2019 HOUSE APPROPRIATIONS

HB 1007

2019 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee - Human Resources Division
Sakakawea Room, State Capitol

HB1007
1/11/2019
30689

☐ Subcommittee
☐ Conference Committee

Committee Clerk: Caitlin Fleck

Explanation or reason for introduction of bill/resolution:

Overview

Minutes: A,B (Video),C (Video)

Took roll.

Introduce bill name and number.

Kristin Lunneborg, CFO at the North Dakota Veterans Home: (see attachment A)

(2.07) Video of Veterans Home: (attachment B)

(5.05) Video of the History of the Veterans Home: (attachment C)

(7.27) Ms. Lunneborg: (returned to attachment A)

(8.20) Vice Chairman Gary Kreidt: We have a list of the audit findings, and on the list we got there were 5 areas that were drawn to our attention. The one performance audit done by the state, is one of many audits that a nursing home has, and this one particular audit, you probably corrected these areas. But in a nursing home setting you have many different audits by many different agencies, so it's an ongoing thing. As well as doing your own independent audit. The performance audit, by looking at it, there is a significant finding, which ii may disagree with. When you have a significant finding, it would be related to patient care. We can have them come back and recheck the audit again in a year, for information for ourselves.

(12.48) Chairman Jon O. Nelson: There was one area that I was interested in in the green sheet**. (Gave a little background on the mineral rights for the land surrounding the Veterans Home.)** In reading the audit, it sounds like that some of the royalty that were due to the Veteran's Home was not payed, and I wish we could understand what is fair to you and how it should be payed. Have you learned through this process of payments, how are you able to understand what the right number is?

Ms. Lunneborg: Yes, we continue to get monthly payments on our royalties. The oil companies were taking our sales tax and withholding certain deductions out of our payments.

Chairman Jon O. Nelson: Do you get any assistance from the industrial commission at this time?

Ms. Lunneborg: No we don't at this time.

Representative Lisa Meier: How much money were you refunded, and how long that took to get?

Ms. Lunneborg: I do believe it was about 20-30,000-dollar range, but the deductions were much more than that.

Representative Lisa Meier: So how much for deductions?

Ms. Lunneborg: I believe a total of 66-68,000 dollars withheld.

(18.57) Ms. Lunneborg: (continued attachment A)

(22.04) Vice Chairman Gary Kreidt: What are we talking about for the ceiling lift?

Ms. Lunneborg: This would be the ceiling lifts in the 15-17 biennium.

Chairman Jon O. Nelson: How many rooms have ceiling lifts in them?

Ms. Lunneborg: There is about 36-40 ceiling lifts. Some in therapy and some in the resident rooms.

Chairman Jon O. Nelson: Are they both in basic and skilled?

Ms. Lunneborg: Just skilled.

Chairman Jon O. Nelson: How many beds?

Ms. Lunneborg: 52.

Vice Chairman Gary Kreidt: Do you need more lifts, or are you ok?

Ms. Lunneborg: I think that we are ok for now.

Chairman Jon O. Nelson: This is a very special clientele that we are dealing with.

Ms. Lunneborg: Yes, we are very different. We are predominantly male, and we deal with a lot of other issues too.

Vice Chairman Gary Kreidt: The workshop, were we going to use some of the Melvin Norgard money to do that, and wasn't it around 700,000 dollars?

(26.15) Ms. Lunneborg: The original estimate was 788,200, but then we came back in the biennium and asked for an additional 126,800, and in the end it costed us a little bit more than that. We did use Melvin Norgard funds, up until they ran out and the rest came out of our budget.

(26.45) Ms. Lunneborg: (continued attachment A)

(29.41) Chairman Jon O. Nelson: Where will the money form that grant be deposited?

Ms. Lunneborg: We thought that it would go back to the special funds that it was taken from.

Vice Chairman Gary Kreidt: Did you apply for a grant, or did you just get the money?

Ms. Lunneborg: We had applied for the grant far before we even built the workshop.

Chairman Jon O. Nelson: Give us a breakdown of all the funds and the sources of them that were used for the workshop.

Ms. Lunneborg: Yes, I can do that.

(31.43) Ms. Lunneborg: (Continued attachment A)

(32.12) Vice Chairman Gary Kreidt: What's the occupancy on the skilled side?

Ms. Lunneborg: I believe it is 48.

Vice Chairman Gary Kreidt: And on the basic care side?

Ms. Lunneborg: 66.

Representative Richard G. Holman: Do you have any idea why you have that difference?

Ms. Lunneborg: State wide the basic care census is low. There are more services provided now that allows people to stay home longer.

(36.19) Representative Richard G. Holman: Have you had any discussions about changing a part of the home to a different use for long-term care?

Ms. Lunneborg: We have had a lot of discussions, but since we are funded by the VA, we are very limited to what we can have.

(38.33) Ms. Lunneborg: (Continued attachment A).

(38.58) Chairman Jon O. Nelson: Where are the residents coming from? Would an effort on public relations increase the census?

Ms. Lunneborg: I think that if there were things that we could do to increase the public's knowledge about the home, we would be able to reach more people.

(41.27) Vice Chairman Gary Kreidt: I think that the census situation in the home is state wide. I think that a lot of people prefer the assisted living type of service more so than the basic care services provided.

(42.20) Ms. Lunneborg: (continued attachment A)

(45.56) Chairman Jon O. Nelson: Define a household.

Ms. Lunneborg: Our facility includes households and pods. One pod is made up of 4 households. Each household is made up of 12-13 beds. It has its own kitchen, dining room, and living room area. There is one main kitchen between households, but each household has its own kitchen where residents can go to get a snack or something small.

Chairman Jon O. Nelson: So when you close down two households, that's how many beds?

Ms. Lunneborg: That's about 26 beds.

Representative Lisa Meier: What is your current job openings?

Ms. Lunneborg: Our biggest need is a position that is a resident living specialist. That position would be filled by a Certified Nurse's Assistant (CNA) that does housekeeping, dietary, and some activities. We have 3-4 openings in our skilled nursing facility. The head of maintenance is also an open position.

Representative Lisa Meier: So about 6 total are open?

Ms. Lunneborg: Yes, that is correct.

(49.35) Ms. Lunneborg: (Continued attachment A)

(50.10) Chairman Jon O. Nelson: So if that would have occurred, what was your plan to meet staffing?

Ms. Lunneborg: I'm not really sure what our plan would have been.

Chairman Jon O. Nelson: You do have the ability to go before the emergency commission in a situation like that?

Ms. Lunneborg: Yes.

(51.09) Ms. Lunneborg: (continued attachment A)

(57.51) Chairman Jon O. Nelson: Was that new in 2011?

Ms. Lunneborg: Yes, that was new.

(58.10) Ms. Lunneborg: (continued attachment A)

(1.01.03) Chairman Jon O. Nelson: You have to accept the low bid?

Ms. Lunneborg: Yes.

(1.01.37) Ms. Lunneborg: (continued attachment A)

(1.03.51) Representative Lisa Meier: What kind of vandalism was there?

Ms. Lunneborg: I think some things were painted and maybe some flags ruined.

Representative Lisa Meier: Did you catch the people that did it?

Ms. Lunneborg: No we didn't.

(1.04.40) Ms. Lunneborg: (continued attachment A)
- Testimony concluded, no further questions.

(1.09.31) Mark Johnson, Administrator of the North Dakota Veterans Home: There are some common issues throughout the states. Our biggest issue is the problem with the VA programming. We can only do adult daycare and DOM and skilled nursing services. They will not fund anything else. Depending on what we did to the home, a clause could kick in that the VA could take back some of our funding and even take us off of their funding list. Our largest population is the Vietnam Veterans. It's not that there is a huge need that is coming, but we are working through it.

(1.13.33) Chairman Jon O. Nelson: Would it be true that if you convert basic care beds into skilled care beds, would you lose your VA funding?

Mr. Johnson: We have to keep a 75% census of veterans to continue having our VA funding. We are looking at converting the beds, but it may be difficult to do. The main issue with that is the amount of employees we can get.

(1.15.10) Vice Chairman Gary Kreidt: Would you qualify to convert about 8-10 of the beds in basic care into skilled, or would you have to do some major remodels to be able to use the skilled care?

Mr. Johnson: When we built the building, we looked into using those beds for skilled care, and built around that.

Vice Chairman Gary Kreidt: What type of generator do you have for that basic care side?

Mr. Johnson: The generator is huge right now. It is giving minimal energy to our basic care side. If we were to make those beds skilled, we were told that we would have to bring in another generator.

Representative Lisa Meier: Do you currently serve any offsite veterans?

Mr. Johnson: We are reaching out to the community. We just worked out a contract with the DA to have telemedicine in our facility.

(1.19.53) Representative Lisa Meier: How many veterans are you serving offsite?

Mr. Johnson: I can't tell you that because of HIPPA.

Representative Richard G. Holman: Telemedicine is great in rural areas. What equipment needs do you have?

Mr. Johnson: At this time, I'm not aware of any other needs. The telemedicine piece is all being payed for by the VA.

Representative Richard G. Holman: Telemedicine is a money saver, when it works correctly.

Mr. Johnson: Testimony concluded, no further questions.

MEETING CONCLUDED.

2019 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee - Human Resources Division
Sakakawea Room, State Capitol

HB1007
1/29/2019
31630

☐ Subcommittee
☐ Conference Committee

Committee Clerk: Caitlin Fleck

Explanation or reason for introduction of bill/resolution:

Detailing the budget.

Minutes: A

Took roll.
Read name and number of bill.

Kristin Lunneborg, Chief Financial Officer for the ND Veteran's Home: (see attachment A)

(3.46) Chairman Jon O. Nelson: What area was that 0.6 in?

Ms. Lunneborg: It was an individual that helped me out.

Chairman Jon O. Nelson: So like an administrative assistant?

Ms. Lunneborg: It is technically an accountant tech, but we had that position open for a while, and when we had to make the cuts, that was the position we cut.

(4.45) Ms. Lunneborg: (continued attachment A)

(5.46) Vice Chairman Gary Kreidt: Regards to the lawsuits, are you settled now with everything?

Ms. Lunneborg: Yes, it has all been settled as of last fall.

Vice Chairman Gary Kreidt: Is the administrator still living in the old house?

Ms. Lunneborg: Yes.

Vice Chairman Gary Kreidt: What are you going to do with the old house?

Ms. Lunneborg: We are asking for funding to tear it down.

Vice Chairman Gary Kreidt: Do you have bids out for it?

Ms. Lunneborg: Yes, we do have estimates for it.

Vice Chairman Gary Kreidt: So this summer, you are intending to tear it down?

Ms. Lunneborg: Yes.

(7.30) Ms. Lunneborg: (continued attachment A)

(10.22) Chairman Jon O. Nelson: On the back page, everything is listed of the items that are in those lines, so I think it's pretty cut and dry. Speak a little bit to the special funds?

Ms. Lunneborg: It would be all the funds that we take it.

Chairman Jon O. Nelson: Briefly talk about some of the special funds?

Ms. Lunneborg: The special fund revenue it the prediem money, and the is the money that the veteran's affairs (VA) pays to us for each day a veteran stays in the facility. That money is to help cover the costs for pharmaceuticals, care, travel to the VA. We also have interest, which is minor. We also get contributions and private grants. We provide church services weekly. We take up a collection plate during church and that money goes back into the special fund. We also collect money for meals that we sell. There is money for the copays for the pharmacy. We follow the same copay that the VA does. We also have rents, the mineral royalties, and state land transfer. We also collect revenue to the VA, so each day that we take a vehicle up to the Fargo VA, we get a small payment from them. We have the residents on basic care pay for their cable TV.

(16.27) Chairman Jon O. Nelson: How often does the VA change the daily rate?

Ms. Lunneborg: They change October 1 of every year.

Chairman Jon O. Nelson: That has been consistent?

Ms. Lunneborg: Yes.

Chairman Jon O. Nelson: You said there's 16 residents in the 70% service connected area?

Ms. Lunneborg: Yes.

Chairman Jon O. Nelson: What does that mean?

Ms. Lunneborg: They give different ratings on the veteran's health, based upon different medical disabilities they have.

Vice Chairman Gary Kreidt: Do they do an evaluation of the basic care resident, and does that help to determine the rate?

Mark Johnson, Administrator at Veteran's Home: The VA has a rollup of all the different cases in the state of ND. It looks at a national average, not just what we are spending, and that is how they determine the rate.

Vice Chairman Gary Kreidt: Why did the rate go down?

Mr. Johnson: I don't really know what happened to the industry overall. We jumped close to $200 last year, and then it came down again. I'm thinking that many of the WWII and Korean veterans are passing and the cost of care was higher for those individuals. Because they are passing away, that care level is diminishing and the cost for the care goes down as well.

Vice Chairman Gary Kreidt: So as of October, what will be your basic care daily rate?

Ms. Lunneborg: Basic care is income based. We look at their monthly and yearly income, then subtract off medical expenses from the previous year. And then we take 55% of that for their rent with a cap of 1850.

Vice Chairman Gary Kreidt: On the skill side, what is your average rate?

Ms. Lunneborg: Right now the report is not working, but I would say we average around a CA1, but I don't remember what the rate is since it has just changed.

Vice Chairman Gary Kreidt: I would guess 350, and I know you guys are higher than the average state wide rate.

(23.45) Ms. Lunneborg: (continued attachment A)

(26.36) Vice Chairman Gary Kreidt: Is this a trade in price, 18000 for the tool cat?

Ms. Lunneborg: Yes.

Vice Chairman Gary Kreidt: 2500 hours is not a lot, are you having trouble with it?

Mr. Johnson: We have had a number of problems with the tool cat. We have had many miscellaneous damages with it.

Vice Chairman Gary Kreidt: Will you buy from the bobcat dealer down there?

Mr. Johnson: Our dealer is going out of business actually. So we will have to go to Fargo or Wahpeton.

Vice Chairman Gary Kreidt: Would you look at a skid steer or something else?

Mr. Johnson: We would, but we have worked well with bobcat in the past.

Vice Chairman Gary Kreidt: And the broom is just worn out from usage?

Mr. Johnson: We do use that attachment quite a bit.

Chairman Jon O. Nelson: As far as the broom goes, there is no trade in with that?

Mr. Johnson: Yes.

(30.15) Ms. Lunneborg: (continued attachment A)

(34.33) Chairman Jon O. Nelson: So you don't think there is any asbestos at that old house?

Mr. Johnson: Any time that they go in and do any inspections or constructions on the house, they have removed all that they found. We did find some in an old tunnel under the house, but other than that we have everything covered on that.

Chairman Jon O. Nelson: So the people that give you the estimates, they know what they are getting into?

Mr. Johnson: They are the company that torn down the old building. They are very much aware of the facility. The boilers are heating 3 different buildings, and we are looking at taking those boilers out completely. That would cause those buildings to lose heat, but we would heat them with electric heaters. We would then open up area for more storage, and the heat would stay down lower.

Chairman Jon O. Nelson: Can the heating of the geothermal in the veteran's home be plumbed over to these buildings?

Mr. Johnson: They are about a quarter mile away, and that probably wouldn't save us any money.

Chairman Jon O. Nelson: How is the geothermal doing for you?

Mr. Johnson: I can't really speak to that; we came from a smaller building.

Representative Richard G. Holman: There sometimes gets to be a maintenance issue with the geothermal system, have you had any maintenance issues yet?

Mr. Johnson: That is a huge issue that we have had. We foresee having to put a lot of extra money into the maintenance costs for these systems.

Representative Richard G. Holman: You may save money here, but spend money on the maintenance.

Representative Lisa Meier: If we do go ahead and go forward with the adjustments, then that 200,350 would go back into the Melvin Norgard grant, what would happen to that?

Ms. Lunneborg: We spent 427,180 from the Melvin Norgard funds, 489,119 from special funds, and then 114,477 from donated funds. If we look at the grant reimbursement, and if we split it according to the same % of money we spent from each category, we would put 277, 667 back into the Norgard fund, 317,927 back into the special funds, 74,410 back to the donated funds.

Representative Lisa Meier: How much into special funds?

Ms. Lunneborg: 317,927.

(42.16) Chairman Jon O. Nelson: We're probably going to be directed to increase the salaries with a 2&2 increase, and then a grandfathered health plan that we currently have, so it is a minor change as far as the numbers go. And then council will make that adjustment in all the budgets as we go.

(43.55) Ms. Lunneborg: (continued attachment A)

(45.50) Vice Chairman Gary Kreidt: The dietary manager, is she licensed?

Ms. Lunneborg: No she is not, we contract with a dietician.

Vice Chairman Gary Kreidt: Have you ever thought about your dietician licensed in the facility?

Ms. Lunneborg: We used to have a licensed dietician, but since we moved we looked at the position and decided to contract it out.

Vice Chairman Gary Kreidt: So she does the menus?

Ms. Lunneborg: The diet manager does the menus.

Chairman Jon O. Nelson: The decrease in operations looks like it came from the food and clothing line, we don't see decreases like that often, why?

Ms. Lunneborg: To meet all the governor's budget cut requirements, we cut money, but the governor restored some money. There is also a low census in our facility so there are less people eating.

Chairman Jon O. Nelson: So the meals haven't changed, there's just less meals?

Ms. Lunneborg: Yes**.**

Chairman Jon O. Nelson: Do you know what each meal costs?

Ms. Lunneborg: No.

Chairman Jon O. Nelson: I'm shocked that the equipment is giving you troubles already.

Ms. Lunneborg: We used some of the equipment from the old facility, we also had to take the low bid for some of the equipment, and we don't always get the best with the lowest bid given.

Chairman Jon O. Nelson: There are 6 total dish machines, and you want to replace half of them in this budget?

Ms. Lunneborg: Yes, 3 are already replaced, and now we want to replace the rest.

Representative Richard G. Holman: Do you deal with rough rider industries for any of that?

Ms. Lunneborg: We use rough rider all the time. Most of our office furniture is provided by them.

Chairman Jon O. Nelson: Can you speak to the 23,350 decrease in the equipment under 5000?

Ms. Lunneborg: That is just a difference in what they needed from last biennium. I think they asked for a lot of ice machines last biennium, and we don't need that this biennium. The equipment needs just went down, and that is why there is a decrease.

(54.00) Ms. Lunneborg: (continued attachment A)

(55.03) Chairman Jon O. Nelson: What is your census on basic care today?

Ms. Lunneborg: 66.

(55.18) Ms. Lunneborg: (continued attachment A)

(56.40) Chairman Jon O. Nelson: So that is a huge issue I'm sure with the census as it is, are you able to manage within that salary line item?

Ms. Lunneborg: There is actually a number of positions that are not filled on basic care right now. We have 2 of our household closed down. There are still 2 households in that pod opened, but we have a lot less staff that are working over there. Right now as far as staffing goes, we are fine and we have more money in that line item than we are foreseeing to use.

Chairman Jon O. Nelson: If the census went up enough and you opened 1 of the households, do you have the ability to go to the emergency commission to ask for funds for the additional staffing?

Ms. Lunneborg: We would go to the emergency commission and ask for the special funds.

Chairman Jon O. Nelson: I'm guessing that for basic care, that wouldn't happen. It seems like basic care is going down across the states.

Vice Chairman Gary Kreidt: Can we give them spending authority in case one of their households does need to be opened**?**

Chairman Jon O. Nelson: If only we had someone in our committee that had some experience in this area!

Vice Chairman Gary Kreidt: We could do that.

Chairman Jon O. Nelson: That would be preferred over going to the emergency commission.

Representative Richard G. Holman: It seems like we are debating whether or not to give you some flexibility

Ms. Lunneborg: That is kind of the situation we have now. We have the funding, but we haven't filled the FTE positions. We aren't going to fill those positions if we don't need those positions.

Chairman Jon O. Nelson: I would like to know the mindset behind OMB for leaving the FTE but not the funding.

Renae Bloom, Office of Management and Budget: We decided to take the funding but leave the FTE because in the past they haven't been able fill the FTE positions, so if they did need the additional FTE they could go to the emergency commission and ask for the additional funding for that.

(1.04.03) Mr. Johnson: One of the things that makes it hard to run our facility, is that it is based on FTE. We do have residents right now that as soon as they stand up, they fall backwards. They have special caps, and extra padding. This is the third resident with this disorder, and they are a risk for us when we try to staff them. We have majority of men residents, and they are not small men, they average 220 pounds. We have pulled from our budget to cover those things, and we don't do that often but only when we have an emergency and we want to make sure our people are safe.

Representative Lisa Meier: How many open positions do you currently have?

Levi Kinnischtzke, Legislative Council: There are 12 total FTE, including the FTE that were under funded in the governor's budget.

Chairman Jon O. Nelson: It was 5.4 in the governor's budget?

Mr. Kinnischtzke: The total is 6.

Vice Chairman Gary Kreidt: Is this the lowest occupancy that you have had in basic care?

Ms. Lunneborg: This is probably the lowest, other than maybe when we moved into the new building.

Vice Chairman Gary Kreidt: So you don't have a waiting list**?**

Ms. Lunneborg: No.

Vice Chairman Gary Kreidt: Who are the other basic care facilities in the area?

Ms. Lunneborg: Four Seasons and Parkside**.**

Representative Richard G. Holman: When the rules were changed that allowed other nursing homes to take care of veterans and move the money, did that change your situation?

Ms. Lunneborg: Generally skilled care is full; we do have some openings now due to people passing. I just pulled out my census numbers and we have actually been lower, we were at 60 in July.

Representative Richard G. Holman: Also the increase in assisted living in the state, there may be people in assisted living that could qualify for basic care, does that influence it?

Ms. Lunneborg: A number of our admits into basic care are coming from assisted living facilities. We are quite a bit cheaper than the assisted living facilities, and many people don't even know that we exist, so they couldn't have known to apply to here.

Chairman Jon O. Nelson: Looking at this department, the underfunded position is the only issue?

Ms. Lunneborg: Correct.

Chairman Jon O. Nelson: Maybe there is some language that could be developed to give you some more flexibility in case the census would go up. I think that you had talked about some efforts in your overview about marketing aspects.

Representative Richard G. Holman: What is your benefit package for you FTE?

Ms. Lunneborg: It would identical to all other state employees. We get asked by do we have all these partial FTEs. When you run a 24/7 facility, in order to staff the 8-hour position 7 days a week, it takes a 1.4 FTE to cover that position, so we have to staff with fractional FTEs. IF we didn't have the partial FTEs we would have to do some contractual staffing, and we haven't had that for years. It takes the partial FTE to fill all those positions on the floor.

NO FURTHER QUESTIONS.
MEETING CLOSED FOR BREAK.

2019 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee - Human Resources Division
Sakakawea Room, State Capitol

HB1007
1/29/2019
31652

☐ Subcommittee
☐ Conference Committee

Committee Clerk: Caitlin Fleck

Explanation or reason for introduction of bill/resolution:

Detailing Budget Continued.

Minutes: A

Kristin Lunneborg, Chief Financial Officer for the ND Veteran's Home: (see attachment A)

Chairman Jon O. Nelson: How many total whirlpools are in the skilled area?

Ms. Lunneborg: 2.

Chairman Jon O. Nelson: Are they heavily used?

Ms. Lunneborg: Yes.

Chairman Jon O. Nelson: What makes up the remainder of the salary increase?

Ms. Lunneborg: That is only governor's increase recommendation.

Chairman Jon O. Nelson: So there is no new fulltime employee (FTE)?

Ms. Lunneborg: No.

Representative Lisa Meier: How many unfilled FTE do you have in this area?

Ms. Lunneborg: I think there is 1 universal worker position.

Representative Lisa Meier: Do you utilize traveling nurses if you can?

Ms. Lunneborg: No, because it is more expensive.

Representative Richard G. Holman: I was on aboard once and every employee worked 55 hours, for that reason we paid a good wage and they made a lot more money. Do you have FTE that are working an extra 10 hours a week?

Ms. Lunneborg: We strongly discourage overtime in our facility, and there is a lot of burnout in skilled nursing. We do have a number of temp staff that do get paid a higher wage and they pick up the positions that are open.

Vice Chairman Gary Kreidt: Under the professional services, do you have Physical Therapist (PT)/Occupational Therapist (OT) on staff, or do you contract?

Ms. Lunneborg: We contract our PT/OT/ and speech therapist.

Chairman Jon O. Nelson: There is a decrease in there, why?

Ms. Lunneborg: It is need based. Our contracts for medical services as well. Because we are the veteran's home and get the prediem, we have to cover the x-rays and things like that. We also cover the PT, OT, and speech therapist. We just don't have that much of a need for that.

Chairman Jon O. Nelson: The tuition reimbursement was deducted, why?

Ms. Lunneborg: Primarily taken away because of the budget cuts. We do have a number of staff go back and get the licensed practical nurse (LPN) and registered nurse (RN), and a lot of them don't want to tie into the tuition reimbursement because they have to work for us based on the amount of money they need.

Chairman Jon O. Nelson: The universal working is basically a certified nurse's assistant (CNA)?

Ms. Lunneborg: They are a CNA, cook, and activity aids.

Representative Randy A. Schobinger: What's the difference between and RN and a clinical care provider?

Ms. Lunneborg: The clinical care partner is like an RN too. We have one for each household. They oversee the staffing, they are more of a management position, but they do have to be an RN as well.

Chairman Jon O. Nelson: I would guess that your benefit package would exceed the other facilities, but for first time workers don't look at the benefits package as compared to the wage?

Ms. Lunneborg: Health insurance isn't a huge draw for their majority of our FTE, they are looking more at the wage.

Vice Chairman Gary Kreidt: You list general fund on the budgets, are you talking about the Medic arid, Medicare, explain it.

Ms. Lunneborg: General fund just means the dollars that we get from the state.

Vice Chairman Gary Kreidt: All your special funds are the Medicare/Medicaid/veteran's affairs (VA) dollars, so you're getting a general fund payment?

Ms. Lunneborg: Everything else goes into special funds, regardless of where the payment comes from. The general funds come from what the government gives us.

Vice Chairman Gary Kreidt: Those 3 segments cover the operation of the facility, and hopefully you are above water through that funding, is that general fund appropriation based on resident?

Ms. Lunneborg: Years ago when the Veteran's Home was built, it was all general funding. The residents didn't have to pay for anything. The skilled facility is different. We are very different than a typical facility because they have to operate based off of their revenues solely, we don't.

Vice Chairman Gary Kreidt: Is it then just a flat amount, not based on residents?

Ms. Lunneborg: Correct, whatever number we needed to operate the facility?

(19.20) Ms. Lunneborg: (Continued attachment A)

(24.10) Vice Chairman Gary Kreidt: So you have 4 licensed social workers?

Ms. Lunneborg: 3 licensed social workers, and 1 assistant.

Chairman Jon O. Nelson: And your psychologist is contracted in Fargo?

Ms. Lunneborg: Yes.

Chairman Jon O. Nelson: What % is the consulting?

Ms. Lunneborg: It is a contract.

Chairman Jon O. Nelson: Is there an increased need for that individual?

Ms. Lunneborg: That individual comes about 2 times a month. We used to never have this position, but we do use him frequently.

(26.40) Ms. Lunneborg: (continued attachment A)

(28.42) Representative Randy A. Schobinger: The flu shots for staff, is that covered under the medical plan?

Ms. Lunneborg: We provide then in house to our staff, to ensure that they get the shots. I think it is typical for facilities to provide those.

(29.51) Ms. Lunneborg: (continued attachment A)

(31.56) Chairman Jon O. Nelson: There are 2 total dryers?

Ms. Lunneborg: 3.

Chairman Jon O. Nelson: Are they all the same brand?

Ms. Lunneborg: Yes, but it is only the one that they have had troubles with.

(32.43) Ms. Lunneborg: (continued attachment A)

(35.33) Vice Chairman Gary Kreidt: What you're saying is that you increased the 25,000 but the 866 could be reduced by 100,000?

Ms. Lunneborg: Yes. Actually you could go down to the 741,716 and cut the 100,000 off our current budget, then it would be 125,000 off the governor's recommendation.

Chairman Jon O. Nelson: Do any of the residents have a third party health insurance? Medicaid expansion?

Ms. Lunneborg: Not that I'm aware of. Some have Medicare Part D, and we used to bill them for the residents that carried that coverage. The rule said that we aren't allowed to bill the company if the individual doesn't pay the copay themselves, and some of the residents don't have to pay their copay because the VA covers it. We are having the attorney general looking into that to see if we can still bill the companies.

Vice Chairman Gary Kreidt: Getting back to the medications, we have 15,000 increase for medications, and 25,000 is that 25,000 part of the 15,000 increase, and then we are reducing 100,000?

Ms. Lunneborg: Where are you getting the 15,000 from?

Vice Chairman Gary Kreidt: From the overall budget detail, it says 15,000.

Ms. Lunneborg: I was trying to come up with the change, and the items that made up the decrease. Overall I would be asking you to decrease it 1000 from what it currently is.

Vice Chairman Gary Kreidt: So should that number be the 25,000?

Ms. Lunneborg: We want you to decrease the base level 100,000 and that would be the number I would use when looking at what you're talking about. All that was a summary of what came up with that amount. Throw out the 15,000 all together and use the 100,000 instead.

(42.50) Ms. Lunneborg: (continued attachment A)

(45.30) Chairman Jon O. Nelson: You're required to purchase the Microsoft 356 program?

Ms. Lunneborg: I think it is just a recommendation**.**

Chairman Jon O. Nelson: Without that you're not on the platform though?

Ms. Lunneborg: Correct.

Chairman Jon O. Nelson: Do you have any forecast as to what you will be turning back this biennium?

Ms. Lunneborg: Probably not a lot of general fund dollars. Last biennium, the general funds were cut 2 million, so we don't have a surplus there anymore. And it there wasn't that change, there would probably much more turn back.

Vice Chairman Gary Kreidt: Do you spend your special funds first, then the general funds?

Ms. Lunneborg: Generally, the first year we spend the special funds, then after that we spend the special funds.

NO FURHTER QUESTIONS OR TESTIMONY.
MEETING CLOSED.

2019 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee - Human Resources Division
Sakakawea Room, State Capitol

HB1007
2/1/2019
32009

☐ Subcommittee
☐ Conference Committee

Committee Clerk: Caitlin Fleck

Explanation or reason for introduction of bill/resolution:

Taking amendments.

Minutes: A

Opened hearing.

Attachment A was handed out.

Chairman Jon O. Nelson: The first amendment that we will ask for is the 2&2 salary increase, the grandfathered insurance plan, and the base payroll changes.

Levi Kinnischtzke, Legislative Council: I have already made the 2&2 salary and the grandfathered insurance plan.

Chairman Jon O. Nelson: I see that but we were told to make that request for the record. I will ask for amendments. Committee members you can see in the area of the executive budget, the items that have been removed in the executive budget have been added back in in the house version.

Mr. Kinnischtzke: That is correct. As it states right now, the house has not addressed any of the executive budget areas. The way the budget sits now is the base, plus the changes in the base payroll and health insurance.

Representative Randy A. Schobinger: Including the retirement issue?

Mr. Kinnischtzke: That is not being addressed until crossover.

Chairman Jon O. Nelson: We will be consistent with the other committees too.

Mr. Kinnischtzke: The compensation package for the Veteran's Home was almost entirely general fund dollars. Historically the salary funding is 1/3 general fund and 2/3 special funds. There was some discrepancy on why the compensation package in the executive budget was dropping the general fund instead of being closer in line with the allocation that it had

been historically. There were some boxes check in IBARS that should have been checked elsewhere. When putting the numbers in for the 2&2 increase and the full health insurance increase, I have adjusted the full funding for the split with the general and other funds and so that it follows historically more closely.

Chairman Jon O. Nelson: We don't need to address that in amendment form?

Mr. Kinnischtzke: No.

Chairman Jon O. Nelson: That was the only one that stuck out to me in the report from Alex.

Mr. Kinnischtzke: Yes.

Chairman Jon O. Nelson: Before we start asking for additional amendments, let's go through this worksheet and start with the areas that the executive branch added and then ultimately subtract them in the middle version. The health insurance one it taken care of. The first one I would like to address is the information technology expansion. Because it is silent in there, if we don't add it back in, it will not be funded?

Mr. Kinnischtzke: Yes, if the committee decides to take no action on it, because it is silent, it will be like it didn't' happen.

Chairman Jon O. Nelson: Based on our discussions, I believe that we need to add that back in. I would ask for that amendment. The next plus is the IT software supplies, and I would ask for that too. The dental 15,000 in that line, I would ask for as well as the Microsoft 356 licensing expenses, and adjust the funding for bond and interest. Those 5 items.

Vice Chairman Gary Kreidt: The medical dental optical had a mistake, they said we could reduce that by 100,000 and the 15,000, so we could reduce that by 115,000?

Mr. Kinnischtzke: It would be a reduction of 115,000 from the executive budget but a 100,000 from the base.

Chairman Jon O. Nelson: Prepare that amendment. The correlation between the departments, would be the decrease that are included, and we don't have issues with that. Do we want to go through them separately, because they are added back in in our budget now?

Representative Randy A. Schobinger: On the 6.6 FTE that were under funded, do we need to do something there?

Mr. Kinnischtzke: Yes, they are underfunded in the executive budget, but in the base they are still there. If we want to under fund them then make an amendment, but if not then don't change anything.

Representative Randy A. Schobinger: I would ask to under fund those 6 FTE.

Chairman Jon O. Nelson: Next is the professional services reduced by 88,600. Is that in different departments?

