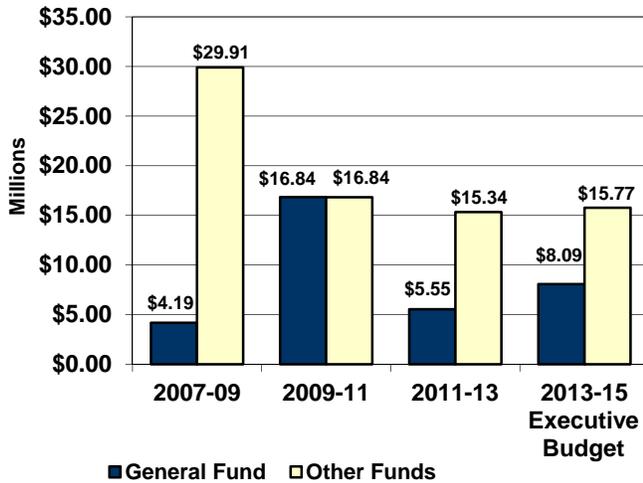


**Department 313 - Veterans' Home
 Senate Bill No. 2007**

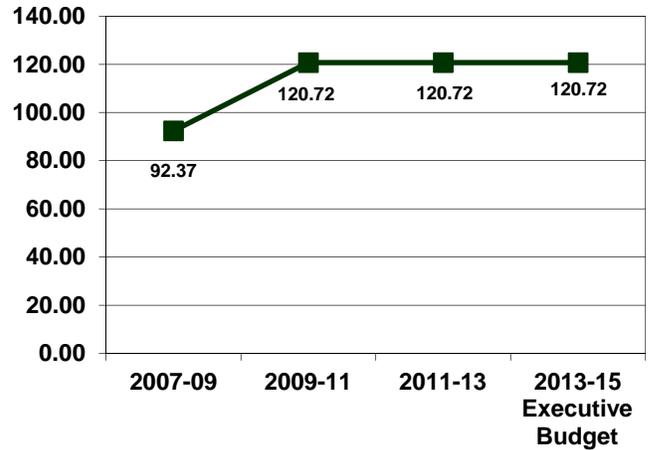
	FTE Positions	General Fund	Other Funds	Total
2013-15 Executive Budget	120.72	\$8,088,294	\$15,773,626	\$23,861,920
2011-13 Legislative Appropriations	120.72	5,553,323	15,343,323	20,896,646 ¹
Increase (Decrease)	0.00	\$2,534,971	\$430,303	\$2,965,274

¹The 2011-13 appropriation amounts do not include \$1,602,495, of which \$1,542,126 is from the general fund, of carryover authority for construction projects at the new Veterans' Home facility.

Agency Funding



FTE Positions



Ongoing and One-Time General Fund Appropriations

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2013-15 Executive Budget	\$7,527,794	\$560,500	\$8,088,294
2011-13 Legislative Appropriations	5,553,323	0	5,553,323
Increase (Decrease)	\$1,974,471	\$560,500	\$2,534,971

First House Action

Attached is a summary of the first house changes.

**Executive Budget Highlights
 (With First House Changes in Bold)**

	General Fund	Other Funds	Total
Salaries and wages			
1. Provides funding to implement pay grade changes resulting from the implementation of the Hay Group plan		\$432,026	\$432,026
2. Provides funding for state employee salary increases of which \$721,586 relates to performance increases and \$483,842 is for market equity adjustments. The Senate added \$7,487 to correct the executive compensation package.	\$1,205,428		\$1,205,428
Operating expenses			
3. Adjusts funding for various operating expenses, including the following increases (decreases):	(\$245,593)	(\$196,217)	(\$441,810)

	Increase (Decrease)	Total Provided
Information technology - Contractual services	\$89,050	\$198,850
Information technology - Data processing	(13,300)	95,000
Travel	(6,200)	157,700

Fees - Professional services	(196,000)	603,000
Utilities	20,190	1,000,000
	Increase (Decrease)	Total Provided
Food and clothing	(120,000)	1,011,050
Medical, dental, and optical	(200,000)	1,450,450
Professional development	(11,000)	57,500
Supply material - Professional	3,850	108,700
Other operating expenses	(8,400)	203,550
Total	(\$441,810)	\$4,885,800

4. Decreases funding for equipment under \$5,000 to provide a total of \$45,500 (\$20,125) (\$21,500) (\$41,625)

Capital assets

5. Removes funding provided for capital assets in the 2011-13 biennium, including a maintenance building, extraordinary repairs, equipment, information technology equipment, and moving the gazebo (\$127,189) (\$273,711) (\$400,900)

6. Removes funding provided for bond and interest payments in the 2011-13 biennium (\$403,000) (\$403,000)

7. Provides funding for bond and interest payments \$408,840 \$408,840

8. Provides **one-time funding** for the demolition of the old Veterans' Home \$560,500 \$560,500 \$1,121,000

9. Provides funding for a chain link fence \$21,000 \$21,000

10. Provides funding for equipment as follows: \$71,200 \$71,200

	Total Provided
Snowblower with broom	\$35,000
Bobcat S650 with tracks	23,500
Bobcat sweeper	6,700
Brushcat Bobcat mower	6,000
Total	\$71,200

Other Sections in Bill

Veterans' Home construction project funding exemption - The Senate added a section to allow the Veterans' Home to continue into the 2013-15 biennium funds appropriated for the construction of the veterans' home facility in 2009 and continued into the 2011-13 biennium. The Veterans' Home anticipates up to \$600,000 of the construction costs may be unpaid as of June 30, 2013.

