes**

	Executive Budget Recommendation				Senate Version <i>3/29/21</i>				Senate Changes to Executive Budget			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2021-23 Biennium Base Level	120.72	\$5,654,324	\$18,751,772	\$24,406,096	120.72	\$5,654,324	\$18,751,772	\$24,406,096	0.00	\$0	\$0	\$0
2021-23 Ongoing Funding Changes												
Base payroll changes	(1.00)	(\$36,873)	\$224,047	\$187,174	(1.00)	(\$36,873)	\$224,047	\$187,174				\$0
Salary increase		91,395	306,245	397,640		90,257	365,783	456,040		(\$1,138)	\$59,538	58,400
Health insurance increase		1,463	4,902	6,365		1,463	4,902	6,365				0
Retirement contribution increase		16,840	56,429	73,269				0		(16,840)	(56,429)	(73,269)
Removes skilled care positions	(2.00)	(254,929)		(254,929)	(2.00)	(254,929)		(254,929)				0
Removes basic care positions	(1.93)	(273,773)		(273,773)	(1.93)	(273,773)		(273,773)				0
Adjusts funding for repairs and maintenance costs	(1.00)		342	342	(1.00)		342	342				0
Adds funding for Microsoft Office 365 license expenses		29,613	3,448	33,061		41,133	3,448	44,581		11,520		11,520
Adds funding for information technology services and fees		141	37,859	38,000		141	37,859	38,000				0
Reduces funding for professional service fees and staff training			(57,400)	(57,400)			(57,400)	(57,400)				0
Adds funding for resident medication		238,500		238,500		238,500		238,500				0
Adjusts funding for bond and interest payments			1,538	1,538			1,538	1,538				0
Adds funding to reclassify licensed practical nurse positions to registered nurse positions				0			36,000	36,000			36,000	36,000
Adds funding for nurse salary equity increases of \$1 per hour				0		310,000		310,000		310,000		310,000
Total ongoing funding changes	(5.93)	(\$187,623)	\$577,410	\$389,787	(5.93)	\$115,919	\$616,519	\$732,438	0.00	\$303,542	\$39,109	\$342,651
One-time funding items												
Adds funding for equipment			\$16,700	\$16,700			\$16,700	\$16,700			\$0	\$0
Adds funding for a basic care flooring project			131,500	131,500			131,500	131,500			0	0
Adds funding for a memorial garden project			200,000	200,000			200,000	200,000			0	0
Total one-time funding changes	0.00	\$0	\$348,200	\$348,200	0.00	\$0	\$348,200	\$348,200	0.00	\$0	\$0	\$0
Total Changes to Base Level Funding	(5.93)	(\$187,623)	\$925,610	\$737,987	(5.93)	\$115,919	\$964,719	\$1,080,638	0.00	\$303,542	\$39,109	\$342,651
2021-23 Total Funding	114.79	\$5,466,701	\$19,677,382	\$25,144,083	114.79	\$5,770,243	\$19,716,491	\$25,486,734	0.00	\$303,542	\$39,109	\$342,651
<i>Total ongoing changes as a percentage of base level</i>	(4.9%)	(3.3%)	3.1%	1.6%	(4.9%)	2.1%	3.3%	3.0%				
<i>Total changes as a percentage of base level</i>	(4.9%)	(3.3%)	4.9%	3.0%	(4.9%)	2.1%	5.1%	4.4%				

Other Sections in Veterans' Home - Budget No. 313

	Executive Budget Recommendation	Senate Version
Estimated income - Administrator monthly housing stipend		Section 3 identifies \$48,000 in the estimated income line item in Section 1 is from the soldiers' home fund for the purpose of providing a \$2,000 monthly housing stipend to the Veterans' Home administrator for housing costs off the Veterans' Home campus.
Exemption - Skilled nursing area flooring project		Section 4 provides an exemption to allow the Veterans' Home to continue \$138,700 appropriated from the soldiers' home fund for a flooring project in the skilled nursing areas of the Veterans' Home during the 2019-21 biennium into the 2021-23 biennium.

2021 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee
Brynhild Haugland Room, State Capitol

SB 2007
3/31/2021

BILL for an Act to provide an appropriation for defraying the expenses of the veterans' home; to provide an exemption; and to provide for a report.

10:30 Chairman Delzer- Opened the meeting for SB 2007

Attendance	P/A
Representative Jeff Delzer	P
Representative Keith Kempenich	P
Representative Bert Anderson	P
Representative Larry Bellew	P
Representative Tracy Boe	A
Representative Mike Brandenburg	P
Representative Michael Howe	P
Representative Gary Kreidt	P
Representative Bob Martinson	P
Representative Lisa Meier	P
Representative Alisa Mitskog	P
Representative Corey Mock	P
Representative David Monson	P
Representative Mike Nathe	P
Representative Jon O. Nelson	P
Representative Mark Sanford	P
Representative Mike Schatz	P
Representative Jim Schmidt	P
Representative Randy A. Schobinger	P
Representative Michelle Strinden	P
Representative Don Vigesaa	P

Discussion Topics:

- Budget and Amendment

10:31 Representative Kreidt – Introduces the budget and the amendment 21.0289.02001

11:01 Representative Kreidt - Makes a motion to adopt the amendment

Representative Jon O. Nelson Second

Further discussion

Roll Call Vote Requested

11:11 Roll Call Vote;

Representatives	Vote
Representative Jeff Delzer	Y
Representative Keith Kempenich	Y
Representative Bert Anderson	Y
Representative Larry Bellew	Y
Representative Tracy Boe	A
Representative Mike Brandenburg	Y
Representative Michael Howe	Y
Representative Gary Kreidt	Y
Representative Bob Martinson	Y
Representative Lisa Meier	Y
Representative Alisa Mitskog	Y
Representative Corey Mock	N
Representative David Monson	Y
Representative Mike Nathe	Y
Representative Jon O. Nelson	Y
Representative Mark Sanford	Y
Representative Mike Schatz	Y
Representative Jim Schmidt	Y
Representative Randy A. Schobinger	Y
Representative Michelle Strinden	Y
Representative Don Vigesaa	N

Motion Carries 18-2-1

11:13 Representative Jon O. Nelson- Makes a motion to add a sunset to section 4 of the amendment with language to have the committee look at this again.