Mr. Kinnischtzke: Yes, that is agency wide.

Chairman Jon O. Nelson: In all these areas, we didn't discuss restoration in those areas, and the department didn't identify any of those areas of concern.

Mr. Kinnischtzke: They didn't voice concerns in any particular department, but they did voice concern about requesting additional general funds within the next few biennia.

Chairman Jon O. Nelson: We went through department by department and in the areas that we're talking here, we didn't address any of these but it was understood that because they weren't pulled out, they were good with those reductions and didn't have huge concerns. My general thought would be that we could ask for all those lines under the retirement increase to be put into the base budget, is that fair?

Representative Randy A. Schobinger: If that is ok with legislative council to make that blanket request when we don't have any other changes.

Mr. Kinnischtzke: If the committee doesn't want to address each line one by one, we can address them as a whole. The Veteran's home was mainly concerned with the funding that I had talked about, and asked for additional requests around the federal funds.

Chairman Jon O. Nelson: That was my thoughts as well. I think in this budget, without any other….

Vice Chairman Gary Kreidt: The only other thing would be the medical/dental; the rest could slide over.

Chairman Jon O. Nelson: Well you would make that change anyways. If we do this blanket, then I would be up to Vice Chairman Gary Kreidt if he wanted to reduce 100,000 or 115,000, correct?

Mr. Kinnischtzke: It would depend where you wanted to reduce it from. Either 115,000 from the executive budget or 100,000 from the base budget.

Chairman Jon O. Nelson: I will ask for an amendment to include all those items under the retirement contribution line in the executive budget into the house version.

Mr. Kinnischtzke: Except for the 100,000 for medical, dental, optical?

Chairman Jon O. Nelson: We will do the 15,000 increase. Now, I will ask for additional amendments.

Representative Randy A. Schobinger: I think that we have to do something if we want to do the 48,000 stipend for the salary of the director.

Chairman Jon O. Nelson: Do we need an amendment to get that stipend?

Representative Randy A. Schobinger: I was looking at her testimony for that.

Mr. Kinnischtzke: That wasn't included in the executive budget, that is an amount that the Veteran's Home is requesting separately. They are requesting for a line item transfer of 48,000 from operating to salaries so then the administrator can find a different place to live. That would then be a taxable item for Mark, the administrator. There is an objecting code within the operating expenses that allows to keep the 48,000 in the operating expenses. The code allows to do that and have it be trackable and from an accounting standpoint everything would still be correct, and we wouldn't have to do a line item transfer. It saves the risk of having the 48,000 being lost within salaries.

(25.00) Chairman Jon O. Nelson: That does address my concern that if we move it to salaries it would continue to stay there in the future. We need to decide if we should continue to include that stipend once Mark retires, but it should be addressed at that point.

Representative Richard G. Holman: How would that be handled? If you leave it in operating does it affect the other things tied to salary?

Mr. Kinnischtzke: It wouldn't affect health, retirement, etc. it would stay as its own operating fund.

Representative Richard G. Holman: Would it show up for tax?

Mr. Kinnischtzke: It would show up as taxable income.

Chairman Jon O. Nelson: Is it currently in the budget in operating?

Mr. Kinnischtzke: Correct. They had requested a line item transfer. After discussion we concluded that the transfer wasn't necessary.

Representative Richard G. Holman: Does he get a check for 48,000 or does it come out incrementally?

Mr. Kinnischtzke: I don't know but I would assume it would come out monthly.

Vice Chairman Gary Kreidt: If we left it in operating, it would just be for this biennium, and we would have to renew that next biennium.

Mr. Kinnischtzke: Because the 48,000 already is included in their base budget, so this would continue to happen.

Representative Randy A. Schobinger: If he is living in the house, does he get a stipend?

Mr. Kinnischtzke: They're using the 48,000 for other operating expenses right now, so it is in the budget.

Chairman Jon O. Nelson: So the utilities, heat, etc. that is correctly being used in the house is where they would get the funding for that stipend. Obviously it would be for the committee to look at if they still want to do the stipend for the administrator in the future.

Representative Lisa Meier: Are you ready for an amendment on that?

Chairman Jon O. Nelson: I don't think we will need any, it will remain in operating.

Mr. Kinnischtzke: Correct, nothing needs to be done dollars wise. The only thing that would need to be done would be to put some language in for how he can get the money.

Chairman Jon O. Nelson: Is that something you would want to consider Representative Lisa Meier?

Representative Lisa Meier: Yes, maybe put administrator stipend of 2,000 per month.

Chairman Jon O. Nelson: Would you like to consider that the stipend would begin after the administrator finds a house and is no longer living in the house on the campus?

Representative Lisa Meier: That is exactly what I want.

Chairman Jon O. Nelson: Distribute 2,000 monthly after he moves out of the house and once he finds a new house.

Representative Lisa Meier: I would state it as the current administrator, just in case there is a new administrator that comes.

Representative Randy A. Schobinger: It sounds like, currently out of their operating they could offer me a stipend if I was hired as a nurse or something? Should we add language to not allow them to hire someone and offer them a stipend to live off campus.

Mr. Kinnischtzke: I think you are right in that there is nothing that excludes them from doing that, but this is a unique situation because part of the administrator's compensation package is that he gets to live in the campus house. It is a specific situation for the administrator.

Representative Randy A. Schobinger: Right now it is funded through utilities, etc., and isn't considered a stipend right? This would be unique in that we're paying this person a stipend to live off campus.

Mr. Kinnischtzke: That is correct. In previous biennium, Mark did receive a stipend and this has happened in the past, but hasn't' been required for some time.

Vice Chairman Gary Kreidt: There was a forward motion to do this for Mark?

Mr. Kinnischtzke: Correct, it came from the Veteran's Home governing board.

(36.20) Vice Chairman Gary Kreidt: So they would approve this, then it would come to us when we reworked the budget. Otherwise they would have to go to the emergency commission?

Mr. Kinnischtzke: That is correct. There is another layer of oversight for the home.

Chairman Jon O. Nelson: In that particular situation, if a nurse had asked for a stipend for housing to work there, that would have to fit in the salaries line as well?

Mr. Kinnischtzke: I think it would depend on the individual.

Chairman Jon O. Nelson: They do have some flexibility?

Mr. Kinnischtzke: Are you saying that the stipend couldn't' be over what they are already paid?

Chairman Jon O. Nelson: If they went over their salary line because of a stipend, that would be a restriction then wouldn't it?

Mr. Kinnischtzke: They are restricted to what legislation appropriates to them.

Chairman Jon O. Nelson: This is an operating. They are somewhat restricted unless it is in their budget. They would have some transferability in their operating line, but there is some restriction in their operating line too if they exceed that level.

(39.02) Vice Chairman Gary Kreidt: If there was a nurse that needed somewhere to stay, they would have some place to stay and they would be provided that.

Representative Randy A. Schobinger: We shouldn't be doing that anywhere I think.

Chairman Jon O. Nelson: I think we will get to that point, but it will take a while. In maintenance, there was an addition of a Toro broom and a tool cat. Do I understand that that is in the budget as we look at it?

Mr. Kinnischtzke: They were added in the executive budget, so they are not in the base.

Chairman Jon O. Nelson: So that is in the onetime fund. Any amendments for that line?

Vice Chairman Gary Kreidt: We don't have to take the tool cat out?

Chairman Jon O. Nelson: The tool cat is in that 117,400.

Vice Chairman Gary Kreidt: Remove the tool cat for 18,000, and provide the 6,000 for the Toro broom.

Chairman Jon O. Nelson: The broom is in there already.

Vice Chairman Gary Kreidt: So reduce by 18,000.

Representative Randy A. Schobinger: We may want to consider the decrease of 6800 for capital budget carry over. So maybe we should take that tool cat out, and then approve all the rest.

Mr. Kinnischtzke: That 6800 was appropriated last session, and was included as ongoing funding last time. We addressed that earlier today with the retirement contribution line.

Representative Randy A. Schobinger: So then we just need to take that 18,000 out.

Chairman Jon O. Nelson: So that is the only request we have to the onetime funding line, remove the 18,000.

Representative Richard G. Holman: Change the 117 to 994, so we still need an amendment for that?

Chairman Jon O. Nelson: Amendment would be to add 99,400 to the onetime funding line, and the tool cat is not funded.

Vice Chairman Gary Kreidt: Equipment over 5000, there's 49,400 worth there, the steamer, fridge, dishwasher. I want an amendment so that those items be taken out of that 670,000 construction grant instead of general funds.

Chairman Jon O. Nelson: Before we go there, that 49,400 is included in that 99,400 now? So that is already included in the general fund.

Vice Chairman Gary Kreidt: I want that to come out of the construction grant instead of general funds.

Mr. Kinnischtzke: As proposed in the executive budget it wouldn't be coming out of the general fund, it comes out the soldier's home special fund.

Vice Chairman Gary Kreidt: I want it to come out of the construction fund.

Renae Bloms, Office of Management and Budget: I thought that in the testimony she had some intentions to use that construction grant.

Mr. Kinnischtzke: Kristin spoke that the 670,000 from federal funds, they are depositing 277,000 into the Norward Fund, 75,000 custodial funds, and 318,000 soldier's home fund. So where would you want that funding to come out of?

Chairman Jon O. Nelson: In their budget overview, they suggested using 138,700 for flooring, and 233,450 for demolition and the security system upgrades were the 3 suggestions they had for that account.

Vice Chairman Gary Kreidt: Where did they put this grant money?

Mr. Kinnischtzke: I'd have to double check where it is sitting, but it is federal funds. I'm not sure that they have received the money yet.

Vice Chairman Gary Kreidt: So are we spending money that we don't have, so if it doesn't come then will they not do any of this?

Mr. Kinnischtzke: The grant has been approved and they will be getting it.

Chairman Jon O. Nelson: The amounts would replace the construction for the workshop?

Mr. Kinnischtzke: They anticipate depositing 277,667 into the Norgard fund. 317,928 in the soldier's home fund, 74,410 in the custodial funds.

Vice Chairman Gary Kreidt: They were directed to use up the Norgard fund and then donations to do that workshop. So if we wanted to we could take it out of the 317,928 and leave the Norgard fund because they have 174,00 in the Norgard fund.

Chairman Jon O. Nelson: They are already drawing the funds from the soldier's fund for this equipment now. You are getting what you want without adding an amendment. Do you still want that then?

Vice Chairman Gary Kreidt: If we're not finishing this today, then I'll wait on it.

(55.25) Chairman Jon O. Nelson: I think we could get close to finishing this today. Changing the flooring to 100,000 and where would we find that?

Vice Chairman Gary Kreidt: That is a special request.

Mr. Kinnischtzke: This is a new item that they brought to you.

Chairman Jon O. Nelson: So add 100,000?

Vice Chairman Gary Kreidt: Yes, and that would come out of the 670,000.

(57.30) **Mr. Kinnischtzke**: I spoke to Kristin on how she thought about spending those funds and how they would spend those. They are from the 670,000 and allocate that to the 3 special funds we talked about. Kristin explained that since the Melvin Norgard fund is intended for improvements on the Veteran's Home, the flooring project and anything like it would come from that fund. The demolition would come from the soldier's fund, and the security project may be able to come out of the soldier's fund as well.

Chairman Jon O. Nelson: Would the Soldier's fund have the revenue in it to do what we are asking?

Mr. Kinnischtzke: The revenue would be the federal funds.

Vice Chairman Gary Kreidt: Amendment, take 100,000 out pf the Norgard fund.

Representative Randy A. Schobinger: Those federal funds can be spent how they want? And if they don't spend it nothing happens?

Mr. Kinnischtzke: This committee and the full house would have to approve the spending authorities of the agency.

Vice Chairman Gary Kreidt: That grant was for the woodworking shop?

Chairman Jon O. Nelson: It is.

Vice Chairman Gary Kreidt: I think this is money that they didn't anticipate getting.

Chairman Jon O. Nelson: Amendment for the demolition money from the Soldier's home fund for the demolition of the home.

Representative Lisa Meier: I would like to ask for the security upgrades to come out of the soldier's fund.

Representative Randy A. Schobinger: Does someone need to ask for the demolition funds?

Chairman Jon O. Nelson: I already did that. Representative Lisa Meier you asked for that out of the soldier's fund instead of the Norgard fund?

Representative Lisa Meier: I did but we can change that if you'd like.

Mr. Kinnischtzke: I think that is the only thing that can't be taken out of the Norgard fund.

Representative Lisa Meier: I will leave it like that then

Chairman Jon O. Nelson: Further amendments? None seen. I think we have covered everything except the issue of the equipment over 5000. We will stop there then and discuss the other bills next week.

Meeting closed.

2019 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee - Human Resources Division
Sakakawea Room, State Capitol

HB1007
2/4/2019
32071

☐ Subcommittee
☐ Conference Committee

Committee Clerk: Caitlin Fleck

Explanation or reason for introduction of bill/resolution:

Reviewing amendments.

Minutes: A

Opened hearing.

Attachment A was handed out.

Vice Chairman Gary Kreidt: They have the Norgard fund, the Soldier's home fund, and one other?

Levi Kinnischtzke, Legislative Council: They also have the custodial fund, where they may receive donations.

Vice Chairman Gary Kreidt: So they people that give the donation can say where they want it?

Mr. Kinnischtzke: Correct.

Chairman Jon O. Nelson: What were you thinking about with the flooring?

Vice Chairman Gary Kreidt: It will come out of either the Norgard fund or the soldier's home fund, so either way it'll work. It would make more sense to take that money out of the soldier's fund. The dish washer, the whirlpool tub, the steamers, the broom, etc. we could designate that they have to take that money out of the Norgard fund. I want an amendment for that.

Mr. Kinnischtzke: The 994 out of the soldier's home fund?

Vice Chairman Gary Kreidt: Yes.

Chairman Jon O. Nelson: All of that equipment?

Vice Chairman Gary Kreidt: Yes.

Mr. Kinnischtzke: That number is all the equipment, excluding the tool cat.

Representative Randy A. Schobinger: What is the motion again?

Chairman Jon O. Nelson: All those capital purchases over 5,000 be funded through the Soldier's Home fund.

Representative Lisa Meier: Seconded.

Mr. Kinnischtzke: To add some clarity, what we discussed last time, the different amounts that will be allocated into each fund. We had discussed the different amounts that will be coming out of those funds for the projects.

Representative Randy A. Schobinger: That would be an appropriate allocation of those funds?

Chairman Jon O. Nelson: In their budget they suggested using the money from the Norgard fund, and the security system upgrade. We're splitting hairs to a certain degree, but that is how the Norgard fund was set up. They have the first right of approval on how to use the money.

Vice Chairman Gary Kreidt: The soldier's fund, rental income goes into that too? That continues to build all the time, and we are just reducing it and then it can go up more once they fill beds.

Chairman Jon O. Nelson: The legislature has control of the soldier's fund?

Mr. Kinnischtzke: Yes.

Vice Chairman Gary Kreidt: That is how they pay their bills though?

Mr. Kinnischtzke: Yes. All of the items that we discussed, except for the flooring, they said that they would have enough funding in the soldier's home fund for those items. They didn't have funding for the flooring, and that project may not be appropriate to fund with the soldier's home fund anyways.

Chairman Jon O. Nelson: I agree. If the Veteran's Home agrees that that is an appropriate use of those Norgard funds, then we should use them.

Vice Chairman Gary Kreidt: Someone must know what is in the soldier's fund?

Larry Martin, Office of Management and Budget: I can find that out.

Chairman Jon O. Nelson: The soldier's fund can definitely pay for that, but there is a question of if we are going to build up Norgard to a higher number, or if we want to draw out of their now.

Vice Chairman Gary Kreidt: The Soldier's fund will always build up quickly than the Norgard fund.

Chairman Jon O. Nelson: Motion is to fund those projects out of the Soldier's Home fund, and not use any Norgard funds.

Roll Call Vote #1: 3 Yes, 2 No, 1 Absent.

Motion Carries.

Representative Randy A. Schobinger: That is amended on the bill now? We don't have to use that worksheet?

Chairman Jon O. Nelson: That is the funding mechanism now is all from Soldier's fund.

Representative Randy A. Schobinger: Will that come to us in the form like earlier?

Vice Chairman Gary Kreidt: Yes.

Chairman Jon O. Nelson: What else are we looking at?

Vice Chairman Gary Kreidt: They have 100,00 for the flooring, the 48,000 for the administrator, and 233 for the demolition, and 525 for the security. You can take that out where ever you want!

Chairman Jon O. Nelson: We have to put it somewhere though right?

Vice Chairman Gary Kreidt: They want to take it out of the construction grant.

Chairman Jon O. Nelson: It will look like general fund then in our accounting right?

Vice Chairman Gary Kreidt: It wouldn't look like general fund.

Chairman Jon O. Nelson: Then we better designate the soldier's fund then?

Vice Chairman Gary Kreidt: Yes.

Representative Randy A. Schobinger: What is that for?

Chairman Jon O. Nelson: The demolition, the flooring, and the security system, and we're hearing a motion for that?

Vice Chairman Gary Kreidt: I will motion for that. But the operations will stay where it is for the stipend.

Representative Randy A. Schobinger: The house version adds a section 3 for the 48,000 that would take it out of operation?

Mr. Kinnischtzke: That section identifies the section, but it still stays in the operating line.

Representative Randy A. Schobinger: We would need to add that section then?

Mr. Kinnischtzke: Yes. You wouldn't need to include the 48,000 in your calculations.

Chairman Jon O. Nelson: So it would be 385,950 then?

Vice Chairman Gary Kreidt: Yes.

Chairman Jon O. Nelson: Ok that's in the soldier's fund for the demolition, the flooring, and the security system.

Vice Chairman Gary Kreidt: Motion to adopt amendment.

Representative Lisa Meier: Seconded.

Roll Call Vote #2: 5 Yes, 0 No, 1 Absent.

Motion carries.

Representative Lisa Meier: Motion to add section 3.

Vice Chairman Gary Kreidt: Seconded.

Representative Richard G. Holman: Was renting part of our discussion?

Chairman Jon O. Nelson: Renting or purchasing.

Mr. Kinnischtzke: I will add that in.

Roll Call Vote #3: 4 Yes, 1 No, 1 Absent.

Motion carries.

Chairman Jon O. Nelson: There was some discussion for the study.

Vice Chairman Gary Kreidt: We have to do that, 25,000 for that.

Chairman Jon O. Nelson: That's not in the budget right now. What do you mean? It's not in the budget but we have to do it. If you want that included, we will have to include it back in.

Mr. Kinnischtzke: It was a recommendation in the executive budget, but you haven't discussed it yet.

Representative Richard G. Holman: Motion to add funding for a strategic plan.

No second, send it out without a strategic plan.

Chairman Jon O. Nelson: All other items for changes were related to salary, retirement, and health.

Mr. Kinnischtzke: The only other item that wasn't addressed was regarding the medical, dental, and optical. Kristin said they could remove 100,000 but the executive recommendation added 15,000. So it would have to determined what you wanted to do.

Vice Chairman Gary Kreidt: I thought that we have taken out 100,000?

Mr. Kinnischtzke: My understanding was that the committee was still going to debate on that. Earlier you asked the balance of the soldier's fund and it's a little under 1.5 million.

Chairman Jon O. Nelson: Under the area of the medical, dental, optical, we added 15,000 to that in this budget. The way I understood the discussion, Kristin said we could take 100,000 from the base, which would result in taking 115,000 from the executive recommendation.

Representative Lisa Meier: Motion to remove 115,000 from the base budget for medical, dental, and optical expenses.

Vice Chairman Gary Kreidt: Seconded.

Roll Call Vote #5: 5 Yes, 0 No, 1 Absent.

Motion Carries.

Vice Chairman Gary Kreidt: Motion for a do pass as amended.

Representative Lisa Meier: Seconded.

Roll Call Vote #6: 5 Yes, 0 No, 1 Absent.

Motion Carries.

Floor assignment: **Vice Chairman Gary Kreidt**

Meeting concluded.

2019 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee
Roughrider Room, State Capitol

HB1007
2/12/2019
32549

☐ Subcommittee
☐ Conference Committee

Committee Clerk: Risa Bergquist

Explanation or reason for introduction of bill/resolution:

The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the veterans' home for the purpose of defraying the expenses of the veterans' home

Minutes:

Chairman Delzer: Called the meeting to order for HB 1007

2:10 Representative Kreidt: This is the bill for the veteran's home, which is a 52 bed skilled facility, 98 bed basic care facility in Lisbon, North Dakota. They only admit veteran's and their spouses into that facility. Most of their budget, except for 5.604 million is special funds. Reviews the bill and the budget included in this bill.

7:10 Amendment 19.0195.01001 (Reviews amendment)

9:35 Chairman Delzer: How did they come up with 2000 dollars for the Soldier's home?

Representative Kreidt: That's been used for a number of session already, they feel that is a fair value for rent or to purchase a home. **(Continuing)**

16:10 Chairman Delzer: How long since this home was built? I am surprised we need to replace the flooring already.

Representative Kreidt: It's about 8-10 years old, they have carpet blocks. With the wear and tear from wheel chairs they felt there was a need to replace that.

Representative Monson: If the population there increases they have the ability to increase the number of FTEs but I don't see a section in here.

Chairman Delzer: They didn't remove the FTEs they just unfunded them.

Representative Kreidt: Because of the low censes they have to reduce staff and if that turns around again they can increase that.

Chairman Delzer: They might have to come to the emergency committee to expand the salary line.

18:00 Representative Kempenich: They have 12 unfunded FTEs, is that still the practice down there for FTEs?

Representative Kreidt: The number for FTEs for a number of years was 125 FTEs until they started lowering those.

Representative Kempenich: There's no dollars associated with those so that makes sense.

Chairman Delzer: Is the Melvin Nogard fund still generating income every year?

Representative Kreidt: Not as much as it used to be, there's a 175 thousand dollars in that fund.

20:15 Renae Bloms, OMB: That's not new money, they generate a very small amount on that fund.

Representative Kreidt: Make a motion to adopt amendment 19.0195.01001

Representative J. Nelson: Second

Chairman Delzer: Further discussion?

Voice vote all in favor? Motion Carries.

Representative Kreidt: I'd make a motion to Do Pass as Amended

Representative Schobinger: Second

Chairman Delzer: Further discussion? This is still the most expensive nursing home in the state is it not?

Representative Kreidt: It would be interesting if everyone could run a nursing home the way the veterans home is run; in a traditional nursing home you've got to function on the income that you have coming in. If the veteran's home gets into trouble they can go into emergency commission and ask for new appropriation of general fund dollars.

Chairman Delzer: The management on the veteran's affairs is much worse than the nursing home and the nursing home is bad enough.

Representative J. Nelson: This is a very different population for a nursing home, the residence is younger and mobile, they are able to leave the nursing home, go up town and in some cases they get into trouble, they come back and then there is security issues with

that. We've had to put lifts in, they are hard to get in and out of bed. It's the hardest working environment in a nursing home in the state.

Chairman Delzer: Further discussion for Do Pass as Amended?

A Roll Call vote was taken. Yea: 21 Nay: 0 Absent: 0

Motion Carries Representative Kreidt will carry the bill

Chairman Delzer: We will close this meeting.

DE 2/12/19
1 of 3

19.0195.01001
Title.02000

Prepared by the Legislative Council staff for
the House Appropriations - Human Resources
Division Committee

Fiscal No. 1

February 5, 2019

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1007

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

Page 1, replace lines 8 through 16 with:

"

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	$18,684,490	$25,629	$18,710,119
Operating expenses	5,454,239	(370,508)	5,083,731
Capital assets	411,303	246,330	657,633
Administrator's residence	0	233,450	233,450
Total all funds	$24,550,032	$134,901	$24,684,933
Less estimated income	18,598,593	482,056	19,080,649
Total general fund	$5,951,439	($347,155)	$5,604,284
Full-time equivalent positions	120.72	0.00	120.72"

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

Page 1, line 18, after "biennium" insert "and the 2019-21 biennium one-time funding items included in the appropriation in section 1 of this Act"

Page 1, remove lines 19 through 23

Page 2, replace lines 1 and 2 with:

"

One-Time Funding Description	2017-19	2019-21
Equipment	$44,500	$99,400
Health information exchange software	15,000	0
Nurse call system upgrade	82,500	0
Flooring project	0	100,000
Administrator's residence demolition	0	233,450
Security system upgrades	0	52,500
Total all funds	$142,000	$485,350
Less estimated income	142,000	485,350
Total general fund	$0	$0

The 2019-21 biennium one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The veterans' home shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 3. ESTIMATED INCOME - SOLDIERS' HOME FUND - ADMINISTRATOR HOUSING STIPEND. The estimated income line item in section 1 of this Act includes $48,000 from the soldiers' home fund for providing a $2,000 monthly housing stipend to the veterans' home administrator for housing costs off the veterans' home campus, for the biennium beginning July 1, 2019, and ending June 30, 2021.

DP 2/12/19

2 of 3

SECTION 4. ESTIMATED INCOME - SOLDIERS' HOME FUND - ONE-TIME FUNDING. The estimated income line item in section 1 of this Act includes $485,350 of one-time funding from the soldiers' home fund, of which $99,400 is for equipment, $100,000 is for a flooring project, $233,450 is for the demolition of the administrator's residence, and $52,500 is for security system upgrades, for the biennium beginning July 1, 2019, and ending June 30, 2021."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1007 - Veterans' Home - House Action

	Base Budget	House Changes	House Version
Salaries and wages	$18,684,490	$25,629	$18,710,119
Operating expenses	5,454,239	(370,508)	5,083,731
Capital assets	411,303	246,330	657,633
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Less estimated income	18,598,593	482,056	19,080,649
General fund	$5,951,439	($347,155)	$5,604,284
FTE	120.72	0.00	120.72

Department 313 - Veterans' Home - Detail of House Changes

	Adjusts Funding for Base Payroll Changes[1]	Adds Funding for Salary and Benefit Increases[2]	Unfunds 6.00 FTE positions[3]	Adjusts Base Level Funding[4]	Adds One-Time Funding for Equipment[5]	Adds One-Time Funding for a Veterans' Home Flooring Project[6]
Salaries and wages	($144,333)	$1,009,002	($839,040)			
Operating expenses				($370,508)		
Capital assets				(5,570)	$99,400	$100,000
Administrator's residence						
Total all funds	($144,333)	$1,009,002	($839,040)	($376,078)	$99,400	$100,000
Less estimated income	95,100	764,508	(483,731)	(379,171)	99,400	100,000
General fund	($239,433)	$244,494	($355,309)	$3,093	$0	$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Adds Funding for the Demolition of the Administrator's Residence[7]	Adds One-Time Funding for Security System Upgrades[8]	Total House Changes
Salaries and wages			$25,629
Operating expenses			(370,508)
Capital assets		$52,500	246,330
Administrator's residence	$233,450		233,450
Total all funds	$233,450	$52,500	$134,901
Less estimated income	233,450	52,500	482,056
General fund	$0	$0	($347,155)
FTE	0.00	0.00	0.00

[1] Funding is adjusted for base payroll changes.

[2] The following funding is added for 2019-21 biennium salary adjustments of 2 percent per year and increases in health insurance premiums from $1,241 to $1,427 per month:

	General Fund	Other Funds	Total
Salary increase	$84,474	$264,140	$348,614
Health insurance increase	160,020	500,368	660,388
Total	$244,494	$764,508	$1,009,002

[3] Funding is removed for 6.00 FTE positions, including 1.90 FTE licensed practical nurse II positions and 4.10 FTE residential living specialist positions.

[4] Base level funding is adjusted as follows:

	General Fund	Other Funds	Total
Adds funding for information technology contractual services	$0	$73,750	$73,750
Reduces funding for professional services	(500)	(88,600)	(89,100)
Reduces funding for travel	0	(5,000)	(5,000)
Adds funding for information technology software supplies	0	15,450	15,450
Reduces funding for food and clothing	0	(137,000)	(137,000)
Reduces funding for equipment under $5,000	(552)	(32,421)	(32,973)
Reduces funding for nursing professional service fees	0	(31,200)	(31,200)
Reduces funding for social services professional service fees	0	(13,800)	(13,800)
Reduces funding for other professional service fees	0	(58,240)	(58,240)
Reduces funding for medical, dental, and optical expenses	0	(100,000)	(100,000)
Reduces funding for dues and professional development	0	(11,500)	(11,500)
Reduces funding for professional supplies	0	(6,800)	(6,800)
Adds funding for Microsoft Office 365 licenses	4,145	21,760	25,905
Adjusts funding for bonds and interest	0	1,230	1,230
Reduces funding for capital assets	0	(6,800)	(6,800)
Total	$3,093	($379,171)	($376,078)

[5] One-time funding is added from the soldiers' home fund for equipment, including a boilerless steamer ($18,500), dish machines ($21,900), a commercial refrigerator ($9,000), a Toro broom ($6,000), dryers ($20,500), and a Whirlpool tub ($23,500).

[6] One-time funding is added from the soldiers' home fund for a flooring project in the skilled nursing areas of the Veterans' Home.

[7] One-time funding is added from the soldiers' home fund for the demolition of the administrator's residence, including demolishing the house, driveway, and two underground tunnels.

[8] One-time funding is added from the soldiers' home fund for security system upgrades to provide additional security cameras for the Veterans' Home.

Sections are added identifying the funding appropriated from the soldiers' home fund for specific purposes.

Date: 2/4/2019
Roll Call Vote #: 1

2019 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. HB1007

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 Rep. Kreidt Seconded By Rep. Meier

Representatives	Yes	No	Representatives	Yes	No
Chairman Jon O. Nelson		X	Rep. Richard G. Holman		X
Vice Chairman Gary Kreidt	X				
Representative Bert Anderson	—	—			
Representative Lisa Meier	X				
Rep. Randy A. Schobinger	X				

Total (Yes) 3 No 2

Absent 1

Floor Assignment _____

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

All capital purchases over $5,000 will be funded through the Soldier's Home fund.

Date: 2/4/2019
Roll Call Vote #: 2

2019 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. HB1007

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 Rep. Kreidt Seconded By Rep. Meier

Representatives	Yes	No	Representatives	Yes	No
Chairman Jon O. Nelson	X		Rep. Richard G. Holman	X	
Vice Chairman Gary Kreidt	X				
Representative Bert Anderson	—				
Representative Lisa Meier	X				
Rep. Randy A. Schobinger	X				

Total (Yes) 5 No 0

Absent 1

Floor Assignment _____

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

Take out funding for demolition, the flooring, + the security system from the Soldier's Home fund. Leave the $48,000 for the admin. Stipend in the operatigline, + not move it to salaries.

Date: 2/4/2019
Roll Call Vote #: 3

2019 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. HB1007

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 Rep. Meier Seconded By Rep. Kreidt

Representatives	Yes	No	Representatives	Yes	No
Chairman Jon O. Nelson	X		Rep. Richard G. Holman	X	
Vice Chairman Gary Kreidt	X				
Representative Bert Anderson	—	—			
Representative Lisa Meier		X			
Rep. Randy A. Schobinger	X				

Total (Yes) 4 No 1

Absent 1

Floor Assignment _____

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

Add section 3 - identifies $48,000 in the operating expenses line item for a $2,000 monthly housing stipend to be provided to the current Veteran's Home administrator for the costs of renting a house off of the Veteran's Home campus.

Date: 2/4/2019
Roll Call Vote #: 4

2019 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1007

House Appropriations - Human Resources Division Committee

☐ Subcommittee

Amendment LC# or Description: add funding for a strategic plan

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 Holman Seconded By _____

Representatives	Yes	No	Representatives	Yes	No
Chairman Jon O. Nelson			Rep. Richard G. Holman		
Vice Chairman Gary Kreidt					
Representative Bert Anderson					
Representative Lisa Meier					
Rep. Randy A. Schobinger					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

* No second, amendment not adopted.

Date: 2/4/2019
Roll Call Vote #: 5

2019 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1007

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 Rep. Meier Seconded By Rep. Kreidt

Representatives	Yes	No	Representatives	Yes	No
Chairman Jon O. Nelson	X		Rep. Richard G. Holman	X	
Vice Chairman Gary Kreidt	X				
Representative Bert Anderson	—	—			
Representative Lisa Meier	X				
Rep. Randy A. Schobinger	X				

Total (Yes) 5 No 0

Absent 1

Floor Assignment

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

Remove $115,000 from medical, dental, & optical expenses.

