

**2017 SENATE APPROPRIATIONS**

**SB 2007**

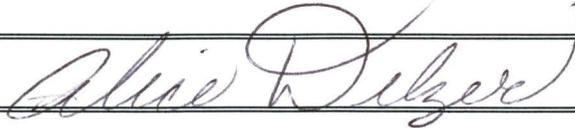
# 2017 SENATE STANDING COMMITTEE MINUTES

**Appropriations Committee**  
Harvest Room, State Capitol

SB 2007 & SB 2067  
1/6/2017  
Job # 26637

- Subcommittee  
 Conference Committee

Committee Clerk Signature



## Explanation or reason for introduction of bill/resolution:

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

## Minutes:

#1 Testimony on SB 2007

**Chairman Holmberg:** called the Committee to order on SB 2007 and SB 2067. Roll call was taken. All committee members were present. Levi Kinnischtzke; Legislative Council and Becky J. Keller, OMB were also present. We have two bills, 2007 and it's twin 2067. We will use as our vehicle 2007 as the funding for the veterans' home.

**Kristin Lunneborg, CFO, ND Veterans Home** testified in favor of SB 2007 and presented Testimony attached # 1, a status of our current budget and our 2017-2019 budget needs. **(10.15)** She moved on to page 4, 2017-2019 Budget Needs and One-time spending needs. She referred to page 9 of testimony, which is a spreadsheet of the Veterans Home Budget Changes and Comparison to Governor's Recommendation. The last time they paid for contract nursing staff was 2010. The majority of the increase to our operating budget can be attributed to the maintenance department. The capital expenses we did budget for include: bond and interest payments taken out for construction of the new Veterans Home; one-time funding for a Nurse call system update; one-time funding for the addition of Health Information Exchange Software for electronic medical records; one-time funding for equipment which includes a floor scrubber, a tow behind man lift, two lawnmowers, an oxbow pump to prevent flooding and a hydraulic breaker for breaking up concrete and rock. We support the Governor's recommended budget. In closing we hope that you will support our budget request. **(22.36)**

**Senator Robinson:** Where are you at experiencing retention, recruitment? You mentioned that some of your nurses are in training programs. Are we involved in providing tuition assistance, and how is that working, and if so, are they required once they complete their training to remain with the facility for a period of time?

**Ms. Lunneborg:** We currently have 5 employees that are working on getting their licenses through ND State Community College. We were providing tuition assistance. When money started getting tight we kind of put that on hold. We do provide tuition assistance. The

equivalent is that they have to work one hour for every \$2.25 that we are giving for tuition assistance. In the past we've had two individuals that ended up leaving our facility that we had given tuition assistance to because we did not have open positions for them so they had to pay the money back to us. Right now we have a LPN opening. We have a lot of staff that shift position. We've had one LPN position open for an entire year. We do not have any problem with the RN's. We had an RN take a LPN position because she wanted to work at the home so bad so she decided to take the LPN position until an RN position open up. Looking at the staff there will probably be a few people leave in the next couple of years because of retirement. We are doing very well now. We do have turnover in our CNA positions but we are able to fill those in a timely manner.

**(25.19) Senator Robinson:** What is the differential in your pay between the RN and LPN?

**Ms. Lunneborg:** About \$6.00. the LPNs are paid very well because that is a position we are not able to fill. They are actually paid more than most of the market would pay an LPN.

**Senator Gary Lee:** You mentioned that regulations dictate your staffing mix in some ways. Are those state or federal regulations?

**Ms. Lunneborg:** Probably the strictest regulations would be from the Department of Veteran's Affairs. Those regulations, such as the fact that we have to have an RN in the building 24 hours a day. Other state facilities only need an RN for 8 hours a day. In fact, we had a few survey the past years from the Department of Veteran's Affairs that have come up, identified issues and have forced us into hiring some additional staff in order to correct the deficiencies they found.

**Senator Gary Lee:** If you are going to move the LPN staff to a RN level that is an acceptable practice within the regulations.

**Ms. Lunneborg:** I think ideally the Department of Veteran's Affairs would love that fact that all the staff be RNs. We truly don't want to go that route because it costs more money. The director of basic care is an RN. The rest of the staff in basic care are LPNs, however, we do have two RNs working in LPN positions because we couldn't fill them. It's not required that those positions be RN positions. The only problem is we just cannot fill them.

**(28.14) Senator Grabinger:** Going back to the LPNs and RN and it costs more to have RN's working in the LPN positions. In your opinion and seeing the situation you are in, not being able to get LPNs. Is the fact that they now have to have two years of education to get that license over the 11 month LPNs? Do you think that's the impact in that that we are not having that many LPNs coming out of school?

**Ms. Lunneborg:** I can't answer that. The director of nursing could answer that. Looking at my daughter's experience of going to school and her friends most of them chose to go to school to become RNs just because of the pay difference and the opportunities for work. LPNs typically, obviously get less pay. Most of the students go on to the RN training, it pays better, and better positions are an attraction. I think most of it is money driving.

**Senator Mathern:** I was intrigued that you are able to staff your facility without travel nurses whereas almost all the other facilities use travel nurses at a considerable expense. What do you think is your secret in terms to be able to do that?

**Ms. Lunneborg:** Actually what we did that made a huge difference to us, as I sat and paid the bills that were paid for contract nursing staff. Number one: the expenses are high. Number two: you get strangers coming in the door that don't know their staff and the quality of care isn't as good. In paying the bills and looking at the rates that we're paying for CNAs, LPNs and RNs, and I thought why don't we just pay our own staff to pick up those open shifts. Maybe they would be more apt to working 3 days a week, 4 days a week, they'd pick up those open shifts. Even if we paid them more, it would save us a lot of money so currently right now we pay our FTE staff an additional \$5.00 per hour to pick up open shifts on the floor. And even when we add that \$5.00 per hour we're still half of what a staffing agency would charge. After we did that, we used to employ three different staffing agencies in order to fill our open shifts and since 2010 we haven't had to employ any.

**(31.24) Senator Oehlke:** Two questions. The maintenance equipment or the equipment that needs maintenance that's out of warranty, is that IT type stuff or is it just your typical heating and maintenance?

**Ms. Lunneborg:** It's basically the equipment in the building. We've had a lot of issues with the heaters. State bids require lower bids so what you get sometimes isn't always the best product on the market and the units in the resident's rooms started having issues almost immediately. The company went out of business. For a while these units were covered under warranty but now they are no longer covered under warranty so we're having to fix them. It also includes things like our dishwashers, just any equipment that we have, our laundry machines need repairs and it's costing us more money.

**Senator Oehlke:** The other item is this Comstock Construction disagreement. Can you shed some light on that?

**(33.35) Mark Johnson, Administrator, ND Veterans' Home:** When they finished the construction of the building we ended up in lawsuit with several different people. We had 3 different lawsuits. The one Comstock Construction contract is basically, there was some cost overruns that they claim there were things it's shabby workmanship. We had to replace concrete, repaint hallways, we had to do a lot of other things in the building and they don't want to agree with some of those cost and that's in the contract. As of a month ago there was a \$1m lawsuit between us and them and we just had a judge go through it and he missed several items and now the lawsuit's probably around \$220,000. Senator Oehlke asked if the argument is with the attorneys for them or your insurance carrier. Mr. Johnson stated we are arguing with the attorney.

**Senator Dever:** Talk about how we should think differently of the veteran's home and other nursing homes. I'm interested also in the allotment may have affected the veterans home different than other nursing homes. Do you have a higher percentage of Medicaid patients? I would imagine that there are a lot more men in the veteran's home than other nursing homes. I understand there may be more issues with mental health, a large population that is estranged from their family, those kinds of things. Could you make a few comments?

**Mark Johnson:** You basically explained this. In a typical nursing home they are mostly females. In our home, they are males. Our average weight for guys about 220 pounds. 70% of our people have mental health issues whether that's PTSD, bipolar, personality disorder, we have them all. We deal with that whole gambit. We have security that works nights to try to manage some of that. It is a different type of environment than the basic nursing home. I worked in the private sector for 18 years, and I worked at the veterans home for 11 years, so I can tell you it's entirely different. It takes 3, 4, or 6 people to lift one of my guys off the floor. I have 4 individuals that weigh almost 400 pounds. It takes more work, more equipment, etc.

**(38.08)Senator Dever:** What percentage are on Medicaid?

**Ms. Lunneborg:** Currently, we range around 20 individuals out of the 52 beds. However, nursing home cuts cut rates straight across the board for all 52 beds. It is a loss of income for all of them. He was told that 16 are VA paid, and the rest are private pay.

**Senator Dever:** That was my next question. I always felt that veteran's benefits are the responsibility of the federal government.

**Ms. Lunneborg:** Yes, the DVA pays for anybody that is 70% or more and they pay us a rate for those individuals that don't pay anything.

**V. Chairman Bowman:** The shortage of LPN, is there any kind of program through your schools for young people that want to go into this field to get so many credits? I am trying to think out of the box to fill that need.

**Ms. Lunneborg:** Not anything I am aware of there is a number of businesses in our area that are having the same problems we are. We have worked with ND State Community College to get a program set up so they can continue working and also work towards their LPN or RN degrees at the same time. We have 5 people in that program right now. They are already in long-term care. Let's try to keep them. However, several will go and get their LPN degrees to my knowledge all 5 of them are going to get their RN degrees.

**Senator Robinson:** The compensation, and challenges you have with your patients. Mark referred to mental health. In that description would you also include the addiction issue?

**Ms. Lunneborg:** Because of the cliental we take care of we have 4 people on staff to transport these patients, we have IT costs, and we have psychologists and psychiatrists on staff that other nursing homes do not need to have.

**Senator Robinson:** What's the policy regarding the access to local liquor establishments? He was told they are not allowed to bring liquor on the grounds. They are allowed to go down town. If they go down town every day, come back drunk, causing problems and those types of things they will probably find themselves discharged from the facility.

**Chairman Holmberg:** Anyone else wanting to testify on the bill? If not, we will close the hearing on SB 2007.

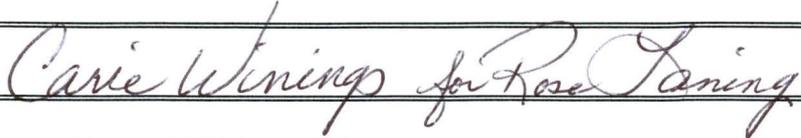
# 2017 SENATE STANDING COMMITTEE MINUTES

**Appropriations Committee**  
Harvest Room, State Capitol

SB 2007  
1/27/2017  
Job # 27528

Subcommittee  
 Conference Committee

Committee Clerk Signature



## Explanation or reason for introduction of bill/resolution:

To provide an appropriation for defraying the expenses of the department of veterans' affairs.

## Minutes:

Testimony Attached # 1.

**Legislative Council:** Levi Kinnischtzke  
**OMB:** Lori Laschkewitschol (came late)

**(3:52) Senator Kilzer:** Called the sub-committee to order on SB 2007. Senators Dever and Robinson were also present.

Levi Kinnischtzke handed out Veterans' Home – Budget # 313, Base Level Funding Changes – Testimony Attached # 1.

**Senator Kilzer:** Explained the new budget that was put out by Governor Burgum. All the higher number bills will be killed on the floor and we'll have Governor Burgum's new budget.

**(5:34) Mark Johnson, Administrator, Veterans' Home, Lisbon, North Dakota:** Asked Kristen to go ahead and address as CFO.

## **Kristen Lunneborg, (on microphone) CFO, Veterans' Home, Lisbon, North Dakota:**

I had an opportunity to print out Governor Burgum's budget recommendations earlier this week. The only change is that he removed from our budget that we submitted is the compensation increase and then he added the health insurance item. There were no other changes made to capital asset line, and the only major protest that we have is the health insurance. That's a huge recruiting tool for us to attract staff. Many of our staff are in a lower pay grade. It is the only part to the budget that we would like to have some discussion on.

**Senator Kilzer:** Can you live with the other items on Governor Burgum's bill? You gave us an excellent presentation on the difficulties you have with recruiting and the amount of contract nursing and the difficulties in recruiting LPNs. You mentioned that the compensation is the main difficulty? Are there other items that you'd like us to continue to mull over?

**Kristin Lunneborg:** There are really no other items other than the health insurance. We are pretty happy with everything.

**Senator Kilzer:** In regards to the 5% insurance premium that will be paid by employee. This would be a drastic change from what has been the policy for a long time and that is that the employer, the state government, pay the full premiums. As you know health insurance premiums are going up because of increased costs and the rubber meets the road somewhere. One of the alternatives is to force employee to pay 5%. The legislature is considering other things. You are not the only one that is telling us that is the highest priority to keep the schedule the way that it is. It is possible that there will be an increase in deductible or co-pay. I am not sure what the deductible is, I think it is around \$4-500/year. The insurance doesn't pay until you've paid the deductible, and then from then on they pay the costs outside of the co-pays.

**Senator Robinson:** You explained the co-pay and participation. The issue of any compensation increase is not in Governor Burgum's budget. Whether there will or won't be will probably be addressed later in the session.

**Senator Kilzer:** The final numbers on the budget are made by people who are paid more than we are.

**Senator Dever:** Asked for clarification on Testimony Attached # 1.

**(13:20) Levi Kinnischtzke:** Explained Attached #1. This document is divided into three different sections. The first section has all the executive recommendations, both from the original executive recommendation from Gov. Dalrymple and the revised executive recommendations from Gov. Burgum. Everything that you see that is not in bold, were recommendations from Gov. Dalrymple. The items that are in bold are the changes to Gov. Dalrymple's budget made by Gov. Burgum. So in essence all the items on here are really recommendations from Gov. Burgum. Even if they originated from Gov. Dalrymple because Gov. Burgum did not change them. The items that Gov. Burgum added in, are the ones listed in bold. As you can see, the only two items that Gov. Burgum added in that were new items from him were the salary increase, to zero that out and then also the reduction for state insurance having state employees pay that 5%. All those items you see in the first section, that are executive budget recommendations, are items that you will be able to see on the green sheets with the exception of the Burgum items that are in bold as those were just added.

The second section is the senate version. Right now it's blank. Items that will go in here will be the items that this sub-committee or full appropriations committee will decide on. The third section on the spread sheet just shows the difference between the first two sections.

**Senator Kilzer:** Will we be getting a new green sheet?

**Levi Kinnischtzke:** I believe that will be around crossover; after the change in houses. At this time, we don't have any plans to update the green sheets.

**Senator Kilzer:** That would be the time we fill in that second space.

**Levi Kinnischtzke:** That is correct.

**Senator Dever:** I still need clarification. Under adjust the funding source for salaries and wages and there's \$2 million reduction of general fund?

**Kristen Lunneborg:** To give a little history, a number of years ago there was a law that was put in place that said that the veterans' home had to spend all of their special funds before they could spend any general fund dollars. A number of years after I came into the position that I am in, that law was changed. The thought has always been that the veterans' home needs to spend their funds first and then general fund dollars. The last few biennium we have asked for items in our budget using special fund dollars but those items were not approved and so the balance in that special fund account grew. Typically, we were trying to keep ½ million dollars in the account. When I looked at the reports we had substantial carryover in that account this biennium. Since that account had such a large balance the thought was that they would change the funding source on some of our expenses so that would help alleviate some of the problems with the general funds. Future biennium going forward we are not going to always have that huge reserve in there. The nursing home rates have increased so we will be seeing some shortfalls in revenues possibly in future years. We're not always going to have that huge balance to spend. For this biennium we have a large amount of carryover so I believe that is why that was changed. We're supposed to use \$2 million more of our funds rather than general fund dollars.

**Senator Dever:** As I look at this again, it appears that every number in the 3<sup>rd</sup> section has the opposite of every number in the 1<sup>st</sup> section.

**Levi Kinnischtzke:** Everything in the spreadsheet is a formula, and it will be adjusted as items go into the Senate version in that second column, it will accurately reflect.

**Senator Dever:** If and how was the veterans' home affected by the allotments and if that was in similar fashion to other long term care facilities.

**Mark Johnson:** We were affected. We made the cuts for the 4% and for the 2 1/2% and now with the DHS having the cuts that started in January, we were also affected by those as well. It was a total of about \$800,000 in cuts.

**Senator Dever:** Is that being addressed in your budget to restore those?

**Mark Johnson:** We've already made the cuts to the current budget and as we move forward, you can see the deduct is coming out of the general funds. The special funds are funding the \$2 million in the balance there. It is just a transfer of dollars and how they are being allocated.

**Kristin Lunneborg:** We did have the regular cuts to our general funds as well as the revenue cuts from DHS, however, went to emergency commission and were given permission to add special funds to our current biennium budget to bring it up to the point we needed. The budget that we requested for the 17'-19' biennium includes all of the funding that we think we will need. The change to the budget is a change of funding source. It is not cutting back the expenses that we need to operate.

**Senator Kilzer:** You will eventually run out of your carryover funds and then what?

**Kristin Lunneborg:** That's why I wanted to bring that forward. We have no problem of spending our special funds right now because we do have the balance, but down the road that surplus will be gone and I know how difficult it is to get an increase back on the general fund.

**Senator Dever:** Shelly Peterson indicated to me that the House Human Services division is working in an effort to restore long term care to where it was prior to the allotments. Not to increase it but to restore it. If the veterans' home is similarly affected, then we need to make sure that happens too. Did that make sense?

**Kristin Lunneborg:** If that is restored, that would also impact us anyhow. Because everything comes through the Department of Human Services. If they get restored to where they were, we'd have that income coming in too. However, it would still be less income than what we would normally be getting and we'd eventually run out of special fund dollars.

**Senator Kilzer:** Asked for any other comments.

**Mark Johnson:** The 5% decrease is a great recruitment tool for us. We support the direction we're going. The other piece is the hiring freeze. Is there a possibility to be exempt from the hiring freeze? We have mandatory staffing ratios just like the state prison and state hospital. When we need a nurse, we need a nurse. We need to be properly staffed. With the VA, there could be regulatory fines if we're not in compliance.

**Senator Robinson:** Chairman Holmberg spoke to that yesterday. He's on that bill and if the bill makes its way, there would have to be concessions. It doesn't look good for that bill to make it through the session.

**Senator Kilzer:** Closed the subcommittee discussion on SB 2007.

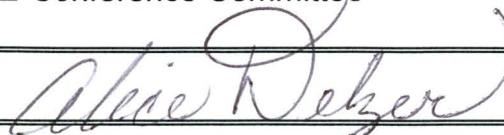
# 2017 SENATE STANDING COMMITTEE MINUTES

**Appropriations Committee**  
Harvest Room, State Capitol

SB 2007 Subcommittee  
2/9/2017  
JOB # 28148

- Subcommittee  
 Conference Committee

Committee Clerk Signature



## Explanation or reason for introduction of bill/resolution:

A Subcommittee hearing for the Veterans' Home.

## Minutes:

1.ND Veterans' Home Financial Work Sheet

**Chairman Kilzer** called the Subcommittee to order on SB 2007 at 2:45 pm in the Harvest Room. All subcommittee members were present: Senator Dever and Senator Robinson. Levi Kinnischtzke, Legislative Council and Becky J. Keller, OMB were also present. Kristen is here and Mark is not able to be here today.

**Kristen Lunneborg, CFO, ND Veterans Home** asked what bill they are working off of.

**Senator Kilzer:** We are working off the 2007 bill because we voted out all of the higher number budget bills.

**Ms. Lunneborg:** Presented Testimony attached # 1, a Financial Work Sheet which reflects all the changes we would be recommending to SB 2007. She explained the changes as printed on her testimony. The column on the right hand side is what we would like to see as the budget appropriation for the Veterans Home. **(0.03.44)**

**Chairman Kilzer:** All of these are the same as your original request. Are these the same as SB 2067.

**Ms. Lunneborg:** That's correct. All of these were part of the Governor's recommended budget as well.

**Chairman Kilzer:** Are these the same as were in SB 2067?

**Ms. Lunneborg:** That is correct except for the salary and wage stuff is a little bit different. But all of the items specific to us otherwise were in 2067.

**Senator Robinson:** Based on the Burgum Executive Budget Recommendation, is the only adjustment, putting the health insurance back in. He was told yes.

**Senator Robinson:** The other requests, most of that was taken out of funds you had on hand at the veterans' home.

**Ms. Lunneborg:** Yes, there was the change in funding actually like \$2m of decrease in general funds and then an increase in special funds.

**Senator Robinson:** You are fine with doing that but you can't do it forever.

**Ms. Lunneborg:** We should be able to do it for the next 2 biennium but after that we would need an increase in general fund appropriations not a full \$2m but at some point we would have to increase our general fund.

**Chairman Kilzer:** If I remember right you called this your reserves.

**Ms. Lunneborg:** That is right. We usually try to keep that ½ m in that special fund account from year to year. We came in to this biennium with \$3.3m. That was the carryover to start off with this biennium.

**Senator Robinson:** We are at the Burgum level other than we added back the health insurance. That was confirmed by legislative council and OMB.

**Senator Robinson: I move we approve the budget as presented with the only change being the health insurance package. 2<sup>nd</sup> by Senator Dever**

**Chairman Kilzer:** Is Council ready for what we are asking for. That was confirmed.

Call the roll on SB 2007. **A Roll Call vote was taken. Yea: 3; Nay: 0; Absent: 0.** It passed.

**Levi Kinnischtzke, Legislative Council:** We might have it to look at by midday tomorrow. After the amendment is prepared and either looked over by yourself or pass it out to the subcommittee, with that approval it can be taken to the full committee on Monday.

**Chairman Kilzer:** This bill has a long road ahead of us yet. I don't think you would have to come back on Monday, Kirsten, or whenever we do this. Thank you very much for coming. We appreciate your hard work. Any other comments before we close? Hearing was closed on SB 2007.

# 2017 SENATE STANDING COMMITTEE MINUTES

**Appropriations Committee**  
Harvest Room, State Capitol

SB 2007  
2/13/2017  
Job # 28252

- Subcommittee  
 Conference Committee

Committee Clerk Signature



## **Explanation or reason for introduction of bill/resolution:**

To provide an appropriation for defraying the expenses of the veterans' home.

## **Minutes:**

Testimony Attached # 1.

**Legislative Council: Adam Mathiak**  
**OMB: Becky Keller**

**Chairman Holmberg** called the committee to order on SB 2007.

**Senator Kilzer** handed out Amendment 17.0515.01001 – Testimony Attached # 1. He explained the amendment starting on the back page. The base payroll changes, the health insurance, adjustment for salaries. It's pretty much the Burgum budget and no major changes were made. The situation at the Veterans' Home is that they have quite a bit in reserves or carryover that they will be using. There are no additional items.

**Senator Kilzer: Moved Amendment 17.0515.01001.**  
**Senator Robinson: Seconded the motion.**

**Senator Robinson:** They're pleased with this budget. The relief for them is the reserve fund that they had to cover some of these costs. They advised us that they will have reserve dollars for the next couple three years.

**A Roll Call Vote was taken: 14 yeas, 0 nays, 0 absent.**

**Senator Kilzer: Moved a Do Pass as Amended on the bill and for Senator Robinson to carry the bill.**  
**Senator Robinson: Seconded the motion.**

**A Roll Call Vote was taken: 14 yeas, 0 nays, 0 absent.**  
**Motion carried.**

CM  
 2/13/17  
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PROPOSED AMENDMENTS TO SENATE BILL NO. 2007

Page 1, replace lines 10 through 16 with:

"Salaries and wages	\$17,973,934	\$740,416	\$18,714,350
Operating expenses	4,958,742	558,258	5,517,000
Capital assets	<u>273,270</u>	<u>287,272</u>	<u>560,542</u>
Total all funds	\$23,205,946	\$1,585,946	\$24,791,892
Less estimated income	<u>15,077,922</u>	<u>3,697,347</u>	<u>18,775,269</u>
Total general fund	\$8,128,024	(\$2,111,401)	\$6,016,623
Full-time equivalent positions	120.72	0.00	120.72"

Page 1, line 17, after "FUNDING" insert "- EFFECT ON BASE BUDGET - REPORT TO SIXTY-SIXTH LEGISLATIVE ASSEMBLY"

Page 1, line 18, after "biennium" insert "and the 2017-19 one-time funding items included in section 1 of this Act"

Page 1, remove lines 20 through 23

Page 2, replace lines 1 and 2 with:

"Shop addition	\$126,800	\$0
Irrigation system	83,000	0
Equipment	195,530	59,500
Health information exchange software	0	15,000
Nurse call system upgrade	<u>0</u>	<u>82,500</u>
Total all funds	\$405,330	\$157,000
Less estimated income	<u>405,330</u>	<u>157,000</u>
Total general fund	\$0	\$0

The 2017-19 one-time funding amounts are not a part of the entity's base budget for the 2019-21 biennium. The veterans' home shall report to the appropriations committees of the sixty-sixth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2017, and ending June 30, 2019."

Re-number accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

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

	Base Budget	Senate Changes	Senate Version
Salaries and wages	\$17,973,934	\$740,416	\$18,714,350
Operating expenses	4,958,742	558,258	5,517,000
Capital assets	<u>273,270</u>	<u>287,272</u>	<u>560,542</u>
Total all funds	\$23,205,946	\$1,585,946	\$24,791,892
Less estimated income	<u>15,077,922</u>	<u>3,697,347</u>	<u>18,775,269</u>
General fund	\$8,128,024	(\$2,111,401)	\$6,016,623
FTE	120.72	0.00	120.72

UW  
2/13/17  
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Department No. 313 - Veterans' Home - Detail of Senate Changes

	Adjusts Funding for Base Payroll Changes <sup>1</sup>	Adds Funding for Health Insurance Increases <sup>2</sup>	Adjusts Funding for Salaries <sup>3</sup>	Adjusts Base Level Funding <sup>4</sup>	Adds One-Time Funding <sup>5</sup>	Total Senate Changes
Salaries and wages	\$328,289	\$412,127				\$740,416
Operating expenses				558,258		558,258
Capital assets				130,272	157,000	287,272
Total all funds	\$328,289	\$412,127	\$0	\$688,530	\$157,000	\$1,585,946
Less estimated income	1,145,516	271,569	2,000,000	123,262	157,000	3,697,347
General fund	(\$817,227)	\$140,558	(\$2,000,000)	\$565,268	\$0	(\$2,111,401)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

<sup>1</sup> Funding is adjusted for cost-to-continue 2015-17 biennium salaries and benefit increases and for other base payroll changes.

<sup>2</sup> Funding is added for increases in health insurance premiums from \$1,130 to \$1,249 per month.

<sup>3</sup> Funding is adjusted for salaries to reduce funding from the general fund by \$2 million and increase funding from the soldiers' home fund for \$2 million.

<sup>4</sup> Base level funding is adjusted as follows:

	General Fund	Other Funds	Total
Adjusts funding for bond payments	\$0	\$123,472	\$123,472
Adjusts funding for operating expenses	565,268	(7,010)	558,258
Adds funding for a hydraulic breaker	0	6,800	6,800
Total	\$565,238	\$123,262	\$688,530

<sup>5</sup> Funding from the soldiers' home fund is added for the following one-time items:

	General Fund	Other Funds	Total
Health information exchange software	\$0	\$15,000	\$15,000
Equipment	0	59,500	59,500
Nurse call system upgrade	0	82,500	82,500
Total	\$0	\$157,000	\$157,000

Date: 2-9-17

Roll Call Vote #: 1

**2017 SENATE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. SB 2007**

Senate Appropriations Committee

Subcommittee

Amendment LC# or Description: \_\_\_\_\_

Recommendation:  Adopt Amendment  
 Do Pass     Do Not Pass     Without Committee Recommendation  
 As Amended     Rerefer to Appropriations  
 Place on Consent Calendar  
Other Actions:  Reconsider     See motion below

Motion Made By Sen. Robinson    Seconded By Sen. Dever

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg			Senator Mathern		
Vice Chair Krebsbach			Senator Grabinger		
Vice Chair Bowman			Senator Robinson	X	
Senator Erbele					
Senator Wanzek					
Senator Kilzer	X				
Senator Lee					
Senator Dever	X				
Senator Sorvaag					
Senator Oehlke					
Senator Hogue					

Total (Yes) 3    No 0

Absent 0

Floor Assignment \_\_\_\_\_

If the vote is on an amendment, briefly indicate intent:  
approve the budget as presented with the only change being the health insurance package

Date: 2-13-17  
 Roll Call Vote #: 1

**2017 SENATE STANDING COMMITTEE  
 ROLL CALL VOTES  
 BILL/RESOLUTION NO. 2007**

Senate Appropriations Committee

Subcommittee

Amendment LC# or Description: Amendment # 17-0515.01001

- Recommendation:  Adopt Amendment  
 Do Pass     Do Not Pass     Without Committee Recommendation  
 As Amended     Rerefer to Appropriations  
 Place on Consent Calendar  
 Other Actions:  Reconsider     \_\_\_\_\_

Motion Made By Kilzer    Seconded By Robinson

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg	✓		Senator Mathern	✓	
Vice Chair Krebsbach	✓		Senator Grabinger	✓	
Vice Chair Bowman	✓		Senator Robinson	✓	
Senator Erbele	✓				
Senator Wanzek	✓				
Senator Kilzer	✓				
Senator Lee	✓				
Senator Dever	✓				
Senator Sorvaag	✓				
Senator Oehlke	✓				
Senator Hogue	✓				

Total (Yes) 14    No 0

Absent 0

Floor Assignment \_\_\_\_\_

If the vote is on an amendment, briefly indicate intent:

Date: 2-13-17  
 Roll Call Vote #: 2

**2017 SENATE STANDING COMMITTEE  
 ROLL CALL VOTES  
 BILL/RESOLUTION NO. 2007**

Senate Appropriations Committee

Subcommittee

Amendment LC# or Description: \_\_\_\_\_

- Recommendation:  Adopt Amendment  
 Do Pass     Do Not Pass     Without Committee Recommendation  
 As Amended     Rerefer to Appropriations  
 Place on Consent Calendar  
 Other Actions:  Reconsider     \_\_\_\_\_

Motion Made By Kilzer    Seconded By Robinson

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg	✓		Senator Mathern	✓	
Vice Chair Krebsbach	✓		Senator Grabinger	✓	
Vice Chair Bowman	✓		Senator Robinson	✓	
Senator Erbele	✓				
Senator Wanzek	✓				
Senator Kilzer	✓				
Senator Lee	✓				
Senator Dever	✓				
Senator Sorvaag	✓				
Senator Oehlke	✓				
Senator Hogue	✓				

Total (Yes) 14 No 0

Absent 0

Floor Assignment Robinson

If the vote is on an amendment, briefly indicate intent:

**REPORT OF STANDING COMMITTEE**

**SB 2007: Appropriations Committee (Sen. Holmberg, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2007 was placed on the Sixth order on the calendar.

