

TESTIMONY ON SB 2007
HOUSE HUMAN RESOURCES COMMITTEE
FRIDAY, MARCH 7, 2025

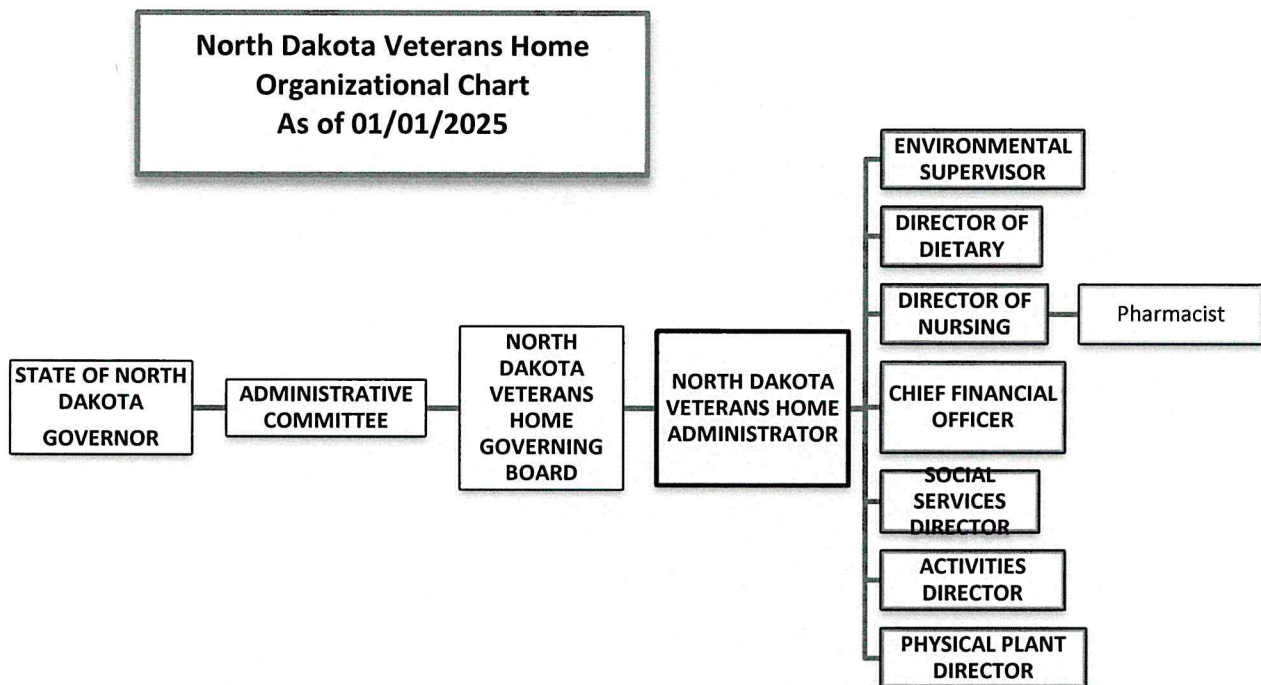
Chairman Nelson and members of the Human Resources Committee, I am Kristin Lunneborg, CFO at the North Dakota Veterans Home. Thank you for the opportunity to speak to you today regarding the North Dakota Veterans Home's 2025 – 2027 biennium budget request and the importance of your continued support and funding.

The North Dakota Veterans Home was born out of a deep commitment to those who have served our country and fought to preserve the freedoms we hold dear. North Dakota, like many other states, recognized the responsibility to honor the sacrifices of our servicemen and women by providing them with a dedicated home where they could receive medical care, and be surrounded by their peers who shared similar experiences. The Constitution of North Dakota, enacted in 1889, established a soldier's home to be located at the city of Lisbon. The Veterans Home admitted its first residents in 1893 and has continued to evolve, adapting to the changing needs of veterans over the years, ensuring that those who have served our nation are given the care, respect, and gratitude they deserve.

