

2025 SENATE APPROPRIATIONS

SB 2007

DEPARTMENT 313 - VETERANS' HOME 2025-27 BASE-LEVEL BUDGET

Base Budget - Summary

	<u>Base Level</u>
Salaries and wages	\$20,582,989
Operating expenses	6,061,325
Capital assets	<u>407,252</u>
Total all funds	\$27,051,566
Less other funds	<u>20,833,167</u>
Total general fund	\$6,218,399
Full-time equivalent (FTE) positions	114.79

Selected Base Budget Information

	General Fund	Other Funds	Total
1. Includes funding for salaries and wages of 114.79 FTE positions, including \$1,180,026 for temporary salaries and \$520,492 for overtime	\$5,277,046	\$15,305,943	\$20,582,989
2. Includes funding for operating expenses, primarily related to food and clothing (\$1,093,450), utilities (\$1,093,000), repairs (\$373,771), professional fees and services (\$726,860), and medical expenses (\$1,203,216)	\$941,353	\$5,119,972	\$6,061,325
3. Includes funding for capital assets	\$0	\$407,252	\$407,252

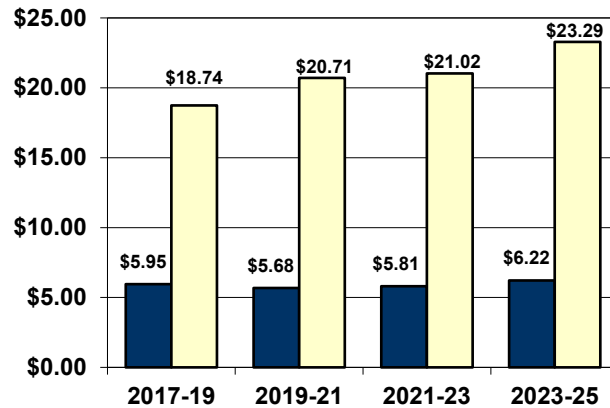
Continuing Appropriations

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. For the 2021-23 biennium, the fund had \$252,003 of revenue, \$247,774 of expenditures, and a fund balance of \$427,395 on June 30, 2023.

Historical Appropriations Information

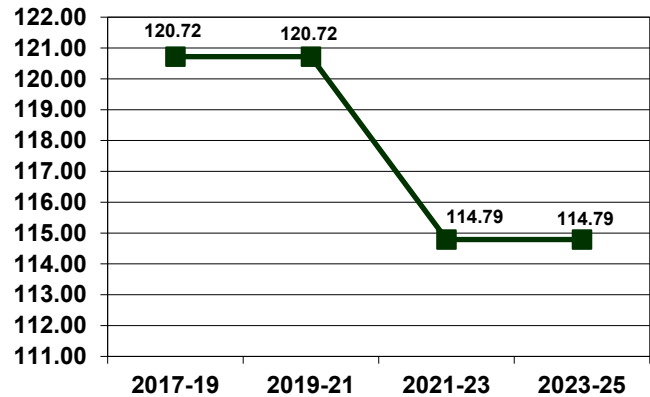
Agency Appropriations and FTE Positions

Agency Funding (Millions)



■ General Fund □ Other Funds

FTE Positions



Ongoing General Fund Appropriations

	2015-17	2017-19	2019-21	2021-23	2023-25
Ongoing general fund appropriations	\$8,128,024	\$5,951,439	\$5,654,324	\$5,780,643	\$6,218,399
Increase (decrease) from previous biennium	N/A	(\$2,176,585)	(\$297,115)	\$126,319	\$437,756
Percentage increase (decrease) from previous biennium	N/A	(26.8%)	(5.0%)	2.2%	7.6%
Cumulative percentage increase (decrease) from 2015-17 biennium	N/A	(26.8%)	(30.4%)	(28.9%)	(23.5%)

Major Increases (Decreases) in Ongoing General Fund Appropriations

2017-19 Biennium

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

2019-21 Biennium

- 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

- Removed 3.93 FTE positions, including a 1.00 FTE resident living specialist position, a 1.00 FTE administrative assistant position, a 1.00 FTE direct care associate I position, and a 0.93 FTE licensed practical nurse II position (\$528,702)
- Added funding for salary equity increases of \$1 per hour for certified nursing assistants, licensed practical nurses, and registered nurses \$310,000
- Adjusted funding for operating expenses, including adding funding for Microsoft Office 365 license expenses (\$44,581), information technology services and fees (\$38,000), and resident medication (\$238,500), and reducing professional service fees and staff training (\$57,400). Other funds from the soldiers' home fund were decreased by \$16,093. \$279,774

2023-25 Biennium

- Added funding to reclassify an FTE licensed practical nurse position to an FTE registered nurse position (\$15,000) and to increase salaries of shift differential staff (\$35,000) \$50,000
- Added funding for building repairs \$30,000
- Added funding for resident food costs \$26,000

One-Time General Fund Appropriations

	2015-17	2017-19	2019-21	2021-23	2023-25
One-time other funds appropriations	\$0	\$0	\$25,000	\$25,000	\$0

Major One-Time General Fund Appropriations

2017-19 Biennium

None \$0

2019-21 Biennium

1. Strategic plan \$25,000

2021-23 Biennium

1. Resident absences \$25,000

2023-25 Biennium

None \$0



**Veterans' Home
Department No. 313
2025 Senate Bill No. 2007**

**EXECUTIVE BUDGET RECOMMENDATION
2025-27 BIENNIUM**

Budget Summary

	FTE Positions	General Fund	Other Funds	Total
Executive budget recommendation	114.79	\$6,971,368	\$24,287,980	\$31,259,348
Base level	114.79	6,218,399	20,833,167	27,051,566
Increase (decrease)	0.00	\$752,969	\$3,454,813	\$4,207,782
Percentage increase (decrease)	0.0%	12.1%	16.6%	15.6%

NOTE:

More detailed information on the executive budget recommendation is attached as Appendix A.

A copy of the draft appropriations bill reflecting the executive budget recommendation is attached as Appendix B.

Selected Highlights

- Adds \$772,667 for salary increases of up to 4 percent effective July 1, 2025, and 3 percent effective July 1, 2026
- Adds \$750,660 for a health insurance increase of \$250 per month (15.2 percent), from \$1,643 to \$1,893, per employee
- Adds \$892,213 to replace the 2023-25 vacant FTE pool
- Adds \$475,000 of ongoing funding from the soldiers' home fund for nursing overtime and contract nursing costs
- Adds \$377,284 of ongoing funding from the soldiers' home fund for resident food and medical expenses
- Adds \$260,000 of **one-time funding** from the soldiers' home fund for carpet replacement
- Adds \$175,000 of **one-time funding** from the Melvin Norgard memorial fund for resident garages and storage units
- Adds \$102,050 of **one-time funding** from the soldiers' home fund for equipment, including \$80,000 for the replacement of door openers
- Adds \$50,000 of **one-time funding** from the soldiers' home fund for interior repainting

Deficiency Appropriations

There are no deficiency appropriations for this agency.

Significant Audit Findings

There are no significant audit findings for this agency.

Agency Fees

As reported to the Legislative Management, pursuant to North Dakota Century Code Section 54-35-27, this agency has four fees. The agency did not recommend any changes to the fees.

Major Related Legislation

As of the date of this report, there is no major related legislation for this agency.

NOTE:

Please see the Fiscal Impact Report for additional information regarding bills under consideration which contain either a state revenue impact, an appropriation, or a state fiscal impact.



Veterans' Home - Budget No. 313

Agency Worksheet - Senate Bill No. 2007

	Executive Budget			
	FTE Positions	General Fund	Other Funds	Total
2025-27 Biennium Base Level	114.79	\$6,218,399	\$20,833,167	\$27,051,566
2025-27 Ongoing Funding Changes				
Base payroll changes			(\$37,529)	(\$37,529)
Salary increase		\$206,927	565,740	772,667
Health insurance increase		193,370	557,290	750,660
Adds funding to replace the 2023-25 vacant FTE pool		229,015	663,198	892,213
Reduces funding for overtime and temporary salaries			(167,652)	(167,652)
Reduces funding for travel and information technology equipment			(78,000)	(78,000)
Adds funding for information technology rate increases		17,834	59,748	77,582
Adds funding for software and information technology services		90,723	45,000	135,723
Adds funding for state fire and tornado insurance		15,100		15,100
Adds funding for bond and interest payments			4,955	4,955
Adds funding to convert licensed practical nurse positions to registered nurse positions			15,000	15,000
Adds funding for nursing overtime and contract nursing costs			475,000	475,000
Adds funding for utilities and repairs			108,229	108,229
Adds funding for resident food and medical expenses			377,284	377,284
Adds funding for equipment replacement and upgrades			279,500	279,500
Total ongoing funding changes	0.00	\$752,969	\$2,867,763	\$3,620,732
One-Time Funding Items				
Door openers replacement			\$80,000	\$80,000
Interior repainting			50,000	50,000
Equipment under \$5,000			16,450	16,450
Carpet replacement			260,000	260,000
Resident garages and storage units			175,000	175,000
Commercial floor cleaning machine			5,600	5,600
Total one-time funding changes	0.00	\$0	\$587,050	\$587,050
Total Changes to Base Level Funding	0.00	\$752,969	\$3,454,813	\$4,207,782
2025-27 Total Funding	114.79	\$6,971,368	\$24,287,980	\$31,259,348
<i>Federal funds included in other funds</i>			\$0	

Total ongoing changes - Percentage of base level

0.0%

12.1%

13.8%

13.4%

Total changes - Percentage of base level

0.0%

12.1%

16.6%

15.6%

Other Sections in Veterans' Home - Budget No. 313

Section Description	Executive Budget
Soldiers' home fund - Administrator monthly housing stipend	Section 3 identifies \$48,000 in the estimated income line item in Section 1 from the soldiers' home fund for the purpose of providing a housing stipend to the administrator.
FTE position adjustments	Section 4 would allow the Veterans' Home to increase or decrease authorized FTE positions as needed, subject to the availability of funds.

Sixty-ninth
Legislative Assembly
of North Dakota

SENATE BILL NO. 2007
(Governor's Recommendation)

Introduced by

Appropriations Committee

(At the request of the Governor)

A bill for an act to provide an appropriation for defraying the expenses of the veterans' home and to provide an exemption.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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, 2025, and ending June 30, 2027, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$20,582,989	\$2,425,359	\$23,008,348
Operating expenses	6,061,325	1,057,368	7,118,693
Capital assets	<u>407,252</u>	<u>725,055</u>	<u>1,132,307</u>
Total all funds	\$27,051,566	\$4,207,782	\$31,259,348
Less estimated income	<u>20,833,167</u>	<u>3,454,813</u>	<u>24,287,980</u>
Total general fund	\$6,218,399	\$752,969	\$6,971,368
Full-time equivalent positions	114.79	0.00	114.79

SECTION 2. ONE-TIME FUNDING. The following amounts reflect the one-time funding items approved by the sixty-eighth legislative assembly for the 2023-25 biennium and the 2025-27 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2023-25</u>	<u>2025-27</u>
Equipment	\$125,750	\$102,050
Thermostat replacements	478,930	0
Parking lot and road repairs	1,100,000	0
Resident garages and storage units	750,000	175,000
Carpet replacement	0	260,000
Interior painting	<u>0</u>	<u>50,000</u>
Total all funds	\$2,454,680	\$587,050
Less estimated income	<u>2,454,680</u>	<u>587,050</u>
Total general fund	\$0	\$0

SECTION 3. ESTIMATED INCOME - SOLDIERS' HOME FUND - ADMINISTRATOR HOUSING STIPEND. The estimated income line item in section 1 of this Act includes the sum of \$48,000 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.

SECTION 4. EXEMPTION - FULL-TIME EQUIVALENT POSITION ADJUSTMENTS. Notwithstanding any other provisions of law, the veteran's home may increase or decrease authorized full-time equivalent positions as needed, subject to availability of funds, during the biennium beginning July 1, 2025, and ending

June 30, 2027. The veteran's home shall report to the office of management and budget and legislative council any adjustments made pursuant to this section.



**Veterans' Home
Department No. 313
2025 Senate Bill No. 2007**

**REVISED EXECUTIVE BUDGET RECOMMENDATION
2025-27 BIENNIUM**

Budget Summary

	FTE Positions	General Fund	Other Funds	Total
Burgum executive budget recommendation	114.79	\$6,971,368	\$24,287,980	\$31,259,348
Revisions - Increase (decrease)	0.00	(37,771)	(103,248)	(141,019)
Armstrong executive budget recommendation	114.79	\$6,933,597	\$24,184,732	\$31,118,329
Base level	114.79	6,218,399	20,833,167	27,051,566
Increase (decrease)	0.00	\$715,198	\$3,351,565	\$4,066,763
Percentage increase (decrease)	0.0%	11.5%	16.1%	15.0%

NOTE:

More detailed information on the revised executive budget recommendation is attached as an appendix.

Selected Highlights

- **Adds \$631,648 for salary increases of up to 3 percent effective July 1, 2025, and 3 percent effective July 1, 2026**
- Adds \$750,660 for a health insurance increase of \$250 per month (15.2 percent), from \$1,643 to \$1,893, per employee
- Adds \$892,213 to replace the 2023-25 vacant FTE pool
- Adds \$475,000 of ongoing funding from the soldiers' home fund for nursing overtime and contract nursing costs
- Adds \$377,284 of ongoing funding from the soldiers' home fund for resident food and medical expenses
- Adds \$260,000 of one-time funding from the soldiers' home fund for carpet replacement
- Adds \$175,000 of one-time funding from the Melvin Norgard memorial fund for resident garages and storage units
- Adds \$102,050 of one-time funding from the soldiers' home fund for equipment, including \$80,000 for the replacement of door openers
- Adds \$50,000 of one-time funding from the soldiers' home fund for interior repainting

Deficiency Appropriations

There are no deficiency appropriations for this agency.

Significant Audit Findings

There are no significant audit findings for this agency.

Agency Fees

As reported to the Legislative Management, pursuant to North Dakota Century Code Section 54-35-27, this agency has four fees. The agency did not recommend any changes to the fees.

Major Related Legislation

As of the date of this report, there is no major related legislation for this agency.

NOTE:

Please see the Fiscal Impact Report for additional information regarding bills under consideration which contain either a state revenue impact, an appropriation, or a state fiscal impact.



Veterans' Home - Budget No. 313 **Agency Worksheet - Senate Bill No. 2007**

	Armstrong Executive Budget			
	FTE Positions	General Fund	Other Funds	Total
2025-27 Biennium Base Level	114.79	\$6,218,399	\$20,833,167	\$27,051,566
2025-27 Ongoing Funding Changes				
Base payroll changes			(\$37,529)	(\$37,529)
Salary increase		\$169,156	462,492	631,648
Health insurance increase		193,370	557,290	750,660
Adds funding to replace the 2023-25 vacant FTE pool		229,015	663,198	892,213
Reduces funding for overtime and temporary salaries			(167,652)	(167,652)
Reduces funding for travel and information technology equipment			(78,000)	(78,000)
Adds funding for information technology rate increases		17,834	59,748	77,582
Adds funding for software and information technology services		90,723	45,000	135,723
Adds funding for state fire and tornado insurance		15,100		15,100
Adds funding for bond and interest payments			4,955	4,955
Adds funding to convert licensed practical nurse positions to registered nurse positions			15,000	15,000
Adds funding for nursing overtime and contract nursing costs			475,000	475,000
Adds funding for utilities and repairs			108,229	108,229
Adds funding for resident food and medical expenses			377,284	377,284
Adds funding for equipment replacement and upgrades			279,500	279,500
Total ongoing funding changes	0.00	\$715,198	\$2,764,515	\$3,479,713
One-Time Funding Items				
Door openers replacement			\$80,000	\$80,000
Interior repainting			50,000	50,000
Equipment under \$5,000			16,450	16,450
Carpet replacement			260,000	260,000
Resident garages and storage units			175,000	175,000
Commercial floor cleaning machine			5,600	5,600
Total one-time funding changes	0.00	\$0	\$587,050	\$587,050
Total Changes to Base Level Funding	0.00	\$715,198	\$3,351,565	\$4,066,763
2025-27 Total Funding	114.79	\$6,933,597	\$24,184,732	\$31,118,329
<i>Federal funds included in other funds</i>			\$0	

Total ongoing changes - Percentage of base level

0.0%

11.5%

13.3%

12.9%

Total changes - Percentage of base level

0.0%

11.5%

16.1%

15.0%

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations - Human Resources Division Harvest Room, State Capitol

SB 2007
1/14/2025

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

2:00 p.m. Chairman Dever called the meeting to order.

Members Present: Chairman Dever, Senators Cleary, Davison, Magrum, Mathern

Discussion Topics:

- Veterans' Home Mission
- Audit
- Current Biennium Accomplishments & Challenges
- Next Biennium Goals & Plans
- 2023-2025 Biennium Budget
- Veterans Homes Revenues
- Mevin Norgard Fund
- 2025-2027 Biennium Budget
- Governor's Recommended Budget
- SB 2007 Changes Requests
- Benefits for Contract Services

2:02 p.m. Chairman Dever introduced the bill.

2:02 p.m. Dane Groebel, Administrator, ND Veterans Home, testified in favor.

2:07 p.m. Kristen Lunneborg, CFO, ND Veterans Home, testified and submitted testimony in favor #29022.

3:10 p.m. Chairman Dever adjourned the meeting.

Joan Bares, Committee Clerk

TESTIMONY ON SB 2007
SENATE HUMAN RESOURCES COMMITTEE
TUESDAY, JANUARY 14, 2025

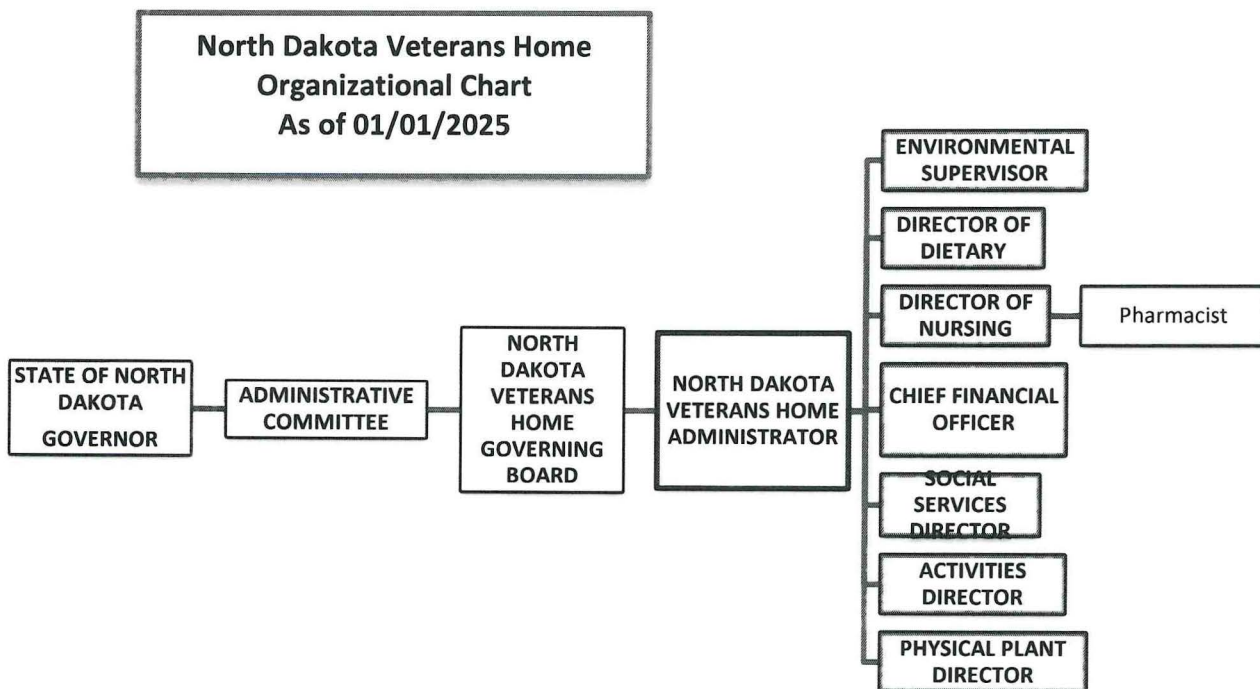
Chairman Dever and members of the Human Resources Committee, I am Kristin Lunneborg, CFO at the North Dakota Veterans Home. Thank you for the opportunity to speak to you today regarding the North Dakota Veterans Home's 2025 – 2027 biennium budget request and the importance of your continued support and 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, and they are working to get the report to us within the next several weeks.