Page 1, replace lines 10 through 16 with:

"Salaries and wages	\$17,973,934	\$740,416	\$18,714,350
Operating expenses	4,958,742	558,258	5,517,000
Capital assets	<u>273,270</u>	<u>287,272</u>	<u>560,542</u>
Total all funds	\$23,205,946	\$1,585,946	\$24,791,892
Less estimated income	<u>15,077,922</u>	<u>3,697,347</u>	<u>18,775,269</u>
Total general fund	\$8,128,024	(\$2,111,401)	\$6,016,623
Full-time equivalent positions	120.72	0.00	120.72"

Page 1, line 17, after "FUNDING" insert "- EFFECT ON BASE BUDGET - REPORT TO SIXTY-SIXTH LEGISLATIVE ASSEMBLY"

Page 1, line 18, after "biennium" insert "and the 2017-19 one-time funding items included in section 1 of this Act"

Page 1, remove lines 20 through 23

Page 2, replace lines 1 and 2 with:

"Shop addition	\$126,800	\$0
Irrigation system	83,000	0
Equipment	195,530	59,500
Health information exchange software	0	15,000
Nurse call system upgrade	<u>0</u>	<u>82,500</u>
Total all funds	\$405,330	\$157,000
Less estimated income	<u>405,330</u>	<u>157,000</u>
Total general fund	\$0	\$0

The 2017-19 one-time funding amounts are not a part of the entity's base budget for the 2019-21 biennium. The veterans' home shall report to the appropriations committees of the sixty-sixth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2017, and ending June 30, 2019."

Re-number accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

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

	Base Budget	Senate Changes	Senate Version
Salaries and wages	\$17,973,934	\$740,416	\$18,714,350
Operating expenses	4,958,742	558,258	5,517,000
Capital assets	<u>273,270</u>	<u>287,272</u>	<u>560,542</u>
Total all funds	\$23,205,946	\$1,585,946	\$24,791,892
Less estimated income	<u>15,077,922</u>	<u>3,697,347</u>	<u>18,775,269</u>
General fund	\$8,128,024	(\$2,111,401)	\$6,016,623
FTE	120.72	0.00	120.72

**Department No. 313 - Veterans' Home - Detail of Senate Changes**

Adjusts Funding for Base Payroll Changes <sup>1</sup>	Adds Funding for Health Insurance	Adjusts Funding for Salaries <sup>2</sup>	Adjusts Base Level Funding <sup>4</sup>	Adds One-Time Funding <sup>5</sup>	Total Senate Changes

		Increases <sup>2</sup>				
Salaries and wages	\$328,289	\$412,127				\$740,416
Operating expenses				558,258		558,258
Capital assets				130,272	157,000	287,272
Total all funds	\$328,289	\$412,127	\$0	\$688,530	\$157,000	\$1,585,946
Less estimated income	1,145,516	271,569	2,000,000	123,262	157,000	3,697,347
General fund	(\$817,227)	\$140,558	(\$2,000,000)	\$565,268	\$0	(\$2,111,401)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

<sup>1</sup> Funding is adjusted for cost-to-continue 2015-17 biennium salaries and benefit increases and for other base payroll changes.

<sup>2</sup> Funding is added for increases in health insurance premiums from \$1,130 to \$1,249 per month.

<sup>3</sup> Funding is adjusted for salaries to reduce funding from the general fund by \$2 million and increase funding from the soldiers' home fund for \$2 million.

<sup>4</sup> Base level funding is adjusted as follows:

	General Fund	Other Funds	Total
Adjusts funding for bond payments	\$0	\$123,472	\$123,472
Adjusts funding for operating expenses	565,268	(7,010)	558,258
Adds funding for a hydraulic breaker	0	6,800	6,800
Total	\$565,238	\$123,262	\$688,530

<sup>5</sup> Funding from the soldiers' home fund is added for the following one-time items:

	General Fund	Other Funds	Total
Health information exchange software	\$0	\$15,000	\$15,000
Equipment	0	59,500	59,500
Nurse call system upgrade	0	82,500	82,500
Total	\$0	\$157,000	\$157,000

**2017 HOUSE APPROPRIATIONS**

**SB 2007**

# 2017 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee - Human Resources Division  
Sakakawea Room, State Capitol

SB2007  
3/2/2017  
28626

- Subcommittee  
 Conference Committee

Committee Clerk Signature

*Donna Whetham*

## Explanation or reason for introduction of bill/resolution:

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

## Minutes:

Attachment 1

**Chairman Pollert:** called the committee to order on SB 2007.

**Kristin Lunneborg, Chief Financial Officer at the North Dakota Veterans Home:** read written testimony (See Attachment #1). (00:57-2:34)

**Levi Kinnischtzke, Legislative Council:** (2:45-3:59) reviewed the Senate change to the budget. The only thing the Senate changed from the executive budget recommendations was to not go ahead with the 5% employee health budget. The Senate adopted the executive recommendations from both Governor Dalrymple and Governor Burgum.

**Ms. Lunneborg:** Continued to read written testimony. (4:04-7:10). You might ask what an incentive wage is. When we have to use Contract Nursing staff, it costs quite a bit more than regular staff does, we give the extra Incentive wage of \$5.00 per hour to pick up those shifts and it saved us almost \$200,000 just using the incentive pay with our regular employees. We have used Zero Contract staff since we implemented the policy which was in 2011. (9:04)

**Rep. Nelson:** What hours are the shifts in your facility?

**Ms. Lunneborg:** They vary. Basic care has different shifts than in skilled care. In basic care, there are eight hour shifts and we are staffed around the clock. We have Med Tech's as well. The nurses are done at the PM shift. Even the households are different because of their different needs, they all have very random shifts.

**Rep. Nelson:** I know the facility I am most familiar with went to a 10 hour shift and found some savings as far as working longer days and cut down on some of the Contract Nursing. But in this business there is no easy answer.

**Ms. Lunneborg:** We actually did try 12 hour shifts and yes you don't need as many bodies but the staff have been asking us to get rid of them so we have been changing those back to the 8 hour shifts.

**Rep. Meier:** Your turnover rate is really good. You don't have a high turnover rate.

**Ms. Lunneborg:** Our turnover rate last year was 9.5% and that was with some retirements. With actual people that left the facility it was not very many.

**Rep. Meier:** How many full-time nurses do you have and how many CNA's (Certified Nursing Assistants)'s?

**Ms. Lunneborg:** On skilled, we have a federal mandate that we have to have RN (Registered Nurse) coverage 24 hours a day. I didn't write down the RNs, but skilled has only 2.6 FTE's (Full time employees) and LPN's (Licensed Practical Nurses). If you want to know the actual number of people, I can get that detail. Everything is figured in FTE and not true number of bodies because most of these people only work .6 or .8.

**Rep. Meier:** How many residents do you currently have at the Veterans Home?

**Ms. Lunneborg:** We have 52 beds on our nursing home and is usually full with a short waiting list. Our basic care has around 74. In the last 6 months we have had a huge turnover. A lot of those are Basic care residents needing to go to skilled. Our occupancy on basic care was much higher but when their level of care declines we have to move them to the Nursing Home. Sometimes we need to place them in other Nursing facilities. If we're going to have vacancies, it's better to have them on basic care because the rents are income based. So they are not so high and the cost of care is much higher than actually the rent is and the Nursing Home is where we make our money.

**Chairman Pollert:** How many beds do you have total?

**Ms. Lunneborg:** There are 52 skilled nursing homes beds and 98 in basic care.

**Chairman Pollert:** You said the skilled beds are full and how many in basic care and can you give us an average over the biennium? Are you 90% full in basic care over the biennium?

**Ms. Lunneborg:** Around 74 in Basic Care. Generally, in basic care, our occupancy has been high 70s to low 80s. This is the lowest occupancy we've had in quite a while.

**Rep. Nelson:** When you are full in skilled and someone needs those services, do you try to place them back in their home communities or do you try to place them close to Lisbon so they can move back in when there is an opening?

**Ms. Lunneborg:** It is truly up to the resident themselves. There are some that want to be at the Veterans Home because that is their home. We do place those close, and there are others that the family want them closer to their home so we move them there then if possible.

**Rep. Nelson:** I am sure there are a number of the residents that do feel the Veterans Home is there home.

**Ms. Lunneborg:** Another issue we run into quite frequently is not just a decline in health but the type of care that they need. A lot of people that end up transferring out need lock down facilities because of dementia or special mental health services that we don't provide. So that also dictates where they go. There are times where family wants them closer to home especially at end of life.

**Rep. Nelson:** The age of your resident is probably different than most nursing homes in the state. Are you seeing that change up or down with new residents coming in to the home?

**Ms. Lunneborg:** I don't think there is much change in the age. We don't see too many younger veterans. They are usually older people that are having trouble living alone at home, like with medication and family want someone to look after them.

**Chairman Pollert:** Is the caseload there a little more difficult due to mental illnesses compared to a regular Nursing Home?

**Ms. Lunneborg:** Yes. If you look at the long list of diagnosis that our residents have, there are a lot of mental health issues. There is a lot more males than a typical Nursing Home. Ours is big, big guys which require more staff. Our facility is truly different from the typical facility.

**Rep. Meier:** Do you have a large waiting list? How many are on the list?

**Ms. Lunneborg:** Skilled has a few right now on the waiting list. It fluctuates so much because some of the people need a place right now so they end up going somewhere else. Another problem with placement in a nursing home is that a lot of these are on that fine line where we know they will need skilled nursing soon. Another problem with placement is they are in the hospital and they need placement now, we have to run background checks and get their Veterans paperwork. We don't have the capabilities of admitting someone that quickly. The waiting list could be a lot longer than it is but we can't take all those hospital admissions.

**Rep. Meier:** How long does it usually take to do paperwork?

**Ms. Lunneborg:** It depends on how helpful they are. Background checks probably take the longest. On average, I would say probably about two weeks.  
Continued to read written testimony. (22:14-23:13)

**Rep. Nelson:** When you put your budget together, do you budget for 100% occupancy for food, medical?

**Ms. Lunneborg:** I usually go back and look at past expenses and prior census numbers and I take both of those into consideration.  
Continued to read written testimony. (25:50-27:12)

**Chairman Pollert:** Special funds and soldiers home fund is the same, correct?

**Ms. Lunneborg:** Yes. That would be all of the money that we take in, it would be resident rents, the funding from the department of Veteran Affairs, sales of guest meals, travel pay we receive from the VA. We have some state land that we also generate some income off of that is managed by the State Land Dept.

**Chairman Pollert:** I have never seen the Soldiers Home fund used in the green sheets before just to know that they are same as Special funds.

**Ms. Lunneborg:** Yes we will. It is like in the Century Code the Veterans Home is called the Old Soldiers Home. When we go back to the old language it refers to things differently than they are now. Continued to read written testimony. (28:44-30:30).

**Chairman Pollert:** Will you have some more information on the Melvin Norgard fund? Or will you have it further down the line, or will that fund be basically at a zero unless new funds come in. I know there is some litigation issues too as well.

**Ms. Lunneborg:** We had some litigation issues with the Norgard fund but that was all settled and we received a settlement around \$35,000 and 18 acres of land or something. It was set up that we would spend all of the money in the Melvin Norgard fund to build the workshop and then any additional would be taken from the special funds. Right now we are receiving anywhere from \$1100 to \$1500 a month from mineral royals which is substantially below what was projected. It was projected as \$125,000 every three months.

**Chairman Pollert:** Does the committee want more information on the Norgard Fund to have that historic perspective? I think we should bring it.

**Representative Meier:** I would like a short synopsis on that.

**Ms. Lunneborg:** Continued to read written testimony. (32:32-34:30)

**Chairman Pollert:** With what is in the current budget for DHS, will that have an effect on you? It should have because we put \$11.3 million in general funds in rebasing and operating margin and then we went back 30 days. I didn't know if you were aware of that or not. I can't imagine it decreasing if anything it will probably go up a little.

**Rep. Nelson:** What I'm talking about is the one month. The \$113,000 that was reduced. In HB1012 we were able to reinstate the rates for one month because of the notices we couldn't do any more than that. It should be about \$19,000.

**Ms. Lunneborg:** What is projected for next biennium as far as the DHS budget?

**Chairman Pollert:** You should contact DHS because we don't work on what each individual place gets.

**Rep. Nelson:** I think the rebasing was the 2014 and the operating margins were adjusted. That was the two changes besides the June 1<sup>st</sup>. So that is the main components.

**Chairman Pollert:** We did nothing with the incentive, the \$2.60 a day. And there are no inflators. Will a couple of weeks give you enough time to talk to DHS and give you an idea of how that will affect your budget?

**Ms. Lunneborg:** Yes.

Continued to read written testimony and explained spreadsheet of budget changes. (See Attachment #1 page 9 for Spreadsheet). (37:08-42:51).

**Chairman Pollert:** If you don't do contract nursing, do other nursing home facilities try to follow that example?

**Ms. Lunneborg:** I'm not aware of any other facilities implementing this policy. As far as I know other facilities do have contract staff. Some of our staff fill in for other facilities. We are really fortunate between our temps and paying an incentive wage. Even though we have to ask for a little more money in our salaries and wages, it offsets that which we would be paying contract staff. We would be asking for huge increases in our operating line. Continued to read written testimony. (44:02-47:24).

**Rep. Nelson:** Regarding the increases in utilities due to the federal regulations, this is the first time I've heard this. Is it Otter Tail or Rural Electric?

**Ms. Lunneborg:** It's Otter Tail. We called and asked for our usage over the past four years. The usage hasn't changed much. It's EPA regulations. They want to make it more environmentally friendly to generate electricity so they are implementing all of these extra charges which the electric companies are passing down to the consumer. Continued to read written testimony. (49:26-53:58).

**Chairman Pollert:** What is the longevity, so I would ask for a schedule of what you see happening. With the special funds versus the general funds and how that funding stream is going to be. That \$226,587 is that reflected in your 17-19 budget then?

**Ms. Lunneborg:** Yes. So there is only one item that we actually need to request to be added to our bill for the 2017-2019 biennium. That would be to have a section added to our bill allowing us to carryover funding for the resident workshop and the new Veterans Home.

**Chairman Pollert:** That section is not in SB 2007 then?

**Ms. Lunneborg:** We would have to add it. We should be able to get the language from some previous bills. Continued to read testimony. (56:44-57:10).

**Rep. Nelson:** Where are we at with Comstock with the litigation? What is the state requesting and what is Comstock giving anything at this point and when the board decided to raise the basic care rates what was that increase?

**Ms. Lunneborg:** I have pretty much stayed out of that litigation, so Mark may be able to answer that. On basic care rates we looked at their income and they subtract off any medical expenses in the prior year, we get a net number. The way the policy was written in the past, the first \$100 they were allowed to keep and after that they paid 55% of the net amount with

a cap of \$1543. We took away that \$100 they were able to pocket and now we look at income minus expenses and then it is a straight 55% of that. We raised the cap to \$1850 per month. There are only a certain number of residents we have at that cap. So the cap went up \$300 and some dollars but only 1/3 of our residents are at that cap. We have residents that pay up to \$1850 but we also have one resident that doesn't pay anything.

**Rep. Nelson:** With the lower census numbers in basic care, is that a piece of that the increased rates. Did that affect people going into basic care at the Veterans Home?

**Ms. Lunneborg:** I really don't think that has any impact on it. What we hear is that people don't know that we're out there. We have a lot of residents that move in and they wish they would have come 10 years ago. They like it and it is substantially cheaper than what an assisted living facility is. Our resident council is struggling with the low census and they are looking at ways to bring up the population. They are talking about donating money to do some projects to do some marketing for us.

**Chairman Pollert:** Wouldn't the CVSOs be letting the counties know that the Veterans Home is out there?

**Ms. Lunneborg:** We get a lot of referrals from them. There again there has to be people looking for the need. The other piece to keep in mind is the turnover that we have. We've had an amazing amount of turnover. Quite a few have gone into our skilled nursing, but others have had to place outside the facility. It is way lower than what we would like to see. The residents promoting us is the best way to advertise.

**Rep. Holman:** When the 10% cut started out, it was interesting that with all the state agencies and having to ask them all do the same thing. They all have unique ways and you are locked in by rules, regulations, costs and federal funds and hunting for the 10% is a small area to find that cut.

**Ms. Lunneborg:** The other thing that works to our advantage is that we do generate our own income. We have that surplus out there and it would be much more difficult to put together our budget. Our budget is 70% salaries and wages and you can't cut there when you have to provide the care. You have to feed the residents and meet the federal regulations. It is difficult to make cuts for sure.

**Rep. Nelson:** Regarding the workshop, the books came in over what the estimate was, what was the change in the floor plan you had to make to fit it into the budget, how much smaller is it?

**Ms. Lunneborg:** Mark, will answer that.

**Rep. Meier:** Going to the extraordinary repairs and the nurse call system, when was the last time that was updated?

**Ms. Lunneborg:** We got a new system when we moved into the new building in 2011 but it is pagers. There is no two-way communication. The current system lacks so much. We need the capability for the staff to be able to talk back and forth. It is a large area and makes the job so much more difficult.

**Mark Johnson, Administrator at the North Dakota Veterans Home:** reviewed the lawsuit with Comstock. They started with a \$1million lawsuit, all parties got together and it was impossible to mediate with them. All the parties being sued could put in a fund the money to make a counter offer which was about \$220,000 to end the lawsuit. Comstock refused it. The judge has ruled now and dismissed most of their claims and what they can sue us now for is right around \$200,000. Discussed the changes made to the workshop plans, they changed the whole theme to get rid of the expensive brick on the front. (1:07:21-1:11:57)

**Rep. Nelson:** Is the footprint as big as it was originally planned?

**Mr. Johnson:** The footprint is about the same; we may have cut 100 square feet. But it is the exterior that what we changed. The size of our ceiling lifts are all about 600 lb. lift and if we have to cut any FTE's at all it makes it really difficult. We are moving a gentleman who is over 400 lbs. to that side and it takes over 6 people to get him off the floor if he falls. We have people 320-360 lbs. On our Basic care side we have an individual who is almost 400 lbs. and when you look at the size it makes it difficult for our staff.

**Chairman Pollert:** They didn't look at FTE or staffing reductions when they looked at the special funds going to general funds they are kind of correlated and not?

**Mr. Johnson:** That's what I was told by members of the Senate that we have taken a reduction of our special funds by \$2million.

**Chairman Pollert:** In the past, we have had discussions as far as the home that you reside in, have the improvements been done to that home, a roof repair?

**Mr. Johnson:** The roof has been done and I think the bats are gone.

**Chairman Pollert:** Is the home ok?

**Mr. Johnson:** Yes.

**Rep. Nelson:** We're still completing the grounds on the new home. The irrigation wasn't completed and wasn't in the requests. Is that all that is left to complete the landscaping?

**Mr. Johnson:** There are five phases and that is number four if we choose to irrigate the oxbow. When we looked at the budget we decided we can do without the irrigation at this time.

**Rep. Nelson:** What's the state of affairs regarding the absence of the walking bridge that we discussed last time?

**Mr. Johnson:** The problem is that there are no sidewalks going to the main street on Jackson street. Could someone get hurt? Absolutely. Nobody has been hurt but it is something we would like to look at down the road. But where we are at right now with the budget we will do what we can.

**Chairman Pollert:** Any other support for SB 2007 or any opposing testimony? Seeing none.

**Ms. Lunneborg:** You asked if we've had an audit lately. We had one around a year to a year and a half ago and we had no audit findings.

**Chairman Pollert:** Do you have any turn back?

**Ms. Lunneborg:** I believe that we will have some turn back. There will be some left in salaries and wages, there might be up to \$100,000. In operating there will be more expenses, we had initially gone to the emergency commission for more approval because at the time we were over budget in operating expenses. Since the census has been lower, I do believe we may have some turn back in our operating line item. How much I am not sure but I would guess we will be turning back \$200,000 total or more.

**Rep. Nelson:** You have been with the Veterans Home for 12 years?

**Ms. Lunneborg:** It will be 13 years in June.

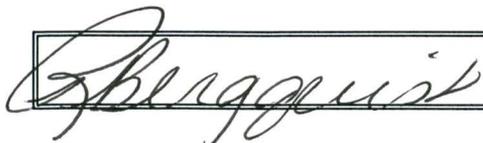
**Chairman Pollert:** recessed the committee.

# 2017 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee - Human Resources Division  
Sakakawea Room, State Capitol

SB2007  
3/16/2017  
29312

- Subcommittee  
 Conference Committee



## Explanation or reason for introduction of bill/resolution:

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

## Minutes:

Attachment 1-8

**Chairman Pollert** called the committee to order.

**2:20-5:30 Levi Kinnischtzke, Legislative Council: (see attachment 1)** Reviewed the changes to the bill made by the Senate.

**6:00-Kristin Lunneborg, Chief Financial Officer for the ND Veterans Home:** reviewed handout (attachment 2) and written testimony (attachment 3). The Veterans home consists of nine different departments; administration, maintenance, dietary, basic care nursing, skilled nursing, activities, social services, housekeeping and pharmacy department as well.

## 7:05 Administrative Department

**Chairman Pollert:** Was your budget based off the allotment numbers for what was done with nursing homes and then we made changes to the rebasing and the operating margin. Someone said the Veterans Home would lose 226,587. Are these numbers reflective of what we are doing?

**Ms. Lunneborg:** It's our understanding that the changes you make to the DHS's budget will not affect us because we are over limits on a lot of the items.

**Vice Chairman Kreidt:** So you're over on all your costs lines?

**Ms. Lunneborg:** A lot of that is because of all the additional expenses we have because of the department of Veterans Affairs and things like that.

**Chairman Pollert:** You had said that capital payments 396,742, the real amount is 404,503

**16:25 Rep. Nelson:** Back to the 70% residents you have that may choose to leave. In your overview you said that when they go to the Veterans Home it becomes their home. Would it be more of a challenge recruiting than it would be in retaining?

**Ms. Lunneborg:** The vast majority of people that come to the Veterans Home live in basic care. The 70% or more connected veterans are those toward the end of life. I do think it's going to be a huge problem for us, we have had several veterans move in but would have preferred to be closer to their home or families. There are only a set number of facilities where they can go where the VA will pay for their care.

**Rep. Nelson:** How many private facilities are able to accommodate the veterans?

**Ms. Lunneborg:** I'm not sure of the exact number, but Mark thinks six.

**Vice Chairman Kreidt:** With a lot of facilities there are so many hoops to jump through to get the VA contract that they don't want to go through the process. I wouldn't anticipate a lot of movement for the VA residents to do a lot of moving.

**Ms. Lunneborg:** A lot of what is going to impact that is what they are going to require these facilities to do. What we have to do for the VA is a lot more extensive than what an outside facility does.

**20:35 Rep. Holman:** Are you involved at all when a veteran is placed in another home? Do you have any connection to that placement? Or are they completely removed from your system?

**Ms. Lunneborg:** Any time you discharge someone; their chart is closed. It's usually the social workers that work with them if they are looking to be placed elsewhere. If they say they want to go somewhere else, we assist them with looking, helping with discharge planning and that type of thing. If they are looking to come back it's a much simpler procedure, all we really need is the medical history.

### **23:20 Maintenance Department**

**Vice Chairman Kreidt:** Their sources of revenue are the Medicaid funding, the VA funding, you probably have some residents that pay part of their own, Medicare; it's different than what we'd see in other budgets in our section here.

**27:05 Ms. Lunneborg** reviewed the schedule that details the revenue received (attachment 4)

**32:00 Vice Chairman Kreidt:** Under your leases and rents, there was a considerable drop. The almost 2000 acres of land, does that show up in that 40 thousand that you are showing?

**Ms. Lunneborg:** That shows up in the transfers in, so it's a transfer in from the state land department. This biennium it's projected to be 325,500 next biennia it's projected to be 434.

**39:40 Rep. Meier:** Have you had any flooding issues since the new building has been built?

**Ms. Lunneborg:** Not since then, in 2009 we had to evacuate the old building.

**Vice Chairman Kreidt:** With the new heating system, the geo thermal, have you realized a significant decrease in your utilities? Is this paying off?

**Ms. Lunneborg:** I tracked the utility bills from the old building versus the new building. We were at 90,000 square feet and are at 171,000 square feet now. We have been trying to find a way to compare because of the changes.

**Vice Chairman Kreidt:** The EPA, when did this \$7,000 charge come about? Is this because of the geo-thermal? They have a regulation to pay?

**Ms. Lunneborg:** When I was trying to figure out why our utilities costs have gone up so much. We went back and asked the company for our year's use and compared it to use in the past, the fees started about four years ago. It was \$60,000 in fees we paid up until now. But now the fees are increasing and the EPA keeps requiring the companies to clean up the cost of making electricity.

**Rep. Kading:** The EPA fee was about \$9,000, is it that much every month?

**Ms. Lunneborg:** It depends on our usage.

**Chairman Pollert:** On your spend-down report where it shows \$100,000, that is the fee.

### **51:10 Dietary Department**

**54:40 Vice Chairman Kreidt:** What do you charge for employee and guest meals? How many guest and employee meals do you serve a year?

**Ms. Lunneborg:** Guests pay \$6 and staff pay \$4. We have revenue of about \$2,000 per month and we also package up the leftovers are staff can purchase those meals as well.

**Chairman Pollert:** On the spend-down report, is the salary increase for the cost to continue, the \$1813?

**Ms. Lunneborg:** The 1813 and the 379 are not part of the budget, these budgets included the 1% increase in salary

**Chairman Pollert:** The salaries-permanent has the cost to continue included. Have those numbers been taken out for the salary increases?

**Mr. Kinnischtzke:** Yes. Governor Burgum took out the 1% salary increases proposed by Governor Dalrymple so all the bills that went through either chamber side are all zero and zero. Kristin is showing the reports from IBARS which reflect the governor's recommendation but the salary amounts are out.

**Chairman Pollert:** What about the benefit increase? What does that show?

**Mr. Kinnschtze:** The health insurance increase would need to be adjusted on this report because of the 864.

**Chairman Pollert:** The benefit increase of \$379, what does that consist of?

**Lori Laschkewitsch, OMB:** The benefit increase is the FICA and the Medicare and everything that goes along with that. The health increase in the actual health increase.

**1:00:50 Chairman Pollert:** Do you have a turn-back figure that you have turned in?

**Ms. Lunneborg:** I don't have a figure for you yet. I'm guessing around \$200,000.

**1:01:40 Basic Care Nursing Department**

**1:04:50 Vice Chairman Kreidt:** Do you have PT and OT on staff or do you contract that?

**Ms. Lunneborg:** We contract PT, OT and speech.

**Vice Chairman Kreidt:** What is your nurse coverage? You cover 24hour or just an 8 hour?

**1:05:20 Ms. Lunneborg** reviewed staffing handout (attachment 5).

**Chairman Pollert:** Would the staffing requirements for the Veterans Home be different than the staffing requirements for a regular nursing home?

**Ms. Lunneborg:** Our staffing is different primarily due to VA requirements. There's a lot of things that they require, like the RN 24 hours a day, other places don't have those requirements. It's a hard comparison when you're looking at a resident living specialist because they do all the housekeeping and all the cooking.

**1:10:25 Chairman Pollert:** You have the significant changes in salaries and benefits of \$220,340. Then the spend-down report shows \$149,909. Is that because your spend-down contains the Governor Dalrymple budget? Why is there the difference in the numbers?

**Ms. Lunneborg:** The difference between the \$149,909 and the \$220,340 is the money we need to change the LPN positions RN positions if we need to.

**Chairman Pollert:** How would that explain the difference in the other sections? In the admin. part it was 48,813 and on the spend down it shows 21,748.

**Ms. Lunneborg:** The only thing showing up in column 6 compensation has to do with salary increase or benefit increase.

**Chairman Pollert:** The cost to continue is not in the permanent structure then?

**Lori Laschkewitsch, OMB:** If you think about it as a spreadsheet where you are putting pay plan in, and you're making 2000/month and the second year of a biennium you get 100 increase. So now when they put that into IBARs they've got your salary in there at

21000/month. That's in the permanent salaries, but now it's multiplying it for 24 months for the next biennium, even though you only used it for 12 months this biennium. So it's automatically part of the salary.

**Chairman Pollert:** So the cost to continue is in the permanent and would go to the 2017/19 recommendation whereas the salary increase, benefit increase, health increase, would be the next coming biennium and that's why there's the difference.

**Lori Laschkewitsch, OMB:** That's correct. A couple biennia ago, we created fictitious account codes for you, which you see as salary increase, benefit increase and health increase, those are only used for the budget process. Once the biennium starts and they are coding their salaries, those don't really exist on the accounting system.

**1:17:20 Vice Chairman Kreidt:** Do you do any contract nursing?

**Ms. Lunneborg:** We do not do contract nursing. We have a large amount of temps that we employ. We also offer an incentive wage to our current employees. In order to get that, they cannot call in sick during the month and they have to meet their regular scheduled FTE during the month, we don't just hand them the extra 5 dollars. In 2016, that saved us 186,400 dollars.

**Rep. Holman:** Are your LPNs going to school on-line? So they can continue working?

**Ms. Lunneborg:** The ND State School of Science started a program a number of years ago. We have a number of staff going through them. They work part-time still. It takes a little longer to get their degree but they are able to work through the program.

**Rep. Holman:** Can they take their practicum at your facility?

**Ms. Lunneborg:** We have had a number of them working there.

### **1:20:25 Skilled Care Nursing Department**

**1:23:20 Vice Chairman Kreidt:** Have you thought about having your OT and PT in-house?

**Ms. Lunneborg:** We haven't given a lot of thought to that because there are times when there isn't a lot of PT. The actual physical therapist isn't there near as much as the aids are.

**Vice Chairman Kreidt:** Do you have PT twice a week or something and then the aids the rest of the time?

**Ms. Lunneborg:** We have two staff that are in the therapy all the time to oversee and help out.

**Chairman Pollert:** Where it says fees, professional services, you're bringing these guys in, this 300 thousand, that isn't not just PT, OT, SLP?

**Ms. Lunneborg:** It includes PT, OT, and speech and also includes a contract with Family Medical Clinic. Normally our PT bills range from 2000-11000/month and we in turn bill Medicare part B so we do get some revenue back.

**1:30:35 Chairman Pollert:** You talked about the increase in temporary salaries but the spend-down report doesn't show that?

**Ms. Lunneborg:** If you look at column three, the current biennium appropriation, and then you look at column seven, that's where you're going to see the increase. Temporary increase we are asking for 160 thousand dollars.

**Chairman Pollert:** When you're asking for the increase in professional fees, which we talked about 16.5, why would the temporary salaries show an increase of 160 thousand?

**Ms. Lunneborg:** That's just the way it works in IBARs

**Chairman Pollert:** I bought it up because you said that you were looking for an increase in temporary salaries, thought it would show in the 2017/19 base budget changes.

**Lori Laschkewitsch, OMB:** The payroll is a total different piece. In IBARs it works differently than in operating. When you see the base budget changes in operating, they had to put in a budget change. If they needed that to be a different number, they would need to put in a budget change that explains what they need the change to be and why. In salaries, because you just put in the monthly salaries and then the system compares the total.

**Mr. Kinnischtzke, Legislative Council:** The difference between the cover sheet that Kristin has for each section compared to the IBARs reports, if take the difference, they do add up to the base payroll changes are.

**Ms. Lunneborg:** The increase that we're asking for salaries and wages also includes changing some of those LPNs to RNs if we have to.

**Chairman Pollert:** So that 160 also includes the RNs vs. LPNs?

**Ms. Lunneborg:** That would actually show up in the temp line, in the permanent salaries line.

**1:35:05 Vice Chairman Kreidt:** What is your differential average between your RN and LPN

**Ms. Lunneborg:** We have a schedule that we use. We have a base wage and then for every year of service we give an extra \$0.25 up to twelve years of service. The difference for LPNs is \$3.30 between the low and the high, RNs the difference is \$4.00 between the low and high. Our highest wage is lower than what the meeting wage is for ND long term care.

