

2023 HOUSE APPROPRIATIONS

HB 1007

Department 313 - Veterans' Home
House Bill No. 1007

Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
2023-25 Executive Budget	\$6,239,014	\$22,357,242	\$28,596,256
2023-25 Base Level	5,780,643	19,375,840	25,156,483
Increase (Decrease)	\$458,371	\$2,981,402	\$3,439,773

Selected Budget Changes Recommended in the Executive Budget

	General Fund	Other Funds	Total
1. Adds funding for state employee salary and benefit increases of which \$1,030,053 is for salary increases and \$565,838 is for health insurance increases	\$352,371	\$1,243,520	\$1,595,891
2. Adds funding to reclassify an FTE licensed practical nurse (LPN) position to an FTE registered nurse (RN) position	\$15,000	\$0	\$15,000
3. Adds funding to increase salaries of shift differential staff	\$35,000	\$0	\$35,000
4. Adds funding for building repairs	\$30,000	\$0	\$30,000
5. Adds funding for resident food costs	\$26,000	\$0	\$26,000
6. Adds one-time funding from the Melvin Norgard memorial fund for a metal building with indoor parking spaces on the main level and storage spaces on the second level. Parking spaces and storage spaces would be available for rent to pay for ongoing maintenance of the building, which is estimated to be \$12,000 during the 2025-27 biennium and \$14,000 during the 2027-29 biennium.	\$0	\$750,000	\$750,000
7. Adds one-time funding from the strategic investment and improvements fund to mill, patch, and chip seal parking lots and roads on the Veterans' Home campus	\$0	\$750,000	\$750,000
8. Adds one-time funding from the soldiers' home fund for bed extenders and mattresses (\$11,950), refrigerators (\$4,900), a compact tractor (\$45,000), a utility task vehicle (\$30,000), commercial roll-in coolers (\$23,400), and blanket warmers for residents (\$10,500)	\$0	\$125,750	\$125,750

A summary of the executive budget changes to the agency's base level appropriations is attached as an appendix.

A copy of the draft appropriations bill containing the executive budget recommendations is attached as an appendix.

Selected Bill Sections Recommended in the Executive Budget

Strategic investment and improvements fund - Section 3 would identify \$750,000 in the estimated income line item in Section 1 is from the strategic investment and improvements fund for parking lot and road repairs.

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 Appropriations

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, 2021, identified no significant audit findings.

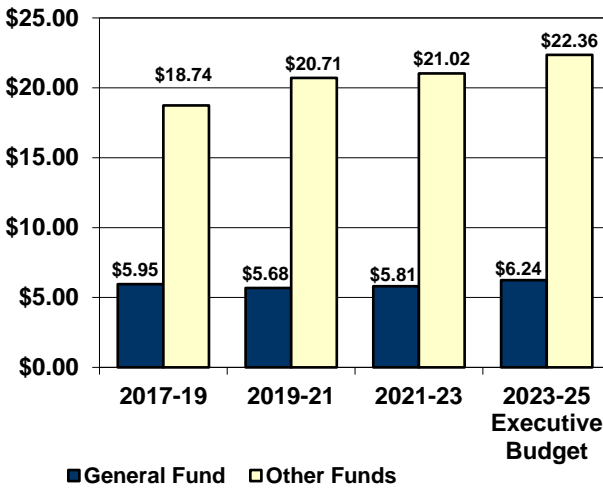
Major Related Legislation

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

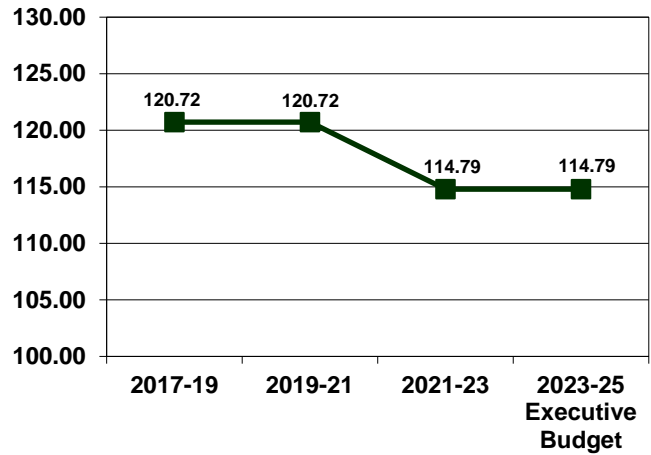
Historical Appropriations Information

Agency Appropriations and FTE Positions

Agency Funding (Millions)



FTE Positions



Ongoing General Fund Appropriations

	2015-17	2017-19	2019-21	2021-23	2023-25 Executive Budget
Ongoing general fund appropriations	\$8,128,024	\$5,951,439	\$5,654,324	\$5,780,643	\$6,239,014
Increase (decrease) from previous biennium	N/A	(\$2,176,585)	(\$297,115)	\$126,319	\$458,371
Percentage increase (decrease) from previous biennium	N/A	(26.8%)	(5.0%)	2.2%	7.9%
Cumulative percentage increase (decrease) from 2015-17 biennium	N/A	(26.8%)	(30.4%)	(28.9%)	(23.2%)

Major Increases (Decreases) in Ongoing General Fund Appropriations

2017-19 Biennium

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

2019-21 Biennium

- Unfunded 6 FTE positions, of which \$355,309 is from the general fund and \$483,731 is from the soldiers' home fund (\$355,309)

2021-23 Biennium

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

2023-25 Biennium (Executive Budget Recommendation)

- Adds funding to reclassify an FTE LPN position to an FTE RN position \$15,000
- Adds funding to increase salaries of shift differential staff \$35,000

- 3. Adds funding for building repairs \$30,000
- 4. Adds funding for resident food costs \$26,000

One-Time General Fund Appropriations

	2015-17	2017-19	2019-21	2021-23	2023-25 Executive Budget
One-time general fund appropriations	\$0	\$0	\$25,000	\$25,000	\$0

Major One-Time General Fund Appropriations

2017-19 Biennium

None \$0

2019-21 Biennium

Strategic plan \$25,000

2021-23 Biennium

Resident absences \$25,000

2023-25 Biennium (Executive Budget Recommendation)

None \$0

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

	Executive Budget Recommendation			
	FTE Positions	General Fund	Other Funds	Total
2023-25 Biennium Base Level	114.79	\$5,780,643	\$19,375,840	\$25,156,483
2023-25 Ongoing Funding Changes				
Adds funding for the cost to continue salary increases			\$96,159	\$96,159
Salary increase		\$264,409	765,644	1,030,053
Health insurance increase		87,962	477,876	565,838
Adds funding to reclassify an FTE LPN position to an FTE RN position		15,000		15,000
Adds funding to increase salaries of shift differential staff		35,000		35,000
Adds funding for IT rate increases			7,492	7,492
Adds funding for increasing laundry supply costs			8,500	8,500
Adds funding for building repairs		30,000		30,000
Adds funding for resident food costs		26,000		26,000
Adjusts funding for bond and interest payments			(19)	(19)
Total ongoing funding changes	0.00	\$458,371	\$1,355,652	\$1,814,023
One-time funding items				
Adds funding for a building with rentable indoor parking and storage			\$750,000	\$750,000
Adds funding to mill, patch, and chip seal parking lots and roads			750,000	750,000
Adds funding for bed extenders and mattresses			11,950	11,950
Adds funding to replace refrigerators			4,900	4,900
Adds funding to replace a compact tractor			45,000	45,000
Adds funding to replace a utility task vehicle			30,000	30,000
Adds funding to replace commercial roll-in coolers			23,400	23,400
Adds funding for blanket warmers for residents			10,500	10,500
Total one-time funding changes	0.00	\$0	\$1,625,750	\$1,625,750
Total Changes to Base Level Funding	0.00	\$458,371	\$2,981,402	\$3,439,773
2023-25 Total Funding	114.79	\$6,239,014	\$22,357,242	\$28,596,256
<i>Federal funds included in other funds</i>			\$0	
<i>Total ongoing changes as a percentage of base level</i>	0.0%	7.9%	7.0%	7.2%
<i>Total changes as a percentage of base level</i>	0.0%	7.9%	15.4%	13.7%

Other Sections in Veterans' Home - Budget No. 313

Estimated income - Strategic investment and improvements fund

	Executive Budget Recommendation
Section 3 would identify \$750,000 in the estimated income line item in Section 1 is from the strategic investment and improvements fund for parking lot and road repairs.	

HOUSE BILL NO. 1007
(Governor's Recommendation)

Introduced by

Appropriations Committee

(At the request of the Governor)

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

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the veterans' home for the purpose of defraying the expenses of the veterans' home, for the biennium beginning July 1, 2023 and ending June 30, 2025, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and Wages	\$19,209,879	\$1,749,542	\$20,959,421
Operating Expenses	5,539,333	81,350	5,620,683
Capital Assets	<u>407,271</u>	<u>1,608,881</u>	<u>2,016,152</u>
Total All Funds	\$25,156,483	\$3,439,773	\$28,596,256
Less Estimated Income	<u>19,375,840</u>	<u>2,981,402</u>	<u>22,357,242</u>
Total General Fund	\$ 5,780,643	\$ 458,371	\$ 6,239,014
Full-time Equivalent Positions	114.79	0.00	114.79

SECTION 2. ONE-TIME FUNDING. The following amounts reflect the one-time funding items approved by the sixty-seventh legislative assembly for the 2021-23 biennium and the 2023-25 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2021-23</u>	<u>2023-25</u>
Equipment	\$ 16,700	\$ 125,750
Thermostat Replacements	131,500	0
Resident Absences	25,000	0
Memorial Garden Project	200,000	0
Parking Lot and Road Repairs	0	750,000
Resident Garages and Storage Units	<u>0</u>	<u>750,000</u>
Total All Funds	\$373,200	\$1,625,750
Less Estimated Income	<u>348,200</u>	<u>1,625,750</u>
Total General Fund	\$ 25,000	\$0

SECTION 3. ESTIMATED INCOME - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. The estimated income and the capital assets line items in section 1 of this Act include the sum of \$750,000 from the strategic investment and improvements fund for parking lot and road repairs.

2023 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Human Resources Division Harvest Room, State Capitol

HB 1007
1/12/2023

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

8:30 AM Chairman J. Nelson called the meeting to order.

Roll call was taken. Representatives Nelson, Stemen, B. Anderson, Kreidt, Mitskog, O'Brien, Schobinger, Striden were present.

Discussion Topics:

- Accomplishments/Challenges
- Goals
- Budget forecast

Kristin Lunneborg, Chief Financial Officer of the North Dakota Veterans Home presented an overview of the Veterans Home (Testimony # 16815).

10:25 AM Chairman J. Nelson, closed the meeting.

Jan Kamphuis, Committee Clerk

2023 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Human Resources Division Harvest Room, State Capitol

HB 1007
1/24/2023

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

2:42 PM Chairman J. Nelson, called the meeting to order.

Roll call was taken. Chairman J. Nelson, Vice Chairman Stemen, Representative B.Anderson, Kreidt, Mitskog, O'Brien, Schobinger and Strinden were present.

Discussion Topics:

- Budget detail
- Eide Bailey recommendations

Kristen Lunneborg, Chief Financial Officer, ND Veterans' Home spoke in favor HB 1007 (Testimony #16675).

Mark Johnson, Administrator of the North Dakota Veterans' Home spoke in favor of HB 1007 (Testimony #16460, 16688).

4:10 PM Chairman J. Nelson closed the meeting.

Jan Kamphuis, Committee Clerk

2023 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Human Resources Division Harvest Room, State Capitol

HB 1007
2/7/2023

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

10:07 AM Chairman Nelson opened the meeting.

Roll call was taken. Representatives Nelson, Stemen, B. Anderson, Kreidt, Mitskog, O'Brien, Schobinger, Strinden were present.

Discussion Topics:

- Committee action

Levi Kinnischtzke, Senior Fiscal Analyst, Legislative Council (# 19613).

Representative Kreidt moved that funding for the cost to continue salary increases be moved over, seconded by **Representative Anderson**.

Voice Vote: motion carried.

Representative Stemen moved to bring salary increases based on 4 and 4 over, seconded by **Representative Anderson**.

Voice Vote: motion carried.

Representative Anderson moved to pass the health insurance increases, seconded by **Representative Stemen**.

Voice Vote: motion carried.

Representative Stemen moved to reclassify LPN FTE to an RN FTE position be moved over, seconded by **Representative Kreidt**.

Voice Vote: motion carried.

Representative Kreidt moved to accept the increase salaries of the shift differential staff be moved over, seconded by **Representative Schobinger**.

Voice Vote: motion carried.

Representative Stemen moved that IT rate increases be moved over, seconded by **Representative Anderson**.

Voice Vote: motion carried.

Representative Kreidt moved that increases for laundry supply costs be moved over, seconded by **Representative Stemen**.

Voice Vote: motion carried.

Representative Strinden moved to bring building repairs over, seconded by **Representative Stemen**.

Voice Vote: motion carried.

Representative Anderson moved to add funding for resident food cost, seconded by **Representative Stemen**.

Voice Vote: motion carried.

Representative Stemen moved to adjust funding for bond and interest payments be moved over, seconded by **Representative Kreidt**.

Voice Vote: motion carried.

Representative Kreidt moved the one-time funding for a building with rentable indoor parking and storage be moved over, seconded by **Representative Mitskog**.

Voice Vote: motion carried.

Representative Stemen moved the funding be brought over for mill, patch, chip seal parking lots and roads, seconded by **Representative Anderson**.

Representative Stemen withdraws his motion.

Representative Kreidt proposes a new motion that would decrease the funding from \$750,00 to \$600,000, for the road repairs, seconded by **Representative Strinden**.

Voice Vote: motion carried.

Representative Anderson moved the one-time funding for bed extenders and mattresses be moved over, seconded by **Representative Stemen**.

Voice Vote: motion carried.

Representative Strinden moved to replace refrigerators be moved over, seconded by **Representative O'Brien**.

Voice Vote: motion carried.

Representative Anderson moved to replace a compact tractor be moved over, seconded by **Representative Mitskog**.

Voice Vote: motion carried.

Representative Stemen moved to replace utility task vehicle, seconded by Representative **Anderson**.

Voice Vote: motion carried.

Representative Anderson moved to replace commercial roll in coolers seconded by, **Representative Schobinger**.

Voice Vote motion carried.

Representative Stemen moved the one-time funding for blanket warmers for the residents be moved over, seconded by **Representative O'Brien**.

Voice Vote: motion carried.

Representative Kreidt moved to move Section 3 over, seconded by Representative **Anderson**.

Voice Vote: motion carried.

Representative Stemen moved one-time funding of thermostat replacement using ARPA funding, seconded by **Representative Anderson**.

Voice Vote: motion carried.

Committee discussion.

Additional written testimony: Kristin Lunneborg, CFO, North Dakota Veterans' Home (#20866).

11: 04 AM Chairman J. Nelson, closed the meeting.

Jan Kamphuis, Committee Clerk

2023 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Human Resources Division Harvest Room, State Capitol

HB 1007
2/9/2023

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

10:36 AM Chairman J. Nelson, called the meeting to order.

Roll call was taken. Chairman J. Nelson, Vice Chairman Stemen, Representatives B.Anderson, Kreidt, Mitskog, O'Brien, Shobinger and Strinden were present.

Discussion Topics:

- Committee Action

Levi Kinnischtzke, Senior Fiscal Analyst, Legislative Council, proposed amendment (#20330).

Representative Kreidt move to adopt the amendment (#20330) seconded by **Representative Anderson**.

Roll Call vote taken:

Representatives	Vote
Representative Jon O. Nelson	Y
Representative Greg Stemen	Y
Representative Bert Anderson	Y
Representative Gary Kreidt	Y
Representative Alisa Mitskog	Y
Representative Emily O'Brien	Y
Representative Randy A. Schobinger	Y
Representative Michelle Strinden	Y

Motion carried, 8-0-0.

Representative Kreidt moved a do pass as amended seconded by **Representative Stemen**

Roll Call vote taken:

Representatives	Vote
Representative Jon O. Nelson	Y
Representative Greg Stemen	Y
Representative Bert Anderson	Y
Representative Gary Kreidt	Y
Representative Alisa Mitskog	Y
Representative Emily O'Brien	Y
Representative Randy A. Schobinger	Y
Representative Michelle Strinden	Y

Motion carried, 8-0-0.

Representative Kreidt to carry.

Committee discussion.

11:00 AM Chairman Nelson closed the meeting

Jan Kamphuis, Committee Clerk

2023 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee Brynhild Haugland Room, State Capitol

HB 1007
2/15/2023

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

11:27 AM Chairman Vigesaa- Meeting was called to order and roll call was taken:

Members present; Chairman Vigesaa, Representative B. Anderson, Representative Brandenburg, Representative Hanson, Representative Kreidt, Representative Martinson, Representative Mitskog, Representative Meier, Representative Mock, Representative Monson, Representative Nathe, Representative J. Nelson, Representative O'Brien, Representative Pyle, Representative Richter, Representative Sanford, Representative Schatz, Representative Schobinger, Representative Strinden, Representative G. Stemen and Representative Swiontek.

Members not Present- Representative Bellew and Representative Kempenich

Discussion Topics:

- Amendment

Representative Kreidt Gives Statement of purpose and amendment 23.0236.01001 (Testimony #20896)

Representative Kreidt Move to adopt the amendment.

Representative J. Nelson Seconds the motion.

Committee discussion- Roll call vote

Representatives	Vote
Representative Don Vigesaa	Y
Representative Keith Kempenich	A
Representative Bert Anderson	Y
Representative Larry Bellew	A
Representative Mike Brandenburg	Y
Representative Karla Rose Hanson	Y
Representative Gary Kreidt	Y
Representative Bob Martinson	Y
Representative Lisa Meier	Y
Representative Alisa Mitskog	Y
Representative Corey Mock	Y
Representative David Monson	Y
Representative Mike Nathe	Y
Representative Jon O. Nelson	Y

Representative Emily O'Brien	Y
Representative Brandy Pyle	Y
Representative David Richter	Y
Representative Mark Sanford	Y
Representative Mike Schatz	Y
Representative Randy A. Schobinger	Y
Representative Greg Stemen	Y
Representative Michelle Strinden	Y
Representative Steve Swiontek	Y

Motion Carries 21-0-2

Representative Kreidt Move for a Do Pass as Amended

Representative J. Stemen Seconds the motion.

Committee discussion- Roll call vote

Representatives	Vote
Representative Don Vigesaa	Y
Representative Keith Kempenich	A
Representative Bert Anderson	Y
Representative Larry Bellew	A
Representative Mike Brandenburg	Y
Representative Karla Rose Hanson	Y
Representative Gary Kreidt	Y
Representative Bob Martinson	Y
Representative Lisa Meier	Y
Representative Alisa Mitskog	Y
Representative Corey Mock	Y
Representative David Monson	Y
Representative Mike Nathe	Y
Representative Jon O. Nelson	Y
Representative Emily O'Brien	Y
Representative Brandy Pyle	Y
Representative David Richter	Y
Representative Mark Sanford	Y
Representative Mike Schatz	Y
Representative Randy A. Schobinger	Y
Representative Greg Stemen	Y
Representative Michelle Strinden	Y
Representative Steve Swiontek	Y

Motion Carries 21-0-2 Representative Kreidt will carry the bill.

Chairman Vigesaa Closed the meeting for HB 1011 @ 11:42 AM

Risa Berube, Committee Clerk

2-15-23

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:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$19,209,879	\$1,498,866	\$20,708,745
Operating expenses	5,539,333	88,842	5,628,175
Capital assets	407,271	1,787,811	2,195,082
Total all funds	\$25,156,483	\$3,375,519	\$28,532,002
Less estimated income	19,375,840	2,981,886	22,357,726
Total general fund	\$5,780,643	\$393,633	\$6,174,276
Full-time equivalent positions	114.79	0.00	114.79"

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

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

Page 1, remove lines 20 through 24

Page 2, replace lines 1 through 3 with:

"Indoor parking and storage	\$0	\$750,000
Parking lot and road repairs	0	600,000
Equipment	16,700	125,750
Thermostat replacements	131,500	328,930
Resident absences	25,000	0
Memorial garden project	200,000	0
COVID-19 pandemic costs	1,300,000	0
Total all funds	\$1,673,200	\$1,804,680
Less estimated income	1,648,200	1,804,680
Total general fund	\$25,000	\$0

The 2023-25 biennium one-time funding amounts are not a part of the entity's base budget for the 2025-27 biennium. The veterans' home shall report to the appropriations committees of the sixty-ninth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2023, and ending June 30, 2025."

Page 2, after line 7, insert:

"SECTION 4. ESTIMATED INCOME - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - PARKING LOT AND ROAD REPAIRS - ONE-TIME FUNDING. The estimated income line item in section 1 of this Act includes the sum of \$600,000 from the strategic investment and improvements fund for the purpose of repairing parking lots and roads on the veterans' home campus. This funding is considered a one-time funding item.

2-5-23

SECTION 5. ESTIMATED INCOME - FEDERAL STATE FISCAL RECOVERY FUND - THERMOSTAT REPLACEMENTS - ONE-TIME FUNDING. The estimated income line item in section 1 of this Act includes the sum of \$328,930 from federal funds derived from the state fiscal recovery fund for the purpose of a thermostat and air handling unit replacement project. This funding is considered a one-time funding item."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

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

	Base Budget	House Changes	House Version
Salaries and wages	\$19,209,879	\$1,498,866	\$20,708,745
Operating expenses	5,539,333	88,842	5,628,175
Capital assets	407,271	1,787,811	2,195,082
Total all funds	\$25,156,483	\$3,375,519	\$28,532,002
Less estimated income	19,375,840	2,981,886	22,357,726
General fund	\$5,780,643	\$393,633	\$6,174,276
FTE	114.79	0.00	114.79

Department 313 - Veterans' Home - Detail of House Changes

	Adds Funding for the Cost to Continue Salaries ¹	Adds Funding for Salary and Benefit Increases ²	Adds Funding for Staff Salaries ³	Adjusts Base Level Funding ⁴	Adds One-Time Funding for Indoor Parking and Storage ⁵	Adds One-Time Funding for Parking Lot and Road Repairs ⁶
Salaries and wages	\$96,159	\$1,352,707	\$50,000			
Operating expenses				\$71,992		
Capital assets				(19)	\$750,000	\$600,000
Total all funds	\$96,159	\$1,352,707	\$50,000	\$71,973	\$750,000	\$600,000
Less estimated income	96,159	1,065,074	0	15,973	750,000	600,000
General fund	\$0	\$287,633	\$50,000	\$56,000	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Adds One-Time Funding for Equipment ⁷	Adds One-Time Funding to Replace Thermostats ⁸	Total House Changes
Salaries and wages			\$1,498,866
Operating expenses	\$16,850		88,842
Capital assets	108,900	\$328,930	1,787,811
Total all funds	\$125,750	\$328,930	\$3,375,519
Less estimated income	125,750	328,930	2,981,886
General fund	\$0	\$0	\$393,633
FTE	0.00	0.00	0.00

¹ Funding is added for the cost to continue salary increases.

² The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from \$1,429 to \$1,648 per month:

	General Fund	Other Funds	Total
Salary increase	\$197,648	\$576,205	\$773,853
Health insurance increase	89,985	488,869	578,854
Total	\$287,633	\$1,065,074	\$1,352,707

4
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2-15-23

³ Funding of \$50,000 is added from the general fund for staff salaries and wages, including \$15,000 to reclassify an FTE from a licensed practical nurse position to a registered nurse position and \$35,000 to increase salaries of shift differential staff.

⁴ Base level funding from the general fund and soldiers' home fund is adjusted as follows:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Adds funding for information technology rate increases	\$0	\$7,492	\$7,492
Adds funding for increasing laundry supply costs	0	8,500	8,500
Adds funding building repairs	30,000	0	30,000
Adds funding for resident food costs	26,000	0	26,000
Adjusts funding for bond and interest payments	0	(19)	(19)
Total	\$56,000	\$15,973	\$71,973

⁵ One-time funding of \$750,000 is added from the Melvin Norgard memorial fund for the construction of a building on the Veterans' Home campus with rentable indoor parking and storage.

⁶ One-time funding of \$600,000 is added from the strategic investment and improvements fund to mill, patch, and chip seal parking lots and roads on the Veterans' Home campus.

⁷ One-time funding of \$125,750 from the soldiers' home fund is added for equipment, including bed extenders and mattresses (\$11,950), replacement of refrigerators (\$4,900), replacement of a compact tractor (\$45,000), replacement of a utility task vehicle (\$30,000), replacement of commercial roll-in coolers (\$23,400), and blanket warmers for residents (\$10,500).

⁸ One-time funding of \$328,930 is added from the federal State Fiscal Recovery Fund for a thermostat and air handling unit replacement project.

This amendment also:

- Adds a section to identify \$600,000 of one-time funding appropriated in Section 1 is from the strategic investment and improvements fund for parking lot and road repairs.
- Adds a section to identify \$328,930 of one-time funding appropriated in Section 1 is from the federal State Fiscal Recovery Fund for a thermostat and air handling unit replacement project.

REPORT OF STANDING COMMITTEE

HB 1007: Appropriations Committee (Rep. Vigesaa, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (21 YEAS, 0 NAYS, 2 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:

"	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$19,209,879	\$1,498,866	\$20,708,745
Operating expenses	5,539,333	88,842	5,628,175
Capital assets	<u>407,271</u>	<u>1,787,811</u>	<u>2,195,082</u>
Total all funds	\$25,156,483	\$3,375,519	\$28,532,002
Less estimated income	<u>19,375,840</u>	<u>2,981,886</u>	<u>22,357,726</u>
Total general fund	\$5,780,643	\$393,633	\$6,174,276
Full-time equivalent positions	114.79	0.00	114.79"

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

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

Page 1, remove lines 20 through 24

Page 2, replace lines 1 through 3 with:

"Indoor parking and storage	\$0	\$750,000
Parking lot and road repairs	0	600,000
Equipment	16,700	125,750
Thermostat replacements	131,500	328,930
Resident absences	25,000	0
Memorial garden project	200,000	0
COVID-19 pandemic costs	<u>1,300,000</u>	<u>0</u>
Total all funds	\$1,673,200	\$1,804,680
Less estimated income	<u>1,648,200</u>	<u>1,804,680</u>
Total general fund	\$25,000	\$0

The 2023-25 biennium one-time funding amounts are not a part of the entity's base budget for the 2025-27 biennium. The veterans' home shall report to the appropriations committees of the sixty-ninth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2023, and ending June 30, 2025."

Page 2, after line 7, insert:

"SECTION 4. ESTIMATED INCOME - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - PARKING LOT AND ROAD REPAIRS - ONE-TIME FUNDING. The estimated income line item in section 1 of this Act includes the sum of \$600,000 from the strategic investment and improvements fund for the purpose of repairing parking lots and roads on the veterans' home campus. This funding is considered a one-time funding item.

