

**Veterans' Home
Budget No. 313
Senate Bill Nos. 2007, 2025, 2075**

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	120.72	\$5,161,253	\$11,467,611	\$16,628,864
2009-11 legislative appropriations	120.72	16,751,722	16,835,298	33,587,020
Legislative increase (decrease) to executive budget	0.00	\$11,590,469	\$5,367,687	\$16,958,156
Legislative increase (decrease) to 2007-09 appropriations	28.35	\$12,562,709	(\$13,079,254)	(\$516,545)

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	\$3,923,313	\$265,700	\$4,189,013
2009-11 legislative appropriations	4,726,589	12,025,133	16,751,722
2009-11 legislative increase (decrease) to 2007-09 appropriations	\$803,276	\$11,759,433	\$12,562,709
Percentage increase (decrease) to 2007-09 appropriations	20.5%	4,425.8%	299.9%
2009-11 legislative increase (decrease) to executive budget	(\$170,976)	\$11,761,445	\$11,590,469
Percentage increase (decrease) to executive budget	(3.5%)	4,460.4%	224.6%

SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The legislative action affecting the recommended appropriation for the Veterans' Home is in accordance with legislative salary and fringe benefits guidelines as contained in House Bill No. 1015.

	Major Items FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Removed funding added in the executive budget for state employee salary equity adjustments		(\$104,899)		(\$104,899)
Adjusted the funding source for the increase in health insurance premiums provided in the Governor's recommendation from special funds to the general fund		390,750	(\$390,750)	0
Increased funding to purchase a telephone system for the new Veterans' Home facility from a local provider		129,284		129,284

Decreased funding for operating expenses for the difference between the operating cost of the new telephone system and the cost included in the executive recommendation for the current system	(65,952)		(65,952)
Removed funding for one-time carpet and tile replacement (\$20,000) and for various exercise equipment (\$24,900)	(21,619)	(23,281)	(44,900)
Decreased funding for travel	(22,000)		(22,000)
Removed funding for a utility vehicle and provided that the Veterans' Home may use funding from the federal American Recovery and Reinvestment Act of 2009 (see Federal Fiscal Stimulus Funding section below), if available, for the purchase of a utility vehicle		(14,691)	(14,691)
Decreased one-time funding relating to costs of the construction project manager to provide a total of \$90,088	(20,000)		(20,000)
Adjusted the funding source for a thermal imager to provide contingent funding from the general fund if funding from the federal American Recovery and Reinvestment Act of 2009 (see Federal Fiscal Stimulus Funding section below) is not available	5,500	(5,500)	0
Decreased funding for operating expenses	(35,000)		(35,000)
Added funding from the federal American Recovery and Reinvestment Act of 2009 (see Federal Fiscal Stimulus Funding section below)		118,591	118,591
Provided additional funding for construction of the new Veterans' Home facility (Senate Bill No. 2025) (see Veterans' Home Construction section below)	7,944,991	2,643,904	10,588,895
Provided funding for various exterior Veterans' Home improvements associated with the construction of the new Veterans' Home facility, including landscaping, moving a three-stall garage, a maintenance building, mill overlay, curb and gutter work, and street lighting (Senate Bill No. 2075)	350,000		350,000
Provided funding from the federal American Recovery and Reinvestment Act of 2009 (see Federal Fiscal Stimulus Funding section below) for the installation of a geothermal heating system in the new Veterans' Home facility, including a contingent general fund appropriation if federal funds are not available to provide the total cost of \$3,039,414 (Senate Bill No. 2075)	3,039,414	3,039,414	6,078,828
Total	<u>0.00</u>	<u>\$11,590,469</u>	<u>\$5,367,687</u>
			<u>\$16,958,156</u>

FTE Changes

The 2009-11 appropriation includes funding for 120.72 FTE positions, an increase of 28.35 FTE positions from the 2007-09 authorized level of 92.37 FTE positions. The following table summarizes the FTE position changes:

Position	Executive Budget FTE Changes	Legislative Appropriation FTE Changes	Legislative Increase (Decrease) From Executive Budget
Changes to staff in existing facility			
Increased .65 FTE account technician I position to a 1.00 FTE account technician I position	.35	.35	
Added health care orderly II positions approved by the Emergency Commission during the 2007-08 interim	3.00	3.00	
Added a cook I position	.40	.40	
Added a custodian position	1.00	1.00	
Removed a security officer I position	(.40)	(.40)	
Changes to staff for new facility ¹			
Added cook I positions	2.70	2.70	
Added an administrative assistant II position	.50	.50	
Added registered nurse III positions	2.50	2.50	
Added a social work designee position	1.00	1.00	
Added a custodian position	1.00	1.00	
Added a laundry worker position	1.00	1.00	
Added a registered pharmacy technician position	.50	.50	
Added health care orderly II positions	14.80	14.80	
Total	28.35	28.35	0.00

¹Section 7 of Senate Bill No. 2007 provides a section of legislative intent that the Veterans' Home not fill the 24 FTE positions for the new Veterans' Home prior to June 1, 2010.

One-Time Funding

In Section 2 of Senate Bill No. 2007, the Legislative Assembly identified \$690,728 from the general fund, of which \$98,400 is for an electronic health record system, \$90,088 is for a construction project manager, and \$502,240 is for the new facility FTE positions, as one-time funding. Other one-time funding items for the Veterans' Home include:

- Senate Bill No. 2025 - \$7,944,991 in additional funding from the general fund for construction of the new Veterans' Home facility;
- Senate Bill No. 2075 - \$350,000 from the general fund for various exterior Veterans' Home improvements associated with the construction of the new Veterans' Home facility; and
- Senate Bill No. 2075 - \$3,039,414 in contingent funding from the general fund for the installation of a geothermal heating system in the new Veterans' Home facility if funding from the federal American Recovery and Reinvestment Act of 2009 (see **Federal Fiscal Stimulus Funding** section below) is not available.

The total one-time funding for the Veterans' Home is \$12,025,133. This amount is not to be considered part of the agency's base budget for preparing the 2011-13 executive budget and the Veterans' Home is to report to the Appropriations Committees during the 2011 legislative session on the use of this funding.

Federal Fiscal Stimulus Funding

The Legislative Assembly appropriated \$3,158,005 of federal fiscal stimulus funds from the federal American Recovery and Reinvestment Act of 2009 to the Veterans' Home summarized as follows:

Senate Bill No. 2007	
Thermal imager (funding from the Department of Commerce)	\$5,500
Electronic health records system	98,400
Bobcat utility vehicle	14,691
Total federal fiscal stimulus funds appropriated in Senate Bill No. 2007	\$118,591
Senate Bill No. 2075	
Geothermal heating system in the new Veterans' Home facility (funding from the Department of Commerce)	\$3,039,414
Total federal fiscal stimulus funds	\$3,158,005

The Veterans' Home may seek Emergency Commission and Budget Section approval for authority to spend any additional federal funds received under the federal American Recovery and Reinvestment Act of 2009 in excess of the amounts appropriated. This amount is not to be considered part of the agency's base budget for the 2011-13 biennium. Any program expenditures made with these funds will not be replaced with state funds after the federal American Recovery and Reinvestment Act of 2009 funds are no longer available.

Veterans' Home Construction

The 2007 Legislative Assembly provided \$21,098,656, of which \$6,483,226 was from the permanent oil tax trust fund, \$12,040,278 from federal funds, and \$2,575,152 from revenue bond proceeds, for construction of a new 150-bed Veterans' Home facility. The 2009 Legislative Assembly provided, in Senate Bill No. 2025, an additional \$10,588,895, of which \$7,944,991 is from the general fund and \$2,643,904 is from federal funds, for the facility. Funding authority for the new Veterans' Home facility is summarized as follows:

General fund	\$7,944,991
Permanent oil tax trust fund	6,483,226
Revenue bond proceeds	2,575,152
Federal funds	14,684,182
Total	\$31,687,551

In addition to the construction costs above, the 2009 Legislative Assembly provided, in Senate Bill No. 2075, funding from the general fund for exterior improvements associated with the new facility (\$350,000) and funding from federal fiscal stimulus funds made available to the state under the federal American Recovery and Reinvestment Act of 2009 for the installation of a geothermal heating system in the new building (\$3,039,414). Senate Bill No. 2075 also provided contingent funding from the general fund for the installation of the geothermal heating system in the new building if funding from the federal American Recovery and Reinvestment Act of 2009 is not available to provide \$3,039,414, for this purpose.

Other Sections in Senate Bill No. 2007

Contingent funding - Section 4 provides the general fund appropriations for a thermal imager (\$5,500) and an electronic health records system (\$98,400) included in the Veterans' Home funding may be spent only to the extent that federal fiscal stimulus funds made available to the state under the federal American Recovery and Reinvestment Act of 2009 are not available for these purposes.

Veterans' Home share of salary equity pool - Section 5 requires the Office of Management and Budget provide three-fourths of 1 percent of any general fund salary equity pool that is appropriated for salary equity increases for classified state employees for the biennium beginning July 1, 2009, and ending June 30, 2011, to the Veterans' Home. The Legislative Assembly included language in Section 19 of House Bill No. 1015 which makes the provisions of this section not apply to salary equity pool allocations for the 2009-11 biennium.

Exception to the moratorium on expansion of basic care bed capacity - Section 6 provides after completion of the Veterans' Home construction project, the Veterans' Home may add one bed to its licensed basic care facility capacity. This one bed is in addition to the authority granted the Veterans' Home in Section 3 of Chapter 55 of the 2007 Session Laws relating to converting 14 beds from licensed basic care beds to licensed nursing facility beds and provides for a total of 98 basic care beds and 52 licensed nursing facility beds in the new facility.

Full-time equivalent positions authorized for the new Veterans' Home facility - Section 7 provides it is the intent of the Legislative Assembly that the Veterans' Home not fill any of the 24 FTE positions for the new Veterans' Home prior to June 1, 2010.

Reports to Budget Section - Section 8 requires the Veterans' Home construction project manager provide quarterly written summary reports to the Budget Section regarding the status of the Veterans' Home construction project during the 2009-10 interim.

Related Legislation

Veterans' Home construction - Senate Bill No. 2025 provides an appropriation of \$10,588,895, of which \$7,944,991 is from the general fund and \$2,643,904 is from federal funds, to the Veterans' Home for the purpose of building a new facility. The bill also continues the appropriation of \$6,483,226 from the permanent oil tax trust fund, \$12,040,278 from federal funds and bond issuance authorization of \$2,575,152 for project costs associated with expanding the Veterans' Home construction project from a 121-bed capacity facility to a 150-bed facility provided by 2007 Senate Bill No. 2418.

Veterans' Home improvements - Senate Bill No. 2075 provides a \$350,000 general fund appropriation to the Veterans' Home for improvements associated with the new Veterans' Home and \$3,039,414 from federal fiscal stimulus funds made available to the state under the American Recovery and Reinvestment Act of 2009 for the installation of a geothermal heating system in the new building. In addition, the bill also provides a contingent general fund appropriation for the installation of a geothermal heating system in the new Veterans' Home facility if funding from the federal American Recovery and Reinvestment Act of 2009 is not available to provide \$3,039,414. The Veterans' Home is to report to the Budget Section regarding the Veterans' Home exterior finishing construction projects during the 2009-11 biennium. The report must be made at the first Budget Section meeting scheduled after the exterior finishing construction projects are complete.

Veterans' Home telephone service - Senate Bill No. 2133 provides Veterans' Home resident fees may be established by the Veterans' Home Governing Board rather than the Administrative Committee on Veterans' Affairs and allows the Veterans' Home to purchase or arrange for independent third-party telephone services.