**Vice Chairman Kreidt:** Do your RNs make 20/hour and LPNs 15/hour?

**Ms. Lunneborg:** There is a difference of \$6.30.

**1:38:25 Activities Department**

**1:41:00 Social Services Department**

**1:44:15 House Keeping Department**

**Rep. Nelson:** Is this based off the base budget?

**Chairman Pollert:** This is based off the Governor Dalrymple budget, but the zero and zero is in, the health insurance

**Rep. Nelson:** The allocation for the nurses. The budget in nursing, does that show the allotment that was taken?

**Ms. Lunneborg:** We had the two allotments. We went to the emergency commission to get some of that back. The 2015/17 budget is as it is now. What I have listed does not include the salary increase.

**Rep. Nelson:** The restoration that took place with the emergency commission, did that get you back to whole?

**Ms. Lunneborg:** I think we took a cut of 135 thousand to operating.

**Rep. Nelson:** How does that \$130,000 show in your budget? Is it acknowledged or do we start from there?

**Ms. Lunneborg:** Everything I've prepared shows what our current budget is minus the 135 thousand.

**1:50:20 Laundry Department**

**1:53:05 Pharmacy Department**

**Chairman Pollert:** If you have someone who is not a veteran are they able to use this pharmacy?

**Ms. Lunneborg:** No, they are not allowed to. They need to purchase their medications.

**Chairman Pollert:** On the spend-down report for the 2015/17 it looks like you going to expend 650 and you're asking for 900 thousand, you've got less residents or do you see an increase there?

**Ms. Lunneborg:** There are a couple things that play into that. Yes, our census is lower on basic care currently. There will be about 150 thousand turn back in the pharmacy. It fluctuates with the residents we have because of the difference in costs of different meds. It's hard to anticipate what you're going to need for medications in the biennium.

**Chairman Pollert:** Are those federal dollars or is it a mix?

**Ms. Lunneborg:** The majority of money we use to pay for it is special funds.

**1:58:15 Rep. Nelson:** Does your pharmacist have the ability to fill prescriptions for veterans who are not residents?

**Ms. Lunneborg:** No, we do not do that.

**Rep. Nelson:** Does the VA buy their scripts off the same contract that you do?

**Ms. Lunneborg:** Actually, we piggy-back off of their contract so we can get the same discount.

**Rep. Nelson:** With the resident that has \$4,000 a month for prescriptions, what kind of condition is that?

**Ms. Lunneborg:** Sometimes we get cancer patients in and we're seeing certain medications that are costing us a lot of money.

**2:02:20 Melvin Norgard Fund** (see attachment6)

**Rep. Nelson:** Are the royalties paid quarterly?

**Ms. Lunneborg:** They are paid monthly.

**Rep. Nelson:** So the 2017 numbers include two months.

**Ms. Lunneborg:** The family of Melvin Norgard asked us to sign all of that land back over to them because they felt he was incompetent when he signed his will. They did not feel that we should be able to have the land. We ended up getting an additional 18 acres for mineral rights as well as the cash settlement from the money that had been generated off those mineral rights.

**Supplied additional handouts (attachments 7 and 8)**

**Chairman Pollert:** With that we will close this hearing.

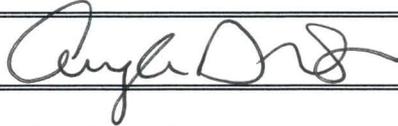
# 2017 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee - Human Resources Division  
Sakakawea Room, State Capitol

SB2007  
3/29/2017  
Job 29787

- Subcommittee  
 Conference Committee

Committee Clerk Signature



## Explanation or reason for introduction of bill/resolution:

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

Minutes:

**Chairman Pollert** called the committee to order.

**Vice Chairman Kreidt** reviewed the proposed amendment 17.0515.02001 and the transfer from operating to capital expenditures the amount of \$7,761 for their bond payments.

**Vice Chairman Kreidt:** I would move .02001.

**Rep. Nelson:** Second.

**Chairman Pollert:** Could you talk about the \$2 million of general funds to special funds?

**Vice Chairman Kreidt:** It adjusts the funding source from the general fund to the veteran's home for a portion of salaries. It was a general fund appropriation of \$2 million and has been moved over to other funds. I believe that was done in the Senate.

**Roll Call Vote: Yes – 6, No – 0, Absent – 0.**

**Vice Chairman Kreidt:** I would further amend with the amendment that \$7,761 be moved from operating to capital expenditures to cover the bond payment. That's a motion.

**Rep. Nelson:** Second.

**Roll Call Vote: Yes – 6, No – 0, Absent – 0.**

**Vice Chairman Kreidt:** I would move a Do Pass as Amended.

**Rep. Nelson:** Second.

**Vice Chairman Kreidt:** I think they came out with a pretty clean budget. The staffing stays the same. On the skilled side, the occupancy is about 98% and running about 70-75% in basic care. I feel they're doing a pretty fair operation.

**Roll Call Vote: Yes – 6, No – 0, Absent – 0. Vice Chairman Kreidt will carry the bill.**

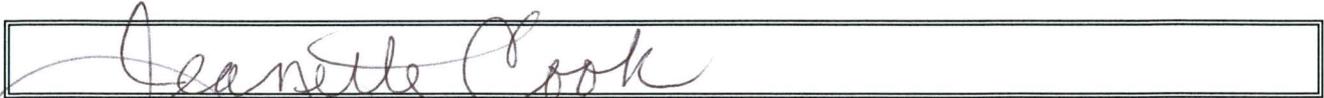
**Chairman Pollert** closed the hearing.

# 2017 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee  
Roughrider Room, State Capitol

SB 2007  
March 30, 2017  
#29837

Subcommittee  
 Conference Committee



## Explanation or reason for introduction of bill/resolution:

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

## Minutes:

**Chairman Delzer:** Let's look at the amendments .02002.

**Representative Kreidt:** You have before you SB 2007, it is the Veterans' Home located at Lisbon, North Dakota. It is a 52 bed skilled care facility and a 98 bed basic care facility. Reviewed 17.0515.02002.

1:22

Section 4 and Section 5, Page 1

**Chairman Delzer:** Do you have the dollar figure on that?

**Representative Kreidt:** Not right in front of me.

**Chairman Delzer:** Did they say what they have to do? Do they still have the lawsuit?

**Representative Kreidt:** It was tearing down the old facility and some cement work where there were problems with the architect. They were withholding some funds, but once that was brought up-to-date, they will go in and pay that off.

**Representative Pollert:** I think the dispute is around \$800,000.

2:46

**Representative Kreidt:** continued on Section 5.

**Chairman Delzer:** Did the Melvin Norgard lawsuit ever get settled?

**Representative Kreidt:** They still is a lawsuit going on. It hasn't been settled.

**Representative Pollert:** The Norgard Fund is bringing in about \$1200 a month.

**Chairman Delzer:** Do they think they can spend that?

**Representative Kreidt:** With the decrease in the oil revenue, the mineral rights, and the litigation going on, it has kind of dried up at this point.

**Chairman Delzer:** The litigation or the revenue?

**Representative Kreidt:** The income from the minerals.

**Chairman Delzer:** Are they setting aside part of the value of the mineral rights to settle the lawsuit?

**Representative Kreidt:** Yes. They do have a lot of special funds that come into the facility.

**Chairman Delzer:** I see they switched quite a bit from general to special funds; how did they do that?

**Representative Kreidt:** I will give you some numbers out the Home Special Fund Reserve. In 2017/2019 they projected special fund revenue of about \$15.5 million dollars. They will be able to maintain the operation of the facility with the special reserve fund. They receive money from grants and contributions, from cash investments, charges for services, health, leases and rents, and misc. transfers.

**Chairman Delzer:** Is this special fund shift something that is going to be able to carry forward, or will we be going back the other way in two years?

**Representative Pollert:** The special funds to general fund is to help with the general fund balance, but they are going to be okay next biennium. After that we will be looking at general funds.

7:20

**Representative Kreidt:** continued on Page 2. With this budget they will be okay through 17/19, but going forward, unless things turn around, and some of the adjustments made through the allotment are put back into the skill side, they will be alright.

**Representative Kreidt:** moved the amendment 17.0515.02002.

**Representative J. Nelson:** seconded the motion.

**Representative Kempenich:** What are the basic rates now?

**Representative Kreidt:** I think the basic care rate is about \$46 per day.

**Chairman Delzer:** How much is skilled care?

**Representative Kreidt:** The average rate overall in North Dakota now is \$255, but they are pushing close to \$300.

**Chairman Delzer:** Is that because partly because they are state employees and partly classified?

**Representative Kreidt:** Yes, and with the new facility they put in a system of care in which the facility is divided into pods. They have living areas which may not be that efficient. That is what the VA wanted them to do when they built it. It helped obtain federal funding. It is more of a community type setting.

**Representative Monson:** You said an attachment for the Bobcat to break-up concrete? Shouldn't they just rent something like that?

**Representative Kreidt:** We had the same discussion.

**Representative J. Nelson:** They have a younger cliental that have a lot of issues. They are a more mobile group, and they are allowed to come and go. There are addiction issues to work with. It is not your normal skilled nursing home with elderly people. They use no contract nursing. They are one of the few facilities that are able to continue to operate without contract nursing. That a very expensive option that other nursing homes use.

**Chairman Delzer:** Do the veterans have a different acuity level to be called skilled?

**Representative J. Nelson:** I don't know if the acuity level is different, but their census is higher because of some of the complicated issues that the veterans have. They do reach the level of nursing home care earlier in life than what we are seeing across the board.

**Representative Brandenburg:** Did you take the Bobcat attachment out?

**Representative Kreidt:** We just reduced the funding, and they can prioritize their needs.

**Representative Schatz:** How many people are there as residents on the average?

**Representative Kreidt:** They have 98 basic care beds and 52 skilled care beds. They are running 98-99% occupancy level on the skilled care, and the basic care is about 70-75% occupancy.

**Chairman Delzer:** They have some ability to fluctuate those if they need to, correct?

**Representative Kreidt:** In the old facility they had 100 basic care beds; they lost two of those with the new building. They had 30+ skilled care, and now that went to 52. In the operation of a skilled nursing facility anything less than 50 beds is not really an efficient operation.

**Chairman Delzer:** Do they have the ability to increase their skilled care?

**Representative Kreidt:** They would have if they go through the bed bank and purchase them. Without the moratorium they could switch the basic care beds to skilled care.

**Chairman Delzer:** In the past when we were looking at this, they were serving some that should have been skilled in basic care.

**Representative Kreidt:** They are not allowed to do that. They do operate as any other skilled care faculty under the case mix system. They don't have a lot of Medicare population there.

**A voice vote was taken on amendment 17.0515.02002. The motion carried.**

**Representative Kreidt: moved a Do Pass as amended on SB 2007.**

**Representative Meier: seconded the motion.**

**A roll call vote was taken: Aye 19 Nay 0 Absent 2. The motion carried.**

**Representative Kreidt: will carry SB 2007.**

**Chairman Delzer:** Hearing adjourned on SB 2007.

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2007

Page 1, line 1, after "home" insert "; and to provide for exemptions"

Page 1, replace lines 10 through 15 with:

"Salaries and wages	\$17,973,934	\$710,556	\$18,684,490
Operating expenses	4,958,742	503,258	5,462,000
Capital assets	<u>273,270</u>	<u>272,272</u>	<u>545,542</u>
Total all funds	\$23,205,946	\$1,486,086	\$24,692,032
Less estimated income	<u>15,077,922</u>	<u>3,662,671</u>	<u>18,740,593</u>
Total general fund	\$8,128,024	(\$2,176,585)	\$5,951,439"

Page 1, after line 16, insert:

**"SECTION 2. HEALTH INSURANCE INCREASES.** The salaries and wages line item in section 1 of this Act includes the sum of \$382,267, of which \$130,374 is from the general fund, for increases in employee health insurance premiums from \$1,130 to \$1,241 per month."

Page 1, remove lines 22 through 24

Page 2, replace lines 1 through 5 with:

"Shop addition	\$126,800	\$0
Irrigation system	83,000	0
Equipment	195,530	44,500
Health information exchange software	0	15,000
Nurse call system upgrade	<u>0</u>	<u>82,500</u>
Total all funds	\$405,330	\$142,000
Less estimated income	<u>405,330</u>	<u>142,000</u>
Total general fund	\$0	\$0"

Page 2, after line 9, insert:

**"SECTION 4. EXEMPTION - VETERANS' HOME CONSTRUCTION PROJECT FUNDING.** The unexpended amount remaining from the appropriation for the veterans' home construction project in chapter 53 of the 2009 Session Laws which was continued into the 2011-13 biennium, the 2013-15 biennium, and the 2015-17 biennium is not subject to the provisions of section 54-44.1-11 at the end of the 2015-17 biennium and may continue into the 2017-19 biennium for paying expenses of the veterans' home construction project.

**SECTION 5. EXEMPTION - SHOP ADDITION PROJECT FUNDING.** The unexpended amount remaining from the appropriation for the veterans' home shop addition project in chapter 38 of the 2013 Session Laws which was continued into the 2015-17 biennium under section 54-44.1-11 and the unexpended amount remaining from the appropriation for the veterans' home shop addition project in chapter 7 of the 2015 Session Laws are not subject to the provisions of section 54-44.1-11 at the end of the 2015-17 biennium and may be continued into the 2017-19 biennium for paying expenses of the veterans' home shop addition project."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

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

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$17,973,934	\$18,714,350	(\$29,860)	\$18,684,490
Operating expenses	4,958,742	5,517,000	(55,000)	5,462,000
Capital assets	273,270	560,542	(15,000)	545,542
Total all funds	\$23,205,946	\$24,791,892	(\$99,860)	\$24,692,032
Less estimated income	15,077,922	18,775,269	(34,676)	18,740,593
General fund	\$8,128,024	\$6,016,623	(\$65,184)	\$5,951,439
FTE	120.72	120.72	0.00	120.72

**Department No. 313 - Veterans' Home - Detail of House Changes**

	Adjusts Funding for Health Insurance Increases <sup>1</sup>	Adjusts Funding for Operating Expenses <sup>2</sup>	Adjusts One-Time Funding for Equipment <sup>3</sup>	Total House Changes
Salaries and wages	(\$29,860)			(\$29,860)
Operating expenses		(55,000)		(55,000)
Capital assets			(15,000)	(15,000)
Total all funds	(\$29,860)	(\$55,000)	(\$15,000)	(\$99,860)
Less estimated income	(19,676)	0	(15,000)	(34,676)
General fund	(\$10,184)	(\$55,000)	\$0	(\$65,184)
FTE	0.00	0.00	0.00	0.00

<sup>1</sup> Funding for employee health insurance is adjusted to reflect the updated premium amount of \$1,241 per month.

<sup>2</sup> Funding for operating expenses is reduced by \$55,000 to provide an appropriation of \$5,462,000. The Senate approved an appropriation of \$5,517,000 for operating expenses.

<sup>3</sup> One-time funding for equipment is reduced by \$15,000, to provide a one-time appropriation for equipment of \$44,500 of special funds. The Senate approved one-time funding from special funds of \$59,500 for equipment.

This amendment also adds sections:

- Identifying the amount of funding included in the bill for the increase in employee health insurance premiums.
- Providing an exemption allowing unspent appropriation authority relating to the Veterans' Home construction project to continue.
- Providing an exemption allowing unspent appropriation authority relating to the shop addition project to continue.

3/31/17 DA  
10F8

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2007

Page 1, line 1, after "home" insert "; and to provide for exemptions"

Page 1, replace lines 10 through 15 with:

"Salaries and wages	\$17,973,934	\$710,556	\$18,684,490
Operating expenses	4,958,742	495,497	5,454,239
Capital assets	<u>273,270</u>	<u>280,033</u>	<u>553,303</u>
Total all funds	\$23,205,946	\$1,486,086	\$24,692,032
Less estimated income	<u>15,077,922</u>	<u>3,662,671</u>	<u>18,740,593</u>
Total general fund	\$8,128,024	(\$2,176,585)	\$5,951,439"

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Total all funds	\$405,330	\$142,000
Less estimated income	<u>405,330</u>	<u>142,000</u>
Total general fund	\$0	\$0"

Page 2, after line 9, insert:

**"SECTION 4. EXEMPTION - VETERANS' HOME CONSTRUCTION PROJECT FUNDING.** The unexpended amount remaining from the appropriation for the veterans' home construction project in chapter 53 of the 2009 Session Laws which was continued into the 2011-13 biennium, the 2013-15 biennium, and the 2015-17 biennium is not subject to the provisions of section 54-44.1-11 at the end of the 2015-17 biennium and may continue into the 2017-19 biennium for paying expenses of the veterans' home construction project.

**SECTION 5. EXEMPTION - SHOP ADDITION PROJECT FUNDING.** The unexpended amount remaining from the appropriation for the veterans' home shop addition project in chapter 38 of the 2013 Session Laws which was continued into the 2015-17 biennium under section 54-44.1-11 and the unexpended amount remaining from the appropriation for the veterans' home shop addition project in chapter 7 of the 2015 Session Laws are not subject to the provisions of section 54-44.1-11 at the end of the 2015-17 biennium and may be continued into the 2017-19 biennium for paying expenses of the veterans' home shop addition project."

3/31/17 DA  
 2082

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

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

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$17,973,934	\$18,714,350	(\$29,860)	\$18,684,490
Operating expenses	4,958,742	5,517,000	(62,761)	5,454,239
Capital assets	273,270	560,542	(7,239)	553,303
Total all funds	\$23,205,946	\$24,791,892	(\$99,860)	\$24,692,032
Less estimated income	15,077,922	18,775,269	(34,676)	18,740,593
General fund	\$8,128,024	\$6,016,623	(\$65,184)	\$5,951,439
FTE	120.72	120.72	0.00	120.72

**Department No. 313 - Veterans' Home - Detail of House Changes**

	Adjusts Funding for Health Insurance Increases <sup>1</sup>	Adjusts Funding for Operating Expenses <sup>2</sup>	Adjusts Funding for Bond Payments <sup>3</sup>	Adjusts One-Time Funding for Equipment <sup>4</sup>	Total House Changes
Salaries and wages	(\$29,860)				(\$29,860)
Operating expenses		(55,000)	(7,761)		(62,761)
Capital assets			7,761	(15,000)	(7,239)
Total all funds	(\$29,860)	(\$55,000)	\$0	(\$15,000)	(\$99,860)
Less estimated income	(19,676)	0	0	(15,000)	(34,676)
General fund	(\$10,184)	(\$55,000)	\$0	\$0	(\$65,184)
FTE	0.00	0.00	0.00	0.00	0.00

<sup>1</sup> Funding for employee health insurance is adjusted to reflect the updated premium amount of \$1,241 per month.

<sup>2</sup> Funding for operating expenses is reduced by \$55,000 to provide a total operating expenses increase of \$495,497 from the base budget. The Senate approved an increase in operating expenses of \$558,258.

<sup>3</sup> Funding of \$7,761 from the soldiers home fund is transferred from the operating expense line item to the capital assets line item to provide funding necessary for bond payments during the 2017-19 biennium.

<sup>4</sup> One-time funding for equipment is reduced by \$15,000, to provide a one-time appropriation for equipment of \$44,500 of special funds. The Senate approved one-time funding from special funds of \$59,500 for equipment.

This amendment also adds sections:

- Identifying the amount of funding included in the bill for the increase in employee health insurance premiums.
- Providing an exemption allowing unspent appropriation authority relating to the Veterans' Home construction project to continue.
- Providing an exemption allowing unspent appropriation authority relating to the shop addition project to continue.



**2017 HOUSE STANDING COMMITTEE  
 ROLL CALL VOTES  
 BILL/RESOLUTION NO. SB2007**

House Appropriations - Human Resources Division Committee

Subcommittee

Amendment LC# or Description: \_\_\_\_\_

Recommendation:  Adopt Amendment  
 Do Pass     Do Not Pass     Without Committee Recommendation  
 As Amended     Rerefer to Appropriations  
 Place on Consent Calendar  
 Other Actions:  Reconsider     \_\_\_\_\_

Motion Made By Vice Chairman Kreidt Seconded By Rep. Nelson

Representatives	Yes	No	Representatives	Yes	No
Chairman Pollert	X		Representative Holman	X	
Vice Chairman Kreidt	X				
Representative Kading	X				
Representative Meier	X				
Representative Nelson	X				

Total (Yes) 6 No 0

Absent 0

Floor Assignment \_\_\_\_\_

If the vote is on an amendment, briefly indicate intent:

Move \$7,761 from operating to capital expenditures to cover the bond payment

**2017 HOUSE STANDING COMMITTEE  
 ROLL CALL VOTES  
 BILL/RESOLUTION NO. SB2007**

House Appropriations - Human Resources Division Committee

Subcommittee

Amendment LC# or Description: \_\_\_\_\_

Recommendation:  Adopt Amendment  
 Do Pass     Do Not Pass     Without Committee Recommendation  
 As Amended     Rerefer to Appropriations  
 Place on Consent Calendar  
 Other Actions:  Reconsider     \_\_\_\_\_

Motion Made By Vice Chairman Kreidt Seconded By Rep. Nelson

Representatives	Yes	No	Representatives	Yes	No
Chairman Pollert	X		Representative Holman	X	
Vice Chairman Kreidt	X				
Representative Kading	X				
Representative Meier	X				
Representative Nelson	X				

Total (Yes) 6 No 0

Absent 0

Floor Assignment Vice Chairman Kreidt

If the vote is on an amendment, briefly indicate intent:

Date: 3/30/2017  
 Roll Call Vote #: 1

**2017 HOUSE STANDING COMMITTEE  
 ROLL CALL VOTES  
 BILL/RESOLUTION NO. SB 2007**

House Appropriations Committee

Subcommittee

Amendment LC# or Description: 17.0515.0202

Recommendation:  Adopt Amendment  
 Do Pass     Do Not Pass     Without Committee Recommendation  
 As Amended     Rerefer to Appropriations  
 Place on Consent Calendar  
 Other Actions:  Reconsider     \_\_\_\_\_

Motion Made By Representative Kreidt    Seconded By Representative J. Nelson

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer					
Representative Kempenich			Representative Streyle		
Representative: Boehning			Representative Vigesaa		
Representative: Brabandt					
Representative Brandenburg					
Representative Kading			Representative Boe		
Representative Kreidt			Representative Delmore		
Representative Martinson			Representative Holman		
Representative Meier					
Representative Monson					
Representative Nathe					
Representative J. Nelson					
Representative Pollert					
Representative Sanford					
Representative Schatz					
Representative Schmidt					

Total (Yes) \_\_\_\_\_ No \_\_\_\_\_

Absent \_\_\_\_\_

Floor Assignment \_\_\_\_\_

If the vote is on an amendment, briefly indicate intent:

**MOTION CARRIES**

Date: 3/30/2017  
 Roll Call Vote #: 2

**2017 HOUSE STANDING COMMITTEE  
 ROLL CALL VOTES  
 BILL/RESOLUTION NO. SB 2007**

House Appropriations Committee

Subcommittee

Amendment LC# or Description: \_\_\_\_\_

Recommendation:  Adopt Amendment  
 Do Pass     Do Not Pass     Without Committee Recommendation  
 As Amended     Rerefer to Appropriations  
 Place on Consent Calendar  
 Other Actions:  Reconsider     \_\_\_\_\_

Motion Made By Representative Kreidt    Seconded By Representative Meier

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer	X				
Representative Kempenich	A		Representative Streyle	X	
Representative: Boehning	X		Representative Vigesaa	X	
Representative: Brabandt	X				
Representative Brandenburg	X				
Representative Kading	A		Representative Boe	X	
Representative Kreidt	X		Representative Delmore	X	
Representative Martinson	X		Representative Holman	X	
Representative Meier	X				
Representative Monson	X				
Representative Nathe	X				
Representative J. Nelson	X				
Representative Pollert	X				
Representative Sanford	X				
Representative Schatz	X				
Representative Schmidt	X				

Total (Yes) 19 No 0

Absent 2

Floor Assignment Representative Kreidt

If the vote is on an amendment, briefly indicate intent:

**MOTION CARRIES**

**REPORT OF STANDING COMMITTEE**

**SB 2007, as engrossed: Appropriations Committee (Rep. Delzer, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (19 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). Engrossed SB 2007 was placed on the Sixth order on the calendar.

Page 1, line 1, after "home" insert "; and to provide for exemptions"

Page 1, replace lines 10 through 15 with:

"Salaries and wages	\$17,973,934	\$710,556	\$18,684,490
Operating expenses	4,958,742	495,497	5,454,239
Capital assets	<u>273,270</u>	<u>280,033</u>	<u>553,303</u>
Total all funds	\$23,205,946	\$1,486,086	\$24,692,032
Less estimated income	<u>15,077,922</u>	<u>3,662,671</u>	<u>18,740,593</u>
Total general fund	\$8,128,024	(\$2,176,585)	\$5,951,439"

Page 1, after line 16, insert:

**"SECTION 2. HEALTH INSURANCE INCREASES.** The salaries and wages line item in section 1 of this Act includes the sum of \$382,267, of which \$130,374 is from the general fund, for increases in employee health insurance premiums from \$1,130 to \$1,241 per month."

Page 1, remove lines 22 through 24

Page 2, replace lines 1 through 5 with:

"Shop addition	\$126,800	\$0
Irrigation system	83,000	0
Equipment	195,530	44,500
Health information exchange software	0	15,000
Nurse call system upgrade	<u>0</u>	<u>82,500</u>
Total all funds	\$405,330	\$142,000
Less estimated income	<u>405,330</u>	<u>142,000</u>
Total general fund	\$0	\$0"

Page 2, after line 9, insert:

**"SECTION 4. EXEMPTION - VETERANS' HOME CONSTRUCTION PROJECT FUNDING.** The unexpended amount remaining from the appropriation for the veterans' home construction project in chapter 53 of the 2009 Session Laws which was continued into the 2011-13 biennium, the 2013-15 biennium, and the 2015-17 biennium is not subject to the provisions of section 54-44.1-11 at the end of the 2015-17 biennium and may continue into the 2017-19 biennium for paying expenses of the veterans' home construction project.

**SECTION 5. EXEMPTION - SHOP ADDITION PROJECT FUNDING.** The unexpended amount remaining from the appropriation for the veterans' home shop addition project in chapter 38 of the 2013 Session Laws which was continued into the 2015-17 biennium under section 54-44.1-11 and the unexpended amount remaining from the appropriation for the veterans' home shop addition project in chapter 7 of the 2015 Session Laws are not subject to the provisions of section 54-44.1-11 at the end of the 2015-17 biennium and may be continued into the 2017-19 biennium for paying expenses of the veterans' home shop addition project."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

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

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$17,973,934	\$18,714,350	(\$29,860)	\$18,684,490
Operating expenses	4,958,742	5,517,000	(62,761)	5,454,239
Capital assets	273,270	560,542	(7,239)	553,303
Total all funds	\$23,205,946	\$24,791,892	(\$99,860)	\$24,692,032
Less estimated income	15,077,922	18,775,269	(34,676)	18,740,593
General fund	\$8,128,024	\$6,016,623	(\$65,184)	\$5,951,439
FTE	120.72	120.72	0.00	120.72

**Department No. 313 - Veterans' Home - Detail of House Changes**

	Adjusts Funding for Health Insurance Increases <sup>1</sup>	Adjusts Funding for Operating Expenses <sup>2</sup>	Adjusts Funding for Bond Payments <sup>3</sup>	Adjusts One-Time Funding for Equipment <sup>4</sup>	Total House Changes
Salaries and wages	(\$29,860)				(\$29,860)
Operating expenses		(55,000)	(7,761)		(62,761)
Capital assets			7,761	(15,000)	(7,239)
Total all funds	(\$29,860)	(\$55,000)	\$0	(\$15,000)	(\$99,860)
Less estimated income	(19,676)	0	0	(15,000)	(34,676)
General fund	(\$10,184)	(\$55,000)	\$0	\$0	(\$65,184)
FTE	0.00	0.00	0.00	0.00	0.00

<sup>1</sup> Funding for employee health insurance is adjusted to reflect the updated premium amount of \$1,241 per month.

<sup>2</sup> Funding for operating expenses is reduced by \$55,000 to provide a total operating expenses increase of \$495,497 from the base budget. The Senate approved an increase in operating expenses of \$558,258.

<sup>3</sup> Funding of \$7,761 from the soldiers home fund is transferred from the operating expense line item to the capital assets line item to provide funding necessary for bond payments during the 2017-19 biennium.

<sup>4</sup> One-time funding for equipment is reduced by \$15,000, to provide a one-time appropriation for equipment of \$44,500 of special funds. The Senate approved one-time funding from special funds of \$59,500 for equipment.

This amendment also adds sections:

- Identifying the amount of funding included in the bill for the increase in employee health insurance premiums.
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- Providing an exemption allowing unspent appropriation authority relating to the shop addition project to continue.

**2017 TESTIMONY**

**SB 2007**

**Department 313 - Veterans' Home**  
**Senate Bill Nos. 2007 and 2067**

**Executive Budget Comparison to Prior Biennium Appropriations**

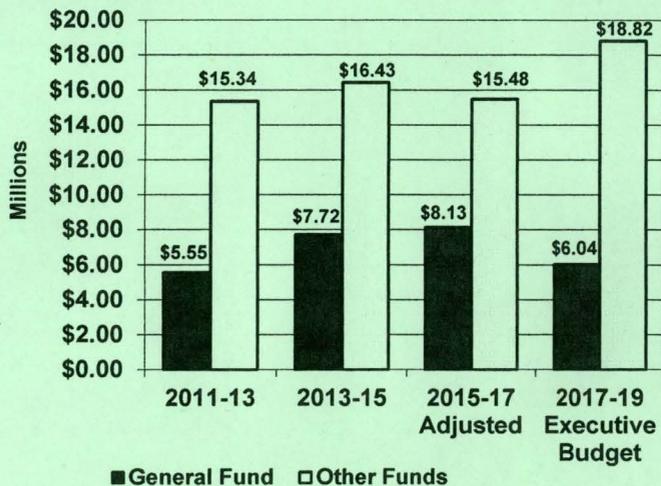
	FTE Positions	General Fund	Other Funds	Total
2017-19 Executive Budget	120.72	\$6,037,327	\$18,815,270	\$24,852,597
2015-17 Adjusted Legislative Appropriations <sup>1</sup>	120.72	8,128,024	15,483,252	23,611,276
Increase (Decrease)	0.00	(\$2,090,697)	\$3,332,018	\$1,241,321

<sup>1</sup>The 2015-17 biennium agency appropriation amounts reflect general fund budget reductions made in August 2016, but do not include additional special funds authority of \$360,000 resulting from Emergency Commission action during the 2015-17 biennium.