Date: 2/4/2019
Roll Call Vote #: 6

2019 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. HB1007

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 Rep. Kreidt Seconded By Rep. Meier

Representatives	Yes	No	Representatives	Yes	No
Chairman Jon O. Nelson	X		Rep. Richard G. Holman	X	
Vice Chairman Gary Kreidt	X				
Representative Bert Anderson	—	—			
Representative Lisa Meier	X				
Rep. Randy A. Schobinger	X				

Total (Yes) 5 No 0

Absent 1

Floor Assignment Rep. Kreidt

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

Date: 2/12/2019
Roll Call Vote #: 1

2019 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1007

House Appropriations Committee

☐ Subcommittee

Amendment LC# or Description: **19.0195.01001**

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 **Representative Kreidt** Seconded By **Representative J. Nelson**

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer					
Representative Kempenich					
Representative Anderson			Representative Schobinger		
Representative Beadle			Representative Vigesaa		
Representative Bellew					
Representative Brandenburg					
Representative Howe			Representative Boe		
Representative Kreidt			Representative Holman		
Representative Martinson			Representative Mock		
Representative Meier					
Representative Monson					
Representative Nathe					
Representative J. Nelson					
Representative Sanford					
Representative Schatz					
Representative Schmidt					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

Voice Vote/Motion Carries

Date: 2/12/2019
Roll Call Vote #: 2

2019 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1007

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 Schobinger

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer	X				
Representative Kempenich	X				
Representative Anderson	X		Representative Schobinger	X	
Representative Beadle	X		Representative Vigesaa	X	
Representative Bellew	X				
Representative Brandenburg	X				
Representative Howe	X		Representative Boe	X	
Representative Kreidt	X		Representative Holman	X	
Representative Martinson	X		Representative Mock	X	
Representative Meier	X				
Representative Monson	X				
Representative Nathe	X				
Representative J. Nelson	X				
Representative Sanford	X				
Representative Schatz	X				
Representative Schmidt	X				

Total (Yes) 21 No 0

Absent 0

Floor Assignment **Representative Kreidt**

REPORT OF STANDING COMMITTEE

HB 1007: Appropriations Committee (Rep. Delzer, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (21 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1007 was placed on the Sixth order on the calendar.

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

Page 1, replace lines 8 through 16 with:

"

	Base Level	Adjustments or Enhancements	Appropriation
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Administrator's residence	0	233,450	233,450
Total all funds	$24,550,032	$134,901	$24,684,933
Less estimated income	18,598,593	482,056	19,080,649
Total general fund	$5,951,439	($347,155)	$5,604,284
Full-time equivalent positions	120.72	0.00	120.72"

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

Page 1, line 18, after "biennium" insert "and the 2019-21 biennium one-time funding items included in the appropriation in section 1 of this Act"

Page 1, remove lines 19 through 23

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One-Time Funding Description	2017-19	2019-21
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Nurse call system upgrade	82,500	0
Flooring project	0	100,000
Administrator's residence demolition	0	233,450
Security system upgrades	0	52,500
Total all funds	$142,000	$485,350
Less estimated income	142,000	485,350
Total general fund	$0	$0

The 2019-21 biennium one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The veterans' home shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 3. ESTIMATED INCOME - SOLDIERS' HOME FUND - ADMINISTRATOR HOUSING STIPEND. The estimated income line item in section 1 of this Act includes $48,000 from the soldiers' home fund for providing a $2,000 monthly housing stipend to the veterans' home administrator for housing costs off the veterans' home campus, for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 4. ESTIMATED INCOME - SOLDIERS' HOME FUND - ONE-TIME FUNDING. The estimated income line item in section 1 of this Act includes $485,350 of one-time funding from the soldiers' home fund, of which $99,400 is for equipment, $100,000 is for a flooring project, $233,450 is for the demolition of the administrator's residence, and $52,500 is for security system upgrades, for the biennium beginning July 1, 2019, and ending June 30, 2021."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1007 - Veterans' Home - House Action

	Base Budget	House Changes	House Version
Salaries and wages	$18,684,490	$25,629	$18,710,119
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Department 313 - Veterans' Home - Detail of House Changes

	Adjusts Funding for Base Payroll Changes[1]	Adds Funding for Salary and Benefit Increases[2]	Unfunds 6.00 FTE positions[3]	Adjusts Base Level Funding[4]	Adds One-Time Funding for Equipment[5]	Adds One-Time Funding for a Veterans' Home Flooring Project[6]
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General fund	($239,433)	$244,494	($355,309)	$3,093	$0	$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Adds Funding for the Demolition of the Administrator's Residence[7]	Adds One-Time Funding for Security System Upgrades[8]	Total House Changes
Salaries and wages			$25,629
Operating expenses			(370,508)
Capital assets		$52,500	246,330
Administrator's residence	$233,450		233,450
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Less estimated income	233,450	52,500	482,056
General fund	$0	$0	($347,155)
FTE	0.00	0.00	0.00

[1] Funding is adjusted for base payroll changes.

[2] The following funding is added for 2019-21 biennium salary adjustments of 2 percent per year and increases in health insurance premiums from $1,241 to $1,427 per month:

	General Fund	Other Funds	Total
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[4] Base level funding is adjusted as follows:

	General Fund	Other Funds	Total
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Reduces funding for travel	0	(5,000)	(5,000)
Adds funding for information technology software supplies	0	15,450	15,450
Reduces funding for food and clothing	0	(137,000)	(137,000)
Reduces funding for equipment under $5,000	(552)	(32,421)	(32,973)
Reduces funding for nursing professional service fees	0	(31,200)	(31,200)
Reduces funding for social services professional service fees	0	(13,800)	(13,800)
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Reduces funding for medical, dental, and optical expenses	0	(100,000)	(100,000)
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Reduces funding for professional supplies	0	(6,800)	(6,800)
Adds funding for Microsoft Office 365 licenses	4,145	21,760	25,905
Adjusts funding for bonds and interest	0	1,230	1,230
Reduces funding for capital assets	0	(6,800)	(6,800)
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[5] One-time funding is added from the soldiers' home fund for equipment, including a boilerless steamer ($18,500), dish machines ($21,900), a commercial refrigerator ($9,000), a Toro broom ($6,000), dryers ($20,500), and a Whirlpool tub ($23,500).

[6] One-time funding is added from the soldiers' home fund for a flooring project in the skilled nursing areas of the Veterans' Home.

[7] One-time funding is added from the soldiers' home fund for the demolition of the administrator's residence, including demolishing the house, driveway, and two underground tunnels.

[8] One-time funding is added from the soldiers' home fund for security system upgrades to provide additional security cameras for the Veterans' Home.

Sections are added identifying the funding appropriated from the soldiers' home fund for specific purposes.

2019 SENATE APPROPRIATIONS

HB 1007

2019 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee
Harvest Room, State Capitol

HB 1007
3/14/2019
JOB # 33751

☐ Subcommittee
☐ Conference Committee

Committee Clerk: Alice Delzer / Carie Winings

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to defray the expenses of the Veterans' Home

Minutes: 1.Testimony of Kristin Lunneborg, CFO Veterans' Home

Chairman Holmberg: Called the committee to order on HB 1007. All committee members were present. He thanked the folks from the Veterans' Home for coming in today. Levi Kinnischtzke, Legislative Council and Renae Bloms, OMB were also present.

Kristin Lunneborg, CFO at the ND Veterans' Home (NDVH): Testified in favor of HB 1007 and provided Attachment # 1, which is a summary of the appropriation needs for the Veterans' Home and on page 9 of Attachment **#** 1 is the Requested changes to HB 1007. (1:45-7:50) She showed a video of the home and the grounds, historical information, and the celebration of their 125th anniversary last fall. (The clerk was not provided with a copy of the video.)

(7:50) Chairman Holmberg: Where is the original large building located? Was it torn down?

Kristin Lunneborg: It was pretty much in the center of the campus. We were able to construct the new veteran's home and move into that one, and then the other one was demolished after that.
(8:15) Started on Page 1, of Attachment # 1

(13:40) Senator Robinson: On the basic care, how many open beds do we typically have there?

Kristin Lunneborg: We have 98 beds, we have been as high as 83, but now we are down to 61. We do have a few admits coming in the near future. it is difficult to keep the census up in basic care.
(14:23) Returned to testimony, Attachment #1, Page 2-5, Budget Reductions.

(21:12) Chairman Holmberg: In regard to the funding not being restored for the 6 FTE's in the Governor's recommendation, was there any discussion as to why there was no funding?

Kristin Lunneborg: I think the discussion probably was that we could go the emergency commission at the time if we needed to fill them.

Renae Bloms, OMB: That is correct. If they could get enough to fill their facility, then they would generate more revenue and our thought was at the time if they did do that and that did happen they would be able to go the emergency commission to get an increase in that appropriation for those FTE's. They are still in place and they could still fill them once the capacity was there.

(22:49) Kristin Lunneborg: Returned to testimony, Attachment #1, Page 5-6, Governor's Recommended Budget.

(25:52) Senator Robinson: Before you leave page 6, you've been asking for a Toolcat for a couple of session, is that right?

Kristin Lunneborg: We asked for a number of things that we have asked for over the last several biennia that have not been funded. We have had a change in the personnel that we have that works the grounds and they all seem to have a difference of types of equipment they want to use.

Senator Robinson: What is a Toolcat?

Chairman Holmberg: Is it a Toolcat 5600?

Mark Johnson, CEO, North Dakota Veteran's Home: I think it is a 5600. Basically, it's a Bobcat but it is a different kind of a Bobcat. In the front you have all glass versus a regular Bobcat is enclosed with a cage. It is a 5600. It is easier for us to see when we are removing snow and all the other things. It is one of our main vehicles that we do utilize. It is our #1 go-to rig because it does everything.

(28:06) Kristin Lunneborg: Returned to testimony, Attachment #1, Page 6 - $25,000 for strategic planning to the end.

(36:10) Chairman Holmberg: Do you utilize traveling nurses?

Kristin Lunneborg: We have not had traveling nurses since 2010. We are currently looking at signing contracts with 3 companies. We have an incentive pay policy that we put into place a number of years ago. If our own staff picks up open shifts on the floor, they get paid an additional $5 per hour; which helped us immensely for many years, but we are to the point where they are burned out. They are to the point where the extra money isn't enough. In the first years when we first instituted the incentive pay policy, we saved over $1 million. We are just struggling now. We cannot get new staff in the door because our wages are a lot lower. Yes, our benefits are awesome but in our area that does not mean a lot to the individual that take the CAN positions. A lot of them are married to individuals that work at Bobcat. So they get all of their health insurance through them. A lot of the younger generation are not interested in benefits as much as the starting wage. They want more money to take home. It is becoming increasingly difficult for us to attract these individual. When we have a much

lower starting wage than the other facilities do, even though our benefits are wonderful, a lot of those people are looking at the wage instead of the benefit package we have.

Chairman Holmberg: Do you run the risk in a community like Lisbon, if go back to looking at the traveling folks, that you might have people that will quit you and become traveling nurse? Is that something that is an issue in real life?

Kristin Lunneborg: I don't think we would have to worry about that too much. A lot of them are local people that really don't want to travel outside the area. When we used to have the traveling nurses, we actually had a few of them quit who they were working for and come to work for us. There too there are a lot of strings attached because they sign contracts with the companies they work for. It's just quality of care. It is better when you can have your own staff that take care of them. In a household type of environment we have, we actually have the same staff that work with the same residents all the time. They know them like family. They know if there is something wrong with them, and the residents feel very comfortable with the staff as well. It is hard to bring in outsiders.

Senator Mathern: The items that you noted that the House put in for special funds, what would be the source of the special funds and are you comfortable that is there?

Kristin Lunneborg: Yes. We are absolutely comfortable with special funds. The grant that we are getting back from the VA, a certain percentage of that money goes back into our special funds and a certain percentage goes back into the Melvin Norgaard funds because those are the funds that we used when we built the project. Our special funds are actually the revenues that we generate. It is our resident rents, mineral royalty income, money we receive from the state land department for the land we own, as well as a number of other miscellaneous items. We are fine with the special funding.

Senator Robinson: The Senate is currently at a 2 and 3 inflation for nursing homes, if that come through, and the salary package, where will you be in comparison to other nursing facilities. In the community. There is always that sensitivity about balance. How will we compare with other facilities in the community?

Kristin Lunneborg: For the state package, you are looking at 2 and 3, and 2 and 3 for long term care. The only benefit we would have, is that long term care would have to use their 2 and 3 to also pay for their increase in health insurance, but it would still keep our wages lower than what the other facilities would have.

Senator Robinson: I know there is a lot of competition in that part of the state, and really all over for medical professionals? How many openings do we have right now?

Kristin Lunneborg: We have a social worker, an LPN, and at least 3 resident living specialist positions still open. We just filled a few of the resident living specialists recently.

Senator Robinson: How often do you transport residents to the VA in Fargo?

Kristin Lunneborg: Almost every day.

Senator Robinson: In terms of emergencies, is the hospital able to maintain a staff of physicians? Most rural hospitals are struggling greatly in that area.

Kristin Lunneborg: If any of our residents are having an acute situation, they are always transferred to our hospital for stabilization. A lot of time they transfer them to another hospital. The hospital does contract with physicians and I think at this point they are ok.

Senator Bekkedahl: Being from Williston, our closest veterans home is in Glendive, MT. Which is 100 miles away. I don't know how many you see from western North Dakota. Then there is the aspect of the separation of the families being so far away. I have never been to the home in Lisbon. Do you have some sort of qualifying disability statue with the VA to be a resident at the veteran's home, or just federal veteran eligibly? Secondly, are the rates lower for veterans to stay in your facility compared to staying in private facilities in the state?

Kristin Lunneborg: A lot of the veterans we get don't have family members. There are some that do, or they have family members that live far away. We have seen a number of veterans that have struggled with moving to our facility because their family is so far away. The federal VA has changed some of their rules to allow veterans to stay in private nursing homes closer to their homes if they are 70% or more service connected. Our basic care facility is very very reasonable. It is based on income. We look at income, subtract off medical expenses, and then we take 55% of what is left, but it is capped off at $1850. Even if you are paying $1850, it is cheaper than an assisted living facility which is probably going to cost you $4000 or more. The skilled nursing unit of the building is definitely not cheaper than anywhere else in the building. A lot of the residents that we do get I feel come there because of the other individuals that are there. They have a sense of unity type of thing. As far as being admitted into the veteran's home, it requires an honorable discharged from the service, have entered into the service in North Dakota or have a residency of at least 30 days of ND, and we take veterans as well as spouses.

Chairman Holmberg: Anyone else going to testify? (There was no one else.)

Mark Johnson: I really don't have any information to share with you. I just wanted to talk a little bit about the census and where we are at with our census as well as where we sit on the national level versus a state level. When I looked at our census 4 or 5 months ago, I compared data and got information from long term care. Our census has been running at about 65%, and at that time the state average is 70%. The issue that we run into is that we can only take the veteran or the spouse of a veteran. The industry can take everyone. We are competing, but when you start looking on a national level, there is not a lot of domiciliary care across the country. We are just one of them that offer that. In the state of MN, they are running at 64%, Kansas is running at 66%, MA is running at 57%, Iowa is at 53%, New Mexico is at 40%, and PA is at 55%. We only have the ability to bring in a veteran. I don't know if that helps you in any way, but I wanted to share that.

Senator Robinson: Correct me if I am wrong, but a lot of your residents have an addiction issue. You talked about the bed lifts, and there are a lot of folks that are a bit overweight and tough to move around. It is also interesting to note, that in addition to the residents, in the actual home there are a number of bats that live in the main home. I am surprised that your wife puts up with that.

Mark Johnson: Just because you talked about the type of residents that we serve; we really do serve a unique population. We probably take some residents that the general psych won't even take. I have some data from that. At this time we have 30 residents that have depression, or depressive disorder, and 26 with dementia, we have 21 that have anxiety, 8 with alcohol dependency, 7 with psychotic disorders, we have 4 with PTSD, adjustment disorders of 4, alcohol induced dementia of 2, personality disorders of 2, mood disorders of 2, delusional disorders of 2, opioid dependency of 1, insomnia of 1, schizo effective disorder of 1, schizophrenia of 1, social phobia of 1, and OCD of 1, and then we have transvestite of 1.

(51:52) Senator Mathern: In light of the census issue, and it appears to be the case around the country, I am wondering if it's time to get a congressional change of census. Maybe we should expand the eligibility. Maybe we should consider other family members besides just spouses. We have a lot of capital not being used there.

Mark Johnson: Those are things that we've talked about. The VA has a requirement as to how many non-veterans can be there versus the veterans. We have to be very careful to look at that, and we struggle with that.

Senator Mathern: I understand that, and that is what I am saying. Maybe we should work with congressional folks to change some of those rules.

Chairman Holmberg: Closed the hearing on HB 1007.

2019 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee
Harvest Room, State Capitol

HB 1007
3/14/2019
JOB # 33760

☒ Subcommittee
☐ Conference Committee

Committee Clerk: Alice Delzer / Carie Winings

Explanation or reason for introduction of bill/resolution:

A Subcommittee Hearing for the ND Veterans' Home

Minutes: No testimony submitted

Senator Dever: Called the Subcommittee hearing to order at 4:00 pm in the Harvest Room. Senator Mathern and Senator Poolman were also present. Levi Kinnischtzke, Legislative Council and Renae Bloms, OMB were there.

Senator Dever: In addition to everything that we just discussed in your budget hearing, is there anything you would like to add that we need to go deeper into?

Mark Johnson: In looking at the 6 FTEs; one of things is when we use those 6 FTEs when we look at the census issues, but it also goes back to acuity. I talked a little about the mental health piece. The acuity sometimes can be very difficult for us to manage. When you have the federal regulators and the VA regulators that are looking at the census issues and that is coming out to be fines and sanctions, and bans on admissions, it is a very serious thing when you are not staffed to the appropriate level. The House had talked about putting some language in where we could ask for those if we were going to have some of those problems, but none of that was put into the bill. They didn't get into the acuity and things like that. There are so many things that are changing with the regulations right now and there is so much more training that we have to do. It is a lot on our staff right now. For us to have lost the 6 FTEs, and not having any ability to pull from the pool. We have been very good stewards of our money. We have not ever filled those positions on the basic care side just because we were down beds. We were hoping to continue to have that. We don't want to open that up and have this free flow of people, but the big thing is that with the new regulations, we don't know where it's going to stop and start with some of the regulations right now.

Senator Dever: If I understand correctly, that the executive budget included the six FTEs and then the House included the six FTE's and neither included the funding?

Mark Johnson: Correct.

Senator Dever: Was there some rationale for that?

Renae Bloms, OMB: The rationale behind that is that the FTE are not being taken away so to speak. They still have the authorization for those FTEs. It is not decreasing the number of FTEs that they have. It is really eliminating the funding for them; however, if they would fill their beds and get their census numbers up, they could go to the emergency commission and ask for additional funding authority and then they can fill those positions.

Senator Dever: So when Mark says that you are not sure what the regulations are going to require, then when you determine that they do require the need for that, then the emergency commission would have the authority to grant that?

Renae Bloms: To grant the funding. The FTEs are already granted.

Senator Dever: Is that clear in the bill.

Levi Kinnischtzke, Legislative Council: That is not specifically identified in the bill, but that is the process that is spelled out in Century Code currently. Any agency can come to the emergency commission to request additional funding. They can come to the emergency commission to also request FTE authorization, but as Mark, Kristen, and Renae have alluded to, the authorization for the 6 FTE is currently in HB 1007, but the funding is not. That process is spelled out in statute.

Senator Mathern: One idea that we might consider is actually putting in the bill, authorizing the facility to fill those positions if they met certain conditions, and not even go to the emergency commission. We can do that too in this bill. For example, if they said they had 10 persons with psychiatric problems that they would like to place if they had a spot and the VA said they could do that if they have so many staff; then they could do that without going to the emergency commission. We could put some freedom in the bill if we wanted to when certain conditions are met.

Senator Poolman: Is it spelled out in Century Code that if we have approved the FTE that we must approve the funding for that?

Levi Kinnischtzke: No.

Senator Poolman: We would still be able to give them an FTE, and then say they can't have the money?

Levi Kinnischtzke: Correct. Those are two separate components. The legislative assembly appropriates funding but it also authorized FTE. It has happened in other larger agencies, underfunding of salaries or underfunding of FTE does happen, and so it is possible to authorize FTE but underfund the positions. From a general sense, often times that happens in a way to anticipate turn-over. There would be some salary savings by not paying individuals throughout the biennium. That is sometimes the most general example that is given. You don't necessarily always have funding to match the FTEs.

Senator Poolman: Do you believe you are going to have turnover like that? To pay for $800,000 worth of salary?

Kristen Lunneborg: We do have turnover obviously where there is some salary savings. The one thing I would like to say about the 6 FTE, is in some of these situations where we have to staff for acuity or with schedule regulations coming out this fall that have numerous changes to them requiring more activity staff, staff higher based on acuity, and new training. Our staff are already stretched so thin that I really don't think our current staff are going to be able to pick up all of those duties. How many hours all of those are going to account for I am not really sure. The one problem with going to the emergency commission all the time would be that sometimes we need someone now and not have to wait the number of months that it takes to get to an emergency commission meeting to get the approval, advertise, and then finally get the person. Sometimes that will amount to a very large time span. We have proven that we are not going to abuse our FTEs. 4 of those FTEs were given when we moved to our new building. We totally changed the way we were staff, and we had private rooms so we knew we were going to have an increase in residents. We were told then that we could not fill those until we reached capacity, and we never have. My understanding would be that stipulation is still out there. So, 4 of those FTE's we couldn't fill anyway. I would have to go back and look at the bill that would have been for that session. Could we include funding for even a couple of those FTEs? If we need to hire someone then we would not have to wait 6 months to get someone in there. We need to make sure that we meet federal regulations. The VA provides almost 1/3 of the funding that we get in the form of per diem for the veterans. The VA regulations are strict and if we don't follow those regulations we could lose our federal funding. We are definitely not going to abuse them. We are not going to hire people just to hire them. If there is a way you could provide funding for two of them so that if the need arises we could fill them, and for the rest if we needed to go to the emergency commission we could. My thinking is that the language has to be in the old bill that we can't fill those 4 anyway. For example, in our dementia household, we have a resident who falls on average 22 times a day. At certain points in time, he needs one on one staffing to help him. If we have one staff person that has to stay with that resident throughout the day when he is awake, we have 3 staff people in total. They have cook, clean and take care of the other 12 residents. There are times when we need that extra body with these individuals. Sometimes when someone is acutely sick, they need one on one attention, or with extreme behaviors we need that. We need to have the flexibility to do those type of these things when we need to do them.

Mark Johnson: I really like Senator Mathern's position. Is there a way that we don't have to go to the emergency commission? If we feel we need to have some staff come on board, it would be a way that we could manage that piece. We've been down 4 people for 8 years. We have not filled them, but 3 years ago they implemented the new regulations and this is the last phase of it. This is the last piece, it has a lot more education and training requirements, and even one and ones with our staff. When we have a resident that is acute, and they are struggling, we need the staff. One resident we have a special helmet for him, and a family member of another resident is upset and she doesn't understand the regulations for this gentleman. We can't give information due to HIPPA laws, but we are having to bring in people to help educate her and the process of dementia.

Senator Dever: The difficulty we have right now is that the Governor has taken a position and the House has taken this position that this approval goes to the emergency commission. It seems to me that maybe we can apply the idea to 2 of the FTEs and then go to the emergency commission beyond that. We would need to define the circumstance under which the 2 should be approved.

Senator Mathern: We could use the circumstance of special funds. That if the facility has the funds that relate to the payment for care, that would be one of the criteria, or the regulations that the spouse additional care, or the taking in of additional residents. We could use three things or parts of those three. I presume they would use the special funds available to pay for that, and we wouldn't have to disturb the House or the Governor about the additional general funds. You could just use special funds.

Senator Dever: Are the two tied together? The special funds and general fund. Are those Medicaid dollars?

Kristen Lunneborg: No. The split that is on there is just the way that they were put into the budget. When they were removed they were moved that way. I would have no problem using the special fund dollars for 2 additional FTE. If the stipulation were put in where we could hire up to 2 FTE if we really needed them, I would have no problem using special fund dollars for that. If we need to fill any of the others, we could go to the emergency commission to get permission to use some of the general fund dollars if need be.

Senator Dever: Are those special fund dollars only available if you use them for this purpose?

Kristen Lunneborg: No, that is just the money that we have available.

Senator Dever: When you say special funds, it appears that special funds derived from federal funds and other income. Some of that is mineral royalties etc.

Kristen Lunneborg: It has pretty much been the federal government, as well as the rents we receive, mineral royalty income, state lands, transfers that we get, interest, meals we sell - any form of income that we generate at the vet home goes into special funds.

Senator Poolman: It sounds like a simpler way to me if we authorize funding for 2 FTEs coming from special funds, and for the other 4 they could go to the emergency commission.

Senator Dever: Then when you determine that you needed the 2, it might be the time to start the process with the emergency commission.

Kristen Lunneborg: That would be incredibly helpful.

Levi Kinnischtzke: To Senator Poolman's point, would you be actually reinstating the funding for 2 FTE in their budget and then the 4 FTE would be going through the emergency commission process? (It was confirmed.) I could add funding back for 2 FTE in the budget in special funds, and then you wouldn't have to add a new section to the bill. That would be included in the appropriation section, Section 1 of the bill. You wouldn't

specifically have to add language to the bill regarding the other 4 FTE and the emergency commission process, but we could if that is what the subcommittee would like to do. That process is established in statute so we wouldn't have to, but you could do a section of legislative intent or something along those lines if that is what you so choose.

Senator Dever: You have 4 items on this list? Or are there others?

Kristen Lunneborg: No, those are the only 4.

Senator Dever: So the House was pretty good to you?

Kristen Lunneborg: Yes.

Senator Dever: So for the flooring you need another $138,000? Was there some rational for not providing all of that?

Levi Kinnischtzke: During the committee meetings and House Appropriations HR, there wasn't any specific discussion on the difference between the funding. The discussion was primarily on what funding source would be used for the demolition of the administrator's home, for the flooring project and for the security cameras upgrade. There was no specific discussion on reducing down to $100,000.

Senator Mathern: Do we have any closer bid on what the cost would be for that flooring project? Or, is that $138,700 pretty accurate to date?

Kristen Lunneborg: That was an actual estimate from a flooring company.

Senator Mathern: Did you get two?

Kristen Lunneborg: No, just one at the time.

Senator Mathern: Are you comfortable with that amount? Will it have to go to bid?

Kristen Lunneborg: It would have to go to bid at the time we did it. The hardest thing is that you are taking a bid, but a lot of times you are not doing the project for a year or better and the price could fluctuate. The company that did it felt pretty good with their estimate.

Senator Mathern: I would hope if we put it in there, and if it goes under, the money will come back.

Kristen Lunneborg: This one would fall under normal procurement rules. We would be getting at least 3 estimates.

Senator Dever: On the strategic plan. is that special funds?

Kristen Lunneborg: Yes.

Renae Bloms: As part of the Governor's recommendation, he did include $25,000 for the strategic plan of general funds. Which was based on an audit finding that they had.

Senator Dever: Who would do the strategic plan?

Mark Johnson: It might be Eide Bailly. There would be other people to. We haven't had any kind of bid.

Senator Mathern: I am really concerned about the future there and the under bed utilization. It is essentially and investment not being used. I would hope we would do this. That we would focus it to the underutilization of beds, and maybe even some sort of common planning with the VA, and different criteria. It undermines not only the investment we made, but eventually, it creates a morale problem for facilities when they are not full. That word eventually gets out. Pretty soon people start saying maybe it isn't that good and say they should send someone there.

Senator Dever: It might be useful to have a better understanding of how the veteran's home relates to other nursing homes. Is rate setting for Medicaid patients at the veteran's home the same as for other nursing homes?

Kristen Lunneborg: It is identical to other nursing homes. Except for salaries.

Mark Johnson: One of the things with long term care, they are going to have to pay for their health care, their wages, etc. For us, we have kind of one leg up in regards to the fact that we have the benefit piece. We get the health insurance as state employees, and then we get the benefits. You would be looking at targeting more for the wages. It's a push. It depends on how those facilities are looking at it. It goes back to how their rate setting is. It is an efficiency incentive. They also pick up extra dollars on that end. We get the appropriation and the authority from the legislature to just have a 2 and a 3. They have the ability to do the 2 and a 3, but then they also have the ability to pick up more dollars in the efficiency incentive and also other ways to pick up extra dollars. We are just kind of stuck. We get the exact same formula that the state gives long term care. But, the legislature has the ability to take our revenue away from us through this piece. For instance, when we had budget cuts last session, you cut long term care and then you cut us too. When all of the rate setting was all said and done, we ended up getting cut by long term care and we also got cut by the legislature. For the last two years we have been penalized by both and we lost money through the rate setting piece and the legislature cutting our revenue.

Senator Dever: You are talking about the allotment?

Mark Johnson: Right. We have a double edged sword where we are at. When you are making cuts to long term care, and that rate setting piece, that is effecting us. But, if you are looking at trying to improve the dollars - they have the ability to pick up a couple of other rates. We are legislative driven, you give us a certain amount of dollars and that is all we get. I know it's very difficult to understand, but it is very different. There is the operating margin. There is the efficiency incentive. Those are all factors.

Senator Dever: There are somehow increases built into this budget associated with provider increases.

Senator Mathern: No, it is by appropriation.

Senator Dever: What percentage of your residents are Medicaid?

Kristen Lunneborg: Less than 1/3.

Mark Johnson: We have to buy all of our services from ITD. They are extremely expensive. I can tell you that when we start looking at the DRNs and all of internet providers and things like that, we are a whole lot more efficient by doing that then using ITD. But, they have all of our routers and access lines. Even when we asked for the additional dollars for the nurse call system, part of that is $24,000 for ITD to add more access points so that our global communication will work. I am not saying that they are a bad agency. They do a wonderful job for us, but the whole thing is the local market has the ability to have competition, and we don't have the competition. We have ITD. We do have DRN that is working with us but we also have ITD coming in and working on it as well. I am not saying they are bad but it makes us very inefficient because they cost us a lot of money.

Senator Dever: If we look at these 4 things, and continue to authorize the 6 FTEs, and then provide the $38,700 increase that you are asking for in special funds, and then the $25,000 for the strategic plan of general funds, and the $68,000 transfer you are asking for in this biennium.

Kristen Lunneborg: Yes. We have a lot of operating authority that won't be used this biennium, and the projects have been bid and our hopes were to get it done by June 30th of this year. We just thought doing a funding transfer in the current biennium that would require an emergency clause.

Senator Dever: Is everyone happy?

Kristen Lunneborg: Extremely.

Senator Mathern: I'll be glad to work on strategic planning if you wanted more wording on that.

Senator Dever: If anything, a report to legislative management so that we know that it is progressing. Some of us may even be interested in how that comes together. You have 52 skilled beds, 98 basic care bed; are those basic care beds convertible to skilled nursing?

Kristen Lunneborg: We have had this discussion. The House talked about changing some of the beds as well. We would have to buy a generator because the basic care side of the facility does not have a generator. The rooms themselves would be fine. The other issue we have with changing them to all of the skilled nursing home beds, is that we usually don't have a waiting list, staffing for skills is a lot higher rate than staffing for basic care. I am not positive we would be able to get the bodies. We have talked about basic care and

dementia care. There are only a few things that we are allowed to do because of the VA per diem. We are allowed to basic care, skilled care, and adult day care. Obviously adult day care in a small community like ours for veterans would be next to impossible. The House did talk about converting beds.

Senator Dever: It is not something we will do this session, but it is something that could be considered as a part of the strategic plan. Levi, do you have everything you need to do what we just discussed?

Levi Kinnischtzke: I believe I understand all of the discussion that has been had. The one piece that I do not have is the compensation package discussion that has not been decided yet. I don't know if we are ready for an amendment yet because of the compensation package discussion that needs to be had.

Senator Dever: I believe the rate increase in not part of the consideration of this budget.

Levi Kinnischtzke: I'll have things mostly ready so when the compensation package discussion is ready, it should be fairly easy to put together an amendment.

Senator Dever: Closed the subcommittee hearing on HB 1007.

2019 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee
Harvest Room, State Capitol

HB 1007
4/3/2019
JOB # 34475

☐ Subcommittee
☐ Conference Committee

Committee Clerk: Alice Delzer

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; to provide for a report; to provide for a transfer; to provide for an exemption; and to declare an emergency. (Do Pass as Amended)

Minutes: 1.Proposed Amendment #19.0195.02002

Chairman Holmberg: Opened the hearing on HB 1007. All committee members were present. Adam Mathiak, Legislative Council and Larry Martin, OMB were also present.

Senator Dever: Submitted Attachment # 1, Proposed Amendment # 19.0195.02002 and explained the amendment.

Senator Dever: Moved the Amendment. 2nd by Senator Poolman.

A voice vote was taken. It carried.

Senator Dever: Moved a Do Pass as Amended on HB 1007. 2nd by Senator Poolman.

Chairman Holmberg: Call the roll on a Do Pass as Amended on HB 1007.

A Roll Call vote was taken. Yea: 14; Nay:0; Absent: 0. Senator Mathern will carry the bill.

The hearing was closed on HB 1007.

