

2011 HOUSE GOVERNMENT AND VETERANS AFFAIRS

HB 1379

# 2011 HOUSE STANDING COMMITTEE MINUTES

House Government and Veterans Affairs Committee  
Fort Union Room, State Capitol

HB 1379  
February 10, 2011  
14352

Conference Committee

Committee Clerk Signature

*Carmen Hart*

## Explanation or reason for introduction of bill/resolution:

Relating to the administrative committee on veterans' affairs and compensation for the administrative committee on veterans' affairs

## Minutes:

**Chairman Bette Grande** opened the hearing on HB 1379. This was held in the Brynhild Haugland Room.

**Senator Dick Dever, District 32, Bismarck**, appeared. **Attachment 1.**

**Rep. Bill Amerman:** A lot of these amendments are certainly new and they are quite lengthy so I haven't had a chance to read through them a whole lot. If I hear you correct in your testimony, the new administrative committee with five veterans, is it an advisory committee? Do they have voting power in any way?

**Senator Dick Dever:** They would have voting power within their committee. They would provide advice to the commissioner and to the administrator of the veterans' home. They would also as it says in the bill operate an advisory committee to any state agency that deals with veterans' issues. By the way there is a summary of each section on the back of the sheet that you have

**Chairman Bette Grande:** This isn't as unfamiliar as you think. We heard this basically last session too.

**Rep. Bill Amerman:** You are correct, Chairman Grande, but I think I am a couple years older. I need reminding.

**Rep. Lonny Winrich:** In your written testimony that you passed out about in the middle of the first page it says the bill moves responsibility for the appointment of the commissioner of veterans' affairs to the governor. It places oversight of the commissioner under a board consisting of the state treasurer, the secretary of state, and the director of the department of human services. In your bill amendment, however, in Section 4 I just read that the governor shall appoint the commissioner. The commissioner must be a veteran as defined in Section 37-01-40 and shall serve at the pleasure of the governor, nothing about the three person board.

**Senator Dick Dever:** That is a good observation on your part, but my reference in my testimony was prior to the mention of the amendment and that is how the bill was constructed as it was introduced. I agree that veterans certainly need to have input into that process. They certainly have my ear.

**Rep. Lonny Winrich:** As the proposed hoghouse amendment, the commissioner would simply be appointed by the governor and essentially serve at his pleasure under his direction and so on?

**Senator Dick Dever:** That would be correct just as heads of other agencies do.

**Rep. Lonny Winrich:** Yes, I understand. In fact if the three person board was found someplace I was going to ask you if that wasn't a little unusual to have someone serving at the pleasure of the governor but directed by another committee.

**Senator Dick Dever:** I would have agreed with you.

**Opposition:**

**Chairman Bette Grande:** I will ask opposition to be looking at the amendments. I had about 40 copies out. As was duly noted by committee, the original bill was drafted a bit flawed and we would like to work off of what we were working off of last session and that is what the draft of the hoghouse is.

**Lyle Schuchard, Chairman of the Administrative Committee on Veterans' Affairs,** appeared in opposition. **Attachment 2.**

**Rep. Vicky Steiner:** I am a freshman legislator. Could you explain to me? Do you see why this bill was brought before us today?

**Lyle Schuchard:** I don't know why it was brought forth. As the chairman of the ACOVA and I know the department commanders for all the veterans' organizations, I don't think anybody was asked for input into the preparation of this bill. I don't have any idea why it was presented except for what Senator Dever presented here that would be what I know.

**Rep. Lisa Meier:** Have you had a chance to review Senator Dever's amendments that he is proposing?

**Lyle Schuchard:** No I have not. This is the first I heard of it today.

**Rep. Lisa Meier:** If it is alright I will give you the amendments and then if you want to review them and if later we can visit with you about those amendments?