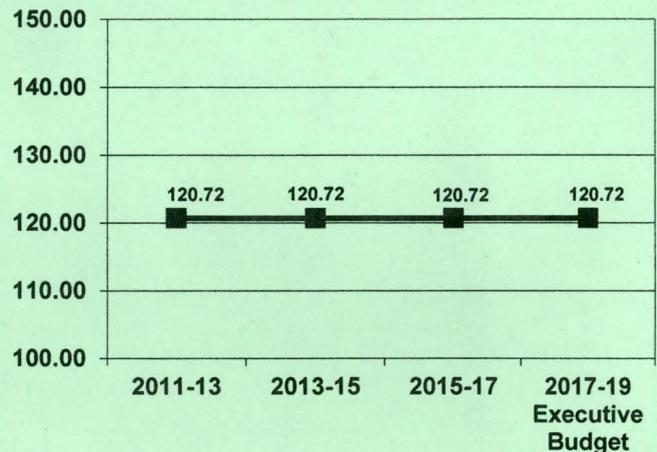
**Ongoing and One-Time General Fund Appropriations**

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2017-19 Executive Budget	\$6,037,327	\$0	\$6,037,327
2015-17 Adjusted Legislative Appropriations	8,128,024	0	8,128,024
Increase (Decrease)	(\$2,090,697)	\$0	(\$2,090,697)

**Agency Funding**



**FTE Positions**



**Executive Budget Comparison to Base Level**

	General Fund	Other Funds	Total
2017-19 Executive Budget	\$6,037,327	\$18,815,270	\$24,852,597
2017-19 Base Level	8,128,024	15,077,922	23,205,946
Increase (Decrease)	(\$2,090,697)	\$3,737,348	\$1,646,651

**Executive Budget Highlights**

	General Fund	Other Funds	Total
1. Adds funding for state employee salary and benefit increases, of which \$60,705 is for salary increases and \$412,127 is for health insurance increases	\$161,262	\$311,570	\$472,832
2. Base payroll changes	(\$817,227)	\$1,145,516	\$328,289
3. Adjusts the funding source from the general fund to the soliders home fund for a portion for salaries and wages	(\$2,000,000)	\$2,000,000	
4. Increases funding for bond and interest payments on the Veterans' Home		\$123,472	\$123,472
5. Increases funding for operating expenses, including medical, dental, and optical expenses, utilities, repairs, and professional services	\$565,268	(\$7,010)	\$558,258
6. Adds funding for a hydraulic breaker		\$6,800	\$6,800

7. Adds one-time funding for health information exchange software	\$15,000	\$15,000
8. Adds one-time funding for equipment, including a walk-behind scrubber, tow-behind lift, oxbow pump, and lawnmowers	\$59,500	\$59,500
9. Adds one-time funding for a nurse call system upgrade	\$82,500	\$82,500

**Other Bill Sections Recommended to be Added in the Executive Budget  
(As Detailed in Senate Bill No. 2067)**

There are no other sections for this agency.

**Continuing Appropriations**

**Custodial funds** - North Dakota Century Code Section 37-15-21 - The Veterans' Home may accept gifts, donations, or bequests. Any money received must be used for the specific purposes as designated by the donor or grantor.

**Significant Audit Findings**

There are no significant audit findings for this agency.

**Major Related Legislation**

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

**Veterans' Home - Budget No. 313**  
**Senate Bill Nos. 2007 and 2067**  
**Base Level Funding Changes**

**Executive Budget Recommendation**

	<b>FTE Position</b>	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
<b>2017-19 Biennium Base Level</b>	120.72	\$8,128,024	\$15,077,922	\$23,205,946
<b>2017-19 Ongoing Funding Changes</b>				
Base payroll changes		(\$817,227)	\$1,145,516	\$328,289
Salary increase - Performance		20,704	40,001	60,705
Health insurance increase		140,558	271,569	412,127
Adjusts the funding source for salaries and wages		(2,000,000)	2,000,000	0
Adjusts funding for bond payments			123,472	123,472
Increases funding for operating expenses		565,268	(7,010)	558,258
Adds funding for a hydraulic breaker			6,800	6,800
<b>Total ongoing funding changes</b>	<b>0.00</b>	<b>(\$2,090,697)</b>	<b>\$3,580,348</b>	<b>\$1,489,651</b>
<b>One-time funding items</b>				
Adds funding for health information exchange software			\$15,000	\$15,000
Adds funding for equipment			59,500	59,500
Adds funding for a nurse call system upgrade			82,500	82,500
<b>Total one-time funding changes</b>	<b>0.00</b>	<b>\$0</b>	<b>\$157,000</b>	<b>\$157,000</b>
<b>Total Changes to Base Level Funding</b>	<b>0.00</b>	<b>(\$2,090,697)</b>	<b>\$3,737,348</b>	<b>\$1,646,651</b>
<b>2017-19 Total Funding</b>	<b>120.72</b>	<b>\$6,037,327</b>	<b>\$18,815,270</b>	<b>\$24,852,597</b>

**Other Sections in Veterans' Home - Budget No. 313**

**Executive Budget Recommendation**

No other sections for this agency.

## Department 313 - Veterans' Home

## Appropriations Comparisons to the Original and Adjusted Base Budgets

### General Fund Appropriations Adjustments (As a result of the August 2016 General Fund Budget Reductions)

	Ongoing	One-Time	Total
2015-17 original general fund appropriations	\$8,566,895	\$130,830	\$8,697,725
General fund reductions	(438,871)	(130,830)	(569,701)
Adjusted 2015-17 appropriations	\$8,128,024	\$0	\$8,128,024
Executive Budget changes	(2,090,697)	0	(2,090,697)
2017-19 Executive Budget	\$6,037,327	\$0	\$6,037,327

### Summary of August 2016 General Fund Budget Reductions

	Ongoing	One-Time	Total
Reduced operating expenses due to lower than anticipated basic care census	(\$352,258)	\$0	(\$352,258)
Reduced capital assets, including one-time funding for ceiling lift equipment	(86,613)	(130,830)	(217,443)
Total reductions	(\$438,871)	(\$130,830)	(\$569,701)
Percentage reduction to ongoing and one-time general fund appropriations	5.12%	100.00%	6.55%

### 2017-19 Executive Budget Changes to the Original and Adjusted Base Budgets

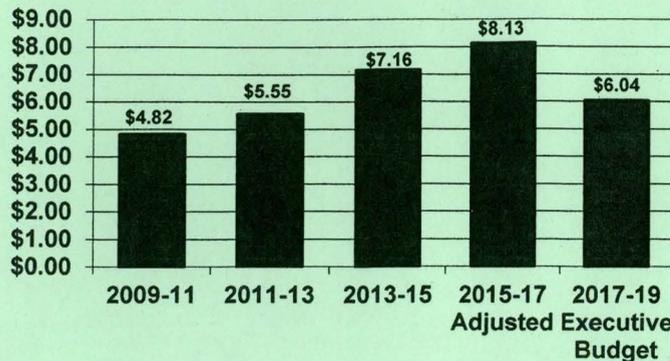
	Changes to Original Budget	Budget Reduction Adjustments	Changes to Adjusted Budget
Adds funding for recommended salary and benefit increases	\$161,262	\$0	\$161,262
Base payroll changes	(817,227)		(817,227)
Adjusts the funding source for a portion of salaries and wages	(2,000,000)		(2,000,000)
Increases funding for operating expenses, including medical, dental, and optical expenses, utilities, repairs, and professional services	126,397	438,871	565,268
Total	(\$2,529,568)	\$438,871	(\$2,090,697)

Department 313 - Veterans' Home

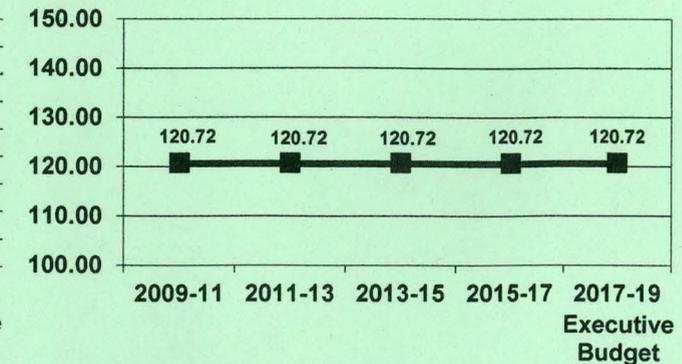
## Historical Appropriations Information

### Ongoing General Fund Appropriations Since 2009-11

Agency Funding (in Millions)



FTE Positions



Ongoing General Fund Appropriations					
	2009-11	2011-13	2013-15	2015-17 Adjusted	2017-19 Executive Budget
Ongoing general fund appropriations	\$4,816,589	\$5,553,323	\$7,161,853	\$8,128,024	\$6,037,327
Increase (decrease) from previous biennium	N/A	\$736,734	\$1,608,530	\$966,171	(\$2,090,697)
Percentage increase (decrease) from previous biennium	N/A	15.3%	29.0%	13.5%	(25.7%)
Cumulative percentage increase (decrease) from 2009-11 biennium	N/A	15.3%	48.7%	68.8%	25.3%

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

#### 2011-13 Biennium

- Adjusted funding for various operating expenses due to an increase in the number of residents in the new Veterans' Home facility. This adjustment decreased funding from the general fund and increased funding from special funds. (\$148,544)

#### 2013-15 Biennium

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

#### 2015-17 Biennium

- Adjusted operating expenses by increasing funding from the general fund (\$103,375) and decreasing funding from special funds (\$206,225) \$103,375

#### 2017-19 Biennium (Executive Budget Recommendation)

- Adjusts the funding source for a portion of salaries and wages (\$2,000,000)
- Increases funding for operating expenses, including medical, dental, and optical expenses, utilities, repairs, and professional services \$565,268

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2067 #1 p1

TESTIMONY ON SB 2007  
SENATE APPROPRIATIONS COMMITTEE  
THURSDAY, JANUARY 6, 2017

Chairman Holmberg and members of the Senate Appropriations Committee, I am Kristin Lunneborg, CFO at the North Dakota Veterans Home. I am here today to discuss with you the status of our current budget and our 2017-2019 budget needs.

2015 – 2017 Budget Appropriation

The original appropriation for the 2015 – 2017 biennium included \$17,504,980 for salaries and wages, \$5,311,000 for operating expenses and \$896,043 for capital items. Changes to our original appropriation include \$468,964 in equity money for our nursing department, \$1,147,327 in carryover funds and \$569,701 in general fund budget reductions and emergency commission approval for \$360,000 in special fund appropriation authority.

We were fortunate enough to receive \$468,954 in equity money for the nursing department this biennium to help with the recruitment and retention of staff. The total we received was calculated by taking the average salary in the nursing department by five percent and then multiply that number by the number of FTE employees we have. When we met with members of HRMS in the beginning of the biennium they were encouraging us to give all employees in the nursing department a five percent raise. The problem with the calculation is that it didn't take into account that we have almost as many temporary employees as we do FTE employees and if we raise FTE wages we need to raise temporary employee wages in order to retain them. Staffing in a 24/7 facility makes it almost impossible to calculate the true impact of a wage increase because it is not like an 8 to 5 office job. We have FTE staff that pick up open shifts on the floor so they work more hours than their FTE, we have no idea how many hours temporary staff will be needed and we cannot predict the amount of overtime that will be needed. We knew we could not give staff a five percent increase straight across the board so we looked at the positions that are harder to fill and gave them a higher percentage and the positions that are easier to fill a lower percentage increase. The increases given cost us more than we

anticipated so we had to look at ways to bring our salaries and wages back into budget. We delayed the July 1<sup>st</sup> pay increases, gave lower pay increases than budgeted and we did not fill a few non-critical positions.

Since our census is lower than what was projected for our 2015-2017 budget we felt we could take the first 4.05% budget allotment of \$352,258 from our appropriation for operating expenses. Based upon past experience we figured with a lower census we should not need all the money budgeted for food, medications, medical supplies and professional services. There are not many areas where we can cut our budget as we have federal and state regulations that govern the care we must provide to our residents and non-compliance with the Department of Veterans Affairs federal regulations could result in loss of our federal funding. What we did not anticipate or budget for were the large increases we experienced for utilities, repairs and maintenance supplies. Since our anticipated savings in expenses was being used up by the increased expenses we were experiencing in our maintenance budget we submitted a request to the emergency commission in September 2016 to get \$225,000 in additional special fund authority for our operating line. Our request was granted.

Our capital budget for the biennium included funding for a new roof on the Administrator's house, ceiling lifts for resident rooms in the nursing home, bond and interest payments, completion of our irrigation system, a few pieces of equipment and increased funding for the resident workshop. To date the work has been completed on the Administrator's roof, several of the equipment items have been purchased and work is progressing on the ceiling lifts and workshop.

When the second budget allotment of \$217,443 was announced we knew we could not cut operating expenses any further so we looked at items that did not directly affect resident care. It was decided that the irrigation system was not critical at this time and if forced we could get by with installing half of the ceiling lifts in patient rooms. When we made the emergency commission request in September we also requested \$135,000 in special fund appropriation

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2067

#1 p3

authority for capital assets so we could install all of the ceiling lifts at the same time. This request was also granted.

Our carryover funds included \$234,679 relating to the construction of the new Veterans Home, \$788,200 in carryover funds for the resident workshop and \$124,448 for demolition of the old Veterans Home. The \$234,679 is money we withheld from the final payment to Comstock Construction for construction of the new Veterans Home. We are still in litigation with Comstock Construction as their attorney has had the trial date pushed back several times. We are currently scheduled to go to court in August 2017.

Since we could not meet the stipulations set in the 2013-2015 biennium which allowed us to construct a resident workshop when "the balance in the Melvin Norgard fund is sufficient to cover all costs of the project" we requested a funding source change for the 2015-2017 biennium. Funding was changed allowing us to construct the workshop with funds from the Melvin Norgard fund and Veterans Home special funds. Project bids came in higher than anticipated so the project was value engineered to fit within budget. In August 2016, contracts were awarded to T.F. Powers Construction, Midwest Mechanical and Grotberg Electric for the construction of the workshop. They are currently working on erecting the steel beams and will soon be closing in the area. The expected completion date is June 30, 2017.

The carryover of \$124,448 for the demolition of the old facility was quickly spent as RTS Shearing completed the project in July 2015. The project was scheduled to be completed the end of May but asbestos issues pushed the completion date back.

Unlike most other state agencies we received a third cut from the general fund allotments in the form of a decrease in revenue. The allotment cuts to the Department of Human Services resulted in a decrease to the case mix rates that became effective January 1, 2017. The estimated loss in revenue to the Veterans Home for the remainder of the biennium is \$113,294. The loss in revenue will not have any impact during the current biennium since it only covers six

months and our other revenues are ahead of projections. Knowing we would need to generate more revenue to sustain our budget in the future, the Veterans Home governing board did make a change to our rent policy effective October 1<sup>st</sup>, 2016, that increased rates for basic care. Basic care rents are based on income so the rate increases are not large but they will help.

#### 2017-2019 Budget Needs & One-time spending needs

In sitting down to prepare our budget for the 2017-2019 biennium we struggled with how we could cut expenses to meet the Governor's 90 percent budget request. It is very difficult to cut our budget since we are a service industry and the majority of our expenses relate to labor and resident care. As I mentioned earlier in my testimony, we have very stringent state and federal regulations that we have to meet. It is near impossible to cut staff as there are regulations that govern facility staffing. Operating expenses are also difficult to cut since they relate to the operation of the facility and direct care expenses such as food, medical supplies, medications, and medical care. In order to not affect resident care we chose to make our budget reductions to the only area we can at this time which is extraordinary repairs. The majority of our campus was constructed six to seven years ago and doesn't require any maintenance at this time; all other projects can be put on hold for this biennium.

Attached is a spreadsheet that summarizes the changes to our 2015-2017 biennium appropriation as well as a comparison between the adjusted legislative appropriation and the Governor's recommendations.

Looking at the comparison of our adjusted legislative appropriation versus the Governor's recommended budget you will see a payroll increase of \$801,121. State employee salary and benefit increases make up \$472,832 of the increase. The remaining increase is the cost to carry the current salaries forward for the 2017-2019 biennium as well as increases for temporary wages and funding to switch some positions from Licensed Practical Nurses (LPN) to Registered Nurses (RN). As I discussed earlier in my presentation, the equity money given for the salary

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increases for the nursing department was calculated based upon the number of FTE employees in the nursing department and did not include our temporary staff that are not in benefit positions. We did not give the recommended percentage increases to the FTE staff as we felt we needed to include our temporary staff in the increase in order to retain them. Temporary staff are a HUGE benefit to us as they pick up shifts on the nursing floor that are open and they cost us less than a third of what a staffing agency would charge. During the fiscal year 2015 temporary staff picked up 15,447 hours and in 2016 they picked up 20,501 hours. If these hours would have been paid to a contract nursing agency we would have paid over \$1.5 million. Our temporary staff have allowed us to be one of very few facilities that does not have contract nursing staff.

Included in the salaries and wages is additional funding that would allow us to switch our LPN positions to RN positions if needed. LPN positions in our area are very hard to fill as most individuals going into the nursing field get their RN degree rather than an LPN degree. Currently in the state of North Dakota, there are 13,846 licensed RNs and only 3,276 licensed LPNs; that means only 1 in 5 nurses is an LPN. Recruitment for LPNs is very difficult given the limited number of individuals that are licensed and the location of our facility. We live in an area that has several nursing homes, a hospital and many medical clinics where LPNs are in high demand. We employ many individuals that are going to school to get their RN nursing licenses and upon completion of their education we lose them as we only have LPN positions available that we cannot fill. We currently have a few RNs working in LPN positions already as the LPN positions were open for so long that we finally had to hire an RN into the position so we could keep the building staffed. These positions would only be switched to RN positions if we could not find a qualified LPN.

The difference between the adjusted legislative appropriation and the Governor's recommendation for operating expenses is \$558,258 but it is only \$333,258 above our current appropriation. The majority of the increase to our operating budget can be attributed to the maintenance department. As I explained earlier, we have seen dramatic increases in our costs

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for utilities, repairs and maintenance supplies. The majority of the increase in utility costs can be attributed to federal regulations that are being passed onto the consumer. The increased fees are for the transmission cost recovery rider and the EPA's environmental cost recovery rider and reagents and emission allowance adjustment charge. These additional charges add around \$3,000 per month to our bill. From June 2014 to June 2016 these charges amounted to a \$60,000 increase.

Since all of our equipment is no longer covered under warranty and has been in operation for several years we are experiencing an increase in costs to fix these items. Our budget for repairs, which is the cost to have professionals do the repair work, was actually over budget last biennium by \$32,000 and our budget for supplies, which is the cost to purchase the parts so we can fix the item, was over budget by \$87,000. The budget was based on prior biennium budget numbers that were low as the building was relatively new and most equipment was covered under warranty. At the time our budget was prepared for the 2015-2017 biennium we were close to budgeted numbers and did not anticipate the large increase. Since budgets for the next biennium are prepared one year into the current biennium any unforeseen big changes to expenses can take three years to correct in the budget.

The decrease in capital expenses between last biennium and the 2017-2019 budget is because we did not budget for any extraordinary repairs due to the Governor's 90 percent budget request. The capital expenses we did budget for include:

- \$396,742 for Bond & Interest payments on the \$2.9 million in bonds taken out for construction of the new Veterans Home
- \$82,500 in one-time funding for a Nurse call system update that will allow two-way communication between staff
- \$15,000 in one-time funding for the addition of Health Information Exchange Software for our electronic medical records. This would allow us and other medical providers' electronic access to a patient's medical records improving the quality of care.

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- \$66,300 in one-time funding for equipment over \$5,000. This includes a floor scrubber, a tow behind manlift, two lawnmowers, an oxbow pump to prevent flooding and a hydraulic breaker for breaking up concrete and rock.

There are two differences between the Governor's recommended budget and our requested budget. The first difference is an increase of \$472,832 in salaries and wages to cover the increased cost for state employee benefits and the recommended pay increase. The second difference is a change in funding sources. We originally submitted our budget requesting \$7,876,068 in general funds and the Governor's recommended budget appropriates \$6,037,327, a reduction of \$1,838,741. We did have a large amount of carryover in our special funds this biennium so we are not requesting any changes at this time.

**Comparison of Veterans Home 2017-2019 Requested Budget to Governor's Recommendation**

	<b>2017-2019 Budget Request</b>	<b>2017-2019 Governor's Recommendation</b>	<b>Difference between Budget Request and Current Appn less carryover</b>
<b>Expenditures by Line Item</b>			
31310 Salaries and Wages	18,302,223.00	18,775,055.00	472,832.00
31330 Operating Expenses	5,517,000.00	5,517,000.00	0.00
31350 Capital Assets	560,542.00	560,542.00	0.00
31351 Construction Carryover	0.00	0.00	0.00
31355 New Veterans' Home	0.00	0.00	0.00
<b>Total Expenditures</b>	<b>24,379,765.00</b>	<b>24,852,597.00</b>	<b>472,832.00</b>
<b>Expenditures by Funding Source</b>			
General Funds	7,876,068.00	6,037,327.00	-1,838,741.00
Special Funds	16,503,697.00	18,815,270.00	2,311,573.00
<b>Total Expenditures by Source</b>	<b>24,379,765.00</b>	<b>24,852,597.00</b>	<b>472,832.00</b>

As I touched on earlier in my presentation general fund cuts to the Department of Human Services are also having an impact on our budget in the form of revenue. As of January 1, 2017, our daily case mix rates were decreased by \$6.11. We are a 52 bed facility so a cut of \$6.11 per day per bed equates to a decrease of \$317.72 per day or \$231,936 per biennium. Typically these rates increase on January 1<sup>st</sup> of each year. Taking into consideration the normal rate

increase, North Dakota Long Term Care estimated a loss of \$226,587 for the Veterans Home for 2017.

In closing, we did not request any optional items for the 2017-2019 biennium and we support the Governor's recommended budget for the Veterans Home so we are not requesting any changes. However, it needs to be noted that although we were able to cut our general fund appropriation for the 2017-2019 biennium by \$2 million we will not be able to sustain this cut in future bienniums. The only reason we were able to cut our general fund appropriation by this amount now is because of the large amount of carryover we had. The loss of revenue due to the reduction of case mix rates and the fact that we will need to request extraordinary repairs in the future means that we will deplete the reserves we have in our special fund and we will need to increase our general fund appropriation. We are glad we can make this change for the current biennium but fearful that we will not be able to increase our general fund appropriation in the future when we deplete our special fund reserves.

There is only one item that we need to request for the 2017-2019 biennium that is not covered in our budget request. We may need a section added to our bill allowing us to carryover funding into the 2017-2019 biennium for the resident workshop and the new veterans home. If we are unable to reach a settlement with Comstock Construction before the end of legislative session we will need to make sure we have legislation in place to carryover the funds into the 2017-2019 biennium if needed. Since we carried over funding for the resident workshop into the 2015-2017 biennium we would also need to add wording allowing us to carryover these funds in case the contractors are unable to complete the project by June 30, 2017.

We hope that you will support our 2017-2019 budget request and help us to provide the care that our veterans deserve.

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

1-6-17

2015-2017 Veterans Home Budget Changes and Comparison to Governor's Recommendation

681 # 1,000 95

	Original Appropriation	Nursing Equity	1st Budget Allotment	2nd Budget Allotment	Adjusted Legislative Appropriation	Carryover from 2013-2015	Emergency Commission	Current Appropriation
<b>Expenditures by Line Item</b>								
31310 Salaries and Wages	17,504,980.00	468,954.00			17,973,934.00			17,973,934.00
31330 Operating Expenses	5,311,000.00		-352,258.00		4,958,742.00		225,000.00	5,183,742.00
31350 Capital Assets	896,043.00			-217,443.00	678,600.00		135,000.00	813,600.00
31351 Construction Carryover	0.00				0.00	912,648.25		912,648.26
31355 New Veterans' Home	0.00				0.00	234,679.41		234,679.41
<b>Total Expenditures</b>	<b>23,712,023.00</b>	<b>468,954.00</b>	<b>-352,258.00</b>	<b>-217,443.00</b>	<b>23,611,276.00</b>	<b>1,147,327.66</b>	<b>360,000.00</b>	<b>25,118,603.67</b>

<b>Expenditures by Funding Source</b>								
General Funds	8,697,725.00		-352,258.00	-217,443.00	8,128,024.00	234,679.41		8,362,703.41
Special Funds	15,014,298.00	468,954.00			15,483,252.00	912,648.25	360,000.00	16,755,900.26
<b>Total Expenditures by Source</b>	<b>23,712,023.00</b>	<b>468,954.00</b>	<b>-352,258.00</b>	<b>-217,443.00</b>	<b>23,611,276.00</b>	<b>1,147,327.66</b>	<b>360,000.00</b>	<b>25,118,603.67</b>

	Adjusted Legislative Appropriation	2017-2019 Budget Request	2017-2019 Governor's Recommendation	Difference between Adjusted Appropriation and Governors Recommended
<b>Expenditures by Line Item</b>				
31310 Salaries and Wages	17,973,934.00	18,302,223.00	18,775,055.00	801,121.00
31330 Operating Expenses	4,958,742.00	5,517,000.00	5,517,000.00	558,258.00
31350 Capital Assets	678,600.00	560,542.00	560,542.00	-118,058.00
31351 Construction Carryover	0.00	0.00	0.00	0.00
31355 New Veterans' Home	0.00	0.00	0.00	0.00
<b>Total Expenditures</b>	<b>23,611,276.00</b>	<b>24,379,765.00</b>	<b>24,852,597.00</b>	<b>1,241,321.00</b>

<b>Expenditures by Funding Source</b>				
General Funds	8,128,024.00	7,876,068.00	6,037,327.00	-2,090,697.00
Special Funds	15,483,252.00	16,503,697.00	18,815,270.00	3,332,018.00
<b>Total Expenditures by Source</b>	<b>23,611,276.00</b>	<b>24,379,765.00</b>	<b>24,852,597.00</b>	<b>1,241,321.00</b>

**Veterans' Home - Budget No. 313**  
**Senate Bill No. 2007**  
**Base Level Funding Changes**

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 1-27-2017  
 #1

	Burgum Executive Budget Recommendation (Changes to Dalrymple Budget in Bold)				Senate Version				Senate Changes to Executive Budget Increase (Decrease) - Executive Budget			
	FTE Position	General Fund	Other Funds	Total	FTE Position	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
<b>2017-19 Biennium Base Level</b>	120.72	\$8,128,024	\$15,077,922	\$23,205,946	120.72	\$8,128,024	\$15,077,922	\$23,205,946	0.00	\$0	\$0	\$0
<b>2017-19 Ongoing Funding Changes</b>												
Base payroll changes		(\$817,227)	\$1,145,516	\$328,289				\$0		\$817,227	(\$1,145,516)	(\$328,289)
<b>Salary increase - Performance</b>				0				0				0
Health insurance increase		140,558	271,569	412,127				0		(140,558)	(271,569)	(412,127)
<b>Employee portion of health insurance</b>		<b>(73,633)</b>	<b>(142,263)</b>	<b>(215,896)</b>				0		73,633	142,263	215,896
Adjusts the funding source for salaries and wages		(2,000,000)	2,000,000	0				0		2,000,000	(2,000,000)	0
Adjusts funding for bond payments			123,472	123,472				0			(123,472)	(123,472)
Increases funding for operating expenses		565,268	(7,010)	558,258				0		(565,268)	7,010	(558,258)
Adds funding for a hydraulic breaker			6,800	6,800				0			(6,800)	(6,800)
Total ongoing funding changes	0.00	(\$2,185,034)	\$3,398,084	\$1,213,050	0.00	\$0	\$0	\$0	0.00	\$2,185,034	(\$3,398,084)	(\$1,213,050)
<b>One-time funding items</b>												
Adds funding for health information exchange software			\$15,000	\$15,000				\$0			(\$15,000)	(\$15,000)
Adds funding for equipment			59,500	59,500				0			(59,500)	(59,500)
Adds funding for a nurse call system upgrade			82,500	82,500				0			(82,500)	(82,500)
Total one-time funding changes	0.00	\$0	\$157,000	\$157,000	0.00	\$0	\$0	\$0	0.00	\$0	(\$157,000)	(\$157,000)
<b>Total Changes to Base Level Funding</b>	0.00	(\$2,185,034)	\$3,555,084	\$1,370,050	0.00	\$0	\$0	\$0	0.00	\$2,185,034	(\$3,555,084)	(\$1,370,050)
<b>2017-19 Total Funding</b>	120.72	\$5,942,990	\$18,633,006	\$24,575,996	120.72	\$8,128,024	\$15,077,922	\$23,205,946	0.00	\$2,185,034	(\$3,555,084)	(\$1,370,050)
										36.8%	(19.1%)	(5.6%)

**Other Sections in Veterans' Home - Budget No. 313**

Burgum Executive Budget Recommendation  
(Changes to Dalrymple Budget in Bold)

No other sections for this agency.

Senate Version



*SB 2007*  
*2-13-17*  
*#1*

PROPOSED AMENDMENTS TO SENATE BILL NO. 2007

Page 1, replace lines 10 through 16 with:

"Salaries and wages	\$17,973,934	\$740,416	\$18,714,350
Operating expenses	4,958,742	558,258	5,517,000
Capital assets	<u>273,270</u>	<u>287,272</u>	<u>560,542</u>
Total all funds	\$23,205,946	\$1,585,946	\$24,791,892
Less estimated income	<u>15,077,922</u>	<u>3,697,347</u>	<u>18,775,269</u>
Total general fund	\$8,128,024	(\$2,111,401)	\$6,016,623
Full-time equivalent positions	120.72	0.00	120.72"

Page 1, line 17, after "FUNDING" insert "- EFFECT ON BASE BUDGET - REPORT TO SIXTY-SIXTH LEGISLATIVE ASSEMBLY"

Page 1, line 18, after "biennium" insert "and the 2017-19 one-time funding items included in section 1 of this Act"

Page 1, remove lines 20 through 23

Page 2, replace lines 1 and 2 with:

"Shop addition	\$126,800	\$0
Irrigation system	83,000	0
Equipment	195,530	59,500
Health information exchange software	0	15,000
Nurse call system upgrade	<u>0</u>	<u>82,500</u>
Total all funds	\$405,330	\$157,000
Less estimated income	<u>405,330</u>	<u>157,000</u>
Total general fund	\$0	\$0

The 2017-19 one-time funding amounts are not a part of the entity's base budget for the 2019-21 biennium. The veterans' home shall report to the appropriations committees of the sixty-sixth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2017, and ending June 30, 2019."

Re-number accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

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

	Base Budget	Senate Changes	Senate Version
Salaries and wages	\$17,973,934	\$740,416	\$18,714,350
Operating expenses	4,958,742	558,258	5,517,000
Capital assets	<u>273,270</u>	<u>287,272</u>	<u>560,542</u>
Total all funds	\$23,205,946	\$1,585,946	\$24,791,892
Less estimated income	<u>15,077,922</u>	<u>3,697,347</u>	<u>18,775,269</u>
General fund	\$8,128,024	(\$2,111,401)	\$6,016,623
FTE	120.72	0.00	120.72

**Department No. 313 - Veterans' Home - Detail of Senate Changes**

	Adjusts Funding for Base Payroll Changes <sup>1</sup>	Adds Funding for Health Insurance Increases <sup>2</sup>	Adjusts Funding for Salaries <sup>3</sup>	Adjusts Base Level Funding <sup>4</sup>	Adds One-Time Funding <sup>5</sup>	Total Senate Changes
Salaries and wages	\$328,289	\$412,127				\$740,416
Operating expenses				558,258		558,258
Capital assets				130,272	157,000	287,272
Total all funds	\$328,289	\$412,127	\$0	\$688,530	\$157,000	\$1,585,946
Less estimated income	1,145,516	271,569	2,000,000	123,262	157,000	3,697,347
General fund	(\$817,227)	\$140,558	(\$2,000,000)	\$565,268	\$0	(\$2,111,401)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

<sup>1</sup> Funding is adjusted for cost-to-continue 2015-17 biennium salaries and benefit increases and for other base payroll changes.