The statutory authority for the Veterans Home is found in North Dakota Century Code Chapter 37-15. The first two sections of Chapter 37-15 establish the North Dakota Veterans Home as a state-operated facility dedicated to providing basic care and long-term care services for veterans, who have served in the armed forces of the United States, and their spouses. The century code also outlines the criteria for admission to the veterans' home, what information will be used to calculate rent for basic care residents, 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 of the North Dakota Century Code sets out the powers and duties of the Administrative Committee on Veterans Affairs, whose members are selected by the Governor. One of their powers and duties is to appoint a seven-member governing board

for the administration of the veterans' home. The governing board establishes the qualifications for and selection of the administrator.

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 the roles, reporting relationships and overall hierarchy.



Audit

The State Auditor's Office has completed all testing of internal controls, compliance, and financial transactions for our 2021-2023 biennium audit. We recently received the preliminary report and we are pleased to report there was only one finding in the report relating to the handling of complaints.

Current biennium accomplishments and challenges

Some of the accomplishments we are proud of this biennium include:

- With the lifting of the visitation bans due to COVID, we were able to open our doors once again to allow volunteers, school kids and other organizations and groups to entertain and spend time enhancing the lives of our residents.
- Provided a wide range of activity programs including pet therapy, music therapy and technological tools like the Toverdol and It's Never 2 Late boards that offer a huge range of activities to help improve resident's mental and physical well-being.
- Enhanced accessibility features, with the completion of our hands-free entrance for the VA telehealth clinic, making the home more accommodating for residents and visitors.
- Completed the mill and overlay project on the streets and parking lots; eliminating areas that were safety hazards.
- Passed federal surveys with minimal to no deficiencies, ensuring compliance with regulations and high standards.

The most difficult challenges we are facing this biennium include:

- Ability to attract and retain staff, high cost of turnover, and inability to keep up with wage increases and bonuses offered by other facilities due to being a state agency.
- High cost of contract agency staff and inability to get contract agency staff.
- Increased cost of medications; including Paxlovid, a COVID-19 medication, that costs around \$1,400 per person.
- Financial pressures being put on us by the Department of Veterans Affairs (VA). The VA pays us a per diem rate for each day that a veteran resides at the Veterans Home, and in exchange there are certain costs that the Veterans Home must pay for. In the last couple of years, they have been pushing more and more costs onto us. Included in these increased costs are fees for the veterans to be seen by mental health professionals at the VA, the cost of dental care for our skilled nursing home residents that are 70% or

more service-connected and the cost for all medical services, other than hospitalizations, for these same 70% or more service-connected veterans. The per diem rates that the VA pays us for the 70% or more service-connected veterans are typically less than half of what is paid for the veterans that do not fall in this category. As a result, more and more costs are being pushed back onto the State.

- Regulatory compliance is a huge issue. Long-term care facilities must comply with a wide range of state and federal regulations governing everything from safety standards to resident rights. These regulations are constantly evolving, and non-compliance can lead to significant fines, legal actions, loss of funding and bans on admissions.

Next biennium goals and plans

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

- Technology integration – Microsoft Office licenses for all staff to help with communication, operational efficiency, and improved resident care and safety and upgrading software programs to improve efficiencies and ensure compliance with Federal regulations.
- Work on community outreach by partnering with different community groups, including LEPC (local emergency planning committee), senior organizations, schools and local healthcare providers
- Increase resident census through strategic marketing, referral partnerships, and enhanced resident satisfaction
- Improve resident satisfaction by continuing to work collaboratively with the basic and skilled care resident councils, focusing on personalize care plans, expanding on recreational programs that promote social interaction and mental stimulation and providing training for our staff to ensure they understand the importance of empathy, patience, and respect.
- Continue to work on the long-term viability of our organization by being good financial stewards of our money, focusing on workforce stability and development by improving

staff retention and succession planning for key leadership positions, and continuously assessing our care practices to ensure we meet or exceed industry standards.