SECTION 5. ESTIMATED INCOME - FEDERAL STATE FISCAL RECOVERY FUND - THERMOSTAT REPLACEMENTS - ONE-TIME FUNDING. The estimated income line item in section 1 of this Act includes the sum of \$328,930 from federal funds derived from the state fiscal recovery fund for the purpose of a

thermostat and air handling unit replacement project. This funding is considered a one-time funding item."

ReNUMBER accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

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

	Base Budget	House Changes	House Version
Salaries and wages	\$19,209,879	\$1,498,866	\$20,708,745
Operating expenses	5,539,333	88,842	5,628,175
Capital assets	407,271	1,787,811	2,195,082
Total all funds	\$25,156,483	\$3,375,519	\$28,532,002
Less estimated income	19,375,840	2,981,886	22,357,726
General fund	\$5,780,643	\$393,633	\$6,174,276
FTE	114.79	0.00	114.79

Department 313 - Veterans' Home - Detail of House Changes

	Adds Funding for the Cost to Continue Salaries ¹	Adds Funding for Salary and Benefit Increases ²	Adds Funding for Staff Salaries ³	Adjusts Base Level Funding ⁴	Adds One-Time Funding for Indoor Parking and Storage ⁵	Adds One-Time Funding for Parking Lot and Road Repairs ⁶
Salaries and wages	\$96,159	\$1,352,707	\$50,000			
Operating expenses				\$71,992		
Capital assets				(19)	\$750,000	\$600,000
Total all funds	\$96,159	\$1,352,707	\$50,000	\$71,973	\$750,000	\$600,000
Less estimated income	96,159	1,065,074	0	15,973	750,000	600,000
General fund	\$0	\$287,633	\$50,000	\$56,000	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Adds One-Time Funding for Equipment ⁷	Adds One-Time Funding to Replace Thermostats ⁸	Total House Changes
Salaries and wages			\$1,498,866
Operating expenses		\$16,850	88,842
Capital assets	108,900	328,930	1,787,811
Total all funds		\$328,930	\$3,375,519
Less estimated income		328,930	2,981,886
General fund	\$0	\$0	\$393,633
FTE		0.00	0.00

¹ Funding is added for the cost to continue salary increases.

² The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from \$1,429 to \$1,648 per month:

	General Fund	Other Funds	Total
Salary increase	\$197,648	\$576,205	\$773,853
Health insurance increase	89,985	488,869	578,854
Total	\$287,633	\$1,065,074	\$1,352,707

³ Funding of \$50,000 is added from the general fund for staff salaries and wages, including \$15,000 to reclassify an FTE from a licensed practical nurse position to a registered nurse position and \$35,000 to increase salaries of shift differential staff.

⁴ Base level funding from the general fund and soldiers' home fund is adjusted as follows:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Adds funding for information technology rate increases	\$0	\$7,492	\$7,492
Adds funding for increasing laundry supply costs	0	8,500	8,500
Adds funding building repairs	30,000	0	30,000
Adds funding for resident food costs	26,000	0	26,000
Adjusts funding for bond and interest payments	0	(19)	(19)
Total	\$56,000	\$15,973	\$71,973

⁵ One-time funding of \$750,000 is added from the Melvin Norgard memorial fund for the construction of a building on the Veterans' Home campus with rentable indoor parking and storage.

⁶ One-time funding of \$600,000 is added from the strategic investment and improvements fund to mill, patch, and chip seal parking lots and roads on the Veterans' Home campus.

⁷ One-time funding of \$125,750 from the soldiers' home fund is added for equipment, including bed extenders and mattresses (\$11,950), replacement of refrigerators (\$4,900), replacement of a compact tractor (\$45,000), replacement of a utility task vehicle (\$30,000), replacement of commercial roll-in coolers (\$23,400), and blanket warmers for residents (\$10,500).

⁸ One-time funding of \$328,930 is added from the federal State Fiscal Recovery Fund for a thermostat and air handling unit replacement project.

This amendment also:

- Adds a section to identify \$600,000 of one-time funding appropriated in Section 1 is from the strategic investment and improvements fund for parking lot and road repairs.
- Adds a section to identify \$328,930 of one-time funding appropriated in Section 1 is from the federal State Fiscal Recovery Fund for a thermostat and air handling unit replacement project.

2023 SENATE APPROPRIATIONS

HB 1007

Department 313 - Veterans' Home
House Bill No. 1007

First Chamber Comparison to Base Level

	General Fund	Other Funds	Total
2023-25 First Chamber Version	\$6,174,276	\$22,357,726	\$28,532,002
2023-25 Base Level	5,780,643	19,375,840	25,156,483
Increase (Decrease)	\$393,633	\$2,981,886	\$3,375,519

First Chamber Changes

A summary of the first chamber's changes to the agency's base level appropriations and the executive budget is attached as an appendix.

Selected Bill Sections Included in the First Chamber Version

Soldiers' home fund - Administrator monthly housing stipend - Section 3 identifies \$48,000 in the estimated income line item in Section 1 is from the soldiers' home fund for the purpose of providing a \$2,000 monthly housing stipend to the Veterans' Home administrator for housing costs off the Veterans' Home campus.

Strategic investment and improvements fund - Section 4 identifies \$600,000 in the estimated income line item in Section 1 from the strategic investment and improvements fund for parking lot and road repairs.

Federal State Fiscal Recovery Fund - Section 5 identifies \$328,930 in the estimated income line item in Section 1 from the federal State Fiscal Recovery Fund for a thermostat and air handling unit replacement project.

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 Appropriations

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, 2021, identified no significant audit findings.

Major Related Legislation

House Bill No. 1290 - This bill extends the moratorium on basic care and nursing facility bed capacity until July 31, 2025.

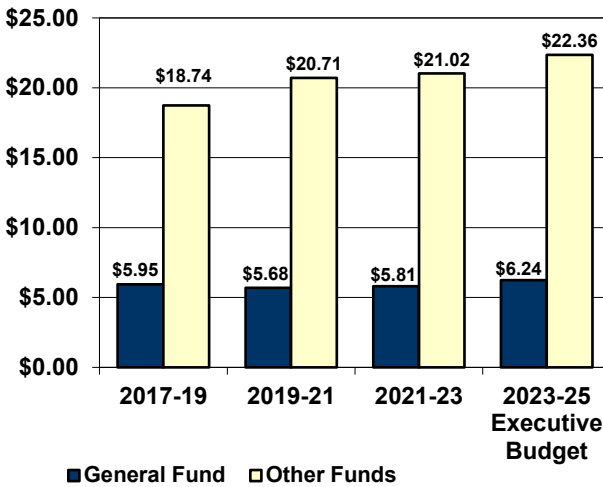
House Bill No. 1327 - This bill removes the Veterans' Home exemption from the requirement that information technology (IT) of the Veterans' Home be provided by, supervised by, and regulated by the Information Technology Department (ITD) and removes the exemption to exclude the Veterans' Home electronic mail, file and print administration, database administration, application server, and hosting services from being required to be provided by ITD. The bill removes the requirement for ITD to consult with the Veterans' Home regarding cybersecurity strategy.

House Bill No. 1389 - This bill expands veteran eligibility for admission into the Veterans' Home to include veterans from other states.

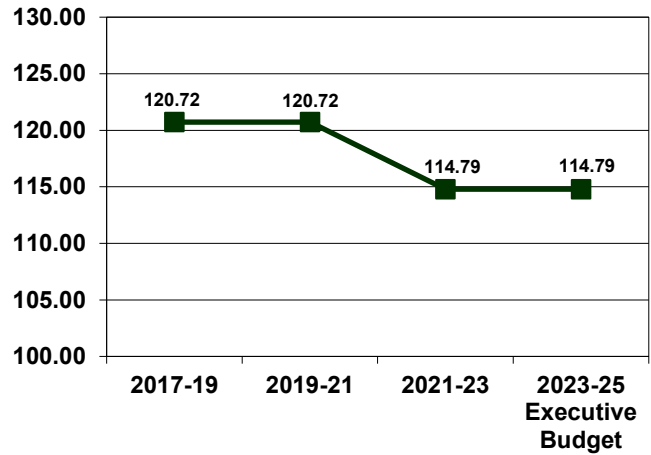
Historical Appropriations Information

Agency Appropriations and FTE Positions

Agency Funding (Millions)



FTE Positions



Ongoing General Fund Appropriations

	2015-17	2017-19	2019-21	2021-23	2023-25 Executive Budget
Ongoing general fund appropriations	\$8,128,024	\$5,951,439	\$5,654,324	\$5,780,643	\$6,239,014
Increase (decrease) from previous biennium	N/A	(\$2,176,585)	(\$297,115)	\$126,319	\$458,371
Percentage increase (decrease) from previous biennium	N/A	(26.8%)	(5.0%)	2.2%	7.9%
Cumulative percentage increase (decrease) from 2015-17 biennium	N/A	(26.8%)	(30.4%)	(28.9%)	(23.2%)

Major Increases (Decreases) in Ongoing General Fund Appropriations

2017-19 Biennium

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

2019-21 Biennium

- Unfunded 6 FTE positions, of which \$355,309 is from the general fund and \$483,731 is from the soldiers' home fund (\$355,309)

2021-23 Biennium

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

2023-25 Biennium (Executive Budget Recommendation)

- Adds funding to reclassify an FTE LPN position to an FTE RN position \$15,000
- Adds funding to increase salaries of shift differential staff \$35,000
- Adds funding for building repairs \$30,000
- Adds funding for resident food costs \$26,000

One-Time General Fund Appropriations

	2015-17	2017-19	2019-21	2021-23	2023-25 Executive Budget
One-time general fund appropriations	\$0	\$0	\$25,000	\$25,000	\$0

Major One-Time General Fund Appropriations

2017-19 Biennium

None \$0

2019-21 Biennium

Strategic plan \$25,000

2021-23 Biennium

Resident absences \$25,000

2023-25 Biennium (Executive Budget Recommendation)

None \$0

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

	Executive Budget Recommendation				House Version			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2023-25 Biennium Base Level	114.79	\$5,780,643	\$19,375,840	\$25,156,483	114.79	\$5,780,643	\$19,375,840	\$25,156,483
2023-25 Ongoing Funding Changes								
Adds funding for the cost to continue salary increases			\$96,159	\$96,159			\$96,159	\$96,159
Salary increase		\$264,409	765,644	1,030,053		\$197,648	576,205	773,853
Health insurance increase		87,962	477,876	565,838		89,985	488,869	578,854
Adds funding to reclassify an FTE LPN position to an FTE RN position		15,000		15,000		15,000		15,000
Adds funding to increase salaries of shift differential staff		35,000		35,000		35,000		35,000
Adds funding for IT rate increases			7,492	7,492			7,492	7,492
Adds funding for increasing laundry supply costs			8,500	8,500			8,500	8,500
Adds funding for building repairs		30,000		30,000		30,000		30,000
Adds funding for resident food costs		26,000		26,000		26,000		26,000
Adjusts funding for bond and interest payments			(19)	(19)			(19)	(19)
Total ongoing funding changes	0.00	\$458,371	\$1,355,652	\$1,814,023	0.00	\$393,633	\$1,177,206	\$1,570,839
One-Time Funding Items								
Adds funding for a building with rentable indoor parking and storage			\$750,000	\$750,000			\$750,000	\$750,000
Adds funding to mill, patch, and chip seal parking lots and roads			750,000	750,000			600,000	600,000
Adds funding for bed extenders and mattresses			11,950	11,950			11,950	11,950
Adds funding to replace refrigerators			4,900	4,900			4,900	4,900
Adds funding to replace a compact tractor			45,000	45,000			45,000	45,000
Adds funding to replace a utility task vehicle			30,000	30,000			30,000	30,000
Adds funding to replace commercial roll-in coolers			23,400	23,400			23,400	23,400
Adds funding for blanket warmers for residents			10,500	10,500			10,500	10,500
Adds funding for a thermostat and air handling unit replacement project				0			328,930	328,930
Total one-time funding changes	0.00	\$0	\$1,625,750	\$1,625,750	0.00	\$0	\$1,804,680	\$1,804,680
Total Changes to Base Level Funding	0.00	\$458,371	\$2,981,402	\$3,439,773	0.00	\$393,633	\$2,981,886	\$3,375,519
2023-25 Total Funding	114.79	\$6,239,014	\$22,357,242	\$28,596,256	114.79	\$6,174,276	\$22,357,726	\$28,532,002
<i>Federal funds included in other funds</i>			\$0				\$328,930	
<i>Total ongoing changes as a percentage of base level</i>	0.0%	7.9%	7.0%	7.2%	0.0%	6.8%	6.1%	6.2%
<i>Total changes as a percentage of base level</i>	0.0%	7.9%	15.4%	13.7%	0.0%	6.8%	15.4%	13.4%

Other Sections in Veterans' Home - Budget No. 313

	Executive Budget Recommendation	House Version
Estimated income - Soldiers' home fund - Administrator monthly housing stipend		Section 3 identifies \$48,000 in the estimated income line item in Section 1 is from the soldiers' home fund for the purpose of providing a \$2,000 monthly housing stipend to the Veterans' Home administrator for housing costs off the Veterans' Home campus.
Estimated income - Strategic investment and improvements fund	Section 3 would identify \$750,000 in the estimated income line item in Section 1 is from the strategic investment and improvements fund for parking lot and road repairs.	Section 4 identifies \$600,000 in the estimated income line item in Section 1 is from the strategic investment and improvements fund for parking lot and road repairs.

Other Sections in Veterans' Home - Budget No. 313

Estimated income - Federal State Fiscal Recovery Fund

Executive Budget Recommendation

House Version

Section 5 identifies \$328,930 in the estimated income line item in Section 1 is from the federal State Fiscal Recovery Fund for a thermostat and air handling unit replacement project.

2023 SENATE STANDING COMMITTEE MINUTES

Appropriations - Human Resources Division Roughrider Room, State Capitol

HB1007
3/10/2023

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

8:31 AM Chairman Dever called the hearing to order.

Members present: Senators Dever, Davison, Burckhard, Mathern, and Kreun.

Discussion Topics:

- North Dakota Veterans Home
- Brief history and authority
- Organization chart
- Accomplishments
- Challenges
- Workforce/staff issues
- Information Technology expenses
- Government regulations
- Basic care
- Skilled care
- Spending authority
- Revenue
- Budget requests
- Related bills in session

8:31 AM Kristin Lunneborg, CFO North Dakota Veteran's Home, introduced the bill, testified in favor, testimony # 23552

9:05 AM Mark Johnson, Administrator North Dakota Veteran's Home, answered questions from the committee, testified in favor, no written testimony

9:54 AM Chairman Dever closed the hearing.

Kathleen Hall, Committee Clerk for Susan Huntington, Committee Clerk

2023 SENATE STANDING COMMITTEE MINUTES

Appropriations - Human Resources Division Roughrider Room, State Capitol

HB 1007
3/16/2023

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

9:07 AM Chairman Dever opened the meeting. Members present: Senators Dever, Davison, Burckhard, Mathern, Kreun.

Discussion Topics:

- Nursing homes
- Workforce
- Multi-layered authority
- Melvin Norgard Fund
- Federal funds & ND Constitution
- Study results
- Building maintenance
- Veterans' Home savings
- Strategic Investment and Improvement Funds (SIIF)

9:08 AM Committee discussed.

9:34 AM Chairman closed the meeting.

Susan Huntington, Committee Clerk

2023 SENATE STANDING COMMITTEE MINUTES

Appropriations - Human Resources Division Roughrider Room, State Capitol

HB 1007
3/20/2023

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

10:34 AM Chairman Dever called the meeting to order.

Members present: Senators Dever, Davison, Burckhard, Mathern, Kreun.

Discussion Topics:

- Long sheet

10:35 AM Chairman Dever requested the long sheet be printed off before discussion.

10:36 AM Chairman Dever calls for a recess to allow time to get long sheet printed off.

10:47 AM Chairman Dever decided to table the discussion until the afternoon.

10:47 AM Chairman Dever closed the meeting.

Rick Schuchard for Susan Huntington, Committee Clerk

2023 SENATE STANDING COMMITTEE MINUTES

Appropriations - Human Resources Division Roughrider Room, State Capitol

HB 1007
3/20/2023

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

2:47 PM Chairman Dever called the meeting to order.

Members present: Senators Dever, Davison, Burckhard, Mathern, Kreun.

Discussion Topics:

- Amendment
- Committee action

2:47 PM Committee discussion.

2:49 PM Levi Kinnischtke, Fiscal analyst, Legislative Council, reviewed long sheet Budget no.313 for HB 1007 #25975.

2:59 PM Senator Davison moved to adopt amendment LC 23.0236.02000.

2:59 PM Senator Burckhard seconded.

3:00 PM Roll call vote.

Senators	Vote
Senator Dick Dever	Y
Senator Randy A. Burckhard	Y
Senator Kyle Davison	Y
Senator Curt Kreun	Y
Senator Tim Mathern	Y

Motion passed 5-0-0

3:20 PM Chairman Dever closed the meeting.

Susan Huntington, Committee Clerk

2023 SENATE STANDING COMMITTEE MINUTES

Appropriations - Human Resources Division Roughrider Room, State Capitol

HB 1007
3/22/2023

A bill for an Act to provide an appropriation for defraying the expenses of the Veterans' home.

3:06 PM Chairman Dever called the meeting to order. Members present: Senators Dever, Burckhard, Mathern, Kreun. Absent: Senator Davison.

Discussion Topics:

- Veterans Home
- Mental and behavioral health
- Statewide awareness
- Veteran spouses
- Collaborative hospice
- Assisted and independent living
- Level of services
- Community out-based clinic

3:07 PM Senator Mathern provided information. No written testimony.

3:13 PM Levi Kinnischtke, Legislative Council, discussed possible initiatives to explore. No written testimony.

3:42 PM Chairman Dever adjourned the meeting.

Susan Huntington, Committee Clerk

2023 SENATE STANDING COMMITTEE MINUTES

Appropriations - Human Resources Division Roughrider Room, State Capitol

HB 1007
3/23/2023

A BILL for an Act to provide an appropriation for defraying the expenses of the veterans' home
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2:47 PM Chairman Dever opened the meeting. Members present: Senators Dever, Davison, Burckhard, Mathern, Kreun.

Discussion Topics:

- Service expansion
- Building
- Veteran Home preservation
- Self-supportive
- Eide Bailey study & report

2:47 PM Chairman Dever provided information. No written testimony.

Committee discussion.

3:13 PM Chairman Dever adjourned the meeting.

Susan Huntington, Committee Clerk

2023 SENATE STANDING COMMITTEE MINUTES

Appropriations - Human Resources Division Roughrider Room, State Capitol

HB 1007
3/29/2023

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

9:05 AM Chairman Dever called the meeting to order. Members present:
Senators Dever, Davison, Burckhard, Mathern, Kreun.

Discussion Topics:

- Discussion regarding ND Veterans' Home
- Development of strategic plan
- Future goals & objectives
- Pandemic intrusion
- Operational challenges to Vets home
- Financial challenges
- Inhibiting regulations
- Re-purpose of building prohibition
- VA grant repayment or forgiveness
- State support for change

9:07 AM Bradley DeJong, Director of Senior Living Services, Eide Baily, introduced EideBailly Veterans' Home Study, and testified in favor. Testimony #26976

9:59 AM Mark Johnson, Administrator, ND Veterans' Home, testified in favor.

10:05 AM Chairman Dever adjourns the meeting.

Susan Huntington, Committee Clerk

2023 SENATE STANDING COMMITTEE MINUTES

Appropriations - Human Resources Division Roughrider Room, State Capitol

HB 1007
3/29/2023

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

Technical difficulties – no video until

3:09 PM Chairman Dever called the meeting to order. Members present: Senators Dever, Davison, Burckhard, Mathern, Kreun.

Discussion Topics:

- Eide Bailly study
- Governance
- Management
- Amendments
- Budget
- Location

3:09 PM Senator Mathern reviewed proposed amendments. #27279

Committee discussion.

3:37 PM Chairman Dever adjourned the meeting.

Susan Huntington, Committee Clerk

2023 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Roughrider Room, State Capitol

HB 1007
4/4/2023

A BILL for an Act to provide an appropriation for defraying the expenses of the veterans' home; to provide for a legislative management study; and to provide for a report.

9:42 AM Chairman Bekkedahl opened the hearing on HB 1007.

Members present: Senators Bekkedahl, Krebsbach, Burckhard, Davison, Dever, Dwyer, Erbele, Kreun, Meyer, Roers, Schaible, Sorvaag, Vedaa, Wanzek, Rust, and Mathern.

Discussion Topics:

- North Dakota veterans home
- Committee work

9:42 AM Senator Dever introduced amendment LC 23.0236.02001, testimony # 27279.

9:48 AM Senator Dever moved to adopt AMENDMENT 23.0236.02001.
Senator _Davison seconded the motion

Senators	Vote
Senator Brad Bekkedahl	Y
Senator Karen K. Krebsbach	Y
Senator Randy A. Burckhard	Y
Senator Kyle Davison	Y
Senator Dick Dever	Y
Senator Michael Dwyer	Y
Senator Robert Erbele	Y
Senator Curt Kreun	Y
Senator Tim Mathern	Y
Senator Scott Meyer	Y
Senator Jim P. Roers	Y
Senator David S. Rust	Y
Senator Donald Schaible	Y
Senator Ronald Sorvaag	Y
Senator Shawn Vedaa	Y
Senator Terry M. Wanzek	Y

Motion passed 16-0-0.

9:54 AM Senator Dever moved DO PASS AS AMENDED.
Senator Davison seconded the motion.

Senators	Vote
Senator Brad Bekkedahl	Y
Senator Karen K. Krebsbach	Y
Senator Randy A. Burckhard	Y
Senator Kyle Davison	Y
Senator Dick Dever	Y
Senator Michael Dwyer	Y
Senator Robert Erbele	Y
Senator Curt Kreun	Y
Senator Tim Mathern	Y
Senator Scott Meyer	Y
Senator Jim P. Roers	Y
Senator David S. Rust	Y
Senator Donald Schaible	Y
Senator Ronald Sorvaag	Y
Senator Shawn Vedaa	Y
Senator Terry M. Wanzek	Y

The motion passed 16-0-0.

Senator Dever will carry the bill.

9:56 AM Chairman Bekkedahl closed the hearing.

Kathleen Hall, Committee Clerk

23
4-4-23

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1007

Page 1, line 1, after the semicolon insert "to provide for a legislative management study;"

Page 1, replace lines 11 through 17 with:

"Salaries and wages	\$19,209,879	\$849,837	\$20,059,716
Operating expenses	5,539,333	538,842	6,078,175
Capital assets	<u>407,271</u>	<u>2,437,811</u>	<u>2,845,082</u>
Total all funds	\$25,156,483	\$3,826,490	\$28,982,973
Less estimated income	<u>19,375,840</u>	<u>3,597,134</u>	<u>22,972,974</u>
Total general fund	\$5,780,643	\$229,356	\$6,009,999
Full-time equivalent positions	114.79	0.00	114.79"

Page 1, replace line 24 with:

"Parking lot and road repairs	0	1,100,000"
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Page 2, replace line 2 with:

"Thermostat replacements	131,500	478,930"
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Page 2, replace lines 6 and 7 with:

"Total all funds	\$1,673,200	\$2,454,680
Less estimated income	<u>1,648,200</u>	<u>2,454,680"</u>

Page 2, remove lines 17 through 21

Page 2, line 23, remove "- ONE-TIME FUNDING"

Page 2, line 24, replace "\$328,930" with "\$478,930"

Page 2, replace line 26 with:

"SECTION 5. LEGISLATIVE MANAGEMENT STUDY - VETERANS' HOME GOVERNANCE. During the 2023-24 interim, the legislative management shall consider studying current and future governance needs of the veterans' home. The study must include a review of the report provided in section 6 of this Act. The study must consider the current duties and responsibilities of the administrative committee on veterans' affairs, the veterans' home governing board, and the veterans' home administrator and any organizational changes necessary to provide services for veterans and veterans' spouses, increase resident census at the veterans' home, accomplish goals included in the veterans' home strategic plan, and ensure the long-term viability of the veterans' home. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-ninth legislative assembly.

SECTION 6. VETERANS' HOME STRATEGIC PLAN - LEGISLATIVE MANAGEMENT REPORT - REPORT TO SIXTY-NINTH LEGISLATIVE ASSEMBLY. The veterans' home shall report to the legislative management by January 1, 2024, regarding the status of implementing recommendations included in the veterans' home

strategic plan as provided for in section 1 of chapter 7 of the 2019 Session Laws. The veterans' home shall forward a copy of the report to the governor and each United States senator and congressman representing North Dakota. The veterans' home shall provide an updated report to the appropriations committees of the sixty-ninth legislative assembly, the governor, and each United States senator and congressman representing North Dakota during the 2025 legislative session. The report must include information on the status and progress of:

2A
4-4-23

1. The veterans' home current and future planned marketing initiative outcomes, including:
 - a. Marketing efforts to community-based outpatient clinics throughout the state and how the veterans' home can increase community-based services to veterans statewide; and
 - b. How the agency will increase statewide awareness of the veterans' home, including promoting services available to veterans and veterans' spouses;
2. Implementation of minimum data set and documentation audit recommendations to increase operational efficiencies, census, and staffing;
3. The veterans' home and each United States senator and congressman representing North Dakota collaborating to negotiate with the United States department of veterans affairs on the forgiveness of approximately \$15,700,000 of federal funding used in the construction of the veterans' home and the other options regarding federal funding concerns;
4. Evaluating options to adjust basic care and skilled care reimbursement rates to more adequately compensate for services provided to veterans and veterans' spouses;
5. The feasibility of providing collaborative hospice care at the veterans' home and the creation of a business plan including advantages, disadvantages, and potential costs and revenue;
6. The feasibility of providing assisted and independent living care at the veterans' home and the creation of a business plan including advantages, disadvantages, and potential costs and revenue;
7. The feasibility of providing adult day care at the veterans' home and the creation of a business plan including advantages, disadvantages, and potential costs and revenue;
8. The feasibility of providing outpatient services at the veterans' home and the creation of a business plan including advantages, disadvantages, and potential costs and revenue;
9. The feasibility of engaging in collaborative planning and work efforts with competing senior living providers in areas surrounding the veterans' home and the feasibility of contracting with a third party to operate the veterans' home; and

10. The final strategic plan submitted by the veterans' home third-party consultant."

29
4-4-23

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	\$19,209,879	\$20,708,745	(\$649,029)	\$20,059,716
Operating expenses	5,539,333	5,628,175	450,000	6,078,175
Capital assets	407,271	2,195,082	650,000	2,845,082
Total all funds	\$25,156,483	\$28,532,002	\$450,971	\$28,982,973
Less estimated income	19,375,840	22,357,726	615,248	22,972,974
General fund	\$5,780,643	\$6,174,276	(\$164,277)	\$6,009,999
FTE	114.79	114.79	0.00	114.79

Department 313 - Veterans' Home - Detail of Senate Changes

	Adjusts Funding for Salary and Benefit Increases ¹	Removes Salary Funding for Funding Pool ²	Adds Funding for Resident Food and Professional Services ³	Adjusts One-Time Funding Parking Lot and Road Repairs ⁴	Adds One-Time Funding to Replace Thermostats ⁵	Total Senate Changes
Salaries and wages	\$243,184	(\$892,213)				(\$649,029)
Operating expenses			\$450,000			450,000
Capital assets				\$500,000	\$150,000	650,000
Total all funds	\$243,184	(\$892,213)	\$450,000	\$500,000	\$150,000	\$450,971
Less estimated income	178,446	(663,198)	450,000	500,000	150,000	615,248
General fund	\$64,738	(\$229,015)	\$0	\$0	\$0	(\$164,277)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

¹ Salaries and wages funding is adjusted to provide for 2023-25 biennium salary increases of 6 percent on July 1, 2023, and 4 percent on July 1, 2024, and for adjustments to health insurance premium rates as follows:

	General Fund	Other Funds	Total
Salary increase	\$66,761	\$189,439	\$256,200
Health insurance increase	(2,023)	(10,993)	(13,016)
Total	\$64,738	\$178,446	\$243,184

The House provided salary adjustments of 4 percent on July 1, 2023, and July 1, 2024.