Representative Kreidt –Second

11:13 Voice Vote- Motion Carries

11:14 Representative Mock- Makes a motion to further amend section 5 and sub section 16 to add 'the attorney general and the veterans home'

Representative Howe- Second

11:16 Voice Vote Motion Carries

11:16 Representative Kreidt- Makes a motion for a Do Pass as Amended

Representative Jon O. Nelson -Second

Further discussion

11:17 Roll Call Vote was Taken;

Representatives	Vote
Representative Jeff Delzer	Y
Representative Keith Kempenich	Y
Representative Bert Anderson	Y
Representative Larry Bellew	A
Representative Tracy Boe	A
Representative Mike Brandenburg	Y
Representative Michael Howe	Y
Representative Gary Kreidt	Y
Representative Bob Martinson	Y
Representative Lisa Meier	Y
Representative Alisa Mitskog	Y
Representative Corey Mock	N
Representative David Monson	Y
Representative Mike Nathe	Y
Representative Jon O. Nelson	Y
Representative Mark Sanford	Y
Representative Mike Schatz	Y
Representative Jim Schmidt	Y
Representative Randy A. Schobinger	Y
Representative Michelle Strinden	Y
Representative Don Vigesaa	Y

Motion Carries 18-1-2 Representative Kreidt will carry the bill

Additional written testimony: No Additional Testimony

11:19 Chairman Delzer- Closes the meeting for 2007

Risa Berube,

House Appropriations Committee Clerk

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2007

Page 1, line 1, after the semicolon insert "to amend and reenact sections 54-59-05 and 54-59-22 of the North Dakota Century Code, relating to state agency information technology service requirements;"

Page 1, line 2, after the semicolon insert "to provide a statement of legislative intent;"

Page 1, replace lines 11 through 17 with:

"Salaries and wages	\$18,916,632	\$293,247	\$19,209,879
Operating expenses	5,083,731	480,602	5,564,333
Capital assets	<u>405,733</u>	<u>349,738</u>	<u>755,471</u>
Total all funds	\$24,406,096	\$1,123,587	\$25,529,683
Less estimated income	<u>18,751,772</u>	<u>972,268</u>	<u>19,724,040</u>
Total general fund	\$5,654,324	\$151,319	\$5,805,643
Full-time equivalent positions	120.72	(5.93)	114.79"

Page 2, replace line 2 with:

"Thermostat replacements	0	131,500"
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Page 2, after line 16, insert:

"SECTION 4. RESIDENT LEAVE OF ABSENCE - LEGISLATIVE INTENT. The operating expenses line item in section 1 of this Act includes the sum of \$25,000 from the general fund for defraying veterans' home resident costs while residents are absent from the veterans' home. It is the intent of the sixty-seventh legislative assembly that the veterans' home governing board increase the number of days a resident is authorized to be absent from the veterans' home without incurring a per diem cost from seven consecutive days to fourteen consecutive days.

SECTION 5. AMENDMENT. Section 54-59-05 of the North Dakota Century Code is amended and reenacted as follows:

54-59-05. Powers and duties of department. (Effective through July 31, 2023)

The department:

1. Shall provide, supervise, and regulate information technology of all executive branch state entities, excluding the institutions under the control of the board of higher education and the veterans' home.
2. Shall provide network services in a way that ensures the network requirements of a single entity do not adversely affect the functionality of the whole network, facilitates open communications with the citizens of the state, minimizes the state's investment in human resources, accommodates an ever-increasing amount of traffic, supports rapid detection and resolution of problems, protects the network infrastructure from damage and security breaches, provides for the aggregation of data,

voice, video, and multimedia into a statewide transport mechanism or backbone, and provides for the network support for the entity to carry out its mission.

3. May review and approve additional network services that are not provided by the department.
4. May purchase, finance the purchase, or lease equipment, software, or implementation services or replace, including by trade or resale, equipment or software as may be necessary to carry out this chapter. With the exception of agreements entered related to the statewide interoperable radio network, an agreement to finance the purchase of software, equipment, or implementation services may not exceed a period of five years. The department shall submit any intended financing proposal for the purchase of software, equipment, or implementation services under this subsection, which is in excess of one million dollars, to the legislative assembly or the budget section if the legislative assembly is not in session before executing a financing agreement. Any request considered by the budget section must comply with section 54-35-02.9. If the legislative assembly or the budget section does not approve the execution of a financing agreement, the department may not proceed with the proposed financing arrangement. With the exception of financing for the statewide interoperable radio network, the department may finance the purchase of software, equipment, or implementation services only to the extent the purchase amount does not exceed seven and one-half percent of the amount appropriated to the department during that biennium.
5. Shall review requests for lease, purchase, or other contractual acquisition of information technology as required by this subsection. Each executive branch agency or institution, excluding the institutions under the control of the board of higher education, shall submit to the department, in accordance with guidelines established by the department, a written request for the lease, purchase, or other contractual acquisition of information technology. The department shall review requests for conformance with the requesting entity's information technology plan and compliance with statewide policies and standards. If the request is not in conformance or compliance, the department may disapprove the request or require justification for the departure from the plan or statewide policy or standard.
6. Shall provide information technology, including assistance and advisory service, to the executive, legislative, and judicial branches. If the department is unable to fulfill a request for service from the legislative or judicial branch, the information technology may be procured by the legislative or judicial branch within the limits of legislative appropriations.
7. Shall request and review information, including project startup information summarizing the project description, project objectives, business need or problem, cost-benefit analysis, and project risks and a project closeout information summarizing the project objectives achieved, project budget and schedule variances, and lessons learned, regarding any major information technology project of an executive branch agency. The department shall present the information to the information technology committee on request of the committee.

8. May request and review information regarding any information technology project of an executive branch agency with a total cost of between one hundred thousand and five hundred thousand dollars as determined necessary by the department. The department shall present the information to the information technology committee on request of the committee.
9. Shall study emerging technology and evaluate its impact on the state's system of information technology.
10. Shall develop guidelines for reports to be provided by each agency of the executive, legislative, and judicial branches, excluding the institutions under the control of the board of higher education, on information technology in those entities.
11. Shall collaborate with the state board of higher education on guidelines for reports to be provided by institutions under control of the state board of higher education on information technology in those entities.
12. Shall perform all other duties necessary to carry out this chapter.
13. May provide wide area network services to a state agency, city, county, school district, or other political subdivision of this state. The information technology department may not provide wide area network service to any private, charitable, or nonprofit entity except the information technology department may continue to provide the wide area network service the department provided to the private, charitable, and nonprofit entities receiving services from the department on January 1, 2003.
14. Shall assure proper measures for security, firewalls, and internet protocol addressing at the state's interface with other facilities.
15. Notwithstanding subsection 13, may provide wide area network services for a period not to exceed four years to an occupant of a technology park associated with an institution of higher education or to a business located in a business incubator associated with an institution of higher education.
16. Shall advise and oversee cybersecurity strategy for all executive branch state agencies, including institutions under the control of the state board of higher education, counties, cities, school districts, or other political subdivisions. For purposes of this subsection, the department shall consult with the attorney general on cybersecurity strategy.
17. Shall advise and consult with the legislative and judicial branches regarding cybersecurity strategy.

