

**Department of Veterans' Affairs
Budget No. 321
House Bill Nos. 1025, 1157, and 1182**

	FTE Positions	General Fund	Other Funds	Total
2023-25 legislative appropriation	9.00	\$1,842,420 ¹	\$2,331,447	\$4,173,867 ²
2021-23 legislative appropriation	<u>8.00</u>	<u>1,570,624</u>	<u>2,450,650</u>	<u>4,021,274</u>
2023-25 appropriation increase (decrease) to 2021-23 appropriation	1.00	\$271,796	(\$119,203)	\$152,593

¹This amount includes \$19,066 of one-time funding. Excluding this amount, the agency's ongoing general fund appropriation is \$1,823,354.

²This amount does not include any transfers of appropriation authority from the Office of Management and Budget funding pools for targeted market equity adjustments, retirement contribution increases, or new and vacant FTE positions.

Item Description

Full-time equivalent changes - The Legislative Assembly approved 9 FTE positions for the Department of Veterans' Affairs for the 2023-25 biennium, an increase of 1 FTE position from the 2021-23 biennium authorization of 8 FTE positions. The Legislative Assembly converted a temporary position to an FTE veterans benefit specialist position.

Targeted market equity - The Legislative Assembly appropriated \$82.5 million, of which \$45.1 million is from the general fund, to the Office of Management and Budget for a targeted market equity pool to be distributed to state agencies.

New and vacant FTE funding pool - The Legislative Assembly reduced \$123,407 of 2023-25 biennium appropriation authority for the department for the new and vacant FTE funding pool, of which \$99,966 was for the new FTE position and \$23,441 was for estimated vacant salary savings. Of the total, \$120,383 was from the general fund and \$3,024 was from federal funds.

One-time funding - The Legislative Assembly appropriated \$911,402 of one-time funding to the department for the 2023-25 biennium, as follows:

Program	General Fund	Other Funds	Total Funds
Document scanning project ¹		\$100,836	\$100,836
Accrued leave of retiring staff	\$19,066		19,066
Veterans' Home cemetery grant program ²		291,500	291,500
Fisher House (House Bill No. 1157) ¹		500,000	500,000
Total	\$19,066	\$892,336	\$911,402

¹Funding for this item is from the federal State Fiscal Recovery Fund.
²Of the funding for the Veterans' Home cemetery grant, \$265,000 is from federal funds and \$26,500 is from the Melvin Norgard memorial fund.

Status/Result

The individual employed in the temporary position during the 2021-23 biennium accepted the FTE veterans benefit specialist position in July 2023.

The department received \$98,402 for targeted market equity increases, including \$89,374 from the general fund and \$9,028 from federal funds. Equity increases were provided to 7 employees.

Through January 2024, the department received \$99,966 from the new and vacant FTE funding pool to fill a new FTE position. The department did not have any vacancies nor any vacant position savings during the first 7 months of the 2023-25 biennium.

The following is a summary of the status of the department's one-time funding items:

Document scanning project	Through March 2024, the department has spent \$60,627 on the document scanning project. Most documents have been collected and scanned, and the department anticipates completing the project during the 2023-25 biennium.
Accrued leave of retiring staff	Through March 2024, none of the funding has been spent. The department anticipates requesting an exemption from the Legislative Assembly to continue this funding into the 2025-27 biennium.
Veterans' Home cemetery grant program	This funding is for a program to repair and maintain the cemetery located on the Veterans' Home campus. Through March 2024, the department has not received the federal funding for this program. It is unknown if the funding will be received during the 2023-25 biennium.

Fisher House

This funding is for a grant to assist in the construction of the Fisher House at the Fargo Veterans Affairs Medical Center. As of March 31, 2024, the department has not awarded any grant funding but anticipates spending the entire appropriation by the end of the biennium.

Veterans' service dog training - Section 4 of House Bill No. 1025 provides the department an exemption to continue the \$50,000 of funding appropriated for the 2019-21 biennium and \$50,000 appropriated for the 2021-23 biennium for the posttraumatic stress disorder service dogs program into the 2023-25 biennium. The 2023 Legislative Assembly did not provide an appropriation for this program for the 2023-25 biennium due to the availability of prior biennium appropriations. The funding is for training service dogs to assist North Dakota veterans with posttraumatic stress disorder. Funding provided for training each service dog is \$12,500, or approximately 50 percent of the total cost of training.

Nonhighly rural transport van replacement program - The Legislative Assembly appropriated \$18,800 from the general fund to the department for the purchase of one nonhighly rural transport van to transport veterans to medical appointments at the veterans' hospital in Fargo during the 2023-25 biennium, the same as provided for the 2021-23 biennium.

Highly rural transportation grants program - The Legislative Assembly appropriated \$1,126,085 of federal funds to the department for the highly rural transportation grant program for the 2023-25 biennium, a decrease of \$93,915 from the 2021-23 biennium appropriation of \$1,220,000.

Military honors funerals - In House Bill No. 1182, the Legislative Assembly appropriated \$135,000 from the general fund to the department for providing reimbursement to a veterans' service organization that provides a funeral service at a military honors funeral.

Exemption - State Fiscal Recovery Fund - During the November 2021 special legislative session, the Legislative Assembly appropriated \$647,000 to the department for a grant to assist in the construction of the Fisher House at the Fargo Veterans Affairs Medical Center (\$500,000) and to improve and expand veterans' medical transportation (\$147,000).

In Section 5 of House Bill No. 1025, the Legislative Assembly provided the department an exemption to continue this funding into the 2023-25 biennium and authorized the department to use \$18,800 of the \$147,000

The department continued \$75,000 into the 2023-25 biennium for the program. Through March 2024, the department spent \$12,500 on the program. Two additional applications for service dogs have been approved. The department does not anticipate requesting an exemption for the remaining funding but does expect to request a \$50,000 appropriation for the 2025-27 biennium.

Through March 2024, the department has spent the entire appropriation to purchase one transport van.

The department was awarded \$659,854 from the United States Department of Veterans Affairs for the highly rural transportation grants program for federal fiscal year 2024. It is unknown how much federal funding will be awarded to the department for federal fiscal year 2025.

Through March 2024, the department has spent \$366,142 on the transportation grants program for maintenance and travel of existing transportation vans, the purchase of two transportation vans, and marketing. The department anticipates spending nearly all of the \$1,126,085 appropriation, pending the actual amount awarded for federal fiscal year 2025.

Through March 2024, the department has spent \$4,600 on military honors funeral reimbursement.

Through March 2024, the department has not awarded any funding to assist in the construction of the Fisher House at the Fargo Veterans Affairs Medical Center but anticipates spending the entire appropriation by the end of the biennium. The state of Minnesota also appropriated \$500,000 to assist in the construction of the Fisher House.

Of the \$147,000 provided to improve and expand veterans' medical transportation, the department spent \$16,105 during the 2021-23 biennium. As of March 31, 2024, the department has spent \$32,651 of the remaining \$130,895 on a study to determine the medical transport needs of veterans within the state. The

provided for veterans' medical transportation for the purchase of one nonhighly rural transport van during the 2023-25 biennium.

agency anticipates spending the remaining appropriation of \$98,244 on the veterans' medical transportation study and on an additional nonhighly rural transport van.