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 state and 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. Upgrading software programs to improve efficiencies and ensure compliance with Federal regulations.
- Community outreach – participating with different community groups, including LEPC (local emergency planning committee), community wellness and recreation planning and programs.
- Improving 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.

- While our facility provides exceptional care and services inside our walls, our current outdoor spaces 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, thereby 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.

The majority 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 but we are still waiting for final invoices. We expect the project will come in \$175,000 under the original estimate. We have replaced the air handling units and all thermostats have been installed but the contractor is still waiting on a few parts to finish up the project. We had \$23,470 in unspent state fiscal recovery funds for this project that was 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 ranging from \$816,150 to \$1,167,937. The project consists of 14 garages and 8 storage

units, after making some adjustments and removing some items from the bid, we proceeded with the project. To date, all footings and walls have been poured and backfilled and the contractor has started framing the walls. 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, 1 RN position, 1 LPN position, and a cook position. We have struggled 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. Needless to say, they did not come work for us! 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 earned 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 and the Governor's recommended 2025 – 2027 budget.

**Summary Comparison of Current Budget, 2025-2027 Base Budget
and the Governor's Recommended Budget**

Description	2023-2025 Biennium Budget	2025-2027 Base Budget	Recommended 2025-2027 Budget	Difference between Base & Recommended
Salaries and Wages	\$21,207,539	\$20,918,736	\$23,008,348	\$2,089,612
Operating Expenses	\$6,078,175	\$6,060,907	\$7,118,693	\$1,057,786
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	\$31,259,348	\$3,867,498

By Funding Source

General Funds	\$6,378,710	\$6,465,248	\$6,971,368	\$506,120
Special Funds	\$23,273,156	\$20,926,602	\$24,287,980	\$3,361,378
Federal Funds	\$526,364	\$0	\$0	\$0
	\$30,178,230	\$27,391,850	\$31,259,348	\$3,867,498

Total FTE	114.79	114.79	114.79	0.00
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When we received our budget limit letter for the 2025-2027 biennium, we were saddened to see the Governor's recommendation of needing 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 and operating, no capital assets. 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 Governor's recommended budget includes all but one of the optional items submitted.

Beside the Governor's recommended salary and benefit increases, optional items that were included in the Governor's recommended budget include:

- \$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 3-5 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 increasing staffing, 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 always 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 Sitellogic 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.

Not included in the Governor's recommended budget but requested was \$50,000 for marketing and advertising. The Veterans Home has never received funding in our budget for marketing and we have had to rely on donations from outside organizations. The commercials that you

may have seen were created with funds donated 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. We ask that you support funding for advertising so we can strengthen our ability to fulfill our mission and serve our veterans.

Of all the optional items requested, the only items we are requesting general fund appropriation authority for are the State Fire & Tornado insurance increase, the additional licenses for Microsoft Office for all our staff and the funding for marketing.

Other Bills

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

Changes to SB 2007 Being Requested

We are requesting to have Section 3 of our appropriations bill removed. This section of the bill relates 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 are also requesting 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 the vacant positions we were unable to fill. In order to meet regulations, we had to hire contract nursing staff to cover the hours.

During times of emergency, some of our staff are required to stay on-site to ensure that our residents continue to receive the highest level of care. These situations are critical for the well-being of those we serve. We are requesting to have a section added to our bill allowing us to provide meals for these essential employees, who go above and beyond in times of crisis to support our residents and maintain operations.

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

We have one additional item we would like to request but did not submit with our original budget request, 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 would like to propose \$1.00 per hour in equity to all staff in the nursing department so we can be more competitive with the facilities around us. We feel that equity funding would incentivize retention and reduce turnover. 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 are asking to have \$275,00 in special fund authority added to our budget for nursing equity.

I have included a one-page itemized listing of the changes we are requesting this committee to make to our budget, which includes the items above and the funding requested for marketing.

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.

Kristin Lunneborg
North Dakota Veterans Home CFO
701-683-6503
klunneborg@nd.gov

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations - Human Resources Division Harvest Room, State Capitol

SB 2007
1/30/2025

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

3:07 p.m. Chairman Dever called the meeting to order.

Members Present: Chairman Dever, Senators Cleary, Davison, Magrum, Mathern

Discussion Topics:

- General Funds
- Special Funds
- Advertising
- Contracted Staff

3:07 p.m. Chairman Dever opened the discussion.

3:07 p.m. Adam Mathiak, Senior Fiscal Analyst, LC, submitted (longsheets) testimony #33027.

3:10 p.m. Kristin Lunneborg, CFO, ND Veterans Home, testified in favor and submitted testimony #32994 and referenced submitted testimony #29022.

3:36 p.m. Dane Grebel, Administrator, ND Veterans Home, testified in favor.

3:51 p.m. Adam Mathiak, Senior Fiscal Analyst, LC, testified neutral.

4:00 p.m. Becky Ulberg, Fiscal Analyst, OMB, testified neutral.

4:12 p.m. Chairman Devers closed the meeting.

Joan Bares, Committee Clerk

SB 2007

Kristin Lunneborg

Nursing Wage Comparisons - Nursing Facilities**2024 ND Long Term Care Survey**BeginningHighest**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



Veterans' Home - Budget No. 313
Agency Worksheet - Senate Bill No. 2007

	Burgum Budget				Armstrong Budget				Armstrong Budget Compared to Burgum Budget			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total	Increase (Decrease)			
									FTE Positions	General Fund	Other Funds	Total
2025-27 Biennium Base Level	114.79	\$6,218,399	\$20,833,167	\$27,051,566	114.79	\$6,218,399	\$20,833,167	\$27,051,566	0.00	\$0	\$0	\$0
2025-27 Ongoing Funding Changes												
Base payroll changes			(\$37,529)	(\$37,529)			(\$37,529)	(\$37,529)				\$0
Salary increase		\$206,927	565,740	772,667		\$169,156	462,492	631,648		(\$37,771)	(\$103,248)	(\$141,019)
Health insurance increase		193,370	557,290	750,660		193,370	557,290	750,660				0
Adds funding to replace the 2023-25 vacant FTE pool		229,015	663,198	892,213		229,015	663,198	892,213				0
Reduces funding for overtime and temporary salaries			(167,652)	(167,652)			(167,652)	(167,652)				0
Reduces funding for travel and information technology equipment			(78,000)	(78,000)			(78,000)	(78,000)				0
Adds funding for information technology rate increases		17,834	59,748	77,582		17,834	59,748	77,582				0
Adds funding for software and information technology services		90,723	45,000	135,723		90,723	45,000	135,723				0
Adds funding for state fire and tornado insurance		15,100		15,100		15,100		15,100				0
Adds funding for bond and interest payments			4,955	4,955			4,955	4,955				0
Adds funding to convert licensed practical nurse positions to registered nurse positions			15,000	15,000			15,000	15,000				0
Adds funding for nursing overtime and contract nursing costs			475,000	475,000			475,000	475,000				0
Adds funding for utilities and repairs			108,229	108,229			108,229	108,229				0
Adds funding for resident food and medical expenses			377,284	377,284			377,284	377,284				0
Adds funding for equipment replacement and upgrades			279,500	279,500			279,500	279,500				0
Total ongoing funding changes	0.00	\$752,969	\$2,867,763	\$3,620,732	0.00	\$715,198	\$2,764,515	\$3,479,713	0.00	(\$37,771)	(\$103,248)	(\$141,019)
One-Time Funding Items												
Door openers replacement			\$80,000	\$80,000			\$80,000	\$80,000				\$0
Interior repainting			50,000	50,000			50,000	50,000				0
Equipment under \$5,000			16,450	16,450			16,450	16,450				0
Carpet replacement			260,000	260,000			260,000	260,000				0
Resident garages and storage units			175,000	175,000			175,000	175,000				0
Commercial floor cleaning machine			5,600	5,600			5,600	5,600				0
Total one-time funding changes	0.00	\$0	\$587,050	\$587,050	0.00	\$0	\$587,050	\$587,050	0.00	\$0	\$0	\$0
Total Changes to Base Level Funding	0.00	\$752,969	\$3,454,813	\$4,207,782	0.00	\$715,198	\$3,351,565	\$4,066,763	0.00	(\$37,771)	(\$103,248)	(\$141,019)
2025-27 Total Funding	114.79	\$6,971,368	\$24,287,980	\$31,259,348	114.79	\$6,933,597	\$24,184,732	\$31,118,329	0.00	(\$37,771)	(\$103,248)	(\$141,019)
Federal funds included in other funds			\$0				\$0				\$0	
Total ongoing changes - Percentage of base level	0.0%	12.1%	13.8%	13.4%	0.0%	11.5%	13.3%	12.9%	N/A	N/A	N/A	N/A
Total changes - Percentage of base level	0.0%	12.1%	16.6%	15.6%	0.0%	11.5%	16.1%	15.0%	N/A	N/A	N/A	N/A

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations - Human Resources Division Harvest Room, State Capitol

SB 2007
2/3/2025

A Bill for an Act to provide an appropriation for defraying the expenses of the veterans' home
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3:03 p.m. Chairman Dever opened the hearing.

Members Present: Chairman Dever, Senators Cleary, Davison, Magrum and Mathern

Discussion Topics:

- Nursing Salaries and Benefits
- Nursing Salary Equity Increases
- Meals for Emergency Situations
- Marketing and Advertising
- Empty Beds
- Resident Garages and Storage Units
- Full-Time Employees
- Nygaard Fund

3:05 p.m. Senator Dever opened the discussion.

3:08 p.m. Grant Gader, Fiscal Analyst, LC, testified neutral and submitted testimony (long sheets) #34033.

3:12 p.m. Stephanie Johnson, Fiscal Management Analyst, OMB, testified neutral.

3:39 p.m. Chairmen Dever closed the hearing.

Joan Bares, Committee Clerk



Veterans' Home - Budget No. 313
Agency Worksheet - Senate Bill No. 2007

	Armstrong Executive Budget				Senate Version				Senate Compared to Executive Budget			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total	Increase (Decrease)			
									FTE Positions	General Fund	Other Funds	Total
2025-27 Biennium Base Level	114.79	\$6,218,399	\$20,833,167	\$27,051,566	114.79	\$6,218,399	\$20,833,167	\$27,051,566	0.00	\$0	\$0	\$0
2025-27 Ongoing Funding Changes												
Base payroll changes			(\$37,529)	(\$37,529)			(\$37,529)	(\$37,529)				\$0
Salary increase		\$169,156	462,492	631,648		\$169,156	462,492	631,648				0
Health insurance increase		193,370	557,290	750,660		193,370	557,290	750,660				0
Adds funding to replace the 2023-25 vacant FTE pool		229,015	663,198	892,213		229,015	663,198	892,213				0
Removes funding for the 2025-27 new and vacant FTE pool				0		(96,832)	(268,707)	(365,539)		(\$96,832)	(\$268,707)	(365,539)
Reduces funding for overtime and temporary salaries			(167,652)	(167,652)			(167,652)	(167,652)				0
Reduces funding for travel and information technology equipment			(78,000)	(78,000)			(78,000)	(78,000)				0
Adds funding for information technology rate increases		17,834	59,748	77,582		17,834	59,748	77,582				0
Adds funding for software and information technology services		90,723	45,000	135,723		90,723	45,000	135,723				0
Adds funding for state fire and tornado insurance		15,100		15,100		15,100		15,100				0
Adds funding for bond and interest payments			4,955	4,955			4,955	4,955				0
Adds funding to convert licensed practical nurse positions to registered nurse positions			15,000	15,000			15,000	15,000				0
Adds funding for nursing overtime and contract nursing costs			475,000	475,000			475,000	475,000				0
Adds funding for utilities and repairs			108,229	108,229			108,229	108,229				0
Adds funding for resident food and medical expenses			377,284	377,284			377,284	377,284				0
Adds funding for equipment replacement and upgrades			279,500	279,500			279,500	279,500				0
Salary and benefits funding source change				0		(362,526)	362,526	0		(362,526)	362,526	0
Adds funding for marketing and advertising				0		50,000		50,000		50,000		50,000
Adds funding to provide nursing salary equity increases (\$1/hr)				0			275,000	275,000			275,000	275,000
Total ongoing funding changes	0.00	\$715,198	\$2,764,515	\$3,479,713	0.00	\$305,840	\$3,133,334	\$3,439,174	0.00	(\$409,358)	\$368,819	(\$40,539)
One-Time Funding Items												
Door openers replacement			\$80,000	\$80,000			\$80,000	\$80,000				\$0
Interior repainting			50,000	50,000			50,000	50,000				0
Equipment under \$5,000			16,450	16,450			16,450	16,450				0
Carpet replacement			260,000	260,000			260,000	260,000				0
Resident garages and storage units			175,000	175,000			175,000	175,000				0
Commercial floor cleaning machine			5,600	5,600			5,600	5,600				0
Total one-time funding changes	0.00	\$0	\$587,050	\$587,050	0.00	\$0	\$587,050	\$587,050	0.00	\$0	\$0	\$0
Total Changes to Base Level Funding	0.00	\$715,198	\$3,351,565	\$4,066,763	0.00	\$305,840	\$3,720,384	\$4,026,224	0.00	(\$409,358)	\$368,819	(\$40,539)
2025-27 Total Funding	114.79	\$6,933,597	\$24,184,732	\$31,118,329	114.79	\$6,524,239	\$24,553,551	\$31,077,790	0.00	(\$409,358)	\$368,819	(\$40,539)
Federal funds included in other funds				\$0					\$0			

SB 2007
7-25-25

Total ongoing changes - Percentage of base level	0.0%	11.5%	13.3%	12.9%	0.0%	4.9%	15.0%	12.7%	N/A	N/A	N/A	N/A
Total changes - Percentage of base level	0.0%	11.5%	16.1%	15.0%	0.0%	4.9%	17.9%	14.9%	N/A	N/A	N/A	N/A

Other Sections in Veterans' Home - Budget No. 313

Section Description	Armstrong Executive Budget	Senate Version	
New and vacant FTE pool line item		Section 3 provides for the use of funding in the new and vacant FTE pool line item.	
Line item transfer		Section 4 provides authority for the Veterans' Home to transfer up to \$400,000 from the salaries and wages line item to the operating expenses line item.	
Amendment - Staff meals during emergencies		Section 5 amends Century Code to allow the Veterans' Home to provide meals to staff during emergencies.	
Emergency - Resident garages and storage units		Subsection 1 of section 6 declares the \$175,000 appropriated from the Melvin Norgard fund in Section 1 for resident garages and storage units to be an emergency measure.	
Emergency - Line item transfer		Subsection 2 of section 6 declares the line item transfer in Section 4 to be an emergency measure.	

50-6-2
100685

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations - Human Resources Division Harvest Room, State Capitol

SB 2007
2/7/2025

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

9:25 a.m. Chairman Dever opened the hearing.

Members Present: Chairman Dever, Senators Cleary, Davison, Magrum, Mathern

Discussion Topics:

- Payroll Changes
- Full Time Employee Pool
- Base Funding Reduction
- Information Technology Equipment
- Information Technology Increased Costs
- Salaries & Wages
- Contract Nursing Costs
- State Fire & Tornado Insurance Premiums
- Equipment Replacement and Upgrades
- Bond & Interest Payments
- Building Maintenance
- Melvin Norgard Fund
- Other Equipment

9:30 a.m. Senator Mathern moved to adopt an amendment. LC 25.0174.01001 #36202.

9:30 a.m. Senator Davison seconded the motion.

9:36 a.m. Voice Vote. Motion Passed.

9:36 a.m. Senator Mathern moved a Do Pass as Amended.

9:36 a.m. Senator Davison seconded the motion.

Roll Call Vote

Senators	Vote
Senator Dick Dever	Y
Senator Sean Cleary	Y
Senator Kyle Davison	Y
Senator Jeffery J. Magrum	Y
Senator Tim Mathern	Y

Motion Passed 5-0-0.

Senate Appropriations Human Resources Division
SB 2007
2/7/2025
Page 2

9:38 a.m. Chairman Dever closed the hearing.

Joan Bares, Committee Clerk

25.0174.01001
Title.

Prepared by the Legislative Council
staff for Senate Appropriations - Human
Resources Division Committee
February 4, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

SENATE BILL NO. 2007

Introduced by

Appropriations Committee

1 A BILL for an Act to provide an appropriation for defraying the expenses of the veterans' home;
2 to create and enact a new section to chapter 37-15 of the North Dakota Century Code, relating
3 to meals provided to employees of the veterans' home; to provide an exemption; to provide for a
4 legislative management study; and to declare an emergency.

5 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

6 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
7 as may be necessary, are appropriated out of any moneys in the general fund in the state
8 treasury, not otherwise appropriated, and from other funds derived from special funds and
9 federal funds, to the veterans' home for the purpose of defraying the expenses of the veterans'
10 home, for the biennium beginning July 1, 2025, and ending June 30, 2027, as follows:

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
13 Salaries and wages	\$20,582,989	\$0	\$20,582,989
14 Operating expenses	6,061,325	0	6,061,325
15 Capital assets	407,252	0	407,252
16 Total all funds	\$27,051,566	\$0	\$27,051,566
17 Less other funds	20,833,167	0	20,833,167
18 Total general fund	\$6,218,399	\$0	\$6,218,399
19 Full-time equivalent positions	114.79	0.00	114.79
20 <u>Salaries and wages</u>	<u>\$20,582,989</u>	<u>\$1,615,877</u>	<u>\$22,198,866</u>

Sixty-ninth
Legislative Assembly

1	<u>New and vacant FTE pool</u>	<u>0</u>	<u>852,924</u>	<u>852,924</u>
2	<u>Operating expenses</u>	<u>6,061,325</u>	<u>1,107,368</u>	<u>7,168,693</u>
3	<u>Capital assets</u>	<u>407,252</u>	<u>725,055</u>	<u>1,132,307</u>
4	<u>Total all funds</u>	<u>\$27,051,566</u>	<u>\$4,301,224</u>	<u>\$31,352,790</u>
5	<u>Less other funds</u>	<u>20,833,167</u>	<u>4,301,224</u>	<u>25,134,391</u>
6	<u>Total general fund</u>	<u>\$6,218,399</u>	<u>\$0</u>	<u>\$6,218,399</u>
7	<u>Full-time equivalent positions</u>	<u>114.79</u>	<u>0.00</u>	<u>114.79</u>

8 ~~SECTION 2. OTHER FUNDS -- SOLDIERS' HOME FUND -- ADMINISTRATOR HOUSING-~~
9 ~~STIPEND. The other funds appropriation in section 1 of this Act includes the sum of \$48,000-~~
10 ~~from the soldiers' home fund for the purpose of providing a \$2,000 monthly housing stipend to-~~
11 ~~the veterans' home administrator for housing costs off the veterans' home campus.~~

12 **SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO**
13 **SEVENTIETH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding
14 items included in the appropriation in section 1 of this Act which are not included in the entity's
15 base budget for the 2027-29 biennium and which the entity shall report to the appropriations
16 committees of the seventieth legislative assembly regarding the use of this funding:

17	<u>One-Time Funding Description</u>	<u>Other Funds</u>
18	Building maintenance	\$390,000
19	Resident garages and storage units	175,000
20	Equipment	<u>22,050</u>
21	Total	\$587,050

22 **SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST.** The
23 veterans' home may not spend funds appropriated in the new and vacant FTE pool line item in
24 section 1 of this Act, but may request the office of management and budget to transfer funds
25 from the new and vacant FTE pool line item to the salaries and wages line item in accordance
26 with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the
27 sixty-ninth legislative assembly.