² Funding for new FTE positions and estimated savings from vacant FTE positions is removed as shown below. These amounts are available to the agency if needed by submitting a request to the Office of Management and Budget for a transfer from the new and vacant FTE funding pool.

	General Fund	Other Funds	Total
New FTE positions	\$0	\$0	\$0
Vacant FTE positions	(229,015)	(663,198)	(892,213)
Total	(\$229,015)	(\$663,198)	(\$892,213)

³ Funding of \$450,000 is added from the soldiers' home fund, of which \$150,000 is for resident food costs and \$300,000 is for professional services for agency staffing. The House added \$26,000 from the general fund for resident food costs.

⁴ One-time funding of \$600,000 added by the House from the strategic investment and improvements fund is removed and \$1.1 million of one-time funding from the soldiers' home fund is added to mill, patch, and chip seal parking lots and roads on the Veterans' Home campus.

⁵ One-time funding of \$150,000 is added from the federal State Fiscal Recovery Fund for a thermostat and air handling unit replacement project to provide a total of \$478,930. The House added \$328,930 from the federal State Fiscal Recovery Fund for the project.

4-4-23

This amendment also:

- Removes a section added by the House that identified funding provided from the strategic investment and improvements fund for the purpose of repairing parking lots and roads on the Veterans' Home campus.
- Amends a section identifying funding provided from the federal State Fiscal Recovery Fund for a thermostat and air handling unit replacement project.
- Adds a section to provide for a Legislative Management study of the governance of the Veterans' Home.
- Adds a section requiring the Veterans' Home to provide a report to the Legislative Management during the 2023-24 interim and to the appropriations committees of the 69th Legislative Assembly regarding progress on recommendations from the Veterans' Home strategic plan.

REPORT OF STANDING COMMITTEE

HB 1007, as engrossed: Appropriations Committee (Sen. Bekkedahl, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (16 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1007 was placed on the Sixth order on the calendar. This bill does not affect workforce development.

Page 1, line 1, after the semicolon insert "to provide for a legislative management study;"

Page 1, replace lines 11 through 17 with:

"Salaries and wages	\$19,209,879	\$849,837	\$20,059,716
Operating expenses	5,539,333	538,842	6,078,175
Capital assets	<u>407,271</u>	<u>2,437,811</u>	<u>2,845,082</u>
Total all funds	\$25,156,483	\$3,826,490	\$28,982,973
Less estimated income	<u>19,375,840</u>	<u>3,597,134</u>	<u>22,972,974</u>
Total general fund	\$5,780,643	\$229,356	\$6,009,999
Full-time equivalent positions	114.79	0.00	114.79"

Page 1, replace line 24 with:

"Parking lot and road repairs 0 1,100,000"

Page 2, replace line 2 with:

"Thermostat replacements 131,500 478,930"

Page 2, replace lines 6 and 7 with:

"Total all funds	\$1,673,200	\$2,454,680
Less estimated income	<u>1,648,200</u>	<u>2,454,680</u> "

Page 2, remove lines 17 through 21

Page 2, line 23, remove "- **ONE-TIME FUNDING**"

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Page 2, replace line 26 with:

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Renumber accordingly

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

Base
Budget

House
Version

Senate Changes

Senate
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2023 CONFERENCE COMMITTEE

HB 1007

2023 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Human Resources Division Harvest Room, State Capitol

HB 1007
4/18/2023
Conference Committee

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

10:06 AM Chairman Kreidt opened the meeting.

Roll Call taken.

Chairman Kreidt, Representative B. Anderson, Representative Mitskog, Senator Dever, Senator Kreun, Senator Mathern present.

Discussion Topics:

- Thermostat/ air handling replacement
- Parking lot repair
- Veterans Home strategic plan

Levi Kinnischtzke Senior Fiscal Analyst, Legislative Council, (# 27669).

Senator Mathern moved the house accede to Senate amendments, seconded by Senator Kreun.

Motion carried, 6-0-0.

Representative Kreidt will carry for the House and Senator Dever will carry for the Senate.

10:18 AM Chairman Kreidt closed the meeting.

Jan Kamphuis, Committee Clerk

REPORT OF CONFERENCE COMMITTEE

HB 1007, as engrossed: Your conference committee (Sens. Dever, Kreun, Mathern and Reps. Kreidt, B. Anderson, Mitskog) recommends that the **HOUSE ACCEDE** to the Senate amendments as printed on HJ pages 1673-1676 and place HB 1007 on the Seventh order.

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

TESTIMONY

HB 1007

TESTIMONY ON HB 1007
HOUSE HUMAN RESOURCES COMMITTEE
TUESDAY, JANUARY 24, 2023

Chairman Nelson and members of the Human Resource Committee, I am Mark Johnson, Administrator of the North Dakota Veterans Home. I am here today to discuss the Eide Bailey Report. I will be addressing the Veterans Home current status, challenges facing the Veterans Home and items from the Eide Bailey report that we would like your committee to consider.

Kristin Lunneborg, the Veterans Home CFO, touched on several items. One being the staffing crisis and how it has affected the Veterans Home and other Long Term Care facilities across the state. Kristin did an excellent job explaining the difficulties we have faced and what actions we have done to compete with the industry.

Other challenges that we are dealing with is the perceived decline in the veterans population and how to promote the Vets home. This issue is amongst one of the most difficult issue to solve, but through partnerships with other state agencies we have been able to save substantial dollars in promoting the home. For example, ND Cares has played a significant role in promoting the Veterans Home through TV and

radio advertisements. Through those advertisements we have seen an increase in admissions.

Changes in private sector and the federal VA have impacted us as well. In the last 20 years, North Dakota has seen the senior living market expand by over 5000 beds. On the federal level, the VA has cut their cost by passing numerous costs on to state homes. Cost such as pharmacy, clinic care, primary care, lab/ex-rays, and mental health visits are covered by state homes. Mandatory VA requirements such as 24-hour RN coverage is costly as well as the additional hours mandated for nursing and social services. Through their mandates it has driven our costs of care up and made the Veterans Home a high cost nursing home. To compete with the spiraling costs, we are proposing a change to the definition of a "veteran". The change is found in HB 1389. We are proposing to expand the definition of a veteran to allow veterans who have been discharged with a rating of other than dishonorable to be admitted to the Veterans Home. By the above changes we will be able to serve a larger base of veterans and generate more revenue.

Recommendations from Eide Bailey's report .

- 1) To support establishing a separate rate structure above the traditional nursing home payment model. That would allow us to negotiate a different

rate structure like gero-psychic facilities. We request this due to our patient mix and their complex medical needs.

- 2) Support the Veterans Home in paying off the VA federal grant.
- 3) With the VA grant repaid, new innovative programs could be explored and veteran specific programs started. (ex. Mental Health, Family Support, Parkinson programs and etc.)
- 4) Mergers could be explored with clinics, rehab agencies and other healthcare facilities to enhance the care that is given at the Veterans Home.

In closing, Chairman Nelson, and members of the committee, our report remains incomplete due to the timing of the report. The COVID lockdown went into effect at the Veterans Home on March of 2020 and we are still limiting access to the building for group events and meetings. We hope to have more information to share with you after more meetings are completed. That ends my testimony, if you have any questions feel free to ask them now.

Mark Johnson

North Dakota Veterans Home Administrator

701-683-6501

mjohn@nd.gov

**NORTH DAKOTA VETERANS HOME
2023-2025 BUDGET DETAIL**

ADMINISTRATION DEPARTMENT

EXPLANATION OF PROGRAM COSTS

Program costs for the administration department include salaries and benefits for administrative staff and facility expenses for insurance, legal fees, postage, office supplies, information technology, telephone, data processing, employee background checks and drug testing, board meeting fees and auditing fees.

BUDGET BY TRADITIONAL LINE

<u>Description</u>	<u>Base Level</u>	2023-2025		<u>Change</u>
		<u>Executive Recommendation</u>	<u>% of Executive Recommendation</u>	
Salaries	1,376,852	1,500,580	53%	123,728
Operating	916,836	916,836	33%	0
Capital	407,252	407,252	14%	0
Total	2,700,940	2,824,668	100%	123,728
General	935,179	1,004,835		69,656
Special	1,765,761	1,819,833		54,072
Total	2,700,940	2,824,668		123,728
FTE	6.0	6.0		0

LINE ITEM DETAIL

Salaries and Benefits - \$1,500,580 53% of budget

- | | |
|---------------------------------|--|
| Administrator 1 FTE | Account Technician – 1 FTE |
| Executive Secretary – 1 FTE | Human Resource Technician - 1 FTE |
| Chief Financial Officer – 1 FTE | Admissions/Marketing Coordinator – 1 FTE |

Travel - \$63,000 2% of budget

Employee reimbursed travel. governing board travel and housing allowance for Administrator (\$48,000 for biennium)

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, Prime Solutions, Ability Network, and Digital Simplistics, Microsoft

Supplies and materials/professional - \$11,200 < 1% of budget

Resource materials, educational supplies and testing supplies

Miscellaneous supplies - \$250 < 1% of budget

Marketing supplies

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

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

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

IT equipment under \$5,000 - \$80,500 3% of budget
This funding will replace ½ of our computers

Office Equipment & Furniture - \$2,500 < 1% of budget
Office furniture and filing cabinets

Insurance - \$33,900 1% of budget
North Dakota Insurance Reserve Fund – building and property insurance

Rentals/leases of equipment - \$20,000 < 1% of budget
Lease payments for copy machines

Repairs - \$4,000 < 1% of budget
Repair services for office equipment

IT- Data processing - \$177,986 6% of budget
ITD and PeopleSoft fees, brokerage fees for our web-based software programs

IT - Communications - \$99,000 4% of budget
Monthly telephone and cable television fees

IT- Contractual services - \$260,250 9% of budget
IT consultant fees and maintenance and support fees for our electronic health records, time and attendance, scheduling, maintenance and billing software systems.

Professional development - \$24,000 < 1% of budget
Workshop/convention registrations, memberships fees for North Dakota Long Term Care Association and the National Association of State Veterans Homes and tuition reimbursement

Operating fees and services - \$4,000 < 1% of budget
Help wanted ads, advertising fees and background checks for employees

Professional services - \$60,000 2% of budget
Legal services, audit fees and employee drug testing fees

Other capital payments - \$407,252 14% of budget
Bond and Interest payments for new home

SIGNIFICANT CHANGES

Salaries and benefits - \$123,728 increase

- Governor's recommended salary and benefit increases

	3	4	5	6	7
	2021-23 Biennium Appropriations	2023-25 Base Budget Request	2023-25 Optional Budget Changes	2023-25 Total Budget Request	2023-25 Total Budget Recommended

Administration - 313-100

31310 - Salaries and Wages

511000	Salaries - Permanent	895,897	953,762	-	953,762	1,031,209
512000	Salaries - Other	600	600	-	600	600
514000	Overtime	13,000	20,492	-	20,492	20,492
516000	Fringe Benefits	391,440	401,998	-	401,998	448,279
Total: Salaries and Wages		1,300,937	1,376,852	-	1,376,852	1,500,580

31330 - Operating Expenses

521000	Travel	88,000	63,000	-	63,000	63,000
531000	Supplies - IT Software	50,000	50,000	-	50,000	50,000
532000	Supply/Material - Professional	11,200	11,200	-	11,200	11,200
533000	Food and Clothing	-	-	-	-	-
534000	Bldg, Grounds, Vehicle Supply	250	250	-	250	250
535000	Miscellaneous Supplies	250	250	-	250	250
536000	Office Supplies	25,000	25,000	-	25,000	25,000
541000	Postage	4,500	4,500	-	4,500	4,500
542000	Printing	3,500	3,500	-	3,500	3,500
551000	IT Equipment under \$5,000	80,500	80,500	-	80,500	80,500
	Other Equipment under \$5,000	3,000	3,000	-	3,000	3,000
	Office Equip & Furniture-Under	2,500	2,500	-	2,500	2,500
571000	Insurance	33,900	33,900	-	33,900	33,900
581000	Rentals/Leases-Equipment&Other	20,000	20,000	-	20,000	20,000
591000	Repairs	4,000	4,000	-	4,000	4,000
601000	IT - Data Processing	177,986	177,986	-	177,986	177,986
602000	IT - Communications	99,000	99,000	-	99,000	99,000
603000	IT Contractual Services and Re	250,250	250,250	-	250,250	250,250
611000	Professional Development	24,000	24,000	-	24,000	24,000
621000	Operating Fees and Services	4,000	4,000	-	4,000	4,000
623000	Professional Fees and Services	60,000	60,000	-	60,000	60,000
683000	Other Capital Payments	-	-	-	-	-
Total: Operating Expenses		941,836	916,836	-	916,836	916,836

31350 - Capital Assets

683000	Other Capital Payments	407,271	407,252	-	407,252	407,252
Total: Capital Assets		407,271	407,252	-	407,252	407,252
Total: Administration		2,650,044	2,700,940	-	2,700,940	

General	GEN	729,592	935,179	-	935,179	1,004,835
Special	SPEC	1,920,452	1,765,761	-	1,765,761	1,819,833
Total by Funds: Administration		2,650,044	2,700,940	-	2,700,940	2,824,668

**NORTH DAKOTA VETERANS HOME
2023-2025 BUDGET DETAIL**

MAINTENANCE DEPARTMENT

Expenses for the maintenance department include upkeep of the buildings and grounds on our 90-acre campus, motor pool vehicles, utilities, equipment and repairs.

BUDGET BY TRADITIONAL LINE

<u>Description</u>	<u>Base Level</u>	2023-2025		<u>Change</u>
		<u>Executive Recommendation</u>	<u>% of Executive Recommendation</u>	
Salaries	816,540	890,372	21%	73,832
Operating	1,687,221	1,717,221	41%	30,000
Capital	0	1,575,000	38%	1,575,000
Total	2,503,761	4,182,593	100%	1,678,832
General	1,793,932	753,276		-1,040,656
Norgard	0	750,000		750,000
Special	709,829	2,679,317		1,969,488
Total	2,503,761	4,182,593		1,678,832
FTE	4.4	4.4		0

LINE ITEM DETAIL

Salaries and Benefits - \$893,372 21% of budget

Maintenance Supervisor – 1 FTE

Night watchman – 1.4 FTE

Maintenance Workers – 2 FTE

Part-time Temporary help

Travel - \$80,000 2% of budget

Motor pool charges

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

Chemicals

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

Safety clothing

Building, ground and maintenance - \$147,500 3.5% of budget

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

Miscellaneous supplies - \$7,000 < 1% of budget

Tools and miscellaneous equipment under \$750

Other equipment under \$5,950 < 1% of budget
Miscellaneous grounds equipment

Utilities - \$1,093,000 26.1% of budget
Electricity, fuel oil, garbage, sewer and water services

Insurance - \$1,000 < 1% of budget
Insurance for maintenance equipment

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

Rentals/leases – building/land - \$3,500 < 1% of budget
Water softener leases

Repairs - \$332,271 7.9% of budget
Repair services and service contracts, including grounds keepers

Professional Development - \$500 < 1% of budget
Continuing education

Operating fees and services - \$1,000 < 1% of budget
Licenses, help wanted ads, extermination supplies

Fees – Professional services - \$39,600 < 1% of budget
Professional services such as architects, engineers, consultants

Equipment over \$5,000 - \$75,000 2% of budget
UTV and Ventrac 4520P

Extraordinary Repairs - \$750,000 2% of budget
Mill, overlay and chip seal project

Land and Buildings - \$750,000 2% of budget
Resident garages with storage

SIGNIFICANT CHANGES

Salaries and benefits - \$73,832
Governor's recommended salary and benefit increases

Repairs - \$30,000 increase
Increase in the amount of repairs needed, as well as cost of parts and labor

Equipment over \$5,000 - \$75,000 increase
UTV - \$30,000 – Funding would replace current 2005 Bobcat 2200 DUTV and 2007 Bobcat 2200 UTV. Both units need many repairs. Looking to trade in on a new UTV.

Ventrac 4520P or equivalent– Replace current 2013 Toro Grounds master. Current machine will have over 1,000 hours at time of trace. Looking to purchase a Ventrac 4520P with cab, and snowblower, V blade, broom and drop spreader attachments.

Extraordinary Repairs - \$750,000 increase

Mill, overlay and chip seal project – We just received preliminary concepts for the project along with a cost estimate from KLJ. Their estimate is currently around \$1,171,000 for Base Bid plus all alternates (Total Cost including Engineering & Contingency).

- Base Bid – Mill, Overlay, and Seal Coat of Rose Street from east entrance to south parking lot access; Edge/Strip Mill, Patching, Crack Seal, Seal Coat, Restriping parking lots and access road loop
- Alternate 1 – Mill, Overlay, and Seal Coat of Rose Street from west entrance to south parking lot access
- Alternate 2 – Mill, Overlay, Patch, and Seal Coat of private road
- Alternate 3 – Replace asphalt pavement with concrete pavement in long term residential parking stalls

We did talk with NDDOT and they may be able to bid our project along with their other projects to get a better price. We can have them look the project over and see if they can get a better price estimate. Would be more cost beneficial to do the entire project at once so may need additional funding.

Land and Buildings - \$750,000 increase

Looking to use Melvin Norgard funds to build a garage with some storage for residents. We are still currently working on price estimates to see what size building we can build. Parking spaces and storage units would be rented out to the residents with the income being used to upkeep the building.

BUDGET ADJUSTMENTS REQUESTED

Increase capital asset line by \$150,000 in special fund authority for new AHU controls. In the current biennium we are replacing the thermostats in the skilled nursing home with wireless ones. This money will add new wireless coordinators for the building automation system, Metasys. The new coordinators will serve as the building blocks for transitioning the existing wireless system to a new JCI wireless product. Once in place, we can begin migrating rooms over to the new system.

	3	4	5	6	7
	2021-23	2023-25 Base	2023-25 Optional	2023-25 Total	2023-25 Total Budget
	Biennium	Budget Request	Budget Changes	Budget Request	Recommended
	Appropriations				

Maintenance - 313-200

31310 - Salaries and Wages

511000	Salaries - Permanent	449,636	494,132	-	494,132	534,255
512000	Salaries - Other	7,000	7,000	-	7,000	7,000
513000	Temporary Salaries	-	35,000	-	35,000	35,000
514000	Overtime	5,000	5,000	-	5,000	5,000
516000	Fringe Benefits	267,489	275,408	-	275,408	309,117
Total: Salaries and Wages		729,125	816,540	-	816,540	890,372

31330 - Operating Expenses

521000	Travel	80,000	80,000	-	80,000	80,000
531000	Supplies - IT Software	-	-	-	-	-
532000	Supply/Material - Professional	2,000	2,000	-	2,000	2,000
533000	Food and Clothing	400	400	-	400	400
534000	Bldg, Grounds, Vehicle Supply	147,500	147,500	-	147,500	147,500
535000	Miscellaneous Supplies	7,000	7,000	-	7,000	7,000
551000	IT Equipment under \$5,000	-	-	-	-	-
552000	Other Equipment under \$5,000	5,950	5,950	-	5,950	5,950
561000	Utilities	1,093,000	1,093,000	-	1,093,000	1,093,000
	Insurance	3,500	3,500	-	3,500	3,500
	Rentals/Leases-Equipment&Other	1,000	1,000	-	1,000	1,000
582000	Rentals/Leases - Bldg/Land	3,500	3,500	-	3,500	3,500
591000	Repairs	302,271	302,271	30,000	332,271	332,271
611000	Professional Development	500	500	-	500	500
621000	Operating Fees and Services	1,000	1,000	-	1,000	1,000
623000	Professional Fees and Services	39,600	39,600	-	39,600	39,600
691000	Equipment Over \$5000	-	-	-	-	-
Total: Operating Expenses		1,687,221	1,687,221	30,000	1,717,221	1,717,221

31350 - Capital Assets

682000	Land and Buildings	-	-	750,000	750,000	750,000
684000	Extra Repairs/Deferred Main	331,500	-	750,000	750,000	750,000
691000	Equipment Over \$5000	6,000	-	75,000	75,000	75,000
693000	IT Equip / Software Over \$5000	-	-	-	-	-
Total: Capital Assets		337,500	-	1,575,000	1,575,000	1,575,000

31372 - Administrator's Residence

683000	Other Capital Payments	-	-	-	-	-
Total: Administrator's Residence		-	-	-	-	-








Total: Maintenance		2,753,846	2,503,761	1,605,000	4,108,761	
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General	GEN	989,280	709,829	450,000	1,159,829	753,276
	SPEC	1,764,566	1,793,932	1,155,000	2,948,932	3,429,317

Total: Funds: Maintenance		2,753,846	2,503,761	1,605,000	4,108,761	4,182,593
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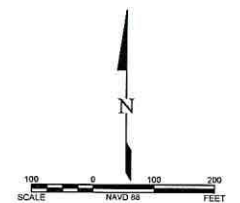
ND VETERANS HOME
 ASPHALT REHAB CONCEPT
 OVERVIEW EXHIBIT
 LISBON, ND
 01/20/2023

LEGEND:

-  BASE BID: ROSE ST - 2" MILL & OVERLAY, PATCH AS NEEDED, SEAL COAT
-  BASE BID: ROSE ST - 3" MILL & 2" OVERLAY, PATCH AS NEEDED, SEAL COAT
-  BASE BID: PARKING LOT REHAB - EDGE/STRIP MILL, PATCHING AS NEEDED, CRACK SEAL, SEAL COAT, RESTRIPIING
-  ALTERNATE 1: ROSE ST - 2" MILL & OVERLAY, PATCHING AS NEEDED, SEAL COAT
-  ALTERNATE 1: ROSE ST - 3" MILL & 2" OVERLAY, PATCHING AS NEEDED, SEAL COAT
-  ALTERNATE 2: PRIVATE RD - 2" MILL & OVERLAY, PATCHING AS NEEDED, SEAL COAT
-  ALTERNATE 2: PRIVATE RD - 3" MILL & 2" OVERLAY, PATCHING AS NEEDED, SEAL COAT
-  ALTERNATE 3: CONCRETE PARKING STALLS
-  BASE BID: PARKING LOT REHAB - RAP PATCHING (FULL DEPTH)

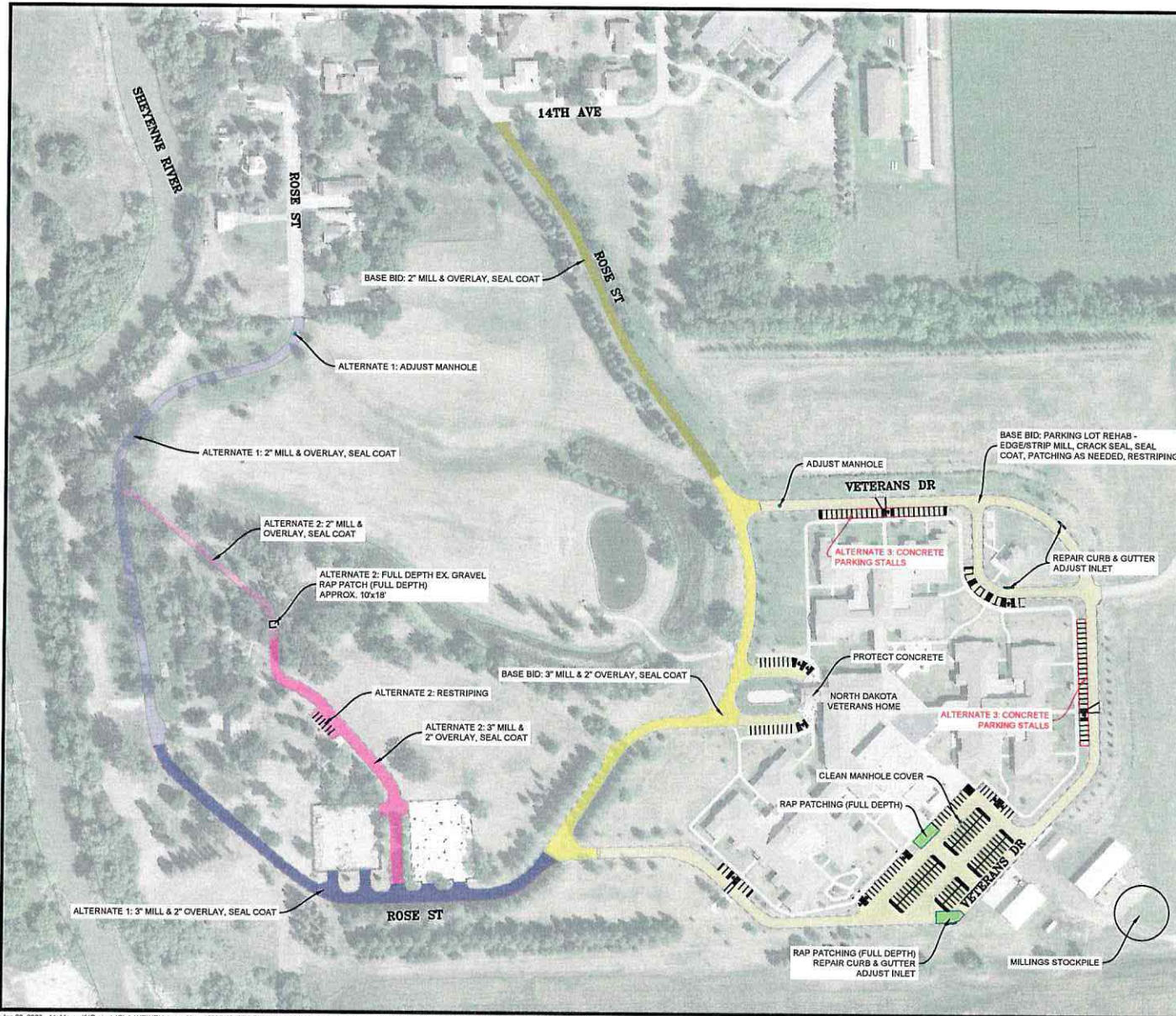
NOTE:

1. EXISTING CONTOURS SHOWN AT 5' INTERVALS.



PRELIMINARY - NOT FOR CONSTRUCTION

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**NORTH DAKOTA VETERANS HOME
2023-2025 BUDGET DETAIL**

DIETARY DEPARTMENT

EXPLANATION OF PROGRAM COSTS

The dietary department is responsible for cooking meals, ordering and stocking food supplies for the main kitchen and all the household pantries. The Veterans Home serves approximately 10,000 – 11,000 meals per month.