**Lyle Schuchard:** I would be willing to do that.

**Chairman Bette Grande:** You did pick up a copy or you did not?

**Lyle Schuchard:** I was handed a copy just before I came up here.

**Daryl Beard, Member of governing board for ND Veterans' Home**, appeared. I am not testifying today in my capacity as a board member nor am I speaking for the board. I must make it clear for the committee that the governing board of North Dakota has taken no action on this bill because we have not had a meeting since the bill was submitted.

**Attachment 3.**

**John Jacobsen, Chairman of the Legislative Committee of the ND Veterans' Coordinating Council**, appeared in opposition. **Attachment 4.**

**Rep. Karen Karls:** How is the ND Veterans' Coordinating Council different from ACOVA?

**John Jacobsen:** It is an organization that is not governor appointed. It is an organization of three members selected by each of the veterans' organizations to work with ACOVA. They deal mostly with the legislation.

**Chairman Bette Grande:** They are a stand-alone committee that are not in code. ACOVA is laid out in code.

**Larry Vetter, State Commander of the North Dakota American Legion**, appeared. **Attachment 5.**

**Rep. Glen Froseth:** This isn't a question for Mr. Vetter. We are hearing testimony that pertains to the original bill, not the amendment. The amendment has been offered so I would think we should be working from the amendment. I don't know when you want to take committee action on this, but would it be possible to let the veterans' organizations review the amendment until next Thursday and come back. They don't have to testify again or open the hearing—just come back with a statement whether they support or reject the new amendment proposal. We are working off two different complete programs.

**Chairman Bette Grande:** Are you referring to hearing from each of the five major veterans' groups or are you referring to

**Rep. Glen Froseth:** Yes.

**Chairman Bette Grande:** Okay, I see what you are saying. I do feel that it would be good for each of the groups and each of the veterans present whether they are represented by a group or not to have the opportunity to review those amendments and offer us input. I will not take action on this bill until next week, so that will give everybody an opportunity to review those, get back to each of the committee members as you were on the first set of the bill. I will gladly listen to input. We will not take action today on this, because I believe as Rep. Froseth has said there are substantial changes and we want to make sure they have all had an opportunity to review, look through it, and participate in the process.

**Rep. Glen Froseth:** Thank you. That is my intent.

**Rep. Bill Amerman:** I know you haven't had much chance if any at all to review the amendments and I don't want to put you on the spot speaking as commander of your

organization but personally is there any kind of an amendment or whatever that if it does dismantle the 15-member board, would you support any amendment that does that?

**Larry Vetter:** The American Legion would not support any amendment that would dismantle the ACOVA as it is now.

**James Martel, Veteran and retired from the United States Air Force after 23 years,** appeared in opposition. I am a member of good standing in two of the five veterans' organizations. I am currently employed by the state and working with the department of mineral resources. I am on leave for this hearing and the views expressed during my statement are solely my own. I did have testimony prepared but thanks to Senator Dever my testimony is essentially rendered mute for the most part. I am here to express my disapproval and my concerns on parts of the bill. I will agree that the structure needs some work. The commissioner now has 15 bosses and that makes for a very difficult process for anyone to function under. Having been in the military I worked for one person. The commissioner often times is not held totally accountable for actions simply because this system is so large and fragmented. You have 15 people and each of them has their passions for how things should be done for the veteran. It is my belief that if HB 1379 passes in its current state, the veterans will not adequately be represented. I have spoke to other veterans who cannot be present at this hearing and they expressed a concern about the lack of voting members on the administrative committee for veterans' affairs as the bill exists when presented. Many of us feel that unless you have walked a mile in our shoes how can you adequately represent us. Therefore, I propose a change to make up the committee a bit different but as the amendment sits it should be left out. I also did note that in there that the administrator for the veterans' home was no longer clearly addressed in the bill. However, Senator Dever's changes do address that. As for the rest of the bill, I agree. The commissioner for veterans' affairs needs to be appointed by and serve at the pleasure of the governor and on the cabinet and located in Bismarck. Right now the commissioner is in Fargo. If you have a question if he is in Fargo, the only way he can answer is via telephone or drive all the way over here causing delays in the system. If he is appointed by the governor and is on the governor's staff, he is here and we the veterans have a direct link to senior governmental officials by being on the cabinet. I urge you to amend the bill changing the committee members so that there is at least a minimum of five veterans on the committee and if you can't do that, I urge you do not pass. As it exists right now, this bill is severely flawed.