28 **SECTION 4.** A new section to chapter 37-15 of the North Dakota Century Code is created
29 and enacted as follows:

Meals provided to employees of the veterans' home.

In the event of a disruption of operations, the veterans' home may provide meals at a fair value or without a charge to employees of the veterans' home as required by the job assignments of the employees.

SECTION 5. EXEMPTION - LINE ITEM TRANSFERS - REPORT. Notwithstanding section 54-16-04, the director of the office of management and budget may transfer up to \$400,000 from special funds from the salaries and wages line item to the operating expenses line item in section 1 of chapter 7 of the 2023 Session Laws, during the period beginning with the effective date of this Act, and ending June 30, 2025, as requested by the veterans' home. The veterans' home shall notify the legislative council of any transfers made pursuant to this section.

SECTION 6. LEGISLATIVE MANAGEMENT STUDY - VETERANS' HOME FACILITIES. During the 2025-26 interim, the legislative management shall consider studying the usage of the veterans' home facilities. The study must consider any organizational changes necessary to increase resident census at the veterans' home, potential uses for unoccupied space, and federal requirements. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the seventieth legislative assembly.

SECTION 7. EMERGENCY. Section 5 of this Act and the sum of \$175,000 appropriated from the Melvin Norgard memorial fund for resident garages and storage units in the other funds line item in section 1 of this Act are declared to be an emergency measure.

STATEMENT OF PURPOSE OF AMENDMENT:**Senate Bill No. 2007 - Veterans' Home - Senate Action**

	Base Budget	Senate Changes	Senate Version
Salaries and wages	\$20,582,989	\$1,615,877	\$22,198,866
New and vacant FTE pool		852,924	852,924
Operating expenses	6,061,325	1,107,368	7,168,693
Capital assets	407,252	725,055	1,132,307
Total all funds	\$27,051,566	\$4,301,224	\$31,352,790
Less estimated income	20,833,167	4,301,224	25,134,391
General fund	\$6,218,399	\$0	\$6,218,399
FTE	114.79	0.00	114.79

Department 313 - Veterans' Home - Detail of Senate Changes

	Adjusts Funding for Base Payroll Changes¹	Adds Funding for Salary and Benefit Increases²	Adds Funding to Replace 2023-25 Vacant FTE Pool³	Transfers Funding for 2025-27 New and Vacant FTE Pool⁴	Adjusts Base Funding for Temporary Salaries and Overtime⁵	Adjusts Base Funding for Operating Expenses⁶
Salaries and wages	(\$37,529)	\$1,382,308	\$892,213	(\$1,218,463)	(\$167,652)	
New and vacant FTE pool				852,924		
Operating expenses						(\$78,000)
Capital assets						
Total all funds	(\$37,529)	\$1,382,308	\$892,213	(\$365,539)	(\$167,652)	(\$78,000)
Less estimated income	(37,529)	1,382,308	892,213	(365,539)	(167,652)	(78,000)
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Adds Funding for Information Technology Expenses⁷	Adds Funding for Nursing Salaries⁸	Adds Funding For Contract Nursing Expenses⁹	Adds Funding for Operating Expenses¹⁰	Adds Funding for Equipment¹¹	Adjusts Funding for Bond and Interest Payments¹²
Salaries and wages		\$765,000				
New and vacant FTE pool						
Operating expenses	\$213,305		\$275,000	\$550,613		
Capital assets					\$279,500	\$4,955
Total all funds	\$213,305	\$765,000	\$275,000	\$550,613	\$279,500	\$4,955
Less estimated income	213,305	765,000	275,000	550,613	279,500	4,955
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Adds One- Time Funding for Building Maintenance¹³	Adds One- Time Funding for Resident Garages and Storage Units¹⁴	Adds One- Time Funding for Equipment¹⁵	Total Senate Changes
Salaries and wages				\$1,615,877
New and vacant FTE pool				852,924
Operating expenses	\$130,000		\$16,450	1,107,368
Capital assets	260,000	\$175,000	5,600	725,055
Total all funds	\$390,000	\$175,000	\$22,050	\$4,301,224
Less estimated income	390,000	175,000	22,050	4,301,224
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00

¹ Funding is adjusted for base payroll changes.

² The following funding is added for 2025-27 biennium salary adjustments of 3 percent on July 1, 2025, and 3 percent on July 1, 2026, and increases in health insurance premiums from \$1,643 to \$1,893 per month:

	Other Funds
Salary increase	\$631,648
Health insurance increase	<u>750,660</u>
Total	\$1,382,308

³ Funding is added from local funds to replace 2023-25 biennium vacant FTE pool funding.

⁴ Funding of \$1,218,463 is removed for estimated savings from vacant 2025-27 FTE positions and \$852,924 is added for a new and vacant FTE pool line item resulting in net savings of \$365,539.

⁵ Reduces base funding for overtime (\$13,108), temporary salaries (\$125,000), and shift differential pay (\$29,544).

⁶ Reduces funding for travel (\$48,000) and information technology equipment (\$30,000).

⁷ Adds funding for information technology rate increases, software, and services.

⁸ Adds funding for salaries and wages, including \$550,000 for nursing salary equity increases, \$200,000 for nursing overtime, and \$15,000 to convert an FTE licensed practical nurse (LPN) position to an FTE registered nurse (RN) position.

⁹ Adds funding for increased contract nursing costs.

¹⁰ Adds funding for State Fire and Tornado insurance premium increases (\$15,100), utilities (\$65,000), repairs (\$43,229), resident food expenses (\$100,000), resident medical expenses (\$277,284), and marketing and advertising (\$50,000).

¹¹ Adds funding for equipment replacement and upgrades, including a water heater (\$40,000), medication carts (\$40,000), dish washing machines (\$30,000), temperature sensor readers (\$35,000), card access (\$80,000), a skid steer (\$36,000), and other equipment (\$18,500).

¹² Adjusts funding for bond and interest payments.

¹³ One-time funding is added for building maintenance for the following items:

	Other Funds
Door openers replacement	\$80,000
Interior repainting	50,000
Carpet replacement	<u>260,000</u>
Total	\$390,000

¹⁴ Adds one-time funding from the Melvin Norgard memorial fund for resident garages and storage units.

¹⁵ One-time funding is added for equipment for the following items:

	Other Funds
Equipment under \$5,000	\$16,450
Commercial floor cleaning machine	<u>5,600</u>
Total	\$22,050

Senate Bill No. 2007 - Other Changes - Senate Action

A section is removed relating to the Veterans' Home administrator housing stipend.

Sections are added to:

- Provide for the use of funding in the new and vacant FTE pool line item.
- Create a new section to Chapter 37-15 to allow the Veterans' Home to provide meals to employees in the event

of a disruption of operations.

- Provide authority for the Veterans' Home to transfer up to \$400,000 from special funds from the salaries and wages line item to the operating expenses line item during the 2023-25 biennium.
- Provide for a Legislative Management study of the usage of the Veterans' Home facilities.
- Declare emergencies for the resident garage and storage units funding and the line item transfer.

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Harvest Room, State Capitol

SB 2007
2/10/2025

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

9:28 a.m. Chairman Bekkedahl opened the hearing.

Members Present: Chairman Bekkedahl, Vice-Chairman Erbele, and Senators Burckhard, Cleary, Conley, Davison, Dever, Dwyer, Magrum, Mathern, Meyer, Schaible, Sickler, Sorvaag, Thomas, Wanzek.

Discussion Topics:

- Paid Meals for Staff
- Transfer Special Funds into Budget
- Increase Travel Nurse Pay
- Usage of Facilities Study

9:28 a.m. Senator Mathern introduced the bill, the amendment LC 25.0174.01001 and submitted testimony #36641.

9:32 a.m. Senator Mathern moved amendment LC 25.0174.01001.

9:32 a.m. Senator Dever seconded the motion.

Senators	Vote
Senator Brad Bekkedahl	Y
Senator Robert Erbele	Y
Senator Randy A. Burckhard	Y
Senator Sean Cleary	Y
Senator Cole Conley	Y
Senator Kyle Davison	Y
Senator Dick Dever	Y
Senator Michael Dwyer	Y
Senator Jeffery J. Magrum	Y
Senator Tim Mathern	Y
Senator Scott Meyer	Y
Senator Donald Schaible	Y
Senator Jonathan Sickler	Y
Senator Ronald Sorvaag	Y
Senator Paul J. Thomas	Y
Senator Terry M. Wanzek	Y

Motion Passed 16-0-0.

9:33 a.m. Senator Mathern moved a Do Pass as Amended.

9:33 a.m. Senator Dever seconded the motion.

Senators	Vote
Senator Brad Bekkedahl	Y
Senator Robert Erbele	Y
Senator Randy A. Burckhard	Y
Senator Sean Cleary	Y
Senator Cole Conley	Y
Senator Kyle Davison	Y
Senator Dick Dever	Y
Senator Michael Dwyer	Y
Senator Jeffery J. Magrum	Y
Senator Tim Mathern	Y
Senator Scott Meyer	Y
Senator Donald Schaible	Y
Senator Jonathan Sickler	Y
Senator Ronald Sorvaag	Y
Senator Paul J. Thomas	Y
Senator Terry M. Wanzek	Y

Motion Passed 16-0-0.

Senator Mathern will carry the bill.

9:34 a.m. Chairman Bekkedahl closed the hearing.

Elizabeth Reiten, Committee Clerk

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

SENATE BILL NO. 2007

Introduced by

Appropriations Committee

2-10-25

JB 1083

A BILL for an Act to provide an appropriation for defraying the expenses of the veterans' home; to create and enact a new section to chapter 37-15 of the North Dakota Century Code, relating to meals provided to employees of the veterans' home; to provide an exemption; to provide for a legislative management study; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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 other funds derived from special funds and federal funds, to the veterans' home for the purpose of defraying the expenses of the veterans' home, for the biennium beginning July 1, 2025, and ending June 30, 2027, as follows:

	Adjustments or		
	Base Level	Enhancements	Appropriation
Salaries and wages	\$20,582,989	\$0	\$20,582,989
Operating expenses	6,061,325	0	6,061,325
Capital assets	407,252	0	407,252
Total all funds	\$27,051,566	\$0	\$27,051,566
Less other funds	20,833,167	0	20,833,167
Total general fund	\$6,218,399	\$0	\$6,218,399
Full-time equivalent positions	114.79	0.00	114.79
Salaries and wages	\$20,582,989	\$1,615,877	\$22,198,866

JB 2 of 3

1	<u>New and vacant FTE pool</u>	0	852,924	852,924
2	<u>Operating expenses</u>	6,061,325	1,107,368	7,168,693
3	<u>Capital assets</u>	407,252	725,055	1,132,307
4	<u>Total all funds</u>	\$27,051,566	\$4,301,224	\$31,352,790
5	<u>Less other funds</u>	20,833,167	4,301,224	25,134,391
6	<u>Total general fund</u>	\$6,218,399	\$0	\$6,218,399
7	<u>Full-time equivalent positions</u>	114.79	0.00	114.79

~~**SECTION 2. OTHER FUNDS - SOLDIERS' HOME FUND - ADMINISTRATOR HOUSING**~~

~~**STIPEND.** The other funds appropriation in section 1 of this Act includes the sum of \$48,000 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.~~

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO

SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

<u>One-Time Funding Description</u>	<u>Other Funds</u>
Building maintenance	\$390,000
Resident garages and storage units	175,000
Equipment	<u>22,050</u>
Total	\$587,050

SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST. The veterans' home may not spend funds appropriated in the new and vacant FTE pool line item in section 1 of this Act, but may request the office of management and budget to transfer funds from the new and vacant FTE pool line item to the salaries and wages line item in accordance with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

SECTION 4. A new section to chapter 37-15 of the North Dakota Century Code is created and enacted as follows:

Meals provided to employees of the veterans' home.

In the event of a disruption of operations, the veterans' home may provide meals at a fair value or without a charge to employees of the veterans' home as required by the job assignments of the employees.

SECTION 5. EXEMPTION - LINE ITEM TRANSFERS - REPORT. Notwithstanding section 54-16-04, the director of the office of management and budget may transfer up to \$400,000 from special funds from the salaries and wages line item to the operating expenses line item in section 1 of chapter 7 of the 2023 Session Laws, during the period beginning with the effective date of this Act, and ending June 30, 2025, as requested by the veterans' home. The veterans' home shall notify the legislative council of any transfers made pursuant to this section.

SECTION 6. LEGISLATIVE MANAGEMENT STUDY - VETERANS' HOME FACILITIES.

During the 2025-26 interim, the legislative management shall consider studying the usage of the veterans' home facilities. The study must consider any organizational changes necessary to increase resident census at the veterans' home, potential uses for unoccupied space, and federal requirements. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the seventieth legislative assembly.

SECTION 7. EMERGENCY. Section 5 of this Act and the sum of \$175,000 appropriated from the Melvin Norgard memorial fund for resident garages and storage units in the other funds line item in section 1 of this Act are declared to be an emergency measure.

**REPORT OF STANDING COMMITTEE
SB 2007**

Appropriations Committee (Sen. Bekkedahl, Chairman) recommends **AMENDMENTS** ([25.0174.01001](#)) and when so amended, recommends **DO PASS** (16 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2007 was placed on the Sixth order on the calendar. This bill does not affect workforce development.

25.0174.01001
Title.

Prepared by the Legislative Council
staff for Senate Appropriations - Human
Resources Division Committee
February 4, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

SENATE BILL NO. 2007

Introduced by

Appropriations Committee

1 A BILL for an Act to provide an appropriation for defraying the expenses of the veterans' home;
2 to create and enact a new section to chapter 37-15 of the North Dakota Century Code, relating
3 to meals provided to employees of the veterans' home; to provide an exemption; to provide for a
4 legislative management study; and to declare an emergency.

5 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

6 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
7 as may be necessary, are appropriated out of any moneys in the general fund in the state
8 treasury, not otherwise appropriated, and from other funds derived from special funds and
9 federal funds, to the veterans' home for the purpose of defraying the expenses of the veterans'
10 home, for the biennium beginning July 1, 2025, and ending June 30, 2027, as follows:

		Adjustments or	
	Base Level	Enhancements	Appropriation
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18 Total general fund	\$6,218,399	\$0	\$6,218,399
19 Full-time equivalent positions	114.79	0.00	114.79
20 <u>Salaries and wages</u>	<u>\$20,582,989</u>	<u>\$1,615,877</u>	<u>\$22,198,866</u>

Sixty-ninth
Legislative Assembly

1	<u>New and vacant FTE pool</u>	0	852,924	852,924
2	<u>Operating expenses</u>	6,061,325	1,107,368	7,168,693
3	<u>Capital assets</u>	407,252	725,055	1,132,307
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6	<u>Total general fund</u>	\$6,218,399	\$0	\$6,218,399
7	<u>Full-time equivalent positions</u>	114.79	0.00	114.79

8 ~~SECTION 2. OTHER FUNDS - SOLDIERS' HOME FUND - ADMINISTRATOR HOUSING~~
9 ~~STIPEND. The other funds appropriation in section 1 of this Act includes the sum of \$48,000~~
10 ~~from the soldiers' home fund for the purpose of providing a \$2,000 monthly housing stipend to~~
11 ~~the veterans' home administrator for housing costs off the veterans' home campus.~~

12	SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO			
13	SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding			
14	items included in the appropriation in section 1 of this Act which are not included in the entity's			
15	base budget for the 2027-29 biennium and which the entity shall report to the appropriations			
16	committees of the seventieth legislative assembly regarding the use of this funding:			
17	<u>One-Time Funding Description</u>	<u>Other Funds</u>		
18	Building maintenance	\$390,000		
19	Resident garages and storage units	175,000		
20	Equipment	<u>22,050</u>		
21	Total	\$587,050		

22 **SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST.** The
23 veterans' home may not spend funds appropriated in the new and vacant FTE pool line item in
24 section 1 of this Act, but may request the office of management and budget to transfer funds
25 from the new and vacant FTE pool line item to the salaries and wages line item in accordance
26 with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the
27 sixty-ninth legislative assembly.

28 **SECTION 4.** A new section to chapter 37-15 of the North Dakota Century Code is created
29 and enacted as follows:

Meals provided to employees of the veterans' home.

In the event of a disruption of operations, the veterans' home may provide meals at a fair value or without a charge to employees of the veterans' home as required by the job assignments of the employees.

SECTION 5. EXEMPTION - LINE ITEM TRANSFERS - REPORT. Notwithstanding section 54-16-04, the director of the office of management and budget may transfer up to \$400,000 from special funds from the salaries and wages line item to the operating expenses line item in section 1 of chapter 7 of the 2023 Session Laws, during the period beginning with the effective date of this Act, and ending June 30, 2025, as requested by the veterans' home. The veterans' home shall notify the legislative council of any transfers made pursuant to this section.

SECTION 6. LEGISLATIVE MANAGEMENT STUDY - VETERANS' HOME FACILITIES.

During the 2025-26 interim, the legislative management shall consider studying the usage of the veterans' home facilities. The study must consider any organizational changes necessary to increase resident census at the veterans' home, potential uses for unoccupied space, and federal requirements. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the seventieth legislative assembly.

SECTION 7. EMERGENCY. Section 5 of this Act and the sum of \$175,000 appropriated from the Melvin Norgard memorial fund for resident garages and storage units in the other funds line item in section 1 of this Act are declared to be an emergency measure.

STATEMENT OF PURPOSE OF AMENDMENT:**Senate Bill No. 2007 - Veterans' Home - Senate Action**

	Base Budget	Senate Changes	Senate Version
Salaries and wages	\$20,582,989	\$1,615,877	\$22,198,866
New and vacant FTE pool		852,924	852,924
Operating expenses	6,061,325	1,107,368	7,168,693
Capital assets	407,252	725,055	1,132,307
Total all funds	\$27,051,566	\$4,301,224	\$31,352,790
Less estimated income	20,833,167	4,301,224	25,134,391
General fund	\$6,218,399	\$0	\$6,218,399
FTE	114.79	0.00	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	Adds Funding to Replace 2023-25 Vacant FTE Pool ³	Transfers Funding for 2025-27 New and Vacant FTE Pool ⁴	Adjusts Base Funding for Temporary Salaries and Overtime ⁵	Adjusts Base Funding for Operating Expenses ⁶
Salaries and wages	(\$37,529)	\$1,382,308	\$892,213	(\$1,218,463)	(\$167,652)	
New and vacant FTE pool				852,924		
Operating expenses						(\$78,000)
Capital assets						
Total all funds	(\$37,529)	\$1,382,308	\$892,213	(\$365,539)	(\$167,652)	(\$78,000)
Less estimated income	(37,529)	1,382,308	892,213	(365,539)	(167,652)	(78,000)
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Adds Funding for Information Technology Expenses ⁷	Adds Funding for Nursing Salaries ⁸	Adds Funding For Contract Nursing Expenses ⁹	Adds Funding for Operating Expenses ¹⁰	Adds Funding for Equipment ¹¹	Adjusts Funding for Bond and Interest Payments ¹²
Salaries and wages		\$765,000				
New and vacant FTE pool						
Operating expenses	\$213,305		\$275,000	\$550,613		
Capital assets					\$279,500	\$4,955
Total all funds	\$213,305	\$765,000	\$275,000	\$550,613	\$279,500	\$4,955
Less estimated income	213,305	765,000	275,000	550,613	279,500	4,955
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Adds One- Time Funding for Building Maintenance ¹³	Adds One- Time Funding for Resident Garages and Storage Units ¹⁴	Adds One- Time Funding for Equipment ¹⁵	Total Senate Changes
Salaries and wages				\$1,615,877
New and vacant FTE pool				852,924
Operating expenses	\$130,000		\$16,450	1,107,368
Capital assets	260,000	\$175,000	5,600	725,055
Total all funds	\$390,000	\$175,000	\$22,050	\$4,301,224
Less estimated income	390,000	175,000	22,050	4,301,224
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00

¹ Funding is adjusted for base payroll changes.