Powers and duties of department. (Effective after July 31, 2023)

The department:

1. Shall provide, supervise, and regulate information technology of all executive branch state entities, excluding the institutions under the control of the board of higher education and the veterans' home.

2. Shall provide network services in a way that ensures the network requirements of a single entity do not adversely affect the functionality of the whole network, facilitates open communications with the citizens of the state, minimizes the state's investment in human resources, accommodates an ever-increasing amount of traffic, supports rapid detection and resolution of problems, protects the network infrastructure from damage and security breaches, provides for the aggregation of data, voice, video, and multimedia into a statewide transport mechanism or backbone, and provides for the network support for the entity to carry out its mission.
3. May review and approve additional network services that are not provided by the department.
4. May purchase, finance the purchase, or lease equipment, software, or implementation services or replace, including by trade or resale, equipment or software as may be necessary to carry out this chapter. An agreement to finance the purchase of software, equipment, or implementation services may not exceed a period of five years. The department shall submit any intended financing proposal for the purchase of software, equipment, or implementation services under this subsection, which is in excess of one million dollars, to the legislative assembly or the budget section if the legislative assembly is not in session before executing a financing agreement. Any request considered by the budget section must comply with section 54-35-02.9. If the legislative assembly or the budget section does not approve the execution of a financing agreement, the department may not proceed with the proposed financing arrangement. The department may finance the purchase of software, equipment, or implementation services only to the extent the purchase amount does not exceed seven and one-half percent of the amount appropriated to the department during that biennium.
5. Shall review requests for lease, purchase, or other contractual acquisition of information technology as required by this subsection. Each executive branch agency or institution, excluding the institutions under the control of the board of higher education, shall submit to the department, in accordance with guidelines established by the department, a written request for the lease, purchase, or other contractual acquisition of information technology. The department shall review requests for conformance with the requesting entity's information technology plan and compliance with statewide policies and standards. If the request is not in conformance or compliance, the department may disapprove the request or require justification for the departure from the plan or statewide policy or standard.
6. Shall provide information technology, including assistance and advisory service, to the executive, legislative, and judicial branches. If the department is unable to fulfill a request for service from the legislative or judicial branch, the information technology may be procured by the legislative or judicial branch within the limits of legislative appropriations.
7. Shall request and review information, including project startup information summarizing the project description, project objectives, business need or problem, cost-benefit analysis, and project risks and a project closeout

information summarizing the project objectives achieved, project budget and schedule variances, and lessons learned, regarding any major information technology project of an executive branch agency. The department shall present the information to the information technology committee on request of the committee.

8. May request and review information regarding any information technology project of an executive branch agency with a total cost of between one hundred thousand and five hundred thousand dollars as determined necessary by the department. The department shall present the information to the information technology committee on request of the committee.
9. Shall study emerging technology and evaluate its impact on the state's system of information technology.
10. Shall develop guidelines for reports to be provided by each agency of the executive, legislative, and judicial branches, excluding the institutions under the control of the board of higher education, on information technology in those entities.
11. Shall collaborate with the state board of higher education on guidelines for reports to be provided by institutions under control of the state board of higher education on information technology in those entities.
12. Shall perform all other duties necessary to carry out this chapter.
13. May provide wide area network services to a state agency, city, county, school district, or other political subdivision of this state. The information technology department may not provide wide area network service to any private, charitable, or nonprofit entity except the information technology department may continue to provide the wide area network service the department provided to the private, charitable, and nonprofit entities receiving services from the department on January 1, 2003.
14. Shall assure proper measures for security, firewalls, and internet protocol addressing at the state's interface with other facilities.
15. Notwithstanding subsection 13, may provide wide area network services for a period not to exceed four years to an occupant of a technology park associated with an institution of higher education or to a business located in a business incubator associated with an institution of higher education.
16. Shall advise and oversee cybersecurity strategy for all executive branch state agencies, including institutions under the control of the state board of higher education, counties, cities, school districts, or other political subdivisions. For purposes of this subsection, the department shall consult with the attorney general on cybersecurity strategy.
17. Shall advise and consult with the legislative and judicial branches regarding cybersecurity strategy.

SECTION 6. AMENDMENT. Section 54-59-22 of the North Dakota Century Code is amended and reenacted as follows:

54-59-22. Required use of electronic mail, file and print server administration, database administration, application server, and hosting services.

Each state agency and institution, excluding the legislative and judicial branches, the institutions under the control of the state board of higher education, the attorney general, the veterans' home, and any entity exempted by the office of management and budget after advisement by the information technology department, shall obtain electronic mail, file and print server administration, database administration, storage, application server, and hosting services through a delivery system established by the information technology department in conjunction with the office of management and budget. The office of management and budget, after receiving advice from the information technology department, shall establish policies and guidelines for the delivery of services, including the transition from existing systems to functional consolidation, with consideration given to the creation of efficiencies, cost-savings, and improved quality of service."

Page 2, after line 21, insert:

"SECTION 8. EXEMPTION - EQUIPMENT. The amount of \$20,700 appropriated from the soldiers' home fund in the capital assets line item for a dryer in section 1 of chapter 7 of the 2019 Session Laws is not subject to section 54-44.1-11 and is available for the purchase of a dryer for the biennium beginning July 1, 2021, and ending June 30, 2023.

SECTION 9. EXEMPTION - ADMINISTRATOR'S RESIDENCE - CAPITAL ASSETS. Of the \$233,450 appropriated from the soldiers' home fund in the administrator's residence line item for the demolition of the administrator's residence in section 1 of chapter 7 of the 2019 Session Laws, \$54,925 is not subject to section 54-44.1-11 and is available for the purpose of defraying capital assets costs of the veterans' home for the biennium beginning July 1, 2021, and ending June 30, 2023."

Re-number accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

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

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$18,916,632	\$19,191,930	\$17,949	\$19,209,879
Operating expenses	5,083,731	5,539,333	25,000	5,564,333
Capital assets	405,733	755,471		755,471
Total all funds	\$24,406,096	\$25,486,734	\$42,949	\$25,529,683
Less estimated income	18,751,772	19,716,491	7,549	19,724,040
General fund	\$5,654,324	\$5,770,243	\$35,400	\$5,805,643
FTE	120.72	114.79	0.00	114.79

Department 313 - Veterans' Home - Detail of House Changes

	Adjusts Funding for Salary Increases ¹	Adds Funding for the Cost of Resident Absences ²	Adjusts One-Time Funding ³	Total House Changes
Salaries and wages	\$17,949			\$17,949
Operating expenses		\$25,000		25,000
Capital assets				
Total all funds	\$17,949	\$25,000	\$0	\$42,949
Less estimated income	7,549	0	0	7,549
General fund	\$10,400	\$25,000	\$0	\$35,400
FTE	0.00	0.00	0.00	0.00

¹ Salaries and wages funding is adjusted for 2021-23 biennium salary increases of 1.5 percent on July 1, 2021, with a minimum monthly increase of \$100 and 2 percent on July 1, 2022. The Senate provided salary adjustments of 2 percent with a minimum monthly increase of \$80 and a maximum monthly increase of \$300 on July 1, 2021, and 2 percent on July 1, 2022.