Expenses include food and supplements, dishes and silverware, dietary equipment, continuing education, resource materials, paper products, and cleaning supplies.

BUDGET BY TRADITIONAL LINE

<u>Description</u>	2023-2025		<u>% of Executive Recommendation</u>	<u>Change</u>
	<u>Base Budget</u>	<u>Executive Recommendation</u>		
Salaries	2,200,362	2,421,067	70.3%	220,705
Operating	968,200	999,100	29%	30,900
Capital	0	23,400	.7%	23,400
Total	3,168,562	3,443,567	100%	275,005
General	194,222	268,167		73,945
Special	2,974,340	3,175,400		201,060
Total	3,168,562	3,443,567		275,005
FTE	14	14		0

LINE ITEM DETAIL

Salaries and Benefits - \$2,421,067 70% of budget

Dietary Manager – 1 FTE

Cooks - 11 FTE

Food service assistant– 1 FTE

Food services operations supervisor – 1 FTE

Part-time temporary workers

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

Employee reimbursed travel expenses for food shows and workshops

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

Chemicals, resource materials, serve safe training materials

Food - \$850,000 25% of budget

Food, supplements

Building, ground and maintenance - \$10,000 < 1% of budget
Repair parts, janitorial supplies

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

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

Other Equipment under \$5,000 - \$11,900 < 1% of budget
Household refrigerators, microwaves and double burner induction cooktop

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

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

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

SIGNIFICANT CHANGES

Salaries and benefits - \$220,705 increase

- Governor's recommended salary and benefit increases
- Increased shift differential line item by \$35,000 – more funding needed as dept grew by 9 FTE last biennium and I didn't think to increase budget for this

Food - \$26,000 increase
Increase in costs due to inflation

Other equipment under \$5,000 - \$4,900 increase
Replace 6 household refrigerators

Equipment over \$5,000 - \$23,400 increase
Roll-in commercial coolers x 3 – continually repairing the units we have to the point it is no longer cost beneficial to keep repairing

BUDGET ADJUSTMENTS REQUESTED

Increase the food line item by \$150,000 in special fund authority. At the time we put our budget together we did not anticipate our food costs would increase as significantly as they have.

	3	4	5	6	7
	2021-23	2023-25 Base	2023-25 Optional	2023-25 Total	2023-25 Total Budget
	Biennium	Budget Request	Budget Changes	Budget Request	Recommended
	Appropriations				

Dietary - 313-300

31310 - Salaries and Wages

511000	Salaries - Permanent	1,358,508	1,114,792	-	1,114,792	1,205,314
512000	Salaries - Other	30,000	30,000	-	30,000	30,000
513000	Temporary Salaries	65,000	153,026	35,000	188,026	188,026
514000	Overtime	15,000	150,000	-	150,000	150,000
516000	Fringe Benefits	465,103	752,544	-	752,544	847,727
Total: Salaries and Wages		1,933,611	2,200,362	35,000	2,235,362	2,421,067

31330 - Operating Expenses

521000	Travel	2,000	2,000	-	2,000	2,000
531000	Supplies - IT Software	-	-	-	-	-
532000	Supply/Material - Professional	20,000	20,000	-	20,000	20,000
533000	Food and Clothing	824,000	824,000	26,000	850,000	850,000
534000	Bldg, Grounds, Vehicle Supply	10,000	10,000	-	10,000	10,000
535000	Miscellaneous Supplies	85,000	85,000	-	85,000	85,000
536000	Office Supplies	200	200	-	200	200
552000	Other Equipment under \$5,000	7,000	7,000	4,900	11,900	11,900
591000	Repairs	16,500	16,500	-	16,500	16,500
	Professional Development	1,500	1,500	-	1,500	1,500
	Operating Fees and Services	2,000	2,000	-	2,000	2,000
Total: Operating Expenses		968,200	968,200	30,900	999,100	999,100

31350 - Capital Assets

691000	Equipment Over \$5000	-	-	23,400	23,400	23,400
Total: Capital Assets		-	-	23,400	23,400	23,400
Total: Dietary		2,901,811	3,168,562	89,300	3,257,862	

General	GEN	233,111	194,222	84,400	278,622	268,167
Special	SPEC	2,668,700	2,974,340	4,900	2,979,240	3,175,400
Total by Funds: Dietary		2,901,811	3,168,562	89,300	3,257,862	3,443,567

**NORTH DAKOTA VETERANS HOME
2023-2025 BUDGET DETAIL**

BASIC CARE NURSING DEPARTMENT

EXPLANATION OF PROGRAM COSTS

The basic care nursing department is responsible for the medical needs of the basic care residents. The nursing department dispenses medications, provides blood pressure checks, glucose screenings, nebulizer treatments and various other tests and services for the residents.

Expenses cover such things as medical supplies, primary care expenses for medical services, labs, x-rays and various other tests, consulting fees for physical, occupational and speech therapists, psychiatrists and continuing education for employees.

BUDGET BY TRADITIONAL LINE

<u>Description</u>	<u>Base Budget</u>	2023-2025		<u>Change</u>
		<u>Executive Recommendation</u>	<u>% of Executive Recommendation</u>	
Salaries	3,528,766	3,811,798	97%	283,032
Operating	106,000	106,000	3%	0
Capital	0	0	0	0
Total	3,634,766	3,917,798	100%	283,032
General	1,305,196	1,398,192		92,996
Special	2,329,570	2,519,606		190,036
Total	3,634,766	3,917,798		283,032
FTE	24.75	24.75		0

LINE ITEM DETAIL

Salaries and Benefits - \$3,917,798 97% of budget

Clinical Care Partner (RN) – 1 FTE

RNs – 1.6 FTE

LPNs – 8.6 FTE

Med Techs – 5.75 FTE

C.N.A.s – 1 FTE

Medical Records – 1 FTE

Vacant unfunded positions – 5.8 FTE

Temporary workers

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

Employee travel for workshops and continuing education

Supplies and materials/professional - \$3,000 < 1% of budget

Hand sanitizer, resource materials and educational supplies

Food and Clothing - \$6,000 < 1% of budget
Safety clothing – gloves, gowns

Miscellaneous supplies - \$4,000 < 1% of budget
Paper products for dispensing medications, health and beauty supplies such as fingernail clippers, Q-tips etc.

Professional development - \$1,500 < 1% of budget
Workshop and convention registrations

Operating fees and services - \$6,000 < 1% of budget
Hazardous waste removal, help wanted ads, service awards and workers comp payments

Professional services - \$53,000 1% of budget
Medical service providers, physical, occupational and speech therapy consultants, Psychiatric consultants, primary care services including lab testing and x-rays

Medical, dental and optical - \$31,500 < 1% of budget
Lab and nursing supplies, medical equipment, stock medications

SIGNIFICANT CHANGES

Salaries and benefits - \$283,032 increase

- Governor's recommended salary and benefit increases
- Unfunded 2 FTE so we could give equity increases to the nursing department – wages around us have increased significantly and we needed to keep the employees we have.
- \$15,000 in funding to allow us to change LPN positions to RN positions if needed. ND currently has 16,302 licensed RNs and only 2,887 licensed LPNs, making recruitment for LPNs very difficult. Positions will only be changed if we are unable to find an LPN.

	3	4	5	6	7
	2021-23	2023-25 Base	2023-25 Optional	2023-25 Total	2023-25 Total Budget
	Biennium	Budget Request	Budget Changes	Budget Request	Recommended
	Appropriations				

Nursing Basic Care - 313-401

31310 - Salaries and Wages

511000	Salaries - Permanent	1,796,464	1,854,664	-	1,854,664	2,005,265
512000	Salaries - Other	120,000	120,000	15,000	135,000	135,000
513000	Temporary Salaries	200,000	200,000	-	200,000	200,000
514000	Overtime	100,000	100,000	-	100,000	100,000
516000	Fringe Benefits	1,689,298	1,254,102	-	1,254,102	1,371,533
Total: Salaries and Wages		3,905,762	3,528,766	15,000	3,543,766	3,811,798

31330 - Operating Expenses

521000	Travel	1,000	1,000	-	1,000	1,000
532000	Supply/Material - Professional	3,000	3,000	-	3,000	3,000
533000	Food and Clothing	6,000	6,000	-	6,000	6,000
535000	Miscellaneous Supplies	4,000	4,000	-	4,000	4,000
611000	Professional Development	1,500	1,500	-	1,500	1,500
621000	Operating Fees and Services	6,000	6,000	-	6,000	6,000
623000	Professional Fees and Services	53,000	53,000	-	53,000	53,000
625000	Medical, Dental and Optical	31,500	31,500	-	31,500	31,500
Total: Operating Expenses		106,000	106,000	-	106,000	106,000
Total: Nursing Basic Care		4,011,762	3,634,766	15,000	3,649,766	

General	GEN	637,672	1,305,196	15,000	1,320,196	1,398,192
Special	SPEC	3,374,090	2,329,570	-	2,329,570	2,519,606
Total by Funds: Nursing Basic Care		4,011,762	3,634,766	15,000	3,649,766	3,917,798

**NORTH DAKOTA VETERANS HOME
2023-2025 BUDGET DETAIL**

SKILLED CARE NURSING DEPARTMENT

EXPLANATION OF PROGRAM COSTS

The skilled care nursing department is responsible for the overall medical needs of the skilled residents. The nursing department dispenses medications, provides blood pressure checks, glucose screenings, nebulizer treatments and various other tests and services for the residents.

Besides salaries and wages, expenses cover such things as lab and medical supplies, over-the-counter medications, briefs, health and beauty supplies, primary care expenses for medical services, labs, x-rays and other medical tests, consulting fees for physical, occupational and speech therapists, and continuing education for employees.

BUDGET BY TRADITIONAL LINE

<u>Description</u>	<u>Base Budget</u>	2023-2025	% of	<u>Change</u>
		<u>Executive Recommendation</u>	<u>Executive Recommendation</u>	
Salaries	8,958,728	9,673,040	94%	714,312
Operating	634,510	646,460	6%	11,950
Capital	0	10,500	<1%	10,500
Total	9,593,238	10,330,000	100%	736,762
General	1,542,452	1,634,061		91,609
Special	8,050,786	8,695,939		645,153
Total	9,593,238	10,330,000		736,762
FTE	49.04	49.04		0

LINE ITEM DETAIL

Salaries and Benefits - \$9,673,010 94% of budget

RNs – 5.1 FTE

LPNs – 2.1 FTE

Med Tech – 3.9 FTE

C.N.A.s – 27.54 FTE

Transportation staff – 3.2 FTE

Therapy – 1 FTE

Director of Nursing – 1 FTE

Household Coordinator – 1 FTE

Clinical Care Partners (RN) – 4 FTE

Travel - \$4,000 < 1% of budget

Employee reimbursed travel for workshops, continuing education

Supplies and materials/professional - \$20,000 < 1% of budget

Hand sanitizer, resource materials, educational supplies/materials

Food and Clothing - \$70,000 < 1% of budget

Briefs, safety clothing including gloves and gowns

Building, grounds, maintenance supplies - \$5,000 < 1% of budget

Repair parts, miscellaneous. supplies

Miscellaneous supplies - \$30,000 < 1% of budget

Health and beauty supplies, paper products for dispensing medications

Other equipment under \$5,000 - \$42,700 < 1% of budget

Mattresses, bed extenders, wheelchairs, oxygen concentrators, IV pumps, medication fridges, slings for ceiling lifts

Rental/lease of Equipment - \$1,000 < 1% of budget

Rent/lease of specialized medical equipment

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

Repair of medical equipment

Professional development - \$21,000 < 1% of budget

Workshop and convention registrations, dues and memberships, tuition reimbursement

Operating fees and services - \$8,500 < 1% of budget

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

Professional services - \$261,760 3% of budget

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

Medical, dental and optical - \$180,000 2% of budget

Lab and nursing supplies, rehabilitation supplies, stock medications

SIGNIFICANT CHANGES

Salaries and benefits - \$714,312 increase

Governor's recommended salary and benefits increases

Other equipment under \$5,000 - \$11,950 increase

We would like to purchase 80 bed extenders and 25 mattresses. Larger beds needed due to the predominately male population that we serve. We would also like to standardize our beds and mattresses so we don't have to spend so much time moving them from room to room.

Equipment over \$5,000 - \$10,500 increase

Blanket warmers to warm linens, blankets, towels and gowns for residents. Aids in keeping a resident's body temperature normal.

BUDGET ADJUSTMENTS REQUESTED

Increase professional service line item by \$400,000 in special funds authority to cover the on-going costs of agency staffing. Currently these fees are being paid for by COVID-19 funding but we are uncertain that funding will be available next biennium.

	3	4	5	6	7
	2021-23	2023-25 Base	2023-25 Optional	2023-25 Total	2023-25 Total Budget
	Biennium	Budget Request	Budget Changes	Budget Request	Recommended
	Appropriations				

Nursing Skilled Care - 313-402

31310 - Salaries and Wages

511000	Salaries - Permanent	4,448,738	4,695,236	-	4,695,236	5,076,497
512000	Salaries - Other	300,000	300,000	-	300,000	300,000
513000	Temporary Salaries	750,000	750,000	-	750,000	750,000
514000	Overtime	220,000	220,000	-	220,000	220,000
516000	Fringe Benefits	2,946,217	2,993,492	-	2,993,492	3,326,543
Total: Salaries and Wages		8,664,955	8,958,728	-	8,958,728	9,673,040

31330 - Operating Expenses

516000	Fringe Benefits	-	-	-	-	-
521000	Travel	4,000	4,000	-	4,000	4,000
531000	Supplies - IT Software	-	-	-	-	-
532000	Supply/Material - Professional	20,000	20,000	-	20,000	20,000
533000	Food and Clothing	70,000	70,000	-	70,000	70,000
534000	Bldg, Grounds, Vehicle Supply	5,000	5,000	-	5,000	5,000
535000	Miscellaneous Supplies	30,000	30,000	-	30,000	30,000
552000	Other Equipment under \$5,000	30,750	30,750	11,950	42,700	42,700
581000	Rentals/Leases-Equipment&Other	1,000	1,000	-	1,000	1,000
	Repairs	2,500	2,500	-	2,500	2,500
	Professional Development	21,000	21,000	-	21,000	21,000
621000	Operating Fees and Services	8,500	8,500	-	8,500	8,500
623000	Professional Fees and Services	261,760	261,760	-	261,760	261,760
625000	Medical, Dental and Optical	180,000	180,000	-	180,000	180,000
Total: Operating Expenses		634,510	634,510	11,950	646,460	646,460

31350 - Capital Assets

691000	Equipment Over \$5000	-	-	10,500	10,500	10,500
Total: Capital Assets		-	-	10,500	10,500	10,500
Total: Nursing Skilled Care		9,299,465	9,593,238	22,450	9,615,688	

General	GEN	1,700,753	1,542,452	10,500	1,552,952	1,634,061
Special	SPEC	7,598,712	8,050,786	11,950	8,062,736	8,695,939
Total by Funds: Nursing Skilled Care		9,299,465	9,593,238	22,450	9,615,688	10,330,000

**NORTH DAKOTA VETERANS HOME
2023-2025 BUDGET DETAIL**

RESIDENT SERVICES (ACTIVITIES) DEPARTMENT

EXPLANATION OF PROGRAM COSTS

The majority of the expenses for activities 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 from donations.

BUDGET BY TRADITIONAL LINE

<u>Description</u>	<u>Base Budget</u>	<u>2023-2025 Executive Recommendation</u>	<u>% of Executive Recommendation</u>	<u>Change</u>
Salaries	437,202	478,077	99%	40,875
Operating	3,750	3,750	1%	0
Capital	0	0	0%	0
Total	440,952	481,827	100%	40,875
General	134,454	147,583		13,129
Special	306,498	334,244		27,746
Total	440,952	481,827		40,875
FTE	3	3		0

LINE ITEM DETAIL

Salaries and Benefits - \$478,077 99% of budget
 Activities coordinator – 1 FTE
 Activities assistants – 2 FTE

Travel - \$1,000 < 1% of budget
 Employee reimbursed travel for workshops, continuing education

Miscellaneous supplies - \$500 < 1% of budget
 Recreational supplies

Printing - \$500 < 1% of budget
 Printing and mailing of the Scuttlebutt, our semi-annual newsletter that we send out electronically and via mail to around 600 organizations and individuals

Professional development - \$1,000 < 1% of budget
 Workshop and convention registrations, membership fees

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

Fees – professional services - \$500 < 1% of budget
Piano tuning

SIGNIFICANT CHANGES

Salaries and benefits - \$40,875 increase
Governor's recommended salary and benefit increases

	3	4	5	6	7
	2021-23	2023-25 Base	2023-25 Optional	2023-25 Total	2023-25 Total Budget
	Biennium	Budget Request	Budget Changes	Budget Request	Recommended
	Appropriations				

Activities - 313-500

31310 - Salaries and Wages

511000	Salaries - Permanent	253,822	261,314	-	261,314	282,532
512000	Salaries - Other	1,000	1,000	-	1,000	1,000
513000	Temporary Salaries	5,000	5,000	-	5,000	5,000
514000	Overtime	11,000	11,000	-	11,000	11,000
516000	Fringe Benefits	158,863	158,888	-	158,888	178,545
Total: Salaries and Wages		429,685	437,202	-	437,202	478,077

31330 - Operating Expenses

521000	Travel	1,000	1,000	-	1,000	1,000
532000	Supply/Material - Professional	-	-	-	-	-
535000	Miscellaneous Supplies	500	500	-	500	500
542000	Printing	500	500	-	500	500
611000	Professional Development	1,000	1,000	-	1,000	1,000
621000	Operating Fees and Services	250	250	-	250	250
623000	Professional Fees and Services	500	500	-	500	500
Total: Operating Expenses		3,750	3,750	-	3,750	3,750

Total: Activities		433,435	440,952	-	440,952	
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General	GEN	63,500	134,454	-	134,454	147,583
Special	SPEC	369,935	306,498	-	306,498	334,244
Total by Funds: Activities		433,435	440,952	-	440,952	481,827

**NORTH DAKOTA VETERANS HOME
2023-2025 BUDGET DETAIL**

SOCIAL SERVICES DEPARTMENT

EXPLANATION OF PROGRAM COSTS

The social services department acts as the liaison and resident advocate for resident and family members regarding individual issues to ensure that the residents' personal, social and emotional needs are being met. Social service costs include salaries and benefits for our social services staff, pastoral fees, resource materials and supplies, membership dues, and professional development.

BUDGET BY TRADITIONAL LINE

<u>Description</u>	<u>Base Budget</u>	<u>2021-2023 Executive Recommendation</u>	<u>% of Executive Recommendation</u>	<u>Change</u>
Salaries	518,948	566,855	98%	47,907
Operating	14,250	14,250	2%	0
Capital	0	0	0%	0
Total	533,198	581,105	100%	47,907
General	315,900	346,087		30,187
Special	217,298	235,018		17,720
Total	533,198	581,105		47,907
FTE	3	3		0

LINE ITEM DETAIL

Salaries and Benefits - \$566,855 98% of budget

- Social Services Director 1 FTE
- Social Worker - 1 FTE
- Case Manager - 1 FTE

Travel - \$7,000 < 1% of budget

- Employee reimbursed travel for workshops, meal reimbursements for transportation staff

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

- Resource materials and educational supplies

Professional development - \$3,000 < 1% of budget

- Workshop and convention registrations, dues and memberships, tuition reimbursement

Operating fees and services - \$2,500 < 1% of budget
Background checks on potential residents

Professional services - \$1,500 < 1% of budget
Religious support services

SIGNIFICANT CHANGES

Salaries and benefits - \$47,907 increase
Governor's recommended salary and benefits increases

	3	4	5	6	7
	2021-23	2023-25 Base	2023-25 Optional	2023-25 Total	2023-25 Total Budget
	Biennium	Budget Request	Budget Changes	Budget Request	Recommended
	Appropriations				

Social Services - 313-600

31310 - Salaries and Wages

511000	Salaries - Permanent	585,108	333,548	-	333,548	360,631
512000	Salaries - Other	750	750	-	750	750
513000	Temporary Salaries	2,000	2,000	-	2,000	2,000
514000	Overtime	10,000	10,000	-	10,000	10,000
516000	Fringe Benefits	366,307	172,650	-	172,650	193,474
Total: Salaries and Wages		964,165	518,948	-	518,948	566,855

31330 - Operating Expenses

521000	Travel	7,000	7,000	-	7,000	7,000
532000	Supply/Material - Professional	250	250	-	250	250
611000	Professional Development	3,000	3,000	-	3,000	3,000
621000	Operating Fees and Services	2,500	2,500	-	2,500	2,500
623000	Professional Fees and Services	1,500	1,500	-	1,500	1,500
Total: Operating Expenses		14,250	14,250	-	14,250	14,250
Total: Social Services		978,415	533,198	-	533,198	

General	GEN	698,685	315,900	-	315,900	346,087
	SPEC	279,730	217,298	-	217,298	235,018
Total by Funds: Social Services		978,415	533,198	-	533,198	581,105

**NORTH DAKOTA VETERANS HOME
2023-2025 BUDGET DETAIL**

HOUSEKEEPING DEPARTMENT

EXPLANATION OF PROGRAM COSTS

Housekeeping staff work to upkeep the 171,000 square feet of the Veterans Home clean and maintained. Housekeeping costs include salaries and wages, cleaning supplies and chemicals, pest control, toiletry items, equipment and repairs.

BUDGET BY TRADITIONAL LINE

<u>Description</u>	<u>Base Budget</u>	<u>2023-2025 Executive Recommendation</u>	<u>% of Executive Recommendation</u>	<u>Change</u>
Salaries	699,424	769,565	87%	70,141
Operating	119,050	119,050	13%	0
Capital	0	0	0%	0
Total	818,474	888,615	100%	70,141
General	394,024	430,223		36,199
Special	424,450	458,392		33,942
Total	818,474	888,615		70,141
FTE	6	6		0

LINE ITEM DETAIL

Salaries and Benefits - \$769,565 87% of budget

Housekeeping supervisor – 1 FTE

Housekeepers – 5 FTE

Supplies and materials/professional - \$22,000 2% of budget

Chemicals for cleaning

Food and Clothing - \$1,550 < 1% of budget

Safety items - gloves

Building, grounds and maintenance - \$45,000 5% of budget

Janitorial supplies and misc. building supplies

Miscellaneous supplies - \$30,000 3% of budget

Paper products such as paper towels, toilet paper, tissues

Office Supplies - \$500 < 1% of budget

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

Vacuum cleaners and carpet shampoos

Repairs - \$8,500 < 1% of budget
Equipment repairs, service contracts

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

Operating fees and services - \$5,000 <1% of budget
Extermination services

SIGNIFICANT CHANGES

Salaries and benefits - \$70,141 increase
Governor's recommended salary and benefit increases

	3	4	5	6	7
	2021-23	2023-25 Base	2023-25 Optional	2023-25 Total	2023-25 Total Budget
	Biennium	Budget Request	Budget Changes	Budget Request	Recommended
	Appropriations				

Housekeeping - 313-700

31310 - Salaries and Wages

511000	Salaries - Permanent	330,765	403,394	-	403,394	436,151
512000	Salaries - Other	1,000	1,000	-	1,000	1,000
513000	Temporary Salaries	-	-	-	-	-
514000	Overtime	3,000	3,000	-	3,000	3,000
516000	Fringe Benefits	244,299	292,030	-	292,030	329,414
Total: Salaries and Wages		579,064	699,424	-	699,424	769,565

31330 - Operating Expenses

531000	Supplies - IT Software	-	-	-	-	-
532000	Supply/Material - Professional	22,000	22,000	-	22,000	22,000
533000	Food and Clothing	1,550	1,550	-	1,550	1,550
534000	Bldg, Grounds, Vehicle Supply	45,000	45,000	-	45,000	45,000
535000	Miscellaneous Supplies	30,000	30,000	-	30,000	30,000
536000	Office Supplies	500	500	-	500	500
552000	Other Equipment under \$5,000	5,000	5,000	-	5,000	5,000
553000	Office Equip & Furniture-Under	-	-	-	-	-
554000	Repairs	8,500	8,500	-	8,500	8,500
555000	Professional Development	1,500	1,500	-	1,500	1,500
621000	Operating Fees and Services	5,000	5,000	-	5,000	5,000
Total: Operating Expenses		119,050	119,050	-	119,050	119,050

31350 - Capital Assets

691000	Equipment Over \$5000	10,700	-	-	-	-
Total: Capital Assets		10,700	-	-	-	-

Total: Housekeeping		708,814	818,474	-	818,474	888,615
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General	GEN	307,097	394,024	-	394,024	430,223
Special	SPEC	401,717	424,450	-	424,450	458,392
Total by Funds: Housekeeping		708,814	818,474	-	818,474	888,615

**NORTH DAKOTA VETERANS HOME
2023-2025 BUDGET DETAIL**

LAUNDRY DEPARTMENT

EXPLANATION OF PROGRAM COST

Laundry services are provided 5 days per week with an average of 6,600 lbs. of laundry per month for basic and 10,300 lbs. of laundry per month for skilled. Costs for the laundry department include salaries and benefits for 2 full-time and 1 part-time employee, laundry supplies, equipment and repairs, bed linens, towels, and pillows for the residents.