² The following funding is added for 2025-27 biennium salary adjustments of 3 percent on July 1, 2025, and 3 percent on July 1, 2026, and increases in health insurance premiums from \$1,643 to \$1,893 per month:

	Other Funds
Salary increase	\$631,648
Health insurance increase	<u>750,660</u>
Total	\$1,382,308

³ Funding is added from local funds to replace 2023-25 biennium vacant FTE pool funding.

⁴ Funding of \$1,218,463 is removed for estimated savings from vacant 2025-27 FTE positions and \$852,924 is added for a new and vacant FTE pool line item resulting in net savings of \$365,539.

⁵ Reduces base funding for overtime (\$13,108), temporary salaries (\$125,000), and shift differential pay (\$29,544).

⁶ Reduces funding for travel (\$48,000) and information technology equipment (\$30,000).

⁷ Adds funding for information technology rate increases, software, and services.

⁸ Adds funding for salaries and wages, including \$550,000 for nursing salary equity increases, \$200,000 for nursing overtime, and \$15,000 to convert an FTE licensed practical nurse (LPN) position to an FTE registered nurse (RN) position.

⁹ Adds funding for increased contract nursing costs.

¹⁰ Adds funding for State Fire and Tornado insurance premium increases (\$15,100), utilities (\$65,000), repairs (\$43,229), resident food expenses (\$100,000), resident medical expenses (\$277,284), and marketing and advertising (\$50,000).

¹¹ Adds funding for equipment replacement and upgrades, including a water heater (\$40,000), medication carts (\$40,000), dish washing machines (\$30,000), temperature sensor readers (\$35,000), card access (\$80,000), a skid steer (\$36,000), and other equipment (\$18,500).

¹² Adjusts funding for bond and interest payments.

¹³ One-time funding is added for building maintenance for the following items:

	Other Funds
Door openers replacement	\$80,000
Interior repainting	50,000
Carpet replacement	<u>260,000</u>
Total	\$390,000

¹⁴ Adds one-time funding from the Melvin Norgard memorial fund for resident garages and storage units.

¹⁵ One-time funding is added for equipment for the following items:

	Other Funds
Equipment under \$5,000	\$16,450
Commercial floor cleaning machine	<u>5,600</u>
Total	\$22,050

Senate Bill No. 2007 - Other Changes - Senate Action

A section is removed relating to the Veterans' Home administrator housing stipend.

Sections are added to:

- Provide for the use of funding in the new and vacant FTE pool line item.
- Create a new section to Chapter 37-15 to allow the Veterans' Home to provide meals to employees in the event

of a disruption of operations.

- Provide authority for the Veterans' Home to transfer up to \$400,000 from special funds from the salaries and wages line item to the operating expenses line item during the 2023-25 biennium.
- Provide for a Legislative Management study of the usage of the Veterans' Home facilities.
- Declare emergencies for the resident garage and storage units funding and the line item transfer.

2025 HOUSE APPROPRIATIONS

SB 2007

2025 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Human Resources Division Roughrider Room, State Capitol

SB 2007
3/7/2025

A BILL for an Act to provide an appropriation for defraying the expenses of the veterans' home; to create and enact a new section to chapter 37-15 of the North Dakota Century Code, relating to meals provided to employees of the veterans' home; to provide an exemption; to provide for a legislative management study; and to declare an emergency.

10:10 a.m. Chairman J. Nelson called the meeting to order.

Members Present: Chairman J. Nelson, Vice Chairman Stemen, Representatives B. Anderson, Berg, Mitskog, Murphy, O' Brien, Wagner.

Discussion Topics:

- Accomplishments
- Challenges
- Goals
- Budget Review

10:12 a.m. Dane Grebel, Administrator, ND Veterans Home introduced himself to the committee.

10:15 a.m. Kristin Lunneborg. Chief Financial Officer, ND Veterans Home, testified and presented testimony #39551.

11:25 a.m. Grant Gader, Fiscal Analyst, ND Legislative Council, spoke to agency special fund #39552.

11:26 a.m. Kristin Lunneborg. Chief Financial Officer, ND Veterans Home, continued with testimony #39551.

11: 44 a.m. Chairman J. Nelson adjourned the meeting.

Jan Kamphuis, Committee Clerk

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

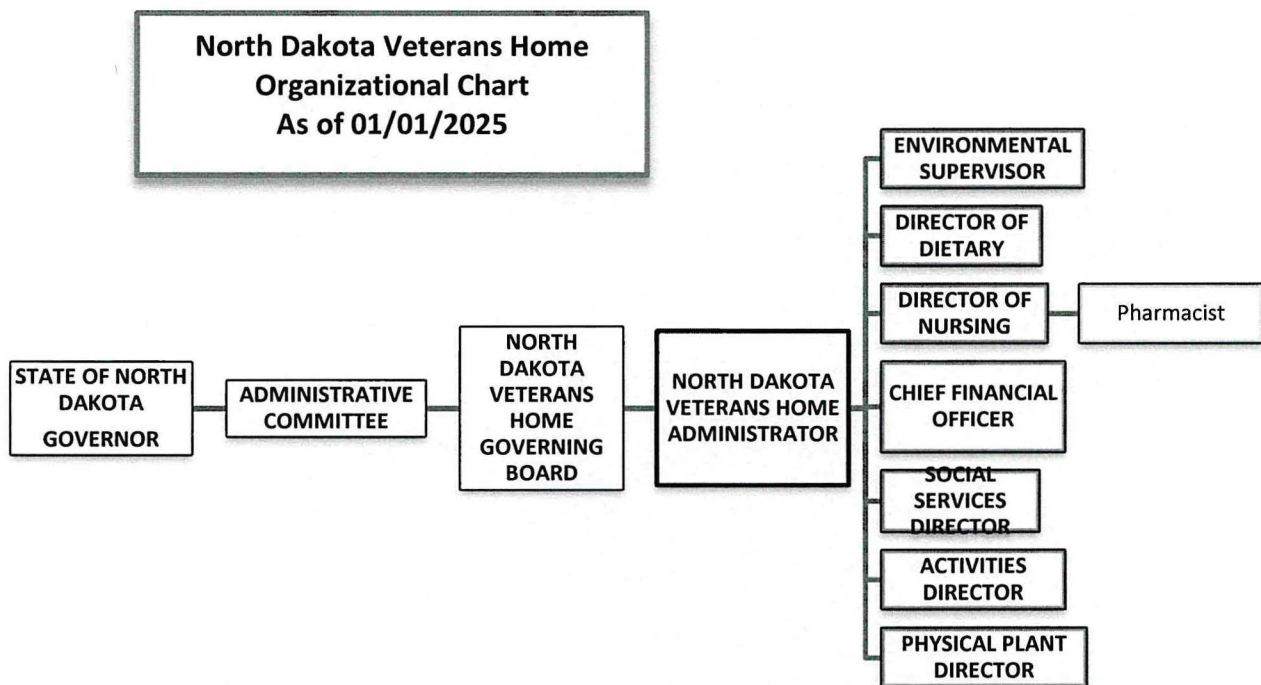
Chairman Nelson and members of the Human Resources Committee, I am Kristin Lunneborg, CFO at the North Dakota Veterans Home. Thank you for the opportunity to speak to you today regarding the North Dakota Veterans Home's 2025 – 2027 biennium budget request and the importance of your continued support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

Kristin Lunneborg
North Dakota Veterans Home CFO
701-683-6503
klunneborg@nd.gov

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.

Legislative Council

Veterans' Home - Budget No. 313
Agency Worksheet - Senate Bill No. 2007

	Armstrong Executive Budget				Senate Version				Senate Compared to Executive Budget			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total	Increase (Decrease)			
									FTE Positions	General Fund	Other Funds	Total
2025-27 Biennium Base Level	114.79	\$6,218,399	\$20,833,167	\$27,051,566	114.79	\$6,218,399	\$20,833,167	\$27,051,566	0.00	\$0	\$0	\$0
2025-27 Ongoing Funding Changes												
Base payroll changes			(\$37,529)	(\$37,529)			(\$37,529)	(\$37,529)				\$0
Salary increase		\$169,156	462,492	631,648			631,648	631,648		(\$169,156)	\$169,156	0
Health insurance increase		193,370	557,290	750,660			750,660	750,660		(193,370)	193,370	0
Adds funding to replace the 2023-25 vacant FTE pool		229,015	663,198	892,213			892,213	892,213		(229,015)	229,015	0
Removes funding for the 2025-27 new and vacant FTE pool				0			(365,539)	(365,539)			(365,539)	(365,539)
Reduces funding for overtime and temporary salaries			(167,652)	(167,652)			(167,652)	(167,652)				0
Reduces funding for travel and information technology equipment			(78,000)	(78,000)			(78,000)	(78,000)				0
Adds funding for information technology rate increases		17,834	59,748	77,582			77,582	77,582		(17,834)	17,834	0
Adds funding for software and information technology services		90,723	45,000	135,723			135,723	135,723		(90,723)	90,723	0
Adds funding for state fire and tornado insurance		15,100		15,100			15,100	15,100		(15,100)	15,100	0
Adds funding for bond and interest payments			4,955	4,955			4,955	4,955				0
Adds funding for nursing salary equity increases				0			550,000	550,000			550,000	550,000
Adds funding to convert licensed practical nurse positions to registered nurse positions			15,000	15,000			15,000	15,000				0
Adds funding for nursing overtime and contract nursing costs			475,000	475,000			475,000	475,000				0
Adds funding for utilities and repairs			108,229	108,229			108,229	108,229				0
Adds funding for resident food and medical expenses			377,284	377,284			377,284	377,284				0
Adds funding for marketing and advertising				0			50,000	50,000			50,000	50,000
Adds funding for equipment replacement and upgrades			279,500	279,500			279,500	279,500				0
Total ongoing funding changes	0.00	\$715,198	\$2,764,515	\$3,479,713	0.00	\$0	\$3,714,174	\$3,714,174	0.00	(\$715,198)	\$949,659	\$234,461
One-Time Funding Items												
Door openers replacement			\$80,000	\$80,000			\$80,000	\$80,000				\$0
Interior repainting			50,000	50,000			50,000	50,000				0
Carpet replacement			260,000	260,000			260,000	260,000				0
Resident garages and storage units			175,000	175,000			175,000	175,000				0
Equipment under \$5,000			16,450	16,450			16,450	16,450				0
Commercial floor cleaning machine			5,600	5,600			5,600	5,600				0
Total one-time funding changes	0.00	\$0	\$587,050	\$587,050	0.00	\$0	\$587,050	\$587,050	0.00	\$0	\$0	\$0
Total Changes to Base Level Funding	0.00	\$715,198	\$3,351,565	\$4,066,763	0.00	\$0	\$4,301,224	\$4,301,224	0.00	(\$715,198)	\$949,659	\$234,461
2025-27 Total Funding	114.79	\$6,933,597	\$24,184,732	\$31,118,329	114.79	\$6,218,399	\$25,134,391	\$31,352,790	0.00	(\$715,198)	\$949,659	\$234,461
Federal funds included in other funds			\$0				\$0				\$0	
Total ongoing changes - Percentage of base level	0.0%	11.5%	13.3%	12.9%	0.0%	0.0%	17.8%	13.7%	N/A	N/A	N/A	N/A
Total changes - Percentage of base level	0.0%	11.5%	16.1%	15.0%	0.0%	0.0%	20.6%	15.9%	N/A	N/A	N/A	N/A

Other Sections in Veterans' Home - Budget No. 313

Section Description	Armstrong Executive Budget	Senate Version	
New and vacant FTE pool line item		Section 3 provides for the use of funding in the new and vacant FTE pool line item.	
Amendment - Staff meals during emergencies		Section 4 creates and enacts a new Section to Chapter 37-15 to allow the Veterans' Home to provide meals to employees in the event of a disruption of operations.	
Line item transfer		Section 5 provides authority for the Veterans' Home to transfer up to \$400,000 from special funds from the salaries and wages line item to the operating expenses line item during the 2023-25 biennium.	
Legislative Management study - Veterans' Home facilities		Section 6 provides for a Legislative Management study of the usage of the Veterans' Home facilities.	
Emergency		Section 7 declares the \$175,000 appropriated from the Melvin Norgard fund in Section 1 for resident garages and storage units and the line item transfer in Section 5 to be an emergency measure.	

2025 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Human Resources Division Roughrider Room, State Capitol

SB2007
3/18/2025

A BILL for an Act to provide an appropriation for defraying the expenses of the veterans' home; to create and enact a new section to chapter 37-15 of the North Dakota Century Code, relating to meals provided to employees of the veterans' home; to provide an exemption; to provide for a legislative management study; and to declare an emergency.

2:25 p.m. Chairman J. Nelson called the meeting to order.

Members Present: Chairman J. Nelson, Vice Chairman Stemen, Representatives B. Anderson, Berg, Mitskog, Murphy, O' Brien, Wagner.

Discussion Topics:

- Budget detail
- Administration
- Maintenance/Dietary
- Basic Care/Skilled Care
- Housekeeping/Laundry/Activities
- Pharmacy/Social Services

2:27 p.m. Kristin Lunneborg, Chief Financial Officer, ND Veteran's Home, testified and submitted testimony #42813.

3:17p.m. Chairman J. Nelson adjourned the meeting.

Jan Kamphuis, Committee Clerk

NORTH DAKOTA VETERANS HOME 2025-2027 BUDGET DETAIL

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>	2025-2027			<u>Change</u>
	<u>Base Level</u>	<u>Executive Recommendation</u>	<u>Senate Version</u>	
Salaries	1,442,600	1,532,267	1,532,267	89,667
Operating	949,910	1,100,733	1,150,733	200,823
Capital	412,207	412,207	412,207	0
Total	2,804,717	3,045,207	3,095,207	290,490
General	1,085,276	1,244,514	1,067,442	0
Special	1,719,441	1,800,693	2,027,765	290,490
Total	2,804,717	3,045,207	3,095,207	290,490
FTE	6.0	6.0		0

LINE ITEM DETAIL

Salaries and Benefits - \$1,532,267 50% of budget

Administrator 1 FTE

Executive Secretary – 1 FTE

Chief Financial Officer – 1 FTE

Account Technician – 1 FTE

Human Resource Technician - 1 FTE

Admissions/Marketing Coordinator – 1 FTE

Travel - \$35,000 1% of budget

Employee reimbursed travel and governing board travel

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, Inovalon, Digital Simplistics, and
Microsoft vpn

Supplies and materials/professional - \$10,200 < 1% of budget

Resource materials, educational supplies and testing supplies

Miscellaneous supplies - \$250 < 1% of budget

Marketing supplies

Office supplies - \$25,000 1% of budget
Office supplies for facility

Postage - \$4,500 < 1% of budget
Stamps and postage for facility mail, PO Box rental fee

Printing – \$3,500 < 1% of budget
Printing of letterhead, envelopes and brochures

IT equipment under \$5,000 - \$50,500 2% of budget
Replacement of computers

Other Equipment under \$5,000 - \$2,500 < 1% of budget
Miscellaneous office equipment such as printers

Office Equipment & Furniture - \$3,000 < 1% of budget
Office furniture and filing cabinets

Insurance - \$49,000 2% of budget
State Fire & Tornado building insurance and property insurance

Rentals/leases of equipment - \$17,000 1% of budget
Lease payments for copy machines

Repairs - \$2,000 < 1% of budget
Repair services for office equipment

IT- Data processing - \$353,783 11% of budget
ITD and PeopleSoft fees, increased Microsoft Office 365 licenses

IT - Communications - \$102,000 3% of budget
Monthly telephone and cable television fees

IT- Contractual services - \$295,250 10% of budget
Maintenance and support fees for our software systems including our electronic health records, time and attendance, nurse call system, scheduling program, employee training, dietary, maintenance and billing software systems.

Professional development - \$32,000 1% of budget
Workshop/convention registrations, memberships fees for North Dakota Long Term Care Association and the National Association of State Veterans Homes

Operating fees and services - \$20,000 1% of budget
Help wanted ads, advertising fees, background checks for employees and service awards

Professional services - \$95,000 3% of budget
Legal services, audit fees, employee drug testing fees and advertising fees

Other capital payments - \$412,207 13% of budget
Bond and Interest payments for new home

SIGNIFICANT CHANGES

Salaries and benefits - \$89,667 increase

- Recommended salary and benefit increases

Operating - \$200,823 increase

- \$15,100 for State Fire & Tornado insurance increase
- \$90,723 for ITD data processing - moving 30 FTE staff from basic Office 365 to premium Office 365 and adding 88 basic Microsoft Office 365 licenses for employees that currently do not have access to Office 365
- \$45,000 for IT Contractual Services and Repairs – maintenance and annual fees for our software systems.
- \$50,000 for marketing and advertising – requested in optional package, not in the Governor's recommended budget, was added by the Senate

		2025-27 Base Budget Request	2025-27 Optional Budget Changes	Veterans Home 2025-27 Total Budget Request	Governor's 2025-27 Executive Recommendation	2025-27 Senate Version
Administration - 313-100						
31310 - Salaries and Wages						
511000	Salaries - Permanent	975,912	-	975,912	1,020,268	1,020,268
513000	Temporary Salaries	-	-	-	-	-
514000	Overtime	21,010	-	21,010	21,010	21,010
516000	Fringe Benefits	445,678	-	445,678	490,989	490,989
Total: Salaries and Wages		1,442,600	-	1,442,600	1,532,267	1,532,267
31330 - Operating Expenses						
521000	Travel	35,000	-	35,000	35,000	35,000
531000	Supplies - IT Software	50,000	-	50,000	50,000	50,000
532000	Supply/Material - Professional	10,200	-	10,200	10,200	10,200
534000	Bldg, Grounds, Vehicle Supply	250	-	250	250	250
535000	Miscellaneous Supplies	250	-	250	250	250
536000	Office Supplies	25,000	-	25,000	25,000	25,000
541000	Postage	4,500	-	4,500	4,500	4,500
542000	Printing	3,500	-	3,500	3,500	3,500
551000	IT Equipment under \$5,000	50,500	-	50,500	50,500	50,500
552000	Other Equipment under \$5,000	2,500	-	2,500	2,500	2,500
553000	Office Equip & Furniture-Under	3,000	-	3,000	3,000	3,000
571000	Insurance	33,900	15,100	49,000	49,000	49,000
581000	Rentals/Leases-Equipment&Other	17,000	-	17,000	17,000	17,000
591000	Repairs	2,000	-	2,000	2,000	2,000
601000	IT - Data Processing	263,060	90,723	353,783	353,783	353,783
602000	IT - Communications	102,000	-	102,000	102,000	102,000
603000	IT Contractual Services and Re	250,250	45,000	295,250	295,250	295,250
611000	Professional Development	32,000	-	32,000	32,000	32,000
621000	Operating Fees and Services	20,000	-	20,000	20,000	20,000
623000	Professional Fees and Services	45,000	50,000	95,000	45,000	95,000
Total: Operating Expenses		949,910	200,823	1,150,733	1,100,733	1,150,733
31350 - Capital Assets						
683000	Other Capital Payments	412,207	-	412,207	412,207	412,207
Total: Capital Assets		412,207	-	412,207	412,207	412,207
Total: Administration		2,804,717	200,823	3,005,540	3,045,207	3,095,207
General	GEN	1,085,276	155,823	1,241,099	1,244,514	1,085,276
Special	SPEC	1,719,441	45,000	1,764,441	1,800,693	2,009,931
Total by Funds: Administration		2,804,717	200,823	3,005,540	3,045,207	3,095,207