- Going beyond the exceptional care and services inside our walls, we want to enhance our current outdoor spaces, which have limited usability. Our vision is to enhance these areas with accessible pathways, tranquil gardens and seating areas for the residents to enjoy. All projects to be completed with donated funds.
- Research and address the root causes of staffing shortages and work to create an environment that attracts and retains permanent employees, decreasing the need for contract agency staff.

2023-2025 Biennium Budget

Our current biennium budget of \$30,178,230 includes \$21,207,539 for salaries and wages, \$6,078,175 for operating, \$2,845,082 for capital assets and \$47,434 of federal FEMA funding for COVID-19 expenditures. Funding sources for our budget include \$23,273,156 in special funds, \$6,378,710 in general funds and \$526,364 in federal funding.

Our current appropriation includes one-time funding of \$125,750 for equipment over \$5,000, \$1,100,000 for a mill and overlay project, \$750,000 for resident garages and storage units, and \$478,930 in state fiscal recovery funds for thermostat and air handling unit replacements.

Most of the equipment over \$5,000 has been purchased and we anticipate all funding will be spent by the end of the biennium. Mark's Sand and Gravel completed the mill and overlay project last fall. We are still waiting for final invoices but anticipate the project will come in \$175,000 under the original estimate. The air handling units and thermostats have all been replaced using state fiscal recovery funds. We had \$23,470 in unspent funds for this project that we turned back to the state in December.

We opened bids on the resident garage and storage unit project in August 2024. We received six bids for the construction of the 14 garages and 8 storage units, ranging from \$816,150 to \$1,167,937. After making some adjustments and removing some items from the bid, we proceeded with the project. The structure is up, the roof has been shingled and they are working on insulation. Additional funding for this project is being requested.

We had \$892,213 and 6 FTE removed from our original appropriation for the FTE funding pool. We did not see any savings due to the vacant positions as we either had to pay other staff overtime, hire contract agency staff or use temporary staff at a higher rate of pay. In July 2023, we still had all 6 FTE positions vacant and we computed a loss of \$25,275. By August we had filled 2 of the positions but had a loss of \$35,260. September's loss was \$30,926 and October's was \$21,471. By November, we had all 6 positions filled and we were given back the max amount of spending authority from the OMB pool, which was 70% of the amount originally deducted from our budget or \$624,550.

When we began the biennium in July 2023, we had 12 vacant C.N.A. position, 2 RN positions and 1 LPN position. By December of 2023, we had filled the majority of the C.N.A. positions and had managed to hire one temporary RN. Throughout the course of this biennium, we have seen tremendous turnover and now have 7 vacant C.N.A. positions, 2 RN positions, 2 LPN positions, a housekeeping position and a laundry worker position. We currently have applications for the housekeeping and laundry positions and hope to have them filled shortly. However, we struggle to get applicants for our nursing positions and when we recently interview a couple nurses and offered them a job they were stunned when our wages were \$12 and \$14 below what they were currently making at the other nursing home in town. We recently interviewed a C.N.A. that was making \$26.00 per hour at a facility in Grand Forks but on our wage scale we could only offer \$21.11.

Our inability to offer competitive wages has led to a 50% turnover rate for C.N.A.s over the past year, resulting in increased costs for recruitment and training, overtime, and contract nursing.

Additionally, employees cite pay as the top reason for leaving, making it clear that without addressing this issue, we risk losing more of our skilled workforce. Raising wages will allow us to recruit the qualified, motivated employees we need to fulfill our mission of “Caring for Americans Heroes”.

Veterans Home Revenues

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 \$62.20 per day for basic care and \$144.10 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 the resident’s 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 and Melvin Norgard fund income amounts and a description of each.