**Rep. Lisa Meier:** You had a chance to review the amendments?

**James Martel:** No. The first I saw them was when they were presented on the table. I will go over them and then I will forward my comments to you.

**Dan Stenvold, Park River, Representative of the North Dakota Vietnam Veterans of America,** appeared. We would not support any changes to the ACOVA. We feel that this system is not broken. Why are we trying to fix it? As a mayor of Park River, I have to pick and choose my battles for fear of embarrassing my city if you will. When this bill came out, it was a no brainer but I published an article and I don't want to go behind anybody's back, it was published in a lot of the papers. I am very adamant about leaving it the way it is because in my life I served three tours in Vietnam, ate some of the same jungle mud that Bill

Amerman did here. We are classmates from Foreman, North Dakota. Over there we developed a band of brothers. It still exists today. When we came home, our government, the VA system, nobody would help us. We had to go out and find our people to help ourselves and ended up we bonded together as veterans. That is what this administrative committee is about. It is a band of brothers. It is veterans taking care of veterans and that is the way it has to stay.

No one was neutral to this bill.

The hearing was closed.

THE FOLLOWING DISCUSSION ON THIS BILL TOOK PLACE LATER ON THE SAME DAY.

**Chairman Bette Grande** opened the discussion on HB 1379.

**Rep. Glen Froseth:** I hope that I didn't convey the message that I wanted to cut off any opposition testimony on that bill. I just thought that it would be good if they would have the opportunity to review the amendment and then come back with just a statement saying whether they approve or disapprove or what portions they didn't like in it, but we were hearing testimony in regard to the original bill. It really didn't do the people that were testifying any justice and also the committee. I hope it wasn't taken in the wrong manner because I certainly didn't intend to slight anyone by not allowing them to present their testimony.

**Chairman Bette Grande:** From what I gathered I don't think anybody took it that way especially from me, Rep. If I would stated that, I think it would have been taken that way so I am glad that you duly noted that and I appreciate that. I had mentioned it but it wasn't going to matter if I said it. All those that wanted to make their point made their point. Dan has made his point to me on more than one occasion, and I am sure he is not done either. That is fine too.

At first the committee had an overview of several veterans' bills, 1429 and 1316.

**Rep. Karen Rohr:** What is the deal with this commissioner being terminated? I am so clueless about all of the extraneous factors that have arrived us to this point. Can you fill us in a little bit on that?

**Chairman Bette Grande:** The best thing to do would be go back and get the audit report from about six years ago. The third bill we heard today as you can see it obviously was very controversial to even bring the matter up. Those of us who sat through that same hearing it was probably the exact same crowd last time. The bill last time had this bill plus the CVSO bill in it, and it also had James Martel who said he wanted the commissioner moved to Bismarck. That was also part of that bill. I didn't include that leap in this particular piece because that again is a whole other bucket of issues that have come up. They have arrived due to various problems. Some will call them problems. Some will say that there is no issue. I will tell you I have heard from veterans and I have heard from ACOVA members that are in favor of that bill, but they would not have felt comfortable speaking in front of that

crowd. Some of the emails I have received got very personal and some of them were not very polite. I think that they all feel that same thing back to them if they were going to show any support towards this bill, words short of threatening to Senator Dever and I. It has been real hard on Senator Dever.

**Rep. Lisa Meier:** With the amendments that Senator Dever brought forward and I am maybe looking at past history has there ever been any discussion about having any legislative members that are perhaps veterans appointed to this ACOVA?

**Chairman Bette Grande:** There may have been discussion, not this past interim, the interim prior, but unless they are a veteran and a legislator, it wouldn't be accepted anyway.

**Rep. Lisa Meier:** We have put a few veterans that are legislators. That might be something worth considering or talking about.

