

**Veterans' Home
Budget No. 313
Senate Bill No. 2007**

	FTE Positions	General Fund	Other Funds	Total
2017-19 legislative appropriation	120.72	\$5,951,439	\$18,740,593	\$24,692,032
2015-17 legislative appropriation	<u>120.72</u>	<u>8,128,024</u>	<u>15,483,252</u>	<u>23,611,276</u>
2017-19 appropriation increase (decrease) to 2015-17 appropriation	0.00	(\$2,176,585)	\$3,257,341	\$1,080,756

Item Description

One-time funding - In Section 3 of 2017 Senate Bill No. 2007, the Legislative Assembly identified \$142,000 of one-time funding from special funds for the Veterans' Home, of which \$44,500 is for equipment, \$15,000 is for health information exchange software, and \$82,500 is for a nurse call system upgrade.

Shop addition - In 2013 Senate Bill No. 2007, the Legislative Assembly appropriated \$788,200 from the Melvin Norgard memorial fund for the construction of a shop addition project.

In Section 2 of 2015 House Bill No. 1007, the Legislative Assembly identified \$126,800 of one-time funding from other funds to be used for the shop addition project originally authorized for the 2013-15 biennium. In Section 5 of the bill, the Legislative Assembly authorized the Veterans' Home to continue to use up to \$788,200 from the Melvin Norgard memorial fund, litigation proceeds, or other funds for the cost of construction of a shop originally authorized for the 2013-15 biennium.

In Section 5 of 2017 Senate Bill No. 2007, the Legislative Assembly authorized the Veterans' Home to continue into the 2017-19 biennium funds appropriated for the construction of the shop addition project. While the Veterans' Home anticipated the project would be completed within budget, there were concerns related to work delays with the general contractor of the project, prompting the need to continue funding into the 2017-19 biennium.

Veterans' Home construction project funding exemption - The 2017 Legislative Assembly, in Section 4 of Senate Bill No. 2007, authorized the Veterans' Home to continue into the 2017-19 biennium funds appropriated for the construction of the Veterans' Home facility in 2009 and continued into the 2011-13, 2013-15, and 2015-17 bienniums to address a lawsuit with the general contractor of the project, Comstock Construction. The Veterans' Home continued \$234,679 of general fund authority into the 2017-19 biennium.

Status/Result

As of March 2018 the Veterans' Home has spent \$24,000 of one-time funding for equipment, including lawn mowers and an oxbow pump. The Veterans' Home anticipates purchasing the health information exchange software, nurse call system upgrade, and additional equipment by the end of the 2017-19 biennium.

As of July 1, 2017, the Veterans' Home had spent a total of \$851,509 of the \$915,000 appropriated for the shop addition project. The Veterans' Home continued \$63,491 of appropriation authority into the 2017-19 biennium to complete the project. The project was completed in August 2017 using the remaining \$63,491, as well as \$115,770 of donations available to the Veterans' Home. The total cost of the shop addition project was \$1,030,770.

The lawsuit related to excess water on the construction site of the new Veterans' Home facility that led to collapsed trenches and damaged equipment, for which the Veterans' Home withheld payment of certain invoices billed to the Veterans' Home by Comstock Construction. The lawsuit was scheduled for trial in March 2015 but Comstock Construction asked for a delay until August 2017.

The Veterans' Home lawsuit with Comstock Construction concluded in August 2017. Of the \$254,000 Comstock was seeking from the Veterans' Home, the court awarded Comstock Construction \$194,250. In addition, the Veterans' Home incurred legal fees of \$33,614 related to the lawsuit, resulting in a total cost of \$227,864. Of the \$234,679 of funding continued, \$6,815 will not be spent and canceled at the end of the 2017-19 biennium.