² Funding of \$25,000 from the general fund is added for the cost of resident absences when a resident is away from the Veterans' Home for an extended period of time. If a resident is absent from the Veterans' Home for 4 consecutive days, the United States Department of Veterans Affairs (VA) will not pay the Veterans' Home per diem for that resident for the days in excess of the first 4 days, resulting in the Veterans' Home charging residents for the cost of per diem not received by the VA. The Veterans' Home Governing Board recently extended the policy to allow residents to be absent for up to 7 consecutive days. This amendment provides funding to allow residents to be absent for 7 additional consecutive days, resulting in a total of 14 consecutive days allowed at no cost to the resident. The Senate did not provide funding for this purpose.

³ One-time funding of \$131,500 from the soldiers' home fund is provided to allow the Veterans' Home to replace thermostats in the facility. The Senate authorized this funding for a basic care flooring project.

This amendment also:

- Adds a section to identify \$25,000 from the general fund to defray Veterans' Home resident costs while residents are absent from the Veterans' Home. The section provides legislative intent that the Veterans' Home Governing Board increase the number of days a resident is authorized to be absent from the Veterans' Home without incurring a per diem cost for the absence from 7 to 14 days.
- Amends North Dakota Century Code Section 54-59-05 to exclude information technology of the Veterans' Home from being required to be provided by, supervised by, and regulated by the Information Technology Department.
- Amends Section 54-59-22 to exclude email, file and print administration, database administration, application server, and hosting services of the Veterans' Home from being required to be provided by the Information Technology Department.
- Provides an exemption to allow the Veterans' Home to continue \$20,700 appropriated from the soldiers' home fund for the purchase of a dryer during the 2019-21 biennium into the 2021-23 biennium.
- Provides an exemption to allow the Veterans' Home to continue \$54,925 appropriated from the soldiers' home fund for the 2019-21 biennium for the demolition of the administrator's residence into the 2021-23 biennium for purchasing security cameras, humidifiers, and a building automation system.

DR 4/1/21
1 of 7

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2007

Page 1, line 1, after the semicolon insert "to amend and reenact sections 54-59-05 and 54-59-22 of the North Dakota Century Code, relating to state agency information technology service requirements;"

Page 1, line 2, after the semicolon insert "to provide a statement of legislative intent;"

Page 1, replace lines 11 through 17 with:

"Salaries and wages	\$18,916,632	\$293,247	\$19,209,879
Operating expenses	5,083,731	480,602	5,564,333
Capital assets	<u>405,733</u>	<u>349,738</u>	<u>755,471</u>
Total all funds	\$24,406,096	\$1,123,587	\$25,529,683
Less estimated income	<u>18,751,772</u>	<u>972,268</u>	<u>19,724,040</u>
Total general fund	\$5,654,324	\$151,319	\$5,805,643
Full-time equivalent positions	120.72	(5.93)	114.79"

Page 2, replace line 2 with:

"Thermostat replacements	0	131,500
Resident absences	0	25,000"

Page 2, replace lines 6 through 8 with:

"Total all funds	\$549,050	\$373,200
Less estimated income	<u>524,050</u>	<u>348,200</u>
Total general fund	\$25,000	\$25,000"

Page 2, after line 16, insert:

"SECTION 4. RESIDENT LEAVE OF ABSENCE - LEGISLATIVE INTENT - ONE-TIME FUNDING. The operating expenses line item in section 1 of this Act includes the sum of \$25,000 from the general fund for defraying veterans' home resident costs while residents are absent from the veterans' home. This funding is considered a one-time funding item. It is the intent of the sixty-seventh legislative assembly that the veterans' home governing board increase the number of days a resident is authorized to be absent from the veterans' home without incurring a per diem cost from seven consecutive days to fourteen consecutive days. It is further the intent of the sixty-seventh legislative assembly that any future funding requests from the veterans' home for this purpose be requested from the Melvin Norgard memorial fund.

SECTION 5. AMENDMENT. Section 54-59-05 of the North Dakota Century Code is amended and reenacted as follows:

54-59-05. Powers and duties of department. (Effective through July 31, 2023)

The department:

1. Shall provide, supervise, and regulate information technology of all executive branch state entities, excluding the institutions under the control of the board of higher education and the veterans' home.
2. Shall provide network services in a way that ensures the network requirements of a single entity do not adversely affect the functionality of the whole network, facilitates open communications with the citizens of the state, minimizes the state's investment in human resources, accommodates an ever-increasing amount of traffic, supports rapid detection and resolution of problems, protects the network infrastructure from damage and security breaches, provides for the aggregation of data, voice, video, and multimedia into a statewide transport mechanism or backbone, and provides for the network support for the entity to carry out its mission.
3. May review and approve additional network services that are not provided by the department.
4. May purchase, finance the purchase, or lease equipment, software, or implementation services or replace, including by trade or resale, equipment or software as may be necessary to carry out this chapter. With the exception of agreements entered related to the statewide interoperable radio network, an agreement to finance the purchase of software, equipment, or implementation services may not exceed a period of five years. The department shall submit any intended financing proposal for the purchase of software, equipment, or implementation services under this subsection, which is in excess of one million dollars, to the legislative assembly or the budget section if the legislative assembly is not in session before executing a financing agreement. Any request considered by the budget section must comply with section 54-35-02.9. If the legislative assembly or the budget section does not approve the execution of a financing agreement, the department may not proceed with the proposed financing arrangement. With the exception of financing for the statewide interoperable radio network, the department may finance the purchase of software, equipment, or implementation services only to the extent the purchase amount does not exceed seven and one-half percent of the amount appropriated to the department during that biennium.
5. Shall review requests for lease, purchase, or other contractual acquisition of information technology as required by this subsection. Each executive branch agency or institution, excluding the institutions under the control of the board of higher education, shall submit to the department, in accordance with guidelines established by the department, a written request for the lease, purchase, or other contractual acquisition of information technology. The department shall review requests for conformance with the requesting entity's information technology plan and compliance with statewide policies and standards. If the request is not in conformance or compliance, the department may disapprove the request or require justification for the departure from the plan or statewide policy or standard.
6. Shall provide information technology, including assistance and advisory service, to the executive, legislative, and judicial branches. If the department is unable to fulfill a request for service from the legislative or

judicial branch, the information technology may be procured by the legislative or judicial branch within the limits of legislative appropriations.