19.0195.02002
Title.03000
Fiscal No. 3

Prepared by the Legislative Council staff for
Senator Dever
April 2, 2019

4/3/19
1 of 3

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1007

Page 1, line 2, remove "and"

Page 1, line 2, after "report" insert "; to provide for a transfer; to provide for an exemption; and to declare an emergency"

Page 1, replace lines 11 through 18 with:

"Salaries and wages	$18,684,490	$530,516	$19,215,006
Operating expenses	5,454,239	(345,508)	5,108,731
Capital assets	411,303	285,030	696,333
Administrator's residence	0	233,450	233,450
Total all funds	$24,550,032	$703,488	$25,253,520
Less estimated income	18,598,593	975,603	19,574,196
Total general fund	$5,951,439	($272,115)	$5,679,324
Full-time equivalent positions	120.72	0.00	120.72"

Page 2, replace lines 1 through 9 with:

"Equipment	$44,500	$99,400
Health information exchange software	15,000	0
Nurse call system upgrade	82,500	0
Strategic plan	0	25,000
Flooring project	0	138,700
Administrator's residence demolition	0	233,450
Security system upgrades	0	52,500
Total all funds	$142,000	$549,050
Less estimated income	142,000	524,050
Total general fund	$0	$25,000"

Page 2, line 20, replace "$485,350" with "$524,050"

Page 2, line 21, replace "$100,000" with "$138,700"

Page 2, after line 23, insert:

"**SECTION 5. EXEMPTION - LINE ITEM TRANSFER - 2017-19 BIENNIUM - NURSE CALL SYSTEM UPGRADE.** Notwithstanding section 54-16-04, at the request of the veterans' home administrator during the 2017-19 biennium, the office of management and budget shall transfer the sum of $68,000 of estimated income from the soldiers' home fund from the operating expenses line item to the capital assets line item of the veterans' home for the purpose of the nurse call system upgrade authorized by the 65th legislative assembly. The $68,000 of funding transferred in this section and the $82,500 from the soldiers' home fund appropriated in section 1 of chapter 32 of the 2017 Session Laws for the nurse call system upgrade, for a total of $150,500, are not subject to section 54-44.1-11 and any unexpended funds are available for the nurse call system upgrade during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 6. EMERGENCY. Section 5 of this Act is declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1007 - Veterans' Home - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	$18,684,490	$18,710,119	$504,887	$19,215,006
Operating expenses	5,454,239	5,083,731	25,000	5,108,731
Capital assets	411,303	657,633	38,700	696,333
Administrator's residence		233,450		233,450
Total all funds	$24,550,032	$24,684,933	$568,587	$25,253,520
Less estimated income	18,598,593	19,080,649	493,547	19,574,196
General fund	$5,951,439	$5,604,284	$75,040	$5,679,324
FTE	120.72	120.72	0.00	120.72

Department 313 - Veterans' Home - Detail of Senate Changes

	Adjusts Funding for Salary and Benefit Increases[1]	Restores Funding for 2 FTE Positions[2]	Adds One-Time Funding for a Strategic Plan[3]	Adds One-Time Funding for a Flooring Project[4]	Total Senate Changes
Salaries and wages	$215,804	$289,083			$504,887
Operating expenses			$25,000		25,000
Capital assets				$38,700	38,700
Administrator's residence					
Total all funds	$215,804	$289,083	$25,000	$38,700	$568,587
Less estimated income	165,764	289,083	0	38,700	493,547
General fund	$50,040	$0	$25,000	$0	$75,040
FTE	0.00	0.00	0.00	0.00	0.00

[1] Funding of $215,804, of which $50,040 is from the general fund and $165,764 is from other funds, is added for 2019-21 biennium salary adjustments of 2 percent with a minimum monthly increase of $120 and a maximum monthly increase of $200 on July 1, 2019, and 2.5 percent on July 1, 2020, to provide total salary increases of $564,418, of which $134,514 is from the general fund and $429,904 is from other funds, during the 2019-21 biennium. The House approved salary adjustments of 2 percent per year to provide total salary increases of $348,614, of which $84,474 is from the general fund and $264,140 is from other funds.

[2] Funding of $289,083 is added from the soldiers' home fund for a 0.90 FTE licensed practical nurse position, a 0.60 FTE resident living specialist position, and a 0.50 FTE resident living specialist position, which were unfunded by the House. Of this amount, $13,386 relates to increases in health insurance premiums from $1,241 to $1,427 per month. Of the remaining $275,697 of funding restored for the positions, $134,230 is for a 0.90 FTE licensed practical nurse position, which was funded from the general fund during the 2017-19 biennium. The House removed $839,040 of funding for 6.00 FTE positions, of which $355,309 was from the general fund and $483,731 was from the soldiers' home fund.

[3] One-time funding of $25,000 is added from the general fund for a strategic plan. The House did not provide funding for a strategic plan.

[4] One-time funding of $38,700 is added from the soldiers' home fund for a flooring project in the skilled nursing areas of the Veterans' Home to provide a total of $138,700 for the project. The House provided total funding of $100,000 from the soldiers' home fund.

This amendment also:

- Amends a section to update the total one-time funding appropriated from the soldiers' home fund from $485,350 to $524,050.
- Adds a section authorizing a line item transfer of $68,000 of soldiers' home funds from the operating expenses line item to the capital assets line item during the 2017-19 biennium for the nurse call system upgrade. The $68,000 transfer is in addition to the $82,500 of one-time funding from the soldiers' home fund appropriated by the 2017 Legislative Assembly for the upgrade. The section also provides an exemption to allow the Veterans'

Home to continue the entire $150,500 for the nurse call system upgrade into the 2019-21 biennium. This section is declared an emergency measure.

3-23

Date: 4-3-19
Roll Call Vote #: 1

2019 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1007

Senate Appropriations Committee

☐ Subcommittee

Amendment LC# or Description: 19.0195.02002

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 Dwyer Seconded By Poolman

Senators	Yes	No	Senators	Yes	No
Senator Holmberg			Senator Mathern		
Senator Krebsbach			Senator Grabinger		
Senator Wanzek			Senator Robinson		
Senator Erbele					
Senator Poolman					
Senator Bekkedahl					
Senator G. Lee					
Senator Dever					
Senator Sorvaag					
Senator Oehlke					
Senator Hogue					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

Voice Vote Carried

Date: 4-3-19
Roll Call Vote #: 2

2019 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1007

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 Dever Seconded By Poolman

Senators	Yes	No	Senators	Yes	No
Senator Holmberg	✓		Senator Mathern	✓	
Senator Krebsbach	✓		Senator Grabinger	✓	
Senator Wanzek	✓		Senator Robinson	✓	
Senator Erbele	✓				
Senator Poolman	✓				
Senator Bekkedahl	✓				
Senator G. Lee	✓				
Senator Dever	✓				
Senator Sorvaag	✓				
Senator Oehlke	✓				
Senator Hogue	✓				

Total (Yes) 14 No 0

Absent 0

Floor Assignment Mathern

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

REPORT OF STANDING COMMITTEE

HB 1007, as engrossed: 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). Engrossed HB 1007 was placed on the Sixth order on the calendar.

Page 1, line 2, remove "and"

Page 1, line 2, after "report" insert "; to provide for a transfer; to provide for an exemption; and to declare an emergency"

Page 1, replace lines 11 through 18 with:

"Salaries and wages	$18,684,490	$530,516	$19,215,006
Operating expenses	5,454,239	(345,508)	5,108,731
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SECTION 6. EMERGENCY. Section 5 of this Act is declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

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Department 313 - Veterans' Home - Detail of Senate Changes

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FTE	0.00	0.00	0.00	0.00	0.00

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2017 Legislative Assembly for the upgrade. The section also provides an exemption to allow the Veterans' Home to continue the entire $150,500 for the nurse call system upgrade into the 2019-21 biennium. This section is declared an emergency measure.

2019 CONFERENCE COMMITTEE

HB 1007

2019 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee - Human Resources Division
Sakakawea Room, State Capitol

HB1007
4/15/2019
34741

☐ Subcommittee
☒ Conference Committee

Committee Clerk: Caitlin Fleck

Explanation or reason for introduction of bill/resolution:
Conference committee.

Minutes: A,B

Opened hearing. Took roll**. Attachments A and B** were handed out before the meeting.

Chairman Kreidt: You put back in a lot of money. We will have you explain the 2 top items. The salary adjustments, everyone understands. But restoring the 2 FTE (fulltime employee), why?

Senator Dever: They asked for 6 FTE because of federal changes that would require additional staff. If they need those FTE, they could go to the emergency commission and get those. They told us that it would be a delay to get those FTE if they needed them, so we thought that we would just allow for those FTE.

Chairman Kreidt: They have those FTE, but they don't have those positions hired because of the lack of basic care residents. The skilled facility side is staffed and is full. We thought that if there was a turnaround in the basic care side, they would increase their census and their income. They would then be able to hire those vacancies back with the additional income that they are generating.

Senator Dever: The Senate did not add FTE, the FTE are already there. The house didn't fund them. They told us that the 6 FTE that are included in the budget but not funded. They say that there are new federal regulations that are going into effect this year that will require additional FTE. So we will need to hire those additional FTE. Also is the census increases we will need to hire the additional FTE and then close those extra houses.

Senator Mathern: Legislative Council (LC), the way the Senate drafted that, does it appropriate the money immediately or only if the need with additional regulations comes into play?

Levi Kinnischtzke, LC: The appropriator is immediate, it's for the 2019-2021 biennium, there is no contingency language.

Senator Dever: It might be more appropriate to add that contingency language.

Chairman Kreidt: I see you gave them the flooring back.

Senator Dever: They said that their flooring was $138,700 and the house put in 100,000.

Chairman Kreidt: This is like a 3-year project. We thought that 100,000 would be adequate for this biennium. They can do what they can with the 100,000 and then they will be back in to request additional funding. The Veteran's Home passed that about 8 years ago.

Senator Mathern: I think you are correct. They are doing it mentally, and they have many areas that need to be replaced. This piece is just one of the increments. If you don't do the whole increment, then there is a problem. They brought in a bid, and that is what it cost. They couldn't get any lower bds.

Senator Dever; The facility will be over 8 years old at the start of the biennium.

Chairman Kreidt: A lot of facilities have those carpet blocks, and they are rarely successful. They are taken out and replaced with some type of other flooring. It seems like 8 years really isn't that long for new carpet, that it shouldn't be completely worn out. The basic care and nursing home do have a little bit more traffic and wear and tear. I guess if I was involved with that facility I wouldn't be putting something back in that was worn out in 8 years. We can negotiate maybe on that 38,700. The one that I really questions are the FTE. The way it looks is that we increased the budget by the 275,000 and I don't think that we need to put in the dollars when they have 5 FTE that are already in the budget that they can put online when they need those employees. They will be generating the income if they start filling up the basic care facility, and that will all come naturally. That is the one that I have a hard time agreeing.

Representative Anderson: I think part of the discussion too was that they didn't think that they needed those FTE for a while.

Chairman Kreidt: That is correct. Right now, the average census in basic care facilities across the state is at about 75%, that's the norm. Anticipating that the Veteran's Home will pick up another 10-15 residents at this particular time, I don't see that happening. Possibly there will be an uptake in 7-10 years and we will see a need for beds. The other unfortunate thing is that basic care isn't the game in town. It's the assisted living. It's unfortunate that the veterans don't recognize that level of care. North Dakota is the only state in the nation that have basic care, and they recognize it in ND and that is the only level of care besides skilled care the home is allowed to have.

Senator Dever: I see the wisdom in our conversation, and I think maybe we should have a further conversation and discuss it in another meeting. Either we budget it now or they come back for it in the emergency commission.

Chairman Kreidt: If they get the residents, they will have the income to pay for those additional staff. If the get 10 additional residents, then they will probably need an additional 2 FTE. So then those residents will generate the income for those additional FTE.

Senator Dever: I would point out that supportive of your argument is the strategic plan that would better inform where this conversation goes into the next biennium. That was one criticism of the state auditor, that they didn't have a strategic plan. They are talking about contracting with a firm to do that study.

Chairman Kreidt: The Veteran's Home operates under a little different situation that a traditional nursing home. They have the best of both worlds. With a traditional nursing home right now we have set a 2% increase and a 2.5% second half. The veteran's home takes advantage of the health insurance and the advantage of the raise for the state employee. They will also take an advantage of the 2.5 and the 2% out of the department of health. They have a better advantage that a traditional nursing home. They will be able to generate more income through that, and give their employees raises.

Senator Mathern: As we talk I feel maybe both of us have missed something here that is crucial. We have talked about the reduced need of the facility because of the veteran's wars, so we will have a decrease until the next veterans need care. So we have a facility that is underutilized and will probably deteriorate and will probably have a public relations problem. We didn't do anything in the Senate to hit that directly. Maybe we should figure out an alternative plan to start something in there to use the building. I'm feeling like we aren't really doing our job here to help our state facility to be successful. We are saying that they will be in the dumps for about a decade and I think that will be a downhill slide.

Chairman Kreidt: One of the problems is that individuals from communities want to stay in their community nursing home. If you have a veteran, their first choice is still staying in their community. I know that the regulations on the federal side are loosening up to allow the veterans be admitted to those homes. There will be some effects on the veteran's home on the skilled side. Basic care side, probably not. But on the skilled side, they might see some loss of residents. If their facility back home decides to go into a veteran's contract, then they will probably leave the home. In about 7-10 years we will see a bump in the skilled and probably basic care side. People are living longer, and we are pushing home and community based services. Some of that will come from the nursing homes and the veteran's homes.

Senator Dever: It's my understanding that most of the veteran's in the homes in Lisbon don't have other family, and that is why they are there. I think maybe part of the strategic plan might consider is what the restrictions are on the veteran's home as to what they can provide to the community.

Chairman Kreidt: When we get into the human services conference committee, we added a study to the long term care abilities and the payment system. I'm hoping that there will be some success in that study.

Senator Dever: There is one more item that is not in this budget but that it is in the veteran's affairs budget. They have applied for a grant to go through the cemetery at the veteran's home and fix it up.

Meeting closed.

2019 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee - Human Resources Division
Sakakawea Room, State Capitol

HB1007
4/17/2019
34797

☐ Subcommittee
☒ Conference Committee

Committee Clerk: Caitlin Fleck

Explanation or reason for introduction of bill/resolution:
Conference committee.

Minutes: A

Opened hearing. Took roll.

Chairman Kreidt: This is our second meeting, and I hope we can come to some resolution today and get back to our normal lives. The discussion we had last time was that the Senate had restored 2 FTE (fulltime employee) positions and on the House side in regards to the flooring project, we had removed 38,700 on the House side. We had discussion about the 2 FTE and when the bill passed out of the House we did leave 5 FTE if the veteran's home needed those. If they started to admit residents to the basic care side, then they would have those 5 FTE banked if they start to bring in additional revenue from admitting residents to the basic care side, they could bring on additional FTE to care for those individuals. What I had proposed at that time was if the Senate would withdraw the 2 FTE and the 275,000 we would consider putting back in the 38,700 for the flooring. That is the House position at this time, and if the Senate can go along with that, we can come to a conclusion on this bill.

Senator Dever: There were for changes made. The one was the 38,700 for the flooring, the strategic plan, and the 2 FTE. Another change is in the current biennium is a transfer of funds to finish the nursing call system. I think that the House makes a good argument on the 2 FTE. As long as they are still authorized and they can fund that.

Chairman Kreidt: They are in the position to be put on line if they need them. I think OMB can verify that.

Renae Bloms, Office of Management and Budget (OMB): That is correct. The FTE are still there and if the census numbers would go up, they can go to the emergency commission to ask for that funding.

Senator Dever; Can I ask then that that intent is in the bill.

Ms. Bloms: I don't think that there needs to be anything.

Levi Kinnischtzke, Legislative Council (LC): Currently there is nothing in the bill that states the veteran's home can go to the emergency commission. They can go, it is a common practice. There doesn't need to be anything in there to state that though. We can add that language in there, but if we don't put it in they can still go to the commission.

Senator Dever: I am comfortable with that then.

Chairman Kreidt: We are comfortable with putting the flooring back in then.

Senator Mathern: (see attachment A)

Senator Dever; I like the concept but I'm not so sure if they are allowed to provide services to the general public. I think that this is just too broad of a concept.

Chairman Kreidt: With the veteran's home, they are veteran, state, and long term care. I like your idea but with the case mix system and the regulations we have now, any outside income that you generate is offset in the cost report. It would take away from the income that they are generating. You are on the conference committee for the department of human services, and we out a study in there that is similar to what you are talking about here. There is a study in regards to nursing homes being able to do something like this. I don't know who will be on that study, but I'm sure it will be selected. Looking at that, do we get rid of case mix? I know the department and the industry looked at this over the interim and we are looking at how to bring the cost down to be a resident of a long term care facility and looking at how to have a new fun nursing home. I'm hoping that the results form that study will come up with a new formula so that facilities can generate outside income and reduce the cost to the state and private pay individuals. I would be interested to see what comes out from that study.

Senator Mathern: I have no problem with those concerns. We are getting closed to half of the facility not being used. I literally think we may have to consider an alternative, maybe even a day care center. I believe too that there would be requirements, veteran's administration, everyone put money into this facility. That is why I put in the as approved by, so that those requirements would be met first. I am very open to changing the wording. Maybe Levi could do some working on the fly here. The goal is the encourage the administration there to using all of the facility and binging that back to some sort of consideration. I don't' think they will actually start anything, but it's really just to say open the process.

Chairman Kreidt; The problem that the veterans home has with occupancy is state wide. The state occupancy rates are at 70%.

Representative Anderson: I'm guessing that when they have the strategic plan, I think that it can all be incorporated in there. I don't think that this is necessary.

Representative Holman: Second.

Roll Call Vote 1: 2 Yes, 4 No, 0 Absent. Motion fails.

Senator Poolman: I would move that the House accede to the Senate amendments and further amend.

Chairman Kreidt: So we will remove the 2 FTE, add the 25,000 for the study and put the carpet back in for the 38,700 can we get all of that into one motion?

Senator Poolman: If you accede to our amendments then it would just be the 2 FTE.

Mr. Kinnischtzke: Typically, as a rule of thumb, if the conference committee had decided to disagree with the second chambers decisions, then it would be for the Senate to recede from the Senates amendments and then further amend.

Senator Poolman: I would then move for the Senate to recede from their amendments and amend as follows.

Senator Mathern: I think Levi has the motion.

Mr. Kinnischtzke: The motion would be for the Senate to recede from the Senates amendments and then to further amend with the compensation packages, the $25,000 onetime funding for the strategic plan, the $38,700 be put back in for the flooring, and include section 5.

Senator Mathern: Second.

Roll Call Vote 2: 6 Yes, 0 No, 0 Absent. Motion carries.

Floor assignments: **Representative Kreidt and Senator Mathern**

Meeting closed.

Prepared by the Legislative Council staff for
Senator Mathern
April 15, 2019

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1007

That the House accede to the Senate amendments as printed on pages 766-769 of the House Journal and pages 1277-1279 of the Senate Journal and that House Bill No. 1007 be further amended as follows:

Page 1, line 2, after "and" insert "to create and enact section 37-15-02.1 of the North Dakota Century Code, relating to the uses of veterans' home facilities;"

Page 2, after line 23, insert:

SECTION 6. Section 37-15-02.1 of the North Dakota Century Code is created and enacted as follows:

37-15-02.1. Other uses of veterans' home facilities - Report to legislative management.

In addition to the purposes identified in section 37-15-02, the administrator of the veterans' home, as approved by the administrative committee on veterans' affairs, may use the veterans' home facilities and grounds for other revenue generating activities. Any revenue received under this section must be deposited in the veterans' home operating fund. The veterans' home shall report biennially to the legislative management on the status of any revenue generating activities conducted on the veterans' home facilities and grounds under this section.

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment adds a section to authorize the Veterans' Home to use Veterans' Home facilities and grounds for other revenue generating activities.

DB 4/18/19
1 of 3

19.0195.02004
Title.04000
Fiscal No. 1

Prepared by the Legislative Council staff for
the Conference Committee
April 17, 2019

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1007

That the Senate recede from its amendments as printed on pages 1528 and 1530 of the House Journal and pages 1277-1279 of the Senate Journal and that Engrossed House Bill No. 1007 be amended as follows:

Page 1, line 2, remove "and"

Page 1, line 2, after "report" insert "; to provide for a transfer; to provide for an exemption; and to declare an emergency"

Page 1, replace lines 11 through 18 with:

"Salaries and wages	$18,684,490	$232,142	$18,916,632
Operating expenses	5,454,239	(345,508)	5,108,731
Capital assets	411,303	285,030	696,333
Administrator's residence	0	233,450	233,450
Total all funds	$24,550,032	$405,114	$24,955,146
Less estimated income	18,598,593	677,229	19,275,822
Total general fund	$5,951,439	($272,115)	$5,679,324
Full-time equivalent positions	120.72	0.00	120.72"

Page 2, replace lines 1 through 9 with:

"Equipment	$44,500	$99,400
Health information exchange software	15,000	0
Nurse call system upgrade	82,500	0
Strategic plan	0	25,000
Flooring project	0	138,700
Administrator's residence demolition	0	233,450
Security system upgrades	0	52,500
Total all funds	$142,000	$549,050
Less estimated income	142,000	524,050
Total general fund	$0	$25,000"

Page 2, line 20, replace "$485,350" with "$524,050"

Page 2, line 21, replace "$100,000" with "$138,700"

Page 2, after line 23, insert:

"**SECTION 5. EXEMPTION - LINE ITEM TRANSFER - 2017-19 BIENNIUM - NURSE CALL SYSTEM UPGRADE.** Notwithstanding section 54-16-04, at the request of the veterans' home administrator during the 2017-19 biennium, the office of management and budget shall transfer the sum of $68,000 of estimated income from the soldiers' home fund from the operating expenses line item to the capital assets line item of the veterans' home for the purpose of the nurse call system upgrade authorized by the sixty-fifth legislative assembly. The $68,000 of funding transferred in this section and the $82,500 from the soldiers' home fund appropriated in section 1 of chapter 32 of the 2017 Session Laws for the nurse call system upgrade, for a total of $150,500, are not subject to section 54-44.1-11 and any unexpended funds are available for the nurse

call system upgrade during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 6. EMERGENCY. Section 5 of this Act is declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1007 - Veterans' Home - Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	$18,684,490	$18,710,119	$206,513	$18,916,632	$19,215,006	($298,374)
Operating expenses	5,454,239	5,083,731	25,000	5,108,731	5,108,731	
Capital assets	411,303	657,633	38,700	696,333	696,333	
Administrator's residence		233,450		233,450	233,450	
Total all funds	$24,550,032	$24,684,933	$270,213	$24,955,146	$25,253,520	($298,374)
Less estimated income	18,598,593	19,080,649	195,173	19,275,822	19,574,196	(298,374)
General fund	$5,951,439	$5,604,284	$75,040	$5,679,324	$5,679,324	$0
FTE	120.72	120.72	0.00	120.72	120.72	0.00

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

	Adjusts Funding for Salary and Benefit Increases[1]	Adds One-Time Funding for a Strategic Plan[2]	Adds One-Time Funding for a Flooring Project[3]	Total Conference Committee Changes
Salaries and wages	$206,513			$206,513
Operating expenses		$25,000		25,000
Capital assets			$38,700	38,700
Administrator's residence				
Total all funds	$206,513	$25,000	$38,700	$270,213
Less estimated income	156,473	0	38,700	195,173
General fund	$50,040	$25,000	$0	$75,040
FTE	0.00	0.00	0.00	0.00

[1] Funding of $206,513, of which $50,040 is from the general fund and $156,473 is from other funds, is added for 2019-21 biennium salary adjustments of 2 percent with a minimum monthly increase of $120 and a maximum monthly increase of $200 on July 1, 2019, and 2.5 percent on July 1, 2020, to provide total salary increases of $555,127, of which $134,514 is from the general fund and $420,613 is from other funds, during the 2019-21 biennium. The House approved salary adjustments of 2 percent per year to provide total salary increases of $348,614, of which $84,474 is from the general fund and $264,140 is from other funds.

[2] One-time funding of $25,000 is added from the general fund for a strategic plan, the same as the Senate version. The House did not provide funding for a strategic plan.

[3] One-time funding of $38,700 is added from the soldiers' home fund for a flooring project in the skilled nursing areas of the Veterans' Home to provide a total of $138,700 for the project, the same as the Senate version. The House provided total funding of $100,000 from the soldiers' home fund.

The Senate restored funding from the soldiers' home fund for 2 FTE positions, but the conference committee did not restore this funding.

This amendment also:

- Amends a section to update the total one-time funding appropriated from the soldiers' home fund from $485,350 to $524,050, the same as the Senate version.
- Adds a section authorizing a line item transfer of $68,000 of soldiers' home funds from the operating expenses line item to the capital assets line item during the 2017-19 biennium for the nurse call system upgrade. The

DP 4/18/17
3 of 3

$68,000 transfer is in addition to the $82,500 of one-time funding from the soldiers' home fund appropriated by the 2017 Legislative Assembly for the upgrade. The section also provides an exemption to allow the Veterans' Home to continue the entire $150,500 for the nurse call system upgrade into the 2019-21 biennium. This section is declared an emergency measure. This section was also included in the Senate version.

Date: 4/17/19
Roll Call Vote #: 1

2019 HOUSE CONFERENCE COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO. 1007 as (re) engrossed

House Appropriations Human Services Committee

Action Taken
- ☐ **HOUSE accede to Senate Amendments**
- ☐ **HOUSE accede to Senate Amendments and further amend**
- ☐ **SENATE recede from Senate amendments**
- ☐ **SENATE recede from Senate amendments and amend as follows**

☐ **Unable to agree**, recommends that the committee be discharged and a new committee be appointed

Motion Made by: Sen. Mathern Seconded by: Rep. Holman

Representatives	4/15	4/17		Yes	No	Senators	4/15	4/17		Yes	No
Chairman Kreidt	X	X			X	Senator Dever	X	X			X
Representative Anderson	X	X			X	Senator Poolman	X	X			X
Representative Holman	X	X		X		Senator Mathern	X	X		X	
Total Rep. Vote				1	2	Total Senate Vote				1	2

Vote Count Yes: 2 No: 4 Absent: 0
Motion Fails

House Carrier _____ Senate Carrier _____

LC Number _____ . _____ of amendment

LC Number _____ . _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

Date: 4/17/19
Roll Call Vote #: 2

2019 HOUSE CONFERENCE COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO. 1007 as (re) engrossed

House Appropriations Human Services Committee

Action Taken

- ☐ **HOUSE accede to Senate Amendments**
- ☐ **HOUSE accede to Senate Amendments and further amend**
- ☐ **SENATE recede from Senate amendments**
- ☒ **SENATE recede from Senate amendments and amend as follows**
- ☐ **Unable to agree**, recommends that the committee be discharged and a new committee be appointed

Motion Made by: Sen. Poolman Seconded by: Sen. Mathern

Representatives	Yes	No	Senators	Yes	No
Chairman Kreidt	X		Senator Dever	X	
Representative Anderson	X		Senator Poolman	X	
Representative Holman	X		Senator Mathern	X	
Total Rep. Vote	3	0	Total Senate Vote	3	0

Vote Count Yes: 6 No: 0 Absent: 0

House Carrier Rep. Kreidt Senate Carrier Sen. Mathern

LC Number 19.0195 . 02004 of amendment

LC Number 19.0195 . 0.4000 of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

- Compensation packages
- $25,000 onetime funding for stategic plan
- $38,7000 put back in for Flooing
- include section 5

Insert LC: 19.0195.02004
House Carrier: Kreidt
Senate Carrier: Mathern

REPORT OF CONFERENCE COMMITTEE

HB 1007, as engrossed: Your conference committee (Sens. Dever, Poolman, Mathern and Reps. Kreidt, B. Anderson, Holman) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1528-1530, adopt amendments as follows, and place HB 1007 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1528 and 1530 of the House Journal and pages 1277-1279 of the Senate Journal and that Engrossed House Bill No. 1007 be amended as follows:

Page 1, line 2, remove "and"

Page 1, line 2, after "report" insert "; to provide for a transfer; to provide for an exemption; and to declare an emergency"

Page 1, replace lines 11 through 18 with:

"Salaries and wages	$18,684,490	$232,142	$18,916,632
Operating expenses	5,454,239	(345,508)	5,108,731
Capital assets	411,303	285,030	696,333
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Total general fund	$5,951,439	($272,115)	$5,679,324
Full-time equivalent positions	120.72	0.00	120.72"

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"Equipment	$44,500	$99,400
Health information exchange software	15,000	0
Nurse call system upgrade	82,500	0
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SECTION 6. EMERGENCY. Section 5 of this Act is declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1007 - Veterans' Home - Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
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General fund	$5,951,439	$5,604,284	$75,040	$5,679,324	$5,679,324	$0
FTE	120.72	120.72	0.00	120.72	120.72	0.00

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

	Adjusts Funding for Salary and Benefit Increases[1]	Adds One-Time Funding for a Strategic Plan[2]	Adds One-Time Funding for a Flooring Project[3]	Total Conference Committee Changes
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General fund	$50,040	$25,000	$0	$75,040
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19 biennium for the nurse call system upgrade. The $68,000 transfer is in addition to the $82,500 of one-time funding from the soldiers' home fund appropriated by the 2017 Legislative Assembly for the upgrade. The section also provides an exemption to allow the Veterans' Home to continue the entire $150,500 for the nurse call system upgrade into the 2019-21 biennium. This section is declared an emergency measure. This section was also included in the Senate version.

Engrossed HB 1007 was placed on the Seventh order of business on the calendar.

2019 TESTIMONY

HB 1007

Department 313 - Veterans' Home
House Bill No. 1007

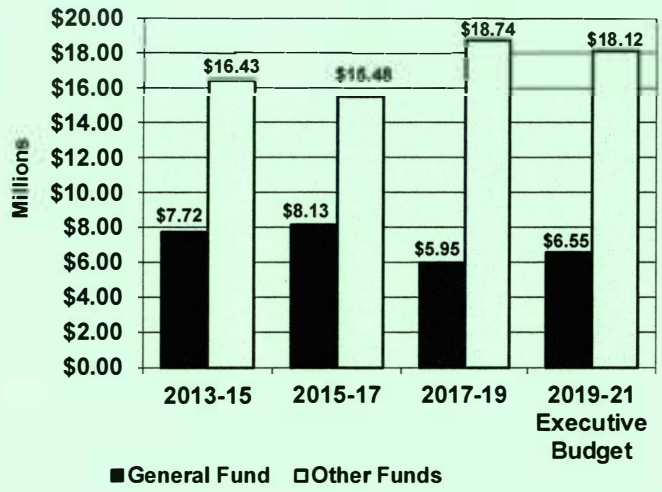
Executive Budget Comparison to Prior Biennium Appropriations

	FTE Positions	General Fund	Other Funds	Total
2019-21 Executive Budget	120.72	$6,550,312	$18,117,565	$24,667,877
2017-19 Legislative Appropriations	120.72	5,951,439	18,740,593	24,692,032
Increase (Decrease)	0.00	$598,873	($623,028)	($24,155)

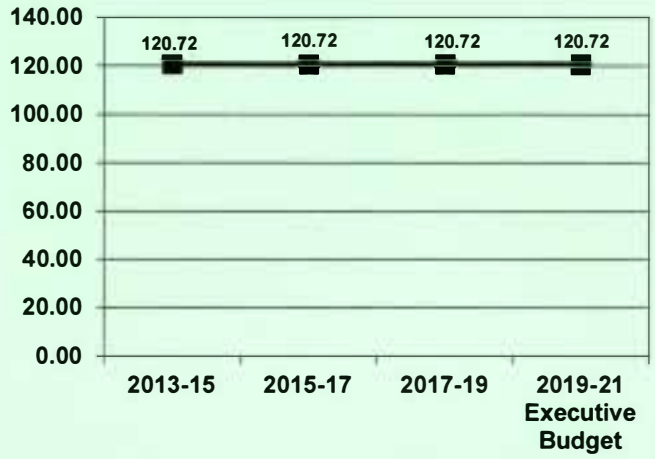
Ongoing and One-Time General Fund Appropriations

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2019-21 Executive Budget	$6,525,312	$25,000	$6,550,312
2017-19 Legislative Appropriations	5,951,439	0	5,951,439
Increase (Decrease)	$573,873	$25,000	$598,873

Agency Funding



FTE Positions



Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
2019-21 Executive Budget	$6,550,312	$18,117,565	$24,667,877
2019-21 Base Level	5,951,439	18,598,593	24,550,032
Increase (Decrease)	$598,873	($481,028)	$117,845

Attached as an appendix is a detailed comparison of the executive budget to the agency's base level appropriations.

Executive Budget Highlights

	General Fund	Other Funds	Total
1. Provides funding for state employee salary and benefit increases, of which $581,591 is for salary increases, $559,305 is for health insurance increases, and $79,000 is for retirement contribution increases	$1,165,522	$54,374	$1,219,896
2. Unfunds 6 FTE positions	($355,309)	($483,731)	($839,040)
3. Reduces funding for operating expenses, to provide a total of $5,223,731, of which $1,452,040 is from the general fund and $3,771,691 is from the soldiers' home fund	($1,052)	($280,361)	($281,413)
4. Adds funding for Microsoft Office 365 licensing expenses	$4,145	$21,760	$25,905
5. Adds **one-time funding** for equipment, including a boilerless steamer ($18,500), dish machines ($21,900), a commercial refrigerator ($9,000), a Toro broom ($6,000), a toolcat ($18,000), dryers ($20,500), and a Whirlpool tub ($23,500)	$0	$117,400	$117,400

6. Adds **one-time funding** for a strategic plan	$25,000	$0	$25,000

Other Sections Recommended to be Added in the Executive Budget (As Detailed in the Attached Appendix)

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.

Deficiency Appropriation

There are no deficiency appropriations for this agency.

Significant Audit Findings

The operational audit for the Veterans' Home conducted by the State Auditor's office for the period ending June 20, 2017 identified no significant audit findings.

