

**Department 321 - Department of Veterans' Affairs  
Senate Bill No. 2025**

**Executive Budget Comparison to Prior Biennium Appropriations**

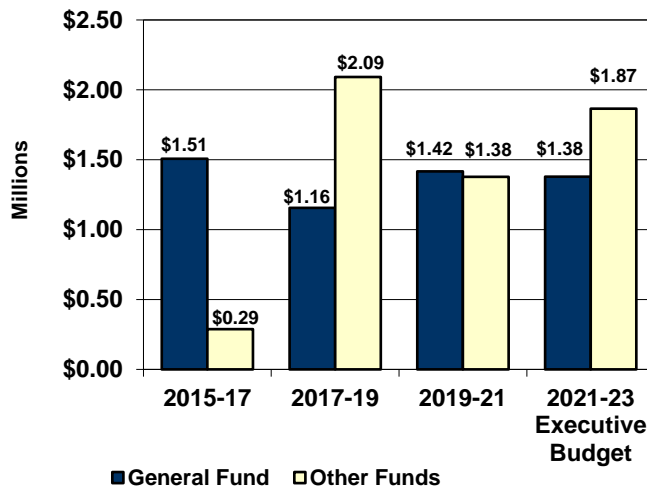
	FTE Positions	General Fund	Other Funds	Total
2021-23 Executive Budget	7.00	\$1,378,624	\$1,865,663	\$3,244,287
2019-21 Legislative Appropriations <sup>1</sup>	7.00	1,416,430	1,377,157	2,793,587
Increase (Decrease)	0.00	(\$37,806)	\$488,506	\$450,700

<sup>1</sup>The 2019-21 biennium agency appropriation amounts have not been adjusted for additional federal funds authority of \$402,860, of which \$2,860 is related to Coronavirus (COVID-19) costs, resulting from Emergency Commission action during the 2019-21 biennium.

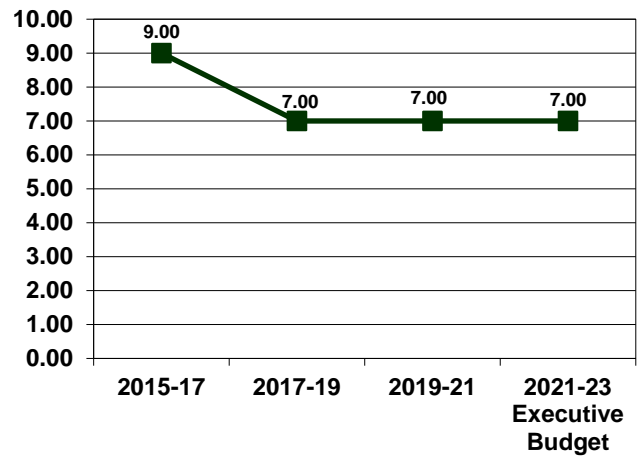
**Ongoing and One-Time General Fund Appropriations**

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2021-23 Executive Budget	\$1,378,624	\$0	\$1,378,624
2019-21 Legislative Appropriations	1,268,930	147,500	1,416,430
Increase (Decrease)	\$109,694	(\$147,500)	(\$37,806)

**Agency Funding**



**FTE Positions**



**Executive Budget Comparison to Base Level**

	General Fund	Other Funds	Total
2021-23 Executive Budget	\$1,378,624	\$1,865,663	\$3,244,287
2021-23 Base Level	1,268,930	1,085,657	2,354,587
Increase (Decrease)	\$109,694	\$780,006	\$889,700

**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 \$31,281 is for salary increases, \$341 is for health insurance increases, and \$6,437 is for retirement contribution increases. <b>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.</b> | \$31,946     | \$6,113     | \$38,059 |

2. Adds funding for Microsoft Office 365 license expenses	\$1,195	\$127	\$1,322
3. Adjusts funding for operating expenses primarily related to veteran service officer training, travel, and information technology data processing. <b>The Senate did not adjust funding for operating expenses.</b>	(\$53,950)	\$1,000	(\$52,950)
4. Adjusts funding for temporary salaries for a loan and grant officer position to provide a total of \$140,000, of which \$12,000 is from the general fund in the veterans' affairs line item and \$128,000 is from federal funds in the grants - transportation program line item. <b>The Senate added \$158,910 for 1 FTE loan and grant officer position, of which \$90,910 is from the general fund in the veterans' affairs line item and \$68,000 is from federal funds in the grants - transportation program line item. The Senate also added \$140,000 from the general fund for a temporary training and information officer position.</b>	\$12,000	\$128,000	\$140,000
5. Adds funding for the highly rural transportation grant program to provide a total of \$1,280,000 from federal funds	\$0	\$432,000	\$432,000
6. Adds one-time funding from federal funds for the Veterans' Home cemetery grant program	\$0	\$291,500	\$291,500

### Other Sections in Senate Bill No. 2025

**Exemption - Service dogs** - Section 3 provides an exemption for the posttraumatic stress disorder service dogs program to continue any unexpended 2019-21 biennium funds into the 2021-23 biennium.