7. Shall request and review information, including project startup information summarizing the project description, project objectives, business need or problem, cost-benefit analysis, and project risks and a project closeout information summarizing the project objectives achieved, project budget and schedule variances, and lessons learned, regarding any major information technology project of an executive branch agency. The department shall present the information to the information technology committee on request of the committee.
8. May request and review information regarding any information technology project of an executive branch agency with a total cost of between one hundred thousand and five hundred thousand dollars as determined necessary by the department. The department shall present the information to the information technology committee on request of the committee.
9. Shall study emerging technology and evaluate its impact on the state's system of information technology.
10. Shall develop guidelines for reports to be provided by each agency of the executive, legislative, and judicial branches, excluding the institutions under the control of the board of higher education, on information technology in those entities.
11. Shall collaborate with the state board of higher education on guidelines for reports to be provided by institutions under control of the state board of higher education on information technology in those entities.
12. Shall perform all other duties necessary to carry out this chapter.
13. May provide wide area network services to a state agency, city, county, school district, or other political subdivision of this state. The information technology department may not provide wide area network service to any private, charitable, or nonprofit entity except the information technology department may continue to provide the wide area network service the department provided to the private, charitable, and nonprofit entities receiving services from the department on January 1, 2003.
14. Shall assure proper measures for security, firewalls, and internet protocol addressing at the state's interface with other facilities.
15. Notwithstanding subsection 13, may provide wide area network services for a period not to exceed four years to an occupant of a technology park associated with an institution of higher education or to a business located in a business incubator associated with an institution of higher education.
16. Shall advise and oversee cybersecurity strategy for all executive branch state agencies, including institutions under the control of the state board of higher education, counties, cities, school districts, or other political subdivisions. For purposes of this subsection, the department shall consult with the attorney general and the veterans' home on cybersecurity strategy.

- 17. Shall advise and consult with the legislative and judicial branches regarding cybersecurity strategy.

Powers and duties of department. (Effective after July 31, 2023)

The department:

- 1. Shall provide, supervise, and regulate information technology of all executive branch state entities, excluding the institutions under the control of the board of higher education and the veterans' home.
- 2. Shall provide network services in a way that ensures the network requirements of a single entity do not adversely affect the functionality of the whole network, facilitates open communications with the citizens of the state, minimizes the state's investment in human resources, accommodates an ever-increasing amount of traffic, supports rapid detection and resolution of problems, protects the network infrastructure from damage and security breaches, provides for the aggregation of data, voice, video, and multimedia into a statewide transport mechanism or backbone, and provides for the network support for the entity to carry out its mission.
- 3. May review and approve additional network services that are not provided by the department.
- 4. May purchase, finance the purchase, or lease equipment, software, or implementation services or replace, including by trade or resale, equipment or software as may be necessary to carry out this chapter. An agreement to finance the purchase of software, equipment, or implementation services may not exceed a period of five years. The department shall submit any intended financing proposal for the purchase of software, equipment, or implementation services under this subsection, which is in excess of one million dollars, to the legislative assembly or the budget section if the legislative assembly is not in session before executing a financing agreement. Any request considered by the budget section must comply with section 54-35-02.9. If the legislative assembly or the budget section does not approve the execution of a financing agreement, the department may not proceed with the proposed financing arrangement. The department may finance the purchase of software, equipment, or implementation services only to the extent the purchase amount does not exceed seven and one-half percent of the amount appropriated to the department during that biennium.
- 5. Shall review requests for lease, purchase, or other contractual acquisition of information technology as required by this subsection. Each executive branch agency or institution, excluding the institutions under the control of the board of higher education, shall submit to the department, in accordance with guidelines established by the department, a written request for the lease, purchase, or other contractual acquisition of information technology. The department shall review requests for conformance with the requesting entity's information technology plan and compliance with statewide policies and standards. If the request is not in conformance or compliance, the department may disapprove the request

or require justification for the departure from the plan or statewide policy or standard.

6. Shall provide information technology, including assistance and advisory service, to the executive, legislative, and judicial branches. If the department is unable to fulfill a request for service from the legislative or judicial branch, the information technology may be procured by the legislative or judicial branch within the limits of legislative appropriations.
7. Shall request and review information, including project startup information summarizing the project description, project objectives, business need or problem, cost-benefit analysis, and project risks and a project closeout information summarizing the project objectives achieved, project budget and schedule variances, and lessons learned, regarding any major information technology project of an executive branch agency. The department shall present the information to the information technology committee on request of the committee.
8. May request and review information regarding any information technology project of an executive branch agency with a total cost of between one hundred thousand and five hundred thousand dollars as determined necessary by the department. The department shall present the information to the information technology committee on request of the committee.
9. Shall study emerging technology and evaluate its impact on the state's system of information technology.
10. Shall develop guidelines for reports to be provided by each agency of the executive, legislative, and judicial branches, excluding the institutions under the control of the board of higher education, on information technology in those entities.
11. Shall collaborate with the state board of higher education on guidelines for reports to be provided by institutions under control of the state board of higher education on information technology in those entities.
12. Shall perform all other duties necessary to carry out this chapter.
13. May provide wide area network services to a state agency, city, county, school district, or other political subdivision of this state. The information technology department may not provide wide area network service to any private, charitable, or nonprofit entity except the information technology department may continue to provide the wide area network service the department provided to the private, charitable, and nonprofit entities receiving services from the department on January 1, 2003.
14. Shall assure proper measures for security, firewalls, and internet protocol addressing at the state's interface with other facilities.
15. Notwithstanding subsection 13, may provide wide area network services for a period not to exceed four years to an occupant of a technology park associated with an institution of higher education or to a business located in a business incubator associated with an institution of higher education.

- 16. Shall advise and oversee cybersecurity strategy for all executive branch state agencies, including institutions under the control of the state board of higher education, counties, cities, school districts, or other political subdivisions. For purposes of this subsection, the department shall consult with the attorney general and the veterans' home on cybersecurity strategy.
- 17. Shall advise and consult with the legislative and judicial branches regarding cybersecurity strategy.

SECTION 6. AMENDMENT. Section 54-59-22 of the North Dakota Century Code is amended and reenacted as follows:

54-59-22. Required use of electronic mail, file and print server administration, database administration, application server, and hosting services.

Each state agency and institution, excluding the legislative and judicial branches, the institutions under the control of the state board of higher education, the attorney general, the veterans' home, and any entity exempted by the office of management and budget after advisement by the information technology department, shall obtain electronic mail, file and print server administration, database administration, storage, application server, and hosting services through a delivery system established by the information technology department in conjunction with the office of management and budget. The office of management and budget, after receiving advice from the information technology department, shall establish policies and guidelines for the delivery of services, including the transition from existing systems to functional consolidation, with consideration given to the creation of efficiencies, cost-savings, and improved quality of service."