**NORTH DAKOTA VETERANS HOME
2025-2027 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>	2025-2027		<u>Change</u>
		<u>Executive Recommendation</u>	<u>Senate Version</u>	
Salaries	841,488	898,036	898,036	56,548
Operating	1,721,221	2,009,450	2,009,450	288,229
Capital	0	626,000	626,000	626,000
Total	2,562,709	3,533,486	3,533,486	970,777
General	772,370	783,893	772,370	0
Norgard	0	175,000	175,000	175,000
Special	1,790,339	2,574,593	2,586,116	784,254
Total	2,562,709	3,533,486	3,533,486	970,777
FTE	4.4	4.4		0

LINE ITEM DETAIL

Salaries and Benefits - \$898,036 25% of budget

Maintenance Supervisor – 1 FTE

Night watchman – 1.4 FTE

Maintenance Workers – 2 FTE

Part-time Temporary help

Travel - \$120,000 3% of budget

Motor pool charges

Professional Supplies & Materials - \$2,000 < 1% of budget

Chemicals

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

Safety clothing

Building, grounds and vehicle supply - \$170,000 5% of budget

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

Miscellaneous supplies - \$4,000 < 1% of budget

Tools and miscellaneous equipment under \$750

Other equipment under \$85,950 2% of budget

Miscellaneous grounds equipment, replacement of 20 door openers

Utilities - \$1,158,000 33% of budget

Electricity, fuel oil, garbage, sewer and water services

Insurance - \$3,500 < 1% of budget

Insurance for maintenance equipment

Rentals/leases – equipment - \$1,000 < 1% of budget

Equipment rental fees

Rentals/leases – building/land - \$3,000 < 1% of budget

Water softener leases

Repairs - \$370,000 10% of budget

Repair services and service contracts, including HVAC, lawn care, building automation, fire protection and generator maintenance

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

Continuing education

Operating fees and services - \$1,000 < 1% of budget

Licenses, help wanted ads, service awards

Fees – Professional services - \$89,600 3% of budget

Professional services such as architects, engineers, consultants and one-time funding for painter

Motor vehicles - \$36,000 1% of budget

Trade S650 Bobcat for new skid steer loader

Extraordinary Repairs - \$415,000 12% of budget

Carpet, water heater replacement, computer temperature sensors and install card access

Land and Buildings - \$175,000 5% of budget

Increased fees for resident garages with storage units

SIGNIFICANT CHANGES

Salaries and benefits - \$56,548 increase

Recommended salary and benefit increases

Operating - \$288,229 increase

- \$50,000 - State fleet travel expenses for transporting residents to the Fargo VA for medical appointments. Costs were significantly decreased in the previous two bienniums due to COVID.
- \$80,000 in one-time funding for Other Equipment under \$5,000 to replace 20 door openers
- \$65,000 for utilities - Ottetail Power rates increasing 6%

- \$43,229 for repairs - Increase in cost for service professionals such as HVAC, lawn care, building automation, fire protections and generator maintenance
- \$50,000 in one-time funding for professional services to hire a painter to paint the interior of the building.

Capital – \$626,000 increase

- \$175,000 in one-time funding from the Melvin Norgard fund for increased costs related to the construction of the resident garages and storage units. Bids came in higher than anticipated. Funding added with an emergency clause to spend this biennium if needed.
- \$415,000 increase in one-time funding for extraordinary repairs
 1. Card access \$80,000 – adds card access to select doors in the facility. Card access allows for controlled/customized access, audit trails, contactless entry, 24/7 access management.
 2. Computer temperature sensor readers \$35,000 - provide real time monitoring and recording of temperatures, provides alerts when temperatures exceed or fall below desired ranges.
 3. Carpeting \$260,000 – replacement of carpeting in the basic care facility
 4. Water heater \$40,000 – replacement of water heater in laundry, unit cannot be fixed
- \$36,000 in one-time funding for motor vehicles to replace our S650 Bobcat with a new skid steer loader. This is the main tool for snow removal and grounds maintenance.

		2025-27 Base Budget Request	2025-27 Optional Budget Changes	Veterans Home 2025-27 Total Budget Request	Governor's 2025-27 Executive Recommendation	2025-27 Senate Version
Maintenance - 313-200						
31310 - Salaries and Wages						
511000	Salaries - Permanent	482,562	-	482,562	504,495	504,495
513000	Temporary Salaries	42,000	-	42,000	42,000	42,000
514000	Overtime	15,000	-	15,000	15,000	15,000
516000	Fringe Benefits	301,926	-	301,926	336,541	336,541
Total: Salaries and Wages		841,488	-	841,488	898,036	898,036
31330 - Operating Expenses						
521000	Travel	70,000	50,000	120,000	120,000	120,000
532000	Supply/Material - Professional	2,000	-	2,000	2,000	2,000
533000	Food and Clothing	400	-	400	400	400
534000	Bldg, Grounds, Vehicle Supply	170,000	-	170,000	170,000	170,000
535000	Miscellaneous Supplies	4,000	-	4,000	4,000	4,000
552000	Other Equipment under \$5,000	5,950	80,000	85,950	85,950	85,950
561000	Utilities	1,093,000	65,000	1,158,000	1,158,000	1,158,000
571000	Insurance	3,500	-	3,500	3,500	3,500
581000	Rentals/Leases-Equipment&Other	1,000	-	1,000	1,000	1,000
582000	Rentals/Leases - Bldg/Land	3,000	-	3,000	3,000	3,000
591000	Repairs	326,771	43,229	370,000	370,000	370,000
611000	Professional Development	1,000	-	1,000	1,000	1,000
621000	Operating Fees and Services	1,000	-	1,000	1,000	1,000
623000	Professional Fees and Services	39,600	50,000	89,600	89,600	89,600
Total: Operating Expenses		1,721,221	288,229	2,009,450	2,009,450	2,009,450
31350 - Capital Assets						
682000	Land and Buildings	-	175,000	175,000	175,000	175,000
684000	Extra Repairs/Deferred Main	-	415,000	415,000	415,000	415,000
692000	Motor Vehicles	-	36,000	36,000	36,000	36,000
Total: Capital Assets		-	626,000	626,000	626,000	626,000
Total: Maintenance		2,562,709	914,229	3,476,938	3,533,486	3,533,486
General	GEN	772,370	-	772,370	783,893	772,370
Special	SPEC	1,790,339	914,229	2,704,568	2,749,593	2,761,116
Total by Funds: Maintenance		2,562,709	914,229	3,476,938	3,533,486	3,533,486

NORTH DAKOTA VETERANS HOME

2025-2027 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>	2025-2027			<u>Change</u>
	<u>Base Budget</u>	<u>Executive Recommendation</u>	<u>Senate Version</u>	
Salaries	2,569,080	2,742,696	2,742,696	173,616
Operating	1,155,100	1,260,000	1,260,000	104,900
Capital	0	30,000	30,000	30,000
Total	3,724,180	4,032,696	4,032,696	308,516
General	811,571	868,457	811,571	0
Special	2,912,609	3,164,239	3,221,125	308,516
Total	3,724,180	4,032,696	4,032,696	308,516
FTE	14	14		0

LINE ITEM DETAIL

Salaries and Benefits - \$2,742,696 68% of budget

Dietary Manager – 1 FTE

Cooks - 11 FTE

Food service assistant– 1 FTE

Food services operations supervisor – 1 FTE

Part-time temporary workers

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

Employee reimbursed travel expenses for food shows and workshops

Professional supplies and materials - \$20,000 < 1% of budget

Chemicals, resource materials, serve safe training materials

Food - \$1,100,000 27% of budget

Food, supplements

Building, ground and maintenance - \$9,000 < 1% of budget
Repair parts, janitorial supplies

Miscellaneous supplies - \$85,000 2% of budget
Dishes, silverware, equipment under \$750, paper products

Office Supplies - \$200 < 1% of budget
Labeling supplies

Other Equipment under \$5,000 - \$22,800 < 1% of budget
Household and industrial refrigerators, microwaves

Repairs - \$16,500 < 1% of budget
Hired repair work and service contracts

Professional development - \$2,500 < 1% of budget
Workshops, serve safe training

Operating fees and services - \$2,000 < 1% of budget
Help wanted ads, years of service awards

Equipment over \$5,000 - \$30,000 1% of budget
Replacement of 3 dish machines

SIGNIFICANT CHANGES

Salaries and benefits - \$220,705 increase

Governor's recommended salary and benefit increases

Operating - \$104,900 increase

- \$100,000 for food costs due to inflation and increased census
- \$4,900 in one-time funding for equipment under \$5,000 for industrial fridges

Capital - \$30,000 increase

- \$30,000 in one-time funding to replace 3 dish machines with upright, slide through, ventless machines that wash and sanitize dishes.

BUDGET ADJUSTMENTS REQUESTED

Increase the food line item by \$100,000 in special fund authority. At the time we submitted our budget request we did not anticipate food costs would increase as significantly as they have. Current financial statements show that our current request will not cover all costs for the 2025-2027 biennium.

		2025-27 Base Budget Request	2025-27 Optional Budget Changes	Veterans Home 2025-27 Total Budget Request	Governor's 2025-27 Executive Recommendation	2025-27 Senate Version
Dietary - 313-300						
31310 - Salaries and Wages						
511000	Salaries - Permanent	1,301,332	-	1,301,332	1,360,478	1,360,478
512000	Salaries - Other	37,456	-	37,456	37,456	37,456
513000	Temporary Salaries	100,000	-	100,000	100,000	100,000
514000	Overtime	175,000	-	175,000	175,000	175,000
516000	Fringe Benefits	955,292	-	955,292	1,069,762	1,069,762
Total: Salaries and Wages		2,569,080	-	2,569,080	2,742,696	2,742,696
31330 - Operating Expenses						
521000	Travel	2,000	-	2,000	2,000	2,000
532000	Supply/Material - Professional	20,000	-	20,000	20,000	20,000
533000	Food and Clothing	1,000,000	100,000	1,100,000	1,100,000	1,100,000
534000	Bldg, Grounds, Vehicle Supply	9,000	-	9,000	9,000	9,000
535000	Miscellaneous Supplies	85,000	-	85,000	85,000	85,000
536000	Office Supplies	200	-	200	200	200
552000	Other Equipment under \$5,000	17,900	4,900	22,800	22,800	22,800
591000	Repairs	16,500	-	16,500	16,500	16,500
611000	Professional Development	2,500	-	2,500	2,500	2,500
621000	Operating Fees and Services	2,000	-	2,000	2,000	2,000
Total: Operating Expenses		1,155,100	104,900	1,260,000	1,260,000	1,260,000
31350 - Capital Assets						
691000	Equipment Over \$5000	-	30,000	30,000	30,000	30,000
Total: Capital Assets		-	30,000	30,000	30,000	30,000
Total: Dietary		3,724,180	134,900	3,859,080	4,032,696	4,032,696
General	GEN	811,571	-	811,571	868,457	811,571
Special	SPEC	2,912,609	134,900	3,047,509	3,164,239	3,221,125
Total by Funds: Dietary		3,724,180	134,900	3,859,080	3,859,080	4,032,696

NORTH DAKOTA VETERANS HOME

2025 - 2027 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>	2025-2027			<u>Change</u>
	<u>Base Budget</u>	<u>Executive Recommendation</u>	<u>Senate Version</u>	
Salaries	3,339,442	3,931,612	4,106,612	767,170
Operating	106,000	151,000	151,000	45,000
Capital	0	0	0	0
Total	3,445,442	4,082,612	4,257,612	812,170
General	340,780	361,262	340,780	0
Special	3,104,662	3,721,350	3,916,832	812,170
Total	3,445,442	4,082,612	4,257,612	812,170
FTE	24.05	24.05		0

LINE ITEM DETAIL

Salaries and Benefits - \$4,106,612 97% of budget

Clinical Care Partner (RN) – 1 FTE

RNs – 1.5 FTE

LPNs – 8.6 FTE

Med Techs – 6.6 FTE

Medical Records – 1 FTE

Vacant unfunded positions – 5.35 FTE

Temporary workers

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

Employee travel for workshops and continuing education

Supplies and materials/professional - \$2,000 < 1% of budget

Hand sanitizer, resource materials and educational supplies

Food and Clothing - \$4,000 < 1% of budget

Safety clothing – gloves, gowns

Miscellaneous supplies - \$4,000 < 1% of budget

Paper products for dispensing medications, health and beauty supplies such as fingernail clippers, Q-tips etc.

Professional development - \$2,500 < 1% of budget

Workshop and convention registrations

Operating fees and services - \$6,000 < 1% of budget

Hazardous waste removal, help wanted ads, service awards and workers comp payments

Professional services - \$100,000 1% of budget

Medical service providers, physical, occupational and speech therapy consultants, Psychiatric consultants, primary care services including lab testing and x-rays

Medical, dental and optical - \$31,500 < 1% of budget

Lab and nursing supplies, medical equipment, stock medications

SIGNIFICANT CHANGES

Salaries and benefits - \$767,170 increase

- Recommended salary and benefit increases
- \$351,285 for 3 unfunded FTE. The funding for these FTE had to be eliminated to meet the 2025-2027 base budget request. These are not additional FTE, they are funded in our 2023-2025 budget.
- \$15,000 in funding to allow us to change LPN positions to RN positions if needed. ND currently has 16,738 licensed RNs and only 3,742 licensed LPNs, making recruitment for LPNs very difficult. Positions will only be changed if we are unable to find an LPN.
- \$175,000 for nursing equity added by the Senate.

Operating - \$45,000 increase

- \$45,000 in professional service fees for contract agency staff due to vacant nursing positions

		2025-27 Base Budget Request	2025-27 Optional Budget Changes	Veterans Home 2025-27 Total Budget Request	Governor's 2025-27 Executive Recommendation	2025-27 Senate Version
Nursing Basic Care - 313-401						
31310 - Salaries and Wages						
511000	Salaries - Permanent	1,815,310	-	1,815,310	1,897,815	2,072,815
512000	Salaries - Other	100,000	366,285	466,285	466,285	466,285
513000	Temporary Salaries	100,000	-	100,000	100,000	100,000
514000	Overtime	100,000	-	100,000	100,000	100,000
516000	Fringe Benefits	1,224,132	-	1,224,132	1,367,512	1,367,512
Total: Salaries and Wages		3,339,442	366,285	3,705,727	3,931,612	4,106,612
31330 - Operating Expenses						
521000	Travel	1,000	-	1,000	1,000	1,000
532000	Supply/Material - Professional	2,000	-	2,000	2,000	2,000
533000	Food and Clothing	4,000	-	4,000	4,000	4,000
535000	Miscellaneous Supplies	4,000	-	4,000	4,000	4,000
611000	Professional Development	2,500	-	2,500	2,500	2,500
621000	Operating Fees and Services	6,000	-	6,000	6,000	6,000
623000	Professional Fees and Services	55,000	45,000	100,000	100,000	100,000
625000	Medical, Dental and Optical	31,500	-	31,500	31,500	31,500
Total: Operating Expenses		106,000	45,000	151,000	151,000	151,000
Total: Nursing Basic Care		3,445,442	411,285	3,856,727	4,082,612	4,257,612
General	GEN	340,780	-	340,780	361,262	340,780
Special	SPEC	3,104,662	411,285	3,515,947	3,721,350	3,916,832
Total by Funds: Nursing Basic		3,445,442	411,285	3,856,727	4,082,612	4,257,612

NORTH DAKOTA VETERANS HOME

2025-2027 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, and continuing education for employees.

BUDGET BY TRADITIONAL LINE

<u>Description</u>	2025-2027			<u>Change</u>
	<u>Base Budget</u>	<u>Executive Recommendation</u>	<u>Senate Version</u>	
Salaries	10,145,936	10,996,644	11,126,884	980,948
Operating	897,110	1,248,260	1,248,260	351,150
Capital	0	40,000	40,000	40,000
Total	11,043,046	12,284,904	12,415,144	1,372,098
General	2,525,196	2,687,465	2,296,181	-229,015
Special	8,517,850	9,597,439	10,118,963	1,601,113
Total	11,043,046	12,284,904	12,415,144	1,372,098
FTE	48.74	48.74		0

LINE ITEM DETAIL

Salaries and Benefits - \$11,126,884 94% of budget

RNs – 5.1 FTE

LPNs – 2.1 FTE

Med Tech – 3.9 FTE

C.N.A.s – 27.54 FTE

Transportation staff – 3.2 FTE

Therapy – 1 FTE

Director of Nursing – 1 FTE

Household Coordinator – 1 FTE

Clinical Care Partners (RN) – 3 FTE

Ward Clerk - .9 FTE

Travel - \$24,000 < 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

Food and Clothing - \$120,000 < 1% of budget
Briefs, safety clothing including gloves and gowns

Building, grounds, vehicle supply - \$5,000 < 1% of budget
Repair parts, misc building supplies

Miscellaneous supplies - \$30,000 < 1% of budget
Health and beauty supplies, skilled resident haircuts, paper products for dispensing medications

Other equipment under \$5,000 - \$20,500 < 1% of budget
Mattresses, wheelchairs, feeding pumps, medication fridges, slings for ceiling lifts

Rental/lease of Equipment - \$1,000 < 1% of budget
Rent/lease of specialized medical equipment

Repairs - \$2,500 < 1% of budget
Repair of medical equipment

Professional development - \$10,000 < 1% of budget
Workshop and convention registrations, dues and memberships

Operating fees and services - \$8,500 < 1% of budget
Hazardous waste removal, help wanted ads, service awards and workers comp payments

Professional services - \$761,760 3% of budget
Contract agency staffing, medical service consultants, physical, occupational and speech therapy consultants, Psychiatrists, primary care services including lab testing and x-rays

Medical, dental and optical - \$245,000 2% of budget
Lab and nursing supplies, rehabilitation supplies, stock medications

Equipment over \$5,000 - \$40,000 < 1% of budget
Four medication carts

SIGNIFICANT CHANGES

Salaries and benefits - \$980,948 increase

- Recommended salary and benefits increases
- \$200,000 in overtime costs due to regular staff picking up open shifts from vacant positions, annual leave and sick leave coverage
- \$375,000 for nursing equity added by the Senate

Operating - \$351,150 increase

- \$50,000 increase for food and clothing as expenses for gloves were paid primarily from federal COVID funding in the prior 2 bienniums, increase cost for briefs

- \$6,150 for one-time funding for Equipment under \$5,000 for mattresses and feeding pumps
- \$230,000 for professional service fees for contract agency staffing – majority of expenses for last 2 bienniums paid from federal COVID funding
- \$65,000 for medical services due to VA shifting more costs back onto us

Capital - \$40,000 increase

- \$40,000 for four medication carts to replace existing carts that will be 15 years old, no longer cost beneficial to keep fixing
-

BUDGET ADJUSTMENTS REQUESTED

Add an additional \$200,000 in special fund authority for the nursing department equity increase. The intent of the Senate was to add \$2.00 per hour. We calculated the funding needed by looking at the total number of hours needed in the department as well as the salary increases for the biennium, payroll taxes and retirement benefits, and the total needed is \$750,000. Only \$550,000 was added by the Senate.