North Dakota Veterans Home Special Fund Revenue				
	<u>Actual</u> <u>2019-2021</u>	<u>Actual</u> <u>2021-2023</u>	<u>Projected</u> <u>2023-2025</u>	<u>Projected</u> <u>2025-2027</u>
1 Intergovernmental Grants/Contributions	5,851,135	6,268,718	5,500,000	5,800,000
2 Cash/Investment Earnings	2,611	4,609	3,000	3,000
3 Contributions & Private Grants	1,343	1,107	2,500	2,500
4 Charges for Services/Sales	169,083	174,397	150,000	150,000
5 General Government	26,028	20,283	16,000	20,000
6 Health	11,261,322	13,687,191	15,750,000	17,750,000
7 Leases, Rents, and Royalties**	534,235	416,791	240,000	230,000
8 Miscellaneous General Revenue	8,565	21,789	12,000	10,000
9 Transfers In	732,000	1,109,417	890,000	890,000
Total Special Fund Revenue	<u>18,586,323</u>	<u>21,704,300</u>	<u>22,563,500</u>	<u>24,855,500</u>

- 1 **Intergovernment grants** - per diem money from the Dept of Veterans Affairs. We are paid \$62.20 for each basic care veteran and \$144.10 for each skilled care veteran, rates change every Oct 1.
- 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 fund 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. Since the mineral rights were leased in 2011, the fund has gained almost \$1.8 million in mineral royalties and interest.

The veterans home has two levels of care, basic and skilled nursing. The basic care facility has 98 beds and rent is based upon a resident's income and medical expenses, with a max rate of \$2,126 per month for 2025. The max rate increases annually by the same percentage as the social security cost of living adjustment. Skilled care has 52 beds and rates are based on a case-mix payment system, which adjusts the rate based on the specific care requirements of the resident. North Dakota currently has 48 different case mix categories. The rates are determined by the Department of Human Services and are based on our previous year's financial statements. The 2025 skilled nursing home rates range from \$320.30 to \$1,084.76 per day.

2025 – 2027 Biennium Budget

The following table illustrates the difference between our current biennium budget, our 2025 - 2027 biennium base budget request and our total budget request including our optional packages.

**Summary Comparison of Current Budget, 2025-2027 Base Budget
and our 2025-2027 Total Budget Request**

Description	2023-2025 Biennium Budget	2025-2027 Base Budget	Total 2025-2027 Budget Request	Difference between Base & Total Requested
Salaries and Wages	\$21,207,539	\$20,918,736	\$21,485,021	\$566,285
Operating Expenses	\$6,078,175	\$6,060,907	\$7,168,693	\$1,107,786
Capital Assets	\$2,845,082	\$412,207	\$1,132,307	\$720,100
COVID Funding	\$47,434	\$0	\$0	\$0
Total Budget	\$30,178,230	\$27,391,850	\$29,786,021	\$2,394,171
By Funding Source				
General Funds	\$6,378,710	\$6,465,248	\$6,621,071	\$155,823
Special Funds	\$23,273,156	\$20,926,602	\$23,164,950	\$2,238,348
Federal Funds	\$526,364	\$0	\$0	\$0
	\$30,178,230	\$27,391,850	\$29,786,021	\$2,394,171
 Total FTE	 114.79	 114.79	 114.79	 0.00

Our budget limit letter for the 2025-2027 biennium, included a recommendation from the Governor to cut 3% of our special fund appropriation limit, or \$634,466. It is difficult to make cuts to our organization's operations without having a substantial impact on either quality of care or facility upgrades and repairs. Our base budget is comprised of funding only for salaries, operating and only bond and interest payments in capital. Being one of the most highly regulated industries has made it difficult to find areas to make cuts and still meet regulations. We have worked diligently to identify efficiencies, cut unnecessary expenses, and streamline processes. Despite our best efforts, the gap between resources and needs remains significant, resulting in the longest optional items list I have submitted in all the years I have worked at the

Veterans Home. It is an overwhelming feeling having to put together a budget when we are continually asked to make cuts in a world that continues to have rising inflation.