<sup>2</sup> Funding is added for increases in health insurance premiums from \$1,130 to \$1,249 per month.

<sup>3</sup> Funding is adjusted for salaries to reduce funding from the general fund by \$2 million and increase funding from the soldiers' home fund for \$2 million.

<sup>4</sup> Base level funding is adjusted as follows:

	General Fund	Other Funds	Total
Adjusts funding for bond payments	\$0	\$123,472	\$123,472
Adjusts funding for operating expenses	565,268	(7,010)	558,258
Adds funding for a hydraulic breaker	0	6,800	6,800
Total	\$565,238	\$123,262	\$688,530

<sup>5</sup> Funding from the soldiers' home fund is added for the following one-time items:

	General Fund	Other Funds	Total
Health information exchange software	\$0	\$15,000	\$15,000
Equipment	0	59,500	59,500
Nurse call system upgrade	0	82,500	82,500
Total	\$0	\$157,000	\$157,000

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

**Dalrymple Executive Budget Comparison to Prior Biennium Appropriations**

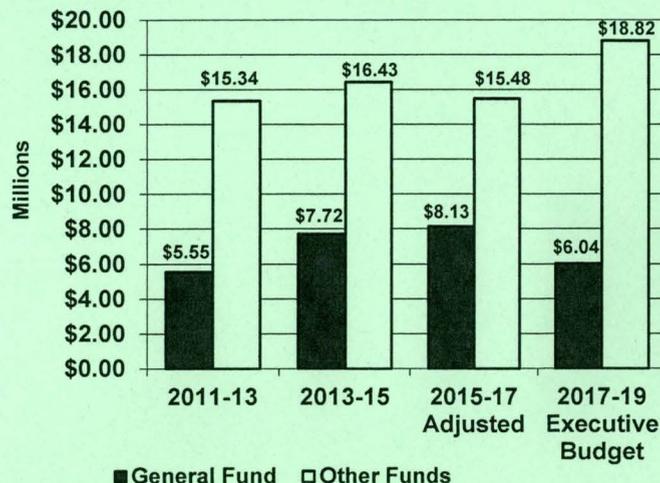
	FTE Positions	General Fund	Other Funds	Total
2017-19 Dalrymple Executive Budget	120.72	\$6,037,327	\$18,815,270	\$24,852,597
2015-17 Adjusted Legislative Appropriations <sup>1</sup>	120.72	8,128,024	15,483,252	23,611,276
Increase (Decrease)	0.00	(\$2,090,697)	\$3,332,018	\$1,241,321

<sup>1</sup>The 2015-17 biennium agency appropriation amounts reflect general fund budget reductions made in August 2016, but do not include additional special funds authority of \$360,000 resulting from Emergency Commission action during the 2015-17 biennium.

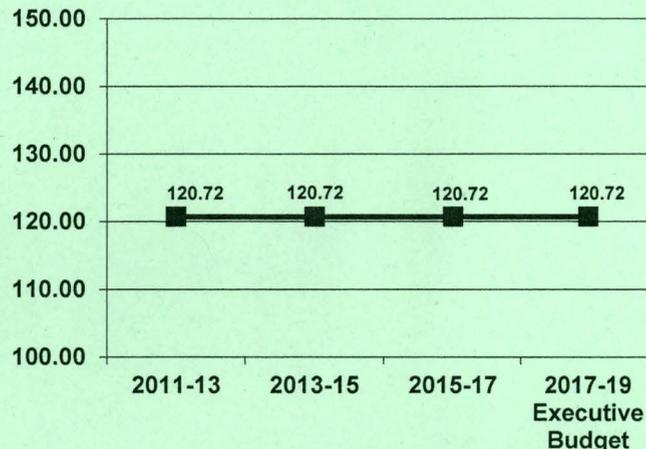
**Ongoing and One-Time General Fund Appropriations**

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2017-19 Dalrymple Executive Budget	\$6,037,327	\$0	\$6,037,327
2015-17 Adjusted Legislative Appropriations	8,128,024	0	8,128,024
Increase (Decrease)	(\$2,090,697)	\$0	(\$2,090,697)

**Agency Funding**



**FTE Positions**



**Dalrymple Executive Budget Comparison to Base Level**

	General Fund	Other Funds	Total
2017-19 Dalrymple Executive Budget	\$6,037,327	\$18,815,270	\$24,852,597
2017-19 Base Level	8,128,024	15,077,922	23,205,946
Increase (Decrease)	(\$2,090,697)	\$3,737,348	\$1,646,651

**First House Action**

Attached is a comparison worksheet detailing first house changes to base level funding and the executive budget.

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

	General Fund	Other Funds	Total
1. Adds funding for state employee salary and benefit increases, of which \$60,705 is for salary increases and \$412,127 is for health insurance increases. (The Burgum budget removed funding for salary increases and provided for employees to pay for a portion of health insurance.) <b>The Senate removed funding for the salary increases.</b>	\$161,262	\$311,570	\$472,832
2. Base payroll changes	(\$817,227)	\$1,145,516	\$328,289
3. Adjusts the funding source from the general fund to the soliders home fund for a portion for salaries and wages	(\$2,000,000)	\$2,000,000	

4. Increases funding for bond and interest payments on the Veterans' Home		\$123,472	\$123,472
5. Increases funding for operating expenses, including medical, dental, and optical expenses, utilities, repairs, and professional services	\$565,268	(\$7,010)	\$558,258
6. Adds funding for a hydraulic breaker		\$6,800	\$6,800
7. Adds one-time funding for health information exchange software		\$15,000	\$15,000
8. Adds one-time funding for equipment, including a walk-behind scrubber, tow-behind lift, oxbow pump, and lawnmowers		\$59,500	\$59,500
9. Adds one-time funding for a nurse call system upgrade		\$82,500	\$82,500

#### **Other Sections in Senate Bill No. 2007**

There are no other sections for this agency.

#### **Continuing Appropriations**

**Custodial funds** - North Dakota Century Code Section 37-15-21 - The Veterans' Home may accept gifts, donations, or bequests. Any money received must be used for the specific purposes as designated by the donor or grantor.

#### **Significant Audit Findings**

There are no significant audit findings for this agency.

#### **Major Related Legislation**

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

**Veterans' Home - Budget No. 313**  
**Senate Bill No. 2007**  
**Base Level Funding Changes**

	Burgum Executive Budget Recommendation (Changes to Dalrymple Budget in Bold)				Senate Version			
	FTE Position	General Fund	Other Funds	Total	FTE Position	General Fund	Other Funds	Total
<b>2017-19 Biennium Base Level</b>	120.72	\$8,128,024	\$15,077,922	\$23,205,946	120.72	\$8,128,024	\$15,077,922	\$23,205,946
<b>2017-19 Ongoing Funding Changes</b>								
Base payroll changes		(\$817,227)	\$1,145,516	\$328,289		(\$817,227)	\$1,145,516	\$328,289
<i>Salary increase - Performance</i>				0				0
Health insurance increase		140,558	271,569	412,127		140,558	271,569	412,127
<i>Employee portion of health insurance</i>		<b>(73,633)</b>	<b>(142,263)</b>	<b>(215,896)</b>				0
Adjusts the funding source for salaries and wages		(2,000,000)	2,000,000	0		(2,000,000)	2,000,000	0
Adjusts funding for bond payments			123,472	123,472			123,472	123,472
Adjusts funding for operating expenses		565,268	(7,010)	558,258		565,268	(7,010)	558,258
Adds funding for a hydraulic breaker			6,800	6,800			6,800	6,800
Total ongoing funding changes	0.00	(\$2,185,034)	\$3,398,084	\$1,213,050	0.00	(\$2,111,401)	\$3,540,347	\$1,428,946
<b>One-time funding items</b>								
Adds funding for health information exchange software			\$15,000	\$15,000			\$15,000	\$15,000
Adds funding for equipment			59,500	59,500			59,500	59,500
Adds funding for a nurse call system upgrade			82,500	82,500			82,500	82,500
Total one-time funding changes	0.00	\$0	\$157,000	\$157,000	0.00	\$0	\$157,000	\$157,000
<b>Total Changes to Base Level Funding</b>	0.00	(\$2,185,034)	\$3,555,084	\$1,370,050	0.00	(\$2,111,401)	\$3,697,347	\$1,585,946
<b>2017-19 Total Funding</b>	120.72	\$5,942,990	\$18,633,006	\$24,575,996	120.72	\$6,016,623	\$18,775,269	\$24,791,892

**Other Sections in Veterans' Home - Budget No. 313**

**Burgum Executive Budget Recommendation**  
**(Changes to Dalrymple Budget in Bold)**  
 No other sections included in the executive budget recommendation.

**Senate Version**  
 No other sections included in the Senate version.

## Department 313 - Veterans' Home

## Appropriations Comparisons to the Original and Adjusted Base Budgets

### General Fund Appropriations Adjustments (As a result of the August 2016 General Fund Budget Reductions)

	Ongoing	One-Time	Total
2015-17 original general fund appropriations	\$8,566,895	\$130,830	\$8,697,725
General fund reductions	(438,871)	(130,830)	(569,701)
Adjusted 2015-17 appropriations	\$8,128,024	\$0	\$8,128,024
Dalrymple Executive Budget changes	(2,090,697)	0	(2,090,697)
2017-19 Dalrymple Executive Budget	\$6,037,327	\$0	\$6,037,327

### Summary of August 2016 General Fund Budget Reductions

	Ongoing	One-Time	Total
Reduced operating expenses due to lower than anticipated basic care census	(\$352,258)	\$0	(\$352,258)
Reduced capital assets, including one-time funding for ceiling lift equipment	(86,613)	(130,830)	(217,443)
Total reductions	(\$438,871)	(\$130,830)	(\$569,701)
Percentage reduction to ongoing and one-time general fund appropriations	5.12%	100.00%	6.55%

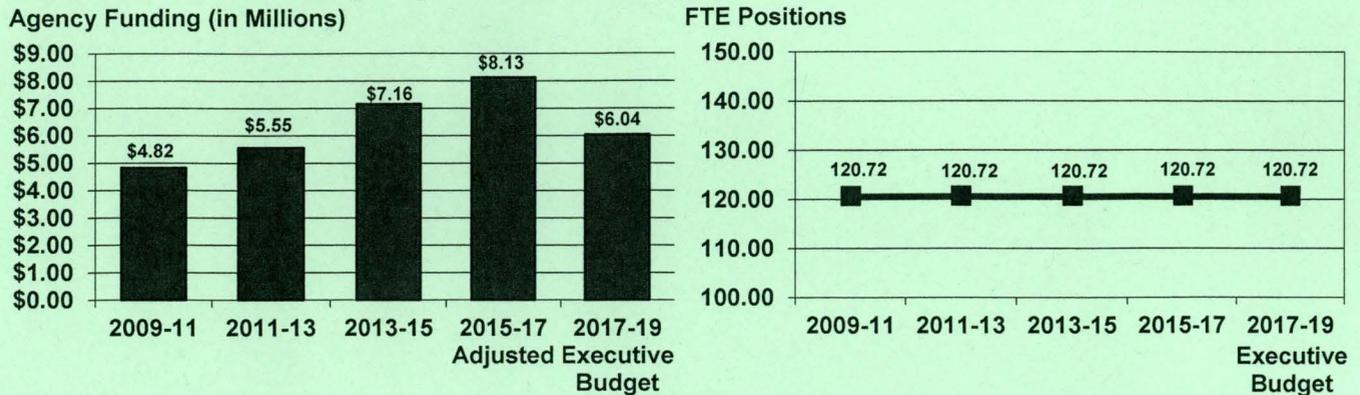
### 2017-19 Dalrymple Executive Budget Changes to the Original and Adjusted Base Budgets

	Changes to Original Budget	Budget Reduction Adjustments	Changes to Adjusted Budget
Adds funding for recommended salary and benefit increases	\$161,262	\$0	\$161,262
Base payroll changes	(817,227)		(817,227)
Adjusts the funding source for a portion of salaries and wages	(2,000,000)		(2,000,000)
Increases funding for operating expenses, including medical, dental, and optical expenses, utilities, repairs, and professional services	126,397	438,871	565,268
Total	(\$2,529,568)	\$438,871	(\$2,090,697)

Department 313 - Veterans' Home

## Historical Appropriations Information

### Ongoing General Fund Appropriations Since 2009-11



Ongoing General Fund Appropriations					
	2009-11	2011-13	2013-15	2015-17 Adjusted	2017-19 Dalrymple Executive Budget
Ongoing general fund appropriations	\$4,816,589	\$5,553,323	\$7,161,853	\$8,128,024	\$6,037,327
Increase (decrease) from previous biennium	N/A	\$736,734	\$1,608,530	\$966,171	(\$2,090,697)
Percentage increase (decrease) from previous biennium	N/A	15.3%	29.0%	13.5%	(25.7%)
Cumulative percentage increase (decrease) from 2009-11 biennium	N/A	15.3%	48.7%	68.8%	25.3%

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

#### 2011-13 Biennium

- Adjusted funding for various operating expenses due to an increase in the number of residents in the new Veterans' Home facility. This adjustment decreased funding from the general fund and increased funding from special funds. (\$148,544)

#### 2013-15 Biennium

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

#### 2015-17 Biennium

- Adjusted operating expenses by increasing funding from the general fund (\$103,375) and decreasing funding from special funds (\$206,225) \$103,375

#### 2017-19 Biennium (Dalrymple and Burgum Executive Budget Recommendations)

- Adjusts the funding source for a portion of salaries and wages (\$2,000,000)
- Increases funding for operating expenses, including medical, dental, and optical expenses, utilities, repairs, and professional services \$565,268

SB 2007  
3/2/17  
#1

TESTIMONY ON SB 2007  
HOUSE HUMAN RESOURCES COMMITTEE  
THURSDAY, MARCH 2, 2017

Chairman Pollert and members of the Human Resources Committee, I am Kristin Lunneborg, CFO at the North Dakota Veterans Home. I am here today to discuss with you the status of our current budget and our 2017-2019 budget needs.

2015 – 2017 Budget Appropriation

The original appropriation for the 2015 – 2017 biennium included \$17,504,980 for salaries and wages, \$5,311,000 for operating expenses and \$896,043 for capital items. Changes to our original appropriation include \$468,964 in equity money for our nursing department, \$1,147,327 in carryover funds, \$569,701 in general fund budget reductions and emergency commission approval for \$360,000 in special fund appropriation authority.

We were fortunate enough to receive \$468,954 in equity money this biennium for the nursing department to help with the recruitment and retention of staff. The total we received was calculated by taking the average salary of all FTE employees in the nursing department by five percent and then multiply that number by the number of FTE employees we have. When we met with members of HRMS in the beginning of the biennium they encouraged us to give all employees in the nursing department a five percent raise. The problem with this scenario is that it didn't take into account that we have almost as many temporary employees as we do FTE employees and if we raise FTE wages we need to raise temporary employee wages in order to retain them. Staffing in a 24/7 facility makes it almost impossible to calculate the true impact of a wage increase. We have FTE staff that pick up open shifts on the floor so they work over their allotted FTE, we have no way of knowing how many hours we will need temporary staff and we cannot predict the amount of overtime that will be necessary. We knew we could not give staff a five percent increase straight across the board so we looked at the positions that are harder to fill and gave them a higher percentage and the positions that are easier to fill a lower percentage increase. Over 76% of our staff were given an equity increase of 2% and the

remaining 24% were given 4-5%. We did not anticipate that the increases would cost us more than the equity money we were given so we had to look at ways to cut back our salary and wage expenses to keep our budget in line; this included not giving pay raises to our temporary staff for 2016, cutting our incentive wage from \$6.00 per hour to \$5.00 per hour, giving lower pay increases for 2016 and not filling a few non-critical positions.

When the first budget allotment was announced it was fairly easy to determine where we would make the cut. Our census is lower than what was projected for our 2015-2017 budget so we felt we could take the first 4.05% budget allotment of \$352,258 from our appropriation for operating expenses. Based upon past experience if we have a lower census we should not need all the money budgeted for food, medications, medical supplies and professional services.

There are not many areas where we can cut our budget as we have federal and state regulations that govern the care we must provide to our residents and non-compliance could result in a ban on admissions or a loss of funding. Non-compliance with the Department of Veterans Affairs federal regulations could result in loss of our federal funding. What we did not anticipate or budget for were the large increases we experienced for utilities, repairs and maintenance supplies. Since our anticipated savings in expenses was being used up by the increased expenses we were experiencing in our maintenance budget we submitted a request to the emergency commission in September 2016 to get \$225,000 in additional special fund authority for our operating line. Our request was granted.

Our capital budget for the biennium included funding for a new roof on the Administrator's house, ceiling lifts for resident rooms in the nursing home, bond and interest payments, completion of our irrigation system, a few pieces of equipment and increased funding for the resident workshop. To date the work has been completed on the Administrator's roof, several of the equipment items have been purchased and work is progressing on the ceiling lifts and workshop.

When the second budget allotment of \$217,443 was announced we knew we could not cut operating expenses any further so we looked at items that did not directly affect resident care. It was decided that the irrigation system was not critical at this time and if necessary we could get by with installing half of the ceiling lifts in patient rooms. When we made the emergency commission request in September we also requested \$135,000 in special fund appropriation authority for capital assets so we could install all of the ceiling lifts at the same time. This request was also granted.

Our carryover funds included \$234,679 relating to the construction of the new Veterans Home, \$788,200 in carryover funds for the resident workshop and \$124,448 for demolition of the old Veterans Home. The \$234,679 is money we withheld from the final payment to Comstock Construction for construction of the new Veterans Home. We are still in litigation with Comstock Construction as their attorney has had the trial date pushed back three times. We are currently scheduled to go to court in August 2017.

Since we could not meet the stipulations set forth in the 2013-2015 biennium which allowed us to construct a resident workshop when "the balance in the Melvin Norgard fund is sufficient to cover all costs of the project" we requested a funding source change for the 2015-2017 biennium. Funding was changed allowing us to construct the workshop with funds from the Melvin Norgard fund and Veterans Home special funds. Project bids came in higher than anticipated so the project was value engineered to fit within budget. In August 2016, contracts were awarded to T.F. Powers Construction, Midwest Mechanical and Grotberg Electric for the construction of the workshop. All steel beams are in place and they are working on enclosing the structure. The expected completion date is June 30, 2017.

The carryover of \$124,448 for the demolition of the old facility was quickly spent as RTS Shearing completed the project in July 2015. The project was scheduled to be completed the end of May 2015 but asbestos issues pushed the completion into the 2015-2017 biennium.

Unlike most other state agencies we received a third cut from the general fund allotments in the form of a decrease in revenue. The allotment cuts to the Department of Human Services resulted in a decrease to the case mix rates that became effective January 1, 2017. The estimated loss in revenue to the Veterans Home for the remainder of the biennium is \$113,294. The loss in revenue will not have any impact during the current biennium since it only covers six months and our other revenues are ahead of projections. Knowing we would need to generate more revenue to sustain our budget in the future, the Veterans Home governing board increased rates for basic care as of October 1<sup>st</sup>, 2016. Basic care rents are based on a percentage of income so the rate increases are not large but they will help.

#### 2017-2019 Budget Needs & One-time spending needs

In sitting down to prepare our budget for the 2017-2019 biennium we struggled with how to cut expenses to meet the Governor's 90 percent budget request. It is very difficult to cut our budget since we are a service industry and the majority of our expenses relate to labor and resident care. As I mentioned earlier in my testimony, we have very stringent state and federal regulations that we have to meet. It is near impossible to cut staff as there are regulations that govern facility staffing. Operating expenses are also difficult to cut since they relate to the operation of the facility and direct care expenses such as food, medical supplies, medications, and medical care. In order to not affect resident care we chose to make our budget reductions to the only area we can at this time which is extraordinary repairs. The majority of our campus was constructed six to seven years ago and doesn't require any maintenance at this time; all other projects can be put on hold for this biennium.

Attached is a spreadsheet that summarizes the changes to our 2015-2017 biennium appropriation as well as a comparison between our current appropriation, our 2017-2019 budget request and the Governor's recommendations without the salary increase.

If you look at the comparison of our 2015-2017 salaries and wages appropriation and our 2017-2019 budget request you will see a difference of \$328,289. This increase is a combination of the cost to carry current salaries forward, additional funding needed for temporary wages in the nursing department and funding to switch some positions from Licensed Practical Nurses (LPN) to Registered Nurses (RN). As I discussed earlier in my presentation, the equity money given for the salary increases for the nursing department was calculated based upon the number of FTE employees in the nursing department and did not include our temporary staff that are not in benefit positions. Temporary staff are a HUGE benefit to us as they pick up nursing shifts that are open and they cost us anywhere from one-half to one-third of what a staffing agency would charge. During the fiscal year 2015 temporary staff picked up 15,447 hours and in 2016 they picked up 20,501 hours. If these hours would have been paid to a contract nursing agency we would have paid over \$1.5 million. Our temporary staff are a big reason we are one of very few facilities that does not have contract nursing staff.

Included in the salaries and wages is additional funding that would allow us to switch our LPN positions to RN positions if needed. LPN positions in our area are very hard to fill as most individuals going into the nursing field get their RN degree rather than an LPN degree. Currently in the state of North Dakota, there are 13,846 licensed RNs and only 3,276 licensed LPNs; that means only 1 in 5 nurses is an LPN. Recruitment for LPNs is very difficult given the limited number of individuals that are licensed. We employ many individuals that are going to school to get their RN nursing licenses and upon completion of their education we lose them as we only have LPN positions available. We currently have a few RNs working in LPN positions already as the LPN positions were open for so long that we finally had to hire an RN into the position so we could keep the building staffed. We will only switch the LPN positions to RN positions after all attempts have been made to find a qualified LPN.

The difference between our 2015-2017 appropriation for operating expenses and our 2017-2019 budget request is an increase of \$333,258. The majority of the increase to our operating budget can be attributed to the maintenance department. As I explained earlier, we have seen

dramatic increases in our costs for utilities, repairs and maintenance supplies. The majority of the increase in utility costs can be attributed to federal regulations that are being passed onto the consumer. The increased fees are for the transmission cost recovery rider and the EPA's environmental cost recovery rider and reagents and emission allowance adjustment charge. These additional charges add around \$3,000 per month to our bill. From June 2014 to June 2016 these charges amounted to a \$60,000 increase.

Since all of our equipment is no longer covered under warranty and has been in operation for several years we are experiencing an increase in costs to fix these items. Our budget for repairs, which is the cost to have professionals do the repair work, was actually over budget last biennium by \$32,000 and our budget for supplies, which is the cost to purchase the parts so we can fix the item, was over budget by \$87,000. The budget was based on prior biennium budget numbers that were low as the building was relatively new and most equipment was covered under warranty. At the time our budget was prepared for the 2015-2017 biennium we were close to budgeted numbers and did not anticipate the large increase.

The decrease in capital expenses between last biennium and the 2017-2019 budget request is \$253,058. The decrease is a result of not budgeting for any extraordinary repairs due to the Governor's 90 percent budget request. The capital expenses we did request are for:

- Bond & Interest payments - \$396,742
- Nurse call system update - \$82,500 \*one-time funding
- Health Information Exchange Software - \$15,000 \*one-time funding
- Equipment over \$5,000 - \$66,300 \*one-time funding

Includes a floor scrubber, man lift, oxbow pump, lawnmowers and hydraulic breaker

There are two differences between the Governor's recommended budget and our requested budget. The first difference is an increase of \$412,127 in salaries and wages to cover the increased cost for state employee health insurance. The second difference is a change in funding sources. We originally submitted our budget requesting \$7,876,068 in general funds and the Governor's recommended budget appropriates \$6,016,623, a reduction of \$1,859,445.

We did have a large amount of carryover in our special funds this biennium so we are not requesting any changes at this time.

As I touched on earlier in my presentation general fund cuts to the Department of Human Services are also having an impact on our budget in the form of revenue. As of January 1, 2017, our daily case mix rates were decreased by \$6.11. We are a 52 bed facility so a cut of \$6.11 per day per bed equates to a decrease of \$317.72 per day or \$231,936 per biennium. Typically these rates increase on January 1<sup>st</sup> of each year. Taking into consideration the normal rate increase, North Dakota Long Term Care estimated a loss of \$226,587 for the Veterans Home for 2017.

In closing, we hope you will support Senate Bill 2007 as amended. However, it needs to be noted that although we were able to cut our general fund appropriation for the 2017-2019 biennium by \$2 million we will not be able to sustain this cut in future bienniums. The only reason we were able to cut our general fund appropriation by this amount now is because of the large amount of carryover we had. The loss of revenue due to the reduction of case mix rates and the fact that we will need to request extraordinary repairs in the future means that we will deplete the reserves we have in our special fund and we will need to increase our general fund appropriation down the road. We are glad we can make this change for the current biennium but fearful that we will not be able to increase our general fund appropriation in the future when we deplete our special fund reserves.

There is only one item that we need to request for the 2017-2019 biennium that is not covered in our budget request. We will need a section added to our bill allowing us to carryover funding into the 2017-2019 biennium for the resident workshop and the new veterans home. It is not looking hopeful that we will reach a settlement with Comstock Construction before the end of legislative session so will need to have language added to our bill that allows us to carryover the funds into the 2017-2019 biennium. Since we carried over funding for the resident workshop into the 2015-2017 biennium we would also need to add wording allowing us to carryover these funds in case the contractors are unable to complete the project by June 30, 2017.



We hope that you will support our 2017-2019 budget request and help us to provide the care that our veterans deserve.

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

## 2015-2017 Veterans Home Budget Changes

	Original Appropriation	Nursing Equity	Carryover from 2013-2015	1st Budget Allotment	2nd Budget Allotment	Emergency Commission Appropriation Authority	Current Appropriation
<b>Expenditures by Line Item</b>							
31310 Salaries and Wages	17,504,980	468,954					17,973,934
31330 Operating Expenses	5,311,000			-352,258		225,000	5,183,742
31350 Capital Assets	896,043				-217,443	135,000	813,600
31351 Construction Carryover	0		912,648				912,648
31355 New Veterans' Home	0		234,679				234,679
<b>Total Expenditures</b>	<b>23,712,023</b>	<b>468,954</b>	<b>1,147,328</b>	<b>-352,258</b>	<b>-217,443</b>	<b>360,000</b>	<b>25,118,604</b>
<b>Expenditures by Funding Source</b>							
General Funds	8,697,725		234,679	-352,258	-217,443		8,362,703
Special Funds	15,014,298	468,954	912,648			360,000	16,755,900
<b>Total Expenditures by Source</b>	<b>23,712,023</b>	<b>468,954</b>	<b>1,147,328</b>	<b>-352,258</b>	<b>-217,443</b>	<b>360,000</b>	<b>25,118,604</b>

## Summary Comparison of Current Budget, Budget Request & Governor's Recommendation

	Current Appropriation	2017-2019 Net Change	2017-2019 Budget Request	Governor's Recommendation Less Salary Increase	Difference Between Budget Request and Governor's Recommended
<b>Expenditures by Line Item</b>					
31310 Salaries and Wages	17,973,934	328,289	18,302,223	18,714,350	412,127
31330 Operating Expenses	5,183,742	333,258	5,517,000	5,517,000	0
31350 Capital Assets	813,600	-253,058	560,542	560,542	0
31351 Construction Carryover	912,648	-912,648	0	0	0
31355 New Veterans' Home	234,679	-234,679	0	0	0
<b>Total Expenditures</b>	<b>25,118,604</b>	<b>-738,839</b>	<b>24,379,765</b>	<b>24,791,892</b>	<b>412,127</b>
<b>Expenditures by Funding Source</b>					
General Funds	8,362,703	-486,635	7,876,068	6,016,623	-1,859,445
Special Funds	16,755,900	-252,203	16,503,697	18,775,269	2,271,572
<b>Total Expenditures by Source</b>	<b>25,118,604</b>	<b>-738,838</b>	<b>24,379,765</b>	<b>24,791,892</b>	<b>412,127</b>



House Version			
FTE Position	General Fund	Other Funds	Total
120.72	\$8,128,024	\$15,077,922	\$23,205,946
	(\$817,227)	\$1,145,516	\$328,289
	130,374	251,893	382,267
	(2,000,000)	2,000,000	0
	565,268	123,472	123,472
		(7,010)	558,258
		6,800	6,800
0.00	(\$2,121,585)	\$3,520,671	\$1,399,086
		\$15,000	\$15,000
		59,500	59,500
		82,500	82,500
0.00	\$0	\$157,000	\$157,000
0.00	(\$2,121,585)	\$3,677,671	\$1,556,086
120.72	\$6,006,439	\$18,755,593	\$24,762,032

House Changes to Senate Version			
Increase (Decrease) - Senate Version			
FTE Positions	General Fund	Other Funds	Total
0.00	\$0	\$0	\$0
			\$0
			0
	(10,184)	(19,676)	(29,860)
			0
			0
			0
0.00	(\$10,184)	(\$19,676)	(\$29,860)
			\$0
			0
			0
0.00	\$0	\$0	\$0
0.00	(\$10,184)	(\$19,676)	(\$29,860)
0.00	(\$10,184)	(\$19,676)	(\$29,860)

**House Version**

Section 2 identifies the funding increase for health insurance premium increases included in the agency's appropriation.

Section 4 provides an exemption for the Veterans' Home construction project to allow any unexpended 2015-17 biennium funds in the capital assets line item be available to the Veterans' Home during the 2017-19 biennium.

Section 5 provides an exemption for the shop addition project to allow any unexpended 2015-17 biennium funds in the capital assets line item be available to the Veterans' Home during the 2017-19 biennium.

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# NORTH DAKOTA VETERANS HOME



*Caring for America's Heroes*

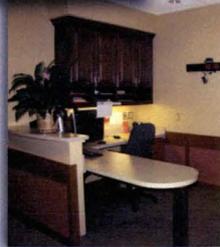
# About Us

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Situated on a picturesque piece of land in Lisbon, the North Dakota Veterans Home stands as a tribute to North Dakota citizens who answered their country's call to arms. The Veterans Home, once called the Old Soldiers Home, is located on a 90 acre wooded campus bordering the Sheyenne River.

Since 1893, the Veterans Home has been providing high quality care for honorably discharged veterans and their spouses. The Home has 52 skilled nursing home beds and 98 basic care beds. We are dedicated to the health and welfare of each individual resident. Warm, friendly and compassionate staff treat each resident with the dignity and respect they deserve.