### Continuing Appropriations

**Veterans' aid fund** - North Dakota Century Code Section 37-14-03.3 - The purpose of the veterans' aid fund is to make loans or advancements to any veteran and to a surviving spouse of a veteran if the spouse has not remarried.

**Veterans' postwar trust fund** - Section 37-14-14 - All income earned from investments in the veterans' postwar trust fund in a biennium are appropriated on a continuing basis to the Administrative Committee on Veterans' Affairs in the following biennium.

### Deficiency Appropriation

There are no deficiency appropriations for this agency.

### Significant Audit Findings

The operational audit for the Department of Veterans' Affairs conducted by the State Auditor's office for the period ending June 30, 2018, identified no significant audit findings.

### Major Related Legislation

**House Bill No. 1211** - This bill expands the State Treasurer's ability to invest funds within the veterans' aid fund and the income from the veterans' postwar trust fund by allowing investment in assets not held by the Bank of North Dakota.

**House Bill No. 1395** - This bill provides a 2019-21 biennium appropriation of \$2,860 of federal funding to the Department of Veterans' Affairs, 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 costs incurred related to the COVID-19 pandemic.

**Department of Veterans' Affairs - Budget No. 321**  
**Senate Bill No. 2025**  
**Base Level Funding Changes**

	Executive Budget Recommendation				Senate Version			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
<b>2021-23 Biennium Base Level</b>	7.00	\$1,268,930	\$1,085,657	\$2,354,587	7.00	\$1,268,930	\$1,085,657	\$2,354,587
<b>2021-23 Ongoing Funding Changes</b>								
Base payroll changes		\$118,503	(\$78,734)	\$39,769		\$118,503	(\$78,734)	\$39,769
Salary increase		26,258	5,023	31,281		26,096	4,990	31,086
Health insurance increase		284	57	341		284	57	341
Retirement contribution increase		5,404	1,033	6,437				0
Adjusts funding for a loan and grant officer position		12,000	128,000	140,000	1.00	90,910	68,000	158,910
Adds funding for a temporary training and information officer position				0		140,000		140,000
Adds funding for Microsoft Office 365 license expenses		1,195	127	1,322		1,195	127	1,322
Adjusts funding for operating expenses		(53,950)	1,000	(52,950)				0
Adds funding for the highly rural transportation grant program			432,000	432,000			432,000	432,000
Adds funding for a nonhighly rural transport van				0		18,800		18,800
Total ongoing funding changes	0.00	\$109,694	\$488,506	\$598,200	1.00	\$395,788	\$426,440	\$822,228
<b>One-time funding items</b>								
Adds funding for the Veterans' Home cemetery grant program			\$291,500	\$291,500			\$291,500	\$291,500
Total one-time funding changes	0.00	\$0	\$291,500	\$291,500	0.00	\$0	\$291,500	\$291,500
<b>Total Changes to Base Level Funding</b>	0.00	\$109,694	\$780,006	\$889,700	1.00	\$395,788	\$717,940	\$1,113,728
<b>2021-23 Total Funding</b>	7.00	\$1,378,624	\$1,865,663	\$3,244,287	8.00	\$1,664,718	\$1,803,597	\$3,468,315
<i>Total ongoing changes as a percentage of base level</i>	0.0%	8.6%	45.0%	25.4%	14.3%	31.2%	39.3%	34.9%
<i>Total changes as a percentage of base level</i>	0.0%	8.6%	71.8%	37.8%	14.3%	31.2%	66.1%	47.3%

**Other Sections in Department of Veterans' Affairs - Budget No. 321**

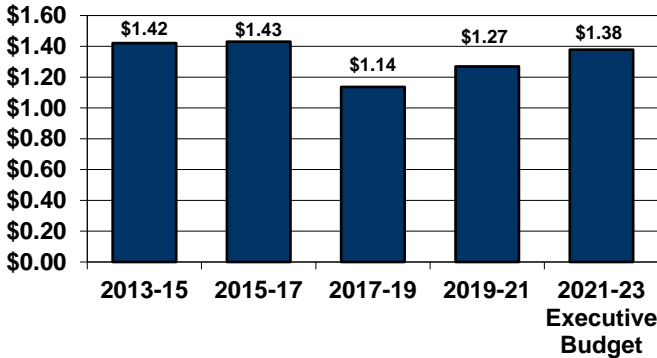
	Executive Budget Recommendation	Senate Version
Exemption - Posttraumatic stress disorder service dogs program	Section 3 would provide an exemption for the posttraumatic stress disorder service dogs program to continue any unexpended 2019-21 biennium funds into the 2021-23 biennium.	Section 3 provides an exemption for the posttraumatic stress disorder service dogs program to continue any unexpended 2019-21 biennium funds into the 2021-23 biennium.

