

**Department 313 - Veterans' Home
House Bill No. 1007**

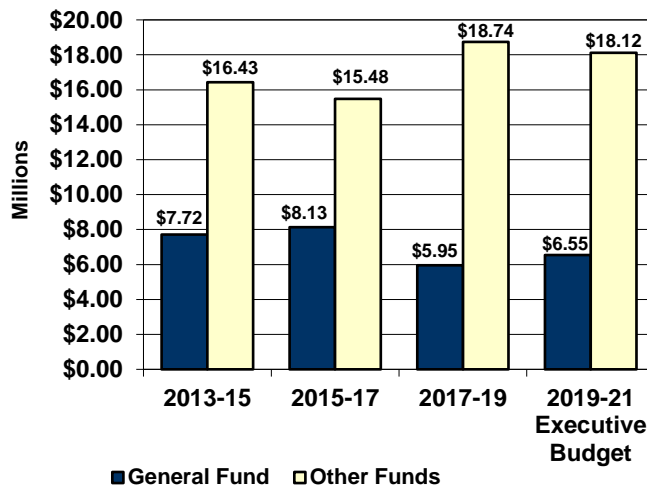
Executive Budget Comparison to Prior Biennium Appropriations

	FTE Positions	General Fund	Other Funds	Total
2019-21 Executive Budget	120.72	\$6,550,312	\$18,117,565	\$24,667,877
2017-19 Legislative Appropriations	120.72	5,951,439	18,740,593	24,692,032
Increase (Decrease)	0.00	\$598,873	(\$623,028)	(\$24,155)

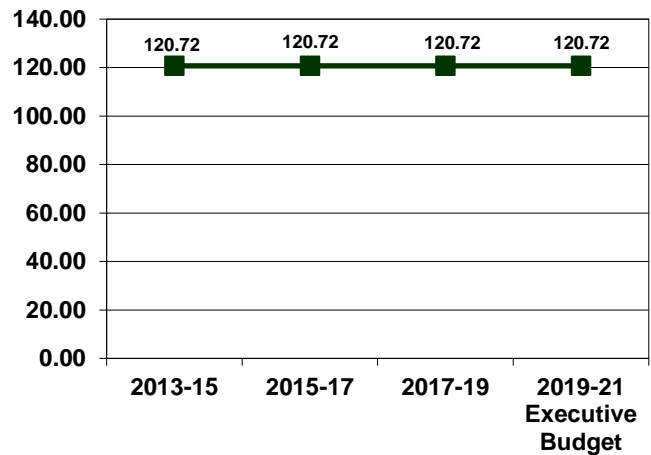
Ongoing and One-Time General Fund Appropriations

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2019-21 Executive Budget	\$6,525,312	\$25,000	\$6,550,312
2017-19 Legislative Appropriations	5,951,439	0	5,951,439
Increase (Decrease)	\$573,873	\$25,000	\$598,873

Agency Funding



FTE Positions



Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
2019-21 Executive Budget	\$6,550,312	\$18,117,565	\$24,667,877
2019-21 Base Level	5,951,439	18,598,593	24,550,032
Increase (Decrease)	\$598,873	(\$481,028)	\$117,845

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 \$581,591 is for salary increases, \$559,305 is for health insurance increases, and \$79,000 is for retirement contribution increases	\$1,165,522	\$54,374	\$1,219,896
2. Unfunds 6 FTE positions	(\$355,309)	(\$483,731)	(\$839,040)
3. Reduces funding for operating expenses, to provide a total of \$5,223,731, of which \$1,452,040 is from the general fund and \$3,771,691 is from the soldiers' home fund	(\$1,052)	(\$280,361)	(\$281,413)
4. Adds funding for Microsoft Office 365 licensing expenses	\$4,145	\$21,760	\$25,905
5. Adds one-time funding for equipment, including a boilerless steamer (\$18,500), dish machines (\$21,900), a commercial refrigerator (\$9,000), a Toro broom (\$6,000), a toolcat (\$18,000), dryers (\$20,500), and a Whirlpool tub (\$23,500)	\$0	\$117,400	\$117,400

6. Adds **one-time funding** for a strategic plan \$25,000 \$0 \$25,000

**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, 2017 identified no significant audit findings.

The performance audit for the Veterans' Home conducted by the State Auditor's office for the period ending September 30, 2017 identified the following significant audit recommendations for the Veterans' Home:

- Seek assistance to create and implement a strategic plan to measure and forecast demand and to identify the best and most effective use of the facility. The status of the strategic plan should be presented to the Administrative Committee on Veterans' Affairs;
- Ensure policies are documented in the appropriate level of detail to allow management to effectively monitor and control activities, including policies and procedures for room inspections;
- Strengthen monitoring activities to ensure policies and written plans are completed, including policies and procedures for dietary services, the status of employee performance evaluations, and the status of resident room deep cleaning;
- Ensure performance evaluations for employees are conducted at least annually; and
- Establish a process to periodically monitor the accuracy and completeness of mineral royalty income.