The performance audit for the Veterans' Home conducted by the State Auditor's office for the period ending September 30, 2017 identified the following significant audit recommendations for the Veterans' Home:

- Seek assistance to create and implement a strategic plan to measure and forecast demand and to identify the best and most effective use of the facility. The status of the strategic plan should be presented to the Administrative Committee on Veterans' Affairs;
- Ensure policies are documented in the appropriate level of detail to allow management to effectively monitor and control activities, including policies and procedures for room inspections;
- Strengthen monitoring activities to ensure policies and written plans are completed, including policies and procedures for dietary services, the status of employee performance evaluations, and the status of resident room deep cleaning;
- Ensure performance evaluations for employees are conducted at least annually; and
- Establish a process to periodically monitor the accuracy and completeness of mineral royalty income.

Major Related Legislation

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

Veterans' Home - Budget No. 313
House Bill No. 1007
Base Level Funding Changes

	Executive Budget Recommendation			
	FTE Position	General Fund	Other Funds	Total
2019-21 Biennium Base Level	120.72	$5,951,439	$18,598,593	$24,550,032
2019-21 Ongoing Funding Changes				
Base payroll changes		($239,433)	$95,100	($144,333)
Salary increase		555,668	25,923	581,591
Health insurance increase		534,375	24,930	559,305
Retirement contribution increase		75,479	3,521	79,000
Unfund 6 FTE positions		(355,309)	(483,731)	(839,040)
Add funding for information technology contractual services			73,750	73,750
Reduce funding for professional services		(500)	(88,600)	(89,100)
Reduce funding for travel			(5,000)	(5,000)
Add funding for information technology software supplies			15,450	15,450
Add funding for food and clothing			(137,000)	(137,000)
Reduce funding for equipment under $5,000		(552)	(32,421)	(32,973)
Reduce funding for nursing professional service fees			(31,200)	(31,200)
Reduce funding for social services professional service fees			(13,800)	(13,800)
Reduce funding for other professional service fees			(58,240)	(58,240)
Add funding for medical, dental, and optical expenses			15,000	15,000
Reduce funding for dues and professional development			(11,500)	(11,500)
Reduce funding for professional supplies			(6,800)	(6,800)
Add funding for Microsoft Office 365 licensing expenses		4,145	21,760	25,905
Adjust funding for bonds and interest			1,230	1,230
Reduce funding for capital assets			(6,800)	(6,800)
Total ongoing funding changes	0.00	$573,873	($598,428)	($24,555)
One-time funding items				
Add funding for equipment			$117,400	$117,400
Add funding for a strategic plan		$25,000		25,000
Total one-time funding changes	0.00	$25,000	$117,400	$142,400
Total Changes to Base Level Funding	0.00	$598,873	($481,028)	$117,845
2019-21 Total Funding	120.72	$6,550,312	$18,117,565	$24,667,877

Other Sections for Veterans' Home - Budget No. 313

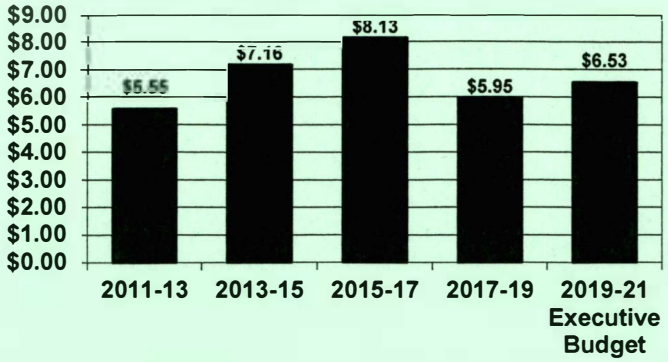
	Executive Budget Recommendation
There are no other sections for this agency.	

Department 313 - Veterans' Home

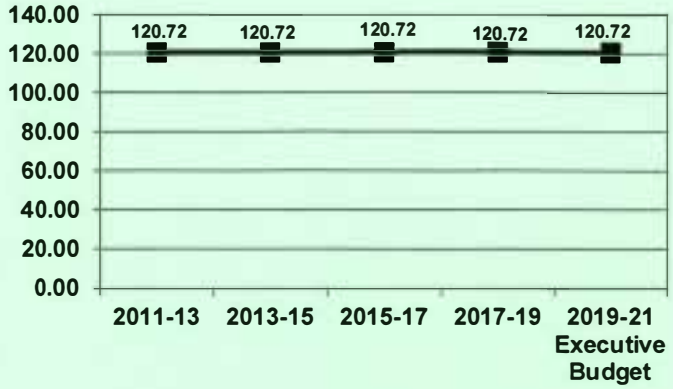
Historical Appropriations Information

Ongoing General Fund Appropriations Since 2011-13

Ongoing General Fund Appropriations (in Millions)



FTE Positions



Ongoing General Fund Appropriations					
	2011-13	2013-15	2015-17	2017-19	2019-21 Executive Budget
Ongoing general fund appropriations	$5,553,323	$7,161,853	$8,128,024	$5,951,439	$6,525,312
Increase (decrease) from previous biennium	N/A	$1,608,530	$966,171	($2,176,585)	$573,873
Percentage increase (decrease) from previous biennium	N/A	29.0%	13.5%	(26.8%)	9.6%
Cumulative percentage increase (decrease) from 2011-13 biennium	N/A	29.0%	46.4%	7.2%	17.5%

Major Increases (Decreases) in Ongoing General Fund Appropriations

2013-15 Biennium

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

2015-17 Biennium

1. 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

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

2019-21 Biennium (Executive Budget Recommendation)

1. Unfunds 6 FTE positions, of which $355,309 is from the general fund and $483,731 is from the soldiers' home fund — ($355,309)

GOVERNOR'S RECOMMENDATION FOR THE VETERANS' HOME AS SUBMITTED BY THE OFFICE OF MANAGEMENT AND BUDGET

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the veterans' home for the purpose of defraying the expenses of the veterans' home, for the biennium beginning July 1, 2019 and ending June 30, 2021, as follows:

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	$18,684,490	$236,523	$18,921,013
Operating expenses	5,454,239	(230,508)	5,223,731
Capital assets	411,303	111,830	523,133
Total all funds	$24,550,032	$117,845	$24,667,877
Less estimated income	18,598,593	(481,028)	18,117,565
Total general fund	$5,951,439	$598,873	$6,550,312
Full-time equivalent positions	120.72	0.00	120.72

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-SEVENTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium and the 2019-21 one-time funding items included in the appropriation in section 1 of this Act:

One-Time Funding Description	2017-19	2019-21
Health information exchange software	$59,500	$0
Nurse Call System upgrade	82,500	0
Equipment	44,500	$117,400
Strategic Plan	0	25,000
Total all funds	$142,000	$142,400
Less estimated income	142,000	117,400
Total general fund	$0	$25,000

The 2019-21 biennium one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The veterans' home shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.

HB 1007
1/11/2019
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TESTIMONY ON HB 1007
HOUSE HUMAN RESOURCES COMMITTEE
FRIDAY, JANUARY 11, 2018

Chairman Nelson 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 audit findings from our most recent audit and to provide you some insight into our current budget appropriation, the reductions made to meet the Governor's request and our 2019-2021 budget needs.

Audit Findings

Our biennium end June 30, 2017 audit was performed by the State Auditor's Office. We received one informal recommendation relating to fraud risk assessments. Even though we do have a fraud risk assessment on file, the State Auditor's Office felt we should have a separate fraud risk assessment for our electronic health records system, Vision. OMB Policy 216, states in part, agency management must establish and maintain effective internal controls within their agency. All state agencies need to perform a fraud risk assessment for each of their divisions or functions. We had one fraud risk assessment on file at the time of the audit that included all risks identified within our department but it did not separate out the risks associated with Vision. To comply with the recommendation of the State Auditor's Office we separated out the risks identified for our electronic health records system into a separate fraud risk assessment.

Our 2017 – 2019 Appropriation

Our current base level appropriation of $24,550,032 includes $18,684,490 for salaries and wages for our 120.72 FTE and roughly 50 temporary employees, $5,454,239 for operating expenses for nine departments and $411,303 for capital asset bond and interest payments. Funding sources for our base budget include $18,598,592 in special funds and $5,951,439 in general funds.

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In addition to our base level appropriation, our current appropriation includes one-time funding of $82,500 for a nurse call system upgrade that will allow two-way communication, $15,000 for health information exchange software, and $51,300 for equipment over $5,000. The Request for Proposal for the nurse call system was released in December and proposals are due by February 19, so this project should be completed by the end of the biennium. We are currently working with our IT consultant and software vendor to purchase the health information exchange software which will allow real time sharing of patient and medical data between clinical information systems. We have purchased the lawn mowers, oxbow pump and floor scrubber and expect to seek bids for the manlift in the near future.

We also had carryover funding of $214,790 in special fund appropriation authority for the installation of ceiling lifts, $63,491 in special fund authority for the resident workshop and $234,679 in general fund appropriation authority for the new veterans home. The ceiling lift and resident workshop projects were completed shortly after the start of the biennium within budget. The carryover funding for the new home was money that was withheld from the final payment to Comstock Construction for construction of the new home. After Comstock pushed the trial date back three times, the lawsuit was finally resolved and a settlement was reached out of court just prior to our August 8th court date. We ended up paying Comstock $194,250 of the $252,775 we withheld from their final payment. An additional $40,429 was spent on attorney fees leaving a balance of $6,816 in general fund turn back.

In August 2018 we were notified by the Department of Veterans Affairs that our State Home Construction grant application for the resident workshop was awarded and we would be receiving a grant to reimburse us for 65% of the cost of the workshop, or $670,005. This is the same grant program that paid over $14.6 million for the construction of the new veterans home.

Since our budget is based upon a higher occupancy than we have experienced in our basic care unit we will not be using all of our funding for operating expenses. Our facility has 52 skilled nursing home beds and 98 basic care beds. Since our move to the new facility in May 2011 we have had over 240 admissions. We have been able to consistently keep our skilled nursing home beds filled but have been unable to reach capacity in our basic care unit. It seems every time the numbers start climbing we have a number of resident that need a higher level of care so they get transferred to skilled nursing. A huge benefit to having a basic care facility is the fact that many of the residents will transfer to the nursing home when the need arises.

2019-2021 Budget Reductions

The budget request limit letter we received from OMB in May 2018 identified that we needed to cut our requested general fund and special fund appropriations ten percent or $2,414,553. Of that amount, general funds would need to be decreased $595,144 and special funds would need to be decreased $1,819,409. The additional three percent general fund savings package amount that we needed to identify was $178,543.

In sitting down to prepare our budget for the 2019-2021 biennium we once again struggled with how to cut expenses to meet the Governor's 90 percent budget request. Identifying areas where we could make budget reductions was extremely challenging. We have been good stewards of our money and have made prior reductions to any areas we could. We have consistently turned back general fund dollars each biennium when our census numbers were such that we did not need to use all of our appropriation authority and we have not filled the 4 FTE positions in our budget that could only be filled if our basic care census were to reach near capacity.

When we met with the Governor and his staff for our strategy review meeting we explained our difficulties with the cuts and tried to brainstorm on how to cut funding or if there was any way to work with other agencies to cut down costs but we could not come up with anything that

would make a significant difference. As a state agency we felt our only option to cut costs this significantly would be to close down more basic or skilled care households and limit the number of residents we could admit.

Cuts to our budget are difficult since we are a service industry and the majority of our expenses relate to labor and resident care. We are one of the most highly regulated industries and we have very stringent state and federal regulations that we have to meet. It is near impossible to cut staff due to the regulations that govern facility staffing or operating expenses since they relate to the operation of the facility and direct care expenses for the residents. In order to meet the Governor's cuts last biennium we made budget reductions to our capital line item and excluded any extraordinary repairs or large equipment purchases; meaning all cuts for the 2019-2021 biennium would have to come from salaries and wages or operating.

Another stipulation to the Governor's budget was a reduction in FTE by 5%, which equates to 6 FTE for the Veterans Home. Of the 6 FTE that we had to cut, the majority came from basic care nursing and the remaining .6 FTE came from eliminating a position in Administration. The basic care positions were vacant and included the 4 FTE that could only be filled if we reached near capacity in the basic care unit; the remaining 1.3 FTE included positions that had been filled but were left open due to the census on basic care. Since we have been experiencing a low census on basic care we closed two of our households and the staff that were working in these households were relocated to work in other areas of the building where we had open positions. Although these positions are currently vacant due to our basic care census we will need them if our census numbers climb.

The 5% reduction in FTE along with a few other minor changes decreased our salaries and wages line by roughly $980,000; meaning we still needed to come up with almost $1.4 million in additional cuts.

Since we could not make any more cuts to our staffing levels due to regulations we had to take a look at making cuts to our operating expenses. With all of the cuts over the last few bienniums our budget is at a point where we cannot cut anything else without it having an effect on the quality of care we provide to the residents. If our census numbers continue to remain low on basic care we would be able to make cuts to line items that are directly dependent upon the number of residents we have; such as food, medications, medical supplies and professional services. However, if our census numbers climb we will need this funding to provide good, quality care and to meet regulations. As I already mentioned, we are a highly regulated industry. Non-compliance with state or federal regulations could result in a ban on admissions, loss of federal funding or facility closure.

There were a few small cuts we were able to make to various line items that will not impact the quality of care we provide. These cuts include decreasing the funding for equipment under $5,000, decreasing travel and professional service fees in administration, decreasing some supplies for activities and housekeeping and decreasing professional development fees by eliminating tuition reimbursement for employees. Even though we were able to make these cuts they were offset by a large increase in our IT expenses. We received a major blow last year when our long time IT consultant was forced to resign from his positions with us. He had been with us for over 12 years and had never raised his fees. We have been working with ITD to figure out the long term solution to our problem and in the meantime we are contracting with Dickey Rural Networks for our IT needs. Unfortunately, this change has resulted in a 75% increase in our IT contractual services.

With our operating fees being tied so closely to the operation of the facility and the number of residents, we have we struggled greatly with deciding where to make our cuts. If our census numbers remain low on basic care we will be able to make cuts to the operating expenses that are directly dependent upon the number of residents; however, the total dollar amount of the cuts we were required to make will not leave us with enough funding to cover our operating

costs even if our census were to remain the same. If our census increases we would be significantly underfunded.

We felt our only option was to make cuts to the following line items as the costs associated with them are directly tied to the number of residents we have:

- Food - $437,000
- Medical, dental & optical for the pharmacy (medication costs) - $428,543
  -this includes the additional 3% cut of $178,543
- Medical, dental & optical for nursing (medical supplies) - $60,000
- Professional services (primary medical care, consultants) - $129,000

Not having anywhere else to cut funding, the final cut of $458,027 was made to utilities with hopes that the funding for this line item would be fully restored. For those of you that were part of this committee two years ago you may remember we had to increase our funding for utilities by over $60,000 due to the cost of the EPA's federal regulations that are being passed on to the consumer.

Governor's Recommended Budget vs. our Submitted Budget

The Governor's recommended budget included changes to our salaries and wages and operating line items. There is an increase of $1,218,693 to the salaries and wages line for the Governor's recommended increases for employee health insurance, retirement, salaries and benefits. The 6 FTE were also restored to the budget but not funded.

The Governor also restored the following amounts to our operating expenses with a total cost of $1,261,570:

- $458,027 for utilities
- $300,000 of the $437,000 cut for food
- $50,000 for medical supplies for nursing

- $453,543 for medications for the pharmacy

Also added to our budget is $25,905 for Office 365 software and $25,000 for a strategic plan. The funding for a strategic plan was requested in our optional package. With the low census on basic care we feel it is necessary to hire a firm to help us look at the future needs of the Veterans Home, including ways to address the low census on basic care.

Capital items that were included in our budget request and also in the Governor's recommended budget include the following one-time items:

- Whirlpool tub - $23,500
- Commercial dryer for laundry - $20,500
- Dish machines x 3 - $21,900
- Boilerless steamer - $18,500
- Commercial fridge - $9,000
- Broom for Toro - $6,000
- Toolcat - $18,000

Governor's Budget vs. Base Level Budget

There is a difference of $236,523 in the salaries and wages line item between the base level budget and the Governor's recommended budget. This amount would be the difference between the $1,219,896 for the Governor's recommended salaries and wages increase and the elimination of the funding for the 6 FTE positions.

The $230,508 decrease to the operating line can be mainly attributed to the decrease in funding for food and professional services.

There is an increase of $111,830 between the base level budget capital assets line and the Governor's recommended. This funding would allow us to purchase all of the equipment over

$5,000 items I talked about, including the whirlpool tub, dryer, dish machines, steamer, fridge, broom and toolcat.

There are a few other requests in our optional package that we would like you to strongly consider funding. We are requesting $138,700 to replace the flooring in the skilled nursing unit and the main gathering area. The facility will be over 8 years old with the start of the new biennium and the flooring is getting worn and needs replacement. We are proposing to replace a portion of the flooring in the 2019-2021 biennium and the remainder in the following biennium.

The other item we ask you to consider funding is $52,500 for upgrades and additions to our security system. Due to the rise in violence across the country, the vandalism we have had on our campus and the need to protect our residents and staff, we now lock all entrances into the Veterans Home except for the main entrance which is open from 5 am to 10 pm. Access into the facility is by key cards, which have been issued to those individuals needing access. The funding we are seeking would provide additional security cameras throughout the campus and would provide increased security controls within the Veterans Home allowing us the ability to lock down the entire facility or just portions of the facility.

Another item we need to address that was not part of our budget request relates to the Administrator's residence. The house is 112 years old and is in very poor condition. In addition to the long list of repairs and upgrades needed, the house also has lead and radon issues. At our last governing board meeting, the board made a motion to give the Administrator a stipend of $2,000 per month to find his own housing off campus. As a result of their motion, we need to decrease the operating expenses related to the house and increase the salaries and wages line by $48,000. As most of you are aware, the house has been a topic of discussion for quite a few bienniums now. A stipend was included in the Governor's recommended budget during the 2015-2017 legislative session but was later removed.

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The Administrator's house is currently heated by the old steam boiler system which consists of three boilers located in the maintenance shop across the road. Another benefit to having the Administrator find his own housing is that we no longer have to rely on these boilers as their longevity is unknown as two of them were installed in 1956 and the other in 1981. Because of this, we are requesting funding to remove the old boilers from the maintenance shop, demolish the Administrator's residence and two small old buildings, demolish a tunnel connecting the house to the maintenance shop and another tunnel that went to the old laundry building. The cost estimate for all this work is $233,450.

In closing, we strongly urge your support for pay increases this biennium. We used to be the employer of choice in the area but have had a hard time competing with area healthcare facilities as their wages have increased over the last couple of years and ours have not. Last year alone we had 40 employees leave and the leading reason was that they found a new job that paid better. By funding pay increases you will help us be competitive with the large number of healthcare facilities in the area. Lisbon alone has 2 nursing homes, a hospital, 2 assisted living facilities, and 4 medical clinics. There are also 4 skilled nursing facilities, a hospital and 6 more clinics within a 40 mile radius.

We hope that you will support our 2019-2021 budget request and help us to provide the care that our veterans deserve.

Kristin Lunneborg
North Dakota Veterans Home CFO
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VETERANS
HOME
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125
YEARS
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NORTH DAKOTA VETERANS HOME
2019-2021 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

Description	Base Level	2019-2021 Executive Recommendation	% of Executive Recommendation	Change
Salaries	1,149,508	1,122,515	47%	-26,993
Operating	763,650	838,755	36%	75,105
Capital	404,503	405,733	17%	1,230
Total	2,317,661	2,367,003	100%	49,342
General	739,871	743,380		3,509
Special	1,577,790	1,623,623		45,833
Total	2,317,661	2,367,003		49,342
FTE	5.6	5		-.6

LINE ITEM DETAIL

Salaries and Benefits - $1,122,515 47% of budget
- Administrator 1 FTE
- Executive Secretary – 1 FTE
- Accounting Manager – 1 FTE
- Account Technician – 1 FTE
- Human Resource Technician - 1 FTE

Travel - $15,000 < 1% of budget
- Expenses include employee reimbursed travel and governing board travel

IT Supplies & Software - $50,000 2% of budget
- IT equipment under $750 such as cables, data storage, computer drives, switches and printers; various software licenses including It's Never 2 Late, TeleAgenda, Prime Solutions, Ability Network, and Digital Simplistics

Supplies and materials/professional - $6,200 < 1% of budget
Resource materials, educational supplies and testing supplies

Building, ground and maintenance - $250 < 1% of budget
Miscellaneous supplies

Miscellaneous supplies - $250 < 1% of budget
Marketing supplies

Office supplies - $30,000 1% of budget
Office supplies for facility including copy paper, ink jet and toner cartridges

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

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

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

Office Equipment & Furniture Supplies - $2,500 < 1% of budget
Office furniture, filing cabinets and chairs

Insurance - $33,900 1% of budget
State Fire & Tornado insurance

Rentals/leases of equipment - $9,500 < 1% of budget
Lease payments for copy machines

Repairs - $4,000 < 1% of budget
Repair services, including office equipment

IT- Data processing - $150,905 6% of budget
ITD and People Soft fees

IT - Communications - $99,000 4% of budget
Monthly telephone and cable television fees

IT- Contractual services - $222,250 9% 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 - $4,000 < 1% of budget
Help wanted ads, advertising fees and background checks for employees

Professional services - $85,000 4% of budget

Legal services, audit fees and employee drug testing fees

Other capital payments - $405,733 17% of budget
Bond and Interest payments for new home

SIGNIFICANT CHANGES

Salaries and benefits - $26,993 decrease
Elimination of a .6 FTE position less the Governor's recommended salary and benefit increases

IT data processing - $25,905 increase
Microsoft Office 365 licensing

IT Contractual Services & Repairs - $73,750 increase
Increase in IT consultant fees due to loss of our longtime IT consultant; consultant fees have increase 75%

Fees – Professional Services - $35,000 decrease
Decrease in legal fees; mostly due to settlement of lawsuit

BUDGET ADJUSTMENTS REQUESTED

Requesting to have $48,000 added to the salaries and benefits line for a stipend for the Administrator to live off campus. The existing house, which was built in 1907, is in very poor condition and in need of major repairs.

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

1 Object/Revenue Description	Code	2 2015-17 Biennium Expenditures	3 2017-19 Biennium Appropriation	4 2017-19 First Year Expenditures	5 2019-21 Base Budget Changes	6 Compensation	7 2019-21 Recommendation
EXPENDITURES							
Salaries - Permanent	511000	737,716	772,544	369,137	0	0	774,718
Salary Increase	511010	0	0	0	0	37,159	37,159
Benefit Increase	511011	0	0	0	0	6,550	6,550
Health Increase	511012	0	0	0	0	22,674	22,674
Retirement Increase	511013	0	0	0	0	6,090	6,090
Salaries - Other	512000	510	600	292	0	0	600
Temporary Salaries	513000	119	0	0	0	0	0
Overtime	514000	23,686	30,000	5,100	0	0	10,000
Fringe Benefits	516000	297,625	346,364	149,939	0	0	340,101
Reduction In Salary Budget	519100	0	0	0	(75,377)	0	(75,377)
Salaries and Wages	**10**	**1,059,656**	**1,149,508**	**524,468**	**(75,377)**	**72,473**	**1,122,515**
Travel	521000	17,452	20,000	5,877	(5,000)	0	15,000
Supplies - IT Software	531000	44,312	34,550	16,767	15,450	0	50,000
Supply/Material-Professional	532000	3,405	6,200	4,995	0	0	6,200
Bldg, Ground, Maintenance	534000	723	250	25	0	0	250
Miscellaneous Supplies	535000	83	250	62	0	0	250
Office Supplies	536000	37,462	30,000	12,731	0	0	30,000
Postage	541000	4,720	4,500	1,442	0	0	4,500
Printing	542000	1,699	3,500	1,744	0	0	3,500
IT Equip Under $5,000	551000	78,980	90,500	32,043	0	0	90,500
Other Equip Under $5,000	552000	4,244	3,000	2,799	0	0	3,000
Office Equip & Furn Supplies	553000	15,716	2,500	2,500	0	0	2,500
Insurance	571000	25,582	33,900	15,766	0	0	33,900
Rentals/Leases-Equip & Other	581000	6,765	9,500	4,902	0	0	9,500
Repairs	591000	7,860	4,000	1,743	0	0	4,000
IT - Data Processing	601000	107,077	125,000	58,727	25,905	0	150,905
IT - Communications	602000	85,004	99,000	41,318	0	0	99,000
IT Contractual Srvcs and Rprs	603000	160,489	148,500	81,591	73,750	0	222,250
Professional Development	611000	22,695	24,000	11,491	0	0	24,000
Operating Fees and Services	621000	3,592	4,000	1,793	0	0	4,000
Fees - Professional Services	623000	153,698	120,000	14,612	(35,000)	0	85,000
Medical, Dental and Optical	625000	950	500	0	0	0	500
Operating Expenses	**30**	**782,508**	**763,650**	**312,928**	**75,105**	**0**	**838,755**
Other Capital Payments	683000	356,125	404,503	202,169	405,733	0	405,733
IT Equip/Sftware Over $5000	693000	23,931	15,000	0	0	0	0
Capital Assets	**50**	**380,056**	**419,503**	**202,169**	**405,733**	**0**	**405,733**
TOTAL EXPENDITURES for 100 Administration		**2,222,220**	**2,332,661**	**1,039,565**	**405,461**	**72,473**	**2,367,003**
MEANS OF FUNDING							

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

1 Object/Revenue Description	Code	2 2015-17 Biennium Expenditures	3 2017-19 Biennium Appropriation	4 2017-19 First Year Expenditures	5 2019-21 Base Budget Changes	6 Compensation	7 2019-21 Recommendation
State General Fund	001	438,848	739,871	92,220	(46,732)	72,473	743,380
General Fund	**GEN**	**438,848**	**739,871**	**92,220**	**(46,732)**	**72,473**	**743,380**
Soldiers Home Fund 380	380	1,783,372	1,592,790	947,345	452,193	0	1,623,623
Special Funds	**SPEC**	**1,783,372**	**1,592,790**	**947,345**	**452,193**	**0**	**1,623,623**
TOTAL FUNDING for 100 Administration		**2,222,220**	**2,332,661**	**1,039,565**	**405,461**	**72,473**	**2,367,003**
AUTHORIZED EMPLOYEES							
FTE		5.60	5.60	0.00	(0.60)	0.00	5.00
TOTAL AUTHORIZED EMPLOYEES for 100 Administration		5.60	5.60	0.00	(0.60)	0.00	5.00

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NORTH DAKOTA VETERANS HOME
2019-2021 BUDGET DETAIL

MAINTENANCE DEPARTMENT
Reporting level 00-313-200-00

Expenses for the maintenance department include upkeep of the buildings and grounds on our 90 acre campus, motor pool vehicles, utilities, equipment and repairs.

BUDGET BY TRADITIONAL LINE

Description	Base Level	2019-2021 Executive Recommendation	% of Executive Recommendation	Change
Salaries	852,625	926,369	37%	73,744
Operating	1,521,050	1,521,050	62%	0
Capital	6,800	24,000	1%	17,200
Total	2,380,475	2,471,419	100%	90,944
General	1,189,953	1,211,335		21,382
Special	1,190,522	1,260,084		69,562
Total	2,380,475	2,471,419		90,944
FTE	5.4	5.4		0

LINE ITEM DETAIL

Salaries and Benefits - $926,369 37% of budget
- Maintenance Supervisor – 1 FTE
- Maintenance Workers – 3 FTE
- Night watchman – 1.4 FTE

Travel - $80,000 3% of budget
- Expenses include motor pool charges and employee reimbursed travel

Professional Supplies & Materials - $3,000 < 1% of budget
- Chemicals

Food and Clothing - $450 < 1% of budget
- Safety clothing

Building, ground and maintenance - $185,000 7% of budget
- Equipment and building supplies; including repair parts, electrical, plumbing, heating and painting supplies

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Miscellaneous supplies - $9,000 < 1% of budget
Tools and miscellaneous equipment under $750

Other equipment under $5,000 - $10,550 < 1% of budget
Toro blade, miscellaneous grounds equipment

Utilities - $1,123,000 45% of budget
Electricity, fuel oil, garbage, sewer and water services

Insurance - $2,000 < 1% of budget
Insurance for maintenance equipment

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

Rentals/leases – building/land - $4,000 < 1% of budget
Water softener leases

Repairs - $100,000 7% of budget
Service contracts and repair services

Professional Development - $500 < 1% of budget
Continuing education

Operating fees and services - $2,000 < 1% of budget
Licenses, electrical certificates

Medical, dental and optical - $50
Flu shots for staff

Equipment over $5,000 - $24,000 1% of budget
Toro broom, toolcat

SIGNIFICANT CHANGES

Salaries and benefits - $73,744 increase
Decreased budget for overtime
Governor's recommended salary and benefit increases

Equipment over $5,000

- **Toro broom - $6,000** – Funding would replace our existing 2013 broom that is worn out. The broom is used year-round for cleaning streets, parking lots and sidewalks.
  Toolcat - $18,000 – Funding would allow us to trade-in our 2015 toolcat, which will have about 2,500 hours. The toolcat is the main piece of equipment we use on the grounds as it is universal and can be used for removing snow unloading trucks, grass seeding, stump grinding, moving equipment, digging holes, etc.

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BUDGET ADJUSTMENTS REQUESTED

Requesting to use some of the $670,000 we received back from the Department of Veterans Affairs for the State Home Construction Grant

Flooring - $138,700 – Removal and replacement of existing carpet tile for the skilled nursing unit and the main gathering areas of the facility. The facility will be over 8 years old and the flooring is getting worn and in need of replacement. Proposing to replace a portion each biennium for the next 2-3 bienniums.

Operating – decrease operating budget by $48,000 for expenses for the Administrator's house.

Demolition - $233,450 – If the stipend is approved for the Administrator we are requesting funding to demolish/remove the following:

- Administrator' house and driveway
- Two underground tunnels
- Street removal
- Removal of old boilers in maintenance shop
- Removal of old well building and building west of dike

Security system upgrades- $52,500 – The funding we are seeking would provide additional security cameras in the Veterans Home and across the grounds as well as providing increased security controls within the home by allowing us the ability to lock down the entire facility or just portions of the facility.

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

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1 Object/Revenue Description	Code	2 2015-17 Biennium Expenditures	3 2017-19 Biennium Appropriation	4 2017-19 First Year Expenditures	5 2019-21 Base Budget Changes	6 Compensation	7 2019-21 Recommendation
EXPENDITURES							
Salaries - Permanent	511000	524,331	517,467	258,497	0	0	516,888
Salary Increase	511010	0	0	0	0	26,052	26,052
Benefit Increase	511011	0	0	0	0	5,259	5,259
Health Increase	511012	0	0	0	0	22,675	22,675
Retirement Increase	511013	0	0	0	0	4,073	4,073
Salaries - Other	512000	6,856	7,000	3,482	0	0	7,000
Temporary Salaries	513000	35,590	45,000	19,028	0	0	45,000
Overtime	514000	6,690	15,000	1,709	0	0	5,000
Fringe Benefits	516000	254,727	268,158	130,159	0	0	294,422
Salaries and Wages	**10**	**828,194**	**852,625**	**412,875**	**0**	**58,059**	**926,369**
Travel	521000	76,827	80,000	39,254	0	0	80,000
Supply/Material-Professional	532000	3,368	3,000	1,322	0	0	3,000
Food and Clothing	533000	33	450	0	0	0	450
Bldg, Ground, Maintenance	534000	215,189	185,000	77,210	0	0	185,000
Miscellaneous Supplies	535000	9,002	9,000	5,895	0	0	9,000
Other Equip Under $5,000	552000	11,260	10,550	9,303	0	0	10,550
Office Equip & Furn Supplies	553000	4,029	0	0	0	0	0
Utilities	561000	1,065,509	1,123,000	561,536	0	0	1,123,000
Insurance	571000	1,521	2,000	213	0	0	2,000
Rentals/Leases-Equip & Other	581000	1,431	1,500	540	0	0	1,500
Rentals/Leases - Bldg/Land	582000	3,865	4,000	1,968	0	0	4,000
Repairs	591000	126,432	100,000	50,772	0	0	100,000
IT - Communications	602000	131	0	0	0	0	0
IT Contractual Srvcs and Rprs	603000	22	0	0	0	0	0
Professional Development	611000	380	500	315	0	0	500
Operating Fees and Services	621000	1,843	2,000	686	0	0	2,000
Fees - Professional Services	623000	283	0	0	0	0	0
Medical, Dental and Optical	625000	0	50	0	0	0	50
Operating Expenses	**30**	**1,521,125**	**1,521,050**	**749,014**	**0**	**0**	**1,521,050**
Land and Buildings	682000	0	63,491	63,291	0	0	0
Other Capital Payments	683000	89,109	0	0	0	0	0
Extraordinary Repairs	684000	11,800	0	0	0	0	0
Equipment Over $5000	691000	0	42,400	7,537	24,000	0	24,000
Motor Vehicles	692000	30,566	0	0	0	0	0
Capital Assets	**50**	**131,475**	**105,891**	**70,828**	**24,000**	**0**	**24,000**
Land and Buildings	682000	912,648	214,790	214,071	0	0	0
Capital Construction Carryover	**51**	**912,648**	**214,790**	**214,071**	**0**	**0**	**0**
TOTAL EXPENDITURES for 200 Plant Operations		**3,393,442**	**2,694,356**	**1,446,788**	**24,000**	**58,059**	**2,471,419**

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

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1 Object/Revenue Description	Code	2 2015-17 Biennium Expenditures	3 2017-19 Biennium Appropriation	4 2017-19 First Year Expenditures	5 2019-21 Base Budget Changes	6 Compensation	7 2019-21 Recommendation
MEANS OF FUNDING							
State General Fund	001	533,022	1,189,953	238,422	0	58,059	1,211,335
General Fund	**GEN**	**533,022**	**1,189,953**	**238,422**	**0**	**58,059**	**1,211,335**
Melvin Norgard Memorial Fund 289	289	427,180	0	0	0	0	0
Soldiers Home Fund 380	380	2,433,240	1,504,403	1,208,366	24,000	0	1,260,084
Special Funds	**SPEC**	**2,860,420**	**1,504,403**	**1,208,366**	**24,000**	**0**	**1,260,084**
TOTAL FUNDING for 200 Plant Operations		**3,393,442**	**2,694,356**	**1,446,788**	**24,000**	**58,059**	**2,471,419**
AUTHORIZED EMPLOYEES							
FTE		5.40	5.40	0.00	0.00	0.00	5.40
TOTAL AUTHORIZED EMPLOYEES for 200 Plant Operations		5.40	5.40	0.00	0.00	0.00	5.40

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NORTH DAKOTA VETERANS HOME
2019-2021 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 10,500 – 11,000 meals per month.