Our 2025-2027 biennium base budget is \$27,391,850, with \$6,465,248 being funded with general funds and \$20,926,602 being special funds. The total for all optional items submitted in our budget was \$2,394,171. The Senate version of our bill includes all of the optional items we requested. They are:

- \$100,000 for increases to food costs. Our food vendors have indicated they expect costs to rise up to 20%.
- \$65,000 for utility fee increases. Our utility provider notified us that we will have a 6% increase in our rates for the 2025-2027 biennium.
- \$45,000 for maintenance and annual fees for our software systems. These include our electronic health records system, employee timeclock, nurse call system, staff scheduling system, employee training, insurance billing, and maintenance and dietary software.
- \$112,284 for increased cost of medications due to rising prices and higher resident census.
- \$43,229 for repairs due to increased fees from our vendors. This line item includes service professionals such as HVAC, lawn care, building automation, fire protection and generator maintenance.
- \$15,100 for State Fire & Tornado insurance premiums, which are increasing by 38% for the 2025-2027 biennium.
- \$50,000 increase for the purchase of gloves. Gloves are necessary for infection control, patient protection, handling of hazardous materials and for maintaining a sterile environment. A large portion of our expenses for gloves in the previous two bienniums were paid for with COVID funding, these expenses are now needing to come from our normal operating budget.

- \$50,000 increase for state fleet travel expenses for transporting residents to the Fargo VA for medical appointments. Costs were decreased significantly in the previous two bienniums due to COVID.
- \$200,000 for overtime for the skilled nursing department. Due to federal regulations, we are required to maintain a certain level of staffing; overtime is needed to ensure patient care needs are being met by having staff cover open shifts on the floor.
- \$65,000 for professional service fees for medical and dental costs for veteran residents. The Department of Veterans Affairs (VA) is pushing more costs on the state veterans' homes that were previously paid for by the VA.
- \$275,000 for professional service fees primarily for contract agency staff. Due to the shortage of staff in the long-term care industry, we must rely on contract staff to meet the care needs of our residents. Costs for these staff are 2-3 times higher than we pay our own staff. Insufficient staffing can have severe repercussions for residents, staff and the facility, including, delayed response times, medication errors, increased risk of falls and injuries, staff burnout and high turnover, negative workplace culture, and non-compliance with regulations resulting in fines.
- \$351,285 for 3 FTE positions. These are **not** additional FTE, they are in our current budget but currently vacant. To meet the base budget request, we had to cut 3% of our special fund authority and since we could not find enough areas to cut, we un-funded 3 vacant positions. With our increasing census and possible upcoming federal staffing mandates, we need to have these positions funded to comply with regulations.
- \$15,000 in salaries and wages to change LPN to RN positions, if needed. More and more individuals are going to school to obtain their RN licenses and it is becoming much harder to find LPNS. The State of North Dakota currently has 16,738 licensed RNs and 3,742 licensed LPNs. This funding is in our current budget, and we want to ensure we have it in the next budget.
- \$90,723 for Microsoft Office licenses. This funding would move 30 FTE staff from basic Office 365 to premium Office 365. These staff currently can only access Microsoft products on a web browser; Office premium would be much more efficient, increase

productivity and allow for better communication. The second part to this funding is to add 88 employees to basic Office 365. These staff currently do not have state email accounts, making communication very difficult. They also do not have access to the state intranet, state surveys, cyber security training, or any other email communications from the state. Internally, we currently rely on several modes of communication including Slack, Teams and our electronic health records system in hopes that staff are getting the information.