Page 2, after line 21, insert:

"SECTION 8. EXEMPTION - EQUIPMENT. The amount of \$20,700 appropriated from the soldiers' home fund in the capital assets line item for a dryer in section 1 of chapter 7 of the 2019 Session Laws is not subject to section 54-44.1-11 and is available for the purchase of a dryer for the biennium beginning July 1, 2021, and ending June 30, 2023.

SECTION 9. EXEMPTION - ADMINISTRATOR'S RESIDENCE - CAPITAL ASSETS. Of the \$233,450 appropriated from the soldiers' home fund in the administrator's residence line item for the demolition of the administrator's residence in section 1 of chapter 7 of the 2019 Session Laws, \$54,925 is not subject to section 54-44.1-11 and is available for the purpose of defraying capital assets costs of the veterans' home for the biennium beginning July 1, 2021, and ending June 30, 2023."

Re-number accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

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

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$18,916,632	\$19,191,930	\$17,949	\$19,209,879
Operating expenses	5,083,731	5,539,333	25,000	5,564,333
Capital assets	405,733	755,471		755,471
Total all funds	\$24,406,096	\$25,486,734	\$42,949	\$25,529,683
Less estimated income	18,751,772	19,716,491	7,549	19,724,040

General fund	\$5,654,324	\$5,770,243	\$35,400	\$5,805,643
FTE	120.72	114.79	0.00	114.79

Department 313 - Veterans' Home - Detail of House Changes

	Adjusts Funding for Salary Increases ¹	Adds One-Time Funding for the Cost of Resident Absences ²	Adjusts One-Time Funding ³	Total House Changes
Salaries and wages	\$17,949			\$17,949
Operating expenses		\$25,000		25,000
Capital assets				
Total all funds	\$17,949	\$25,000	\$0	\$42,949
Less estimated income	7,549	0	0	7,549
General fund	\$10,400	\$25,000	\$0	\$35,400
FTE	0.00	0.00	0.00	0.00

¹ Salaries and wages funding is adjusted for 2021-23 biennium salary increases of 1.5 percent on July 1, 2021, with a minimum monthly increase of \$100 and 2 percent on July 1, 2022. The Senate provided salary adjustments of 2 percent with a minimum monthly increase of \$80 and a maximum monthly increase of \$300 on July 1, 2021, and 2 percent on July 1, 2022.

² One-time funding of \$25,000 from the general fund is added for the cost of resident absences when a resident is away from the Veterans' Home for an extended period of time. If a resident is absent from the Veterans' Home for 4 consecutive days, the United States Department of Veterans Affairs (VA) will not pay the Veterans' Home per diem for that resident for the days in excess of the first 4 days, resulting in the Veterans' Home charging residents for the cost of per diem not received by the VA. The Veterans' Home Governing Board recently extended the policy to allow residents to be absent for up to 7 consecutive days. This amendment provides funding to allow residents to be absent for 7 additional consecutive days, resulting in a total of 14 consecutive days allowed at no cost to the resident. The Senate did not provide funding for this purpose.

³ One-time funding of \$131,500 from the soldiers' home fund is provided to allow the Veterans' Home to replace thermostats in the facility. The Senate authorized this funding for a basic care flooring project.

This amendment also:

- Adds a section to identify one-time funding of \$25,000 from the general fund to defray Veterans' Home resident costs while residents are absent from the Veterans' Home. The section provides legislative intent that the Veterans' Home Governing Board increase the number of days a resident is authorized to be absent from the Veterans' Home without incurring a per diem cost for the absence from 7 to 14 days. Further intent is provided that any future funding requests from the Veteran's Home for this purpose be requested from the Melvin Norgard memorial fund.
- Amends North Dakota Century Code Section 54-59-05 to exclude information technology of the Veterans' Home from being required to be provided by, supervised by, and regulated by the Information Technology Department. The Information Technology Department is required to consult with the Veterans' Home regarding cybersecurity strategy.
- Amends Section 54-59-22 to exclude email, file and print administration, database administration, application server, and hosting services of the Veterans' Home from being required to be provided by the Information Technology Department.
- Provides an exemption to allow the Veterans' Home to continue \$20,700 appropriated from the soldiers' home fund for the purchase of a dryer during the 2019-21 biennium into the 2021-23 biennium.
- Provides an exemption to allow the Veterans' Home to continue \$54,925 appropriated from the soldiers' home fund for the 2019-21 biennium for the demolition of the administrator's residence into the 2021-23 biennium for purchasing security cameras, humidifiers, and a building automation system.

REPORT OF STANDING COMMITTEE

SB 2007, as engrossed: Appropriations Committee (Rep. Delzer, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (18 YEAS, 1 NAY, 2 ABSENT AND NOT VOTING). Engrossed SB 2007 was placed on the Sixth order on the calendar.

Page 1, line 1, after the semicolon insert "to amend and reenact sections 54-59-05 and 54-59-22 of the North Dakota Century Code, relating to state agency information technology service requirements;"

Page 1, line 2, after the semicolon insert "to provide a statement of legislative intent;"

Page 1, replace lines 11 through 17 with:

"Salaries and wages	\$18,916,632	\$293,247	\$19,209,879
Operating expenses	5,083,731	480,602	5,564,333
Capital assets	<u>405,733</u>	<u>349,738</u>	<u>755,471</u>
Total all funds	\$24,406,096	\$1,123,587	\$25,529,683
Less estimated income	<u>18,751,772</u>	<u>972,268</u>	<u>19,724,040</u>
Total general fund	\$5,654,324	\$151,319	\$5,805,643
Full-time equivalent positions	120.72	(5.93)	114.79"

Page 2, replace line 2 with:

"Thermostat replacements	0	131,500
Resident absences	0	25,000"

Page 2, replace lines 6 through 8 with:

"Total all funds	\$549,050	\$373,200
Less estimated income	<u>524,050</u>	<u>348,200</u>
Total general fund	\$25,000	\$25,000"

Page 2, after line 16, insert:

"SECTION 4. RESIDENT LEAVE OF ABSENCE - LEGISLATIVE INTENT - ONE-TIME FUNDING. The operating expenses line item in section 1 of this Act includes the sum of \$25,000 from the general fund for defraying veterans' home resident costs while residents are absent from the veterans' home. This funding is considered a one-time funding item. It is the intent of the sixty-seventh legislative assembly that the veterans' home governing board increase the number of days a resident is authorized to be absent from the veterans' home without incurring a per diem cost from seven consecutive days to fourteen consecutive days. It is further the intent of the sixty-seventh legislative assembly that any future funding requests from the veterans' home for this purpose be requested from the Melvin Norgard memorial fund.