Major Related Legislation

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

Veterans' Home - Budget No. 313
House Bill No. 1007
Base Level Funding Changes

Executive Budget Recommendation

	FTE Position	General Fund	Other Funds	Total
2019-21 Biennium Base Level	120.72	\$5,951,439	\$18,598,593	\$24,550,032
2019-21 Ongoing Funding Changes				
Base payroll changes		(\$239,433)	\$95,100	(\$144,333)
Salary increase		555,668	25,923	581,591
Health insurance increase		534,375	24,930	559,305
Retirement contribution increase		75,479	3,521	79,000
Unfund 6 FTE positions		(355,309)	(483,731)	(839,040)
Add funding for information technology contractual services			73,750	73,750
Reduce funding for professional services		(500)	(88,600)	(89,100)
Reduce funding for travel			(5,000)	(5,000)
Add funding for information technology software supplies			15,450	15,450
Add funding for food and clothing			(137,000)	(137,000)
Reduce funding for equipment under \$5,000		(552)	(32,421)	(32,973)
Reduce funding for nursing professional service fees			(31,200)	(31,200)
Reduce funding for social services professional service fees			(13,800)	(13,800)
Reduce funding for other professional service fees			(58,240)	(58,240)
Add funding for medical, dental, and optical expenses			15,000	15,000
Reduce funding for dues and professional development			(11,500)	(11,500)
Reduce funding for professional supplies			(6,800)	(6,800)
Add funding for Microsoft Office 365 licensing expenses		4,145	21,760	25,905
Adjust funding for bonds and interest			1,230	1,230
Reduce funding for capital assets			(6,800)	(6,800)
Total ongoing funding changes	0.00	\$573,873	(\$598,428)	(\$24,555)
One-time funding items				
Add funding for equipment			\$117,400	\$117,400
Add funding for a strategic plan		\$25,000		25,000
Total one-time funding changes	0.00	\$25,000	\$117,400	\$142,400
Total Changes to Base Level Funding	0.00	\$598,873	(\$481,028)	\$117,845
2019-21 Total Funding	120.72	\$6,550,312	\$18,117,565	\$24,667,877

Other Sections for Veterans' Home - Budget No. 313

Executive Budget Recommendation

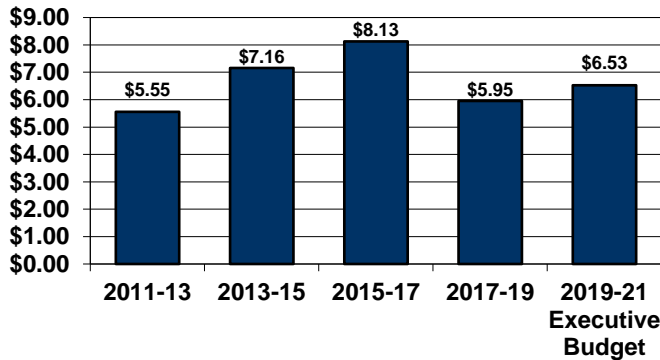
There are no other sections for this agency.

Department 313 - Veterans' Home

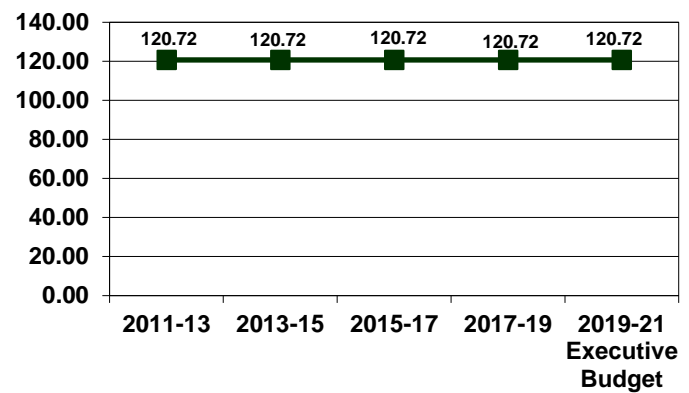
Historical Appropriations Information

Ongoing General Fund Appropriations Since 2011-13

Ongoing General Fund Appropriations (in Millions)



FTE Positions



Ongoing General Fund Appropriations					
	2011-13	2013-15	2015-17	2017-19	2019-21 Executive Budget
Ongoing general fund appropriations	\$5,553,323	\$7,161,853	\$8,128,024	\$5,951,439	\$6,525,312
Increase (decrease) from previous biennium	N/A	\$1,608,530	\$966,171	(\$2,176,585)	\$573,873
Percentage increase (decrease) from previous biennium	N/A	29.0%	13.5%	(26.8%)	9.6%
Cumulative percentage increase (decrease) from 2011-13 biennium	N/A	29.0%	46.4%	7.2%	17.5%

Major Increases (Decreases) in Ongoing General Fund Appropriations

2013-15 Biennium

- 1. Decreased funding for various operating expenses, including professional service fees and medical, dental, and optical expenses (\$295,593)

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 (Executive Budget Recommendation)

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

**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, 2019 and ending June 30, 2021, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$18,684,490	\$236,523	\$18,921,013
Operating expenses	5,454,239	(230,508)	5,223,731
Capital assets	<u>411,303</u>	<u>111,830</u>	<u>523,133</u>
Total all funds	\$24,550,032	\$117,845	\$24,667,877
Less estimated income	<u>18,598,593</u>	<u>(481,028)</u>	<u>18,117,565</u>
Total general fund	\$5,951,439	\$598,873	\$6,550,312
Full-time equivalent positions	120.72	0.00	120.72

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-SEVENTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium and the 2019-21 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2017-19</u>	<u>2019-21</u>
Health information exchange software	\$59,500	\$0
Nurse Call System upgrade	82,500	0
Equipment	44,500	\$117,400
Strategic Plan	<u>0</u>	<u>25,000</u>
Total all funds	\$142,000	\$142,400
Less estimated income	<u>142,000</u>	<u>117,400</u>
Total general fund	\$0	\$25,000

The 2019-21 biennium one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The veterans' home shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.