- \$80,000 in one-time funding to replace 20 door openers due to their age and the number of cycles they have completed. The door openers are reaching the end of their life; several have already been replaced this biennium.
- \$16,450 in one-time funding for equipment under \$5,000. Equipment needs include refrigerators, mattresses, feeding pumps, housekeeping workstation carts and a datalogger for pharmacy.
- \$40,000 in one-time funding to replace the water heater for laundry. Past repairs have uncovered rust damage to the heat exchanger plate and inside the tank. The manufacturer indicated the unit cannot be fixed and needs to be replaced.
- \$40,000 in one-time funding to replace 4 medication carts. These carts will be 15 years old. Existing locking mechanisms are continually being replaced and repairs are always needed. Typical useful life of a med cart is 5 – 10 years.
- \$80,000 in one-time funding to add card access to select doors in the facility. Card reader access allows for controlled access, audit trails, customizable access levels, reduced risk of lost keys, ease of use, contactless entry and 24/7 access management.
- \$7,500 in one-time funding for a medication fridge for the pharmacy. The existing fridge has exceeded its lifespan, making repairs less cost-effective than replacement. A new fridge ensures safety, effectiveness, and compliance of stored medications.
- \$175,000 in one-time funding from the Melvin Norgard fund for additional costs related to the construction of the resident garages and storage units. Bids came in much higher than anticipated and this funding is crucial to completing the entire project. We would

also like to have this added with an emergency clause so we can expend the money in the current biennium.

- \$11,000 in one-time funding to purchase 2 motorized linen carts for delivering resident's clothing and linens. Benefits include improved efficiency and productivity, reduced physical strain and injury risk, enhanced safety, increased employee morale and operation cost savings.
- \$35,000 in one-time funding for computer temperature sensor readers that will provide real-time monitoring and recording of temperatures and provide alerts when temperatures exceed or fall below desired ranges, allowing for quick corrective action. Reduces risk of financial loss due to spoilage and saves staff time in having to manually log temperatures throughout the day.
- \$36,000 in one-time funding to trade our 2014 S650 Bobcat for a new skid steer loader. This machine is one of our main tools for snow removal and grounds maintenance. Reasons to trade include, frequent and costly repairs, parts availability, decreased efficiency and inconsistent reliability.
- \$30,000 in one-time funding to replace 3 existing dish machines with upright, slide through, ventless machines. The new machines wash and sanitize dishes, have increased efficiency, ensure compliance with regulations, and pose less risk of injury to staff.
- \$50,000 in one-time funding to hire a painter to paint the interior of the facility. The building will be 14 years old and other than touch up painting, has never been repainted. In many areas where touch up painting has been done the colors don't match, even though the paint is from the same supplier. Regular repainting should be part of routine maintenance to ensure the longevity of the surface and keep it in good condition.
- \$260,000 in one-time funding to replace the carpeting in the basic care facility. Carpeting will be 14-15 years old and needs to be replaced. This project was identified as a need by Sitelocig when they did their facility assessment.

- \$5,000 in one-time funding for an I-mop floor scrubber. This is a commercial floor cleaning machine designed to combine the efficiency and power of a large industrial floor scrubber with the maneuverability and ease of use of a traditional mop.
- \$50,000 for marketing and advertising. Current advertising is being funded by donations from outside organizations and aired by ND Cares and the National Broadcasters Association. Advertising is a means of ensuring that the people who need our services know that we exist and are ready to serve them, and a means to recruit qualified staff by showcasing the unique opportunities and benefits of working in our organization. Investing in advertising should not be looked at as an expense but rather an opportunity to amplify the reach and efficiency of the funding already allocated to our facility, by marketing ourselves to attract new residents, educating the public on the specialized care we provide, differentiating ourselves from our competitors, attracting new staff and driving financial stability.

Of all the optional items requested, the only items we requested general fund appropriation authority for were the State Fire & Tornado insurance increase of \$15,100, the additional licenses for Microsoft Office for all our staff at \$90,723 and the \$50,000 for marketing. The Senate changed these items to special funds.