BUDGET BY TRADITIONAL LINE

<u>Description</u>	<u>Base Budget</u>	2019-2021	% of	<u>Change</u>
		<u>Executive Recommendation</u>	<u>Executive Recommendation</u>	
Salaries	372,866	404,656	85%	31,790
Operating	64,500	73,000	15%	8,500
Capital	0	0	0%	0
Total	437,366	477,656	100%	40,290
General	125,376	132,579		7,203
Special	311,990	345,077		33,087
Total	437,366	477,656		40,290
FTE	2.6	2.6		0

LINE ITEM DETAIL

Salaries and Benefits - \$404,656 85% of budget

Laundry supervisor – 1 FTE
Laundry workers – 1.6 FTE

Supplies and materials/professional - \$41,000 9% of budget

Chemicals for laundry

Food and Clothing - \$15,000 3% of budget

Linens, pillows, towels and washcloths

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

Equipment repair parts

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

Laundry supplies

Repairs – \$10,000 2% of budget

Equipment repairs

Operating Fees & Services - \$500 < 1% of budget
Service awards

BUDGET CHANGES

Salaries and benefits - \$31,790 increase
Governor's recommended salary and benefit increases

Supplies and materials professional - \$8,500 increase
Increase in laundry chemical costs due to inflation

	3	4	5	6	7
	2021-23	2023-25 Base	2023-25 Optional	2023-25 Total	2023-25 Total Budget
	Biennium	Budget Request	Budget Changes	Budget Request	Recommended
	Appropriations				

Laundry - 313-800

31310 - Salaries and Wages

511000	Salaries - Permanent	167,184	220,830	-	220,830	238,762
512000	Salaries - Other	50	50	-	50	50
513000	Temporary Salaries	-	-	-	-	-
514000	Overtime	500	500	-	500	500
516000	Fringe Benefits	137,254	151,486	-	151,486	165,344
Total: Salaries and Wages		304,988	372,866	-	372,866	404,656

31330 - Operating Expenses

532000	Supply/Material - Professional	32,500	32,500	8,500	41,000	41,000
533000	Food and Clothing	15,000	15,000	-	15,000	15,000
534000	Bldg, Grounds, Vehicle Supply	2,500	2,500	-	2,500	2,500
535000	Miscellaneous Supplies	4,000	4,000	-	4,000	4,000
552000	Other Equipment under \$5,000	-	-	-	-	-
591000	Repairs	10,000	10,000	-	10,000	10,000
621000	Operating Fees and Services	500	500	-	500	500
Total: Operating Expenses		64,500	64,500	8,500	73,000	73,000
Total: Laundry		369,488	437,366	8,500	445,866	

General	GEN	94,905	125,376	-	125,376	132,579
Special	SPEC	274,583	311,990	8,500	320,490	345,077
Total by Funds: Laundry		369,488	437,366	8,500	445,866	477,656

**NORTH DAKOTA VETERANS HOME
2023-2025 BUDGET DETAIL**

PHARMACY DEPARTMENT

EXPLANATION OF PROGRAM COSTS

The pharmacy dispensed 13,768 medications from July 1, 2021 to June 30, 2022. Of these, 2,199 were new prescriptions and 11,569 were refills. The average cost of these prescriptions was \$32.40; 10% of these prescriptions had a resident copay, 4% were billed to the VA for reimbursement, 2% were billed to Medicare and the remaining cost was the responsibility of the Veterans Home. Program costs include salaries and benefits, medications, packaging and labeling supplies, licensing, computer programs, and resource materials.

BUDGET BY TRADITIONAL LINE

<u>Description</u>	2023-2025		<u>% of Executive Recommendation</u>	<u>Change</u>
	<u>Base Budget</u>	<u>Executive Recommendation</u>		
Salaries	403,842	443,411	30%	39,569
Operating	1,025,016	1,025,016	70%	0
Capital	0	0		0
Total	1,428,858	1,468,427	100%	39,569
General	124,011	124,011		0
Special	1,304,847	1,344,416		39,569
Total	1,428,858	1,468,427		39,569
FTE	2.0	2.0		0

LINE ITEM DETAIL

Salaries and Benefits - \$443,411 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

Food and clothing - \$500 < 1% of budget
PPE 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 - \$5,000 < 1% of budget
Licensing fees, hazardous waste collections

Professional services - \$10,500 < 1% of budget
Relief pharmacist to cover vacation/sick leave

Medical, dental and optical - \$991,716 68% of budget
Medications for veteran residents

SIGNIFICANT CHANGES

Salaries and benefits - \$39,569 increase
Governor's recommended salary and benefit increases

	3	4	5	6	7
	2021-23 Biennium Appropriations	2023-25 Base Budget Request	2023-25 Optional Budget Changes	2023-25 Total Budget Request	2023-25 Total Budget Recommended

Pharmacy - 313-900

31310 - Salaries and Wages

511000	Salaries - Permanent	239,691	247,870	-	247,870	267,998
512000	Salaries - Other	50	50	-	50	50
514000	Overtime	500	500	-	500	500
516000	Fringe Benefits	157,346	155,422	-	155,422	174,863
Total: Salaries and Wages		397,587	403,842	-	403,842	443,411

31330 - Operating Expenses

521000	Travel	100	100	-	100	100
531000	Supplies - IT Software	9,000	9,000	-	9,000	9,000
532000	Supply/Material - Professional	2,500	2,500	-	2,500	2,500
533000	Food and Clothing	500	500	-	500	500
542000	Printing	500	500	-	500	500
552000	Other Equipment under \$5,000	-	-	-	-	-
603000	IT Contractual Services and Re	3,200	3,200	-	3,200	3,200
611000	Professional Development	2,000	2,000	-	2,000	2,000
621000	Operating Fees and Services	5,000	5,000	-	5,000	5,000
622000	Professional Fees and Services	10,500	10,500	-	10,500	10,500
623000	Medical, Dental and Optical	991,716	991,716	-	991,716	991,716
Total: Operating Expenses		1,025,016	1,025,016	-	1,025,016	1,025,016
Total: Pharmacy		1,422,603	1,428,858	-	1,428,858	

General	GEN	351,048	124,011	-	124,011	124,011
Special	SPEC	1,071,555	1,304,847	-	1,304,847	1,344,416
Total by Funds: Pharmacy		1,422,603	1,428,858	-	1,428,858	1,468,427

Nursing Wage Comparisons - Nursing Facilities

2022 ND Long Term Care Survey

	Beginning	Midpoint
<u>RN</u>		
State Overall	\$29.20	\$34.33
Fargo Area	\$28.75	\$36.75
NDVH	\$29.05	\$30.85

Contract Nursing Staff

AWM	\$110.00 - \$200.00
Interim Healthcare	\$70.00
Prairie Traveler	\$55.00 + mileage

RN CHARGE/MDS COORDINATOR

State Overall	\$31.36	\$36.37
Fargo Area	\$31.86	\$38.43
NDVH	\$32.05	\$33.85

LPN

State Overall	\$22.10	\$25.76
Fargo Area	\$31.75	\$27.88
NDVH	\$22.75	\$24.55

Contract Nursing Staff

Interim Healthcare	\$62.00
Prairie Traveler	\$45.00 + mileage

C.N.A.

State Overall	\$16.97	\$18.18
Fargo Area	\$19.29	\$23.22
NDVH	\$16.38 *	\$18.18

Contract Nursing Staff

AWM	\$42.84 - \$108.85
DTN	\$49.50
Prairie Traveler	\$39.55
Interim Healthcare	\$44.00

*Two local skilled nursing facilities are offering \$20.00 and up for starting C.N.A.s

December 21, 2022

Mark Johnson, Administrator
North Dakota Veterans Home

RE: Summary of Strategic Planning Efforts

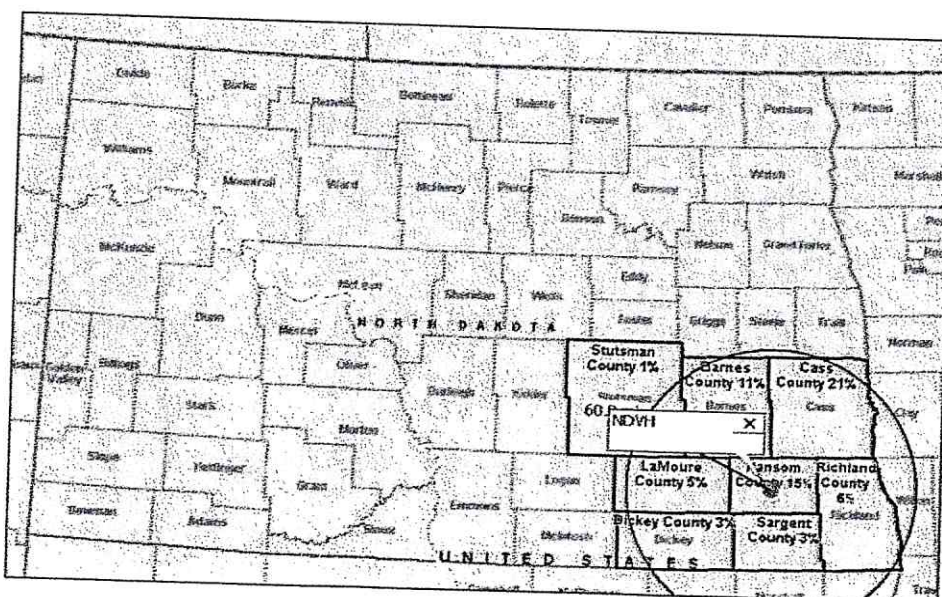
This document will summarize work completed so far in three pieces:

- I. Current state
- II. Challenges
- III. Next steps & Items for Consideration

I. Current State

The Veterans Administration (VA) provides or pays for long-term care, ranging from assistance with activities of daily living to clinical care for spinal injuries or dementia, through three institutional and 11 noninstitutional programs. All Veterans enrolled in the VA health care system are eligible for VA's basic medical benefits package, which includes coverage for certain institutional and noninstitutional long-term care services. Veterans' access to noninstitutional care programs will likely increase as it is less costly than institutional care, and Veterans prefer to delay or reduce the amount of institutional care they receive¹.

The majority of North Dakota Veterans Home (NDVH) residents originate from eight North Dakota counties: Cass, Ransom, Barnes, Richland, LaMoure, Sargent, Dickey, and Stutsman. These counties are considered the primary service area (PSA).



The 65+ Veteran population of the PSA is projected to decline 18% from 2020 to 2030. The 65+ Veteran population of the State of North Dakota is projected to decline 16% from 2020 to 2030. NDVH annual admissions are projected to decline 17% from 2021 to 2030.

As the analysis has anticipated, the census at NDVH continues to decline. Budget cuts may lead to staff reductions which in turn may lead to staffing violations. Private industry long term care (LTC) presents significant competition for workforce and LTC eligible residents. The absence of hospice care is causing some NDVH residents to leave for care elsewhere.

A staffing analysis and benchmarking review was conducted in August 2020. The intent of the analysis was to identify opportunities for improved facility wide productivity. A high-level review was completed for all departments. Departments shown to have a significant difference from industry standards were further reviewed with areas of opportunity identified in a separate, detailed report.

Overall findings indicated a potential for adjustment of current staffing patterns to align with current service levels provided to residents. It was noted that the reported case-mix is reflective of lower acuity levels in the current resident population. This low acuity level was noted for further review and training to ensure proper documentation and acuity levels are achieved.

In consideration of the census, case-mix, and current staffing patterns, there is potential for operational improvement that will need further review to be confirmed and plans developed. A Minimum Data Set (MDS) and documentation audit was employed to identify if the documentation is an accurate reflection of the resident population. Information revealed from an MDS and documentation audit is often utilized to properly establish staffing patterns that are in line with the services provided and flex based on the needs of the residents at any time. A copy of this audit's findings can be requested from NDVH management. No follow-up meetings have taken place to confirm improvement efforts based on MDS audit findings.

NDVH has engaged in strategic planning discussions, looking at programmatic, financial, and organizational issues in efforts to ensure long term viability. Outreach strategies are needed to engage Veterans statewide. NDVH needs to identify how it is unique and build upon this as it creates more service differentiation and becomes branded as era-specific, targeted care and programming with new perspectives on mental and behavioral health. The area of greatest concern and attention is utilization of the NDVH building and *right sizing* the facility, services, and organization.

II. Challenges

- Age 65+ Veteran population is declining in NDVH's service area, the State of North Dakota, and the United States.
- Veterans can go to private industry long term care providers and receive Veteran benefits.
- Continued shift from institutional Veterans services to noninstitutional Veterans services.
- No hospice program at NDVH leads to residents leaving for care at other sites.
- Personnel limitations of VA smoke free campuses; no alcohol on grounds without doctor's order; admission requires 9-12 months of sobriety.
- Limited NDVH mental/behavioral health service offerings.
- High cost of medicine: VA pushes costs to NDVH - high-cost drugs, oxygen.

- Veterans in long term care likely have higher and more complex needs. Regulations dictate VA patients can't get coverage for/if they have greater needs, where in conventional nursing homes, coverage follows to higher need / more intensive care arrangements.
- Limited advertising/marketing budget.
- Cannot fall under 75+ Veteran threshold for building; loss of per diem payments; approximately 1/3 of revenue funding.
- \$14.7m recapture clause of VA block grant: State will have to pay back VA dollars from block grant if building designated use is changed.
- VA calculation for bed growth based on percentage of Veterans living in North Dakota, not tied to service area.
 - VA funded 121 bed built at 65+.
 - State funded 121 bed build growth at 35% and 29 beds at 100%.
- Revenue restrictions:
 - Century Code
 - Administrative Rules
 - Domiciliary rents; sliding fee vs. Medicaid eligibility; fear losing current residents; residents would have to go through asset review.
- High cost of staff turnover.
- Benefit disparity (and cost) between NDVH and private industry LTC providers.
- NDVH is a Veteran's Home providing LTC to veterans but is expected to operate like a LTC nursing home and follow the LTC reimbursement system. NDVH has a unique and specific case mix due to life experiences of veterans, predominantly male and with unique mental and behavioral health needs, requiring a specific staff skill set not available in other LTC settings.
- From U.S. Government Accountability Office¹
 - VA Geriatric & Extended Care Office (GAC) has not established measurable goals to address workforce shortages, such as staffing targets to address the waitlist for the Home-Based Primary Care program.
 - GEC has not established measurable goals for its efforts to address the geographic alignment of care, such as specific targets for providing long-term care within the Home Telehealth and Veteran Directed Care programs.
 - GEC has not established measurable goals for its efforts to address difficulties meeting Veterans' needs for specialty care, such as number of caregivers educated to help Veterans with dementia.

¹VA Health Care: VA Faces Challenges in Meeting Demand for Long-Term Care, Statement of A. Nicole Clowers, Managing Director, Health, U.S. Government Accountability Office, 3/3/202

III. Next Steps and Items for Consideration

The unique nature of NDVH and the distinctive needs of its clientele affect its financial conditions. The following initiatives were developed during strategic planning work sessions. This is a list of *possible* initiatives to explore:

- Identify all ways NDVH is unique. Gain legislative buy-in to identify/recognize NDVH as unique and essential. Assess NDVH's ability to care for all eras of Veterans. Innovate more in these areas, along with mental and behavioral health.
- Explore a different rate-setting system/structure due to the unique care NDVH provides and specific needs of its clientele.

- Advance initiatives to enhance statewide awareness within the Veteran community of the services NDVH provides that are unique and specifically designed for Veterans and spouses.
- Make known to public that spouses can come to NDVH and stay long-term.
- Investigate collaborative hospice. Make business plan.
- Assess demand for campus continuum, specifically assisted and independent living. Make business plan.
- The Domiciliary payment model is not adequate or aligned with the services required for this clientele. A review of this reimbursement model should be considered to more adequately compensate for services provided to veterans.
- Consider implementing a level of services consistent with the North Dakota basic care program and its reimbursement model.
- Implement recommendations from MDS and documentation audit.
- Market to CBOCs (Bismarck, Dickinson, Grafton, Jamestown, Monti, Williston, Devil's Lake)
- Consider merger/buyout with other senior living provider.
- Explore/expand how NDVH can be more engaged in providing community-based services to Veterans statewide.

A recommended next step is to engage State of North Dakota Representative Nelson and Senator Dever with the following message:

The main issues we currently see with the North Dakota Veterans Home (NDVH) is utilization of the building, and right sizing the facility/services/organization. We're looking at some creative avenues to improve the situation, but they would require collaboration and flexibility from the State. Without creativity, collaboration, and support from the State in these areas, NDVH will be forced to continue to focus our strategy and energy on staff retention, with outcomes not likely being significantly different from current. New efforts in this area are ongoing, with NDVH's new HR Director. To facilitate a strong strategic plan and ensure that any strategy developed will be open for exploration, we have a few questions we would like to visit with you on. A general outline is below:

General questions:

1. *What would you like to see as the future of NDVH?*
2. *What is the State's/Legislature's main concerns with the future operations of NDVH?*
3. *What is the State willing to consider as to what services can be offered or expanded to Veterans?*

Specific questions:

1. *Would the State be willing to support efforts to increase state-wide exposure of NDVH and the services it provides?*
2. *Innovation around new and Veteran-specific mental health/behavioral health services is an opportunity but will be expensive. Is the State supportive of expanding these services to the Veterans across the State?*
3. *Would the State be willing to consider some level of merger with another facility to improve operational performance? (given need to meet VA criteria)*
4. *Would the State consider a \$15m federal grant repayment?*

TESTIMONY ON HB 1007
HOUSE HUMAN RESOURCES COMMITTEE
THURSDAY, JANUARY 12, 2023

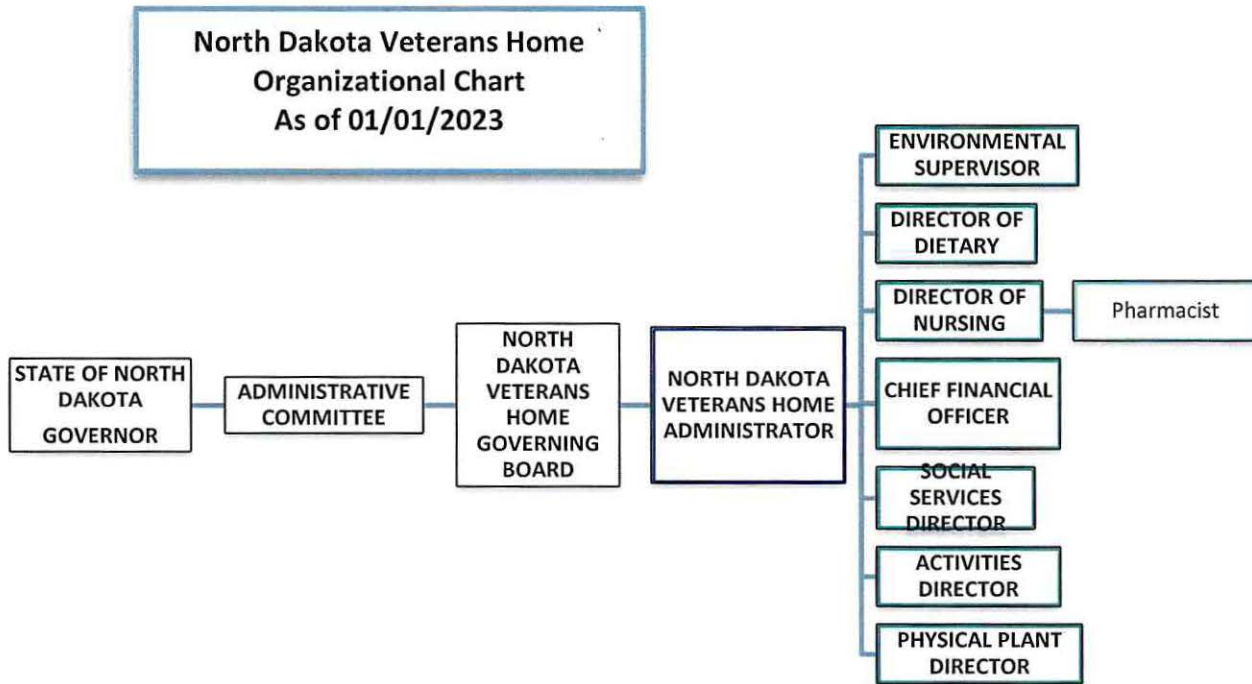
Chairman Nelson and members of the Human Resources Committee, I am Kristin Lunneborg, CFO at the North Dakota Veterans Home. I am here today to give you insight into our current budget and discuss with you our budget needs for the 2023-2025 biennium.

Before I cover the North Dakota Century Code Chapters associated with our agency I would like to update you on how the North Dakota Veterans Home came about. An act of Congress in 1887, set aside certain lands in various states for the establishment and maintenance of homes to support veteran soldiers and sailors. The Constitution of North Dakota, enacted in 1889, established a soldier's home to be located at the city of Lisbon. The original barracks opened in 1893 and by 1907 a hospital and Commandant's residence were added to the campus. The name was changed in 1983, by the Administrative Committee on Veterans Affairs, to the North Dakota Veterans Home as they felt it better reflected the clientele being served. In May 2011, we moved into our current facility which has 52 skilled nursing home beds and 98 basic care beds.

The statutory authority for the Veterans Home is found in North Dakota Century Code Chapters 37-15 and 37-18.1. The object of the veterans' home is to provide basic care and long-term care to veterans and their spouses. The century code also sets out the criteria for admission to the veteran's home, what information will be used to calculate fees for resident care, what monies must be deposited into the veterans' home operating fund, as well as sections allowing the Veterans Home to accept and expend donations. Chapter 37-18.1 sets out the power and duty of the Administrative Committee on Veterans Affairs to appoint a seven-member governing board for the administration of the veterans' home; one of the powers of the governing board is to select the administrator.

The Veterans Home has nine individual departments including administration, maintenance, dietary, nursing, activities, social services, housekeeping, laundry and pharmacy. Each of these

department work together to carry out our mission “Caring for America’s Heroes”. The organizational chart below illustrates what I mentioned already regarding the statutory authority and selection of leadership.



Audit

There were no audit findings in our 2019-2021 biennium audit conducted by the State Auditor’s Office.

Current biennium accomplishments and challenges

Some of the accomplishments we are proud of this biennium include:

- Provided treatment in place for our residents by utilizing an unused area of our facility for a separate COVID unit, allowing us to quarantine residents in-house rather than sending them to the hospital.

- Federal funding allowed us to re-design and add space to our skilled nurses station and skilled household office areas, creating space for staff to social distance and giving the residents a great area for activities.
- Finished installation of new carpet in our skilled nursing facility.
- Created several commercials focusing on recruiting residents and staff; totally funded by donations and aired by ND Cares and the ND Broadcasters Association.
- Upgraded entrances and public restroom doorways with hands free fixtures.
- Completed several of the facility improvement measures identified by Sitelogiq, including, upgrading all light fixtures to LED, sealing the building envelope to minimize air leakage and installing water aerators in the faucets and flush valves on the toilets to improve efficiency.
- We were awarded a Spring America the Beautiful grant from the ND Forest Service.
- We received a B25 propeller from the ND Air National Guard, which we proudly display on the grounds along with our Vietnam War era Huey helicopter, our WWII Sherman M47 Army tank and our Navy anchor from the USS Glover.
- Teamed up with the Lisbon High School to train students to be Certified Nursing Aides, many of them choosing to come work for us.

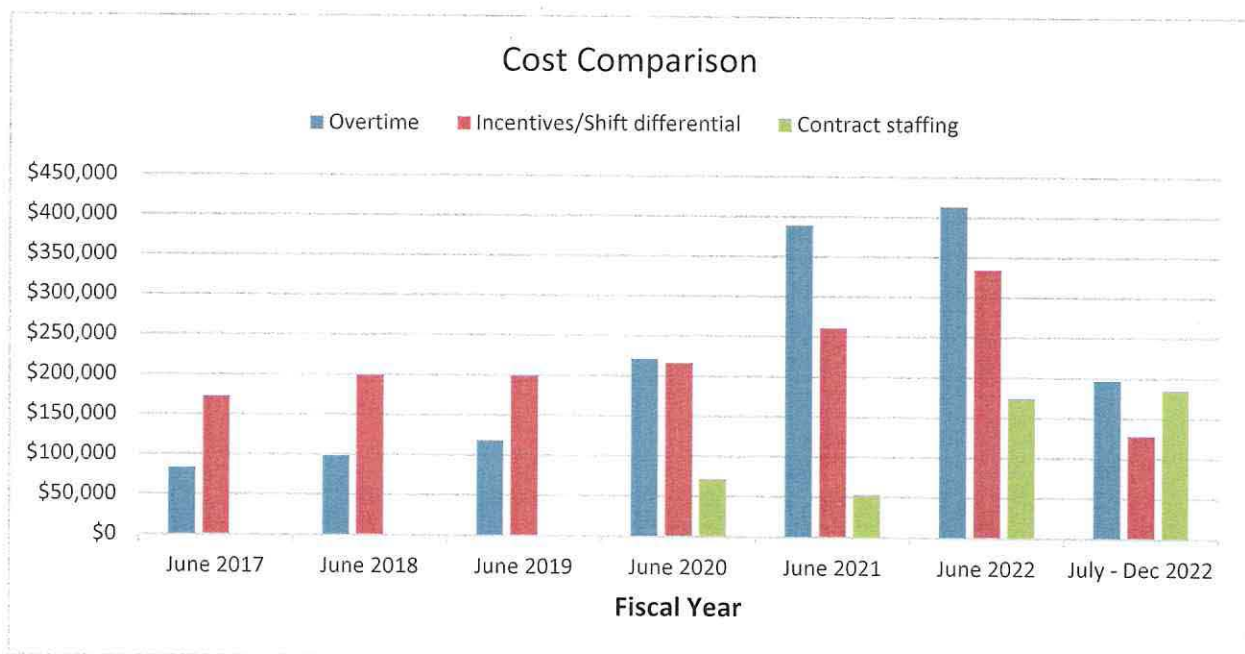
The most difficult challenges we faced this biennium are a direct result of COVID-19; the majority due to the regulations set forth by the Centers for Medicare and Medicaid Services (CMS) and the Centers for Disease Control and Prevention (CDC). Some of them include:

- The physical and emotional well-being of our residents.
- For staff, the physical and mental strain, constant use of face masks and face shields, mandatory vaccines, long hours and burnout from having to fill open shifts due to lack of staff or staff having to be off work due to COVID.
- Mandatory COVID testing for staff (and sometimes residents), up to twice a week.

Started testing in May 2020 and besides a few short breaks we are still testing. As of January 9, ²⁰²³2022, we have completed over 30,000 PCR tests; not to mention all the rapid binex tests that have also been completed.

- Ability to attract and retain staff, inability to keep up with wage increases and bonuses offered by other facilities, and high cost of turnover. Long term care staffing has always been a challenge, but the pandemic has left facilities feeling hopeless due to the insurmountable number of positions open with no applicants.
- Low census = decreased revenues. By November of 2021, we had already experienced a loss of roughly \$470,000 since the beginning of the pandemic.
- Often unable to admit because of staffing shortages. Currently only able to admit due to all the contract agency staff we have in place.
- High cost of contract agency staff. After ten years with no contract staff, we were forced to sign contracts with several staffing agencies in 2020. Almost three years later, we now have contracts with seven agencies!

Below is a comparison of overtime, shift differential/incentive pay and staffing agency costs. I used data from each fiscal year, July 1 – June 30, dating back to 2017. The data in the column on the far right is only from July 1, 2022 to December 31, 2022. Staffing agency costs in those six months have already surpassed the previous year! Overtime is at an all-time high and we are having to offer additional monetary incentives to get staff to pick up extra shifts.



Next biennium goals and plans

Looking ahead, we want to remain hopeful that someday life in the home will return to normal and we will be able to discontinue wearing face masks. Imagine being a resident and not knowing what your caregiver looks like beyond hair and eye color.