*Residents are able to relax in a home environment.*



# Eligibility

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To be eligible for admission, veterans must meet one of the following criteria:

- Bona fide resident of North Dakota for 30 days
- Must have served in a North Dakota regiment
- Entered the Armed Services as a North Dakota resident; or
- Spouse or surviving spouse of above veteran



# Services

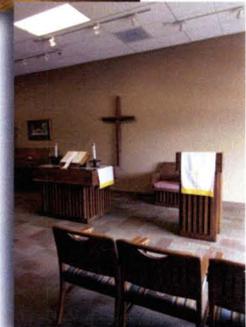
Residents receive quality medical treatment, including 24 hour nursing care. Registered nurses, licensed practical nurses, medication technicians, household coordinators and resident living specialists provide personal care specifically tailored to each individual resident. The Veterans Home contracts with a local medical provider for licensed medical staff that visit the home weekly.

In addition to medical care, the home offers:

- On-site pharmacy (for veterans)
- Transportation to the Fargo VA Medical Center
- Transportation to local medical appointments



*Enjoy the Main Street atmosphere of our Veterans Home.*



- Dietary and nutritional services including special diet menus
- Chaplain and spiritual care services
- Mental health services
- Physical, Occupational and Speech therapy services
- Social Services
- Recreational therapy – including scenic drives, shopping trips, bingo, parties, card games, trips downtown, activity room, Nintendo Wii
- Laundry services
- Therapeutic work program
- Financial services
- Veteran Service Officer assistance to apply for VA benefits





# Features

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In May 2011, we moved into our facility; a state of the art Veterans Home designed in the household/neighborhood concept. The home focuses on individual households designed for 12 to 13 residents. The facility has 142 private rooms and 4 semi-private rooms, each room with its own private bathroom. The household centers around a large living room area, open kitchen and dining area. Each household looks and feels like a home, with few medical signposts. Beautifully landscaped courtyards between each household and neighborhood provide a relaxing backyard environment for residents and their families.

Other features of the home include:

- Geothermal heat
- Built in patient lifts for skilled nursing
- Family visiting rooms
- Main Street area with barber shop, library, pool hall, bank and post office
- Expanded therapy room
- Sally port





North Dakota Veterans Home  
1600 Veterans Drive  
PO Box 673  
Lisbon, North Dakota 58054  
(701) 683-6500

For more information about the North Dakota Veterans Home or to get an application for admission visit our web site at [www.nd.gov/ndvh](http://www.nd.gov/ndvh). For further information call our marketing coordinator at (701) 683-6540.

We cordially invite you to visit the North Dakota Veterans Home to learn more about our fine facility and caring staff. Tours are available on Tuesdays and Thursdays by appointment. To schedule a tour please contact our marketing coordinator.

**NORTH DAKOTA VETERANS HOME  
2017-2019 BUDGET DETAIL**

**ADMINISTRATION DEPARTMENT  
Reporting level 00-313-100-00**

**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>	<u>2015-2017 Budget</u>	<u>2017-2019 Executive Recommendation</u>	<u>% of Executive Recommendation</u>	<u>Change From 15-17</u>
Salaries	1,101,939	1,150,752	49%	48,813
Operating	766,500	763,650	33%	-2,850
Capital	366,614	411,742	18%	45,128
<b>Total</b>	<b>2,235,053</b>	<b>2,326,144</b>	<b>100%</b>	<b>91,091</b>
General	763,498	741,953		-21,545
Special	1,471,555	1,584,191		112,636
<b>Total</b>	<b>2,235,053</b>	<b>2,326,144</b>		<b>91,091</b>
FTE	5.6	5.6		0

**LINE ITEM DETAIL**

Salaries and Benefits - \$1,150,752 49% of budget

- Administrator 1.0 FTE
- Executive Secretary – 1.0 FTE
- Accounting Manager – 1.0 FTE
- Account Technician – 1.6 FTE
- Human Resource Technician - 1.0 FTE

Travel - \$25,000 1% of budget

Expenses include employee reimbursed travel and governing board travel

IT Supplies - \$24,000 1% of budget

IT equipment under \$750 – includes such things as cables, data storage, computer drives, printers, switches etc.

Supplies and materials/professional - \$4,000 .2% of budget

Resource materials, educational supplies and testing supplies

Building, ground and maintenance - \$750 .03% of budget  
Miscellaneous building supplies

Miscellaneous supplies - \$1,000 .04% of budget  
Marketing supplies, miscellaneous items

Office supplies - \$46,500 2% of budget  
Office supplies for facility including copy paper, ink jet and toner cartridges

Postage - \$7,000 .3% of budget  
Stamps and postage for facility mail, PO Box rental fee

Printing – \$3,000 .1% of budget  
Printing of letterhead, envelopes and brochures

IT equipment under \$5,000 - \$90,500 4% of budget  
This funding will replace ½ of the computer work stations in the facility

Office Equipment & Furniture Supplies - \$2,500 .1% of budget  
Filing cabinets, office furniture and chairs

Insurance - \$33,900 – 1.5% of budget  
State Fire & Tornado insurance

Rentals/leases of equipment - \$5,500 .2% of budget  
Lease payments for copy machines

Repairs - \$8,000 .3% of budget  
Repair services, including office equipment

IT- Data processing - \$125,000 5% of budget  
ITD fees for computers, including People Soft fees

IT - Communications - \$84,000 3.5% of budget  
Monthly telephone fees, cable television fees

IT- Contractual services - \$148,500 6% of budget  
IT consultant fees and maintenance and support fees for our electronic health records system, time clock software and billing software

Professional development - \$24,000 1% of budget  
Workshop and convention registrations, dues and memberships fees

Operating fees and services - \$4,500 .2% of budget  
Help wanted ads, advertising fees and background checks for employees

Professional services - \$125,000 5% of budget  
Legal services, audit fees and employee drug testing fees

Other capital payments - \$396,742 17% of budget  
Bond and Interest payments for new home

IT Equipment/Software over \$5,000 - \$15,000 .6% of budget  
Health information exchange software would allow the Veterans Home to access and securely share a patient's vital medical information electronically with other healthcare facilities – improving the speed, quality, safety and cost of patient care.

### SIGNIFICANT CHANGES

**Salaries and benefits** - \$48,813 increase  
Health insurance increase  
Cost to continue current wages

**IT data processing** - \$10,000 increase  
Based on ITD's fees for our computer workstations. ITD fees increased after the budget allotments made in the 2015-2017 beinnium.

**IT Contractual Services & Repairs** - \$12,850 decrease  
Fees based on support & maintenance agreements for our computer programs. We were still completing work on our new electronic health records system in 2015-2017 so fees were higher.

### 2015-2017 BUDGET

As of January 2017, 80% of this cost center's budget has been expended. Anticipate 100% expended at the end of this biennium.

Agency Soldiers Home  
 Program Administration  
 Reporting Level 00-313-100-00-00-00000000

1 Object/Revenue		2 2013-15 Biennium Expenditures	3 2015-17 Biennium Appropriation	4 2015-17 First Year Expenditures	5 2017-19 Base Budget Changes	6 Compensation	7 2017-19 Recommendation
Decription	Code						
10 Salaries and Wages							
Salaries - Permanent	511000	714,771	750,592	367,856	0	0	772,544
Salary Increase	511010	0	0	0	0	3,863	-3,863
Benefit Increase	511011	0	0	0	0	713	-713
Health Increase	511012	0	0	0	0	17,172	17,172
Salaries - Other	512000	181	500	255	0	0	600
Temporary Salaries	513000	0	250	119	0	0	0
Overtime	514000	38,127	29,750	14,158	0	0	30,000
Fringe Benefits	516000	292,233	320,847	152,663	0	0	330,436
TOTAL		1,045,312	1,101,939	535,051	0	21,748	1,155,328 1,150,152
MEANS OF FUNDING							
State General Fund	001	124,106	637,293	323,608	0	10,456	618,667 -173k
General Fund TOTAL		124,106	637,293	323,608	0	10,456	618,667
Soldiers Home Fund 380	380	921,206	464,646	211,443	0	11,292	536,661 -284k
Special Funds TOTAL		921,206	464,646	211,443	0	11,292	536,661
TOTAL		1,045,312	1,101,939	535,051	0	21,748	1,155,328
30 Operating Expenses							
Travel	521000	28,819	25,000	11,336	0	0	25,000
Supplies - IT Software	531000	28,682	24,000	17,162	0	0	24,000
Supply/Material-Professional	532000	3,624	4,000	1,619	0	0	4,000
Bldg, Ground, Maintenance	534000	399	750	685	0	0	750
Miscellaneous Supplies	535000	1,452	1,000	83	0	0	1,000
Office Supplies	536000	42,778	46,500	19,180	0	0	46,500
Postage	541000	5,567	7,000	1,740	0	0	7,000
Printing	542000	1,380	3,000	560	0	0	3,000
IT Equip Under \$5,000	551000	58,726	90,500	39,731	0	0	90,500
Other Equip Under \$5,000	552000	3,039	0	0	0	0	0
Office Equip & Furn Supplies	553000	18,040	2,500	718	0	0	2,500
Insurance	571000	19,369	33,900	13,197	0	0	33,900
Rentals/Leases-Equip & Other	581000	4,758	5,500	2,369	0	0	5,500
Repairs	591000	11,620	8,000	4,946	0	0	8,000
IT - Data Processing	601000	101,616	115,000	57,280	10,000	0	125,000
IT - Communications	602000	75,135	84,000	41,638	0	0	84,000
IT Contractual Svcs and Rprs	603000	132,409	161,350	91,405	(12,850)	0	148,500
Professional Development	611000	22,013	24,000	11,402	0	0	24,000
Operating Fees and Services	621000	4,286	4,500	2,186	0	0	4,500
Fees - Professional Services	623000	133,415	125,000	65,867	0	0	125,000
Medical, Dental and Optical	625000	0	1,000	950	0	0	1,000
TOTAL		697,127	766,500	384,054	(2,850)	0	763,650
MEANS OF FUNDING							

Agency Soldiers Home  
 Program Administration  
 Reporting Level 00-313-100-00-00-00000000

1 Object/Revenue		2 2013-15 Biennium Expenditures	3 2015-17 Biennium Appropriation	4 2015-17 First Year Expenditures	5 2017-19 Base Budget Changes	6 Compensation	7 2017-19 Recommendation
Decription	Code						
State General Fund	001	219,502	126,205	26,875	(1,183)	0	125,022
General Fund TOTAL		219,502	126,205	26,875	(1,183)	0	125,022
Soldiers Home Fund 380	380	477,625	640,295	357,179	(1,667)	0	638,628
Special Funds TOTAL		477,625	640,295	357,179	(1,667)	0	638,628
TOTAL		697,127	766,500	384,054	(2,850)	0	763,650
50 Capital Assets							
Other Capital Payments	683000	419,911	344,883	150,347	396,742	0	396,742
Equipment Over \$5000	691000	47,669	0	0	0	0	0
IT Equip/Sftware Over \$5000	693000	76,969	21,731	21,731	15,000	0	15,000
TOTAL		544,549	366,614	172,078	411,742	0	411,742
MEANS OF FUNDING							
State General Fund	001	10,016	0	0	0	0	0
General Fund TOTAL		10,016	0	0	0	0	0
Soldiers Home Fund 380	380	534,533	366,614	172,078	411,742	0	411,742
Special Funds TOTAL		534,533	366,614	172,078	411,742	0	411,742
TOTAL		544,549	366,614	172,078	411,742	0	411,742
Agency TOTALS							
TOTAL EXPENDITURES		2,286,988	2,235,053	1,091,183	408,892	21,748	2,330,720
General Fund							
State General Fund	001	353,624	763,498	350,483	(1,183)	10,456	743,689
TOTAL		353,624	763,498	350,483	(1,183)	10,456	743,689
Special Funds							
Soldiers Home Fund 380	380	1,933,364	1,471,555	740,700	410,075	11,292	1,587,031
TOTAL		1,933,364	1,471,555	740,700	410,075	11,292	1,587,031
TOTAL FUNDING		2,286,988	2,235,053	1,091,183	408,892	21,748	2,330,720
AUTHORIZED EMPLOYEES							
FTE		5.60	5.60	0.00	0.00	0.00	5.60
TOTAL AUTHORIZED EMPLOYEES		5.60	5.60	0.00	0.00	0.00	5.60

**NORTH DAKOTA VETERANS HOME  
2017-2019 BUDGET DETAIL**

**MAINTENANCE DEPARTMENT  
Reporting level 00-313-200-00**

**EXPLANATION OF PROGRAM COSTS**

Expenses for the maintenance department include upkeep of the grounds and buildings, motor pool vehicles, utilities, equipment and repairs.

**BUDGET BY TRADITIONAL LINE**

<u>Description</u>	<u>2015-2017 Budget</u>	<u>2015-2017 Executive Recommendation</u>	<u>% of Executive Recommendation</u>	<u>Change From 15-17</u>
Salaries	900,815	853,661	35%	-47,154
Operating	1,363,450	1,521,050	63%	157,600
Capital	499,229	58,800	2%	-440,429
Capital Carryover	912,648	0		-912,648
<b>Total</b>	<b>3,676,142</b>	<b>2,436,624</b>	<b>100%</b>	<b>-1,239,518</b>
Norgard	430,000	0		-430,000
General	1,127,060	1,154,139		27,079
Special	2,119,082	1,282,485		-836,597
<b>Total</b>	<b>3,676,142</b>	<b>2,436,624</b>		<b>-1,239,518</b>
FTE	5.4	5.4		0

**LINE ITEM DETAIL**

Salaries and Benefits - \$853,661 35% of budget

- Maintenance Supervisor – 1.0 FTE
- Maintenance Workers – 3.0 FTE
- Night watchman – 1.6 FTE

Travel - \$100,000 4% of budget

Expenses include motor pool charges and employee reimbursed travel

Professional Supplies & Materials - \$3,000 .1% of budget

Chemicals

Food and Clothing - \$450 .01% of budget

Safety clothing

Building, ground and maintenance - \$185,000 8% of budget  
Equipment and building supplies, including repair parts, electrical, plumbing, heating and painting supplies

Miscellaneous supplies - \$5,000 .1% of budget  
Tools and miscellaneous equipment under \$750

Other equipment under \$5,000 - \$14,450 .6% of budget  
Walkie Talkies, traveling sprinkler, stair climbing appliance hand truck, asphalt melter applicator

Utilities - \$1,100,000 45% of budget  
Electricity, fuel oil, garbage, sewer and water services

Insurance - \$3,500 .1% of budget  
Insurance for boilers and maintenance equipment

Rentals/leases – equipment - \$2,500 .1% of budget  
Equipment rental fees

Rentals/leases – building/land - \$4,000 .2% of budget  
Water softener leases

Repairs - \$100,000 4% of budget  
Service contracts and repair services

Professional Development - \$500 .02% of budget  
Continuing education

Operating fees and services - \$2,500 .1% of budget  
Licenses, electrical certificates

Medical, dental and optical - \$100  
Flu shots for staff

Equipment over \$5,000 - \$58,800 2% of budget  
Oxbow pump, lawnmowers, tow behind lift, hydraulic breaker

### **SIGNIFICANT CHANGES**

**Salaries and benefits** - \$47,154 decrease  
Decreased budget for temporary employees and overtime

**Building, grounds and maintenance** - \$20,000 increase  
Increase due to repair parts as equipment is no longer covered under warranty.

**Utilities** - \$100,000 increase

Increased fees mainly due to EPA regulations. The EPA fees on the January 2017 statement alone were \$7,181.

**Repairs** - \$37,600 increase

Increase in repair and maintenance costs as equipment is aging and initial warranties have expired. Prior and current biennium budget were underfunded.

**Equipment over \$5,000**

- **Tow behind Lift** - \$28,000 – funding would allow us to purchase a tow behind lift with a working height of 41 feet. Our current lift was purchased a number of years ago from Surplus Property and can no longer be certified or repaired. The lift is used for trimming trees, repairing overhead wires, working on street lights, exterior painting, construction and various other maintenance tasks.
- **Oxbow pump** - \$7,400 – this would be a replacement 15 hp sludge pump used to pump out the oxbow in front of the Veterans home. The pump is needed to protect us from overland flooding.
- **Toro mowers** - \$16,600– funding will purchase 2 Toro Z Master 6000 series mowers. We will be trading in our existing 2012 Toro mowers that have approximately 1,350 hours on them. Our maintenance department is responsible for mowing between 70-75 acres of land.
- **Hydraulic breaker** - \$6,800 – bobcat attachment used to break through concrete, rock and asphalt.

**BUDGET ADJUSTMENTS REQUESTED**

We will need a section added to our bill in case we need to carryover funding into the 2017-2019 biennium for the resident workshop and the new veterans home. The resident workshop is scheduled to be completed June 30, 2017, but with any construction project there can be delays and time extensions. Since we are not scheduled to go to court with Comstock Construction until August 2017 we will also need to carryover the funding for the new veterans home.

**2015-2017 BUDGET**

As of January 2017, the maintenance department has spent 83% of their operating budget and 38% of their capital budget. This department will use all of their budget by the end of the biennium.

Agency Home  
 Program 2017 Plant Operations  
 Reporting Level 00-313-200-00-00-00-00000000

1 Object/Revenue		2 2013-15 Biennium Expenditures	3 2015-17 Biennium Appropriation	4 2015-17 First Year Expenditures	5 2017-19 Base Budget Changes	6 Compensation	7 2017-19 Recommendation
Decription	Code						
10 Salaries and Wages							
Salaries - Permanent	511000	488,587	532,581	260,835	0	0	517,467
Salary Increase	511010	0	0	0	0	2,587	<del>2,587</del>
Benefit Increase	511011	0	0	0	0	526	<del>526</del>
Health Increase	511012	0	0	0	0	14,310	14,310
Salaries - Other	512000	7,055	7,000	3,364	0	0	7,000
Temporary Salaries	513000	43,196	78,000	16,278	0	0	45,000
Overtime	514000	15,414	22,000	3,670	0	0	15,000
Fringe Benefits	516000	227,563	261,234	128,891	0	0	254,884
TOTAL		781,815	900,815	413,038	0	17,423	856,774
MEANS OF FUNDING							853,661
State General Fund	001	71,380	476,922	245,041	0	10,319	504,001
General Fund TOTAL		71,380	476,922	245,041	0	10,319	504,001
Soldiers Home Fund 380	380	710,435	423,893	167,997	0	7,104	352,773
Special Funds TOTAL		710,435	423,893	167,997	0	7,104	352,773
TOTAL		781,815	900,815	413,038	0	17,423	856,774
30 Operating Expenses							
Travel	521000	90,621	100,000	40,059	0	0	100,000
Supply/Material-Professional	532000	2,994	3,000	1,185	0	0	3,000
Food and Clothing	533000	113	450	33	0	0	450
Bldg, Ground, Maintenance	534000	197,063	165,000	79,111	20,000	0	185,000
Miscellaneous Supplies	535000	8,021	5,000	4,528	0	0	5,000
Other Equip Under \$5,000	552000	34,141	14,450	9,976	0	0	14,450
Utilities	561000	1,007,077	1,000,000	537,789	100,000	0	1,100,000
Insurance	571000	2,394	3,500	1,256	0	0	3,500
Rentals/Leases-Equip & Other	581000	1,455	2,500	831	0	0	2,500
Rentals/Leases - Bldg/Land	582000	3,924	4,000	1,878	0	0	4,000
Repairs	591000	72,619	62,400	50,990	37,600	0	100,000
IT Contractual Svcs and Rprs	603000	55	50	11	0	0	50
Professional Development	611000	181	500	135	0	0	500
Operating Fees and Services	621000	2,135	2,500	1,515	0	0	2,500
Fees - Professional Services	623000	1,060	0	0	0	0	0
Medical, Dental and Optical	625000	0	100	0	0	0	100
TOTAL		1,423,853	1,363,450	729,297	157,600	0	1,521,050
MEANS OF FUNDING							
State General Fund	001	656,653	650,138	125,783	0	0	650,138
General Fund TOTAL		656,653	650,138	125,783	0	0	650,138
Soldiers Home Fund 380	380	767,200	713,312	603,514	157,600	0	870,912
Special Funds TOTAL		767,200	713,312	603,514	157,600	0	870,912

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Agency Soldiers Home  
 Program 2007 Plant Operations  
 Reporting Level 00-313-200-00-00-00-00000000

1 Object/Revenue  Decription Code	2 2013-15 Biennium Expenditures	3 2015-17 Biennium Appropriation	4 2015-17 First Year Expenditures	5 2017-19 Base Budget Changes	6 Compensation	7 2017-19 Recommendation
TOTAL	1,423,853	1,363,450	729,297	157,600	0	1,521,050
50 Capital Assets						
Land and Buildings 682000	0	126,800	0	0	0	0
Other Capital Payments 683000	1,074,740	261,660	0	0	0	0
Extraordinary Repairs 684000	10,304	74,269	11,800	0	0	0
Equipment Over \$5000 691000	36,542	5,500	0	58,800	0	58,800
Motor Vehicles 692000	22,597	31,000	30,566	0	0	0
TOTAL	1,144,183	499,229	42,366	58,800	0	58,800
MEANS OF FUNDING						
State General Fund 001	682,626	0	0	0	0	0
General Fund TOTAL	682,626	0	0	0	0	0
Soldiers Home Fund 380 380	461,557	499,229	42,366	58,800	0	58,800
Special Funds TOTAL	461,557	499,229	42,366	58,800	0	58,800
TOTAL	1,144,183	499,229	42,366	58,800	0	58,800
51 Capital Construction Carryover						
Land and Buildings 682000	0	788,200	96,880	0	0	0
Other Capital Payments 683000	0	124,448	124,448	0	0	0
TOTAL	0	912,648	221,328	0	0	0
MEANS OF FUNDING						
Melvin Norgard Memorial Fund 289 289	0	430,000	72,680	0	0	0
Soldiers Home Fund 380 380	0	482,648	148,648	0	0	0
Special Funds TOTAL	0	912,648	221,328	0	0	0
TOTAL	0	912,648	221,328	0	0	0
Agency TOTALS						
TOTAL EXPENDITURES	3,349,851	3,676,142	1,406,029	216,400	17,423	2,436,624
General Fund						
State General Fund 001	1,410,659	1,127,060	370,824	0	10,319	1,154,139
TOTAL	1,410,659	1,127,060	370,824	0	10,319	1,154,139
Special Funds						
Melvin Norgard Memorial Fund 289 289	0	430,000	72,680	0	0	0
Soldiers Home Fund 380 380	1,939,192	2,119,082	962,525	216,400	7,104	1,282,485
TOTAL	1,939,192	2,549,082	1,035,205	216,400	7,104	1,282,485
TOTAL FUNDING	3,349,851	3,676,142	1,406,029	216,400	17,423	2,436,624
AUTHORIZED EMPLOYEES						

**NORTH DAKOTA VETERANS HOME  
2017-2019 BUDGET DETAIL**

**DIETARY DEPARTMENT  
Reporting level 00-313-300-00**

**EXPLANATION OF PROGRAM COSTS**

The dietary department is responsible for cooking the main part of each meal and ordering and stocking food supplies for the main kitchen and all of the household pantries. The Veterans Home serves approximately 12,000 – 12,500 meals per month.

**BUDGET BY TRADITIONAL LINE**

<u>Description</u>	<u>2015-2017 Budget</u>	<u>2017-2019 Executive Recommendation</u>	<u>% of Executive Recommendation</u>	<u>Change From 15-17</u>
Salaries	614,712	647,821	37%	33,109
Operating	1,077,450	1,110,450	63%	33,000
Capital	24,000	0		-24,000
<b>Total</b>	<b>1,716,162</b>	<b>1,758,271</b>	<b>100%</b>	<b>42,109</b>
General	316,675	304,190		-12,485
Special	1,399,487	1,454,081		54,594
<b>Total</b>	<b>1,716,162</b>	<b>1,758,271</b>		<b>42,109</b>
FTE	5	5		0

**LINE ITEM DETAIL**

Salaries and Benefits - \$647,821 37% of budget

- Dietician – 1.0 FTE
- Dietary Manager – 1.0 FTE
- Cook - 1.0 FTE
- Food service worker – 1.0 FTE
- Dietary Assistant – 1.0 FTE

Travel - \$2,500 .14% of budget

Employee reimbursed travel expenses for food shows and workshops

Professional supplies and materials - \$30,000 2% of budget

Chemicals, resource materials, serve safe training materials

Food - \$915,000 52% of budget  
Food, supplements

Building, ground and maintenance - \$20,000 1% of budget  
Repair parts, janitorial supplies

Miscellaneous supplies - \$85,000 5% of budget  
Dishes, silverware, equipment under \$750, paper products

Office Supplies - \$1,500 .08% of budget  
Labeling supplies

Other Equipment under \$5,000 - \$29,900 2% of budget  
Microwaves, toasters, ice machines

Repairs - \$20,000 1% of budget  
Hired repair work, service contracts such as hood cleaners

Professional development - \$5,800 .3% of budget  
Workshops, certifications for staff, serve safe testing

Operating fees and services - \$500  
Help wanted ads, years of service awards

Medical, dental and optical - \$200  
Flu shots for dietary employees, first aid kits

### SIGNIFICANT CHANGES

**Salaries and benefits** - \$33,109 increase  
Increase for health insurance  
Cost to carry current salaries forward

**Food and Clothing** - \$15,000 increase  
Increase in food costs. Part of the increase is due to meals sold which is offset by the revenue generated.

**Miscellaneous Supplies** - \$18,000 increase  
Items that fall under this category include dishes, pots and pans, utensils, paper products and equipment under \$750. Cost of paper products has increased and we are having to replace some of our kitchen supplies.

### 2015-2017 BUDGET

As of January 2017, 76% of this cost center's budget has been expended. Anticipate this department's budget to be spent by the end of the biennium.

Agency Soldiers Home  
 Program Secretary  
 Reporting Level 00-313-300-00-00-00-00000000

1 Object/Revenue  Description	Code	2 2013-15 Biennium Expenditures	3 2015-17 Biennium Appropriation	4 2015-17 First Year Expenditures	5 2017-19 Base Budget Changes	6 Compensation	7 2017-19 Recommendation
10 Salaries and Wages							
Salaries - Permanent	511000	319,230	346,770	176,191	0	0	362,667
Salary Increase	511010	0	0	0	0	1,813	1,813
Benefit Increase	511011	0	0	0	0	379	379
Health Increase	511012	0	0	0	0	14,310	14,310
Salaries - Other	512000	283	1,000	78	0	0	300
Temporary Salaries	513000	35,828	30,000	18,781	0	0	40,000
Overtime	514000	14,928	20,000	4,450	0	0	10,000
Fringe Benefits	516000	193,415	216,942	106,563	0	0	220,544
TOTAL		563,684	614,712	306,063	0	16,502	650,013 (647,821)
MEANS OF FUNDING							
State General Fund	001	49,098	252,706	179,440	0	4,669	241,053
General Fund TOTAL		49,098	252,706	179,440	0	4,669	241,053
Soldiers Home Fund 380	380	514,586	362,006	126,623	0	11,833	408,960
Special Funds TOTAL		514,586	362,006	126,623	0	11,833	408,960
TOTAL		563,684	614,712	306,063	0	16,502	650,013
30 Operating Expenses							
Travel	521000	3,621	2,500	1,158	0	0	2,500
Supplies - IT Software	531000	401	0	0	0	0	0
Supply/Material-Professional	532000	31,643	30,000	13,840	0	0	30,000
Food and Clothing	533000	836,290	900,000	437,867	15,000	0	915,000
Bldg, Ground, Maintenance	534000	11,608	20,000	9,825	0	0	20,000
Miscellaneous Supplies	535000	88,686	67,000	40,921	18,000	0	85,000
Office Supplies	536000	675	1,500	400	0	0	1,500
Other Equip Under \$5,000	552000	4,231	29,900	13,950	0	0	29,900
Insurance	571000	27	0	0	0	0	0
Repairs	591000	19,397	20,000	7,376	0	0	20,000
IT Contractual Svcs and Rprs	603000	0	50	0	0	0	50
Professional Development	611000	4,381	5,800	4,631	0	0	5,800
Operating Fees and Services	621000	231	500	188	0	0	500
Medical, Dental and Optical	625000	185	200	84	0	0	200
TOTAL		1,001,376	1,077,450	530,240	33,000	0	1,110,450
MEANS OF FUNDING							
State General Fund	001	273,483	63,969	15,962	0	0	63,969
General Fund TOTAL		273,483	63,969	15,962	0	0	63,969
Soldiers Home Fund 380	380	727,893	1,013,481	514,278	33,000	0	1,046,481
Special Funds TOTAL		727,893	1,013,481	514,278	33,000	0	1,046,481
TOTAL		1,001,376	1,077,450	530,240	33,000	0	1,110,450

-832  
-1360

Agency Home  
 Program Secretary  
 Reporting Level 00-313-300-00-00-00-00000000

1 Object/Revenue  Description Code	2 2013-15 Biennium Expenditures	3 2015-17 Biennium Appropriation	4 2015-17 First Year Expenditures	5 2017-19 Base Budget Changes	6 Compensation	7 2017-19 Recommendation
50 Capital Assets Equipment Over \$5000 691000	0	24,000	0	0	0	0
TOTAL	0	24,000	0	0	0	0
MEANS OF FUNDING						
Soldiers Home Fund 380 380	0	24,000	0	0	0	0
Special Funds TOTAL	0	24,000	0	0	0	0
TOTAL	0	24,000	0	0	0	0
Agency TOTALS						
TOTAL EXPENDITURES	1,565,060	1,716,162	836,303	33,000	16,502	1,760,463
General Fund						
State General Fund 001	322,581	316,675	195,402	0	4,669	305,022
TOTAL	322,581	316,675	195,402	0	4,669	305,022
Special Funds						
Soldiers Home Fund 380 380	1,242,479	1,399,487	640,901	33,000	11,833	1,455,441
TOTAL	1,242,479	1,399,487	640,901	33,000	11,833	1,455,441
TOTAL FUNDING	1,565,060	1,716,162	836,303	33,000	16,502	1,760,463
AUTHORIZED EMPLOYEES						
FTE	5.00	5.00	0.00	0.00	0.00	5.00
TOTAL AUTHORIZED EMPLOYEES	5.00	5.00	0.00	0.00	0.00	5.00

**NORTH DAKOTA VETERANS HOME  
2017-2019 BUDGET DETAIL**

**BASIC CARE NURSING DEPARTMENT  
Reporting level 00-313-300-00**

**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. This department also includes the Resident Living Specialists that are responsible for cooking, cleaning, activities and assisting with activities of daily living for those basic care residents that need assistance.

Expenses cover such things as lab and 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>	2015-2017	2017-2019	% of	<u>Change</u> <u>From 15-17</u>
	<u>Budget</u>	<u>Executive</u> <u>Recommendation</u>	<u>Executive</u> <u>Recommendation</u>	
Salaries	5,114,648	5,334,988	97%	220,340
Operating	169,200	169,200	3%	0
Capital	0	0	0	0
<b>Total</b>	<b>5,283,848</b>	<b>5,504,188</b>	<b>100%</b>	<b>220,340</b>
General	1,422,673	1,441,373		18,700
Special	3,861,175	4,062,815		201,640
<b>Total</b>	<b>5,283,848</b>	<b>5,504,188</b>		<b>220,340</b>
FTE	34.85	34.85		0

**LINE ITEM DETAIL**

Salaries and Benefits - \$5,334,988 97% of budget  
 Clinical Care Partner – 1.0 FTE  
 Household Coordinator – 1.0 FTE  
 RNs – 1.35 FTE  
 LPNs – 8.10 FTE  
 Med Techs – 7.0 FTE  
 Resident Living Specialists – 15.4 FTE  
 Medical Records – 1.0 FTE

Travel - \$2,000 .03% of budget  
Expenses include employee reimbursed travel for workshops, continuing education

Supplies and materials/professional - \$2,500 .04% of budget  
Resource materials, educational supplies and subscriptions

Food and Clothing - \$5,500 .1% of budget  
Safety clothing – gloves, gowns

Miscellaneous supplies - \$6,500 .1% of budget  
Paper products for dispensing medications, miscellaneous supplies such as fingernail clippers, Q-tips etc.