Department 321 - Department of Veterans' Affairs

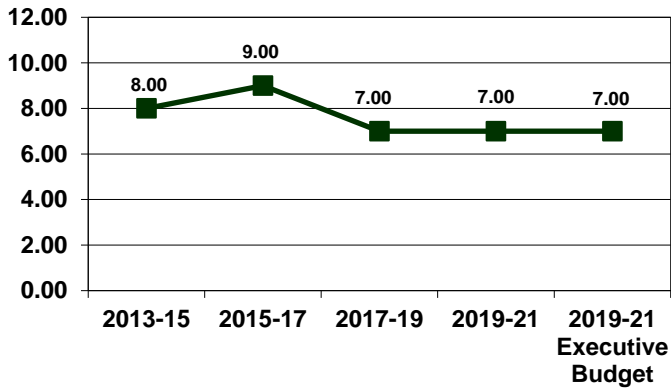
# Historical Appropriations Information

## 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	\$1,420,703	\$1,429,982	\$1,136,562	\$1,268,930	\$1,378,624
Increase (decrease) from previous biennium	N/A	\$9,279	(\$293,420)	\$132,368	\$109,694
Percentage increase (decrease) from previous biennium	N/A	0.7%	(20.5%)	11.6%	8.6%
Cumulative percentage increase (decrease) from 2013-15 biennium	N/A	0.7%	(20.0%)	(10.7%)	(3.0%)

### Major Increases (Decreases) in Ongoing General Fund Appropriations

**2015-17 Biennium**

- 1. Added funding to purchase vans to transport veterans to medical appointments \$15,000
- 2. Added funding for the Agent Orange program \$50,000
- 3. Increased funding for stand down events to provide a total of \$20,000 from the general fund \$10,000

**2017-19 Biennium**

- 1. Removed 2 undesignated FTE positions (\$260,000)
- 2. Adjusted the funding source from the general fund to federal funds for a portion of salaries and wages of 2 FTE administrative positions in the transportation program (\$100,000)
- 3. Removed funding for stand down events (\$20,000)
- 4. Removed funding for the Agent Orange program (\$50,000)
- 5. Added funding for service dogs \$50,000
- 6. Added funding for the purchase of one nonhighly rural transport van to provide ongoing funding of \$18,600 (The department was also appropriated \$18,600 of one-time funding from the general fund for the purchase of an additional nonhighly rural transport van, resulting in total funding of \$37,200 for the purchase of two nonhighly rural transport vans during the 2017-19 biennium.) \$3,600

**2019-21 Biennium**

- 1. Reduced funding for temporary salaries (\$100,053)
- 2. Added funding for stand down events to provide total funding of \$5,000 \$5,000
- 3. Added funding for county and tribal veteran service officer outreach and training to provide total funding of \$30,000 \$30,000

**2021-23 Biennium (Executive Budget Recommendation)**

- 1. Adjusts funding for operating expenses, primarily related to veteran service officer training, travel, and information technology data processing. **The Senate did not adjust funding for operating expenses.** (\$53,950)

**GOVERNOR'S RECOMMENDATION FOR THE  
DEPARTMENT OF VETERANS' AFFAIRS 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 department of veterans' affairs for the purpose of defraying the expenses of the department of veterans' affairs, 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>
Veterans' Affairs	\$1,200,130	\$109,821	\$1,309,951
Transport Vans	18,800	0	18,800
Service Dogs	50,000	0	50,000
State Approving Agency	285,657	8,379	294,036
Grants – Transportation Program	800,000	480,000	1,280,000
Veteran's Home Cemetery	<u>0</u>	<u>291,500</u>	<u>291,500</u>
Total All Funds	\$2,354,587	\$889,700	\$3,244,287
Less Estimated Income	<u>1,085,657</u>	<u>780,006</u>	<u>1,865,663</u>
Total General Fund	\$1,268,930	\$109,694	\$1,378,624
Full-Time Equivalent Positions	7.00	0.00	7.00

**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>
Veterans' Home Cemetery	\$291,500	\$291,500
Temporary Loan and Grant Position	140,000	0
Grant Database Enhancements	<u>7,500</u>	<u>0</u>
Total All Funds	\$439,000	\$291,500
Less Estimated Income	<u>291,500</u>	<u>291,500</u>
Total General Fund	\$147,500	\$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 department of veterans' affairs 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.

**SECTION 3. EXEMPTION.** The amount of \$50,000 appropriated for the posttraumatic stress disorder service dogs program in section 1 of chapter 25 of the 2019 Sessions Laws, is not subject to section 54-44.1- 11, and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2021 and ending June 30, 2023.