Looking forward to the next biennium and beyond, some of our goals and plans include:

- Complete the entrance for the VA telehealth clinic.
- Erect new outdoor shelters/smoke areas for our basic care residents.
- Complete work for the Spring America the Beautiful grant.
- Enhance our main outdoor courtyard area using donated funds.
- Build garages/storage units on campus for resident use.
- Update Administrative Rules.
- Decrease need for contract agency staff by attracting and retaining personnel.
- Increase wages so we are competitive with the market.
- Complete mill and overlay project on the streets and parking lots; eliminate areas that are safety hazards.
- Work with the City of Lisbon to develop a plan for a walkway bridge over the Sheyenne River

2021-2023 Biennium Budget

Our current biennium base budget of \$25,260,115 includes \$19,313,530 for salaries and wages, \$5,539,333 for operating, \$407,252 for capital assets. Funding sources for our base budget include \$19,479,472 in special funds and \$5,780,643 in general funds. In addition to our base-level appropriation, our current appropriation includes one-time funding of \$25,000 for resident leaves of absence, \$16,700 for equipment over \$5,000, \$131,500 for thermostat replacements, \$200,000 for a memorial garden and \$1,300,000 appropriated in HB1395 for COVID-19 costs.

We also had carryover funding of \$138,700 for carpeting, \$20,700 for a commercial dryer, \$33,900 for security system upgrades and \$54,295 for security cameras, a humidifier and a building automation system. We also ended up going to the Emergency commission in June 2022 for an additional \$1,805,000 in appropriation authority so we could accept and expend federal funds received from FEMA and the United States Department of Health and Human Services under the Provider Relief Fund and American Rescue Plan.

We are currently working with Johnson Controls on the thermostat replacement project and anticipate that will be completed by June 30, 2023. We have completed the carpet replacement project in our skilled nursing facility and are working on bids for the rest of our equipment purchases. We do not anticipate having to use the carryover funding for the laundry dryer as we discovered an air-flow issue that seems to have fixed the problem.

We hired Stantec as the engineering firm for the memorial garden project. They prepared the plans and specifications for the project and initially bid the project in April 2022. We received no bids at that time but did have interest from a company that was unable to submit their bid by the deadline, so we decided to put it out for bids again in May 2022. We were shocked when the bids came back well over double what we had anticipated. Between the funding from the Melvin Norgard fund and donations we had received, we had approximately \$375,000 for the first phase of the project but the two bids we received were both close to \$1,000,000 so we decided to not proceed with the project on any level.

Last session, we expressed our concern over the high cost of our ITD services. Part of this conversation was centered around the new nursing facility payment system and how we would never be able to operate our facility efficiently enough to be able to receive any additional incentives in our nursing home rates. As a result of our concern over ITD's rates, a section was added to our bill allowing us the opportunity to contract with an outside entity for these services. After further review, we have decided we are going to continue with ITD at this time.

As most of the world has returned to a pre-pandemic state, the nursing home industry is still operating under strict CMS and CDC guidelines. And all of this comes with a very large price tag, not only monetarily but also with staffing. We currently have 12 open C.N.A. positions. To date, we have received \$3,960,183 in federal funding for COVID expenses, with the last payment in August 2022. We recently submitted another request to FEMA for reimbursement of expenses but beyond the normal PPE and cleaning supplies, we don't know how much of our request will get approved. Funding has been used for such things as PPE supplies, cleaning chemicals, salaries and wages, contract agency staffing, staff retention bonuses, humidifiers and ionization units, software programs, medical equipment, supplies for delivering food and clothing to resident rooms, hands free fixtures and doorways, remodel of the nurses' station and C.N.A. areas, and new tables and chairs.

2023-2025 Biennium Request

We were very pleased when we received the budget request limits for the 2023-2025 biennium and there were no cuts that needed to be made. Being a highly regulated service industry and keeping up with inflation would have made it impossible to make any further cuts and continue our current services.

We are not anticipating any big changes to our revenues for the next biennium besides being hopeful that we will not have any holds on admission due to staffing and we will be able to increase our admissions, thereby increasing our rent revenues.

Revenue sources for the operation of the Veterans Home include federal per diem funds from the Department of Veterans Affairs (VA) and special fund income. The VA pays us a daily per diem for each veteran for each day they are in the facility and for some leave of absence days. Currently the per diem rates are \$54.89 per day for basic care and \$127.17 per day for skilled care. The VA also pays us a set per diem rate for each 70% or more service-connected veteran; this money is first applied to the resident's rent and any remaining amount is considered per diem income. Although these are federal funds, per N.D.C.C., this money is deposited into our

special fund account. Special funds are all the monies we collect from various sources. Listed below are the historical and projected special fund income amounts and a description of each.

North Dakota Veterans Home Special Fund Revenue				
	<u>Actual</u> <u>2017-2019</u>	<u>Actual</u> <u>2019-2021</u>	<u>Projected</u> <u>2021-2023</u>	<u>Projected</u> <u>2023-2025</u>
Intergovernmental				
1 Grants/Contributions	5,341,234	5,851,135	5,100,000	5,100,000
2 Cash/Investment Earnings	750	2,611	2,500	2,250
3 Contributions & Private Grants	4,453	1,343	1,100	1,500
4 Charges for Services/Sales	176,277	169,083	150,000	145,000
5 General Government	59,529	26,028	16,000	20,000
6 Health	11,736,939	11,261,322	11,400,000	12,750,000
7 Leases, Rents, and Royalties**	185,425	534,235	379,000	379,000
8 Miscellaneous General Revenue	10,999	8,565	14,000	13,000
9 Transfers In	711,984	732,000	510,000	550,000
Total Special Fund Revenue	<u>18,227,591</u>	<u>18,586,323</u>	<u>17,572,600</u>	<u>18,960,750</u>

- 1 **Intergovernmental grants** - per diem money from the Dept of Veterans Affairs. We are paid \$54.89 for each basic care veteran and \$127.17 for each skilled care veteran, rates change every Oct 1.
- 2 **Cash/Investment Earnings** - interest earned on accounts
- 3 **Contributions & Private grants** - money taken in at weekly church services
- 4 **Charges for Services/Sales** - food sales, veteran medication co-pays and VA pharmacy reimbursements
- 5 **General Government** - veteran travel pay from VA, resident's monthly cable tv payments, copier revenue
- 6 **Health** - rent payments from residents, VA, Medicare and Medicaid
- 7 **Leases, Rents and Royalties** - Lease of room for medical doctor and mineral royalty income
 **Mineral royalty income is included above but deposited into the Melvin Norgard Fund
- 8 **Miscellaneous General Revenue** - rebates and miscellaneous items that do not fall into another category
- 9 **Transfers In** - money we receive from the State Land Department. This Veterans Home has 2,753.89 acres of land that is managed by the State Land Department. Remainder of land set aside by Congress in 1887.

The Melvin Norgard memorial fund, established by the 62nd Legislative Assembly, consists of all income related to a bequest made to the veterans' home by Melvin Norgard, and consists of mineral royalties and interest. Money in this fund must be appropriated by the legislature and can only be spent on projects or programs to benefit and service the residents of the veterans home, not for the operation of the home.

Our 2023-2025 biennium request limit is \$25,260,115, with \$5,780,643 being funded with general funds and \$19,479,472 being special funds. We also submitted an additional \$1,740,250 in optional items bringing our submitted budget total to \$27,000,365.

Optional items included in our budget include:

- \$35,000 in shift differential for our dietary department. Our dietary department originally had 6 FTE employees and when we decided to eliminate the universal worker role, we gained an additional 9 more FTEs. These staff work 10 hour shifts seven days a week. Since some of these hours qualify for shift differential and extra incentives, we need more funding.
- \$15,000 to change LPN to RN positions, if needed. More and more individuals are going to school to obtain their RN licenses and it is becoming much harder to find LPNS. This funding is in our current budget, and we want to ensure we have it in the next budget. We did have to switch two positions from LPN to RN during the current biennium.
- \$8,500 for increases in laundry chemical costs due to inflation.
- \$30,000 for maintenance repairs. We are seeing an increase in repairs needed and an increase in prices for parts and labor. This line item also covers the cost of having to hire outside individuals to service equipment we cannot fix ourselves and rates for these services are climbing.
- \$26,000 for increased food costs due to inflation.
- \$11,950 in one-time funding for the purchase of 80 bed extenders and 25 mattresses. We are increasingly needed larger beds due to the predominately male population that we serve.
- \$4,900 in one-time funding to replace refrigerators that are in constant need of repair.
- \$108,900 in one-time funding for commercial roll-in coolers, blanket warmers, a Toro Groundsmaster and a Bobcat side by side.
- \$750,000 in one-time funding to do a mill, overlay and chip seal on our roads and parking lots.

- \$750,000 in one-time funding from the Melvin Norgard fund to build garages and storage units for the residents. These units would be rented out on a first come, first serve basis with revenues going back into the Melvin Norgard fund.

Besides the Governor's recommended increases to the salaries and wages line, the Governor's recommended budget includes all our optional items. The only change made by the Governor was to fund the road and parking lot improvement project with funds from the Strategic Investment and Improvements fund rather than our special funds.

I have attached a one-page itemized listing of the changes we are requesting this committee to make to our budget. We are requesting an increase in appropriation authority for food and repairs and the addition of a capital asset project related to the building automation system.

Other Bills

We were asked to report on any other bills being considered by the Legislative Assembly that might have an impact on us. There is a bill to amend and reenact Section 37-15-02 of the North Dakota Century Code relating to the provision of basic and long-term care to service members and veterans. This bill changes the definition of a veteran to include all service members of the United States armed forces, national guard or reserve who may be discharged under other than dishonorable conditions and who do not meet the definition of a veteran but who become permanently disabled from any cause while in the line and discharge of duty and who are enrolled in VA healthcare to be eligible for admission. We anticipate this change in language will allow a few more individuals to qualify for admission but should not have a significant impact on the budget.

In closing, we strongly urge your support for the Governor's proposed equity increases and pay increases for the next biennium. We need to be able to be competitive so we can attract and retain staff and reduce our expenses for overtime, incentives and contract agency staffing. We are currently using staffing agencies to cover approximately 830 hours a month for us. These

individuals get paid anywhere from two to four times more than our own staff. Besides the hourly cost, these individuals don't provide the same quality of care as our own staff as they don't know the residents; they are frequently late (didn't know where we were located), don't show up at all, or have performance issues. In addition, we have mounds of work on our end before they can even set foot inside the facility as we need to obtain copies of their licenses, vaccination status, background checks and CPR certificates, get them set up in our computer systems and train them. Often, we do all the steps on our end and then they decide to go to another facility. Contract agency staff act as a band-aid to fill a position and not a solution to the staffing crisis we are faced with.

In the past, we were the employer of choice in the area but now we have a hard time competing with area healthcare facilities as they have been able to give significant wage increases and we are limited by the state system. Within the last few months, two of the area nursing homes have raised their starting C.N.A. wages to over \$20.00 per hour, our starting wage is \$16.38 per hour. Many are also offering a \$10,000 sign on bonus. Our benefits package is usually better, but the new employee seems to be more interested in their take home pay, rather than their insurance or retirement. We need to be able to hire our own staff, not contract for staffing at significantly higher rates. 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 2023-2025 budget request and help us to provide the care that our veterans deserve.

Kristin Lunneborg
North Dakota Veterans Home CFO
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Requested Changes to HB 1007

- Increase professional service line item by \$400,000 in special funds authority to cover the on-going costs of agency staffing. Currently these fees are being paid for by COVID-19 funding but we are uncertain that funding will be available next biennium.
- Increase the food line item by \$150,000 in special fund authority. At the time we put our budget together we did not anticipate our food costs would increase as significantly as they have. Even with a lower than anticipated census this biennium our budget is getting stretched thin.
- Increase capital asset line by \$150,000 in special fund authority for new AHU controls. In the current biennium we are replacing the thermostats in the skilled nursing home with wireless ones. This money will add new wireless coordinators for the building automation system, Metasys. The new coordinators will serve as the building blocks for transitioning the existing wireless system to a new JCI wireless product. Once in place, we can begin migrating rooms over to the new system.

North Dakota Veterans Home Budget Request Summary

Object/Revenue		2021-23 Biennium Appropriations	2023-25 Base Budget Recommended	2023-25 Optional Budget Changes Recommended	2023-25 Total Budget Recommended
Description	Dept				
Administration	1000	2,650,044	2,700,940	-	2,824,668
Maintenance	2000	2,753,846	2,503,761	1,605,000	4,182,593
Dietary	3000	2,901,811	3,168,562	89,300	3,443,567
Nursing Basic Care	4000	4,011,762	3,634,766	15,000	3,917,798
Nursing Skilled Care	4500	9,299,465	9,593,238	22,450	10,330,000
Activities	5000	433,435	440,952	-	481,827
Social Services	6000	978,415	533,198	-	581,105
Housekeeping	7000	708,814	818,474	-	888,615
Laundry	8000	369,488	437,366	8,500	477,656
Pharmacy	9000	1,422,603	1,428,858	-	1,468,427
COVID-19	9500	1,300,000	-	-	-
TOTAL BY APPROPRIATIONS ORGS		26,829,683	25,260,115	1,740,250	28,596,256
Salaries and Wages	31310	19,209,879	19,313,530	50,000	20,959,421
Operating Expenses	31330	5,564,333	5,539,333	81,350	5,620,683
Capital Assets	31350	755,471	407,252	1,608,900	2,016,152
Administrator's Residence	31372	-	-	-	-
CARES Act Funding - 2020	31379	1,300,000	-	-	-
TOTAL BY OBJECT SERIES		26,829,683	25,260,115	1,740,250	28,596,256
General	GEN	5,805,643	5,780,643	106,000	6,239,014
Federal	FED	1,300,000	-	-	-
Special	SPEC	19,724,040	19,479,472	1,634,250	22,357,242
TOTAL BY FUNDS		26,829,683	25,260,115	1,740,250	28,596,256
TOTAL AUTHORIZED EMPLOYEES		114.79	114.79	-	114.79



NORTH DAKOTA VETERANS HOME

The North Dakota Veterans Home has been Caring for America's Heroes since 1893. We are committed to creating a safe, enriching environment for residents, designed to feel like home.

WHAT HAPPENS IF WE CAN'T DO OUR JOB...

Inability to Admit New Residents

Veterans needing nursing home services are delayed in or unable to get the care.



Staff Burnout

To maintain required staff-to-patient ratios some staff are working exorbitant amounts of overtime, causing burnout and turnover.



Costly Contract Agency Staff

To continue providing care for our residents, we must resort to hiring contract staff for as much as 3.5x the amount we pay our staff.



CURRENT AGENCY TEAM MEMBER STATS

107

full-time team members

13

number of vacancies

\$43K

average annual salary

45

average age

9.3

average years of service

24

retirement-eligible

NURSING HOME NEED CONTINUES TO GROW

ND

Population Over Age 65

↑ 16.1%

from 2010-2020

Veterans Over Age 65

↑ 3.4%

from 2010-2020

Current Number of ND Veterans

575,069

HOW WE COMPARE

SALARY

Healthcare wages

↑ 31%

in ND in the last 5 years

Healthcare wages

↑ 20%

nationally in the last 3 yrs.

Veterans Home wages

↑ 8%

in the last 5 years

VETERANS HOME WORKFORCE

VACANT POSITIONS – NUMBER OF DAYS OPEN

Certified Nurse Assistant (CNA) Nights	398
Certified Nurse Assistant (CNA) PMs	578
Certified Nurse Assistant (CNA) Days	517
Activities Assistant II	75
Overnight Skilled RN	52

11 of our 13 vacant positions are CNA positions, which have not been fully staffed in 2+ years. In 2022, we hired 15 new staff members for both permanent and temp positions; 6 of them quit within 6 months of being hired.

COST OF TURNOVER

\$35K

per team member

Figured with 80% of annual salary.

Certified Nursing Assistants (CNAs) are the hardest staff to recruit and retain. Those vital vacant positions are what is driving our overtime and agency staffing costs to increase almost \$500,000 in the last 2 years.

To become certified, applicants need to complete 75+ hours of classroom training and then pass written and hands-on skills test. All of which is paid for by the Veterans Home. Once they are certified they complete a month-long orientation. Then averaging another 6-12 months to be skilled in their position.

WORKFORCE COMPETITION



Hospital and Nursing Homes

Local hospital and nursing homes who can hire at a higher starting salary. **One area nursing home currently offering \$10,000 sign on bonus for CNA and nurses.**



Clinics

Clinic office generally can attract and retain staff easier than a 24-hour facility that must require staff work some weekend and or holiday hours.



Local Major Manufacturer

Doosan Bobcat is continuously seeking production employees with no experience needed and starting their pay between \$20-25 per hour. **Employees there will see a pay increase of 18% over the next 4 years.**



Staffing Agencies

These agencies can offer large incentives and higher wages to attract staff. When those staff what to come work for us we may have to pay thousands to the agency to direct hire that staff member.

INDUSTRY OUTLOOK The need for basic and skilled care nursing homes remains strong as the population in North Dakota continues to age. Yet employment levels in long-term care, nationwide continue to shrink due to inadequate pay and supports for their work. The struggle with pandemic-driven shortages and skyrocketing expenses will continue to compound pressures on healthcare's bottom line in 2023.

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

Prepared for: 2/7/2023

	Executive Budget Recommendation				House Version				House Changes to Executive Budget			
	Increase (Decrease) - Executive Budget				Increase (Decrease) - Executive Budget				Increase (Decrease) - Executive Budget			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2023-25 Biennium Base Level	114.79	\$5,780,643	\$19,375,840	\$25,156,483	114.79	\$5,780,643	\$19,375,840	\$25,156,483	0.00	\$0	\$0	\$0
2023-25 Ongoing Funding Changes												
Adds funding for the cost to continue salary increases			\$96,159	\$96,159				\$0			(\$96,159)	(\$96,159)
Salary increase		\$264,409	765,644	1,030,053				0		(\$264,409)	(765,644)	(1,030,053)
Health insurance increase		87,962	477,876	565,838				0		(87,962)	(477,876)	(565,838)
Adds funding to reclassify an FTE LPN position to an FTE RN position		15,000		15,000				0		(15,000)		(15,000)
Adds funding to increase salaries of shift differential staff		35,000		35,000				0		(35,000)		(35,000)
Adds funding for IT rate increases			7,492	7,492				0			(7,492)	(7,492)
Adds funding for increasing laundry supply costs			8,500	8,500				0			(8,500)	(8,500)
Adds funding for building repairs		30,000		30,000				0		(30,000)		(30,000)
Adds funding for resident food costs		26,000		26,000				0		(26,000)		(26,000)
Adjusts funding for bond and interest payments			(19)	(19)				0			19	19
Total ongoing funding changes	0.00	\$458,371	\$1,355,652	\$1,814,023	0.00	\$0	\$0	\$0	0.00	(\$458,371)	(\$1,355,652)	(\$1,814,023)
One-Time Funding Items												
Adds funding for a building with rentable indoor parking and storage			\$750,000	\$750,000				\$0			(\$750,000)	(\$750,000)
Adds funding to mill, patch, and chip seal parking lots and roads			750,000	750,000				0			(750,000)	(750,000)
Adds funding for bed extenders and mattresses			11,950	11,950				0			(11,950)	(11,950)
Adds funding to replace refrigerators			4,900	4,900				0			(4,900)	(4,900)
Adds funding to replace a compact tractor			45,000	45,000				0			(45,000)	(45,000)
Adds funding to replace a utility task vehicle			30,000	30,000				0			(30,000)	(30,000)
Adds funding to replace commercial roll-in coolers			23,400	23,400				0			(23,400)	(23,400)
Adds funding for blanket warmers for residents			10,500	10,500				0			(10,500)	(10,500)
Total one-time funding changes	0.00	\$0	\$1,625,750	\$1,625,750	0.00	\$0	\$0	\$0	0.00	\$0	(\$1,625,750)	(\$1,625,750)
Total Changes to Base Level Funding	0.00	\$458,371	\$2,981,402	\$3,439,773	0.00	\$0	\$0	\$0	0.00	(\$458,371)	(\$2,981,402)	(\$3,439,773)
2023-25 Total Funding	114.79	\$6,239,014	\$22,357,242	\$28,596,256	114.79	\$5,780,643	\$19,375,840	\$25,156,483	0.00	(\$458,371)	(\$2,981,402)	(\$3,439,773)
<i>Federal funds included in other funds</i>			\$0				\$0				\$0	
<i>Total ongoing changes as a percentage of base level</i>	0.0%	7.9%	7.0%	7.2%	0.0%	0.0%	0.0%	0.0%				
<i>Total changes as a percentage of base level</i>	0.0%	7.9%	15.4%	13.7%	0.0%	0.0%	0.0%	0.0%				

Other Sections in Veterans' Home - Budget No. 313

	Executive Budget Recommendation	House Version
Estimated income - Strategic investment and improvements fund	Section 3 would identify \$750,000 in the estimated income line item in Section 1 is from the strategic investment and improvements fund for parking lot and road repairs.	

23.0236.01001
Title.

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

Fiscal No. 1

February 7, 2023

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:

"	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$19,209,879	\$1,498,866	\$20,708,745
Operating expenses	5,539,333	88,842	5,628,175
Capital assets	<u>407,271</u>	<u>1,787,811</u>	<u>2,195,082</u>
Total all funds	\$25,156,483	\$3,375,519	\$28,532,002
Less estimated income	<u>19,375,840</u>	<u>2,981,886</u>	<u>22,357,726</u>
Total general fund	\$5,780,643	\$393,633	\$6,174,276
Full-time equivalent positions	114.79	0.00	114.79"

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

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

Page 1, remove lines 20 through 24

Page 2, replace lines 1 through 3 with:

"Indoor parking and storage	\$0	\$750,000
Parking lot and road repairs	0	600,000
Equipment	16,700	125,750
Thermostat replacements	131,500	328,930
Resident absences	25,000	0
Memorial garden project	200,000	0
COVID-19 pandemic costs	<u>1,300,000</u>	<u>0</u>
Total all funds	\$1,673,200	\$1,804,680
Less estimated income	<u>1,648,200</u>	<u>1,804,680</u>
Total general fund	\$25,000	\$0

The 2023-25 biennium one-time funding amounts are not a part of the entity's base budget for the 2025-27 biennium. The veterans' home shall report to the appropriations committees of the sixty-ninth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2023, and ending June 30, 2025."

Page 2, after line 7, insert:

"SECTION 4. ESTIMATED INCOME - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - PARKING LOT AND ROAD REPAIRS - ONE-TIME FUNDING. The estimated income line item in section 1 of this Act includes the sum of \$600,000 from the strategic investment and improvements fund for the purpose of repairing parking lots and roads on the veterans' home campus. This funding is considered a one-time funding item.

SECTION 5. ESTIMATED INCOME - FEDERAL STATE FISCAL RECOVERY FUND - THERMOSTAT REPLACEMENTS - ONE-TIME FUNDING. The estimated income line item in section 1 of this Act includes the sum of \$328,930 from federal funds derived from the state fiscal recovery fund for the purpose of a thermostat and air handling unit replacement project. This funding is considered a one-time funding item."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

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

	Base Budget	House Changes	House Version
Salaries and wages	\$19,209,879	\$1,498,866	\$20,708,745
Operating expenses	5,539,333	88,842	5,628,175
Capital assets	407,271	1,787,811	2,195,082
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General fund	\$5,780,643	\$393,633	\$6,174,276
FTE	114.79	0.00	114.79

Department 313 - Veterans' Home - Detail of House Changes

	Adds Funding for the Cost to Continue Salaries¹	Adds Funding for Salary and Benefit Increases²	Adds Funding for Staff Salaries³	Adjusts Base Level Funding⁴	Adds One-Time Funding for Indoor Parking and Storage⁵	Adds One-Time Funding for Parking Lot and Road Repairs⁶
Salaries and wages	\$96,159	\$1,352,707	\$50,000			
Operating expenses				\$71,992		
Capital assets				(19)	\$750,000	\$600,000
Total all funds	\$96,159	\$1,352,707	\$50,000	\$71,973	\$750,000	\$600,000
Less estimated income	96,159	1,065,074	0	15,973	750,000	600,000
General fund	\$0	\$287,633	\$50,000	\$56,000	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Adds One-Time Funding for Equipment⁷	Adds One-Time Funding to Replace Thermostats⁸	Total House Changes
Salaries and wages			\$1,498,866
Operating expenses	\$16,850		88,842
Capital assets	108,900	\$328,930	1,787,811
Total all funds	\$125,750	\$328,930	\$3,375,519
Less estimated income	125,750	328,930	2,981,886
General fund	\$0	\$0	\$393,633
FTE	0.00	0.00	0.00

¹ Funding is added for the cost to continue salary increases.

² The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from \$1,429 to \$1,648 per month:

	General Fund	Other Funds	Total
Salary increase	\$197,648	\$576,205	\$773,853
Health insurance increase	89,985	488,869	578,854
Total	\$287,633	\$1,065,074	\$1,352,707

³ Funding of \$50,000 is added from the general fund for staff salaries and wages, including \$15,000 to reclassify an FTE from a licensed practical nurse position to a registered nurse position and \$35,000 to increase salaries of shift differential staff.

⁴ Base level funding from the general fund and soldiers' home fund is adjusted as follows:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Adds funding for information technology rate increases	\$0	\$7,492	\$7,492
Adds funding for increasing laundry supply costs	0	8,500	8,500
Adds funding building repairs	30,000	0	30,000
Adds funding for resident food costs	26,000	0	26,000
Adjusts funding for bond and interest payments	<u>0</u>	<u>(19)</u>	<u>(19)</u>
Total	\$56,000	\$15,973	\$71,973

⁵ One-time funding of \$750,000 is added from the Melvin Norgard memorial fund for the construction of a building on the Veterans' Home campus with rentable indoor parking and storage.

⁶ One-time funding of \$600,000 is added from the strategic investment and improvements fund to mill, patch, and chip seal parking lots and roads on the Veterans' Home campus.

⁷ One-time funding of \$125,750 from the soldiers' home fund is added for equipment, including bed extenders and mattresses (\$11,950), replacement of refrigerators (\$4,900), replacement of a compact tractor (\$45,000), replacement of a utility task vehicle (\$30,000), replacement of commercial roll-in coolers (\$23,400), and blanket warmers for residents (\$10,500).

⁸ One-time funding of \$328,930 is added from the federal State Fiscal Recovery Fund for a thermostat and air handling unit replacement project.

This amendment also:

- Adds a section to identify \$600,000 of one-time funding appropriated in Section 1 is from the strategic investment and improvements fund for parking lot and road repairs.
- Adds a section to identify \$328,930 of one-time funding appropriated in Section 1 is from the federal State Fiscal Recovery Fund for a thermostat and air handling unit replacement project.



TO: North Dakota Veterans Home
1400 Rose St.