Office equipment & furniture - \$500  
Office chairs for nurses stations

Professional development - \$6,500 .1% of budget  
Workshop and convention registrations, dues and memberships, tuition reimbursement

Operating fees and services - \$5,500 .1% of budget  
Hazardous waste removal, help wanted ads, years of service awards and workers comp payments

Professional services - \$100,000 2% 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 - \$40,000 .7% of budget  
Lab and nursing supplies, medical equipment, stock medications

### SIGNIFICANT CHANGES

**Salaries and benefits** - \$220,340 increase  
Health insurance increase  
Funding to change LPN positions to RN positions if we cannot fill with LPN

### 2015-2017 BUDGET

As of January 2017, 72% of this cost center's budget has been expended. Since the basic care nursing budget was based upon a higher occupancy we will have unspent operating authority.

Agency Veterans Home  
 Program 40 Nursing Basic Care  
 Reporting Level 00-313-401-00-00-00-00000000

1 Object/Revenue  Description	Code	2 2013-15 Biennium Expenditures	3 2015-17 Biennium Appropriation	4 2015-17 First Year Expenditures	5 2017-19 Base Budget Changes	6 Compensation	7 2017-19 Recommendation
10 Salaries and Wages							
Salaries - Permanent	511000	2,341,979	2,636,640	1,263,548	0	0	2,619,692
Salary Increase	511010	0	0	0	0	13,098	13,098
Benefit Increase	511011	0	0	0	0	3,013	3,013
Health Increase	511012	0	0	0	0	133,798	133,798
Salaries - Other	512000	148,017	140,000	77,115	0	0	200,000
Temporary Salaries	513000	202,827	200,000	152,423	0	0	300,000
Overtime	514000	81,788	200,000	45,460	0	0	125,000
Fringe Benefits	516000	1,493,213	1,938,008	842,979	0	0	1,956,498
TOTAL		4,267,824	5,114,648	2,381,525	0	149,909	5,351,099 5,334,988
MEANS OF FUNDING							
State General Fund	001	552,474	1,408,473	1,405,526	0	25,664	1,433,286
General Fund TOTAL		552,474	1,408,473	1,405,526	0	25,664	1,433,286
Soldiers Home Fund 380	380	3,715,350	3,706,175	975,999	0	124,245	3,917,813
Special Funds TOTAL		3,715,350	3,706,175	975,999	0	124,245	3,917,813
TOTAL		4,267,824	5,114,648	2,381,525	0	149,909	5,351,099
30 Operating Expenses							
Travel	521000	1,746	2,000	209	0	0	2,000
Supply/Material-Professional	532000	2,259	2,500	350	0	0	2,500
Food and Clothing	533000	5,089	5,500	2,528	0	0	5,500
Bldg, Ground, Maintenance	534000	8	0	0	0	0	0
Miscellaneous Supplies	535000	5,158	6,500	2,420	0	0	6,500
Office Equip & Furn Supplies	553000	62	500	276	0	0	500
IT Contractual Svcs and Rprs	603000	308	200	78	0	0	200
Professional Development	611000	4,208	6,500	6,185	0	0	6,500
Operating Fees and Services	621000	5,109	5,500	2,499	0	0	5,500
Fees - Professional Services	623000	71,526	100,000	40,386	0	0	100,000
Medical, Dental and Optical	625000	26,786	40,000	12,482	0	0	40,000
TOTAL		122,259	169,200	67,413	0	0	169,200
MEANS OF FUNDING							
State General Fund	001	39,366	14,200	13,127	0	0	14,200
General Fund TOTAL		39,366	14,200	13,127	0	0	14,200
Soldiers Home Fund 380	380	82,893	155,000	54,286	0	0	155,000
Special Funds TOTAL		82,893	155,000	54,286	0	0	155,000
TOTAL		122,259	169,200	67,413	0	0	169,200
Agency TOTALS							
TOTAL EXPENDITURES		4,390,083	5,283,848	2,448,938	0	149,909	5,520,299

Agency Home  
 Program 40 Nursing Basic Care  
 Reporting Level 00-313-401-00-00-00-00000000

1 Object/Revenue		2 2013-15 Biennium Expenditures	3 2015-17 Biennium Appropriation	4 2015-17 First Year Expenditures	5 2017-19 Base Budget Changes	6 Compensation	7 2017-19 Recommendation
Decription	Code						
General Fund							
State General Fund	001	591,840	1,422,673	1,418,653	0	25,664	1,447,486
TOTAL		591,840	1,422,673	1,418,653	0	25,664	1,447,486
Special Funds							
Soldiers Home Fund 380	380	3,798,243	3,861,175	1,030,285	0	124,245	4,072,813
TOTAL		3,798,243	3,861,175	1,030,285	0	124,245	4,072,813
TOTAL FUNDING		4,390,083	5,283,848	2,448,938	0	149,909	5,520,299
AUTHORIZED EMPLOYEES							
FTE		35.10	34.85	0.00	0.00	0.00	34.85
TOTAL AUTHORIZED EMPLOYEES		35.10	34.85	0.00	0.00	0.00	34.85

**NORTH DAKOTA VETERANS HOME  
2017-2019 BUDGET DETAIL**

**SKILLED CARE NURSING DEPARTMENT  
Reporting level 00-313-300-00**

**EXPLANATION OF PROGRAM COSTS**

The skilled care nursing department is responsible for the 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. This department also includes the Resident Living Specialists that are responsible for cooking, cleaning, activities and assisting the residents with activities of daily living.

Expenses cover such things as lab and medical supplies, OTC 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, psychiatrists and continuing education for employees.

**BUDGET BY TRADITIONAL LINE**

<u>Description</u>	2015-2017	2017-2019	% of	<u>Change</u>
	<u>Budget</u>	<u>Executive</u>	<u>Executive</u>	
		<u>Recommendation</u>	<u>Recommendation</u>	<u>From 15-17</u>
Salaries	7,493,209	8,081,395	91%	588,186
Operating	715,100	736,600	9%	21,500
Capital	6,200	82,500	0	76,300
<b>Total</b>	<b>8,214,509</b>	<b>8,900,495</b>	<b>100%</b>	<b>685,986</b>
General	4,048,530	1,064,717		-2,984,958
Special	4,165,979	7,838,068		3,670,944
<b>Total</b>	<b>8,214,509</b>	<b>8,900,495</b>		<b>685,986</b>
FTE	50.97	50.97		0

**LINE ITEM DETAIL**

Salaries and Benefits - \$8,081,395 91% of budget

RNs – 5.25 FTE

LPNs – 2.6 FTE

Med Tech – 2.8 FTE

Resident Living Specialists – 31.32 FTE

Household Coordinator – 1.0 FTE

Therapy – 2.0 FTE

Medical Records – 1.0 FTE

Director of Nursing – 1.0 FTE

Clinical Care Partners (RN) – 4 FTE

Travel - \$7,000 .07% of budget  
Expenses include employee reimbursed travel for workshops, continuing education

Supplies and materials/professional - \$20,000 .2% of budget  
Chemicals including Purell, resource materials, educational supplies and subscriptions

Food and Clothing - \$75,000 .8% of budget  
Briefs, safety clothing including gloves and gowns

Bldg, ground, maintenance supplies - \$8,350 .09% of budget  
Repair parts, misc. supplies

Miscellaneous supplies - \$30,000 .3% of budget  
Health and beauty supplies, paper products for dispensing medications

Office supplies - \$500  
Special order charting supplies

Other equipment under \$5,000 - \$36,250 .4% of budget  
Walkers, wheelchairs, oxygen concentrators, feeding pumps, pal lifts, mattresses

Rental/lease of Equipment - \$3,000 .03% of budget  
Rent/lease of specialized medical equipment

Repairs - \$5,000 .05% of budget  
Repair of medical equipment

IT contractual services and repairs - \$500  
Employee name badges

Professional development - \$30,000 .3% of budget  
Workshop and convention registrations, dues and memberships, tuition reimbursement

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

Professional services - \$302,500 3% of budget  
Medical service consultants, physical, occupational and speech therapy consultants,  
Psychiatrists, primary care services including lab testing and x-rays

Medical, dental and optical - \$210,000 2% of budget  
Lab and nursing supplies, rehabilitation supplies, stock medications

### SIGNIFICANT CHANGES

**Salaries and benefits** - \$588,186 increase  
Health insurance increase

Increase for temporary wages due to equity money given last biennium  
Increase in shift differential due to incentives paid to our FTE employees to pick up open shifts on the floor so we can avoid agency staffing  
Funding to change LPN positions to RN positions if we cannot fill with an LPN

**Change in Funding - Switched \$2,000,000 from general to special funds**

**Professional supplies and materials - \$5,000 increase**

Funding is used to purchase chemicals including Purell and chemicals for the whirlpool tubs. Current biennium budget is underfunded.

**Professional service fees - \$16,500 increase**

Increase in fees for consultants. Part of the increase is for physical and occupational therapy consultants but is offset by money generated from billing Medicare Part B for these services. Current biennium budget is underfunded.

**Equipment over \$5,000 - \$76,300 increase**

Replaces current nurse call system with a wireless system. The current system relies on pagers for communication. The pagers last two-way communication so staff are unable to determine if a call has been completed. Staff are also unable to communicate if they need additional help. The new wireless system uses resident pendants in place of pull stations and staff are able to communicate via smart phones. The smart phones will allow staff to see nurse call pages, clear pages when completed and communicate with other staff via a phone call or text.

**2015-2017 BUDGET**

As of January 2017, 80% of this cost center's budget has been expended. Anticipate this department's budget to be spent by the end of the biennium.

Agency Soldiers Home  
 Program 400 Nursing Skilled Care  
 Reporting Level 00-313-402-00-00-00-00000000

1 Object/Revenue  Description	Code	2 2013-15 Biennium Expenditures	3 2015-17 Biennium Appropriation	4 2015-17 First Year Expenditures	5 2017-19 Base Budget Changes	6 Compensation	7 2017-19 Recommendation
10 Salaries and Wages							
Salaries - Permanent	511000	3,855,284	4,026,197	2,173,740	0	0	4,170,498
Salary Increase	511010	0	0	0	0	20,853	20,853
Benefit Increase	511011	0	0	0	0	4,522	4,522
Health Increase	511012	0	0	0	0	172,435	172,435
Salaries - Other	512000	190,528	180,000	116,660	0	0	300,800
Temporary Salaries	513000	437,781	400,000	280,140	0	0	560,000
Overtime	514000	221,688	185,000	96,832	0	0	200,000
Fringe Benefits	516000	2,288,050	2,702,012	1,313,018	0	0	2,677,662
TOTAL		6,993,331	7,493,209	3,980,390	0	197,810	8,106,770 8,081,395
MEANS OF FUNDING							
State General Fund	001	3,737,728	4,003,022	2,382,851	(2,000,000)	83,279	1,027,691 -8482
General Fund TOTAL		3,737,728	4,003,022	2,382,851	(2,000,000)	83,279	1,027,691
Soldiers Home Fund 380	380	3,255,603	3,490,187	1,597,539	2,000,000	114,531	7,079,079 -11891
Special Funds TOTAL		3,255,603	3,490,187	1,597,539	2,000,000	114,531	7,079,079
TOTAL		6,993,331	7,493,209	3,980,390	0	197,810	8,106,770
30 Operating Expenses							
Travel	521000	11,918	7,000	4,642	0	0	7,000
Supplies - IT Software	531000	252	0	0	0	0	0
Supply/Material-Professional	532000	18,432	15,000	11,080	5,000	0	20,000
Food and Clothing	533000	60,482	75,000	31,730	0	0	75,000
Bldg, Ground, Maintenance	534000	12,301	8,350	4,576	0	0	8,350
Miscellaneous Supplies	535000	34,907	30,000	15,034	0	0	30,000
Office Supplies	536000	820	500	158	0	0	500
Other Equip Under \$5,000	552000	16,543	36,250	14,518	0	0	36,250
Insurance	571000	233	0	0	0	0	0
Rentals/Leases-Equip & Other	581000	0	3,000	0	0	0	3,000
Repairs	591000	4,481	5,000	138	0	0	5,000
IT Contractual Svcs and Rprs	603000	572	500	232	0	0	500
Professional Development	611000	23,320	30,000	15,865	0	0	30,000
Operating Fees and Services	621000	8,156	8,500	3,276	0	0	8,500
Fees - Professional Services	623000	167,988	286,000	161,067	16,500	0	302,500
Medical, Dental and Optical	625000	236,928	210,000	96,362	0	0	210,000
TOTAL		597,333	715,100	358,678	21,500	0	736,600
MEANS OF FUNDING							
State General Fund	001	266,003	45,508	41,901	0	0	45,508
General Fund TOTAL		266,003	45,508	41,901	0	0	45,508
Soldiers Home Fund 380	380	331,330	669,592	316,777	21,500	0	691,092
Special Funds TOTAL		331,330	669,592	316,777	21,500	0	691,092

Agency Veterans Home  
 Program 402 Nursing Skilled Care  
 Reporting Level 00-313-402-00-00-00-00000000

1 Object/Revenue  Description	2 2013-15 Biennium Expenditures  Code	3 2015-17 Biennium Appropriation	4 2015-17 First Year Expenditures	5 2017-19 Base Budget Changes	6 Compensation	7 2017-19 Recommendation
TOTAL	597,333	715,100	358,678	21,500	0	736,600
50 Capital Assets Equipment Over \$5000	691000	1,747	6,200	0	82,500	82,500
TOTAL	1,747	6,200	0	82,500	0	82,500
MEANS OF FUNDING						
Soldiers Home Fund 380	380	1,747	6,200	0	82,500	82,500
Special Funds TOTAL		1,747	6,200	0	82,500	82,500
TOTAL		1,747	6,200	0	82,500	82,500
Agency TOTALS						
TOTAL EXPENDITURES	7,592,411	8,214,509	4,339,068	104,000	197,810	8,925,870
General Fund						
State General Fund	001	4,003,731	4,048,530	2,424,752	(2,000,000)	83,279
TOTAL		4,003,731	4,048,530	2,424,752	(2,000,000)	83,279
Special Funds						
Soldiers Home Fund 380	380	3,588,680	4,165,979	1,914,316	2,104,000	114,531
TOTAL		3,588,680	4,165,979	1,914,316	2,104,000	114,531
TOTAL FUNDING	7,592,411	8,214,509	4,339,068	104,000	197,810	8,925,870
AUTHORIZED EMPLOYEES						
FTE		50.62	50.97	0.00	0.00	50.97
TOTAL AUTHORIZED EMPLOYEES		50.62	50.97	0.00	0.00	50.97

**NORTH DAKOTA VETERANS HOME  
2017-2019 BUDGET DETAIL**

**RESIDENT SERVICES (ACTIVITES) DEPARTMENT  
Reporting level 00-313-500-00**

**EXPLANATION OF PROGRAM COSTS**

The majority of the expenses for resident services are for salaries and benefits. Additional funding is for workshops, travel and supplies. All funding for resident activities is through outside donations.

**BUDGET BY TRADITIONAL LINE**

<u>Description</u>	<u>2015-2017 Budget</u>	<u>2017-2019 Executive Recommendation</u>	<u>% of Executive Recommendation</u>	<u>Change From 15-17</u>
Salaries	272,697	284,655	97%	11,958
Operating	8,250	8,250	3%	0
Capital	0	0	0%	0
<b>Total</b>	<b>280,947</b>	<b>292,905</b>	<b>100%</b>	<b>11,958</b>
General	75,628	50,855		-24,773
Special	205,319	242,050		36,731
<b>Total</b>	<b>280,947</b>	<b>292,905</b>		<b>11,958</b>
FTE	2	2		0

**LINE ITEM DETAIL**

Salaries and Benefits - \$284,655 97% of budget

    Activities coordinator – 1.0 FTE

    Activities assistant – 1.0 FTE

Travel - \$1,000 .3% of budget

    Employee reimbursed travel for workshops, continuing education

Supplies and materials/professional - \$1,000 .3% of budget

    Resource materials and educational supplies

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Miscellaneous supplies - \$1,000 .3% of budget  
Recreational supplies

Printing - \$3,000 1% of budget  
Printing and mailing of the Scuttlebutt, the NDVH newsletter that is mailed out twice a year to about 1,000 organizations and individuals

Office equipment & furniture - \$500  
Office chairs

Professional development - \$1,000 .3% of budget  
Workshop and convention registrations, membership fees

Operating fees and services - \$500 .1% of budget  
Advertising, years of service awards

### **SIGNIFICANT CHANGES**

**Salaries and benefits** - \$11,958 increase  
Health insurance increase  
Cost to continue wages

### **2015-2017 BUDGET**

As of January 2017, 52% of this cost center's budget has been expended. Anticipate most of this department's budget to be expended by end of this biennium.

Agency Soldiers Home  
 Program 50 Resident Services  
 Reporting Level 00-313-500-00-00-00-00000000

1 Object/Revenue		2 2013-15 Biennium Expenditures	3 2015-17 Biennium Appropriation	4 2015-17 First Year Expenditures	5 2017-19 Base Budget Changes	6 Compensation	7 2017-19 Recommendation
Decription	Code						
10 Salaries and Wages							
Salaries - Permanent	511000	124,699	135,386	67,952	0	0	142,813
Salary Increase	511010	0	0	0	0	714	714
Benefit Increase	511011	0	0	0	0	151	151
Health Increase	511012	0	0	0	0	5,724	5,724
Salaries - Other	512000	1,113	1,000	561	0	0	1,000
Temporary Salaries	513000	27,750	40,000	14,108	0	0	40,000
Overtime	514000	8,480	7,500	1,992	0	0	4,500
Fringe Benefits	516000	74,076	88,811	44,589	0	0	90,618
TOTAL		236,118	272,697	129,202	0	6,589	<del>285,520</del> 284,655
MEANS OF FUNDING							
State General Fund	001	9,939	74,495	74,488	0	0	50,050 -328
General Fund TOTAL		9,939	74,495	74,488	0	0	50,050
Soldiers Home Fund 380	380	226,179	198,202	54,714	0	6,589	235,470 -537
Special Funds TOTAL		226,179	198,202	54,714	0	6,589	235,470
TOTAL		236,118	272,697	129,202	0	6,589	285,520
30 Operating Expenses							
Travel	521000	1,020	1,000	579	0	0	1,000
Supplies - IT Software	531000	54	0	0	0	0	0
Supply/Material-Professional	532000	885	1,000	0	0	0	1,000
Food and Clothing	533000	22	0	0	0	0	0
Bldg, Ground, Maintenance	534000	104	200	0	0	0	200
Miscellaneous Supplies	535000	180	1,000	134	0	0	1,000
Postage	541000	45	0	0	0	0	0
Printing	542000	3,035	3,000	1,109	0	0	3,000
Office Equip & Furn Supplies	553000	0	500	188	0	0	500
Repairs	591000	550	0	0	0	0	0
IT Contractual Srvc and Rprs	603000	11	0	0	0	0	0
Professional Development	611000	388	1,000	620	0	0	1,000
Operating Fees and Services	621000	27	500	299	0	0	500
Medical, Dental and Optical	625000	0	50	0	0	0	50
TOTAL		6,321	8,250	2,929	0	0	8,250
MEANS OF FUNDING							
State General Fund	001	2,360	1,133	1,117	0	0	1,133
General Fund TOTAL		2,360	1,133	1,117	0	0	1,133
Soldiers Home Fund 380	380	3,961	7,117	1,812	0	0	7,117
Special Funds TOTAL		3,961	7,117	1,812	0	0	7,117
TOTAL		6,321	8,250	2,929	0	0	8,250

Agency Home  
 Program Resident Services  
 Reporting Level 00-313-500-00-00-00-00000000

1 Object/Revenue  Description	2 2013-15 Biennium Expenditures  Code	3 2015-17 Biennium Appropriation	4 2015-17 First Year Expenditures	5 2017-19 Base Budget Changes	6 Compensation	7 2017-19 Recommendation
Agency TOTALS						
TOTAL EXPENDITURES	242,439	280,947	132,131	0	6,589	293,770
General Fund						
State General Fund 001	12,299	75,628	75,605	0	0	51,183
TOTAL	12,299	75,628	75,605	0	0	51,183
Special Funds						
Soldiers Home Fund 380	230,140	205,319	56,526	0	6,589	242,587
TOTAL	230,140	205,319	56,526	0	6,589	242,587
TOTAL FUNDING	242,439	280,947	132,131	0	6,589	293,770
AUTHORIZED EMPLOYEES						
FTE	2.00	2.00	0.00	0.00	0.00	2.00
TOTAL AUTHORIZED EMPLOYEES	2.00	2.00	0.00	0.00	0.00	2.00

**NORTH DAKOTA VETERANS HOME  
2017-2019 BUDGET DETAIL**

**SOCIAL SERVICES DEPARTMENT  
Reporting level 00-313-600-00**

**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.

The social services department costs include salaries and benefits, pastoral fees, resource materials and supplies, consulting fees, membership dues and professional development.

**BUDGET BY TRADITIONAL LINE**

<u>Description</u>	<u>2015-2017 Budget</u>	<u>2017-2019 Executive Recommendation</u>	<u>% of Executive Recommendation</u>	<u>Change From 15-17</u>
Salaries	1,194,624	1,267,704	94%	73,080
Operating	90,300	87,050	6%	-3,250
Capital	0	0	0%	0
<b>Total</b>	<b>1,284,924</b>	<b>1,354,754</b>	<b>100%</b>	<b>69,830</b>
General	435,153	691,179		256,026
Special	849,771	663,575		-186,196
<b>Total</b>	<b>1,284,924</b>	<b>1,354,754</b>		<b>69,830</b>
FTE	8.2	8.2		0

**LINE ITEM DETAIL**

Salaries and Benefits - \$1,267,704 94% of budget  
 Social Services Director 1.0 FTE  
 Social Workers – 3.0 FTE  
 Marketing and Admissions coordinator – 1.0 FTE  
 Transportation Coordinator - .8 FTE  
 Transportation employees – 2.4 FTE

Travel - \$8,000 .6% of budget  
Employee reimbursed travel for workshops, continuing education

Supplies and materials/professional - \$250  
Resource materials and educational supplies

Miscellaneous supplies - \$200  
Supplies for marketing the Veterans Home at conventions, stand downs etc.

Professional development - \$5,000 .4% of budget  
Workshop and convention registrations, dues and memberships

Operating fees and services - \$3,500 .3% of budget  
Background checks on potential residents

Professional services - \$70,000 5% of budget  
Religious support services, psychologist consulting fees

Medical, Dental and Optical - \$100  
Flu shots for social services staff

### SIGNIFICANT CHANGES

**Salaries and benefits** - \$73,080 increase  
Health insurance increase  
Cost to continue wages

**Professional development**- \$3,250 decrease  
Decrease for tuition reimbursement as employee in department no longer requesting funds

### 2013-2015 BUDGET

As of January 2017, 78% of this cost center's budget has been expended. Anticipate this department's budget will be spent by the end of the biennium.

Agency V Home  
 Program Social Services  
 Reporting Level 00-313-600-00-00-00-00000000

1 Object/Revenue		2 2013-15 Biennium Expenditures	3 2015-17 Biennium Appropriation	4 2015-17 First Year Expenditures	5 2017-19 Base Budget Changes	6 Compensation	7 2017-19 Recommendation
Decription	Code						
10 Salaries and Wages							
Salaries - Permanent	511000	674,568	712,630	366,609	0	0	759,904
Salary Increase	511010	0	0	0	0	3,799	3,799
Benefit Increase	511011	0	0	0	0	779	779
Health Increase	511012	0	0	0	0	25,758	25,758
Salaries - Other	512000	857	1,500	254	0	0	1,000
Temporary Salaries	513000	42,610	45,000	17,864	0	0	45,000
Overtime	514000	23,249	30,000	9,077	0	0	20,000
Fringe Benefits	516000	360,048	405,494	200,133	0	0	416,042
TOTAL		1,101,332	1,194,624	593,937	0	30,336	1,272,282
MEANS OF FUNDING							
State General Fund	001	103,812	410,018	275,606	0	16,894	671,031
General Fund TOTAL		103,812	410,018	275,606	0	16,894	671,031
Soldiers Home Fund 380	380	997,520	784,606	318,331	0	13,442	601,251
Special Funds TOTAL		997,520	784,606	318,331	0	13,442	601,251
TOTAL		1,101,332	1,194,624	593,937	0	30,336	1,272,282
30 Operating Expenses							
Travel	521000	8,726	8,000	3,996	0	0	8,000
Supply/Material-Professional	532000	399	250	0	0	0	250
Miscellaneous Supplies	535000	195	200	26	0	0	200
Office Supplies	536000	242	0	0	0	0	0
Insurance	571000	32	0	0	0	0	0
IT Contractual Srvcs and Rprs	603000	11	0	0	0	0	0
Professional Development	611000	3,727	8,250	1,235	(3,250)	0	5,000
Operating Fees and Services	621000	3,376	3,500	1,345	0	0	3,500
Fees - Professional Services	623000	59,460	70,000	29,520	0	0	70,000
Medical, Dental and Optical	625000	0	100	0	0	0	100
TOTAL		76,168	90,300	36,122	(3,250)	0	87,050
MEANS OF FUNDING							
State General Fund	001	20,278	25,135	579	(3,250)	0	21,885
General Fund TOTAL		20,278	25,135	579	(3,250)	0	21,885
Soldiers Home Fund 380	380	55,890	65,165	35,543	0	0	65,165
Special Funds TOTAL		55,890	65,165	35,543	0	0	65,165
TOTAL		76,168	90,300	36,122	(3,250)	0	87,050
Agency TOTALS							
TOTAL EXPENDITURES		1,177,500	1,284,924	630,059	(3,250)	30,336	1,359,332

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-284

1,267,704

Agency Veterans Home  
 Program 600 Social Services  
 Reporting Level 00-313-600-00-00-00-00000000

1 Object/Revenue	2 2013-15 Biennium Expenditures	3 2015-17 Biennium Appropriation	4 2015-17 First Year Expenditures	5 2017-19 Base Budget Changes	6 Compensation	7 2017-19 Recommendation
Decription Code						
General Fund						
State General Fund 001	124,090	435,153	276,185	(3,250)	16,894	692,916
TOTAL	124,090	435,153	276,185	(3,250)	16,894	692,916
Special Funds						
Soldiers Home Fund 380	1,053,410	849,771	353,874	0	13,442	666,416
TOTAL	1,053,410	849,771	353,874	0	13,442	666,416
TOTAL FUNDING	1,177,500	1,284,924	630,059	(3,250)	30,336	1,359,332
AUTHORIZED EMPLOYEES						
FTE	8.20	8.20	0.00	0.00	0.00	8.20
TOTAL AUTHORIZED EMPLOYEES	8.20	8.20	0.00	0.00	0.00	8.20

**NORTH DAKOTA VETERANS HOME  
2017-2019 BUDGET DETAIL**

**HOUSEKEEPING DEPARTMENT**

**EXPLANATION OF PROGRAM COSTS**

**BUDGET BY TRADITIONAL LINE**

<u>Description</u>	2015-2017	2017-2019	% of	Change
	<u>Budget</u>	<u>Executive Recommendation</u>	<u>Executive Recommendation</u>	<u>From 15-17</u>
Salaries	416,663	442,007	77%	25,344
Operating	128,850	125,850	22%	0
Capital	0	7,500	01%	7,500
<b>Total</b>	<b>542,513</b>	<b>575,357</b>	<b>100%</b>	<b>32,844</b>
General	198,111	201,172		3,061
Special	344,402	374,185		29,783
<b>Total</b>	<b>542,513</b>	<b>575,357</b>		<b>32,844</b>
FTE	4.13	4.13		0

**LINE ITEM DETAIL**

Salaries and Benefits - \$575,357 77% of budget  
 Housekeeping supervisor – 1.0 FTE  
 Housekeepers – 3..13 FTE

Supplies and materials/professional - \$41,000 7% of budget  
 Chemicals

Food and Clothing - \$1,500 .2% of budget  
 Safety items - gloves

Building, ground and maintenance - \$35,000 6% of budget  
 Janitorial supplies and misc. building supplies

Miscellaneous supplies - \$35,000 6% of budget  
 Paper products – paper towels, toilet paper, kleenex

Other equipment under \$5,000 - \$5,500 1% of budget  
 Vacuum cleaners and carpet shampoers

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Repairs - \$2,000 .3% of budget  
Equipment repairs

Operating fees and services - \$5,750 1% of budget  
Extermination services

Medical, Dental and Optical - \$50  
Flu shots for staff

Equipment over \$5,000 - \$7,500  
Walk-behind floor scrubber

### SIGNIFICANT CHANGES

**Salaries and benefits** - \$25,344 increase  
Health insurance increase

Laundry staff are having to cross over and help in housekeeping when housekeeping is short staff – wages are being paid out of housekeeping instead of laundry.

**Equipment over \$5,000** - \$7,500 increase

Funding would purchase a walk-behind floor machine for cleaning floors. Our building receives high traffic and a machine like this allows us to clean the floors with greater efficiency and ease. Floor scrubbers have quicker drying times than regular floor mops so the risk of someone slipping and falling is substantially decreased.

### 2015-2017 BUDGET

As of January 2017, 83% of this cost center's budget has been expended. Anticipate most of this department's budget to be expended by the end of this biennium.