Expenses include food and supplements, dishes and silverware, dietary equipment, continuing education including serve safe training, resource materials, paper products, and cleaning supplies.

BUDGET BY TRADITIONAL LINE

Description	Base Budget	2019-2021 Executive Recommendation	% of Executive Recommendation	Change
Salaries	646,783	693,238	41%	46,455
Operating	1,110,450	950,100	56%	-160,350
Capital	0	49,400	3%	49,400
Total	1,757,233	1,692,738	100%	-64,495
General	304,333	347,453		43,120
Special	1,452,900	1,345,285		-107,615
Total	1,757,233	1,692,738		-64,495
FTE	5	5		0

LINE ITEM DETAIL

Salaries and Benefits - $693,238 41% of budget
- Dietary Manager – 1 FTE
- Cooks - 2 FTE
- Food service assistant– 1 FTE
- Food services operations supervisor – 1 FTE

Travel - $2,000 < 1% 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 - $800,000 47% of budget
Food, supplements

Building, ground and maintenance - $10,000 < 1% of budget
Repair parts, janitorial supplies

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

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

Other Equipment under $5,000 - $8,500 < 1% of budget
Microwaves, toasters, ice machines

Repairs - $10,000 < 1% of budget
Hired repair work and service contracts

Professional development - $3,800 < 1% of budget
Workshops, certifications for staff, serve safe testing

Operating fees and services - $500 < 1% of budget
Help wanted ads, years of service awards

Medical, dental and optical - $200 < 1% of budget
Flu shots for dietary employees, first aid kits

SIGNIFICANT CHANGES

Salaries and benefits - $46,455 increase
Governor's recommended salary and benefit increases

Food and Clothing - $137,000 decrease
In order to meet the Governor's budget cuts we deducted $437,000; the Governor restored $300,000 – resulting in a net decrease of $137,000

Other Equipment under $5,000 - $23,350 decrease
Decrease in equipment needed

Equipment over $5,000 - $49,400 increase

- **Boilerless steamer** $18,500 – for main kitchen. Current one has been repaired many times and cannot be used at this time.
- **Commercial fridge** $9,000 – currently have 2 fridges we repair frequently, Asking to replace 1 at this time
- **Dish machines** $21,900 – funding will replace 3 dish machines that will be over 8 years old at time of replacement. Starting to have repair issues with existing machined. We replaced 3 of these during the 2015-2017 biennium.

Agency [redacted] Veterans Home
Program 300 Dietary
Reporting Level 00-313-300-00-00-00-00000000

[redacted] HB1007 1/29/2019 A [redacted]

Description	Code	1 Object/Revenue	2 2015-17 Biennium Expenditures	3 2017-19 Biennium Appropriation	4 2017-19 First Year Expenditures	5 2019-21 Base Budget Changes	6 Compensation	7 2019-21 Recommendation
EXPENDITURES								
Salaries - Permanent	511000		358,716	362,667	180,356	0	0	375,836
Salary Increase	511010		0	0	0	0	18,941	18,941
Benefit Increase	511011		0	0	0	0	3,905	3,905
Health Increase	511012		0	0	0	0	18,892	18,892
Retirement Increase	511013		0	0	0	0	2,963	2,963
Salaries - Other	512000		187	300	207	0	0	300
Temporary Salaries	513000		30,923	40,000	16,679	0	0	35,000
Overtime	514000		6,117	10,000	1,441	0	0	4,000
Fringe Benefits	516000		215,007	233,816	112,526	0	0	233,401
Salaries and Wages	**10**		**610,950**	**646,783**	**311,209**	**0**	**44,701**	**693,238**
Travel	521000		1,368	2,000	410	0	0	2,000
Supplies - IT Software	531000		33	0	0	0	0	0
Supply/Material-Professional	532000		28,614	30,000	12,816	0	0	30,000
Food and Clothing	533000		856,274	937,000	401,064	(137,000)	0	800,000
Bldg, Ground, Maintenance	534000		15,263	10,000	4,084	0	0	10,000
Miscellaneous Supplies	535000		88,144	85,000	43,810	0	0	85,000
Office Supplies	536000		400	200	53	0	0	200
Other Equip Under $5,000	552000		27,407	31,850	25,530	(23,350)	0	8,500
Repairs	591000		10,166	10,000	3,289	0	0	10,000
IT Contractual Srvcs and Rprs	603000		22	0	0	0	0	0
Professional Development	611000		6,846	3,800	1,195	0	0	3,800
Operating Fees and Services	621000		708	500	43	0	0	500
Medical, Dental and Optical	625000		127	100	0	0	0	100
Operating Expenses	**30**		**1,035,372**	**1,110,450**	**492,294**	**(160,350)**	**0**	**950,100**
Equipment Over $5000	691000		17,231	1,400	1,368	49,400	0	49,400
Capital Assets	**50**		**17,231**	**1,400**	**1,368**	**49,400**	**0**	**49,400**
TOTAL EXPENDITURES for 300 Dietary			**1,663,553**	**1,758,633**	**804,871**	**(110,950)**	**44,701**	**1,692,738**
MEANS OF FUNDING								
State General Fund	001		278,046	304,333	177,995	0	43,917	347,453
General Fund	**GEN**		**278,046**	**304,333**	**177,995**	**0**	**43,917**	**347,453**
Soldiers Home Fund 380	380		1,385,507	1,454,300	626,876	(110,950)	784	1,345,285
Special Funds	**SPEC**		**1,385,507**	**1,454,300**	**626,876**	**(110,950)**	**784**	**1,345,285**
TOTAL FUNDING for 300 Dietary			**1,663,553**	**1,758,633**	**804,871**	**(110,950)**	**44,701**	**1,692,738**
AUTHORIZED EMPLOYEES								
FTE			5.00	5.00	0.00	0.00	0.00	5.00

Agency	Veterans Home
Program	300 Dietary
Reporting Level	00-313-300-00-00-00-00-00000000

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Description	1 Object/Revenue Code	2 2015-17 Biennium Expenditures	3 2017-19 Biennium Appropriation	4 2017-19 First Year Expenditures	5 2019-21 Base Budget Changes	6 Compensation	7 2019-21 Recommendation
TOTAL AUTHORIZED EMPLOYEES for 300 Dietary		5.00	5.00	0.00	0.00	0.00	5.00

NORTH DAKOTA VETERANS HOME
2019-2021 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. Besides nurses and med techs this department includes the Resident Living Specialists; these are our universal staff 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

Description	Base Budget	2019-2021 Executive Recommendation	% of Executive Recommendation	Change
Salaries	5,325,294	4,865,160	97%	-460,134
Operating	169,200	128,000	3%	-41,200
Capital	0	0	0	0
Total	5,494,494	4,993,160	100%	-501,334
General	1,452,062	1,498,442		46,380
Special	4,042,432	3,494,718		-547,714
Total	5,494,494	4,993,160		-501,334
FTE	35.28	35.28		0

LINE ITEM DETAIL

Salaries and Benefits - $4,865,160 97% of budget
- Clinical Care Partner – 1 FTE
- Household Coordinator – 1 FTE
- RNs – 1.38 FTE
- LPNs – 8.10 FTE
- Med Techs – 7 FTE
- Resident Living Specialists – 15.8 FTE
- Medical Records – 1 FTE

Travel - $1,000 < 1% of budget
Expenses include employee reimbursed travel for workshops and continuing education

Supplies and materials/professional - $4,500 < 1% of budget
Resource materials and educational supplies

Food and Clothing - $6,500 < 1% of budget
Safety clothing – gloves, gowns

Miscellaneous supplies - $4,000 < 1% of budget
Paper products for dispensing medications, miscellaneous supplies such as fingernail clippers, Q-tips etc.

Professional development - $1,500 < 1% of budget
Workshop and convention registrations

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

Professional services - $75,000 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 - $30,000 < 1% of budget
Lab and nursing supplies, medical equipment, stock medications

SIGNIFICANT CHANGES

Salaries and benefits - $460,134 decrease
Decrease in funding for 5.4 FTE positions
Governor's recommended salary and benefit increases

Professional service fees - $31,200 decrease
Decrease in funding for primary care medical services due to lower census

Medical, Dental and Optical - $10,000 decrease
Decrease in medical supplies due to lower census

BUDGET ADJUSTMENTS REQUESTED

Requesting $763,663.60 in special fund appropriation authority for the 5.4 FTE that were restored to the basic care nursing department but not funded. Positions will only be filled if the census increases and we need them to comply with state and federal regulations.

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

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1 Object/Revenue Description	Code	2 2015-17 Biennium Expenditures	3 2017-19 Biennium Appropriation	4 2017-19 First Year Expenditures	5 2019-21 Base Budget Changes	6 Compensation	7 2019-21 Recommendation
EXPENDITURES							
Salaries - Permanent	511000	2,499,223	2,743,796	1,164,282	0	0	2,698,613
Salary Increase	511010	0	0	0	0	115,951	115,951
Benefit Increase	511011	0	0	0	0	24,302	24,302
Health Increase	511012	0	0	0	0	183,289	183,289
Retirement Increase	511013	0	0	0	0	21,394	21,394
Salaries - Other	512000	142,207	200,000	59,392	0	0	150,000
Temporary Salaries	513000	299,586	300,000	97,074	0	0	300,000
Overtime	514000	65,342	125,000	21,460	0	0	75,000
Fringe Benefits	516000	1,680,181	1,956,498	814,107	0	0	2,060,274
Reduction In Salary Budget	519100	0	0	0	(763,663)	0	(763,663)
Salaries and Wages	**10**	**4,686,539**	**5,325,294**	**2,156,315**	**(763,663)**	**344,936**	**4,865,160**
Travel	521000	473	1,000	371	0	0	1,000
Supply/Material-Professional	532000	447	4,500	2,603	0	0	4,500
Food and Clothing	533000	4,724	6,500	3,450	0	0	6,500
Bldg, Ground, Maintenance	534000	16	0	0	0	0	0
Miscellaneous Supplies	535000	3,585	4,000	1,823	0	0	4,000
Other Equip Under $5,000	552000	1,154	0	0	0	0	0
Office Equip & Furn Supplies	553000	276	0	0	0	0	0
IT Contractual Srvcs and Rprs	603000	138	0	0	0	0	0
Professional Development	611000	7,090	1,500	370	0	0	1,500
Operating Fees and Services	621000	5,065	5,500	1,186	0	0	5,500
Fees - Professional Services	623000	73,252	106,200	27,036	(31,200)	0	75,000
Medical, Dental and Optical	625000	23,957	40,000	11,101	(10,000)	0	30,000
Operating Expenses	**30**	**120,177**	**169,200**	**47,940**	**(41,200)**	**0**	**128,000**
TOTAL EXPENDITURES for 401 Nursing Basic Care		**4,806,716**	**5,494,494**	**2,204,255**	**(804,863)**	**344,936**	**4,993,160**
MEANS OF FUNDING							
State General Fund	001	1,807,824	1,452,062	15,512	(279,932)	305,721	1,498,442
General Fund	**GEN**	**1,807,824**	**1,452,062**	**15,512**	**(279,932)**	**305,721**	**1,498,442**
Soldiers Home Fund 380	380	2,998,892	4,042,432	2,188,743	(524,931)	39,215	3,494,718
Special Funds	**SPEC**	**2,998,892**	**4,042,432**	**2,188,743**	**(524,931)**	**39,215**	**3,494,718**
TOTAL FUNDING for 401 Nursing Basic Care		**4,806,716**	**5,494,494**	**2,204,255**	**(804,863)**	**344,936**	**4,993,160**
AUTHORIZED EMPLOYEES							
FTE		34.85	34.58	0.00	0.00	0.00	29.28
Vacant		0.00	0.00	0.00	0.00	0.00	6.00

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

1 Object/Revenue Description	Code	2 2015-17 Biennium Expenditures	3 2017-19 Biennium Appropriation	4 2017-19 First Year Expenditures	5 2019-21 Base Budget Changes	6 Compensation	7 2019-21 Recommendation
TOTAL AUTHORIZED EMPLOYEES for 401 Nursing Basic Care		34.85	34.58	0.00	0.00	0.00	35.28

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NORTH DAKOTA VETERANS HOME
2019-2021 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. Besides nurses and med techs this department includes the Resident Living Specialists; these are our universal staff 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, over-the-counter medications, briefs, health and beauty supplies, primary care expenses for medical services, labs, x-rays and other medical tests, consulting fees for physical, occupational and speech therapists, psychiatrists and continuing education for employees.

BUDGET BY TRADITIONAL LINE

Description	Base Budget	2019-2021 Executive Recommendation	% of Executive Recommendation	Change
Salaries	8,068,901	8,542,587	93%	473,686
Operating	736,600	634,510	7%	-102,090
Capital	0	23,500	0	23,500
Total	8,805,501	9,200,597	100%	395,096
General	1,057,944	1,550,551		492,607
Special	7,747,557	7,650,046		-97,511
Total	8,805,501	9,200,597		395,096
FTE	51.24	51.24		0

LINE ITEM DETAIL

Salaries and Benefits - $8,542,587 93% of budget

- RNs – 5.52 FTE
- LPNs – 2.6 FTE
- Med Tech – 2.8 FTE
- Resident Living Specialists – 31.32 FTE
- Household Coordinator – 1 FTE
- Therapy – 2 FTE
- Medical Records – 1 FTE
- Director of Nursing – 1 FTE
- Clinical Care Partners (RN) – 4 FTE

Travel - $5,000 < 1% of budget
Expenses include employee reimbursed travel for workshops, continuing education

Supplies and materials/professional - $20,000 < 1% of budget
Chemicals including Purell, resource materials, educational supplies and subscriptions

Food and Clothing - $70,000 < 1% of budget
Briefs, safety clothing including gloves and gowns

Bldg, ground, maintenance supplies - $5,000 < 1% of budget
Repair parts, misc. supplies

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

Office supplies - $350 < 1% of budget
Special order charting supplies

Other equipment under $5,000 - $30,400 < 1% of budget
Wheelchairs, oxygen concentrators, feeding pumps, mattresses, IV pumps, Rosies

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

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

Professional development - $25,000 < 1% of budget
Workshop and convention registrations, dues and memberships

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

Professional services - $226,760 2% 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 - $476,686 increase
Governor's recommended salary and benefits increases

Other equipment under $5,000 - $6,000 decrease
Fewer equipment needs this biennium

Professional development - $11,000 decrease
Decreased budget for tuition reimbursement

Fees – professional services - $84,590 decrease
Decrease in budget for primary care expenses

Equipment over $5,000 - $23,500 increase
Funding for a new whirlpool tub to replace the existing tub that is obsolete and in need of constant repair. Parts are near impossible to find and very expensive.

Agency: Veterans Home
Program: 402 Nursing Skilled Care
Reporting Level: 00-313-402-00-00-00-00-00000000

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1 Object/Revenue Description	Code	2 2015-17 Biennium Expenditures	3 2017-19 Biennium Appropriation	4 2017-19 First Year Expenditures	5 2019-21 Base Budget Changes	6 Compensation	7 2019-21 Recommendation
EXPENDITURES							
Salaries - Permanent	511000	4,373,012	4,170,498	2,137,468	0	0	4,162,325
Salary Increase	511010	0	0	0	0	207,392	207,392
Benefit Increase	511011	0	0	0	0	43,531	43,531
Health Increase	511012	0	0	0	0	232,416	232,416
Retirement Increase	511013	0	0	0	0	32,472	32,472
Salaries - Other	512000	218,695	300,800	134,746	0	0	250,000
Temporary Salaries	513000	586,500	560,000	330,827	0	0	560,000
Overtime	514000	140,392	200,000	60,512	0	0	200,000
Fringe Benefits	516000	2,618,794	2,837,603	1,361,649	0	0	2,854,451
Salaries and Wages	**10**	**7,937,393**	**8,068,901**	**4,025,202**	**0**	**515,811**	**8,542,587**
Travel	521000	6,424	5,000	1,544	0	0	5,000
Supply/Material-Professional	532000	21,286	20,000	6,790	0	0	20,000
Food and Clothing	533000	66,547	70,000	32,814	0	0	70,000
Bldg, Ground, Maintenance	534000	6,852	5,000	82	0	0	5,000
Miscellaneous Supplies	535000	30,423	30,000	13,772	0	0	30,000
Office Supplies	536000	538	350	0	0	0	350
Other Equip Under $5,000	552000	30,103	36,400	17,925	(6,000)	0	30,400
Rentals/Leases-Equip & Other	581000	0	1,000	0	0	0	1,000
Repairs	591000	361	2,500	698	0	0	2,500
IT Contractual Srvcs and Rprs	603000	452	0	0	0	0	0
Professional Development	611000	21,526	36,500	9,192	(11,500)	0	25,000
Operating Fees and Services	621000	6,581	8,500	3,635	0	0	8,500
Fees - Professional Services	623000	284,573	311,350	91,758	(84,590)	0	226,760
Medical, Dental and Optical	625000	197,585	210,000	94,344	0	0	210,000
Operating Expenses	**30**	**673,251**	**736,600**	**272,554**	**(102,090)**	**0**	**634,510**
Equipment Over $5000	691000	6,557	82,500	0	23,500	0	23,500
Capital Assets	**50**	**6,557**	**82,500**	**0**	**23,500**	**0**	**23,500**
TOTAL EXPENDITURES for 402 Nursing Skilled Care		**8,617,201**	**8,888,001**	**4,297,756**	**(78,590)**	**515,811**	**9,200,597**
MEANS OF FUNDING							
State General Fund	001	3,137,015	1,057,944	104,986	0	503,348	1,550,551
General Fund	**GEN**	**3,137,015**	**1,057,944**	**104,986**	**0**	**503,348**	**1,550,551**
Soldiers Home Fund 380	380	5,480,186	7,830,057	4,192,770	(78,590)	12,463	7,650,046
Special Funds	**SPEC**	**5,480,186**	**7,830,057**	**4,192,770**	**(78,590)**	**12,463**	**7,650,046**
TOTAL FUNDING for 402 Nursing Skilled Care		**8,617,201**	**8,888,001**	**4,297,756**	**(78,590)**	**515,811**	**9,200,597**

Agency	Veterans Home
Program	402 Nursing Skilled Care
Reporting Level	00-313-402-00-00-00-00-00000000

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1 Object/Revenue Description	Code	2 2015-17 Biennium Expenditures	3 2017-19 Biennium Appropriation	4 2017-19 First Year Expenditures	5 2019-21 Base Budget Changes	6 Compensation	7 2019-21 Recommendation
AUTHORIZED EMPLOYEES							
FTE		50.97	51.24	0.00	0.00	0.00	51.24
TOTAL AUTHORIZED EMPLOYEES for 402 Nursing Skilled Care		50.97	51.24	0.00	0.00	0.00	51.24

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NORTH DAKOTA VETERANS HOME
2019-2021 BUDGET DETAIL

RESIDENT SERVICES (ACTIVITES) DEPARTMENT
Reporting level 00-313-500-00

EXPLANATION OF PROGRAM COSTS

The majority of the costs for resident services are salaries and benefits for our activities staff that coordinate all group activities as well as activities in each individual household. Some additional funding is available for workshops, travel and supplies. All funding for resident activities is through outside donations.

BUDGET BY TRADITIONAL LINE

Description	Base Budget	2019-2021 Executive Recommendation	% of Executive Recommendation	Change
Salaries	284,241	300,043	98%	15,802
Operating	8,750	6,000	2%	-2,750
Capital	0	0	0%	0
Total	292,991	306,043	100%	13,052
General	51,681	50,310		-1,371
Special	241,310	255,733		14,423
Total	292,991	306,043		13,052
FTE	2	2		0

LINE ITEM DETAIL

Salaries and Benefits - $300,043 98% of budget
- Activities coordinator – 1 FTE
- Activities assistant – 1 FTE

Travel - $1,000 < 1% of budget
- Employee reimbursed travel for workshops, continuing education

Miscellaneous supplies - $250 < 1% of budget
- Recreational supplies

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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

Professional development - $1,000 < 1% of budget
Workshop and convention registrations, membership fees

Operating fees and services - $250 < 1% of budget
Years of service awards, advertising

Fees – professional services - $500 < 1% of budget
Piano tuning

SIGNIFICANT CHANGES

Salaries and benefits - $15,802 increase
Governor's recommended salary and benefit increases

Miscellaneous supplies - $2,750 decrease
Decreasing budget – supplies can be purchased with donated funds

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Agency	Veterans Home
Program	500 Resident Services
Reporting Level	00-313-500-00-00-00-00-00000000

Description	Code	1 Object/Revenue	2 2015-17 Biennium Expenditures	3 2017-19 Biennium Appropriation	4 2017-19 First Year Expenditures	5 2019-21 Base Budget Changes	6 Compensation	7 2019-21 Recommendation
EXPENDITURES								
Salaries - Permanent	511000		139,337	142,813	71,407	0	0	142,106
Salary Increase	511010		0	0	0	0	7,162	7,162
Benefit Increase	511011		0	0	0	0	1,468	1,468
Health Increase	511012		0	0	0	0	7,558	7,558
Retirement Increase	511013		0	0	0	0	1,119	1,119
Salaries - Other	512000		986	1,000	314	0	0	1,000
Temporary Salaries	513000		20,407	40,000	1,496	0	0	40,000
Overtime	514000		4,499	4,500	2,239	0	0	4,500
Fringe Benefits	516000		88,041	95,928	45,186	0	0	95,130
Salaries and Wages	**10**		**253,270**	**284,241**	**120,642**	**0**	**17,307**	**300,043**
Travel	521000		1,058	1,000	433	0	0	1,000
Miscellaneous Supplies	535000		164	3,000	0	(2,750)	0	250
Printing	542000		2,095	3,000	1,361	0	0	3,000
Office Equip & Furn Supplies	553000		188	0	0	0	0	0
Professional Development	611000		1,100	1,000	484	0	0	1,000
Operating Fees and Services	621000		351	250	0	0	0	250
Fees - Professional Services	623000		26	500	314	0	0	500
Operating Expenses	**30**		**4,982**	**8,750**	**2,592**	**(2,750)**	**0**	**6,000**
TOTAL EXPENDITURES for 500 Resident Services			**258,252**	**292,991**	**123,234**	**(2,750)**	**17,307**	**306,043**
MEANS OF FUNDING								
State General Fund	001		96,632	51,681	546	0	15,396	50,310
General Fund	**GEN**		**96,632**	**51,681**	**546**	**0**	**15,396**	**50,310**
Soldiers Home Fund 380	380		161,620	241,310	122,688	(2,750)	1,911	255,733
Special Funds	**SPEC**		**161,620**	**241,310**	**122,688**	**(2,750)**	**1,911**	**255,733**
TOTAL FUNDING for 500 Resident Services			**258,252**	**292,991**	**123,234**	**(2,750)**	**17,307**	**306,043**
AUTHORIZED EMPLOYEES								
FTE			2.00	2.00	0.00	0.00	0.00	2.00
TOTAL AUTHORIZED EMPLOYEES for 500 Resident Services			2.00	2.00	0.00	0.00	0.00	2.00

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NORTH DAKOTA VETERANS HOME
2019-2021 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. Social service costs include salaries and benefits for our social services staff, transportation staff, admissions coordinator, resident worker wages, pastoral fees, resource materials and supplies, membership dues, professional development and consultant fees for psychologists.

BUDGET BY TRADITIONAL LINE

Description	Base Budget	2019-2021 Executive Recommendation	% of Executive Recommendation	Change
Salaries	1,265,838	1,337,130	95%	71,292
Operating	87,050	73,250	5%	-13,800
Capital	0	0	0%	0
Total	1,352,888	1,410,380	100%	57,492
General	638,765	733,547		94,782
Special	714,123	676,833		-37,290
Total	1,352,888	1,410,380		57,492
FTE	8.2	8.2		0

LINE ITEM DETAIL

Salaries and Benefits - $1,337,130 95% of budget
- Social Services Director 1 FTE
- Social Workers – 3 FTE
- Marketing and Admissions coordinator – 1 FTE
- Transportation Coordinator - .8 FTE
- Transportation employees – 2.4 FTE

Travel - $7,000 < 1% 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 - $3,000 < 1% of budget
Workshop and convention registrations, dues and memberships

Operating fees and services - $3,250 < 1% of budget
Background checks on potential residents

Professional services - $59,500 4% of budget
Religious support services, psychologist consulting fees

Medical, Dental and Optical - $50
Flu shots for social services staff

SIGNIFICANT CHANGES

Salaries and benefits - $71,292 increase
Governor's recommended salary and benefits increases

Professional services- $13,800 decrease
Decrease in psychologist fees

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Agency	Veterans Home
Program	600 Social Services
Reporting Level	00-313-600-00-00-00-00000000

Description	Code	2 2015-17 Biennium Expenditures	3 2017-19 Biennium Appropriation	4 2017-19 First Year Expenditures	5 2019-21 Base Budget Changes	6 Compensation	7 2019-21 Recommendation
EXPENDITURES							
Salaries - Permanent	511000	749,617	759,904	371,352	0	0	768,525
Salary Increase	511010	0	0	0	0	38,733	38,733
Benefit Increase	511011	0	0	0	0	7,905	7,905
Health Increase	511012	0	0	0	0	34,009	34,009
Retirement Increase	511013	0	0	0	0	6,056	6,056
Salaries - Other	512000	570	1,000	176	0	0	500
Temporary Salaries	513000	28,117	45,000	17,585	0	0	30,000
Overtime	514000	11,486	20,000	5,748	0	0	15,000
Fringe Benefits	516000	405,748	439,934	214,041	0	0	436,402
Salaries and Wages	**10**	**1,195,538**	**1,265,838**	**608,902**	**0**	**86,703**	**1,337,130**
Travel	521000	7,381	7,000	3,067	0	0	7,000
Supply/Material-Professional	532000	0	250	189	0	0	250
Miscellaneous Supplies	535000	31	200	0	0	0	200
IT Contractual Srvcs and Rprs	603000	11	0	0	0	0	0
Professional Development	611000	2,005	3,000	1,579	0	0	3,000
Operating Fees and Services	621000	2,195	3,250	1,379	0	0	3,250
Fees - Professional Services	623000	58,895	73,300	26,928	(13,800)	0	59,500
Medical, Dental and Optical	625000	0	50	0	0	0	50
Operating Expenses	**30**	**70,518**	**87,050**	**33,142**	**(13,800)**	**0**	**73,250**
TOTAL EXPENDITURES for 600 Social Services		**1,266,056**	**1,352,888**	**642,044**	**(13,800)**	**86,703**	**1,410,380**
MEANS OF FUNDING							
State General Fund	001	832,050	638,765	9,862	0	86,703	733,547
General Fund	**GEN**	**832,050**	**638,765**	**9,862**	**0**	**86,703**	**733,547**
Soldiers Home Fund 380	380	434,006	714,123	632,182	(13,800)	0	676,833
Special Funds	**SPEC**	**434,006**	**714,123**	**632,182**	**(13,800)**	**0**	**676,833**
TOTAL FUNDING for 600 Social Services		**1,266,056**	**1,352,888**	**642,044**	**(13,800)**	**86,703**	**1,410,380**
AUTHORIZED EMPLOYEES							
FTE		8.20	8.20	0.00	0.00	0.00	8.20
TOTAL AUTHORIZED EMPLOYEES for 600 Social Services		8.20	8.20	0.00	0.00	0.00	8.20

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NORTH DAKOTA VETERANS HOME
2019-2021 BUDGET DETAIL

HOUSEKEEPING DEPARTMENT

EXPLANATION OF PROGRAM COSTS

Housekeeping staff work 7 days a week keeping the 171,000 square feet of the Veterans Home clean and polished. Our universal staff are responsible for the day to day cleaning in the pods and our housekeeping staff are responsible for deep cleaning in the pods and all cleaning in the other areas of the building. Housekeeping costs include salaries and wages, cleaning supplies and chemicals, pest control, toiletry items, equipment and repairs.

BUDGET BY TRADITIONAL LINE

Description	Base Budget	2019-2021 Executive Recommendation	% of Executive Recommendation	Change
Salaries	441,148	458,240	79%	17,092
Operating	125,850	119,050	21%	-6,800
Capital	0	0	0%	0
Total	566,998	577,290	100%	10,292
General	201,006	190,479		-10,527
Special	365,992	386,811		20,819
Total	566,998	577,290		10,292
FTE	4.05	4.05		0

LINE ITEM DETAIL

Salaries and Benefits - $458,240 79% of budget
- Housekeeping supervisor – 1 FTE
- Housekeepers – 3.05 FTE

Travel - $500 < 1% of budget
- Employee reimbursed travel for workshops, continuing education

Supplies and materials/professional - $32,000 6% of budget
- Chemicals for cleaning

Food and Clothing - $1,500 < 1% 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 such as paper towels, toilet paper, Kleenex

Other equipment under $5,000 - $5,000 < 1% of budget
Vacuum cleaners and carpet shampooers

Repairs - $4,000 < 1% of budget
Equipment repairs

Operating fees and services - $5,500 1% of budget
Extermination services

Medical, Dental and Optical - $50
Flu shots for staff

SIGNIFICANT CHANGES

Salaries and benefits - $17,092 increase
Governor's recommended salary and benefit increases

Professional supplies & materials - $6,800 decrease
Decrease in budget needed, partially due to closure of two households.

Agency [redacted] Veterans Home
Program 700 Housekeeping
Reporting Level 00-313-700-00-00-00-00-00000000

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Description	Code	1 Object/Revenue	2 2015-17 Biennium Expenditures	3 2017-19 Biennium Appropriation	4 2017-19 First Year Expenditures	5 2019-21 Base Budget Changes	6 Compensation	7 2019-21 Recommendation
EXPENDITURES								
Salaries - Permanent	511000		272,006	250,344	115,349	0	0	244,519
Salary Increase	511010		0	0	0	0	12,210	12,210
Benefit Increase	511011		0	0	0	0	2,544	2,544
Health Increase	511012		0	0	0	0	15,119	15,119
Retirement Increase	511013		0	0	0	0	1,906	1,906
Salaries - Other	512000		763	1,000	351	0	0	1,000
Temporary Salaries	513000		0	7,000	6,539	0	0	4,000
Overtime	514000		950	2,000	229	0	0	2,000
Fringe Benefits	516000		178,010	180,804	85,471	0	0	174,942
Salaries and Wages	**10**		**451,729**	**441,148**	**207,939**	**0**	**31,779**	**458,240**
Travel	521000		0	500	234	0	0	500
Supply/Material-Professional	532000		37,701	38,800	17,273	(6,800)	0	32,000
Food and Clothing	533000		809	1,500	805	0	0	1,500
Bldg, Ground, Maintenance	534000		29,809	35,000	16,886	0	0	35,000
Miscellaneous Supplies	535000		26,465	35,000	15,171	0	0	35,000
Office Supplies	536000		145	500	171	0	0	500
Other Equip Under $5,000	552000		5,989	5,000	211	0	0	5,000
Office Equip & Furn Supplies	553000		2,201	0	0	0	0	0
Repairs	591000		1,201	4,000	1,667	0	0	4,000
Professional Development	611000		50	0	0	0	0	0
Operating Fees and Services	621000		4,545	5,500	2,406	0	0	5,500
Medical, Dental and Optical	625000		0	50	0	0	0	50
Operating Expenses	**30**		**108,915**	**125,850**	**54,824**	**(6,800)**	**0**	**119,050**
Equipment Over $5000	691000		0	7,500	6,649	0	0	0
Capital Assets	**50**		**0**	**7,500**	**6,649**	**0**	**0**	**0**
TOTAL EXPENDITURES for 700 Housekeeping			**560,644**	**574,498**	**269,412**	**(6,800)**	**31,779**	**577,290**
MEANS OF FUNDING								
State General Fund	001		163,328	201,006	13,145	0	31,779	190,479
General Fund	**GEN**		**163,328**	**201,006**	**13,145**	**0**	**31,779**	**190,479**
Soldiers Home Fund 380	380		397,316	373,492	256,267	(6,800)	0	386,811
Special Funds	**SPEC**		**397,316**	**373,492**	**256,267**	**(6,800)**	**0**	**386,811**
TOTAL FUNDING for 700 Housekeeping			**560,644**	**574,498**	**269,412**	**(6,800)**	**31,779**	**577,290**
AUTHORIZED EMPLOYEES								
FTE			4.05	4.05	0.00	0.00	0.00	4.05

Agency	Veterans Home
Program	700 Housekeeping
Reporting Level	00-313-700-00-00-00-00-00000000

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1 Object/Revenue Description	Code	2 2015-17 Biennium Expenditures	3 2017-19 Biennium Appropriation	4 2017-19 First Year Expenditures	5 2019-21 Base Budget Changes	6 Compensation	7 2019-21 Recommendation
TOTAL AUTHORIZED EMPLOYEES for 700 Housekeeping		4.05	4.05	0.00	0.00	0.00	4.05

NORTH DAKOTA VETERANS HOME
2019-2021 BUDGET DETAIL

LAUNDRY DEPARTMENT

EXPLANATION OF PROGRAM COST

Laundry services are provided 5 days per week with an average of 7,600 lbs. of laundry per month for basic and 11,850 lbs. of laundry per month for skilled. Costs for the laundry department include salaries and benefits for 2 full-time and 1 part-time employees, laundry supplies, equipment and repairs, bed linens, towels, blankets and pillows for the residents.