Lisbon, ND 58054
Attn: Shawn Mcleod

Date: January 31, 2023

Project: AREA A, B and C Wireless Controls Upgrade
Proposal

We propose to furnish the materials and/or perform the work described below for the net price of:
\$328,930.00

THREE-HUNDRED TWENTY-EIGHT THOUSAND, NINE HUNDRED THIRTY AND 00/100 DOLLARS

For the above price this proposal includes:

This proposal is to convert the older TEC-2000 wireless spaces within "Area A", "Area B" and "Area C" that weren't addressed in the initial phase. Spaces in Area A, B and C shall receive upgraded wireless controllers and wireless thermostats for both the heat pumps and the terminal coils. Below is a detailed breakout of what is being supplied.

AREA A PROJECT:

- Adding (3) new WRG-1830 wireless coordinator for the building automation system, Metasys. The new coordinators will serve as the building blocks for transitioning the existing wireless system to the new JCI wireless product. When this new coordinator is added we'll migrate an area of rooms over. Once in place, other areas/rooms can be transitioned over one-by-one or in larger chunks.
 - The existing wireless thermostats have become discontinued and will be replaced with the new wireless 3000 series of products.
 - There is a max of 34 devices per WRG coordinator.
- Adding (61) TEC3122 new wireless stats to replace existing obsolete and discontinued TEC-2002 JCI thermostats currently on TERMINAL COILS with RADIANT CEILING PANELS. The existing stats can be used as spare parts for when others on the campus fail.
- All the programming associated with the change over which includes rebinding software points, adding new points in, rebinding graphics and programming of the new coordinator and new stats.
- An additional coordinator is being added to allow for future growth of the system.
- All the electrical associated with the install of these new devices.

AREA B & C PROJECT: (Exact same layout so the scope is identical)

- Adding (4) new WRG-1830 wireless coordinator for the building automation system, Metasys. The new coordinators will serve as the building blocks for transitioning the existing wireless system to the new JCI wireless product. When this new coordinator is added we'll migrate an area of rooms over. Once in place, other areas/rooms can be transitioned over one-by-one or in larger chunks.
 - The existing wireless thermostats have become discontinued and will be replaced with the new wireless 3000 series of products.

- o There is a max of 34 devices per WRG coordinator.
- Adding (37) TEC3130 new wireless stats to replace existing obsolete and discontinued TEC-2002 JCI thermostats currently on HEAT PUMPS. The existing stats can be used as spare parts for when others on the campus fail.
- Adding (56) TEC3122 new wireless stats to replace existing obsolete and discontinued TEC-2002 JCI thermostats currently on TERMINAL COILS with RADIANT CEILING PANELS. The existing stats can be used as spare parts for when others on the campus fail.
- All the programming associated with the change over which includes rebinding software points, adding new points in, rebinding graphics and programming of the new coordinator and new stats.
- An additional coordinator is being added to allow for future growth of the system.
- All the electrical associated with the install of these new devices.

Also Includes:

- All the electrical associated with the retrofit to add network drops for the new coordinators around the facility.
- New graphics associated with the updated controls.
- Updated control drawings and as-builts.
- Adding a M4-SNE2200 large capacity engine for future expansion, transition purposes and upgrade to the Linux based OS to aid in network security.

Pricing Breakout:

AREA A: Pricing per this Scope \$79,880.00 _____, Initial to accept.
 AREA B: Pricing per this Scope \$124,525.00 _____, Initial to accept.
 AREA C: Pricing per this Scope \$124,525.00 _____, Initial to accept.

This proposal DOES NOT include:

Supplying any new panels.

Replacing or repairing any defective controls material, outside of the above scope, found during install of this project.

23.0236.01001
Title.

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

Fiscal No. 1

February 7, 2023

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TESTIMONY ON HB 1007
SENATE HUMAN RESOURCES COMMITTEE
FRIDAY, MARCH 10, 2023

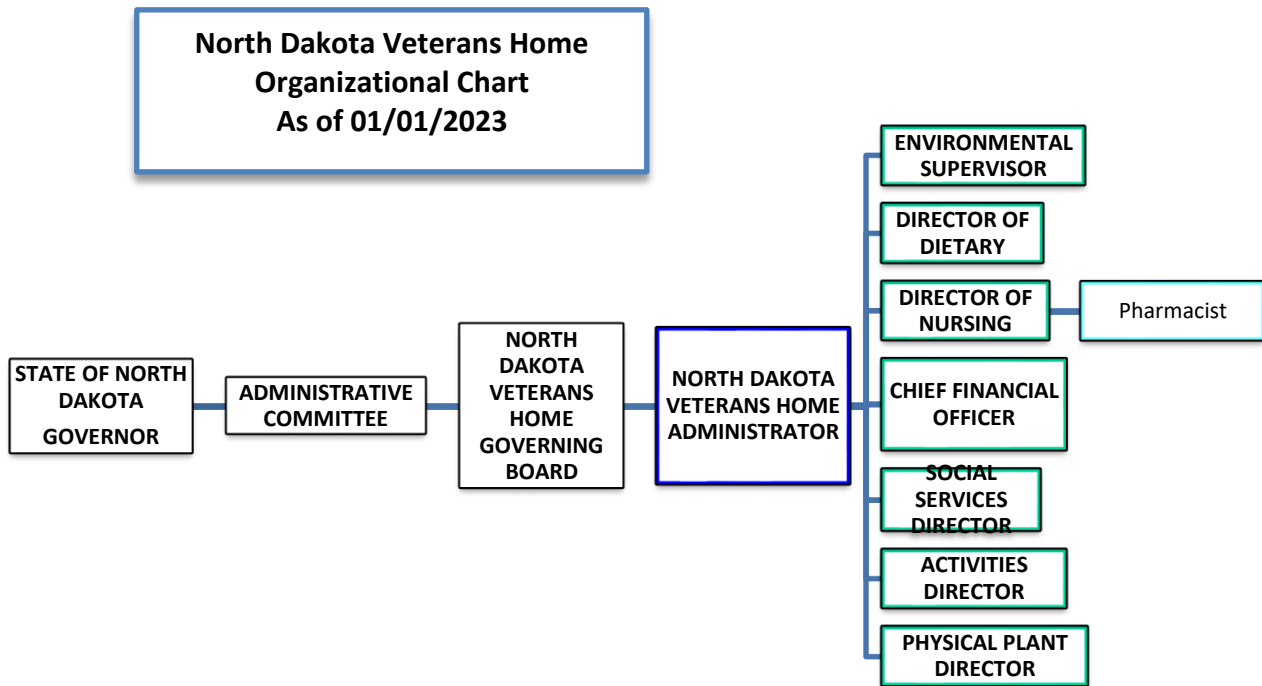
Chairman Dever and members of the Human Resources Committee, I am Kristin Lunneborg, CFO at the North Dakota Veterans Home. I am here today to give insight into our current budget and discuss our budget needs for the 2023-2025 biennium.

Before I cover the North Dakota Century Code Chapters associated with our agency I would like to update you on how the North Dakota Veterans Home came about. An act of Congress in 1887, set aside certain lands in various states for the establishment and maintenance of homes to support veteran soldiers and sailors. The Constitution of North Dakota, enacted in 1889, established a soldier's home to be located at the city of Lisbon. The original barracks opened in 1893 and by 1907 a hospital and Commandant's residence were added to the campus. The name was changed in 1983, by the Administrative Committee on Veterans Affairs, to the North Dakota Veterans Home as they felt it better reflected the clientele being served. In May 2011, we moved into our current facility which has 52 skilled nursing home beds and 98 basic care beds.

The statutory authority for the Veterans Home is found in North Dakota Century Code Chapters 37-15 and 37-18.1. The object of the veterans' home is to provide basic care and long-term care to veterans and their spouses. The century code also sets out the criteria for admission to the veteran's home, what information will be used to calculate fees for resident care, what monies must be deposited into the veterans' home operating fund, as well as sections allowing the Veterans Home to accept and expend donations. Chapter 37-18.1 sets out the power and duty of the Administrative Committee on Veterans Affairs to appoint a seven-member governing board for the administration of the veterans' home; one of the powers of the governing board is to select the administrator.

The Veterans Home has nine individual departments including administration, maintenance, dietary, nursing, activities, social services, housekeeping, laundry and pharmacy. Each of these

department work together to carry out our mission “Caring for America’s Heroes”. The organizational chart below illustrates what I mentioned already regarding the statutory authority and selection of leadership.



Audit

There were no audit findings in our 2019-2021 biennium audit conducted by the State Auditor’s Office.

Current biennium accomplishments and challenges

Some of the accomplishments we are proud of this biennium include:

- Provided treatment in place for our residents by utilizing an unused area of our facility for a separate COVID unit, allowing us to quarantine residents in-house rather than sending them to the hospital.

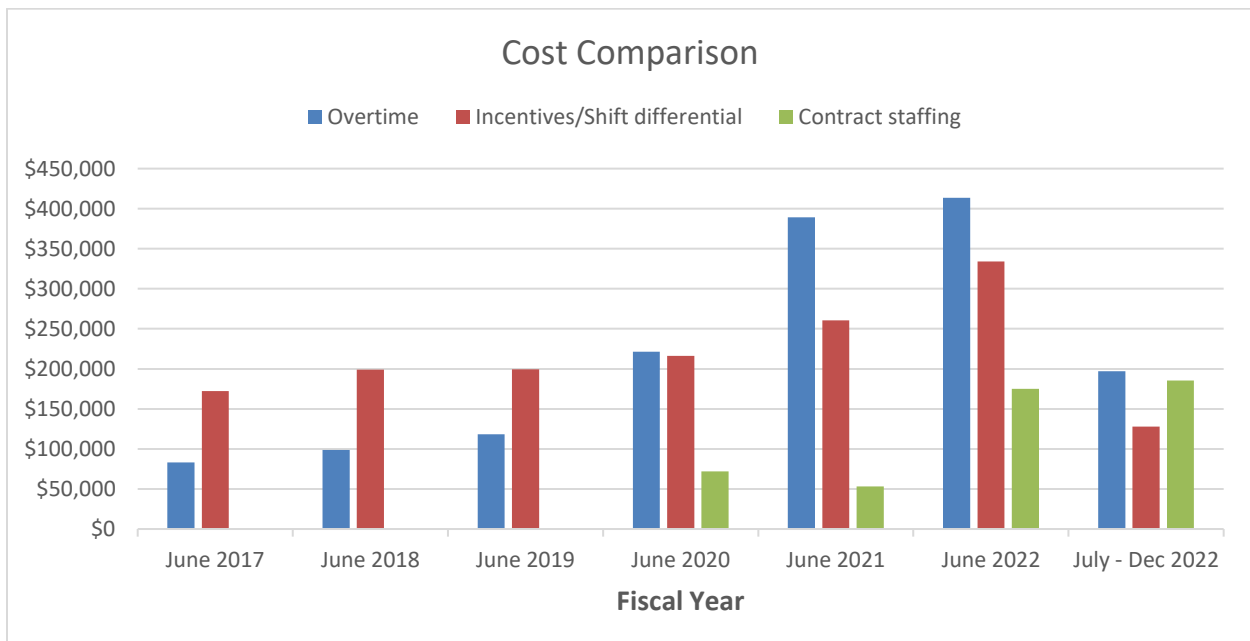
- Federal funding allowed us to re-design and add space to our skilled nurses station and skilled household office areas, creating space for staff to social distance and giving the residents a great area for activities.
- Finished installation of new carpet in our skilled nursing facility.
- Created several commercials focusing on recruiting residents and staff; totally funded by donations and aired by ND Cares and the ND Broadcasters Association.
- Upgraded entrances and public restroom doorways with hands free fixtures.
- Completed several of the facility improvement measures identified by Sitelogiq, including, upgrading all light fixtures to LED, sealing the building envelope to minimize air leakage and installing water aerators in the faucets and flush valves on the toilets to improve efficiency.
- We were awarded a Spring America the Beautiful grant from the ND Forest Service.
- We received a B25 propeller from the ND Air National Guard, which we proudly display on the grounds along with our Vietnam War era Huey helicopter, our WWII Sherman M47 Army tank and our Navy anchor from the USS Glover.
- Teamed up with the Lisbon High School to train students to be Certified Nursing Aides, many of them choosing to come work for us.

The most difficult challenges we faced this biennium are a direct result of COVID-19; the majority due to the regulations set forth by the Centers for Medicare and Medicaid Services (CMS) and the Centers for Disease Control and Prevention (CDC). Some of them include:

- The physical and emotional well-being of our residents.
- For staff, the physical and mental strain, constant use of face masks and face shields, mandatory vaccines, long hours and burnout from having to fill open shifts due to lack of staff or staff having to be off work due to COVID.
- Mandatory COVID testing for staff (and sometimes residents), up to twice a week. Started testing in May 2020 and besides a few short breaks we are still testing. As of January 9, 2023, we have completed over 30,000 PCR tests; not to mention all the rapid binex tests that have also been completed.

- Ability to attract and retain staff, inability to keep up with wage increases and bonuses offered by other facilities, and high cost of turnover. Long term care staffing has always been a challenge, but the pandemic has left facilities feeling hopeless due to the insurmountable number of positions open with no applicants.
- Low census = decreased revenues. By November of 2021, we had already experienced a loss of roughly \$470,000 since the beginning of the pandemic.
- Often unable to admit residents due to staffing shortages.
- High cost of contract agency staff. After ten years with no contract staff, we were forced to sign contracts with several staffing agencies in 2020. Almost three years later, we now have contracts with seven agencies.

Below is a comparison of overtime, shift differential/incentive pay and staffing agency costs. I used data from each fiscal year, July 1 – June 30, dating back to 2017. The data in the column on the far right is only from July 1, 2022 to December 31, 2022. Staffing agency costs in those six months have already surpassed the previous year! Overtime is at an all-time high and we are having to offer additional monetary incentives to get staff to pick up extra shifts.



Next biennium goals and plans

Looking ahead, we want to remain hopeful that someday life at the veterans' home will return to normal and we will be able to discontinue wearing face masks. Imagine being a resident and not knowing what your caregiver looks like beyond hair and eye color.

Looking forward to the next biennium and beyond, some of our goals and plans include:

- Complete the entrance for the VA telehealth clinic.
- Erect new outdoor shelters/smoke areas for our basic care residents.
- Complete work for the Spring America the Beautiful grant.
- Enhance our main outdoor courtyard area using donated funds.
- Build garages/storage units on campus for resident use.
- Update Administrative Rules.
- Decrease need for contract agency staff by attracting and retaining personnel.
- Increase wages so we are competitive with the market.
- Complete mill and overlay project on the streets and parking lots; eliminate areas that are safety hazards.
- Work with the City of Lisbon to develop a plan for a walkway bridge over the Sheyenne River.

2021-2023 Biennium Budget

Our current biennium base budget of \$25,156,483 includes \$19,209,879 for salaries and wages, \$5,539,333 for operating, and \$407,271 for capital assets. Funding sources for our base budget include \$19,375,840 in special funds and \$5,780,643 in general funds. In addition to our base-level appropriation, our current appropriation includes one-time funding of \$25,000 for resident leaves of absence, \$16,700 for equipment over \$5,000, \$131,500 for thermostat replacements, \$200,000 for a memorial garden and \$1,300,000 appropriated in HB 1395 for COVID-19 costs.

We also had carryover funding of \$138,700 for carpeting, \$20,700 for a commercial dryer, \$33,900 for security system upgrades and \$54,295 for security cameras, a humidifier and a building automation system. We also ended up going to the Emergency commission in June 2022 for an additional \$1,805,000 in appropriation authority so we could accept and expend federal funds received from FEMA and the United States Department of Health and Human Services under the Provider Relief Fund and American Rescue Plan.

We are currently working with Johnson Controls on the thermostat replacement project, which will be completed by June 30, 2023. We have completed the carpet replacement project in our skilled nursing facility and are working on bids for the rest of our equipment purchases. We do not anticipate having to use the carryover funding for the laundry dryer as we discovered an air-flow issue that seems to have fixed the problem.

We hired Stantec as the engineering firm for the memorial garden project. They prepared the plans and specifications for the project and initially bid the project in April 2022. We received no bids at that time, so we decided to put it out for bids again in May 2022. Between the funding from the Melvin Norgard fund and donations we had received, we had approximately \$375,000 for the first phase of the project. The two bids we received were both close to \$1,000,000 so we decided to not proceed with the project on any level.

Last session, we expressed our concern over the high cost of our ITD services. Part of this conversation was centered around the new nursing facility payment system and how we would never be able to operate our facility efficiently enough to be able to receive any additional incentives in our nursing home rates. As a result of our concern over ITD's rates, a section was added to our bill allowing us the opportunity to contract with an outside entity for these services. After further review, we decided to continue with ITD. House Bill 1327, which has already passed both the House and Senate, removes the ability for us to contract with anyone other than ITD.

As most of the world has returned to a pre-pandemic state, the nursing home industry is still operating under strict CMS and CDC guidelines. All of this comes with a very large price tag, not only monetarily, but also with staffing as we currently have 12 open C.N.A. positions. To date, we have received \$3,960,183 in federal funding for COVID expenses, with the last payment in August 2022. We recently submitted another request to FEMA for reimbursement of expenses but beyond the normal PPE and cleaning supplies, we are unsure how much of our request will get approved. Funding has been used for such things as PPE supplies, cleaning chemicals, salaries and wages, contract agency staffing, staff retention bonuses, humidifiers and ionization units, software programs, medical equipment, supplies for delivering food and clothing to resident rooms, hands free fixtures and doorways, remodel of the nurses' station and C.N.A. areas, and new tables and chairs.

Veterans Home Revenues

We are not anticipating any big changes to our revenues for the next biennium besides being hopeful that we will not have any holds on admission due to staffing and we will be able to increase our admissions, thereby increasing our rent revenues.

Revenue sources for the operation of the Veterans Home include federal per diem funds from the Department of Veterans Affairs (VA) and special fund income. The VA pays us a daily per diem for each veteran for each day they are in the facility and for some leave of absence days. Currently the per diem rates are \$54.89 per day for basic care and \$127.17 per day for skilled care. The VA also pays us a set per diem rate for each 70% or more service-connected veteran; this money is first applied to the resident's rent and any remaining amount is considered per diem income. Although these are federal funds, per N.D.C.C., this money is deposited into our special fund account. Special funds are all the monies we collect from various sources. Listed below are the historical and projected special fund income amounts and a description of each.

North Dakota Veterans Home Special Fund Revenue
--

	Actual <u>2017-2019</u>	Actual <u>2019-2021</u>	Projected <u>2021-2023</u>	Projected <u>2023-2025</u>
Intergovernmental				
1 Grants/Contributions	5,341,234	5,851,135	5,100,000	5,100,000
2 Cash/Investment Earnings	750	2,611	2,500	2,250
3 Contributions & Private Grants	4,453	1,343	1,100	1,500
4 Charges for Services/Sales	176,277	169,083	150,000	145,000
5 General Government	59,529	26,028	16,000	20,000
6 Health	11,736,939	11,261,322	11,400,000	12,750,000
7 Leases, Rents, and Royalties**	185,425	534,235	379,000	379,000
8 Miscellaneous General Revenue	10,999	8,565	14,000	13,000
9 Transfers In	711,984	732,000	510,000	550,000
Total Special Fund Revenue	18,227,591	18,586,323	17,572,600	18,960,750

- 1 **Intergovernmental grants** - per diem money from the Dept of Veterans Affairs. We are paid \$54.89 for each basic care veteran and \$127.17 for each skilled care veteran, rates change every Oct 1.
- 2 **Cash/Investment Earnings** - interest earned on accounts
- 3 **Contributions & Private grants** - money taken in at weekly church services
- 4 **Charges for Services/Sales** - food sales, veteran medication co-pays and VA pharmacy reimbursements
- 5 **General Government** - veteran travel pay from VA, resident's monthly cable tv payments, copier revenue
- 6 **Health** - rent payments from residents, VA, Medicare and Medicaid
- 7 **Leases, Rents and Royalties** - Lease of room for medical doctor and mineral royalty income
 **Mineral royalty income is included above but deposited into the Melvin Norgard Fund
- 8 **Miscellaneous General Revenue** - rebates and miscellaneous items that do not fall into another category
- 9 **Transfers In** - money we receive from the State Land Department. This Veterans Home has 2,753.89 acres of land that is managed by the State Land Department. Remainder of land set aside by Congress in 1887.

The Melvin Norgard memorial fund, established by the 62nd Legislative Assembly, consists of all income related to a bequest made to the veterans' home by Melvin Norgard, and consists of mineral royalties and interest. Money in this fund must be appropriated by the legislature and can only be spent on projects or programs to benefit and service the residents of the veterans' home, not for the operation of the home.

2023 – 2025 Biennium Budget

The following table illustrates the difference between our current biennium budget, our 2023 - 2025 biennium base budget and our 2023 – 2025 budget as approved by the House.

Summary Comparison of Budgets

Description	2021-2023 Biennium Budget	2023-2025 Base Budget	House Version 2023-2025 Budget	Difference between Base & House
Salaries and Wages	\$19,209,879	\$19,209,879	\$20,708,745	\$1,498,866
Operating Expenses	\$5,564,333	\$5,539,333	\$5,628,175	\$88,842
Capital Assets	\$969,796	\$407,271	\$2,195,082	\$1,787,811
Construction Carryover	\$33,900	\$0	\$0	\$0
American Rescue Plan	\$105,000	\$0	\$0	\$0
Cares Act Funding	\$3,435,374	\$0	\$0	\$0
Total Budget	\$29,318,282	\$25,156,483	\$28,532,002	\$3,375,519
By Funding Source				
General Funds	\$5,805,643	\$5,780,643	\$6,174,276	\$393,633
Special Funds	\$3,540,374	\$19,375,840	\$22,357,726	\$2,981,886
Federal Funds	\$19,972,265	\$0	\$0	\$0
	\$29,318,282	\$25,156,483	\$28,532,002	\$3,375,519
 Total FTE	 114.79	 114.79	 114.79	 0.00

Our 2023-2025 biennium base budget is \$25,156,483, with \$5,780,643 being funded with general funds and \$19,375,840 being special funds.

Additions to our base level budget include:

- \$1,448,866 in salaries and wages; \$96,159 for cost to continue salary increases from current biennium to next, \$1,352,707 for recommended salary and benefit increases
- \$35,000 in salaries and wages for shift differential pay for our dietary department. Our dietary department grew from 6 to 15 FTE employees when we decided to eliminate the universal worker role. These staff work 10-12 hour shifts seven days a week. Additional funding is needed to cover the increase in shift differential/incentive pay.

- \$15,000 in salaries and wages. to change LPN to RN positions, if needed. More and more individuals are going to school to obtain their RN licenses and it is becoming much harder to find LPNS. This funding is in our current budget, and we want to ensure we have it in the next budget. We did have to switch two positions from LPN to RN during the current biennium.
- \$8,500 for increases in laundry chemical costs due to inflation.
- \$30,000 for maintenance repairs. We are seeing an increase in repairs needed and an increase in prices for parts and labor. This line item also covers the cost of having to hire outside individuals to service equipment we cannot fix ourselves and rates for these services are climbing.
- \$26,000 for increased food costs due to inflation.
- \$11,950 in one-time funding for the purchase of 80 bed extenders and 25 mattresses. We are increasingly needed larger beds due to the predominately male population that we serve.
- \$4,900 in one-time funding to replace refrigerators that are in constant need of repair.
- \$108,900 in one-time funding for commercial roll-in coolers, blanket warmers, a UTV and a compact tractor.
- \$600,000 in one-time funding from the Strategic Investment and Improvement Fund to do a mill, overlay and chip seal on our roads and parking lots.
- \$750,000 in one-time funding from the Melvin Norgard fund to build garages and storage units for the residents. These units would be rented out on a first come, first serve basis with revenues going back into the Melvin Norgard fund.
- \$328,930 in one-time funding from the federal State Fiscal Recovery Fund to finish the wireless thermostat replacement project.

I have attached a one-page itemized listing of the changes we are requesting this committee to make to our budget. We are requesting an increase in appropriation authority for food, contract agency staffing and additional funding to complete the two capital asset projects already partially funded.

Other Bills

We were asked to report on any other bills being considered by the Legislative Assembly that might have an impact on us. House Bill 1389 amends and reenacts Section 37-15-02 of the North Dakota Century Code relating to the provision of basic and long-term care to service members and veterans. This bill changes the definition of a veteran to include all service members of the United States armed forces, national guard or reserve who may be discharged under other than dishonorable conditions and who do not meet the definition of a veteran but who become permanently disabled from any cause while in the line and discharge of duty and who are enrolled in VA healthcare to be eligible for admission. We anticipate this change in language will allow a few more individuals to qualify for admission but should not have a significant impact on the budget.

In closing, we strongly urge your support for the proposed equity and pay increases for the next biennium. We need to be able to be competitive so we can attract and retain staff and reduce our expenses for overtime, incentives and contract agency staffing. Up until just recently, we were using contract agency staff to cover anywhere from 800 – 860 hours a month for us. The rates we pay contract agencies are anywhere from two to four times more than our own staff. Besides the hourly cost, these individuals don't provide the same quality of care as our own staff as they don't know the residents; they are frequently late (didn't know where we were located), don't show up at all, or have performance issues. In addition, we have mounds of work on our end before they can even set foot inside the facility as we need to obtain copies of their licenses, vaccination status, background checks and CPR certificates, get them set up in our computer systems and train them. Often, we do all the steps on our end and then they decide to go to another facility. Contract agency staff act as a band-aid to fill a position and not a solution to the staffing crisis we are faced with.

In the past, we were the employer of choice in the area but now we have a hard time competing with area healthcare facilities as they have been able to give significant wage increases and we are limited by the state system. Within the last few months, two of the area

nursing homes have raised their starting C.N.A. wages to over \$20.00 per hour, our starting wage is \$16.38 per hour. Many are also offering a \$10,000 sign on bonus. Our benefits package is usually better, but the new employee seems to be more interested in their take home pay, rather than their insurance or retirement. We need to be able to hire our own staff, not contract for staffing at significantly higher rates. By funding pay increases you will help us be competitive with the large number of healthcare facilities in our area. Lisbon, which has a population of approximately 2,200 people, 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 2023-2025 budget request and help us to provide the care that our veterans deserve.

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

Requested Changes to HB 1007

- Increase professional service line item by \$300,000 in special fund authority to cover the on-going costs of agency staffing. Currently these fees are being paid for by COVID-19 funding but we are uncertain that funding will be available next biennium.
- Increase the food line item by \$150,000 in special fund authority. At the time we put our budget together we did not anticipate our food costs would increase as significantly as they have. Our current biennium budget for food will be overspent even with the lower-than-average census due to COVID.
- Increase capital asset line by \$150,000 in special fund authority for new air handling unit controls. In the current biennium, we are replacing the thermostats in the skilled nursing home with wireless ones. The House added \$328,930 in funding from the federal State Fiscal Recovery fund for thermostats and air handling units; however, this amount only covers the cost of replacing the remaining thermostats in the building.
- Increase the funding for the mill, overlay and chip seal project by \$500,000 in Strategic Investment and Improvement funds so the entire project can be completed at the same time. The project will cost more if completed in two separate phases.