SECTION 5. AMENDMENT. Section 54-59-05 of the North Dakota Century Code is amended and reenacted as follows:

54-59-05. Powers and duties of department. (Effective through July 31, 2023)

The department:

1. Shall provide, supervise, and regulate information technology of all executive branch state entities, excluding the institutions under the control of the board of higher education and the veterans' home.
2. Shall provide network services in a way that ensures the network requirements of a single entity do not adversely affect the functionality of

- the whole network, facilitates open communications with the citizens of the state, minimizes the state's investment in human resources, accommodates an ever-increasing amount of traffic, supports rapid detection and resolution of problems, protects the network infrastructure from damage and security breaches, provides for the aggregation of data, voice, video, and multimedia into a statewide transport mechanism or backbone, and provides for the network support for the entity to carry out its mission.
3. May review and approve additional network services that are not provided by the department.
 4. May purchase, finance the purchase, or lease equipment, software, or implementation services or replace, including by trade or resale, equipment or software as may be necessary to carry out this chapter. With the exception of agreements entered related to the statewide interoperable radio network, an agreement to finance the purchase of software, equipment, or implementation services may not exceed a period of five years. The department shall submit any intended financing proposal for the purchase of software, equipment, or implementation services under this subsection, which is in excess of one million dollars, to the legislative assembly or the budget section if the legislative assembly is not in session before executing a financing agreement. Any request considered by the budget section must comply with section 54-35-02.9. If the legislative assembly or the budget section does not approve the execution of a financing agreement, the department may not proceed with the proposed financing arrangement. With the exception of financing for the statewide interoperable radio network, the department may finance the purchase of software, equipment, or implementation services only to the extent the purchase amount does not exceed seven and one-half percent of the amount appropriated to the department during that biennium.
 5. Shall review requests for lease, purchase, or other contractual acquisition of information technology as required by this subsection. Each executive branch agency or institution, excluding the institutions under the control of the board of higher education, shall submit to the department, in accordance with guidelines established by the department, a written request for the lease, purchase, or other contractual acquisition of information technology. The department shall review requests for conformance with the requesting entity's information technology plan and compliance with statewide policies and standards. If the request is not in conformance or compliance, the department may disapprove the request or require justification for the departure from the plan or statewide policy or standard.
 6. Shall provide information technology, including assistance and advisory service, to the executive, legislative, and judicial branches. If the department is unable to fulfill a request for service from the legislative or judicial branch, the information technology may be procured by the legislative or judicial branch within the limits of legislative appropriations.
 7. Shall request and review information, including project startup information summarizing the project description, project objectives, business need or problem, cost-benefit analysis, and project risks and a project closeout information summarizing the project objectives achieved, project budget and schedule variances, and lessons learned, regarding any major information technology project of an executive branch agency. The department shall present the information to the information technology committee on request of the committee.

8. May request and review information regarding any information technology project of an executive branch agency with a total cost of between one hundred thousand and five hundred thousand dollars as determined necessary by the department. The department shall present the information to the information technology committee on request of the committee.
9. Shall study emerging technology and evaluate its impact on the state's system of information technology.
10. Shall develop guidelines for reports to be provided by each agency of the executive, legislative, and judicial branches, excluding the institutions under the control of the board of higher education, on information technology in those entities.
11. Shall collaborate with the state board of higher education on guidelines for reports to be provided by institutions under control of the state board of higher education on information technology in those entities.
12. Shall perform all other duties necessary to carry out this chapter.
13. May provide wide area network services to a state agency, city, county, school district, or other political subdivision of this state. The information technology department may not provide wide area network service to any private, charitable, or nonprofit entity except the information technology department may continue to provide the wide area network service the department provided to the private, charitable, and nonprofit entities receiving services from the department on January 1, 2003.
14. Shall assure proper measures for security, firewalls, and internet protocol addressing at the state's interface with other facilities.
15. Notwithstanding subsection 13, may provide wide area network services for a period not to exceed four years to an occupant of a technology park associated with an institution of higher education or to a business located in a business incubator associated with an institution of higher education.
16. Shall advise and oversee cybersecurity strategy for all executive branch state agencies, including institutions under the control of the state board of higher education, counties, cities, school districts, or other political subdivisions. For purposes of this subsection, the department shall consult with the attorney general and the veterans' home on cybersecurity strategy.
17. Shall advise and consult with the legislative and judicial branches regarding cybersecurity strategy.

Powers and duties of department. (Effective after July 31, 2023)

The department:

1. Shall provide, supervise, and regulate information technology of all executive branch state entities, excluding the institutions under the control of the board of higher education and the veterans' home.
2. Shall provide network services in a way that ensures the network requirements of a single entity do not adversely affect the functionality of the whole network, facilitates open communications with the citizens of the state, minimizes the state's investment in human resources, accommodates an ever-increasing amount of traffic, supports rapid detection and resolution of problems, protects the network infrastructure

- from damage and security breaches, provides for the aggregation of data, voice, video, and multimedia into a statewide transport mechanism or backbone, and provides for the network support for the entity to carry out its mission.
3. May review and approve additional network services that are not provided by the department.
 4. May purchase, finance the purchase, or lease equipment, software, or implementation services or replace, including by trade or resale, equipment or software as may be necessary to carry out this chapter. An agreement to finance the purchase of software, equipment, or implementation services may not exceed a period of five years. The department shall submit any intended financing proposal for the purchase of software, equipment, or implementation services under this subsection, which is in excess of one million dollars, to the legislative assembly or the budget section if the legislative assembly is not in session before executing a financing agreement. Any request considered by the budget section must comply with section 54-35-02.9. If the legislative assembly or the budget section does not approve the execution of a financing agreement, the department may not proceed with the proposed financing arrangement. The department may finance the purchase of software, equipment, or implementation services only to the extent the purchase amount does not exceed seven and one-half percent of the amount appropriated to the department during that biennium.
 5. Shall review requests for lease, purchase, or other contractual acquisition of information technology as required by this subsection. Each executive branch agency or institution, excluding the institutions under the control of the board of higher education, shall submit to the department, in accordance with guidelines established by the department, a written request for the lease, purchase, or other contractual acquisition of information technology. The department shall review requests for conformance with the requesting entity's information technology plan and compliance with statewide policies and standards. If the request is not in conformance or compliance, the department may disapprove the request or require justification for the departure from the plan or statewide policy or standard.
 6. Shall provide information technology, including assistance and advisory service, to the executive, legislative, and judicial branches. If the department is unable to fulfill a request for service from the legislative or judicial branch, the information technology may be procured by the legislative or judicial branch within the limits of legislative appropriations.
 7. Shall request and review information, including project startup information summarizing the project description, project objectives, business need or problem, cost-benefit analysis, and project risks and a project closeout information summarizing the project objectives achieved, project budget and schedule variances, and lessons learned, regarding any major information technology project of an executive branch agency. The department shall present the information to the information technology committee on request of the committee.
 8. May request and review information regarding any information technology project of an executive branch agency with a total cost of between one hundred thousand and five hundred thousand dollars as determined necessary by the department. The department shall present the information to the information technology committee on request of the committee.

