

**Veterans' Home
Budget 313
House Bill No. 1007**

	FTE Positions	General Fund	Other Funds	Total
2011-13 legislative appropriation	120.72	\$5,553,323	\$15,343,323	\$20,896,646
2009-11 legislative appropriation	<u>120.72</u>	<u>16,841,722</u>	<u>16,835,298</u>	<u>33,677,020</u>
2011-13 appropriation increase (decrease) to 2009-11 appropriation	0	(\$11,288,399)	(\$1,491,975)	(\$12,780,374)

Item Description

One-time funding - The executive recommendation included one-time funding of \$126,500 from the general fund for new home landscaping (\$25,000), irrigation system repair (\$55,000), and the grading and shaping of the oxbow (\$46,500). The source of the funding for these projects was changed by the Legislative Assembly to provide funding from special funds made available by donated mineral lease income.

In addition, the Veterans' Home continued:

- \$29,475 of special fund authority for funds recovered from the Federal Emergency Management Agency (FEMA) for 2009 flood damage to repair the home's irrigation system.
- \$98,400 of one-time funding from the general fund for an electronic health records system and \$8,000 of funding from the general fund to complete the installation of the phone system in the new veterans' home from the 2009-11 biennium to the 2011-13 biennium.
- One-time funding of \$1,466,620, of which \$1,435,726 is from the general fund, from the 2009-11 biennium to the 2011-13 biennium for various projects related to the construction of the new veterans' home, including landscaping, grading and reshaping the oxbow, street lighting, paving, and finish work.

Status/Result

New home landscaping - The \$25,000 special fund appropriation of donated mineral lease income was combined with \$70,000 of one-time funding from the general fund continued from the 2009-11 biennium for completing the landscaping around the new veterans' home.

Irrigation system repair - The \$55,000 special fund appropriation of donated mineral lease income for irrigation system repair will be combined with \$29,475 of funds recovered from FEMA for 2009 flood damage to repair the home's irrigation system. The Veterans' Home anticipates spending these funds, as well as \$187,000 of special fund revenues from its operating fund for an irrigation system at the new veterans' home by the fall of 2012.

Grading and shaping of the oxbow - The Veterans' Home anticipates using \$123,000 of one-time funding from the general fund continued from the 2009-11 biennium for construction and \$76,500 of special fund authority provided for the 2011-13 biennium, including \$46,500 of donated mineral lease income and \$30,000 of veterans' home revenue, to improve flood control by reshaping and grading the oxbow. The Veterans' Home anticipates the work will be completed by the fall of 2012.

Electronic health records system - The Veterans' Home issued a request for proposal in December 2010 and awarded the project in February 2011. The project vendor would not agree to certain terms required when contracting with the state of North Dakota; therefore, the Veterans' Home is in the process of rebidding the project.

Phone system - The installation of the phone system in the new veterans' home was completed in September 2011.

Construction-related projects - Construction-related projects that were continued into the 2011-13 biennium include landscaping, grading and reshaping the oxbow, street lighting, paving, and finish work related to the construction of the new veterans' home. The Veterans' Home has completed the street lighting and landscaping projects and has begun the irrigation project. Three lawsuits have been filed against the Veterans' Home related to the construction project and another contractor has threatened a lawsuit. The Veterans' Home expects to prevail.

Melvin Norgard memorial fund - Section 3 of 2011 House Bill No. 1007 establishes, in the state treasury, the Melvin Norgard memorial fund. All income related to a bequest made to the Veterans' Home by Melvin Norgard, including mineral lease income, royalties, and sale proceeds, must be transferred or deposited into the Melvin Norgard memorial fund. The State Treasurer is to invest money in the fund, and investment income of the fund must be retained in the fund. Money in the fund is available, subject to legislative appropriations, for projects and programs to benefit and serve the residents of the Veterans' Home. The Legislative Assembly must consider recommendations of the Veterans' Home Governing Board when determining appropriations from the fund for projects and programs.

Disposition of old Veterans' Home facility - Section 4 of 2011 House Bill No. 1007 provides for a Legislative Management study of options for the disposition of the old Veterans' Home facility.

The Veterans' Home has transferred the initial mineral lease payment of \$258,699 related to a 120-acre bequest into the Melvin Norgard memorial fund. The Veterans' Home has received one subsequent payment of \$110 which has also been deposited into the fund.

This study was not prioritized by the Legislative Management for study during the 2011-12 interim. The Veterans' Home anticipates the cost of disposing of the old veterans' home building will be approximately \$1 million. The home is exploring whether federal grant funding may be available for this purpose, but anticipates seeking funding from the Legislative Assembly in 2013 for the cost of removing the old facility.