BUDGET BY TRADITIONAL LINE

Description	Base Budget	2019-2021 Executive Recommendation	% of Executive Recommendation	Change
Salaries	280,658	290,297	77%	9,639
Operating	67,000	64,500	17%	-2,500
Capital	0	20,500	6%	20,500
Total	347,658	375,297	100%	27,639
General	86,586	102,836		16,250
Special	261,072	272,461		11,389
Total	347,658	375,297		27,639
FTE	2.55	2.55		0

LINE ITEM DETAIL

Salaries and Benefits - $290,297 77% of budget
- Laundry supervisor – 1 FTE
- Laundry workers – 1.55 FTE

Supplies and materials/professional - $26,000 7% of budget
- Chemicals for laundry

Food and Clothing - $15,000 4% of budget
- Linens, towels and washcloths

Building, grounds and maintenance - $10,000 3% of budget
- Equipment repair parts

Miscellaneous supplies - $3,000 < 1% of budget
Laundry supplies

Repairs – $10,000 3% of budget
Equipment repairs
Operating Fees & Services - $500 < 1% of budget
Service awards

BUDGET CHANGES

Salaries and benefits - $9,639 increase
Governor's recommended salary and benefit increases

Other equipment under $5,000 - $2,500 decrease
No equipment needs for the biennium

Equipment over $5,000 - $20,500 increase
Commercial dryer for laundry – we have consistently been replacing elements in the existing dryer. We have replaced over 75 elements in the 7 years we have had the machine; 57 of which we have had to pay for at $105 each.

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Agency	Veterans Home
Program	800 Laundry
Reporting Level	00-313-800-00-00-00-00-00000000

Description	Code	1 Object/Revenue	2 2015-17 Biennium Expenditures	3 2017-19 Biennium Appropriation	4 2017-19 First Year Expenditures	5 2019-21 Base Budget Changes	6 Compensation	7 2019-21 Recommendation
EXPENDITURES								
Salaries - Permanent	511000		140,788	158,674	79,318	0	0	148,498
Salary Increase	511010		0	0	0	0	7,600	7,600
Benefit Increase	511011		0	0	0	0	1,570	1,570
Health Increase	511012		0	0	0	0	11,337	11,337
Retirement Increase	511013		0	0	0	0	1,189	1,189
Salaries - Other	512000		55	500	53	0	0	101
Overtime	514000		497	1,000	151	0	0	500
Fringe Benefits	516000		105,187	120,484	65,230	0	0	119,502
Salaries and Wages	**10**		**246,527**	**280,658**	**144,752**	**0**	**21,696**	**290,297**
Supply/Material-Professional	532000		30,169	26,000	14,716	0	0	26,000
Food and Clothing	533000		14,293	15,000	1,604	0	0	15,000
Bldg, Ground, Maintenance	534000		6,822	10,000	5,420	0	0	10,000
Miscellaneous Supplies	535000		1,819	3,000	1,551	0	0	3,000
Other Equip Under $5,000	552000		1,712	2,500	349	(2,500)	0	0
Repairs	591000		60	10,000	200	0	0	10,000
Operating Fees and Services	621000		10	500	492	0	0	500
Operating Expenses	**30**		**54,885**	**67,000**	**24,332**	**(2,500)**	**0**	**64,500**
Equipment Over $5000	691000		0	0	0	20,500	0	20,500
Capital Assets	**50**		**0**	**0**	**0**	**20,500**	**0**	**20,500**
TOTAL EXPENDITURES for 800 Laundry			**301,412**	**347,658**	**169,084**	**18,000**	**21,696**	**375,297**
MEANS OF FUNDING								
State General Fund	001		93,910	86,586	6,275	0	21,695	102,836
General Fund	**GEN**		**93,910**	**86,586**	**6,275**	**0**	**21,695**	**102,836**
Soldiers Home Fund 380	380		207,502	261,072	162,809	18,000	1	272,461
Special Funds	**SPEC**		**207,502**	**261,072**	**162,809**	**18,000**	**1**	**272,461**
TOTAL FUNDING for 800 Laundry			**301,412**	**347,658**	**169,084**	**18,000**	**21,696**	**375,297**
AUTHORIZED EMPLOYEES								
FTE			2.55	2.55	0.00	0.00	0.00	2.55
TOTAL AUTHORIZED EMPLOYEES for 800 Laundry			2.55	2.55	0.00	0.00	0.00	2.55

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NORTH DAKOTA VETERANS HOME
2019-2021 BUDGET DETAIL

PHARMACY DEPARTMENT

EXPLANATION OF PROGRAM COSTS

The pharmacy dispensed 15,218 medications from July 1, 2017 to June 30, 2018. Of these, 2,642 were new prescriptions and 12,576 were refills. The average costs of these prescriptions was $19.95; 15% of these prescriptions had a resident copay, 7% were billed to the VA for reimbursement, 1% was billed to Medicare and the remaining 77% was the responsibility of the Veterans Home. Program costs include salaries and benefits, medications, packaging and labeling supplies, licensing, computer programs, and resource materials.

BUDGET BY TRADITIONAL LINE

Description	Base Budget	2019-2021 Executive Recommendation	% of Executive Recommendation	Change
Salaries	369,494	385,434	30%	15,940
Operating	864,639	888,516	70%	23,877
Capital	0	0		0
Total	1,234,133	1,273,950	100%	39,817
General	229,238	121,979		-107,259
Special	1,004,895	1,151,971		147,076
Total	1,234,133	1,273,950		39,817
FTE	2.1	2		-.1

LINE ITEM DETAIL

Salaries and Benefits - $385,434 30% of budget
Pharmacist - .5 FTE
Pharmacy Techs – 1.5 FTE

Travel - $100 < 1% of budget
Employee reimbursed travel for continuing education

IT software/supplies - $9,000 < 1% of budget
Software license for pharmacy computer software

Professional supplies and materials - $2,500 < 1% of budget
Resource materials

Printing - $500 < 1% of budget
Prescription pads

Miscellaneous supplies - $500 < 1% of budget
Pharmacy supplies

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

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

Operating fees and services - $500 < 1% of budget
Licensing fees

Professional services - $3,500 < 1% of budget
Relief pharmacist to cover vacations and sick leave

Medical, dental and optical - $866,716 68% of budget
Medications for veteran residents

SIGNIFICANT CHANGES

Salaries and benefits - $15,940 increase
Governor's recommended salary and benefit increases

Other equipment under $5,000 - $1,123 decrease
No equipment needs this biennium

Medical, dental and optical - $25,000 increase
Error - Confusion with Governor's budget cuts, additional 3% general fund cut to be identified and optional package request - Budget can be cut $100,000.

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Agency	Veterans Home
Program	900 Pharmacy
Reporting Level	00-313-900-00-00-00-00000000

1 Object/Revenue Description	Code	2 2015-17 Biennium Expenditures	3 2017-19 Biennium Appropriation	4 2017-19 First Year Expenditures	5 2019-21 Base Budget Changes	6 Compensation	7 2019-21 Recommendation
EXPENDITURES							
Salaries - Permanent	511000	223,225	227,498	112,578	0	0	220,604
Salary Increase	511010	0	0	0	0	11,118	11,118
Benefit Increase	511011	0	0	0	0	2,239	2,239
Health Increase	511012	0	0	0	0	11,336	11,336
Retirement Increase	511013	0	0	0	0	1,738	1,738
Salaries - Other	512000	4	100	1	0	0	50
Overtime	514000	1,483	2,500	26	0	0	1,500
Fringe Benefits	516000	128,615	139,396	68,006	0	0	136,849
Salaries and Wages	**10**	**353,327**	**369,494**	**180,611**	**0**	**26,431**	**385,434**
Travel	521000	71	100	0	0	0	100
Supplies - IT Software	531000	8,945	9,000	4,445	0	0	9,000
Supply/Material-Professional	532000	2,050	2,500	1,050	0	0	2,500
Food and Clothing	533000	0	500	0	0	0	500
Printing	542000	300	500	150	0	0	500
Other Equip Under $5,000	552000	0	1,123	0	(1,123)	0	0
IT Contractual Srvcs and Rprs	603000	3,000	3,200	1,500	0	0	3,200
Professional Development	611000	1,855	2,000	977	0	0	2,000
Operating Fees and Services	621000	462	500	374	0	0	500
Fees - Professional Services	623000	13,096	3,500	100	0	0	3,500
Medical, Dental and Optical	625000	573,863	841,716	286,817	25,000	0	866,716
Operating Expenses	**30**	**603,642**	**864,639**	**295,413**	**23,877**	**0**	**888,516**
TOTAL EXPENDITURES for 900 Pharmacy		**956,969**	**1,234,133**	**476,024**	**23,877**	**26,431**	**1,273,950**
MEANS OF FUNDING							
State General Fund	001	287,859	229,238	93,759	(552)	26,431	121,979
General Fund	**GEN**	**287,859**	**229,238**	**93,759**	**(552)**	**26,431**	**121,979**
Soldiers Home Fund 380	380	669,110	1,004,895	382,265	24,429	0	1,151,971
Special Funds	**SPEC**	**669,110**	**1,004,895**	**382,265**	**24,429**	**0**	**1,151,971**
TOTAL FUNDING for 900 Pharmacy		**956,969**	**1,234,133**	**476,024**	**23,877**	**26,431**	**1,273,950**
AUTHORIZED EMPLOYEES							
FTE		2.10	2.10	0.00	0.00	0.00	2.00
TOTAL AUTHORIZED EMPLOYEES for 900 Pharmacy		2.10	2.10	0.00	0.00	0.00	2.00

NORTH DAKOTA VETERANS HOME
2019-2021 BUDGET DETAIL

BUDGET BY TRADITIONAL LINE

Description	Base Level	2019-2021 Executive Recommendation	% of Executive Recommendation	Change
Salaries	18,684,490	18,921,013	47%	236,523
Operating	5,454,239	5,223,731	36%	-230,508
Capital	411,303	523,133	17%	111,830
Total	24,550,032	24,667,877	100%	117,845
General	5,951,439	6,550,312		598,873
Special	18,598,593	18,117,565		-481,028
Total	24,550,032	24,667,877		117,845
FTE	120.72	120.72		0

SIGNIFICANT CHANGES

Salaries and benefits - $236,523 increase
Base payroll changes – decrease of $144,333
Elimination of funding for 6 FTEs – decrease of $839,040
Governor's recommended salary and benefit changes – increase of $1,219,896

Operating expenses - $230,508 decrease

- $5,000 decrease in travel – fewer meetings due to lawsuit settlement
- $6,800 decrease in supplies for housekeeping
- $137,000 decrease in food costs due to lower census
- $15,450 increase in IT supplies for software program licensing fees
- $2,750 decrease in miscellaneous supplies for Activities – using donated money
- $32,973 decrease in equipment under $5,000 needs
- $25,905 increase for Microsoft Office 365 license fees
- $73,750 increase in IT communication fees due to increase in IT consultant fees
- $11,500 decrease in professional development for tuition reimbursement
- $164,590 decrease for professional services for attorneys, medical professionals and medical services
- $15,000 increase for medications for pharmacy

Capital expenses - $111,830 increase

- Boilerless steamer - $18,500
- Dish machines x 3 - $21,900
- Commercial fridge - $9,000

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- Commercial dryer - $20,500
- Whirlpool tub - $23,500
- Toro broom - $6,000
- Toolcat - $18,000
- $1,230 increase in bond and interest fees
- Decrease of $6,800 for capital budget carryover

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Veterans' Home - Budget No. 313
House Bill No. 1007
Base Level Funding Changes

	Executive Budget Recommendation				House Version				House 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
2019-21 Biennium Base Level	120.72	$5,951,439	$18,598,593	$24,550,032	120.72	$5,951,439	$18,598,593	$24,550,032	0.00	$0	$0	$0
2019-21 Ongoing Funding Changes												
Base payroll changes	0.60	($239,433)	$95,100	($144,333)				$0	(0.60)	$239,433	($95,100)	$144,333
Salary increase		555,668	25,923	581,591		84,474	264,140	348,614		(471,194)	238,217	(232,977)
Health insurance increase		534,375	24,930	559,305		160,020	500,368	660,388		(374,355)	475,438	101,083
Retirement contribution increase		75,479	3,521	79,000				0		(75,479)	(3,521)	(79,000)
Unfund 6.60 FTE positions	(0.60)	(355,309)	(483,731)	(839,040)				0	0.60	355,309	483,731	839,040
Add funding for information technology contractual services			73,750	73,750				0			(73,750)	(73,750)
Reduce funding for professional services		(500)	(88,600)	(89,100)				0		500	88,600	89,100
Reduce funding for travel			(5,000)	(5,000)				0			5,000	5,000
Add funding for information technology software supplies			15,450	15,450				0			(15,450)	(15,450)
Add funding for food and clothing			(137,000)	(137,000)				0			137,000	137,000
Reduce funding for equipment under $5,000		(552)	(32,421)	(32,973)				0		552	32,421	32,973
Reduce funding for nursing professional service fees			(31,200)	(31,200)				0			31,200	31,200
Reduce funding for social services professional service fees			(13,800)	(13,800)				0			13,800	13,800
Reduce funding for other professional service fees			(58,240)	(58,240)				0			58,240	58,240
Add funding for medical, dental, and optical expenses			15,000	15,000				0			(15,000)	(15,000)
Reduce funding for dues and professional development			(11,500)	(11,500)				0			11,500	11,500
Reduce funding for professional supplies			(6,800)	(6,800)				0			6,800	6,800
Add funding for Microsoft Office 365 licensing expenses		4,145	21,760	25,905				0		(4,145)	(21,760)	(25,905)
Adjust funding for bonds and interest			1,230	1,230				0			(1,230)	(1,230)
Reduce funding for capital assets			(6,800)	(6,800)				0			6,800	6,800
Total ongoing funding changes	0.00	$573,873	($598,428)	($24,555)	0.00	$244,494	$764,508	$1,009,002	0.00	($329,379)	$1,362,936	$1,033,557
One-time funding items												
Add funding for equipment			$117,400	$117,400				0			(117,400)	(117,400)
Add funding for a strategic plan		$25,000		25,000				0		(25,000)		(25,000)
Total one-time funding changes	0.00	$25,000	$117,400	$142,400	0.00	$0	$0	$0	0.00	($25,000)	($117,400)	($142,400)
Total Changes to Base Level Funding	0.00	$598,873	($481,028)	$117,845	0.00	$244,494	$764,508	$1,009,002	0.00	($354,379)	$1,245,536	$891,157
2019-21 Total Funding	120.72	$6,550,312	$18,117,565	$24,667,877	120.72	$6,195,933	$19,363,101	$25,559,034	0.00	($354,379)	$1,245,536	$891,157

Other Sections for Veterans' Home - Budget No. 313

Executive Budget Recommendation	House Version
There are no other sections for this agency.	

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Veterans' Home - Budget No. 313
House Bill No. 1007
Base Level Funding Changes

	Executive Budget Recommendation				House Version				House 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
2019-21 Biennium Base Level	120.72	$5,951,439	$18,598,593	$24,550,032	120.72	$5,951,439	$18,598,593	$24,550,032	0.00	$0	$0	$0
2019-21 Ongoing Funding Changes												
Base payroll changes	0.60	($239,433)	$95,100	($144,333)	0.60	($239,433)	$95,100	($144,333)				$0
Salary increase		555,668	25,923	581,591		84,474	264,140	348,614		(471,194)	238,217	(232,977)
Health insurance increase		534,375	24,930	559,305		160,020	500,368	660,388		(374,355)	475,438	101,083
Retirement contribution increase		75,479	3,521	79,000				0		(75,479)	(3,521)	(79,000)
Unfund 6.60 FTE positions	(0.60)	(355,309)	(483,731)	(839,040)	(0.60)	(355,309)	(483,731)	(839,040)				0
Add funding for information technology contractual services			73,750	73,750			73,750	73,750				0
Reduce funding for professional services		(500)	(88,600)	(89,100)		(500)	(88,600)	(89,100)				0
Reduce funding for travel			(5,000)	(5,000)			(5,000)	(5,000)				0
Add funding for information technology software supplies			15,450	15,450			15,450	15,450				0
Add funding for food and clothing			(137,000)	(137,000)			(137,000)	(137,000)				0
Reduce funding for equipment under $5,000		(552)	(32,421)	(32,973)		(552)	(32,421)	(32,973)				0
Reduce funding for nursing professional service fees			(31,200)	(31,200)			(31,200)	(31,200)				0
Reduce funding for social services professional service fees			(13,800)	(13,800)			(13,800)	(13,800)				0
Reduce funding for other professional service fees			(58,240)	(58,240)			(58,240)	(58,240)				0
Add funding for medical, dental, and optical expenses			15,000	15,000			15,000	15,000				0
Reduce funding for dues and professional development			(11,500)	(11,500)			(11,500)	(11,500)				0
Reduce funding for professional supplies			(6,800)	(6,800)			(6,800)	(6,800)				0
Add funding for Microsoft Office 365 licensing expenses		4,145	21,760	25,905		4,145	21,760	25,905				0
Adjust funding for bonds and interest			1,230	1,230			1,230	1,230				0
Reduce funding for capital assets			(6,800)	(6,800)			(6,800)	(6,800)				0
Total ongoing funding changes	0.00	$573,873	($598,428)	($24,555)	0.00	($347,155)	$111,706	($235,449)	0.00	($921,028)	$710,134	($210,894)
One-time funding items												
Add funding for equipment			$117,400	$117,400			$99,400	99,400			($18,000)	(18,000)
Add funding for a strategic plan		$25,000		25,000				0		(25,000)		(25,000)
Add funding for a Veterans' Home flooring project				0			100,000	100,000			100,000	100,000
Add funding for the demolition of the administrator's residen				0			233,450	233,450			233,450	233,450
Add funding for security system upgrades				0			52,500	52,500			52,500	52,500
Total one-time funding changes	0.00	$25,000	$117,400	$142,400	0.00	$0	$485,350	$485,350	0.00	($25,000)	$367,950	$342,950
Total Changes to Base Level Funding	0.00	$598,873	($481,028)	$117,845	0.00	($347,155)	$597,056	$249,901	0.00	($946,028)	$1,078,084	$132,056
2019-21 Total Funding	120.72	$6,550,312	$18,117,565	$24,667,877	120.72	$5,604,284	$19,195,649	$24,799,933	0.00	($946,028)	$1,078,084	$132,056

Other Sections for Veterans' Home - Budget No. 313

	Executive Budget Recommendation	House Version
Administrator housing stipend		Section 3 identifies $48,000 in the operating expenses line item for a $2,000 monthly housing stipend to be provided to the current Veterans' Home administrator for the costs of renting a house off of the Veterans' Home campus.

Department 313 - Veterans' Home
House Bill No. 1007

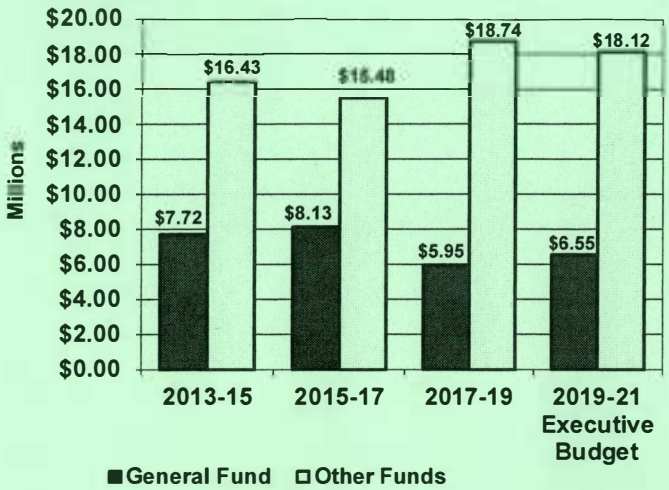
Executive Budget Comparison to Prior Biennium Appropriations

	FTE Positions	General Fund	Other Funds	Total
2019-21 Executive Budget	120.72	$6,550,312	$18,117,565	$24,667,877
2017-19 Legislative Appropriations	120.72	5,951,439	18,740,593	24,692,032
Increase (Decrease)	0.00	$598,873	($623,028)	($24,155)

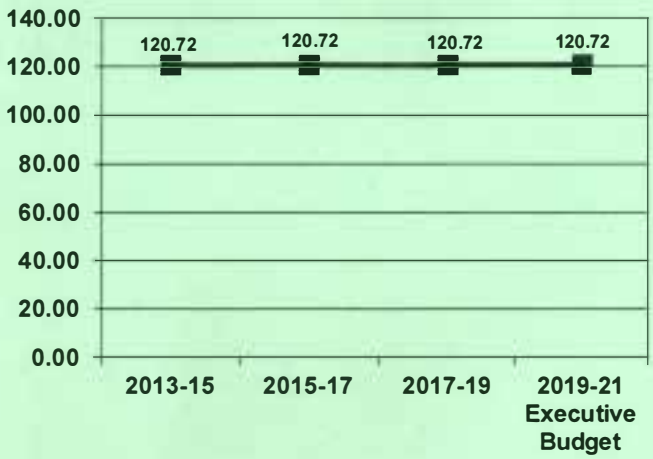
Ongoing and One-Time General Fund Appropriations

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2019-21 Executive Budget	$6,525,312	$25,000	$6,550,312
2017-19 Legislative Appropriations	5,951,439	0	5,951,439
Increase (Decrease)	$573,873	$25,000	$598,873

Agency Funding



FTE Positions



Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
2019-21 Executive Budget	$6,550,312	$18,117,565	$24,667,877
2019-21 Base Level	5,951,439	18,598,593	24,550,032
Increase (Decrease)	$598,873	($481,028)	$117,845

First House Action

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

Executive Budget Highlights
(With First House Changes in Bold)

	General Fund	Other Funds	Total
1. Provides funding for state employee salary and benefit increases, of which $581,591 is for salary increases, $559,305 is for health insurance increases, and $79,000 is for retirement contribution increases. **The House added funding for salary adjustments of 2 percent per year and increases in health insurance premiums from $1,241 to $1,427 per month. The House did not add funding for retirement contribution increases.**	$1,165,522	$54,374	$1,219,896
2. Unfunds 6 FTE positions	($355,309)	($483,731)	($839,040)
3. Reduces funding for operating expenses, to provide a total of $5,223,731, of which $1,452,040 is from the general fund and $3,771,691 is from the soldiers' home fund. **The House reduced**	($1,052)	($280,361)	($281,413)

operating expenses by $396,413, of which $1,052 is from the general fund and $395,361 is from other funds.			
4. Adds funding for Microsoft Office 365 licensing expenses	$4,145	$21,760	$25,905
5. Adds **one-time funding** for equipment, including a boilerless steamer ($18,500), dish machines ($21,900), a commercial refrigerator ($9,000), a Toro broom ($6,000), a toolcat ($18,000), dryers ($20,500), and a Whirlpool tub ($23,500). **The House added one-time funding of $99,400 for equipment.**	$0	$117,400	$117,400
6. Adds **one-time funding** for a strategic plan. **The House did not add funding for a strategic plan.**	$25,000	$0	$25,000

Other Sections in House Bill No. 1007

Administrator housing stipend - Section 3 identifies $48,000 in the operating expenses line item for a $2,000 per month housing stipend to be provided to the Veterans' Home administrator for housing costs off of the Veterans' Home campus.

Soldiers' home fund - Section 4 identifies $485,350 of one-time funding from the soldiers' home fund, of which $99,400 is for equipment, $100,000 is for a flooring project, $233,450 is for the demolition of the administrator's residence, and $52,500 is for security system upgrades.

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.

Deficiency Appropriation

There are no deficiency appropriations for this agency.

Significant Audit Findings

The operational audit for the Veterans' Home conducted by the State Auditor's office for the period ending June 20, 2017 identified no significant audit findings.

The performance audit for the Veterans' Home conducted by the State Auditor's office for the period ending September 30, 2017 identified the following significant audit recommendations for the Veterans' Home:

- Seek assistance to create and implement a strategic plan to measure and forecast demand and to identify the best and most effective use of the facility. The status of the strategic plan should be presented to the Administrative Committee on Veterans' Affairs;
- Ensure policies are documented in the appropriate level of detail to allow management to effectively monitor and control activities, including policies and procedures for room inspections;
- Strengthen monitoring activities to ensure policies and written plans are completed, including policies and procedures for dietary services, the status of employee performance evaluations, and the status of resident room deep cleaning;
- Ensure performance evaluations for employees are conducted at least annually; and
- Establish a process to periodically monitor the accuracy and completeness of mineral royalty income.

Major Related Legislation

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

Veterans' Home - Budget No. 313
House Bill No. 1007
Base Level Funding Changes

	Executive Budget Recommendation				House Version			
	FTE Position	General Fund	Other Funds	Total	FTE Position	General Fund	Other Funds	Total
2019-21 Biennium Base Level	120.72	$5,951,439	$18,598,593	$24,550,032	120.72	$5,951,439	$18,598,593	$24,550,032
2019-21 Ongoing Funding Changes								
Base payroll changes		($239,433)	$95,100	($144,333)		($239,433)	$95,100	($144,333)
Salary increase		555,668	25,923	581,591		84,474	264,140	348,614
Health insurance increase		534,375	24,930	559,305		160,020	500,368	660,388
Retirement contribution increase		75,479	3,521	79,000				0
Unfund 6.00 FTE positions		(355,309)	(483,731)	(839,040)		(355,309)	(483,731)	(839,040)
Add funding for information technology contractual services			73,750	73,750			73,750	73,750
Reduce funding for professional services		(500)	(88,600)	(89,100)		(500)	(88,600)	(89,100)
Reduce funding for travel			(5,000)	(5,000)			(5,000)	(5,000)
Add funding for information technology software supplies			15,450	15,450			15,450	15,450
Reduce funding for food and clothing			(137,000)	(137,000)			(137,000)	(137,000)
Reduce funding for equipment under $5,000		(552)	(32,421)	(32,973)		(552)	(32,421)	(32,973)
Reduce funding for nursing professional service fees			(31,200)	(31,200)			(31,200)	(31,200)
Reduce funding for social services professional service fees			(13,800)	(13,800)			(13,800)	(13,800)
Reduce funding for other professional service fees			(58,240)	(58,240)			(58,240)	(58,240)
Add funding for medical, dental, and optical expenses			15,000	15,000			(100,000)	(100,000)
Reduce funding for dues and professional development			(11,500)	(11,500)			(11,500)	(11,500)
Reduce funding for professional supplies			(6,800)	(6,800)			(6,800)	(6,800)
Add funding for Microsoft Office 365 licensing expenses		4,145	21,760	25,905		4,145	21,760	25,905
Adjust funding for bonds and interest			1,230	1,230			1,230	1,230
Reduce funding for capital assets			(6,800)	(6,800)			(6,800)	(6,800)
Total ongoing funding changes	0.00	$573,873	($598,428)	($24,555)	0.00	($347,155)	($3,294)	($350,449)
One-time funding items								
Add funding for equipment			$117,400	$117,400			$99,400	$99,400
Add funding for a strategic plan		$25,000		25,000				0
Add funding for a Veterans' Home flooring project				0			100,000	100,000
Add funding for the demolition of the administrator's residence				0			233,450	233,450
Add funding for security system upgrades				0			52,500	52,500
Total one-time funding changes	0.00	$25,000	$117,400	$142,400	0.00	$0	$485,350	$485,350
Total Changes to Base Level Funding	0.00	$598,873	($481,028)	$117,845	0.00	($347,155)	$482,056	$134,901
2019-21 Total Funding	120.72	$6,550,312	$18,117,565	$24,667,877	120.72	$5,604,284	$19,080,649	$24,684,933

Other Sections for Veterans' Home - Budget No. 313

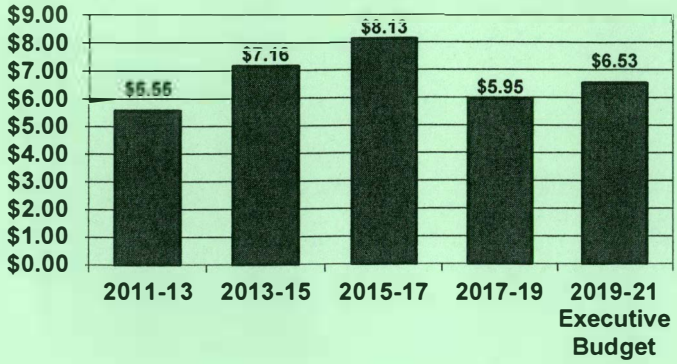
	Executive Budget Recommendation	House Version
Administrator housing stipend		Section 3 identifies $48,000 in the operating expenses line item for a $2,000 per month housing stipend to be provided to the Veterans' Home administrator for housing costs off of the Veterans' Home campus.
Soldiers' home fund		Section 4 identifies $485,350 of one-time funding from the soldiers' home fund, of which $99,400 is for equipment, $100,000 is for a flooring project, $233,450 is for the demolition of the administrator's residence, and $52,500 is for security system upgrades.

Department 313 - Veterans' Home

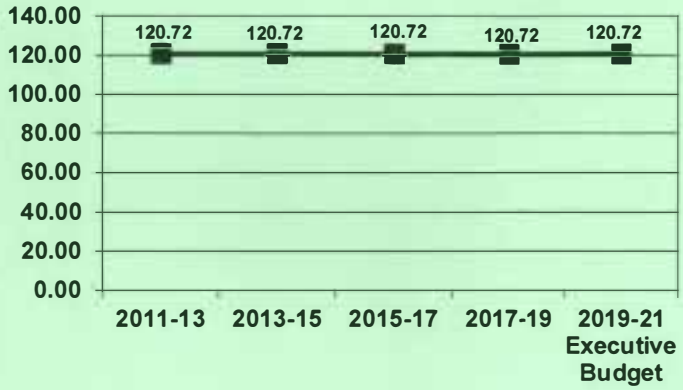
Historical Appropriations Information

Ongoing General Fund Appropriations Since 2011-13

Ongoing General Fund Appropriations (in Millions)



FTE Positions



Ongoing General Fund Appropriations					
	2011-13	2013-15	2015-17	2017-19	2019-21 Executive Budget
Ongoing general fund appropriations	$5,553,323	$7,161,853	$8,128,024	$5,951,439	$6,525,312
Increase (decrease) from previous biennium	N/A	$1,608,530	$966,171	($2,176,585)	$573,873
Percentage increase (decrease) from previous biennium	N/A	29.0%	13.5%	(26.8%)	9.6%
Cumulative percentage increase (decrease) from 2011-13 biennium	N/A	29.0%	46.4%	7.2%	17.5%

Major Increases (Decreases) in Ongoing General Fund Appropriations

2013-15 Biennium

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

2015-17 Biennium

1. 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

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

2019-21 Biennium (Executive Budget Recommendation)

1. Unfunds 6 FTE positions, of which $355,309 is from the general fund and $483,731 is from the soldiers' home fund	($355,309)

GOVERNOR'S RECOMMENDATION FOR THE VETERANS' HOME AS SUBMITTED BY THE OFFICE OF MANAGEMENT AND BUDGET

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the veterans' home for the purpose of defraying the expenses of the veterans' home, for the biennium beginning July 1, 2019 and ending June 30, 2021, as follows:

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	$18,684,490	$236,523	$18,921,013
Operating expenses	5,454,239	(230,508)	5,223,731
Capital assets	411,303	111,830	523,133
Total all funds	$24,550,032	$117,845	$24,667,877
Less estimated income	18,598,593	(481,028)	18,117,565
Total general fund	$5,951,439	$598,873	$6,550,312
Full-time equivalent positions	120.72	0.00	120.72

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-SEVENTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium and the 2019-21 one-time funding items included in the appropriation in section 1 of this Act:

One-Time Funding Description	2017-19	2019-21
Health information exchange software	$59,500	$0
Nurse Call System upgrade	82,500	0
Equipment	44,500	$117,400
Strategic Plan	0	25,000
Total all funds	$142,000	$142,400
Less estimated income	142,000	117,400
Total general fund	$0	$25,000

The 2019-21 biennium one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The veterans' home shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.

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TESTIMONY ON HB 1007
SENATE APPROPRIATIONS COMMITTEE
THURSDAY, MARCH 14, 2019

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 provide you some insight into our current budget appropriation and the changes made to get to our current 2019-2021 budget.