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

Prepared for: 3/20/2023

	Executive Budget Recommendation				House Version				House Changes to Executive Budget Increase (Decrease) - Executive Budget			
	FTE	General	Other	Total	FTE	General	Other	Total	FTE	General	Other	Total
	Positions	Fund	Funds		Positions	Fund	Funds		Positions	Fund	Funds	
2023-25 Biennium Base Level	114.79	\$5,780,643	\$19,375,840	\$25,156,483	114.79	\$5,780,643	\$19,375,840	\$25,156,483	0.00	\$0	\$0	\$0
2023-25 Ongoing Funding Changes												
Adds funding for the cost to continue salary increases			\$96,159	\$96,159			\$96,159	\$96,159				\$0
Salary increase		\$264,409	765,644	1,030,053		\$197,648	576,205	773,853		(\$66,761)	(\$189,439)	(256,200)
Health insurance increase		87,962	477,876	565,838		89,985	488,869	578,854		2,023	10,993	13,016
Retirement contribution increase				0				0				0
Adds funding to reclassify an FTE LPN position to an FTE RN position		15,000		15,000		15,000		15,000				0
Adds funding to increase salaries of shift differential staff		35,000		35,000		35,000		35,000				0
Adds funding for IT rate increases			7,492	7,492			7,492	7,492				0
Adds funding for increasing laundry supply costs			8,500	8,500			8,500	8,500				0
Adds funding for building repairs		30,000		30,000		30,000		30,000				0
Adds funding for resident food costs		26,000		26,000		26,000		26,000				0
Adjusts funding for bond and interest payments			(19)	(19)			(19)	(19)				0
Adds funding for professional services				0				0				0
Total ongoing funding changes	0.00	\$458,371	\$1,355,652	\$1,814,023	0.00	\$393,633	\$1,177,206	\$1,570,839	0.00	(\$64,738)	(\$178,446)	(\$243,184)
One-Time Funding Items												
Adds funding for a building with rentable indoor parking and storage			\$750,000	\$750,000			\$750,000	\$750,000				\$0
Adds funding to mill, patch, and chip seal parking lots and roads			750,000	750,000			600,000	600,000			(\$150,000)	(150,000)
Adds funding for bed extenders and mattresses			11,950	11,950			11,950	11,950				0
Adds funding to replace refrigerators			4,900	4,900			4,900	4,900				0
Adds funding to replace a compact tractor			45,000	45,000			45,000	45,000				0
Adds funding to replace a utility task vehicle			30,000	30,000			30,000	30,000				0
Adds funding to replace commercial roll-in coolers			23,400	23,400			23,400	23,400				0
Adds funding for blanket warmers for residents			10,500	10,500			10,500	10,500				0
Adds funding for a thermostat and air handling unit replacement project				0			328,930	328,930			328,930	328,930
Total one-time funding changes	0.00	\$0	\$1,625,750	\$1,625,750	0.00	\$0	\$1,804,680	\$1,804,680	0.00	\$0	\$178,930	\$178,930
Total Changes to Base Level Funding	0.00	\$458,371	\$2,981,402	\$3,439,773	0.00	\$393,633	\$2,981,886	\$3,375,519	0.00	(\$64,738)	\$484	(\$64,254)
2023-25 Total Funding	114.79	\$6,239,014	\$22,357,242	\$28,596,256	114.79	\$6,174,276	\$22,357,726	\$28,532,002	0.00	(\$64,738)	\$484	(\$64,254)
<i>Federal funds included in other funds</i>			\$0				\$328,930				\$328,930	
<i>Total ongoing changes as a percentage of base level</i>	0.0%	7.9%	7.0%	7.2%	0.0%	6.8%	6.1%	6.2%				
<i>Total changes as a percentage of base level</i>	0.0%	7.9%	15.4%	13.7%	0.0%	6.8%	15.4%	13.4%				

Other Sections in Veterans' Home - Budget No. 313

	Executive Budget Recommendation				House Version			
Estimated income - Soldiers' home fund - Administrator monthly housing stipend								
								Section 3 identifies \$48,000 in the estimated income line item in Section 1 is from the soldiers' home fund for the purpose of providing a \$2,000 monthly housing stipend to the Veterans' Home administrator for housing costs off the Veterans' Home campus.

Other Sections in Veterans' Home - Budget No. 313

Estimated income - Strategic investment and improvements fund

Estimated income - Federal State Fiscal Recovery Fund

Executive Budget Recommendation

Section 3 would identify \$750,000 in the estimated income line item in Section 1 is from the strategic investment and improvements fund for parking lot and road repairs.

House Version

Section 4 identifies \$600,000 in the estimated income line item in Section 1 is from the strategic investment and improvements fund for parking lot and road repairs.

Section 5 identifies \$328,930 in the estimated income line item in Section 1 is from the federal State Fiscal Recovery Fund for a thermostat and air handling unit replacement project.

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

Prepared for: 3/20/2023

	House Version				Senate Version				Senate Changes to House Version			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2023-25 Biennium Base Level	114.79	\$5,780,643	\$19,375,840	\$25,156,483	114.79	\$5,780,643	\$19,375,840	\$25,156,483	0.00	\$0	\$0	\$0
2023-25 Ongoing Funding Changes												
Adds funding for the cost to continue salary increases			\$96,159	\$96,159			\$96,159	\$96,159				\$0
Salary increase		\$197,648	576,205	773,853		\$264,409	765,644	1,030,053		\$66,761	\$189,439	256,200
Health insurance increase		89,985	488,869	578,854		87,962	477,876	565,838		(2,023)	(10,993)	(13,016)
Retirement contribution increase				0				0				0
Adds funding to reclassify an FTE LPN position to an FTE RN position		15,000		15,000		15,000		15,000				0
Adds funding to increase salaries of shift differential staff		35,000		35,000		35,000		35,000				0
Adds funding for IT rate increases			7,492	7,492			7,492	7,492				0
Adds funding for increasing laundry supply costs			8,500	8,500			8,500	8,500				0
Adds funding for building repairs		30,000		30,000		30,000		30,000				0
Adds funding for resident food costs		26,000		26,000		26,000	150,000	176,000			150,000	150,000
Adjusts funding for bond and interest payments			(19)	(19)			(19)	(19)				0
Adds funding for professional services				0			300,000	300,000			300,000	300,000
Total ongoing funding changes	0.00	\$393,633	\$1,177,206	\$1,570,839	0.00	\$458,371	\$1,805,652	\$2,264,023	0.00	\$64,738	\$628,446	\$693,184
One-Time Funding Items												
Adds funding for a building with rentable indoor parking and storage			\$750,000	\$750,000			\$750,000	\$750,000				\$0
Adds funding to mill, patch, and chip seal parking lots and roads			600,000	600,000			1,100,000	1,100,000			\$500,000	500,000
Adds funding for bed extenders and mattresses			11,950	11,950			11,950	11,950				0
Adds funding to replace refrigerators			4,900	4,900			4,900	4,900				0
Adds funding to replace a compact tractor			45,000	45,000			45,000	45,000				0
Adds funding to replace a utility task vehicle			30,000	30,000			30,000	30,000				0
Adds funding to replace commercial roll-in coolers			23,400	23,400			23,400	23,400				0
Adds funding for blanket warmers for residents			10,500	10,500			10,500	10,500				0
Adds funding for a thermostat and air handling unit replacement project			328,930	328,930			478,930	478,930			150,000	150,000
Total one-time funding changes	0.00	\$0	\$1,804,680	\$1,804,680	0.00	\$0	\$2,454,680	\$2,454,680	0.00	\$0	\$650,000	\$650,000
Total Changes to Base Level Funding	0.00	\$393,633	\$2,981,886	\$3,375,519	0.00	\$458,371	\$4,260,332	\$4,718,703	0.00	\$64,738	\$1,278,446	\$1,343,184
2023-25 Total Funding	114.79	\$6,174,276	\$22,357,726	\$28,532,002	114.79	\$6,239,014	\$23,636,172	\$29,875,186	0.00	\$64,738	\$1,278,446	\$1,343,184
<i>Federal funds included in other funds</i>			\$328,930				\$328,930				\$0	
<i>Total ongoing changes as a percentage of base level</i>	0.0%	6.8%	6.1%	6.2%	0.0%	7.9%	9.3%	9.0%				
<i>Total changes as a percentage of base level</i>	0.0%	6.8%	15.4%	13.4%	0.0%	7.9%	22.0%	18.8%				

Other Sections in Veterans' Home - Budget No. 313

Estimated income - Soldiers' home fund - Administrator monthly housing stipend

House Version
 Section 3 identifies \$48,000 in the estimated income line item in Section 1 is from the soldiers' home fund for the purpose of providing a \$2,000 monthly housing stipend to the Veterans' Home administrator for housing costs off the Veterans' Home campus.

Senate Version
 Section 3 identifies \$48,000 in the estimated income line item in Section 1 is from the soldiers' home fund for the purpose of providing a \$2,000 monthly housing stipend to the Veterans' Home administrator for housing costs off the Veterans' Home campus.

Other Sections in Veterans' Home - Budget No. 313

Estimated income - Strategic investment and improvements fund

House Version

Section 4 identifies \$600,000 in the estimated income line item in Section 1 is from the strategic investment and improvements fund for parking lot and road repairs.

Senate Version

Estimated income - Federal State Fiscal Recovery Fund

Section 5 identifies \$328,930 in the estimated income line item in Section 1 is from the federal State Fiscal Recovery Fund for a thermostat and air handling unit replacement project.

Section 4 identifies \$328,930 in the estimated income line item in Section 1 is from the federal State Fiscal Recovery Fund for a thermostat and air handling unit replacement project.



DISCUSSION REGARDING ND VETERANS HOME

Senate Human Resources Committee, Mr. Dever, Chair

REVIEW OF STRATEGIC PLANNING EFFORTS OF THE NDVH

Presentation Agenda

- Study Process
- Challenges Facing the NDVH
- Considerations
- Questions

STRATEGIC PLANNING PURPOSE

- Our strategic planning engagement with the North Dakota Veterans Home (NDVH) was to help lead discussions that will assist with the development of a strategic plan that will provide a direction for NDVH to continue to provide existing services and identify opportunities to expand services to veterans.
- A strategic plan upon completion will provide goals and objectives for the future to obtain certain results.

STUDY PROCESS

- Initial discussions started in mid 2020 calendar year.
- Delayed onsite and conversations due to the pandemic and the limitations for NDVH team members to meet with Eide Bailly staff to discuss options.
- Completed a demand and service area analysis.
- Visits to the facility and conversations were held in summer of 2021 which again were limited due to the pandemic related restrictions.
- Completed majority of the strategic planning conversations in 2021 and early 2022.
- Reported out to the Board regarding preliminary findings, next steps were to explore conversations with State leadership.



CHALLENGES FACING NDVH

- **Operational Challenges**

- Declining veteran population
- Veterans can choose where they want to receive care
- Industry shift from institutional care to noninstitutional care
- Statewide competition for staffing
- Veterans require specialized care

- **Financial Challenges**

- Long-term care rates are structured for normal nursing homes, psychiatric costs and drugs are not covered.
- Basic care rates are estimated to be over 25% under the costs to provide the services, impact \$816,000.
- Benefits paid to staff are 47% of salaries, rest of the State is at 22%. Costs an additional \$1.1 million.
- State controlled staffing limiting flexibility with staffing shifts and variable occupancy.



CHALLENGES FACING NDVH

- **Regulations**

- Department of Veterans Affairs payments are all inclusive, regardless of cost, including drugs.
- Must maintain occupancy of 75% or more veterans at all times.
- Can only provide long-term care, basic care, and day care services to veterans on current campus.
- Payment models incentivize residents to seek treatment elsewhere for things such as hospice.
- Policies limiting personnel choice deter employees and residents, alcohol, smoking.
- Required to provide onsite clinic, staffing is above normal Basic Care operations.
- Required to staff a nurse 24-7 in Basic Care.
- **Building cannot be used for another purpose without the \$15.7 million in grants from Veterans Affairs being repaid.**

ITEMS FOR FUTURE CONSIDERATION

- Expanding the role and capabilities of the NDVH in areas of mental and behavioral health care for veterans. This will drive future demand and increase overall care for veterans.
- Basic Care service rate structure and service structure needs to be reviewed. Current system leaves over \$800,000 in unrecovered costs. Set in Century Code 37-15-14.
- Expand awareness of uniqueness of care for veterans and spouses outside of current service area. Drive demand and new services, focused demand development.
- Explore options to work with a hospice provider that is willing to keep residents in house.
- Assess demand for independent and assisted living for veterans onsite. Cannot be done without paying off the \$15.7 million in grants but will help grow the NDVH's services.



ITEMS FOR FUTURE CONSIDERATION

- Consider expansion of community-based services to Veterans across the State. Engages veterans at earlier stages with someone that is focused on their needs.
- Consider turning operations over to another party and contracting with them to provide services. Required to pay back \$15.7 million grant to do so. Need to find third-party willing to contract with the State at rates favorable to third-party.
- Implementation of level of service staffing patterns and MDS and documentation protocols. Aligns staffing levels to current needs and ensures provided services are properly billed.

SUMMARY

- NDVH is limited by State and Federal regulations that impact its current financial performance and ability to expand services to veterans in the State. Limits focus to current activities only.
- In order to make any change in the overall services provided to veterans, the State will need to commit resources to do so through the payback of the \$15.7 million in grants or pursuit of the forgiveness of same.
- Without support from the State to make changes, the NDVH will continue to serve veterans of the State and other states who chose to utilize the services within the existing regulations and financial constraints provided.



CPAs & BUSINESS ADVISORS

QUESTIONS?

This presentation is presented with the understanding that the information contained does not constitute legal, accounting or other professional advice. It is not intended to be responsive to any individual situation or concerns, as the contents of this presentation are intended for general information purposes only. Viewers are urged not to act upon the information contained in this presentation without first consulting competent legal, accounting or other professional advice regarding implications of a particular factual situation. Questions and additional information can be submitted to your Eide Bailly representative, or to the presenter of this session.

THANK YOU!

Bradley DeJong, CPA

Partner, Director Senior Living Services

bdejong@eidebailly.com



CPAs & BUSINESS ADVISORS

23.0236.02001
Title.

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

Fiscal No. 1

March 30, 2023

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1007

Page 1, line 1, after the semicolon insert "to provide for a legislative management study;"

Page 1, replace lines 11 through 17 with:

"Salaries and wages	\$19,209,879	\$849,837	\$20,059,716
Operating expenses	5,539,333	538,842	6,078,175
Capital assets	<u>407,271</u>	<u>2,437,811</u>	<u>2,845,082</u>
Total all funds	\$25,156,483	\$3,826,490	\$28,982,973
Less estimated income	<u>19,375,840</u>	<u>3,597,134</u>	<u>22,972,974</u>
Total general fund	\$5,780,643	\$229,356	\$6,009,999
Full-time equivalent positions	114.79	0.00	114.79"

Page 1, replace line 24 with:

"Parking lot and road repairs		0	1,100,000"
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Page 2, replace line 2 with:

"Thermostat replacements		131,500	478,930"
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Page 2, replace lines 6 and 7 with:

"Total all funds		\$1,673,200	\$2,454,680
Less estimated income		<u>1,648,200</u>	<u>2,454,680"</u>

Page 2, remove lines 17 through 21

Page 2, line 23, remove "- ONE-TIME FUNDING"

Page 2, line 24, replace "\$328,930" with "\$478,930"

Page 2, replace line 26 with:

"SECTION 5. LEGISLATIVE MANAGEMENT STUDY - VETERANS' HOME GOVERNANCE. During the 2023-24 interim, the legislative management shall consider studying current and future governance needs of the veterans' home. The study must include a review of the report provided in section 6 of this Act. The study must consider the current duties and responsibilities of the administrative committee on veterans' affairs, the veterans' home governing board, and the veterans' home administrator and any organizational changes necessary to provide services for veterans and veterans' spouses, increase resident census at the veterans' home, accomplish goals included in the veterans' home strategic plan, and ensure the long-term viability of the veterans' home. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-ninth legislative assembly.

SECTION 6. VETERANS' HOME STRATEGIC PLAN - LEGISLATIVE MANAGEMENT REPORT - REPORT TO SIXTY-NINTH LEGISLATIVE ASSEMBLY. The veterans' home shall report to the legislative management by January 1, 2024, regarding the status of implementing recommendations included in the veterans' home

strategic plan as provided for in section 1 of chapter 7 of the 2019 Session Laws. The veterans' home shall forward a copy of the report to the governor and each United States senator and congressman representing North Dakota. The veterans' home shall provide an updated report to the appropriations committees of the sixty-ninth legislative assembly, the governor, and each United States senator and congressman representing North Dakota during the 2025 legislative session. The report must include information on the status and progress of:

1. The veterans' home current and future planned marketing initiative outcomes, including:
 - a. Marketing efforts to community-based outpatient clinics throughout the state and how the veterans' home can increase community-based services to veterans statewide; and
 - b. How the agency will increase statewide awareness of the veterans' home, including promoting services available to veterans and veterans' spouses;
2. Implementation of minimum data set and documentation audit recommendations to increase operational efficiencies, census, and staffing;
3. The veterans' home and each United States senator and congressman representing North Dakota collaborating to negotiate with the United States department of veterans affairs on the forgiveness of approximately \$15,700,000 of federal funding used in the construction of the veterans' home and the other options regarding federal funding concerns;
4. Evaluating options to adjust basic care and skilled care reimbursement rates to more adequately compensate for services provided to veterans and veterans' spouses;
5. The feasibility of providing collaborative hospice care at the veterans' home and the creation of a business plan including advantages, disadvantages, and potential costs and revenue;
6. The feasibility of providing assisted and independent living care at the veterans' home and the creation of a business plan including advantages, disadvantages, and potential costs and revenue;
7. The feasibility of providing adult day care at the veterans' home and the creation of a business plan including advantages, disadvantages, and potential costs and revenue;
8. The feasibility of providing outpatient services at the veterans' home and the creation of a business plan including advantages, disadvantages, and potential costs and revenue;
9. The feasibility of engaging in collaborative planning and work efforts with competing senior living providers in areas surrounding the veterans' home and the feasibility of contracting with a third party to operate the veterans' home; and

10. The final strategic plan submitted by the veterans' home third-party consultant."

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	\$19,209,879	\$20,708,745	(\$649,029)	\$20,059,716
Operating expenses	5,539,333	5,628,175	450,000	6,078,175
Capital assets	407,271	2,195,082	650,000	2,845,082
Total all funds	\$25,156,483	\$28,532,002	\$450,971	\$28,982,973
Less estimated income	19,375,840	22,357,726	615,248	22,972,974
General fund	\$5,780,643	\$6,174,276	(\$164,277)	\$6,009,999
FTE	114.79	114.79	0.00	114.79

Department 313 - Veterans' Home - Detail of Senate Changes

	Adjusts Funding for Salary and Benefit Increases ¹	Removes Salary Funding for Funding Pool ²	Adds Funding for Resident Food and Professional Services ³	Adjusts One-Time Funding Parking Lot and Road Repairs ⁴	Adds One-Time Funding to Replace Thermostats ³	Total Senate Changes
Salaries and wages	\$243,184	(\$892,213)				(\$649,029)
Operating expenses			\$450,000			450,000
Capital assets				\$500,000	\$150,000	650,000
Total all funds	\$243,184	(\$892,213)	\$450,000	\$500,000	\$150,000	\$450,971
Less estimated income	178,446	(663,198)	450,000	500,000	150,000	615,248
General fund	\$64,738	(\$229,015)	\$0	\$0	\$0	(\$164,277)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

¹ Salaries and wages funding is adjusted to provide for 2023-25 biennium salary increases of 6 percent on July 1, 2023, and 4 percent on July 1, 2024, and for adjustments to health insurance premium rates as follows:

	General Fund	Other Funds	Total
Salary increase	\$66,761	\$189,439	\$256,200
Health insurance increase	(2,023)	(10,993)	(13,016)
Total	\$64,738	\$178,446	\$243,184

The House provided salary adjustments of 4 percent on July 1, 2023, and July 1, 2024.

² Funding for new FTE positions and estimated savings from vacant FTE positions is removed as shown below. These amounts are available to the agency if needed by submitting a request to the Office of Management and Budget for a transfer from the new and vacant FTE funding pool.

	General Fund	Other Funds	Total
New FTE positions	\$0	\$0	\$0
Vacant FTE positions	(229,015)	(663,198)	(892,213)
Total	(\$229,015)	(\$663,198)	(\$892,213)

³ Funding of \$450,000 is added from the soldiers' home fund, of which \$150,000 is for resident food costs and \$300,000 is for professional services for agency staffing. The House added \$26,000 from the general fund for resident food costs.

⁴ One-time funding of \$600,000 added by the House from the strategic investment and improvements fund is removed and \$1.1 million of one-time funding from the soldiers' home fund is added to mill, patch, and chip seal parking lots and roads on the Veterans' Home campus.

⁵ One-time funding of \$150,000 is added from the federal State Fiscal Recovery Fund for a thermostat and air handling unit replacement project to provide a total of \$478,930. The House added \$328,930 from the federal State Fiscal Recovery Fund for the project.

This amendment also:

- Removes a section added by the House that identified funding provided from the strategic investment and improvements fund for the purpose of repairing parking lots and roads on the Veterans' Home campus.
- Amends a section identifying funding provided from the federal State Fiscal Recovery Fund for a thermostat and air handling unit replacement project.
- Adds a section to provide for a Legislative Management study of the governance of the Veterans' Home.
- Adds a section requiring the Veterans' Home to provide a report to the Legislative Management during the 2023-24 interim and to the appropriations committees of the 69th Legislative Assembly regarding progress on recommendations from the Veterans' Home strategic plan.

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

Prepared for: 4/18/2023

	House Version				Senate Version				Senate Changes to House Version				
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total	Increase (Decrease) - House Version				
									FTE Positions	General Fund	Other Funds	Total	
2023-25 Biennium Base Level													
2023-25 Ongoing Funding Changes	114.79	\$5,780,643	\$19,375,840	\$25,156,483	114.79	\$5,780,643	\$19,375,840	\$25,156,483	0.00	\$0	\$0	\$0	\$0
Adds funding for the cost to continue salary increases	\$96,159	\$96,159											
							\$96,159	\$96,159					\$0
Salary increase			\$197,648	576,205	773,853		\$264,409	765,644	1,030,053		\$66,761	\$189,439	256,200
Health insurance increase			89,985	488,869	578,854		87,962	477,876	565,838		(2,023)	(10,993)	(13,016)
Removes salary funding for funding pool					0		(229,015)	(663,198)	(892,213)		(229,015)	(663,198)	(892,213)
Adds funding to reclassify an FTE LPN position to an FTE RN position			15,000		15,000		15,000		15,000				0
Adds funding to increase salaries of shift differential staff			35,000		35,000		35,000		35,000				0
Adds funding for IT rate increases				7,492	7,492			7,492	7,492				0
Adds funding for increasing laundry supply costs				8,500	8,500			8,500	8,500				0
Adds funding for building repairs			30,000		30,000		30,000		30,000				0
Adds funding for resident food costs			26,000		26,000		26,000	150,000	176,000			150,000	150,000
Adjusts funding for bond and interest payments				(19)	(19)			(19)	(19)				0
Adds funding for professional services					0			300,000	300,000			300,000	300,000
Total ongoing funding changes	0.00		\$393,633	\$1,177,206	\$1,570,839	0.00	\$229,356	\$1,142,454	\$1,371,810	0.00	(\$164,277)	(\$34,752)	(\$199,029)
One-Time Funding Items													
Adds funding for a building with rentable indoor parking and storage				\$750,000	\$750,000			\$750,000	\$750,000				\$0
Adds funding to mill, patch, and chip seal parking lots and roads				600,000	600,000			1,100,000	1,100,000			\$500,000	500,000
Adds funding for bed extenders and mattresses				11,950	11,950			11,950	11,950				0
Adds funding to replace refrigerators				4,900	4,900			4,900	4,900				0
Adds funding to replace a compact tractor				45,000	45,000			45,000	45,000				0
Adds funding to replace a utility task vehicle				30,000	30,000			30,000	30,000				0
Adds funding to replace commercial roll-in coolers				23,400	23,400			23,400	23,400				0
Adds funding for blanket warmers for residents				10,500	10,500			10,500	10,500				0
Adds funding for a thermostat and air handling unit replacement				328,930	328,930			478,930	478,930			150,000	150,000
Total one-time funding changes	0.00	\$0	\$1,804,680	\$1,804,680		0.00	\$0	\$2,454,680	\$2,454,680	0.00	\$0	\$650,000	\$650,000
Total Changes to Base Level Funding	0.00	\$393,633	\$2,981,886	\$3,375,519		0.00	\$229,356	\$3,597,134	\$3,826,490	0.00	(\$164,277)	\$615,248	\$450,971
2023-25 Total Funding	114.79	\$6,174,276	\$22,357,726	\$28,532,062	114.79	\$6,009,999	\$22,972,974	\$28,982,973		0.00	(\$164,277)	\$615,248	\$450,971
<i>Federal funds included in other funds</i>			\$328,930					\$478,930					
<i>Total ongoing changes as a percentage of base level</i>	0.0%	6.8%	6.1%	6.2%	0.0%	4.0%	5.9%	5.5%					
<i>Total changes as a percentage of base level</i>	0.0%	6.8%	15.4%	13.4%	0.0%	4.0%	18.6%	15.2%					

\$150,000

Other Sections in Veterans' Home - Budget No. 313

House Version

Senate Version

Estimated income - Soldiers' home fund - Administrator monthly Section 3 identifies \$48,000 in the estimated income line item in Section 3 identifies \$48,000 in the estimated income line item in housing stipend Section 1 is from the soldiers' home fund for the purpose of providing a \$2,000 monthly housing stipend to the Veterans' Home administrator for housing costs off the Veterans' Home campus. Section 1 is from the soldiers' home fund for the purpose of providing a \$2,000 monthly housing stipend to the Veterans' Home administrator for housing costs off the Veterans' Home campus.

Estimated income - Strategic investment and improvements fund Section 4 identifies \$600,000 in the estimated income line item in Section 1 is from the strategic investment and improvements fund for parking lot and road repairs.

Other Sections in Veterans' Home - Budget No. 313

Senate Version

Section 4 identifies \$478,930 in the estimated income line item in Section 1 is from the federal State Fiscal Recovery Fund for a thermostat and air handling unit replacement project.

Section 5 provides for a Legislative Management study of the governance of the Veterans' Home.

Section 6 requires the Veterans' Home to provide a report to the Legislative Management during the 2023-24 interim and to the appropriations committees of the 69th Legislative Assembly regarding progress on recommendations from the Veterans' Home strategic plan.

House Version

Estimated income - Federal State Fiscal Recovery Fund

Section 5 identifies \$328,930 in the estimated income line item in Section 1 is from the federal State Fiscal Recovery Fund for a thermostat and air handling unit replacement project.

Legislative Management study - Veterans' Home governance

Veterans Home strategic plan - Legislative Management report - Report to the 69th Legislative Assembly