Agency V Home  
 Program 70 Housekeeping  
 Reporting Level 00-313-700-00-00-00-00000000

1 Object/Revenue		2 2013-15 Biennium Expenditures	3 2015-17 Biennium Appropriation	4 2015-17 First Year Expenditures	5 2017-19 Base Budget Changes	6 Compensation	7 2017-19 Recommendation
Decription	Code						
10 Salaries and Wages							
Salaries - Permanent	511000	254,537	244,319	136,918	0	0	255,344
Salary Increase	511010	0	0	0	0	1,278	1,278
Benefit Increase	511011	0	0	0	0	273	273
Health Increase	511012	0	0	0	0	11,877	11,877
Salaries - Other	512000	809	1,000	405	0	0	1,000
Temporary Salaries	513000	2,776	5,000	0	0	0	2,000
Overtime	514000	1,987	3,000	845	0	0	2,000
Fringe Benefits	516000	162,387	163,344	90,955	0	0	169,786
TOTAL		422,496	416,663	229,123	0	13,428	443,558 442,007
MEANS OF FUNDING							
State General Fund	001	18,452	137,054	136,049	0	3,539	140,703 -588
General Fund TOTAL		18,452	137,054	136,049	0	3,539	140,703
Soldiers Home Fund 380	380	404,044	279,609	93,074	0	9,889	302,855 -963
Special Funds TOTAL		404,044	279,609	93,074	0	9,889	302,855
TOTAL		422,496	416,663	229,123	0	13,428	443,558
30 Operating Expenses							
Supply/Material-Professional	532000	36,620	41,000	20,153	0	0	41,000
Food and Clothing	533000	1,410	1,500	273	0	0	1,500
Bldg, Ground, Maintenance	534000	40,821	35,000	15,367	0	0	35,000
Miscellaneous Supplies	535000	30,177	35,000	14,702	0	0	35,000
Other Equip Under \$5,000	552000	3,700	5,500	654	0	0	5,500
Repairs	591000	1,695	2,000	935	0	0	2,000
IT Contractual Svcs and Rprs	603000	22	50	0	0	0	50
Professional Development	611000	50	0	0	0	0	0
Operating Fees and Services	621000	2,769	5,750	2,486	0	0	5,750
Fees - Professional Services	623000	16	0	0	0	0	0
Medical, Dental and Optical	625000	0	50	0	0	0	50
TOTAL		117,280	125,850	54,570	0	0	125,850
MEANS OF FUNDING							
State General Fund	001	30,145	61,057	1,008	0	0	61,057
General Fund TOTAL		30,145	61,057	1,008	0	0	61,057
Soldiers Home Fund 380	380	87,135	64,793	53,562	0	0	64,793
Special Funds TOTAL		87,135	64,793	53,562	0	0	64,793
TOTAL		117,280	125,850	54,570	0	0	125,850
50 Capital Assets							
Extraordinary Repairs	684000	6,534	0	0	0	0	0
Equipment Over \$5000	691000	0	0	0	7,500	0	7,500

Agency Soldiers Home  
 Program 700 Housekeeping  
 Reporting Level 00-313-700-00-00-00-00000000

1 Object/Revenue  Description Code	2 2013-15 Biennium Expenditures	3 2015-17 Biennium Appropriation	4 2015-17 First Year Expenditures	5 2017-19 Base Budget Changes	6 Compensation	7 2017-19 Recommendation
TOTAL	6,534	0	0	7,500	0	7,500
MEANS OF FUNDING						
State General Fund 001	6,534	0	0	0	0	0
General Fund TOTAL	6,534	0	0	0	0	0
Soldiers Home Fund 380	0	0	0	7,500	0	7,500
Special Funds TOTAL	0	0	0	7,500	0	7,500
TOTAL	6,534	0	0	7,500	0	7,500
Agency TOTALS						
TOTAL EXPENDITURES	546,310	542,513	283,693	7,500	13,428	576,908
General Fund						
State General Fund 001	55,131	198,111	137,057	0	3,539	201,760
TOTAL	55,131	198,111	137,057	0	3,539	201,760
Special Funds						
Soldiers Home Fund 380	491,179	344,402	146,636	7,500	9,889	375,148
TOTAL	491,179	344,402	146,636	7,500	9,889	375,148
TOTAL FUNDING	546,310	542,513	283,693	7,500	13,428	576,908
AUTHORIZED EMPLOYEES						
FTE	4.00	4.13	0.00	0.00	0.00	4.13
TOTAL AUTHORIZED EMPLOYEES	4.00	4.13	0.00	0.00	0.00	4.13

**NORTH DAKOTA VETERANS HOME  
2017-2019 BUDGET DETAIL**

**LAUNDRY DEPARTMENT**

**EXPLANATION OF PROGRAM COST**

**BUDGET BY TRADITIONAL LINE**

<u>Description</u>	<u>2015-2017 Budget</u>	<u>2017-2019 Executive Recommendation</u>	<u>% of Executive Recommendation</u>	<u>Change From 15-17</u>
Salaries	281,348	281,251	81%	-97
Operating	67,000	67,000	19%	0
Capital	0	0	0%	0
<b>Total</b>	<b>348,348</b>	<b>348,251</b>	<b>100%</b>	<b>-97</b>
General	90,505	86,591		-3,914
Special	257,843	261,660		3,817
<b>Total</b>	<b>348,348</b>	<b>348,251</b>		<b>-97</b>
FTE	2.47	2.47		0

**LINE ITEM DETAIL**

Salaries and Benefits - \$281,251 81% of budget  
 Laundry supervisor – 1.0 FTE  
 Laundry workers – 1.47 FTE

Supplies and materials/professional - \$26,000 7% of budget  
 Chemicals for laundry

Food and Clothing - \$20,950 6% of budget  
 Linens, towels and washcloths

Building, grounds and maintenance - \$6,000 2% of budget  
 Equipment repair parts

Miscellaneous supplies - \$2,000 .5% of budget  
 Laundry supplies

Repairs – \$10,000 3% of budget  
 Equipment repairs

**BUDGET CHANGES**

**Salaries and benefits - \$97.00 decrease**

Laundry staff are having to cross over and help in housekeeping when housekeeping is short staff – wages are being paid from housekeeping department instead of laundry.

**2015-2017 BUDGET**

As of January 2017, 63% of this cost center's budget has been expended. A good share of the operating budget remaining is for linens which we recently bid out. Anticipate spending the majority of this cost center's budget by biennium end.

Agency Home  
 Program Laundry  
 Reporting Level 00-313-800-00-00-00-00000000

1 Object/Revenue		2 2013-15 Biennium Expenditures	3 2015-17 Biennium Appropriation	4 2015-17 First Year Expenditures	5 2017-19 Base Budget Changes	6 Compensation	7 2017-19 Recommendation
Decription	Code						
10 Salaries and Wages							
Salaries - Permanent	511000	116,338	163,361	66,249	0	0	158,674
Salary Increase	511010	0	0	0	0	793	793
Benefit Increase	511011	0	0	0	0	174	174
Health Increase	511012	0	0	0	0	8,157	8,157
Salaries - Other	512000	92	100	13	0	0	500
Temporary Salaries	513000	5,543	0	0	0	0	0
Overtime	514000	699	500	464	0	0	1,000
Fringe Benefits	516000	73,017	117,387	49,272	0	0	112,920
TOTAL		195,689	281,348	115,998	0	9,124	<del>282,218</del> 281,251
MEANS OF FUNDING							
State General Fund	001	9,225	68,571	68,538	0	2,892	65,024
General Fund TOTAL		9,225	68,571	68,538	0	2,892	65,024
Soldiers Home Fund 380	380	186,464	212,777	47,460	0	6,232	217,194
Special Funds TOTAL		186,464	212,777	47,460	0	6,232	217,194
TOTAL		195,689	281,348	115,998	0	9,124	282,218
30 Operating Expenses							
Supply/Material-Professional	532000	15,369	26,000	11,271	0	0	26,000
Food and Clothing	533000	15,265	20,950	1,713	0	0	20,950
Bldg, Ground, Maintenance	534000	2,606	6,000	3,087	0	0	6,000
Miscellaneous Supplies	535000	5,273	2,000	1,130	0	0	2,000
Other Equip Under \$5,000	552000	604	2,000	847	0	0	2,000
Repairs	591000	0	10,000	60	0	0	10,000
IT Contractual Srvcs and Rprs	603000	11	50	0	0	0	50
Operating Fees and Services	621000	15	0	0	0	0	0
TOTAL		39,143	67,000	18,108	0	0	67,000
MEANS OF FUNDING							
State General Fund	001	21,960	21,934	0	0	0	21,934
General Fund TOTAL		21,960	21,934	0	0	0	21,934
Soldiers Home Fund 380	380	17,183	45,066	18,108	0	0	45,066
Special Funds TOTAL		17,183	45,066	18,108	0	0	45,066
TOTAL		39,143	67,000	18,108	0	0	67,000
Agency TOTALS							
TOTAL EXPENDITURES		234,832	348,348	134,106	0	9,124	349,218
General Fund							
State General Fund	001	31,185	90,505	68,538	0	2,892	86,958

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Agency Home  
 Program Laundry  
 Reporting Level 00-313-800-00-00-00-00000000

1 Object/Revenue  Description Code	2 2013-15 Biennium Expenditures	3 2015-17 Biennium Appropriation	4 2015-17 First Year Expenditures	5 2017-19 Base Budget Changes	6 Compensation	7 2017-19 Recommendation
TOTAL	31,185	90,505	68,538	0	2,892	86,958
Special Funds						
Soldiers Home Fund 380 380	203,647	257,843	65,568	0	6,232	262,260
TOTAL	203,647	257,843	65,568	0	6,232	262,260
TOTAL FUNDING	234,832	348,348	134,106	0	9,124	349,218
AUTHORIZED EMPLOYEES						
FTE	2.60	2.47	0.00	0.00	0.00	2.47
TOTAL AUTHORIZED EMPLOYEES	2.60	2.47	0.00	0.00	0.00	2.47

**NORTH DAKOTA VETERANS HOME  
2017-2019 BUDGET DETAIL**

**PHARMACY DEPARTMENT**

**EXPLANATION OF PROGRAM COSTS**

**BUDGET BY TRADITIONAL LINE**

<u>Description</u>	<u>2015-2017 Budget</u>	<u>2017-2019 Executive Recommendation</u>	<u>% of Executive Recommendation</u>	<u>Change From 15-17</u>
Salaries	348,802	370,116	29%	21,314
Operating	927,900	927,900	71%	0
Capital	0	0		0
<b>Total</b>	<b>1,276,702</b>	<b>1,298,016</b>	<b>100%</b>	<b>21,314</b>
General	219,892	280,454		60,562
Special	1,056,810	1,017,562		-39,248
<b>Total</b>	<b>1,276,702</b>	<b>1,298,016</b>		<b>21,314</b>
FTE	2.1	2.1		0

**LINE ITEM DETAIL**

Salaries and Benefits - \$370,116 29% of budget  
 Pharmacist - .5 FTE  
 Pharmacy Techs - 1.6 FTE

Travel - \$200  
 Employee reimbursed travel for continuing education

IT software/supplies - \$9,000 .7% of budget  
 Software license for pharmacy computer software

Professional supplies and materials - \$2,500 .2% of budget  
 Resource materials

Printing - \$500  
 Prescription pads

Miscellaneous supplies - \$500  
 Pharmacy supplies

Office equipment and furniture - \$1,000

Fax machine, filing cabinets  
IT contractual services - \$3,200 .2% of budget  
Contract for pharmacy computer system

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

Operating fees and services - \$500  
Licensing fees

Professional services - \$4,000 .3% of budget  
Relief pharmacist to cover vacations and sick leave

Medical, dental and optical - \$904,500 70% of budget  
Medications for veteran residents

### **SIGNIFICANT CHANGES**

**Salaries and benefits** - \$21,314 increase  
Health insurance increase

Additional .1 FTE transferred from another department. Change in regulations requiring more staff time.

### **2015-2017 BUDGET**

As of January 2017, 67% of this department's budget has been expended. Anticipate expending 100% of this department's salary budget but will have unspent operating authority of approximately \$150,000 due to the lower than anticipated census and decreased budget for medications.

1 Object/Revenue		2 2013-15 Biennium Expenditures		3 2015-17 Biennium Appropriation		4 2015-17 First Year Expenditures		5 2017-19 Base Budget Changes		6 Compensation		7 2017-19 Recommendation	
Decription	Code												
10 Salaries and Wages													
Salaries - Permanent	511000	220,303	217,366	111,886	0	0	227,498						
Salary Increase	511010	0	0	0	0	1,138	1,138						
Benefit Increase	511011	0	0	0	0	239	239						
Health Increase	511012	0	0	0	0	8,586	8,586						
Salaries - Other	512000	33	200	2	0	0	100						
Temporary Salaries	513000	456	0	0	0	0	0						
Overtime	514000	1,849	2,500	1,067	0	0	2,500						
Fringe Benefits	516000	115,885	128,736	64,285	0	0	131,432						
TOTAL		338,526	348,802	177,240	0	9,963	<del>371,493</del> 370,116						
MEANS OF FUNDING													
State General Fund	001	147,242	108,951	105,301	0	3,550	170,034						-521
General Fund TOTAL		147,242	108,951	105,301	0	3,550	170,034						
Soldiers Home Fund 380	380	191,284	239,851	71,939	0	6,413	201,459						-855
Special Funds TOTAL		191,284	239,851	71,939	0	6,413	201,459						
TOTAL		338,526	348,802	177,240	0	9,963	371,493						
30 Operating Expenses													
Travel	521000	0	200	71	0	0	200						
Supplies - IT Software	531000	7,418	9,000	4,465	0	0	9,000						
Supply/Material-Professional	532000	2,465	2,500	1,000	0	0	2,500						
Miscellaneous Supplies	535000	0	500	329	0	0	500						
Printing	542000	445	500	150	0	0	500						
Office Equip & Furn Supplies	553000	0	1,000	0	0	0	1,000						
IT Contractual Svcs and Rprs	603000	3,022	3,200	1,500	0	0	3,200						
Professional Development	611000	1,716	2,000	907	0	0	2,000						
Operating Fees and Services	621000	566	500	184	0	0	500						
Fees - Professional Services	623000	4,000	4,000	875	0	0	4,000						
Medical, Dental and Optical	625000	592,876	904,500	320,056	0	0	904,500						
TOTAL		612,508	927,900	329,537	0	0	927,900						
MEANS OF FUNDING													
State General Fund	001	180,678	110,941	110,016	0	0	110,941						
General Fund TOTAL		180,678	110,941	110,016	0	0	110,941						
Soldiers Home Fund 380	380	431,830	816,959	219,521	0	0	816,959						
Special Funds TOTAL		431,830	816,959	219,521	0	0	816,959						
TOTAL		612,508	927,900	329,537	0	0	927,900						
Agency TOTALS													
TOTAL EXPENDITURES		951,034	1,276,702	506,777	0	9,963	1,299,393						

Agency Soldiers Home  
 Program 900 Pharmacy  
 Reporting Level 00-313-900-00-00-00-00000000

1 Object/Revenue	2 2013-15 Biennium Expenditures	3 2015-17 Biennium Appropriation	4 2015-17 First Year Expenditures	5 2017-19 Base Budget Changes	6 Compensation	7 2017-19 Recommendation
Description Code						
General Fund						
State General Fund 001	327,920	219,892	215,317	0	3,550	280,975
TOTAL	327,920	219,892	215,317	0	3,550	280,975
Special Funds						
Soldiers Home Fund 380 380	623,114	1,056,810	291,460	0	6,413	1,018,418
TOTAL	623,114	1,056,810	291,460	0	6,413	1,018,418
TOTAL FUNDING	951,034	1,276,702	506,777	0	9,963	1,299,393
AUTHORIZED EMPLOYEES						
FTE	2.00	2.10	0.00	0.00	0.00	2.10
TOTAL AUTHORIZED EMPLOYEES	2.00	2.10	0.00	0.00	0.00	2.10

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## North Dakota Veterans Home Special Fund Revenue - Soldier's Home Fund

	Actual <u>2009-2011</u>	Actual <u>2011-2013</u>	Actual <u>2013-2015</u>	Revised Projection <u>2015-2017</u>	Revised Projection <u>2017-2019</u>
1 Intergovernmental Grants/Contributions	3,662,735	4,960,542	6,131,904	5,700,000	5,700,000
2 Cash/Investment Earnings	1,252	461	586	600	550
3 Contributions & Private Grants	4,274	6,964	8,084	6,500	7,000
4 Charges for Services/Sales	289,379	178,191	258,239	230,000	235,000
5 General Government	22,714	43,704	41,103	58,000	55,000
6 Health	5,563,366	9,208,708	10,636,253	9,800,000	9,000,000 * VA regulation change
7 Leases, Rents, and Royalties	260,337	132,625	209,211	35,000	40,000
8 Miscellaneous General Revenue	766	1,394	12,911	9,900	1,000
9 Transfers In	276,000	279,429	162,714	325,500	434,000
Total Special Fund Revenue	10,080,823	14,812,018	17,461,005	16,165,500	15,472,550

1 **Intergovernment grants** - this is the per diem money that the VA Medical Center pays for each veteran residing in the facility.

We are paid a set amount per day for each veteran. Current rates are \$45.79 for basic care and \$106.10 for skilled care.

2 **Cash/Investment Earnings** - interest earned on money in bank.

3 **Contributions & Private grants** - money taken in at weekly church services. Used to pay expenses for pastors, etc.

4 **Charges for Services/Sales** - food sales, veteran medication co-pays and Medicare Part D payments

5 **General Government** - veteran travel pay from VA, resident's monthly cable tv payments, copier revenue

6 **Health** - rent payments - residents, VA, Medicare and Medicaid

7 **Leases, Rents and Royalties** - Mineral royalties and lease of room for medical doctor

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 and leased out by the State Land Department.

**Special Fund Projections - Depletion of Reserves**

Carryover into 2015-2017 Biennium	\$3,333,363.18
2015-2017 Revenue	\$16,165,500.00
2015-2017 Expenditures	\$16,755,900.00
Carryover into 2017-2019 Biennium	\$2,742,963.18
2017-2019 Revenue	\$15,472,550.00
2017-2019 Expenditures	\$17,250,900.00
Carryover into 2019-2021 Biennium	\$964,613.18
2019-2021 Revenue	\$16,472,550.00
2019-2021 Expenditures	\$17,500,000.00
Carryover into 2021-2023 Biennium	-\$62,836.82 *Like to keep \$500,000 in account for emergency situations

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## North Dakota Veterans Home Staffing

### Skilled Nursing - 52 Beds

<u>Shift</u>	<u># of Staff</u>	<u>Total Hours</u>	<u>Skilled Nursing FTE</u>	
<b>6:30 am - 3:00 pm Shift</b>				
Registered Nurse (RN)	1	8.5	RNs	5.25
Licensed Practical Nurse (LPN)	1	8.5	LPNs	2.6
Resident Living Specialist (RLS)*	10	78	Med Techs	2.8
Med Tech	1	6.5	RLSs	31.32
<b>2:45 pm - 11:15 pm Shift</b>				
Registered Nurse (RN)	2	16	Household Coordinator	1
Licensed Practical Nurse (LPN)	0	0	Therapy	2
Resident Living Specialist (RLS)	10	72	Medical Records	1
Med Tech	1	5.5	Director of Nursing	1
			Clinical Care Partners	4
				50.97
<b>11:00 pm - 7:00 am Shift</b>				
Registered Nurse (RN)	1	7.75		
Licensed Practical Nurse (LPN)	0	0		
Resident Living Specialist (RLS)	4	32		

### Basic Care Nursing - 98 Beds

<u>Shift</u>	<u># of Staff</u>	<u>Total Hours</u>	<u>Basic Care Nursing FTE</u>	
<b>9:45 am to 1:45 pm</b>				
Resident Living Specialist (RLS)	4	32	RNs	1.35
Med Tech	2	16	LPNs	8.1
Licensed Practical Nurse (LPN)	2	16	Med Techs	7
<b>11:15 am - 7:45 pm</b>				
Resident Living Specialist (RLS)	4	32	RLSs	15.4
<b>1:45pm - 10:15 pm</b>				
<b>9:45 pm - 5:45 am</b>				
Resident Living Specialist (RLS)	1	8	Household Coordinator	1
Med Tech	1	8	Clinical Care Partner	1
Licensed Practical Nurse (LPN)	2	16	Medical Records	1
				34.85

\*Resident Living Specialists are responsible for C.N.A. duties, cooking, cleaning and activities within each household.

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**Melvin Norgard Fund**

Amount

Lease of Mineral Rights	\$258,966.02
2012 Mineral Royalties	\$39,480.40
2013 Mineral Royalties	\$154,984.88
2014 Mineral Royalties	\$75,203.35
2015 Mineral Royalties	\$49,839.31
2016 Mineral Royalties	\$14,689.41
2017 Mineral Royalties	<u>\$4,146.60</u>
	\$338,343.95
2015 Settlement	\$34,255.94
2014 Interest	\$117.15
2015 Interest	\$181.10
2016 Interest	\$186.40
2017 Interest	<u>\$21.78</u>
	\$506.43
<b>Total Revenue Collections</b>	<b>\$632,072.34</b>
<b>Expenditures to Date</b>	<b>\$514,117.75</b>
<b>Fund Balance as of 3-14-17</b>	<b>\$117,954.59</b>

Melvin Norgard funds appropriated in the 2011-2013 Biennium Budget

\$55,000	Irrigation system repairs
\$46,500	Oxbow work
\$25,000	Landscaping for new veterans home
\$75,000	Gazebo relocation and setup
<u>\$10,000</u>	Architect for resident workshop design
\$211,500	

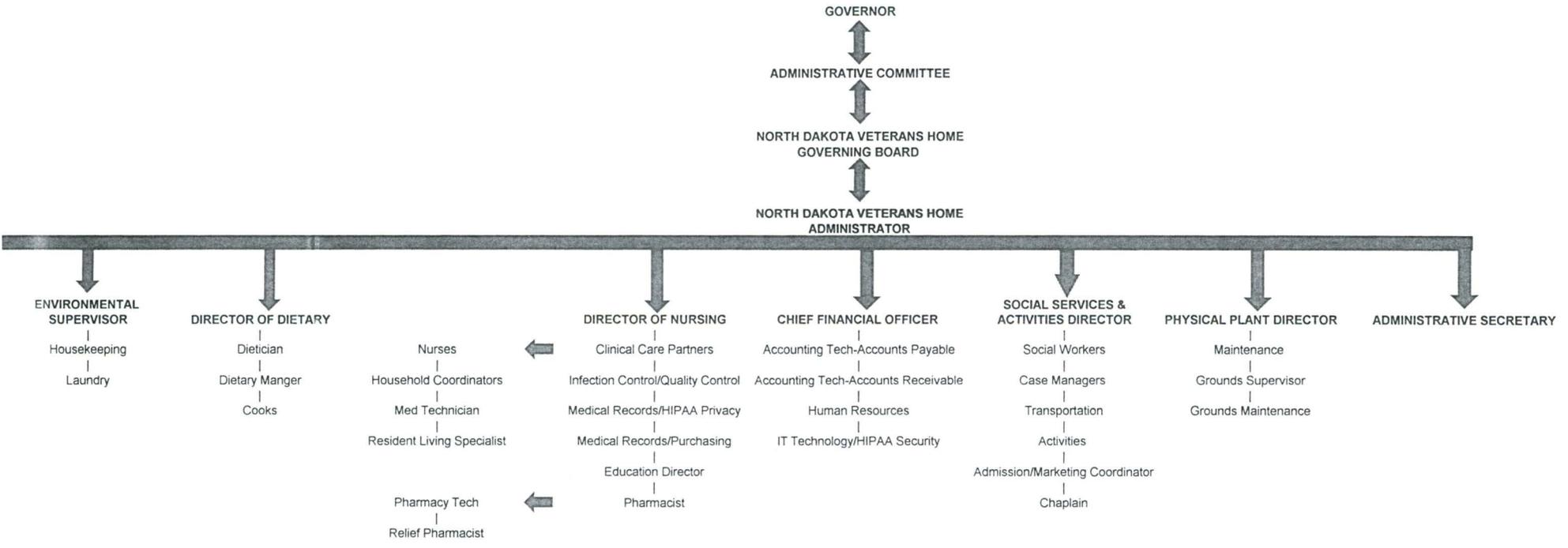
Melvin Norgard funds appropriated in the 2013-2015 Biennium Budget

\$788,200                      Resident Workshop    **\*Carried over into 15-17 Biennium**

The North Dakota Veterans Home received mineral acres from Melvin Norgard's estate in 1992. We were unaware that we even owned mineral acres until we were contacted by several companies looking to lease and/or buy them from us. We contacted the State Land Department for assistance and they handled the lease for us. During the 2011 Legislative Session the Melvin Norgard Fund was created.

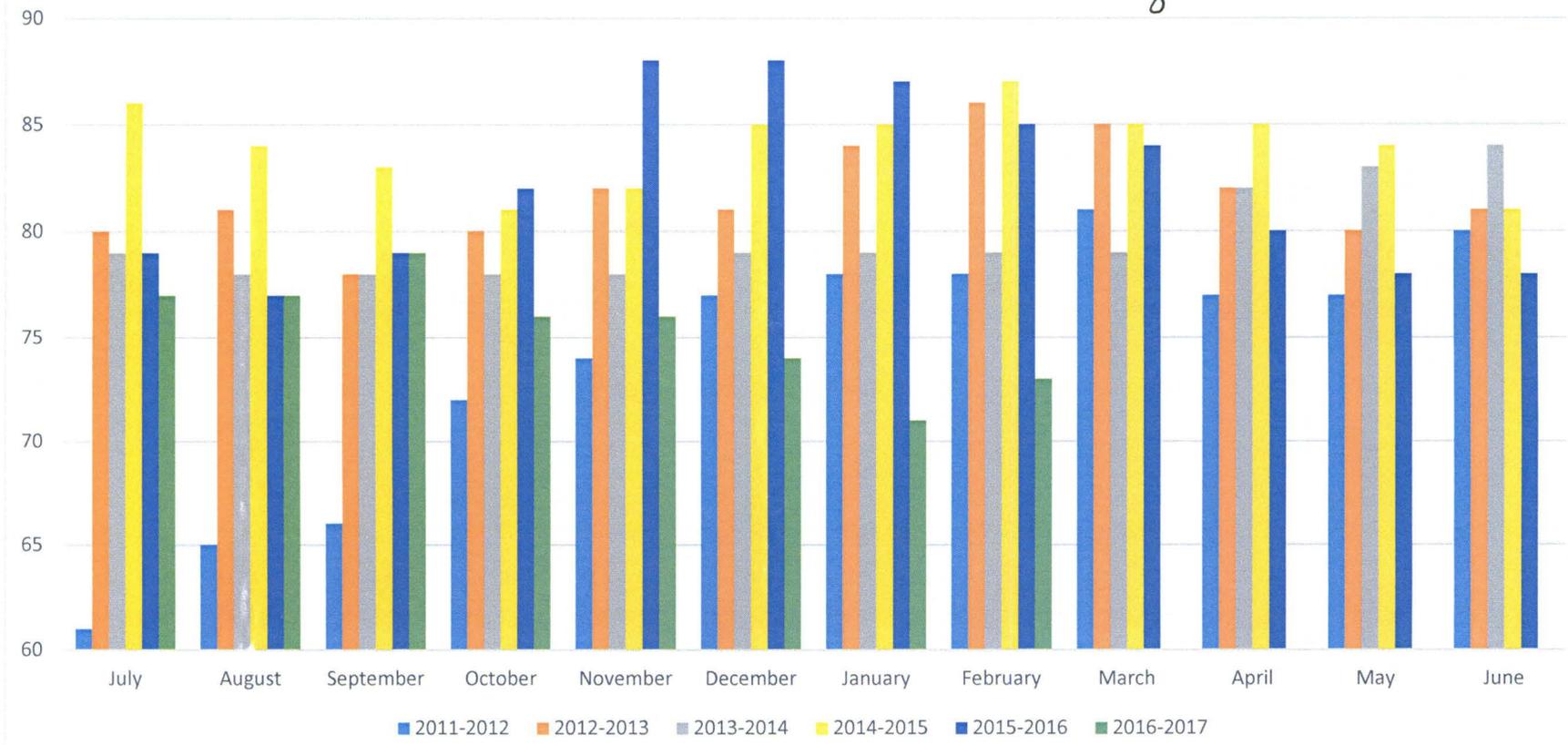
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North Dakota Veterans Home  
 Organizational Chart  
 As of 03/14/17



# Basic Care Census

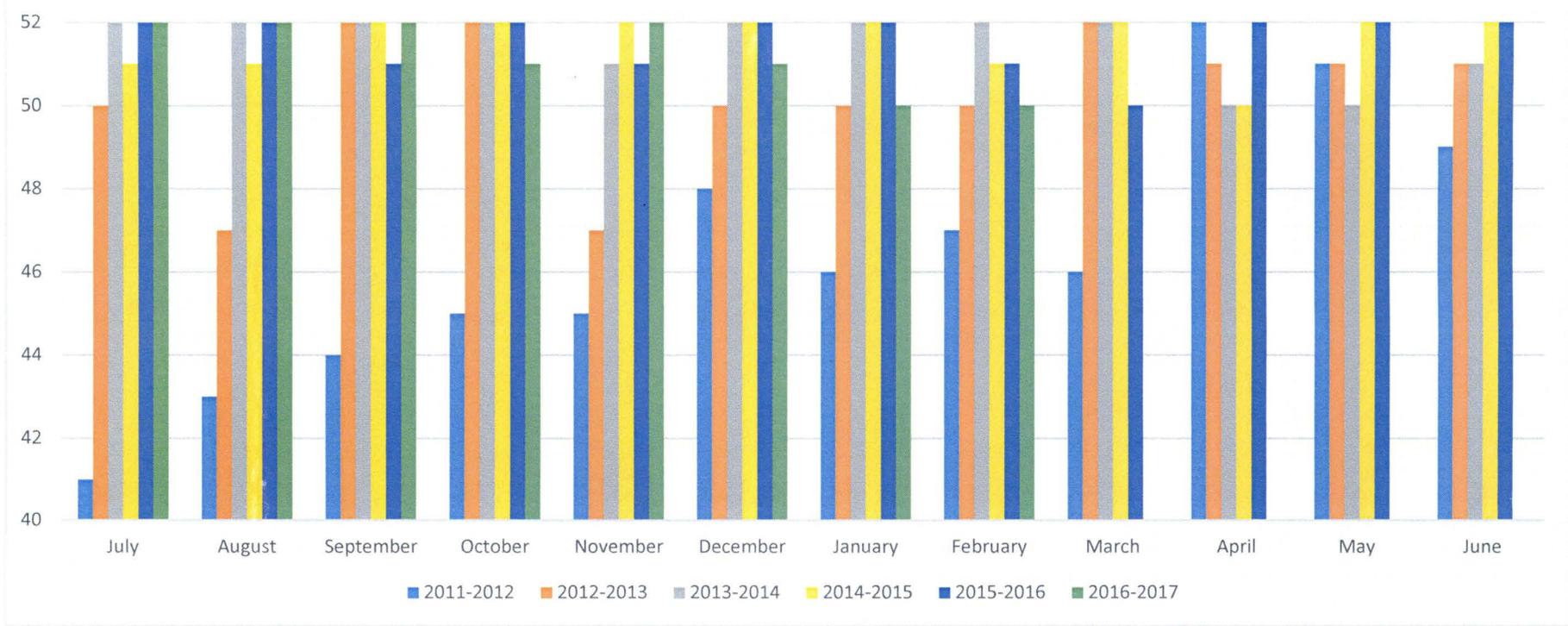
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## Basic Care Census

	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
July	61	80	79	86	79	77
August	65	81	78	84	77	77
September	66	78	78	83	79	79
October	72	80	78	81	82	76
November	74	82	78	82	88	76
December	77	81	79	85	88	74
January	78	84	79	85	87	71
February	78	86	79	87	85	73
March	81	85	79	85	84	
April	77	82	82	85	80	
May	77	80	83	84	78	
June	80	81	84	81	78	

### Skilled Care Census



### Skilled Care Census

	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
July	41	50	52	51	52	52
August	43	47	52	51	52	52
September	44	52	52	52	51	52
October	45	52	52	52	52	51
November	45	47	51	52	51	52
December	48	50	52	52	52	51
January	46	50	52	52	52	50
February	47	50	52	51	51	50
March	46	52	52	52	50	
April	52	51	50	50	52	
May	51	51	50	52	52	
June	49	51	51	52	52	