Our 2017 – 2019 Appropriation

Our current base level appropriation of $24,550,032 includes $18,684,490 for salaries and wages for our 120.72 FTE and roughly 50 temporary employees, $5,454,239 for operating expenses and $411,303 for capital asset bond and interest payments. Funding sources for our base budget include $18,598,592 in special funds and $5,951,439 in general funds.

In addition to our base level appropriation, our current appropriation includes one-time funding of $82,500 for a nurse call system upgrade that will allow two-way communication, $15,000 for health information exchange software, and $51,300 for equipment over $5,000. We did release a Request for Proposal in December for the nurse call system but the response we received was significantly over budget. We are currently working with the state procurement office on an alternate procurement. We did receive a bid that is significantly lower than the first proposal but still more than what we had budgeted. Due to this, we are requesting a funding transfer in the current biennium budget of $68,000 from our operating line to our capital asset line.

We are currently working with our software vendor to purchase the health information exchange software which will allow real time sharing of patient and medical data between clinical information systems. We have purchased the lawn mowers, oxbow pump and floor scrubber and will be seeking bids for the manlift in the next few weeks.

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We also had carryover funding of $214,790 in special fund appropriation authority for the installation of ceiling lifts, $63,491 in special fund authority for the resident workshop and $234,679 in general fund appropriation authority for the new Veterans home. The ceiling lift and resident workshop projects were completed shortly after the start of the biennium within budget. The carryover funding for the new home was money that we withheld from the final payment to Comstock Construction for construction of the new home. After Comstock pushed the trial date back three times, the lawsuit was finally resolved and a settlement was reached out of court just prior to our August 8th court date. We ended up paying Comstock $194,250 of the $252,775 we withheld from their final payment. An additional $40,429 was spent on attorney fees leaving a balance of $6,816 in general fund turn back.

In August 2018 we were notified by the Department of Veterans Affairs that the State Home Construction grant application we submitted in 2016 for the resident workshop was awarded and we would be receiving a grant to reimburse us for 65% of the cost of the workshop, or $670,005. This is the same grant program that paid over $14.6 million for the construction of the new Veterans home.

Since our budget is based upon a higher occupancy than we have experienced in our basic care unit we will not be using all of our appropriation authority for operating expenses. Our facility has 52 skilled nursing home beds and 98 basic care beds. Since our move to the new facility in May 2011 we have had over 250 admissions. We have been able to consistently keep our skilled nursing home beds filled but have been unable to reach capacity in our basic care unit. It seems every time the numbers start climbing we have a number of resident that need a higher level of care so they get transferred to skilled nursing. A huge benefit to having a basic care facility is the fact that many of the residents will transfer to the nursing home when the need arises.

2019-2021 Budget Reductions

The budget request limit letter we received from OMB in May 2018 identified that we needed to cut our requested appropriations ten percent or $2,414,553. Of that amount, general funds

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would need to be decreased $595,144 and special funds would need to be decreased $1,819,409. The additional three percent general fund savings package amount that we needed to identify was $178,543.

In sitting down to prepare our budget for the 2019-2021 biennium we struggled with how to cut expenses to meet the Governor's 90 percent budget request. Identifying areas where we can make budget reductions is extremely challenging. We have been good stewards of our money and have made prior reductions to any areas we could. We have consistently turned back general fund dollars each biennium and we have not filled the 4 FTE positions in our budget that could only be filled if our basic care census were to reach near capacity.

Cuts to our budget are difficult since we are a service industry and the majority of our expenses relate to labor and resident care. We are one of the most highly regulated industries and we have very stringent state and federal regulations that we have to meet. It is near impossible to cut staff due to the regulations that govern facility staffing or operating expenses since they relate to the operation of the facility and direct care expenses for the residents. In order to meet the Governor's cuts last biennium we made budget reductions to our capital line item and excluded any extraordinary repairs or large equipment purchases; meaning all cuts for the 2019-2021 biennium would have to come from salaries and wages or operating.

Another stipulation to the Governor's budget was a reduction in FTE by 5%, which equates to 6 FTE for the Veterans Home. Of the 6 FTE that we had to cut, 5.4 FTE came from basic care nursing and the remaining .6 FTE came from eliminating a position in Administration. The basic care positions were vacant and included the 4 FTE that could only be filled if we reached near capacity in the basic care unit and the remaining 1.3 FTE included positions that had been filled but were left open due to the census on basic care. Since we have been experiencing a low census on basic care we closed two of our households and the staff that were working in these households were relocated to work in other areas of the building where we had open positions. Although these positions are currently vacant due to our basic care census we will need them if

our census numbers climb. The 5% reduction in FTE along with a few other minor changes decreased our salaries and wages line by roughly $980,000.

With all of the cuts over the last few bienniums our budget is at a point where we cannot cut anything else without it having an impact on the quality of care we provide to our residents. If our census numbers continue to remain low on basic care we will be able to make some cuts to the line items that are directly dependent upon the number of residents we have, such as food, medications, medical supplies and professional services. If our census numbers climb we will need this funding to provide good, quality care and to meet regulations. The total dollar amount of the cuts we were required to make will not leave us with enough funding to cover our operating costs even if our census remains the same. If our census increases we would be significantly underfunded. As I already mentioned, we are a highly regulated industry. Non-compliance with state or federal regulations could result in a ban on admissions, loss of federal funding or facility closure.

There were a few small cuts we were able to make to various line items that will not have an impact on the quality of care we provide. These cuts include decreasing the funding for equipment under $5,000, decreasing travel and professional service fees in administration, decreasing some supplies for activities and housekeeping and decreasing professional development fees by eliminating tuition reimbursement for employees. However, these cuts were offset by a large increase in our IT expenses. We received a major blow last year when our long time IT consultant was forced to resign from his positions with us. He had been with us for over 12 years and had never raised his fees. We have been working with ITD to figure out the long term solution to our problem and in the meantime we are contracting with Dickey Rural Networks for our IT needs. Unfortunately, this change has resulted in a 75% increase in our IT contractual services.

We felt our only option to reduce our budget was to make cuts to the following line items as the costs associated with them are directly tied to the number of residents we have:

- Food - $437,000
- Medical, dental & optical for the pharmacy (medication costs) - $428,543
  -this includes the additional 3% cut of $178,543
- Medical, dental & optical for nursing (medical supplies) - $60,000
- Professional services (primary medical care, consultants) - $129,000

Not having anywhere else to cut funding, the final cut of $458,027 was made to utilities with hopes that the funding for this line item would be fully restored.

Governor's Recommended Budget vs. our Submitted Budget

The Governor's recommended budget included changes to our salaries and wages and operating line items. There is an increase to the salaries and wages line for the Governor's recommended increases for employee health insurance, retirement, and salary increases. The 6 FTE were also restored to the budget but not funded.

The Governor also restored the following amounts requested in our optional package to our operating line with a total cost of $1,261,570:

- $458,027 for utilities
- $300,000 of the $437,000 cut for food
- $50,000 for medical supplies for nursing
- $453,543 for medications for the pharmacy – **House reduced by $115,000**

Also added to our budget was $25,905 for Microsoft Office 365 software.

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Capital items that were included in our budget request and also in the Governor's executive budget include the following one-time items:

- Whirlpool tub - $23,500
- Commercial dryer for laundry - $20,500
- Dish machines x 3 - $21,900
- Boilerless steamer - $18,500
- Commercial fridge - $9,000
- Broom for Toro - $6,000
- Toolcat - $18,000 – **Removed by House**

Items included in our optional request:

- **$138,700 to replace flooring** in the skilled nursing unit and the main gathering area. The facility will be over 8 years old with the start of the new biennium and the flooring is getting worn and needs replacement. We are proposing to replace a portion of the flooring in the 2019-2021 biennium and the remainder in the following biennium. The Governor did not include the funding in the executive recommendation, however, the House added $100,000 of the $138,700 in special fund appropriation authority.
- **$52,500 for upgrades and additions to our security system**. Due to the rise in violence across the country, the vandalism we have had on our campus and the need to protect our residents and staff, we now lock all entrances into the Veterans Home except for the main entrance which is open from 5 am to 10 pm. The funding we are seeking would provide additional security cameras throughout the campus and would provide increased security controls within the Veterans Home allowing us the ability to lock down the entire facility or just portions of the facility. The Governor did not included in the executive recommendation; the House added the $52,500 in special fund appropriation authority.
- **$25,000 for strategic planning**. With the low census on basic care we feel it is necessary to hire a firm to help us look at the future needs of the Veterans Home, including ways to

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address the low census. Funding was included in the executive recommendation but removed by the House.

- **$25,000 maintenance building roofing** – funding is no longer needed as we are hoping to demolish this building.
- **$5,800 for snowblower** – funding would purchase a high-flow snowblower attachment for our Toolcat. This item was not included in the executive recommendation or by the House.
- **$24,500 for a utility task vehicle** – funding would purchase a UTV with a cab to be used on the 90 acres of property we maintain. The UTV would replace a 2005 Bobcat utility vehicle. This item was not included in the executive recommendation or by the House.

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Another item that was not part of our budget request but addressed in House Appropriations relates to the Administrator's residence. The house is 112 years old and is in very poor condition. In addition to the long list of repairs and upgrades needed, the house also has lead and radon issues. At our governing board meeting on November 5, 2018, the board made a motion to give the Administrator a stipend of $2,000 per month to find his own housing off campus. As most of you are aware, the house has been a topic of discussion for quite a few bienniums now. The House added a section to our bill stating that the stipend must be paid from special funds.

The Administrator's house is currently heated by the old steam boiler system which consists of three boilers located in the maintenance shop across the road. Another benefit to having the Administrator find his own housing is that we no longer need to rely on these boilers as their longevity is also questionable as two of them were installed in 1956 and the other in 1981. Because of this, we are requesting funding to remove the old boilers from the maintenance shop, demolish the Administrator's residence and two small old buildings, a tunnel connecting the house to the maintenance shop and another tunnel that went to the old laundry building. The cost estimate for all this work is $233,450. This item was not included in our budget request as we did not have the information on time. The House added special fund appropriation authority to cover all costs.

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In closing, we strongly urge your support for pay increases this biennium. We used to be the employer of choice in the area but have had a hard time competing with area healthcare facilities as their wages have increased over the last couple of years and ours have not. Last year alone we had 40 employees leave and the leading reason was that they found a new job that paid better. By funding pay increases you will help us be competitive with the large number of healthcare facilities in the area. Lisbon alone has 2 nursing homes, a hospital, 2 assisted living facilities, and 4 medical clinics. There are also 4 skilled nursing facilities, a hospital and 6 more clinics within a 40 mile radius.

We hope that you will support our 2019-2021 budget request and help us to provide the care that our veterans deserve.

Kristin Lunneborg
North Dakota Veterans Home CFO
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klunneborg@nd.gov

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Requested Changes to HB 1007

- Funding for 6 FTE that are included in budget but not funded - $839,040. Includes $483,731 in special funds and $355,309 in general funds. There are new federal regulations going into effect later this year that will require additional staffing hours. If necessary we need to be able to hire staff to ensure we meet the regulations. Also, if the census for basic care increases and we need to open up the closed households again we would need to hire additional staff.

- Add the additional $38,700 requested for flooring. The House included $100,000 of the $138,700 requested to replace the flooring in the skilled nursing wing and the main gathering area.

- Restore the $25,000 for the strategic plan. This item was addressed in the Performance Audit completed by the State Auditor's Office in February 2018. They felt the strategic plan would help us identify ways to most effectively utilize the Veterans Home.

- Add a section to our bill allowing us to transfer $68,000 from our operating line to our capital asset line in the 2017-2019 biennium budget for the increased cost of the nurse call system upgrade.

North Dakota Veterans Home Budget Summary Comparison

Description	Base Budget 2017-2019	Changes to meet Governor's Budget Limits	Submitted Budget	Governor's Changes	Executive Budget Recommendation	House Changes	Current Version
Salaries and Wages	$18,684,490	($982,170)	$17,702,320	$1,218,693	$18,921,013	($210,894)	$18,710,119
Operating Expenses	$5,454,239	($1,542,983)	$3,911,256	$1,312,475	$5,223,731	($140,000)	$5,083,731
Capital Assets	$411,303	$111,830	$523,133	$0	$523,133	$367,950	$891,083
Total Budget	$24,550,032	($2,413,323)	$22,136,709	$2,531,168	$24,667,877	$17,056	$24,684,933
By Funding Source							
General Funds	$5,951,439	($595,144)	$5,356,295	$1,194,017	$6,550,312	($946,028)	$5,604,284
Special Funds	$18,598,593	($1,818,179)	$16,780,414	$1,337,151	$18,117,565	$963,084	$19,080,649
	$24,550,032	($2,413,323)	$22,136,709	$2,531,168	$24,667,877	$17,056	$24,684,933

Summary of the major differences between the Base Budget and the Current Version of HB 1007

Salaries	
Base payroll changes	($144,333.00)
Reduction of 6 FTE	($839,040.00)
Salary and Benefit increases	$1,009,002.00
Operating	
Reduced funding for food	($137,000.00)
Reduced funding for medications	($115,000.00)
Reduced equipment under $5,000	($32,973.00)
Reduce professional services	($192,340.00)
Increase for IT consulting fees	$73,750.00
Capital	
Flooring	$100,000.00
Security upgrades	$52,500.00
Demolition Expenses	$233,450.00
Removed toolcat	($18,000.00)

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19.0195.02002
Title.
Fiscal No. 3

Prepared by the Legislative Council staff for
Senator Dever
April 2, 2019

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1007

Page 1, line 2, remove "and"

Page 1, line 2, after "report" insert "; to provide for a transfer; to provide for an exemption; and to declare an emergency"

Page 1, replace lines 11 through 18 with:

"Salaries and wages	$18,684,490	$530,516	$19,215,006
Operating expenses	5,454,239	(345,508)	5,108,731
Capital assets	411,303	285,030	696,333
Administrator's residence	0	233,450	233,450
Total all funds	$24,550,032	$703,488	$25,253,520
Less estimated income	18,598,593	975,603	19,574,196
Total general fund	$5,951,439	($272,115)	$5,679,324
Full-time equivalent positions	120.72	0.00	120.72"

Page 2, replace lines 1 through 9 with:

"Equipment	$44,500	$99,400
Health information exchange software	15,000	0
Nurse call system upgrade	82,500	0
Strategic plan	0	25,000
Flooring project	0	138,700
Administrator's residence demolition	0	233,450
Security system upgrades	0	52,500
Total all funds	$142,000	$549,050
Less estimated income	142,000	524,050
Total general fund	$0	$25,000"

Page 2, line 20, replace "$485,350" with "$524,050"

Page 2, line 21, replace "$100,000" with "$138,700"

Page 2, after line 23, insert:

"**SECTION 5. EXEMPTION - LINE ITEM TRANSFER - 2017-19 BIENNIUM - NURSE CALL SYSTEM UPGRADE.** Notwithstanding section 54-16-04, at the request of the veterans' home administrator during the 2017-19 biennium, the office of management and budget shall transfer the sum of $68,000 of estimated income from the soldiers' home fund from the operating expenses line item to the capital assets line item of the veterans' home for the purpose of the nurse call system upgrade authorized by the 2017 legislative assembly. The $68,000 of funding transferred in this section and the $82,500 from the soldiers' home fund appropriated in section 1 of chapter 32 of the 2017 Session Laws for the nurse call system upgrade, for a total of $150,500, are not subject to section 54-44.1-11 and any unexpended funds are available for the nurse call system upgrade during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 6. EMERGENCY. Section 5 of this Act is declared to be an emergency measure."

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Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1007 - Veterans' Home - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	$18,684,490	$18,710,119	$504,887	$19,215,006
Operating expenses	5,454,239	5,083,731	25,000	5,108,731
Capital assets	411,303	657,633	38,700	696,333
Administrator's residence		233,450		233,450
Total all funds	$24,550,032	$24,684,933	$568,587	$25,253,520
Less estimated income	18,598,593	19,080,649	493,547	19,574,196
General fund	$5,951,439	$5,604,284	$75,040	$5,679,324
FTE	120.72	120.72	0.00	120.72

Department 313 - Veterans' Home - Detail of Senate Changes

	Adjusts Funding for Salary and Benefit Increases[1]	Restores Funding for 2 FTE Positions[2]	Adds One-Time Funding for a Strategic Plan[3]	Adds One-Time Funding for a Flooring Project[4]	Total Senate Changes
Salaries and wages	$215,804	$289,083			$504,887
Operating expenses			$25,000		25,000
Capital assets				$38,700	38,700
Administrator's residence					
Total all funds	$215,804	$289,083	$25,000	$38,700	$568,587
Less estimated income	165,764	289,083	0	38,700	493,547
General fund	$50,040	$0	$25,000	$0	$75,040
FTE	0.00	0.00	0.00	0.00	0.00

[1] Funding of $215,804, of which $50,040 is from the general fund and $165,764 is from other funds, is added for 2019-21 biennium salary adjustments of 2 percent with a minimum monthly increase of $120 and a maximum monthly increase of $200 on July 1, 2019, and 2.5 percent on July 1, 2020, to provide total salary increases of $564,418, of which $134,514 is from the general fund and $429,904 is from other funds, during the 2019-21 biennium. The House approved salary adjustments of 2 percent per year to provide total salary increases of $348,614, of which $84,474 is from the general fund and $264,140 is from other funds.

[2] Funding of $289,083 is added from the soldiers' home fund for a 0.90 FTE licensed practical nurse position, a 0.60 FTE resident living specialist position, and a 0.50 FTE resident living specialist position, which were unfunded by the House. Of this amount, $13,386 relates to increases in health insurance premiums from $1,241 to $1,427 per month. Of the remaining $275,697 of funding restored for the positions, $134,230 is for a 0.90 FTE licensed practical nurse position, which was funded from the general fund during the 2017-19 biennium. The House removed $839,040 of funding for 6.00 FTE positions, of which $355,309 was from the general fund and $483,731 was from the soldiers' home fund.

[3] One-time funding of $25,000 is added from the general fund for a strategic plan. The House did not provide funding for a strategic plan.

[4] One-time funding of $38,700 is added from the soldiers' home fund for a flooring project in the skilled nursing areas of the Veterans' Home to provide a total of $138,700 for the project. The House provided total funding of $100,000 from the soldiers' home fund.

This amendment also:

- Amends a section to update the total one-time funding appropriated from the soldiers' home fund from $485,350 to $524,050.
- Adds a section authorizing a line item transfer of $68,000 of soldiers' home funds from the operating expenses line item to the capital assets line item during the 2017-19 biennium for the nurse call system upgrade. The $68,000 transfer is in addition to the $82,500 of one-time funding from the soldiers' home fund appropriated by the 2017 Legislative Assembly for the upgrade. The section also provides an exemption to allow the Veterans'

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Home to continue the entire $150,500 for the nurse call system upgrade into the 2019-21 biennium. This section is declared an emergency measure.

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Veterans' Home - Budget No. 313
House Bill No. 1007
Base Level Funding Changes

	House Version				Senate Version				Senate Changes to House Version Increase (Decrease) - House Version			
	FTE Position	General Fund	Other Funds	Total	FTE Position	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2019-21 Biennium Base Level	120.72	$5,951,439	$18,598,593	$24,550,032	120.72	$5,951,439	$18,598,593	$24,550,032	0.00	$0	$0	$0
2019-21 Ongoing Funding Changes												
Base payroll changes		($239,433)	$95,100	($144,333)		($239,433)	$95,100	($144,333)				$0
Salary increase		84,474	264,140	348,614		134,514	429,904	564,418		50,040	165,764	215,804
Health insurance increase		160,020	500,368	660,388		160,020	513,754	673,774			13,386	13,386
Unfund 6.00 FTE positions		(355,309)	(483,731)	(839,040)		(355,309)	(483,731)	(839,040)				0
Add funding for information technology contractual services			73,750	73,750			73,750	73,750				0
Reduce funding for professional services		(500)	(88,600)	(89,100)		(500)	(88,600)	(89,100)				0
Reduce funding for travel			(5,000)	(5,000)			(5,000)	(5,000)				0
Add funding for information technology software supplies			15,450	15,450			15,450	15,450				0
Reduce funding for food and clothing			(137,000)	(137,000)			(137,000)	(137,000)				0
Reduce funding for equipment under $5,000		(552)	(32,421)	(32,973)		(552)	(32,421)	(32,973)				0
Reduce funding for nursing professional service fees			(31,200)	(31,200)			(31,200)	(31,200)				0
Reduce funding for social services professional service fees			(13,800)	(13,800)			(13,800)	(13,800)				0
Reduce funding for other professional service fees			(58,240)	(58,240)			(58,240)	(58,240)				0
Add funding for medical, dental, and optical expenses			(100,000)	(100,000)			(100,000)	(100,000)				0
Reduce funding for dues and professional development			(11,500)	(11,500)			(11,500)	(11,500)				0
Reduce funding for professional supplies			(6,800)	(6,800)			(6,800)	(6,800)				0
Add funding for Microsoft Office 365 licensing expenses		4,145	21,760	25,905		4,145	21,760	25,905				0
Adjust funding for bonds and interest			1,230	1,230			1,230	1,230				0
Reduce funding for capital assets			(6,800)	(6,800)			(6,800)	(6,800)				0
Restores funding for 2.00 FTE positions				0			275,697	275,697			275,697	275,697
Total ongoing funding changes	0.00	($347,155)	($3,294)	($350,449)	0.00	($297,115)	$451,553	$154,438	0.00	$50,040	$454,847	$504,887
One-time funding items												
Add funding for equipment			$99,400	$99,400			99,400	99,400				0
Add funding for a strategic plan				0		25,000		25,000		25,000		25,000
Add funding for a Veterans' Home flooring project			100,000	100,000			138,700	138,700			38,700	38,700
Add funding for the demolition of the administrator's residence			233,450	233,450			233,450	233,450				0
Add funding for security system upgrades			52,500	52,500			52,500	52,500				0
Total one-time funding changes	0.00	$0	$485,350	$485,350	0.00	$25,000	$524,050	$549,050	0.00	$25,000	$38,700	$63,700
Total Changes to Base Level Funding	0.00	($347,155)	$482,056	$134,901	0.00	($272,115)	$975,603	$703,488	0.00	$75,040	$493,547	$568,587
2019-21 Total Funding	120.72	$5,604,284	$19,080,649	$24,684,933	120.72	$5,679,324	$19,574,196	$25,253,520	0.00	$75,040	$493,547	$568,587

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Other Sections for Veterans' Home - Budget No. 313

	House Version	Senate Version
Administrator housing stipend	Section 3 identifies $48,000 in the operating expenses line item for a $2,000 per month housing stipend to be provided to the Veterans' Home administrator for housing costs off of the Veterans' Home campus.	Section 3 identifies $48,000 in the operating expenses line item for a $2,000 per month housing stipend to be provided to the Veterans' Home administrator for housing costs off of the Veterans' Home campus.
Soldiers' home fund	Section 4 identifies $485,350 of one-time funding from the soldiers' home fund, of which $99,400 is for equipment, $100,000 is for a flooring project, $233,450 is for the demolition of the administrator's residence, and $52,500 is for security system upgrades.	Section 4 identifies $524,050 of one-time funding from the soldiers' home fund, of which $99,400 is for equipment, $138,700 is for a flooring project, $233,450 is for the demolition of the administrator's residence, and $52,500 is for security system upgrades.
2017-19 biennium line item transfer - Nurse call system upgrade - Exemption		Section 5 transfers $68,000 of soldiers home funds from the operating expenses line item to the capital assets line item during the 2017-19 biennium for the nurse call system upgrade. The $68,000 transfer is in addition to the $82,500 of one-time funding from the soldiers home fund appropriated by the 2017 Legislative Assembly for the upgrade. Section 5 also provides an exemption to allow the Veterans' Home to continue the entire $150,500 for the nurse call system upgrade into the 2019-21 biennium. Section 6 provides an emergency clause related to section 5

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STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1007 - Funding Summary

	Base Budget	House Version	Senate Changes	Senate Version
Veterans' Home				
Salaries and wages	$18,684,490	$18,710,119	$504,887	$19,215,006
Operating expenses	5,454,239	5,083,731	25,000	5,108,731
Capital assets	411,303	657,633	38,700	696,333
Administrator's residence		233,450		233,450
Total all funds	$24,550,032	$24,684,933	$568,587	$25,253,520
Less estimated income	18,598,593	19,080,649	493,547	19,574,196
General fund	$5,951,439	$5,604,284	$75,040	$5,679,324
FTE	120.72	120.72	0.00	120.72
Bill total				
Total all funds	$24,550,032	$24,684,933	$568,587	$25,253,520
Less estimated income	18,598,593	19,080,649	493,547	19,574,196
General fund	$5,951,439	$5,604,284	$75,040	$5,679,324
FTE	120.72	120.72	0.00	120.72

House Bill No. 1007 - Veterans' Home - House Action

	Base Budget	House Changes	House Version
Salaries and wages	$18,684,490	$25,629	$18,710,119
Operating expenses	5,454,239	(370,508)	5,083,731
Capital assets	411,303	246,330	657,633
Administrator's residence		233,450	233,450
Total all funds	$24,550,032	$134,901	$24,684,933
Less estimated income	18,598,593	482,056	19,080,649
General fund	$5,951,439	($347,155)	$5,604,284
FTE	120.72	0.00	120.72

Department 313 - Veterans' Home - Detail of House Changes

	Adjusts Funding for Base Payroll Changes[1]	Adds Funding for Salary and Benefit Increases[2]	Unfunds 6.00 FTE positions[3]	Adjusts Base Level Funding[4]	Adds One-Time Funding for Equipment[5]	Adds One-Time Funding for a Veterans' Home Flooring Project[6]
Salaries and wages	($144,333)	$1,009,002	($839,040)			
Operating expenses				($370,508)		
Capital assets				(5,570)	$99,400	$100,000
Administrator's residence						
Total all funds	($144,333)	$1,009,002	($839,040)	($376,078)	$99,400	$100,000
Less estimated income	95,100	764,508	(483,731)	(379,171)	99,400	100,000
General fund	($239,433)	$244,494	($355,309)	$3,093	$0	$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

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	Adds Funding for the Demolition of the Administrator's Residence[7]	Adds One-Time Funding for Security System Upgrades[8]	Total House Changes
Salaries and wages			$25,629
Operating expenses			(370,508)
Capital assets		$52,500	246,330
Administrator's residence	$233,450		233,450
Total all funds	$233,450	$52,500	$134,901
Less estimated income	233,450	52,500	482,056
General fund	$0	$0	($347,155)
FTE	0.00	0.00	0.00

[1] Funding is adjusted for base payroll changes.

[2] The following funding is added for 2019-21 biennium salary adjustments of 2 percent per year and increases in health insurance premiums from $1,241 to $1,427 per month:

	General Fund	Other Funds	Total
Salary increase	$84,474	$264,140	$348,614
Healh insurance increase	160,020	500,368	660,388
Total	$244,494	$764,508	$1,009,002

[3] Funding is removed for 6.00 FTE positions, including 1.90 FTE licensed practical nurse II positions and 4.10 FTE residential living specialist positions.

[4] Base level funding is adjusted as follows:

	General Fund	Other Funds	Total
Adds funding for information technology contractual services		$73,750	$73,750
Reduces funding for professional services	($500)	(88,600)	(89,100)
Reduces funding for travel		(5,000)	(5,000)
Adds funding for information technology software supplies		15,450	15,450
Reduces funding for food and clothing		(137,000)	(137,000)
Reduces funding for equipment under $5,000	(552)	(32,421)	(32,973)
Reduces funding for nursing professional service fees		(31,200)	(31,200)
Reduces funding for social services professional service fees		(13,800)	(13,800)
Reduces funding for other professional service fees		(58,240)	(58,240)
Reduces funding for medical, dental, and optical expenses		(100,000)	(100,000)
Reduces funding for dues and professional development		(11,500)	(11,500)
Reduces funding for professional supplies		(6,800)	(6,800)
Adds funding for Microsoft Office 365 licenses	4,145	21,760	25,905
Adjusts funding for bonds and interest		1,230	1,230
Reduces funding for capital assets		(6,800)	(6,800)
Total	$3,093	($379,171)	($376,078)

[5] One-time funding is added from the soldiers' home fund for equipment, including a boilerless steamer ($18,500), dish machines ($21,900), a commercial refrigerator ($9,000), a Toro broom ($6,000), dryers ($20,500), and a Whirlpool tub ($23,500).

[6] One-time funding is added from the soldiers' home fund for a flooring project in the skilled nursing areas of the Veterans' Home.

[7] One-time funding is added from the soldiers' home fund for the demolition of the administrator's residence, including demolishing the house, driveway, and two underground tunnels.

[8] One-time funding is added from the soldiers' home fund for security system upgrades to provide additional security cameras for the Veterans' Home.

Sections are added identifying the funding appropriated from the soldiers' home fund for specific purposes.

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House Bill No. 1007 - Veterans' Home - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	$18,684,490	$18,710,119	$504,887	$19,215,006
Operating expenses	5,454,239	5,083,731	25,000	5,108,731
Capital assets	411,303	657,633	38,700	696,333
Administrator's residence		233,450		233,450
Total all funds	$24,550,032	$24,684,933	$568,587	$25,253,520
Less estimated income	18,598,593	19,080,649	493,547	19,574,196
General fund	$5,951,439	$5,604,284	$75,040	$5,679,324
FTE	120.72	120.72	0.00	120.72

Department 313 - Veterans' Home - Detail of Senate Changes

	Adjusts Funding for Salary and Benefit Increases[1]	Restores Funding for 2 FTE Positions[2]	Adds One-Time Funding for a Strategic Plan[3]	Adds One-Time Funding for a Flooring Project[4]	Total Senate Changes
Salaries and wages	$215,804	$289,083			$504,887
Operating expenses			$25,000		25,000
Capital assets				$38,700	38,700
Administrator's residence					
Total all funds	$215,804	$289,083	$25,000	$38,700	$568,587
Less estimated income	165,764	289,083	0	38,700	493,547
General fund	$50,040	$0	$25,000	$0	$75,040
FTE	0.00	0.00	0.00	0.00	0.00

[1] Funding of $215,804, of which $50,040 is from the general fund and $165,764 is from other funds, is added for 2019-21 biennium salary adjustments of 2 percent with a minimum monthly increase of $120 and a maximum monthly increase of $200 on July 1, 2019, and 2.5 percent on July 1, 2020, to provide total salary increases of $564,418, of which $134,514 is from the general fund and $429,904 is from other funds, during the 2019-21 biennium. The House approved salary adjustments of 2 percent per year to provide total salary increases of $348,614, of which $84,474 is from the general fund and $264,140 is from other funds.

[2] Funding of $289,083 is added from the soldiers' home fund for a 0.90 FTE licensed practical nurse position, a 0.60 FTE resident living specialist position, and a 0.50 FTE resident living specialist position, which were unfunded by the House. Of this amount, $13,386 relates to increases in health insurance premiums from $1,241 to $1,427 per month. Of the remaining $275,697 of funding restored for the positions, $134,230 is for a 0.90 FTE licensed practical nurse position, which was funded from the general fund during the 2017-19 biennium. The House removed $839,040 of funding for 6.00 FTE positions, of which $355,309 was from the general fund and $483,731 was from the soldiers' home fund.

[3] One-time funding of $25,000 is added from the general fund for a strategic plan. The House did not provide funding for a strategic plan.

[4] One-time funding of $38,700 is added from the soldiers' home fund for a flooring project in the skilled nursing areas of the Veterans' Home to provide a total of $138,700 for the project. The House provided total funding of $100,000 from the soldiers' home fund.

This amendment also:

- Amends a section to update the total one-time funding appropriated from the soldiers' home fund from $485,350 to $524,050.
- Adds a section authorizing a line item transfer of $68,000 of soldiers' home funds from the operating expenses line item to the capital assets line item during the 2017-19 biennium for the nurse call system upgrade. The $68,000 transfer is in addition to the $82,500 of one-time funding from the soldiers' home fund appropriated by the 2017 Legislative Assembly for the upgrade. The section also provides an exemption to allow the Veterans' Home to continue the entire $150,500 for the nurse call system upgrade into the 2019-21 biennium. This section is declared an emergency measure.

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Title.

Prepared by the Legislative Council staff for
Senator Mathern
April 15, 2019

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1007

That the House accede to the Senate amendments as printed on pages 766-769 of the House Journal and pages 1277-1279 of the Senate Journal and that House Bill No. 1007 be further amended as follows:

Page 1, line 2, after "and" insert "to create and enact section 37-15-02.1 of the North Dakota Century Code, relating to the uses of veterans' home facilities;"

Page 2, after line 23, insert:

SECTION 6. Section 37-15-02.1 of the North Dakota Century Code is created and enacted as follows:

37-15-02.1. Other uses of veterans' home facilities - Report to legislative management.

In addition to the purposes identified in section 37-15-02, the administrator of the veterans' home, as approved by the administrative committee on veterans' affairs, may use the veterans' home facilities and grounds for other revenue generating activities. Any revenue received under this section must be deposited in the veterans' home operating fund. The veterans' home shall report biennially to the legislative management on the status of any revenue generating activities conducted on the veterans' home facilities and grounds under this section.

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment adds a section to authorize the Veterans' Home to use Veterans' Home facilities and grounds for other revenue generating activities.