Shop addition project - The Senate provided \$788,200 from the Melvin Norgard memorial fund for a shop addition to the veterans' home facility. In addition, a section was added to provide that construction of the shop addition may not begin until the balance in the Melvin Norgard memorial fund is sufficient to provide for all of the costs of the project and requires the Veterans' Home to receive Budget Section approval prior to beginning construction. The section also appropriates any additional funds that become available in the memorial fund, subject to Budget Section approval, for costs related to furnishing and equipping the shop or for other projects benefitting veterans.

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.

Significant Audit Findings

The operational audit of the Veterans' Home conducted by the State Auditor's office during the 2011-12 interim included the following significant audit findings:

- Transactions are not properly coded because proper controls are not in place to ensure accurate coding.
- Adjustments applied to resident accounts are not reviewed and approved because the Veterans' Home has not implemented proper procedures to ensure all receivable adjustments are approved.

Major Related Legislation

At this time, no major legislation is under consideration affecting this agency.

ATTACH:1

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2007 - Funding Summary

	Executive Budget	Senate Changes	Senate Version
Veterans' Home			
Salaries and wages	\$16,781,030	\$7,487	\$16,788,517
Operating expenses	5,458,850		5,458,850
Capital assets	1,622,040		1,622,040
Shop addition		788,200	788,200
Total all funds	\$23,861,920	\$795,687	\$24,657,607
Less estimated income	15,773,626	788,200	16,561,826
General fund	\$8,088,294	\$7,487	\$8,095,781
FTE	120.72	0.00	120.72
Department of Veterans' Affairs			
Veterans' affairs	\$1,343,167	\$4,506	\$1,347,673
Total all funds	\$1,343,167	\$4,506	\$1,347,673
Less estimated income	0	0	0
General fund	\$1,343,167	\$4,506	\$1,347,673
FTE	8.00	0.00	8.00
Bill Total			
Total all funds	\$25,205,087	\$800,193	\$26,005,280
Less estimated income	15,773,626	788,200	16,561,826
General fund	\$9,431,461	\$11,993	\$9,443,454
FTE	128.72	0.00	128.72

Senate Bill No. 2007 - Veterans' Home - Senate Action

	Executive Budget	Senate Changes	Senate Version
Salaries and wages	\$16,781,030	\$7,487	\$16,788,517
Operating expenses	5,458,850		5,458,850
Capital assets	1,622,040		1,622,040
Shop addition		788,200	788,200
Total all funds	\$23,861,920	\$795,687	\$24,657,607
Less estimated income	15,773,626	788,200	16,561,826
General fund	\$8,088,294	\$7,487	\$8,095,781
FTE	120.72	0.00	120.72

Department 313 - Veterans' Home - Detail of Senate Changes

	Adds Funding for a Shop Addition¹	Corrects Executive Compensation Package²	Total Senate Changes
Salaries and wages		7,487	7,487
Operating expenses			
Capital assets			
Shop addition	788,200		788,200
Total all funds	\$788,200	\$7,487	\$795,687
Less estimated income	788,200	0	788,200
General fund	\$0	\$7,487	\$7,487
FTE	0.00	0.00	0.00

¹ This amendment provides funding from the Melvin Norgard memorial fund for a shop addition to the veterans' home facility.

² Funding is added due to a calculation error in the executive compensation package.

A section is added to allow the Veterans' Home to continue into the 2013-15 biennium funds appropriated for the construction of the veterans' home facility in 2009 and continued into the 2011-13 biennium. The Veterans' Home anticipates up to \$600,000 of the construction costs may be unpaid as of June 30, 2013.

A section is added to provide that construction of the shop addition may not begin until the balance in the Melvin Norgard memorial fund is sufficient to provide for all of the costs of the project and requires the Veterans' Home to receive Budget Section approval prior to beginning construction. The section also appropriates any additional funds that become available in the memorial fund, subject to Budget Section approval, for costs related to furnishing and equipping the shop or for other projects benefitting veterans.

Senate Bill No. 2007 - Department of Veterans' Affairs - Senate Action

	Executive Budget	Senate Changes	Senate Version
Veterans' affairs	\$1,343,167	\$4,506	\$1,347,673
Total all funds	<u>\$1,343,167</u>	<u>\$4,506</u>	<u>\$1,347,673</u>
Less estimated income	<u>0</u>	<u>0</u>	<u>0</u>
General fund	\$1,343,167	\$4,506	\$1,347,673
FTE	8.00	0.00	8.00

Department 321 - Department of Veterans' Affairs - Detail of Senate Changes

	Corrects Executive Compensation Package¹	Total Senate Changes
Veterans' affairs	<u>4,506</u>	4,506
Total all funds	\$4,506	\$4,506
Less estimated income	<u>0</u>	0
General fund	\$4,506	\$4,506
FTE	0.00	0.00

¹ Funding is added due to a calculation error in the executive compensation package.