The Senate also changed all health insurance and salary increases and the general fund portion of the 2023-2025 vacant FTE funding pool from general funds to special funds. A total of \$715,198 was moved from general funds to special funds.

Changes Requested to SB 2007 not in our Budget Request

We requested, and the Senate removed, Section 3 of our appropriations bill. This section of the bill related to the monthly housing stipend for the Administrator. Our previous Administrator retired in May of 2024 and as agreed upon before, the stipend would not be part of the salary package for the next Administrator.

We also requested to have language added to our bill allowing us to transfer \$400,000 from our salaries and wages line to our operating line for the 2023-2025 biennium to cover the cost of contract nursing expenses. The \$400,000 is from vacant positions we were unable to fill. To maintain compliance with regulatory standards, we had to hire Contract agency staff to maintain sufficient staffing levels

Also requested and added by the Senate was language allowing us to provide meals to staff during times of emergency. Providing meals for these essential employees, who go above and beyond in times of crisis to support our residents and maintain operations, is the least we can do when they are willing to stay at the facility.

As I mentioned previously in my testimony, we need additional Melvin Norgard funding to complete the resident garage and storage unit project. We requested and the Seante added \$175,000 in spending authority from the Melvin Norgard fund with an emergency clause to allow us to spend it in the 2023-2025 biennium if necessary.

Another item we did not submit with our original budget request but felt we needed to request was equity pay for the nursing department. The nursing workforce is the backbone of the healthcare system, and the current nursing shortage has reached a critical level, threatening patient care. According to the U.S. Bureau of Labor Statistics, the demand for registered nurses is expected to grow 6% annually through 2032, with tens of thousands of positions going unfilled. We feel that equity funding would incentivize retention and reduce turnover by allowing us to be more competitive with the healthcare facilities around us. Currently, we are paying \$45.00-\$55.00 per hour for contract C.N.A.s and the average wage we pay our staff is \$22.36, additionally, we are paying \$75.00 per hour for an L.P.N. and our average wage is \$30.27. Contract agency staff act as a band aid to fill a gap, but they are not the long-term solution. To ensure sustainability and quality care, we need to prioritize investing in permanent nursing staff. We asked to have \$1.00 per hour added for all staff in the nursing department.

After reviewing the salary survey information provided by the North Dakota Long Term Care Association, the Senate decided upon \$2.00 per hour. An additional \$550,000 in special fund authority was added to our 2025-2027 budget. We do need to look at our numbers closer before we come back to detail our budget to ensure the amount appropriated will cover the \$2.00 increase. We decided to ask for the equity money at the last minute, so we did not have time to complete a full analysis of what the true number would be after taking into account retirement benefits and the legislative pay increases for the biennium.

Additional requests

Our first request has to do with the Melvin Norgard fund and the resident garages and storage units. When I testified last biennium to get the funding for the project, I talked about charging rent for the units and putting the money back into the Melvin Norgard fund for future projects and upkeep of the building. Last week, upon reading the Century Code relating to the Veterans Home, I realized that current language would not allow us to put rent income into the Melvin Norgard fund. Our request is to add language to allow this. I have attached a sheet with the two sections of Century Code that relate to income. The section that creates the operating fund states that "all other moneys, income, and collections of public funds arising from any other source...must be placed in the veterans' home operating fund. The section that creates the Melvin Norgard fund states "all income related to a bequest made to the veterans' home by Melvin Norgard, including mineral lease income, royalties, and sale proceeds, must be transferred or deposited into the Melvin Norgard fund". It was the intent of Melvin Norgard's bequest that any income generated from his "gift" be used for projects and programs to benefit and serve the residents of the veterans' home.