Change/amend the wording in Section 5 of our bill. Currently it allows us to transfer \$400,000 in appropriation authority, during the 2023-2025 biennium, from the salaries and wages line to the operating line to cover the increased cost of contract agency staff. We are asking to have the language modified to allow us to transfer up to \$600,000. We had projected \$800,000 in contract agency staffing costs but we recently incurred some changes that will drive the projected expenses to around \$1,020,000. We started the biennium with only \$400,000 in funding for this line item.

Remove Section 3 of our bill and exempt us from the FTE funding pool. Due to the nature of our services, we cannot leave any positions vacant as we need 24/7 nursing coverage. Our costs to fill these vacant positions are much higher as we either have to pay our own staff overtime and incentives, hire temporary staff for higher wages or hire contract agency staff at much higher rates. All of the funding for the FTE funding pool is special funds (the money we generate) so there is no savings to the state general fund; any funds not used will just stay in our special fund account.

NORTH DAKOTA VETERANS HOME

2025-2027 BUDGET DETAIL

RESIDENT SERVICES (ACTIVITES) DEPARTMENT

EXPLANATION OF PROGRAM COSTS

Expenses for activities include 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>	2025-2027			<u>Change</u>
	<u>Base Budget</u>	<u>Executive Recommendation</u>	<u>Senate Version</u>	
Salaries	487,668	520,713	520,713	33,045
Operating	3,750	3,750	3,750	0
Capital	0	0	0	0
Total	491,418	524,463	524,463	33,045
General	77,748	83,160	77,748	0
Special	413,670	441,303	446,715	33,045
Total	491,418	524,463	524,463	33,045
FTE	3	3		0

LINE ITEM DETAIL

Salaries and Benefits - \$520,713 99% of budget

Activities coordinator – 1 FTE

Activities assistants – 2 FTE

Travel - \$1,500 < 1% of budget

Employee reimbursed travel for workshops, continuing education

Miscellaneous supplies - \$500 < 1% of budget

Recreational supplies

Printing - \$500 < 1% of budget

Printing and mailing of the Scuttlebutt, a newsletter that we send out electronically and via mail to around 600 organizations and individuals

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

Workshop and convention registrations, membership fees

Operating fees and services - \$250 < 1% of budget
 Service awards, advertising

SIGNIFICANT CHANGES

Salaries and benefits - \$33,045 increase

- Recommended salary and benefit increases

		2025-27 Base Budget Request	2025-27 Optional Budget Changes	Veterans Home 2025-27 Total Budget Request	Governor's 2025-27 Executive Recommendation	2025-27 Senate Version
Activities - 313-500						
31310 - Salaries and Wages						
511000	Salaries - Permanent	273,446	-	273,446	285,874	285,874
512000	Salaries - Other	200	-	200	200	200
513000	Temporary Salaries	25,000	-	25,000	25,000	25,000
514000	Overtime	11,000	-	11,000	11,000	11,000
516000	Fringe Benefits	178,022	-	178,022	198,639	198,639
Total: Salaries and Wages		487,668	-	487,668	520,713	520,713
31330 - Operating Expenses						
521000	Travel	1,500	-	1,500	1,500	1,500
532000	Supply/Material - Professional	500	-	500	500	500
542000	Printing	500	-	500	500	500
611000	Professional Development	1,000	-	1,000	1,000	1,000
621000	Operating Fees and Services	250	-	250	250	250
Total: Operating Expenses		3,750	-	3,750	3,750	3,750
Total: Activities		491,418	-	491,418	524,463	524,463
General	GEN	77,748	-	77,748	83,160	77,748
Special	SPEC	413,670	-	413,670	441,303	446,715
Total by Funds: Activities		491,418	-	491,418	524,463	524,463

<p align="center">NORTH DAKOTA VETERANS HOME 2025-2027 BUDGET DETAIL</p>

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, pastoral fees, resource materials and supplies, membership dues, and professional development.

BUDGET BY TRADITIONAL LINE

<u>Description</u>	2025-2027			<u>Change</u>
	<u>Base Budget</u>	<u>Executive Recommendation</u>	<u>Senate Version</u>	
Salaries	589,724	628,602	628,602	38,878
Operating	10,750	10,750	10,750	0
Capital	0	0	0	0
Total	600,474	639,352	639,352	38,878
General	191,326	204,198	191,326	0
Special	409,148	435,154	448,026	38,878
Total	600,474	639,352	639,352	38,878
FTE	3	3		0

LINE ITEM DETAIL

Salaries and Benefits - \$628,602 98% of budget
 Social Services Director 1 FTE
 Social Worker – 1 FTE
 Case Manager - 1 FTE

Travel - \$3,500 < 1% of budget
 Employee reimbursed travel

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

Professional development - \$3,000 < 1% of budget
 Workshop and convention registrations, dues and memberships

Operating fees and services - \$3,000 < 1% of budget
 Background checks on potential residents

Professional services - \$1,000 < 1% of budget
 Religious support services for weekly church services

SIGNIFICANT CHANGES

Salaries and benefits - \$38,878 increase

- Recommended salary and benefits increases

		2025-27 Base Budget Request	2025-27 Optional Budget Changes	Veterans Home 2025-27 Total Budget Request	Governor's 2025-27 Executive Recommendation	2025-27 Senate Version
Social Services - 313-600						
31310 - Salaries and Wages						
511000	Salaries - Permanent	379,586	-	379,586	396,839	396,839
514000	Overtime	10,000	-	10,000	10,000	10,000
516000	Fringe Benefits	200,138	-	200,138	221,763	221,763
Total: Salaries and Wages		589,724	-	589,724	628,602	628,602
31330 - Operating Expenses						
521000	Travel	3,500	-	3,500	3,500	3,500
532000	Supply/Material - Professional	250	-	250	250	250
611000	Professional Development	3,000	-	3,000	3,000	3,000
621000	Operating Fees and Services	3,000	-	3,000	3,000	3,000
623000	Professional Fees and Services	1,000	-	1,000	1,000	1,000
Total: Operating Expenses		10,750	-	10,750	10,750	10,750
Total: Social Services		600,474	-	600,474	639,352	639,352
General	GEN	191,326	-	191,326	204,198	191,326
Special	SPEC	409,148	-	409,148	435,154	448,026
Total by Funds: Social Services		600,474	-	600,474	639,352	639,352

NORTH DAKOTA VETERANS HOME

2025-2027 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>	2025-2027			<u>Change</u>
	<u>Base Budget</u>	<u>Executive Recommendation</u>	<u>Senate Version</u>	
Salaries	805,678	867,113	867,113	61,435
Operating	125,050	128,750	128,750	3,700
Capital	0	5,600	5,600	5,600
Total	930,728	1,001,463	1,001,463	70,735
General	291,272	311,371	291,272	0
Special	639,456	690,092	710,191	70,735
Total	930,728	1,001,463	1,001,463	70,735
FTE	6	6		0

LINE ITEM DETAIL

Salaries and Benefits - \$867,113 87% of budget

Housekeeping supervisor – 1 FTE

Housekeepers – 5 FTE

Supplies and materials/professional - \$24,000 2% of budget

Chemicals for cleaning

Food and Clothing - \$3,050 < 1% of budget

Safety items - gloves

Building, grounds and vehicle supply - \$35,000 3% of budget

Janitorial supplies and misc. building supplies

Miscellaneous supplies - \$40,000 4% of budget

Paper products - paper towels, toilet paper, tissues

Other equipment under \$5,000 - \$8,700 1% of budget

Vacuum cleaners and workstation carts

**NORTH DAKOTA VETERANS HOME
2025-2027 BUDGET DETAIL**

LAUNDRY DEPARTMENT

EXPLANATION OF PROGRAM COST

Laundry services are provided 5 days per week with an average of 6,300 lbs. of laundry per month for basic and 13,000 lbs. of laundry per month for skilled. Costs for the laundry department include salaries and benefits for 2 full-time employees, laundry supplies, equipment and repairs, bed linens, towels, and pillows for the residents.

BUDGET BY TRADITIONAL LINE

<u>Description</u>	2025-2027			<u>Change</u>
	<u>Base Budget</u>	<u>Executive Recommendation</u>	<u>Senate Version</u>	
Salaries	247,670	267,238	267,238	19,568
Operating	67,000	67,000	67,000	0
Capital	0	11,000	11,000	11,000
Total	314,670	345,238	345,238	30,568
General	246,662	266,230	246,662	0
Special	68,008	79,008	98,576	30,568
Total	314,670	345,238	345,238	30,568
FTE	2.6	2.6		0

LINE ITEM DETAIL

Salaries and Benefits - \$267,238 77% of budget

Laundry supervisor – 1 FTE

Laundry workers – 1.6 FTE

Supplies and materials/professional - \$40,000 12% of budget

Chemicals for laundry

Food and Clothing - \$15,000 4% of budget

Linens, pillows, towels and washcloths

Building, grounds and vehicle supply - \$2,500 <1% of budget

Equipment repair parts

Miscellaneous supplies - \$4,000 1% of budget

Laundry supplies

Repairs – \$5,000 1% of budget

Hired repair work

NORTH DAKOTA VETERANS HOME

2025-2027 BUDGET DETAIL

PHARMACY DEPARTMENT

EXPLANATION OF PROGRAM COSTS

The pharmacy dispensed 14,369 medications from July 1, 2023 to June 30, 2024. Of these, 6,521 were for basic care residents and 7,948 were for skilled residents. The average cost of these prescriptions was \$42.03; 8% of these prescriptions had a resident copay, 2% were billed to the VA for reimbursement, < 1% were billed to Medicare and the remaining cost 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>	2025-2027			<u>Change</u>
	<u>Base Budget</u>	<u>Executive Recommendation</u>	<u>Senate Version</u>	
Salaries	449,450	482,408	482,408	32,958
Operating	1,025,016	1,139,000	1,139,000	113,984
Capital	0	7,500	7,500	7,500
Total	1,474,466	1,628,908	1,628,908	154,442
General	123,047	123,047	123,047	0
Special	1,351,419	1,505,861	1,505,861	154,442
Total	1,474,466	1,628,908	1,628,908	154,442
FTE	2.0	2.0		0

LINE ITEM DETAIL

Salaries and Benefits - \$482,408 30% 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

Other equipment under \$5,000 - \$1,700 < 1% of budget
Datalogger

IT contractual services - \$3,200 < 1% of budget
Contract for pharmacy computer system

Professional development - \$2,000 < 1% of budget
Membership fees, workshops

Operating fees and services - \$10,000 < 1% of budget
Licensing fees, hazardous waste collections

Professional services - \$10,000 < 1% of budget
Relief pharmacist to cover vacation/sick leave

Medical, dental and optical - \$1,100,000 68% of budget
Medications for veteran residents

Equipment over \$5,000 - \$7,500 < 1% of budget
Medication fridge

SIGNIFICANT CHANGES

Salaries and benefits - \$32,958 increase

- Recommended salary and benefit increases

Operating - \$113,984 increase

- \$112,284 for medication costs due to rising prices and increase in resident census
- \$1,700 in one-time funding for a datalogger for medication fridge

Capital - \$7,500 increase

- \$7,500 in one-time funding for a medication fridge

		2025-27 Base Budget Request	2025-27 Optional Budget Changes	Veterans Home 2025-27 Total Budget Request	Governor's 2025-27 Executive Recommendation	2025-27 Senate Version
Pharmacy - 313-900						
31310 - Salaries and Wages						
511000	Salaries - Permanent	271,866	-	271,866	284,223	284,223
512000	Salaries - Other	-	-	-	-	-
514000	Overtime	100	-	100	100	100
516000	Fringe Benefits	177,484	-	177,484	198,085	198,085
Total: Salaries and Wages		449,450	-	449,450	482,408	482,408
31330 - Operating Expenses						
521000	Travel	100	-	100	100	100
531000	Supplies - IT Software	9,000	-	9,000	9,000	9,000
532000	Supply/Material - Professional	2,500	-	2,500	2,500	2,500
542000	Printing	500	-	500	500	500
552000	Other Equipment under \$5,000	-	1,700	1,700	1,700	1,700
603000	IT Contractual Services and Re	3,200	-	3,200	3,200	3,200
611000	Professional Development	2,000	-	2,000	2,000	2,000
621000	Operating Fees and Services	10,000	-	10,000	10,000	10,000
623000	Professional Fees and Services	10,000	-	10,000	10,000	10,000
625000	Medical, Dental and Optical	987,716	112,284	1,100,000	1,100,000	1,100,000
Total: Operating Expenses		1,025,016	113,984	1,139,000	1,139,000	1,139,000
31350 - Capital Assets						
691000	Equipment Over \$5000	-	7,500	7,500	7,500	7,500
Total: Capital Assets		-	7,500	7,500	7,500	7,500
Total: Pharmacy		1,474,466	121,484	1,595,950	1,628,908	1,628,908
General	GEN	123,047	-	123,047	123,047	123,047
Special	SPEC	1,351,419	121,484	1,472,903	1,505,861	1,505,861
Total by Funds: Pharmacy		1,474,466	121,484	1,595,950	1,628,908	1,628,908

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.
- Add an additional \$200,000 in special fund authority for the nursing department equity increase. The intent of the Senate was to add \$2.00 per hour. We calculated the funding needed by looking at the total number of hours in the department, the additional needed for the legislative salary increases for the biennium, additional payroll taxes, and retirement benefits. The total appropriation authority needed to add \$2.00 per hour to staff in the nursing department is \$750,000, the Senate added \$550,000.
- Modify the wording in Section 5 of our bill. Currently it allows us to transfer \$400,000 in appropriation authority, during the 2023-2025 biennium, from the salaries and wages line to the operating line to cover the increased cost of contract agency staff. We are asking to have the language modified to allow us to transfer up to \$600,000. We had projected \$800,000 in contract agency staffing costs for the biennium, but we recently incurred some changes that will drive the projected expenses to around \$1,020,000. There is currently only \$400,000 in funding for contract staffing.
- Remove Section 3 of our bill and exempt us from the FTE funding pool. Due to the nature of our services, we must have 24/7 nursing coverage so we either have to pay our own staff overtime, hire temporary staff for higher wages or hire contract agency staff at even higher rates. The funding for the FTE funding pool is 100% special funds (the money we generate) so there is no savings to the state general fund; any funds not used just stay in our special fund account.
- Add \$100,000 in special fund authority for food due to rising prices and increased census. The 2025-2027 biennium budget was prepared over 9 months ago and looking at our current financials and census, we have determined that the amount in our 2025-2027 biennium budget will not be enough.

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

2025 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Human Resources Division Roughrider Room, State Capitol

SB 2007
3/25/2025

A BILL for an Act to provide an appropriation for defraying the expenses of the veterans' home; to create and enact a new section to chapter 37-15 of the North Dakota Century Code, relating to meals provided to employees of the veterans' home; to provide an exemption; to provide for a legislative management study; and to declare an emergency.

2:51 p.m. Chairman J. Nelson called the meeting to order.

Members Present: Chairman J. Nelson, Vice Chairman Stemen, Representatives B. Anderson, Berg, Mitskog, Murphy, O' Brien, Wagner

Discussion Topics:

- Post War Trust Fund

2:51 p.m. Chairman J. Nelson initiated conversation about SB 2007, referenced previous testimony #39552 from 3/7/2025.

3:18 p.m. Larry Martin, Fiscal Management Analyst, Office of Management and Budget answered questions.

3:27 p.m. Chairman J. Nelson closed the meeting.

Krystal Eberle for Jan Kamphuis, Committee Clerk

2025 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Human Resources Division Roughrider Room, State Capitol

SB 2007
3/26/2025

A BILL for an Act to provide an appropriation for defraying the expenses of the veterans' home; to create and enact a new section to chapter 37-15 of the North Dakota Century Code, relating to meals provided to employees of the veterans' home; to provide an exemption; to provide for a legislative management study; and to declare an emergency.

3:20 p.m. Chairman J. Nelson opened the meeting.

Members Present: Chairman J. Nelson, Vice Chairman Stemen, Representatives B. Anderson, Berg, Mitskog, Murphy, O'Brien, Wagner

Discussion Topics:

- Committee Action

3:23 p.m. Representative B. Anderson introduced proposed amendments with testimony #44203 and #44202.

3:27 p.m. Representative O'Brien moved amendments to salaries, employment pool, resident food, and medical expenses.

3:27 p.m. Representative B. Anderson seconded the motion.

3:27 p.m. Roll Call Vote

Representatives	Vote
Representative Jon O. Nelson	Y
Representative Gregory Stemen	Y
Representative Bert Anderson	Y
Representative Mike Berg	Y
Representative Alisa Mitskog	Y
Representative Eric J. Murphy	Y
Representative Emily O'Brien	Y
Representative Scott Wagner	Y

3:27 p.m. Motion passed 8-0-0.

3:29 p.m. Grant Gader, Fiscal Analyst, Fiscal Division of ND Legislative Council answered questions #44203.

3:31 p.m. Representative Stemen moved to further amend to remove funding in new vacant FTE pool.

3:31 p.m. Representative B. Anderson seconded the motion.

3:31 p.m. Roll Call Vote

Representatives	Vote
Representative Jon O. Nelson	Y
Representative Gregory Stemen	Y
Representative Bert Anderson	Y
Representative Mike Berg	Y
Representative Alisa Mitskog	Y
Representative Eric J. Murphy	Y
Representative Emily O'Brien	Y
Representative Scott Wagner	Y

3:31 p.m. Motion carried 8-0-0.

3:32 p.m. Representative B. Anderson moved to further amend Section 4 of fund transfer.

3:32 p.m. Representative Stemen seconded the motion.

3:32 p.m. Roll Call Vote

Representatives	Vote
Representative Jon O. Nelson	Y
Representative Gregory Stemen	Y
Representative Bert Anderson	Y
Representative Mike Berg	Y
Representative Alisa Mitskog	Y
Representative Eric J. Murphy	Y
Representative Emily O'Brien	Y
Representative Scott Wagner	Y

3:32 p.m. Motion passed 8-0-0.

3:33 p.m. Grant Gader, Fiscal Analyst, Fiscal Division of ND Legislative Council answered questions.

3:33 p.m. Representative B. Anderson moved Do Pass as Amended.

3:34 p.m. Representative Wagner seconded the motion.

3:34 p.m. Grant Gader, Fiscal Analyst, Fiscal Division of ND Legislative Council answered questions.

3:36 p.m. Roll Call Vote

Representatives	Vote
Representative Jon O. Nelson	Y
Representative Gregory Stemen	Y
Representative Bert Anderson	Y
Representative Mike Berg	Y
Representative Alisa Mitskog	Y

Representative Eric J. Murphy	Y
Representative Emily O'Brien	Y
Representative Scott Wagner	Y

3:36 p.m. Motion passed 8-0-0.

3:36 p.m. Representative B. Anderson will carry the bill.

3:38 p.m. Chairman J. Nelson adjourned the meeting.