9. Shall study emerging technology and evaluate its impact on the state's system of information technology.
10. Shall develop guidelines for reports to be provided by each agency of the executive, legislative, and judicial branches, excluding the institutions under the control of the board of higher education, on information technology in those entities.
11. Shall collaborate with the state board of higher education on guidelines for reports to be provided by institutions under control of the state board of higher education on information technology in those entities.
12. Shall perform all other duties necessary to carry out this chapter.
13. May provide wide area network services to a state agency, city, county, school district, or other political subdivision of this state. The information technology department may not provide wide area network service to any private, charitable, or nonprofit entity except the information technology department may continue to provide the wide area network service the department provided to the private, charitable, and nonprofit entities receiving services from the department on January 1, 2003.
14. Shall assure proper measures for security, firewalls, and internet protocol addressing at the state's interface with other facilities.
15. Notwithstanding subsection 13, may provide wide area network services for a period not to exceed four years to an occupant of a technology park associated with an institution of higher education or to a business located in a business incubator associated with an institution of higher education.
16. Shall advise and oversee cybersecurity strategy for all executive branch state agencies, including institutions under the control of the state board of higher education, counties, cities, school districts, or other political subdivisions. For purposes of this subsection, the department shall consult with the attorney general and the veterans' home on cybersecurity strategy.
17. Shall advise and consult with the legislative and judicial branches regarding cybersecurity strategy.

SECTION 6. AMENDMENT. Section 54-59-22 of the North Dakota Century Code is amended and reenacted as follows:

54-59-22. Required use of electronic mail, file and print server administration, database administration, application server, and hosting services.

Each state agency and institution, excluding the legislative and judicial branches, the institutions under the control of the state board of higher education, the attorney general, the veterans' home, and any entity exempted by the office of management and budget after advisement by the information technology department, shall obtain electronic mail, file and print server administration, database administration, storage, application server, and hosting services through a delivery system established by the information technology department in conjunction with the office of management and budget. The office of management and budget, after receiving advice from the information technology department, shall establish policies and guidelines for the delivery of services, including the transition from existing systems to functional consolidation, with consideration given to the creation of efficiencies, cost-savings, and improved quality of service."

Page 2, after line 21, insert:

"SECTION 8. EXEMPTION - EQUIPMENT. The amount of \$20,700 appropriated from the soldiers' home fund in the capital assets line item for a dryer in section 1 of chapter 7 of the 2019 Session Laws is not subject to section 54-44.1-11 and is available for the purchase of a dryer for the biennium beginning July 1, 2021, and ending June 30, 2023.

SECTION 9. EXEMPTION - ADMINISTRATOR'S RESIDENCE - CAPITAL ASSETS. Of the \$233,450 appropriated from the soldiers' home fund in the administrator's residence line item for the demolition of the administrator's residence in section 1 of chapter 7 of the 2019 Session Laws, \$54,925 is not subject to section 54-44.1-11 and is available for the purpose of defraying capital assets costs of the veterans' home for the biennium beginning July 1, 2021, and ending June 30, 2023."

ReNUMBER accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

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

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$18,916,632	\$19,191,930	\$17,949	\$19,209,879
Operating expenses	5,083,731	5,539,333	25,000	5,564,333
Capital assets	405,733	755,471		755,471
Total all funds	\$24,406,096	\$25,486,734	\$42,949	\$25,529,683
Less estimated income	18,751,772	19,716,491	7,549	19,724,040
General fund	\$5,654,324	\$5,770,243	\$35,400	\$5,805,643
FTE	120.72	114.79	0.00	114.79

Department 313 - Veterans' Home - Detail of House Changes

	Adjusts Funding for Salary Increases ¹	Adds One-Time Funding for the Cost of Resident Absences ²	Adjusts One-Time Funding ³	Total House Changes
Salaries and wages	\$17,949			\$17,949
Operating expenses		\$25,000		25,000
Capital assets				
Total all funds	\$17,949	\$25,000	\$0	\$42,949
Less estimated income	7,549	0	0	7,549
General fund	\$10,400	\$25,000	\$0	\$35,400
FTE	0.00	0.00	0.00	0.00

¹ Salaries and wages funding is adjusted for 2021-23 biennium salary increases of 1.5 percent on July 1, 2021, with a minimum monthly increase of \$100 and 2 percent on July 1, 2022. The Senate provided salary adjustments of 2 percent with a minimum monthly increase of \$80 and a maximum monthly increase of \$300 on July 1, 2021, and 2 percent on July 1, 2022.

² One-time funding of \$25,000 from the general fund is added for the cost of resident absences when a resident is away from the Veterans' Home for an extended period of time. If a resident is absent from the Veterans' Home for 4 consecutive days, the United States Department of Veterans Affairs (VA) will not pay the Veterans' Home per diem for that resident for the days in excess of the first 4 days, resulting in the Veterans' Home charging residents for the cost of per diem not received by the VA. The Veterans' Home Governing Board recently extended the policy to allow residents to be absent for up to 7 consecutive days. This amendment provides funding to allow residents to be absent for 7 additional consecutive days, resulting in a total of 14 consecutive days allowed at no cost to the resident. The Senate did not provide funding for this purpose.

³ One-time funding of \$131,500 from the soldiers' home fund is provided to allow the Veterans' Home to replace thermostats in the facility. The Senate authorized this funding for

a basic care flooring project.

This amendment also:

- Adds a section to identify one-time funding of \$25,000 from the general fund to defray Veterans' Home resident costs while residents are absent from the Veterans' Home. The section provides legislative intent that the Veterans' Home Governing Board increase the number of days a resident is authorized to be absent from the Veterans' Home without incurring a per diem cost for the absence from 7 to 14 days. Further intent is provided that any future funding requests from the Veteran's Home for this purpose be requested from the Melvin Norgard memorial fund.
- Amends North Dakota Century Code Section 54-59-05 to exclude information technology of the Veterans' Home from being required to be provided by, supervised by, and regulated by the Information Technology Department. The Information Technology Department is required to consult with the Veterans' Home regarding cybersecurity strategy.
- Amends Section 54-59-22 to exclude email, file and print administration, database administration, application server, and hosting services of the Veterans' Home from being required to be provided by the Information Technology Department.
- Provides an exemption to allow the Veterans' Home to continue \$20,700 appropriated from the soldiers' home fund for the purchase of a dryer during the 2019-21 biennium into the 2021-23 biennium.
- Provides an exemption to allow the Veterans' Home to continue \$54,925 appropriated from the soldiers' home fund for the 2019-21 biennium for the demolition of the administrator's residence into the 2021-23 biennium for purchasing security cameras, humidifiers, and a building automation system.