Our last request is to be excluded from the FTE funding pool. All the vacant positions that will go into the pool are in the nursing department. As I have mentioned before, we are one of the most highly regulated industries and we must maintain certain staffing levels. Ensuring funding for vacant nursing positions is critical to maintaining high-quality resident care, meeting

regulatory requirements, and supporting staff retention. Federal and state regulations mandate specific nurse-to-resident and CNA-to-resident ratios to ensure resident safety. Failing to meet these requirements can result in fines, loss of funding and damage to our reputation. There will be minimal to no "savings" due to the vacant positions as we will have to either pay overtime to our current staff to cover the open shifts, hire temporary staff at a much higher rate or hire contract agency staff at rates that are 2-3 times higher than our own staff. We have proven we are an agency that does not spend money just because we have it. When we moved into our new facility in May 2011, we had 4 FTE positions that were in our budget and could not be used unless our census increased. We never used the money allocated for these positions; we still have these FTE in our budget but they are not funded due to budget cuts. We have proven we are good stewards of our money and when we have had money left in our salaries and wages line we have never given out bonuses or given large pay increases, we have left the money alone. We ask that you please consider removing us from the FTE funding pool as these vacant positions **must** be filled by other means and the costs will be higher.

Other Bills

We are not aware of any other bills being considered by the Legislative Assembly that might have an impact on us.

In closing, the North Dakota Veterans Home is more than just a facility, it is a place of honor, care and community for those who have sacrificed for our country. Behind every number on the budget is a story – a veteran who depends on our care, a resident who looks forward to daily activities, or a staff member who gives their heart to this work. By investing in its future, we uphold our commitment to ensuring that every veteran receives the care and dignity they deserve. Thank you for your time and consideration.

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North Dakota Veterans Home Century Code

37-15-14. Veterans' home operating fund - Moneys for the maintenance of the veterans' home to be deposited with state treasurer. A special fund, to be known as the veterans' home operating fund, must be maintained in the state treasury. Moneys arising from the interest received on money derived from the sale of lands appropriated for the support of the home and from the rental of these lands, moneys received from the United States for the support and maintenance of the home, and all other moneys, income, and collections of public funds arising from any other source or endeavor of the home, except as provided for in section 37-15-21, must be placed in the veterans' home operating fund for the use and maintenance of the veterans' home.

37-15-23. Melvin Norgard memorial fund - Creation. There is created in the state treasury the Melvin Norgard memorial fund. All income related to a bequest made to the veterans' home by Melvin Norgard, including mineral lease income, royalties, and sale proceeds, must be transferred or deposited into the Melvin Norgard memorial fund. Notwithstanding any other provision of law, the state treasurer shall invest moneys in the fund in accordance with section 21-10-07. Investment income of the fund must be retained in the fund. Moneys in the fund are available, subject to legislative appropriations, for projects and programs to benefit and serve the residents of the veterans' home. The legislative assembly shall consider recommendations of the governing board of the veterans' home when determining appropriations from this fund for projects and programs to benefit and serve the residents of the veterans' home.

Nursing Wage Comparisons - Nursing Facilities

2024 ND Long Term Care Survey

Beginning

Highest

RN

Region VI

\$34.68

\$44.62

NDVH

\$31.98

\$41.23

Contract Nursing Staff

Vital Healthcare Staffing

\$75.50 - \$85.50

Amergis

\$75.00

DTN

\$59.50 - \$89.50

LPN

Region VI

\$27.30

\$34.63

NDVH

\$24.72

\$34.75

Contract Nursing Staff

Vital Healthcare Staffing

\$75.50 - \$85.50

Amergis

\$75.00

DTN

\$49.50 - \$69.50

C.N.A.

Region VI

\$21.17

\$24.79

NDVH

\$19.31

\$24.73

Contract Nursing Staff

Vital Healthcare Staffing

\$45.00 - \$55.00

DTN

\$34.50 - \$56.50

Amergis

\$55.00

Requested Changes to SB 2007

- Add language to our bill allowing us to deposit any revenue generated from the resident garages and storage units into the Melvin Norgard fund.
- Exempt us from the FTE funding pool.