Krystal Eberle for Jan Kamphuis, Committee Clerk



Veterans' Home - Budget No. 313
Agency Worksheet - Senate Bill No. 2007

	Senate Version				House Version				House Compared to Senate Version			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total	Increase (Decrease)			
									FTE Positions	General Fund	Other Funds	Total
2025-27 Biennium Base Level	114.79	\$6,218,399	\$20,833,167	\$27,051,566	114.79	\$6,218,399	\$20,833,167	\$27,051,566	0.00	\$0	\$0	\$0
2025-27 Ongoing Funding Changes												
Base payroll changes			(\$37,529)	(\$37,529)			(\$37,529)	(\$37,529)				\$0
Salary increase			631,648	631,648		\$169,156	462,492	631,648		\$169,156	(\$169,156)	0
Health insurance increase			750,660	750,660		193,370	557,290	750,660		193,370	(193,370)	0
Adds funding to replace the 2023-25 vacant FTE pool			892,213	892,213		229,015	663,198	892,213		229,015	(229,015)	0
Removes funding for the 2025-27 new and vacant FTE pool			(365,539)	(365,539)			0	0			365,539	365,539
Reduces funding for overtime and temporary salaries			(167,652)	(167,652)			(167,652)	(167,652)				0
Reduces funding for travel and information technology equipment			(78,000)	(78,000)			(78,000)	(78,000)				0
Adds funding for information technology rate increases			77,582	77,582			77,582	77,582				0
Adds funding for software and information technology services			135,723	135,723			135,723	135,723				0
Adds funding for state fire and tornado insurance			15,100	15,100			15,100	15,100				0
Adds funding for bond and interest payments			4,955	4,955			4,955	4,955				0
Adds funding for nursing salary equity increases			550,000	550,000			750,000	750,000			200,000	200,000
Adds funding to convert licensed practical nurse positions to registered nurse positions			15,000	15,000			15,000	15,000				0
Adds funding for nursing overtime and contract nursing costs			475,000	475,000			475,000	475,000				0
Adds funding for utilities and repairs			108,229	108,229			108,229	108,229				0
Adds funding for resident food and medical expenses			377,284	377,284			477,284	477,284			100,000	100,000
Adds funding for marketing and advertising			50,000	50,000			50,000	50,000				0
Adds funding for equipment replacement and upgrades			279,500	279,500			279,500	279,500				0
Total ongoing funding changes	0.00	\$0	\$3,714,174	\$3,714,174	0.00	\$591,541	\$3,788,172	\$4,379,713	0.00	\$591,541	\$73,998	\$665,539
One-Time Funding Items												
Door openers replacement			\$80,000	\$80,000			\$80,000	\$80,000				\$0
Interior repainting			50,000	50,000			50,000	50,000				0
Carpet replacement			260,000	260,000			260,000	260,000				0
Resident garages and storage units			175,000	175,000			175,000	175,000				0
Equipment under \$5,000			16,450	16,450			16,450	16,450				0
Commercial floor cleaning machine			5,600	5,600			5,600	5,600				0
Total one-time funding changes	0.00	\$0	\$587,050	\$587,050	0.00	\$0	\$587,050	\$587,050	0.00	\$0	\$0	\$0
Total Changes to Base Level Funding	0.00	\$0	\$4,301,224	\$4,301,224	0.00	\$591,541	\$4,375,222	\$4,966,763	0.00	\$591,541	\$73,998	\$665,539
2025-27 Total Funding	114.79	\$6,218,399	\$25,134,391	\$31,352,790	114.79	\$6,809,940	\$25,208,389	\$32,018,329	0.00	\$591,541	\$73,998	\$665,539
Federal funds included in other funds			\$0					\$0		\$0		
Total ongoing changes - Percentage of base level	0.0%	0.0%	17.8%	13.7%	0.0%	9.5%	18.2%	16.2%	N/A	N/A	N/A	N/A
Total changes - Percentage of base level	0.0%	0.0%	20.6%	15.9%	0.0%	9.5%	21.0%	18.4%	N/A	N/A	N/A	N/A

Other Sections in Veterans' Home - Budget No. 313

Section Description	Senate Version	House Version	
New and vacant FTE pool line item	Section 3 provides for the use of funding in the new and vacant FTE pool line item.		
Amendment - Staff meals during emergencies	Section 4 creates and enacts a new Section to Chapter 37-15 to allow the Veterans' Home to provide meals to employees in the event of a disruption of operations.	Section 3 creates and enacts a new Section to Chapter 37-15 to allow the Veterans' Home to provide meals to employees in the event of a disruption of operations.	
Line item transfer	Section 5 provides authority for the Veterans' Home to transfer up to \$400,000 from special funds from the salaries and wages line item to the operating expenses line item during the 2023-25 biennium.	Section 4 provides authority for the Veterans' Home to transfer up to \$600,000 from special funds from the salaries and wages line item to the operating expenses line item during the 2023-25 biennium.	
Legislative Management study - Veterans' Home facilities	Section 6 provides for a Legislative Management study of the usage of the Veterans' Home facilities.	Section 5 provides for a Legislative Management study of the usage of the Veterans' Home facilities.	
Emergency	Section 7 declares the \$175,000 appropriated from the Melvin Norgard fund in Section 1 for resident garages and storage units and the line item transfer in Section 5 to be an emergency measure.	Section 6 declares the \$175,000 appropriated from the Melvin Norgard fund in Section 1 for resident garages and storage units and the line item transfer in Section 5 to be an emergency measure.	

Prepared by the Legislative Council staff
for House Appropriations Committee
March 26, 2025

SENATE BILL NO. 2007
LISTING OF PROPOSED CHANGES TO BILL

Department - Veterans' Home

Proposed funding changes:

Description	FTE	General Fund	Special Funds	Total
1 Reverts funding source change made by the Senate for salary increases, health insurance increases, and the 2023-25 new and vacant FTE pool		\$591,541	(\$591,541)	\$0
2 Replaces funding removed by the Senate for the 2025-27 new and vacant FTE pool			\$365,539	\$365,539
3 Adds additional funding for nursing salary equity increases (\$2/hour)			\$200,000	\$200,000
4 Adds additional funding for resident food costs			\$100,000	\$100,000
5				
Total proposed funding changes		<u>\$591,541</u>	<u>\$73,998</u>	<u>\$665,539</u>

Other proposed changes:

- 1 Removes section 3 relating to the 2025-27 new and vacant FTE pool
- 2 Amends section 4 to provide authority for the Veterans' Home to transfer up to \$600,000 from special funds from the salaries and wages line item to the operating expenses line item during the 2023-25 biennium
- 3
- 4

2025 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee Roughrider Room, State Capitol

SB 2007
3/31/2025

A BILL for an Act to provide an appropriation for defraying the expenses of the veterans' home; relating to meals provided to employees of the veterans' home; to provide an exemption; to provide for a legislative management study; and to declare an emergency.

9:13 a.m. Chairman Vigesaa opened the meeting.

Members present: Chairman Vigesaa, Representatives Anderson, Berg, Brandenburg, Fisher, Hanson, Louser, Martinson, Meier, Mitskog, Monson, Murphy, Nathe, Nelson, Richter, Sanford, Stemen, Swiontek, Wagner

Members absent: Vice Chairman Kempenich, Representatives: Bosch, O'Brien, Pyle

Discussion Topics:

- Committee Action

9:13 a.m. Representative B. Anderson explained Amendment LC #25.0174.02001, #44444.

9:19 a.m. Representative B. Anderson moved Amendment LC #25.0174.02001.

9:19 a.m. Representative J. Nelson seconded the motion.

9:19 a.m. Roll Call Vote

Representatives	Vote
Representative Don Vigesaa	Y
Representative Keith Kempenich	AB
Representative Bert Anderson	Y
Representative Mike Berg	Y
Representative Glen Bosch	AB
Representative Mike Brandenburg	Y
Representative Jay Fisher	Y
Representative Karla Rose Hanson	Y
Representative Scott Louser	Y
Representative Bob Martinson	Y
Representative Lisa Meier	Y
Representative Alisa Mitskog	Y
Representative David Monson	Y
Representative Eric J. Murphy	Y
Representative Mike Nathe	Y
Representative Jon O. Nelson	Y
Representative Emily O'Brien	AB
Representative Brandy L. Pyle	Y

Representative David Richter	Y
Representative Mark Sanford	Y
Representative Gregory Stemen	Y
Representative Steve Swiontek	AB
Representative Scott Wagner	Y

9:19 a.m. Motion carried 19-0-4.

9:20 a.m. Representative B. Anderson moved Do Pass as Amended.

9:20 a.m. Representative Wagner seconded the motion.

9:20 a.m. Roll Call Vote

Representatives	Vote
Representative Don Vigesaa	Y
Representative Keith Kempenich	AB
Representative Bert Anderson	Y
Representative Mike Berg	Y
Representative Glen Bosch	AB
Representative Mike Brandenburg	Y
Representative Jay Fisher	Y
Representative Karla Rose Hanson	Y
Representative Scott Louser	Y
Representative Bob Martinson	Y
Representative Lisa Meier	Y
Representative Alisa Mitskog	Y
Representative David Monson	Y
Representative Eric J. Murphy	Y
Representative Mike Nathe	Y
Representative Jon O. Nelson	Y
Representative Emily O'Brien	AB
Representative Brandy L. Pyle	Y
Representative David Richter	Y
Representative Mark Sanford	Y
Representative Gregory Stemen	Y
Representative Steve Swiontek	AB
Representative Scott Wagner	Y

9:20 a.m. Motion carried 19-0-4.

9:20 a.m. Representative B. Anderson will carry the bill.

9:20 a.m. Chairman Vigesaa closed the meeting.

Krystal Eberle, Committee Clerk

Sixty-ninth
Legislative Assembly
of North Dakota

**PROPOSED AMENDMENTS TO
FIRST ENGROSSMENT**

ENGROSSED SENATE BILL NO. 2007

Introduced by

Appropriations Committee

CO
3/31/25
10FY

- 1 A BILL for an Act to provide an appropriation for defraying the expenses of the veterans' home;
2 to create and enact a new section to chapter 37-15 of the North Dakota Century Code, relating
3 to meals provided to employees of the veterans' home; to provide an exemption; to provide for a
4 legislative management study; and to declare an emergency.

5 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

- 6 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
7 as may be necessary, are appropriated out of any moneys in the general fund in the state
8 treasury, not otherwise appropriated, and from other funds derived from special funds and
9 federal funds, to the veterans' home for the purpose of defraying the expenses of the veterans'
10 home, for the biennium beginning July 1, 2025, and ending June 30, 2027, as follows:

	Adjustments or		
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
13 Salaries and wages	\$20,582,989	\$1,615,877	\$22,198,866
14 New and vacant FTE pool	0	852,924	852,924
15 Operating expenses	6,061,325	1,107,368	7,168,693
16 <u>Salaries and wages</u>	<u>\$20,582,989</u>	<u>\$3,034,340</u>	<u>\$23,617,329</u>
17 <u>Operating expenses</u>	<u>6,061,325</u>	<u>1,207,368</u>	<u>7,268,693</u>
18 Capital assets	<u>407,252</u>	<u>725,055</u>	<u>1,132,307</u>
19 Total all funds	\$27,051,566	\$4,301,224	\$31,352,790
20 Less other funds	20,833,167	4,301,224	25,134,391

1	Total general fund	\$6,218,399	\$0	\$6,218,399
2	Total all funds	\$27,051,566	\$4,966,763	\$32,018,329
3	Less other funds	20,833,167	4,375,222	25,208,389
4	Total general fund	\$6,218,399	\$591,541	\$6,809,940
5	Full-time equivalent positions	114.79	0.00	114.79

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO

SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

<u>One-Time Funding Description</u>	<u>Other Funds</u>
Building maintenance	\$390,000
Resident garages and storage units	175,000
Equipment	<u>22,050</u>
Total	\$587,050

~~**SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST.** The veterans' home may not spend funds appropriated in the new and vacant FTE pool line item in section 1 of this Act, but may request the office of management and budget to transfer funds from the new and vacant FTE pool line item to the salaries and wages line item in accordance with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.~~

SECTION 3. A new section to chapter 37-15 of the North Dakota Century Code is created and enacted as follows:

Meals provided to employees of the veterans' home.

In the event of a disruption of operations, the veterans' home may provide meals at a fair value or without a charge to employees of the veterans' home as required by the job assignments of the employees.

SECTION 4. EXEMPTION - LINE ITEM TRANSFERS - REPORT. Notwithstanding section 54-16-04, the director of the office of management and budget may transfer up to ~~\$400,000~~ \$600,000 from special funds from the salaries and wages line item to the operating expenses line item in section 1 of chapter 7 of the 2023 Session Laws, during the period

1 beginning with the effective date of this Act, and ending June 30, 2025, as requested by the
2 veterans' home. The veterans' home shall notify the legislative council of any transfers made
3 pursuant to this section.

4 **SECTION 5. LEGISLATIVE MANAGEMENT STUDY - VETERANS' HOME FACILITIES.**

5 During the 2025-26 interim, the legislative management shall consider studying the usage of the
6 veterans' home facilities. The study must consider any organizational changes necessary to
7 increase resident census at the veterans' home, potential uses for unoccupied space, and
8 federal requirements. The legislative management shall report its findings and
9 recommendations, together with any legislation required to implement the recommendations, to
10 the seventieth legislative assembly.

11 **SECTION 6. EMERGENCY.** Section ~~54~~ of this Act and the sum of \$175,000 appropriated
12 from the Melvin Norgard memorial fund for resident garages and storage units in the other
13 funds line item in section 1 of this Act are declared to be an emergency measure.

4044

STATEMENT OF PURPOSE OF AMENDMENT:**Senate Bill No. 2007 - Veterans' Home - House Action**

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$20,582,989	\$22,198,866	\$1,418,463	\$23,617,329
New and vacant FTE pool		852,924	(852,924)	
Operating expenses	6,061,325	7,168,693	100,000	7,268,693
Capital assets	407,252	1,132,307		1,132,307
Total all funds	\$27,051,566	\$31,352,790	\$665,539	\$32,018,329
Less estimated income	20,833,167	25,134,391	73,998	25,208,389
General fund	\$6,218,399	\$6,218,399	\$591,541	\$6,809,940
FTE	114.79	114.79	0.00	114.79

Department 313 - Veterans' Home - Detail of House Changes

	Adjusts Funding from Special Funds to the General Fund ¹	Adds Funding to Replace 2025-27 New and Vacant FTE Pool ²	Adds Funding for Nursing Salary Equity Increases ³	Adds Funding for Resident Food Costs ⁴	Total House Changes
Salaries and wages		\$1,218,463	\$200,000		\$1,418,463
New and vacant FTE pool		(852,924)			(852,924)
Operating expenses				\$100,000	100,000
Capital assets					
Total all funds	\$0	\$365,539	\$200,000	\$100,000	\$665,539
Less estimated income	(591,541)	365,539	200,000	100,000	73,998
General fund	\$591,541	\$0	\$0	\$0	\$591,541
FTE	0.00	0.00	0.00	0.00	0.00

¹ Funding is adjusted from the soldiers' home special fund to the general fund for salaries and wages, including funding for salary increases, health insurance increases, and the 2023-25 new and vacant FTE pool.

² Funding is added from the soldiers' home special fund to replace funding for the 2025-27 biennium new and vacant FTE pool, removing the Veterans' Home from the new and vacant FTE pool. The Senate included the Veterans' Home in the 2025-27 new and vacant FTE pool.

³ Adds \$200,000 from the soldiers' home special fund for nursing salary equity increases to provide a total of \$750,000 from special funds. The Senate provided \$550,000 in special funds for nursing salary equity increases.

⁴ Adds \$100,000 from the soldiers' home special fund for resident food costs to provide a total increase of \$200,000 from special funds. The Senate added \$100,000 in special funds for resident food costs.

Senate Bill No. 2007 - Other Changes - House Action

This amendment also:

- Removes the section providing for the use of funding in the new and vacant FTE pool line item. The Senate included this section in the bill.
- Provides authority for the Veterans' Home to transfer up to \$600,000 from special funds from the salaries and wages line item to the operating expenses line item during the 2023-25 biennium. The Senate authorized the Veterans' Home to transfer up to \$400,000 from special funds from the salaries and wages line item to the operating expenses line item during the 2023-25 biennium.

**REPORT OF STANDING COMMITTEE
ENGROSSED SB 2007**

Appropriations Committee (Rep. Vigesaa, Chairman) recommends **AMENDMENTS** ([25.0174.02001](#)) and when so amended, recommends **DO PASS** (19 YEAS, 0 NAYS, 4 ABSENT OR EXCUSED AND NOT VOTING). Engrossed SB 2007 was placed on the Sixth order on the calendar.

25.0174.02001

Title.

Fiscal No. 1

Prepared by the Legislative Council
staff for House Appropriations - Human
Resources Division Committee
March 27, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO FIRST ENGROSSMENT

ENGROSSED SENATE BILL NO. 2007

Introduced by

Appropriations Committee

1 A BILL for an Act to provide an appropriation for defraying the expenses of the veterans' home;
2 to create and enact a new section to chapter 37-15 of the North Dakota Century Code, relating
3 to meals provided to employees of the veterans' home; to provide an exemption; to provide for a
4 legislative management study; and to declare an emergency.

5 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

6 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
7 as may be necessary, are appropriated out of any moneys in the general fund in the state
8 treasury, not otherwise appropriated, and from other funds derived from special funds and
9 federal funds, to the veterans' home for the purpose of defraying the expenses of the veterans'
10 home, for the biennium beginning July 1, 2025, and ending June 30, 2027, as follows:

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
13	Salaries and wages	\$20,582,989	\$1,615,877
14	New and vacant FTE pool	0	852,924
15	Operating expenses	6,061,325	1,107,368
16	<u>Salaries and wages</u>	<u>\$20,582,989</u>	<u>\$3,034,340</u>
17	<u>Operating expenses</u>	<u>6,061,325</u>	<u>1,207,368</u>
18	Capital assets	<u>407,252</u>	<u>725,055</u>
19	Total all funds	\$27,051,566	\$4,301,224
20	Less other funds	20,833,167	4,301,224

1	Total general fund	\$6,218,399	\$0	\$6,218,399
2	Total all funds	\$27,051,566	\$4,966,763	\$32,018,329
3	Less other funds	20,833,167	4,375,222	25,208,389
4	Total general fund	\$6,218,399	\$591,541	\$6,809,940
5	Full-time equivalent positions	114.79	0.00	114.79

6 **SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO**

7 **SEVENTIETH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding
8 items included in the appropriation in section 1 of this Act which are not included in the entity's
9 base budget for the 2027-29 biennium and which the entity shall report to the appropriations
10 committees of the seventieth legislative assembly regarding the use of this funding:

11	<u>One-Time Funding Description</u>	<u>Other Funds</u>
12	Building maintenance	\$390,000
13	Resident garages and storage units	175,000
14	Equipment	<u>22,050</u>
15	Total	\$587,050

16 ~~**SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST.** The~~
17 ~~veterans' home may not spend funds appropriated in the new and vacant FTE pool line item in~~
18 ~~section 1 of this Act, but may request the office of management and budget to transfer funds~~
19 ~~from the new and vacant FTE pool line item to the salaries and wages line item in accordance~~
20 ~~with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the~~
21 ~~sixty-ninth legislative assembly.~~

22 **SECTION 3.** A new section to chapter 37-15 of the North Dakota Century Code is created
23 and enacted as follows:

24 **Meals provided to employees of the veterans' home.**

25 In the event of a disruption of operations, the veterans' home may provide meals at a fair
26 value or without a charge to employees of the veterans' home as required by the job
27 assignments of the employees.

28 **SECTION 4. EXEMPTION - LINE ITEM TRANSFERS - REPORT.** Notwithstanding section
29 54-16-04, the director of the office of management and budget may transfer up to
30 ~~\$400,000~~ \$600,000 from special funds from the salaries and wages line item to the operating
31 expenses line item in section 1 of chapter 7 of the 2023 Session Laws, during the period

1 beginning with the effective date of this Act, and ending June 30, 2025, as requested by the
2 veterans' home. The veterans' home shall notify the legislative council of any transfers made
3 pursuant to this section.

4 **SECTION 5. LEGISLATIVE MANAGEMENT STUDY - VETERANS' HOME FACILITIES.**

5 During the 2025-26 interim, the legislative management shall consider studying the usage of the
6 veterans' home facilities. The study must consider any organizational changes necessary to
7 increase resident census at the veterans' home, potential uses for unoccupied space, and
8 federal requirements. The legislative management shall report its findings and
9 recommendations, together with any legislation required to implement the recommendations, to
10 the seventieth legislative assembly.

11 **SECTION 6. EMERGENCY.** Section 54 of this Act and the sum of \$175,000 appropriated

12 from the Melvin Norgard memorial fund for resident garages and storage units in the other
13 funds line item in section 1 of this Act are declared to be an emergency measure.

STATEMENT OF PURPOSE OF AMENDMENT:**Senate Bill No. 2007 - Veterans' Home - House Action**

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$20,582,989	\$22,198,866	\$1,418,463	\$23,617,329
New and vacant FTE pool		852,924	(852,924)	
Operating expenses	6,061,325	7,168,693	100,000	7,268,693
Capital assets	407,252	1,132,307		1,132,307
Total all funds	\$27,051,566	\$31,352,790	\$665,539	\$32,018,329
Less estimated income	20,833,167	25,134,391	73,998	25,208,389
General fund	\$6,218,399	\$6,218,399	\$591,541	\$6,809,940
FTE	114.79	114.79	0.00	114.79

Department 313 - Veterans' Home - Detail of House Changes

	Adjusts Funding from Special Funds to the General Fund ¹	Adds Funding to Replace 2025-27 New and Vacant FTE Pool ²	Adds Funding for Nursing Salary Equity Increases ³	Adds Funding for Resident Food Costs ⁴	Total House Changes
Salaries and wages		\$1,218,463	\$200,000		\$1,418,463
New and vacant FTE pool		(852,924)			(852,924)
Operating expenses				\$100,000	100,000
Capital assets					
Total all funds	\$0	\$365,539	\$200,000	\$100,000	\$665,539
Less estimated income	(591,541)	365,539	200,000	100,000	73,998
General fund	\$591,541	\$0	\$0	\$0	\$591,541
FTE	0.00	0.00	0.00	0.00	0.00

¹ Funding is adjusted from the soldiers' home special fund to the general fund for salaries and wages, including funding for salary increases, health insurance increases, and the 2023-25 new and vacant FTE pool.

² Funding is added from the soldiers' home special fund to replace funding for the 2025-27 biennium new and vacant FTE pool, removing the Veterans' Home from the new and vacant FTE pool. The Senate included the Veterans' Home in the 2025-27 new and vacant FTE pool.

³ Adds \$200,000 from the soldiers' home special fund for nursing salary equity increases to provide a total of \$750,000 from special funds. The Senate provided \$550,000 in special funds for nursing salary equity increases.

⁴ Adds \$100,000 from the soldiers' home special fund for resident food costs to provide a total increase of \$200,000 from special funds. The Senate added \$100,000 in special funds for resident food costs.

Senate Bill No. 2007 - Other Changes - House Action

This amendment also:

- Removes the section providing for the use of funding in the new and vacant FTE pool line item. The Senate included this section in the bill.
- Provides authority for the Veterans' Home to transfer up to \$600,000 from special funds from the salaries and wages line item to the operating expenses line item during the 2023-25 biennium. The Senate authorized the Veterans' Home to transfer up to \$400,000 from special funds from the salaries and wages line item to the operating expenses line item during the 2023-25 biennium.

2025 CONFERENCE COMMITTEE

SB 2007

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations - Human Resources Division Harvest Room, State Capitol

SB 2007
4/18/2025
Conference Committee

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

10:29 a.m. Chairman Davison opened the meeting.

Members present: Chairman Davison, Senator Magrum, Senator Mathern, Representative B. Anderson, Representative Murphy and Representative O'Brien

Discussion Topics:

- Full-Time Equivalent (FTE) Pool
- Equity Increase
- Employee Meals

10:29 a.m. Grant Gader, Fiscal Analyst, LC submitted testimony #45087.

10:29 a.m. Representative B. Anderson started discussion of the house's actions to the budget.

10:30 a.m. Larry Martin, Fiscal Management Analyst, OMB, testified neutral and answered committee questions.

10:32 a.m. Senator Murphy started discussion of equity increases.

10:37 a.m. Senator Davison started the discussion of FTE pool funding.

10:40 a.m. Grant Gader, Fiscal Analyst, LC, testified neutral and answered committee questions concerning general fund money in their salary line.

10:41 a.m. Chairman Davison closed the meeting.

Joan Bares, Committee Clerk



Veterans' Home - Budget No. 313
Agency Worksheet - Senate Bill No. 2007

	Senate Version				House Version				House Compared to Senate Version			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total	Increase (Decrease)			
									FTE Positions	General Fund	Other Funds	Total
2025-27 Biennium Base Level	114.79	\$6,218,399	\$20,833,167	\$27,051,566	114.79	\$6,218,399	\$20,833,167	\$27,051,566	0.00	\$0	\$0	\$0
2025-27 Ongoing Funding Changes												
Base payroll changes			(\$37,529)	(\$37,529)			(\$37,529)	(\$37,529)				\$0
Salary increase			631,648	631,648		\$169,156	462,492	631,648		\$169,156	(\$169,156)	0
Health insurance increase			750,660	750,660		193,370	557,290	750,660		193,370	(193,370)	0
Adds funding to replace the 2023-25 vacant FTE pool			892,213	892,213		229,015	663,198	892,213		229,015	(229,015)	0
Removes funding for the 2025-27 new and vacant FTE pool			(365,539)	(365,539)			0	0			365,539	365,539
Reduces funding for overtime and temporary salaries			(167,652)	(167,652)			(167,652)	(167,652)				0
Reduces funding for travel and information technology equipment			(78,000)	(78,000)			(78,000)	(78,000)				0
Adds funding for information technology rate increases			77,582	77,582			77,582	77,582				0
Adds funding for software and information technology services			135,723	135,723			135,723	135,723				0
Adds funding for state fire and tornado insurance			15,100	15,100			15,100	15,100				0
Adds funding for bond and interest payments			4,955	4,955			4,955	4,955				0
Adds funding for nursing salary equity increases			550,000	550,000			750,000	750,000			200,000	200,000
Adds funding to convert licensed practical nurse positions to registered nurse positions			15,000	15,000			15,000	15,000				0
Adds funding for nursing overtime and contract nursing costs			475,000	475,000			475,000	475,000				0
Adds funding for utilities and repairs			108,229	108,229			108,229	108,229				0
Adds funding for resident food and medical expenses			377,284	377,284			477,284	477,284			100,000	100,000
Adds funding for marketing and advertising			50,000	50,000			50,000	50,000				0
Adds funding for equipment replacement and upgrades			279,500	279,500			279,500	279,500				0
Total ongoing funding changes	0.00	\$0	\$3,714,174	\$3,714,174	0.00	\$591,541	\$3,788,172	\$4,379,713	0.00	\$591,541	\$73,998	\$665,539
One-Time Funding Items												
Door openers replacement			\$80,000	\$80,000			\$80,000	\$80,000				\$0
Interior repainting			50,000	50,000			50,000	50,000				0
Carpet replacement			260,000	260,000			260,000	260,000				0
Resident garages and storage units			175,000	175,000			175,000	175,000				0
Equipment under \$5,000			16,450	16,450			16,450	16,450				0
Commercial floor cleaning machine			5,600	5,600			5,600	5,600				0
Total one-time funding changes	0.00	\$0	\$587,050	\$587,050	0.00	\$0	\$587,050	\$587,050	0.00	\$0	\$0	\$0
Total Changes to Base Level Funding	0.00	\$0	\$4,301,224	\$4,301,224	0.00	\$591,541	\$4,375,222	\$4,966,763	0.00	\$591,541	\$73,998	\$665,539
2025-27 Total Funding	114.79	\$6,218,399	\$25,134,391	\$31,352,790	114.79	\$6,809,940	\$25,208,389	\$32,018,329	0.00	\$591,541	\$73,998	\$665,539
Federal funds included in other funds			\$0					\$0		\$0		
Total ongoing changes - Percentage of base level	0.0%	0.0%	17.8%	13.7%	0.0%	9.5%	18.2%	16.2%	N/A	N/A	N/A	N/A
Total changes - Percentage of base level	0.0%	0.0%	20.6%	15.9%	0.0%	9.5%	21.0%	18.4%	N/A	N/A	N/A	N/A

Other Sections in Veterans' Home - Budget No. 313

Section Description	Senate Version	House Version	
New and vacant FTE pool line item	Section 3 provides for the use of funding in the new and vacant FTE pool line item.		
Amendment - Staff meals during emergencies	Section 4 creates and enacts a new Section to Chapter 37-15 to allow the Veterans' Home to provide meals to employees in the event of a disruption of operations.	Section 3 creates and enacts a new Section to Chapter 37-15 to allow the Veterans' Home to provide meals to employees in the event of a disruption of operations.	
Line item transfer	Section 5 provides authority for the Veterans' Home to transfer up to \$400,000 from special funds from the salaries and wages line item to the operating expenses line item during the 2023-25 biennium.	Section 4 provides authority for the Veterans' Home to transfer up to \$600,000 from special funds from the salaries and wages line item to the operating expenses line item during the 2023-25 biennium.	
Legislative Management study - Veterans' Home facilities	Section 6 provides for a Legislative Management study of the usage of the Veterans' Home facilities.	Section 5 provides for a Legislative Management study of the usage of the Veterans' Home facilities.	
Emergency	Section 7 declares the \$175,000 appropriated from the Melvin Norgard fund in Section 1 for resident garages and storage units and the line item transfer in Section 5 to be an emergency measure.	Section 6 declares the \$175,000 appropriated from the Melvin Norgard fund in Section 1 for resident garages and storage units and the line item transfer in Section 4 to be an emergency measure.	

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations - Human Resources Division Harvest Room, State Capitol

SB 2007
4/21/2025
Conference Committee

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

4:30 p.m. Chairman Davison opened the meeting.

Members present: Chairman Davison, Senator Magrum, Senator Mathern, Representative B. Anderson, Representative Murphy and Representative O'Brien

Discussion Topics:

- Full-Time Equivalent (FTE) Pool
- Equity Increase
- Resident Food and Medical Expenses
- Transfer Authority Amount

4:32 p.m. Levi Kinnischtzke, Senior Fiscal Analyst, LC, testified neutral.

4:32 p.m. Representative B. Anderson moved Amendment to move them back into the New and Vacant FTE pool, to leave the funding for the nurses equity increases (\$200,000) to leave the funding for resident food and medical expenses (\$100,000) and to change transfer authority amount to \$600,000.

4:32 p.m. Representative O'Brien seconded the motion.

4:33 p.m. Roll call vote: motion passed 6-0-0.

4:33 p.m. Levi Kinnischtzke, Senior Fiscal Analyst, LC, testified neutral.

4:38 p.m. Senator Mathern moved in place of the House amendments (LC#25.0174.02001) adopted by the House, the bill is amended by the conference committee amendment (LC# 25.0174.02003).

4:38 p.m. Senator Magrum seconded the motion.

Roll call vote: motion passed 6-0-0.

Senator Davison will carry the bill.

Representative B. Anderson will carry the bill.

4:38 p.m. Chairman Davison closed the meeting.

Joan Bares, Committee Clerk

April 22, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

**PROPOSED AMENDMENTS TO
FIRST ENGROSSMENT**

VC 4/22/25
1054

ENGROSSED SENATE BILL NO. 2007

Introduced by

Appropriations Committee

In place of amendment (25.0174.02001) adopted by the House, Engrossed Senate Bill No. 2007 is amended by amendment (25.0174.02003) as follows:

- 1 A BILL for an Act to provide an appropriation for defraying the expenses of the veterans' home;
2 to create and enact a new section to chapter 37-15 of the North Dakota Century Code, relating
3 to meals provided to employees of the veterans' home; to provide an exemption; to provide for a
4 legislative management study; and to declare an emergency.

5 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

6 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
7 as may be necessary, are appropriated out of any moneys in the general fund in the state
8 treasury, not otherwise appropriated, and from other funds derived from special funds and
9 federal funds, to the veterans' home for the purpose of defraying the expenses of the veterans'
10 home, for the biennium beginning July 1, 2025, and ending June 30, 2027, as follows:

	Adjustments or		
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
13 Salaries and wages	\$20,582,989	\$1,615,877	\$22,198,866
14 <u>Salaries and wages</u>	<u>\$20,582,989</u>	<u>\$1,815,877</u>	<u>\$22,398,866</u>
15 New and vacant FTE pool	0	852,924	852,924
16 Operating expenses	6,061,325	1,107,368	7,168,693
17 <u>Operating expenses</u>	<u>6,061,325</u>	<u>1,207,368</u>	<u>7,268,693</u>
18 Capital assets	<u>407,252</u>	<u>725,055</u>	<u>1,132,307</u>
19 Total all funds	\$27,051,566	\$4,301,224	\$31,352,790

1	Less other funds	20,833,167	4,301,224	25,134,391
2	Total general fund	\$6,218,399	\$0	\$6,218,399
3	Total all funds	\$27,051,566	\$4,601,224	\$31,652,790
4	Less other funds	20,833,167	4,106,515	24,939,682
5	Total general fund	\$6,218,399	\$494,709	\$6,713,108
6	Full-time equivalent positions	114.79	0.00	114.79

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO

SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

<u>One-Time Funding Description</u>	<u>Other Funds</u>
Building maintenance	\$390,000
Resident garages and storage units	175,000
Equipment	<u>22,050</u>
Total	\$587,050

SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST.

The veterans' home may not spend funds appropriated in the new and vacant FTE pool line item in section 1 of this Act, but may request the office of management and budget to transfer funds from the new and vacant FTE pool line item to the salaries and wages line item in accordance with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

SECTION 4. A new section to chapter 37-15 of the North Dakota Century Code is created and enacted as follows:

Meals provided to employees of the veterans' home.

In the event of a disruption of operations, the veterans' home may provide meals at a fair value or without a charge to employees of the veterans' home as required by the job assignments of the employees.

SECTION 5. EXEMPTION - LINE ITEM TRANSFERS - REPORT.

Notwithstanding section 54-16-04, the director of the office of management and budget may transfer up to

~~\$400,000~~ \$600,000 from special funds from the salaries and wages line item to the operating

1 expenses line item in section 1 of chapter 7 of the 2023 Session Laws, during the period
2 beginning with the effective date of this Act, and ending June 30, 2025, as requested by the
3 veterans' home. The veterans' home shall notify the legislative council of any transfers made
4 pursuant to this section.

5 **SECTION 6. LEGISLATIVE MANAGEMENT STUDY - VETERANS' HOME FACILITIES.**

6 During the 2025-26 interim, the legislative management shall consider studying the usage of the
7 veterans' home facilities. The study must consider any organizational changes necessary to
8 increase resident census at the veterans' home, potential uses for unoccupied space, and
9 federal requirements. The legislative management shall report its findings and
10 recommendations, together with any legislation required to implement the recommendations, to
11 the seventieth legislative assembly.

12 **SECTION 7. EMERGENCY.** Section 5 of this Act and the sum of \$175,000 appropriated
13 from the Melvin Norgard memorial fund for resident garages and storage units in the other
14 funds line item in section 1 of this Act are declared to be an emergency measure.

STATEMENT OF PURPOSE OF AMENDMENT:**Senate Bill No. 2007 - Veterans' Home - Conference Committee Action**

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages	\$20,582,989	\$22,198,866	\$200,000	\$22,398,866	\$23,617,329	(\$1,218,463)
New and vacant FTE pool		852,924		852,924		852,924
Operating expenses	6,061,325	7,168,693	100,000	7,268,693	7,268,693	
Capital assets	407,252	1,132,307		1,132,307	1,132,307	
Total all funds	\$27,051,566	\$31,352,790	\$300,000	\$31,652,790	\$32,018,329	(\$365,539)
Less estimated income	20,833,167	25,134,391	(194,709)	24,939,682	25,208,389	(268,707)
General fund	\$6,218,399	\$6,218,399	\$494,709	\$6,713,108	\$6,809,940	(\$96,832)
FTE	114.79	114.79	0.00	114.79	114.79	0.00

Department 313 - Veterans' Home - Detail of Conference Committee Changes

	Adjusts Funding Source from Special Funds to the General Fund ¹	Adjusts Funding for 2025-27 New and Vacant FTE Pool ²	Adds Funding for Nursing Salary Equity Increases ³	Adds Funding for Resident Food Costs ⁴	Total Conference Committee Changes
Salaries and wages			\$200,000		\$200,000
New and vacant FTE pool					
Operating expenses				\$100,000	100,000
Capital assets					
Total all funds	\$0	\$0	\$200,000	\$100,000	\$300,000
Less estimated income	(591,541)	96,832	200,000	100,000	(194,709)
General fund	\$591,541	(\$96,832)	\$0	\$0	\$494,709
FTE	0.00	0.00	0.00	0.00	0.00

¹ Funding is adjusted from the soldiers' home special fund to the general fund for salaries and wages including funding for salary increases, health insurance increases, and the 2023-25 new and vacant FTE pool, the same as provided by the House. The Senate provided this funding from the soldiers' home special fund.

² Funding is adjusted from the general fund to the soldiers' home special fund for the 2025-27 biennium new and vacant FTE pool resulting in net savings of \$96,832 from the general fund and \$268,707 from the soldiers' home special fund. The Senate included the Veterans' Home in the 2025-27 new and vacant FTE pool and the House removed the Veterans' Home from the 2025-27 new and vacant FTE pool.

³ Adds \$200,000 from the soldiers' home special fund for nursing salary equity increases to provide a total of \$750,000 from the soldiers' home special fund, the same as provided by the House. The Senate provided \$550,000 from the soldiers' home special fund.

⁴ Adds \$100,000 from the soldiers' home special fund for resident food costs to provide a total increase of \$200,000 from the soldiers' home special fund, the same as provided by the House. The Senate provided \$100,000 from the soldiers' home special fund.

Senate Bill No. 2007 - Other Changes - Conference Committee Action

This amendment also provides authority for the Veterans' Home to transfer up to \$600,000 from the soldiers' home special fund from the salaries and wages line item to the operating expenses line item during the 2023-25 biennium, the same as provided by the House. The Senate authorized the Veterans' Home to transfer up to \$400,000 from the soldiers' home special fund from the salaries and wages line item to the operating expenses line item during the 2023-25 biennium.

The Conference Committee did not change the section relating to the new and vacant FTE pool line item. The House removed this section from the bill.

SB 2007 042125 1645 PM Roll Call Vote

Amendment

SB 2007

Date Submitted: April 21, 2025, 4:45 p.m.

Action: Passed

Amendment LC #: Pending LC #

Description of Amendment: further amend

Motioned By: Anderson, Bert

Seconded By: O'Brien, Emily

Emergency Clause: None

Vote Results: 6 - 0 - 0

Sen. Davison, Kyle	Yea
Sen. Magrum, Jeffery J.	Yea
Sen. Mathern, Tim	Yea
Rep. Anderson, Bert	Yea
Rep. O'Brien, Emily	Yea
Rep. Murphy, Eric	Yea

SB 2007 042125 1646 PM Roll Call Vote

Final Recommendation

SB 2007

Date Submitted: April 21, 2025, 4:46 p.m.

Recommendation: In Place Of

Amendment LC #: 25.0174.02003

Engrossed LC #: N/A

Description:

Motioned By: Mathern, Tim

Seconded By: Magrum, Jeffery J.

House Carrier: Anderson, Bert

Senate Carrier: Davison, Kyle

Emergency Clause: None

Vote Results: 6 - 0 - 0

Sen. Davison, Kyle	Yea
Sen. Magrum, Jeffery J.	Yea
Sen. Mathern, Tim	Yea
Rep. Anderson, Bert	Yea
Rep. O'Brien, Emily	Yea
Rep. Murphy, Eric	Yea

**REPORT OF CONFERENCE COMMITTEE
ENGROSSED SB 2007**

Your conference committee (Sens. Davison, Magrum, Mathern and Reps. B. Anderson, O'Brien, Murphy) recommends that in place of amendment [25.0174.02001](#) adopted by the House, Engrossed SB 2007 is amended by amendment [25.0174.02003](#).

Engrossed SB 2007 was placed on the Seventh order of business on the calendar.