**Rep. Glen Froseth:** There are two parts to this, the ACOVA and the veterans' home. The veterans' home board and the administration I think needs a little bit more responsibility. If we don't do anything with the second part, maybe we should take a good look at the way the veterans' home is governed. Maybe that hasn't had a problem, but it seems to me that it would be better under the prevue of the governor's appointment of the board to take care of the administration of that veterans' home.

**Chairman Bette Grande:** You are correct. The tough part is as you heard the ACOVA always agrees and yet there is disagreement. What has happened with the subcommittee that is with the veterans' home there has been a bit of consternation between them and the administrator although detail cannot be discussed because those that are involved have asked for it to be kept private in fear of job and other things. There is a desperate need for qualified persons to be on a board of a nursing home and to run the nursing home like a nursing home. That is why that is a very critical piece to this bill and as you noticed no one questioned that. I think that is very important that we note that. They had dealt with part of that in past sessions where they were having what they called the commandant that ran the nursing home and the qualification always fell under that they must be the veteran but there wasn't one that was qualified in nursing home care. Things became difficult out there and so they removed that language so now this particular director doesn't happen to be a veteran and as you heard in testimony today if you are not a veteran you don't know anything about veterans' needs. I think it is critical that a board be properly appointed to address nursing home issues.

**Rep. Glen Froseth:** Another comment on that. There is a distinct difference in the needs of a person in the veterans' home than the needs of a person that still is basically as active as he can be in his everyday life. Once you get in that veterans' home your needs have changed and your type of care and everything else is completely different.

**Chairman Bette Grande:** I think what was pointed out, when one of the gentlemen and I think it goes back to being Jim again with the nursing home which he is the only one who brought up the topic, they really need somebody on the board that is dealing with mental health issues, addiction issues, all those types of things. Those need to be addressed by the board. I think that is a critical piece that the governor in his responsibility of appointment

is to find qualified personnel to serve on that board. I think that is going to be very important to the further running of that facility. We have a new facility that is going online and trying to work towards that. Now is a good time to make that shift to make sure they are best served in Lisbon there. One other thing regarding the ACOVA piece I want you to go back and picture the testimony that we received. Is anybody under 30, 40, 50 represented by that group? Go back and see the grants. When I asked that question of some of the groups I was told I shouldn't ask questions, you are not a veteran. I was told it was their problem. They don't want to fit in with us. I just found that real hurtful. I want to keep an eye on that as to making sure all veterans are served. That is just my take especially as I looked around and saw that in the room today because it made my point to myself what I had tried to make a point to some of them and just even asking the question about isn't a veteran a veteran and I was literally thought going to get poked right in the chest and sat in my chair.

**Rep. Lonny Winrich:** When you talked about the relationship like the veterans coming back from Afghanistan and Iraq and so on, I rarely read USA Today but I get a free one every day at my hotel, and I couldn't help but notice recently there was a front page article about what a difficult time our society is having to adjusting to being at war for so long. Even World War II didn't last as long as what we have been in the Middle East. There are very few impacts here in the United States. There is no rationing. In World War II you couldn't buy a new car because all the production went to the military. It is such a different situation that we are not accommodating these people as our society normally has. It is causing some real severe effects. One thing you said struck me as perhaps certainly a different interpretation than I had about there not being any objection to the part about the veterans' home. I certainly agree with much of what you said. In fact if you go back to the previous commandant so to speak that is where some of the audit problems existed very severely. I certainly interpreted Lyle Schuchard's testimony to say no changes should be made to the ACOVA. They should keep that same subcommittee structure and everything the way it is.

**Chairman Bette Grande:** That is the objection of when ACOVA and Coordinating Council get up what they are saying, you are correct, in that they will be accepting of no change at any time for any reason. Never. When I asked about the young veterans talking about wanting to have a nationally recognized organization such as Amvet and have it for the Desert Storm and I brought that up as far as what do you feel of that being a voting member of the ACOVA and you would have thought I had gone mad. No, they should belong to the clubs that are here. I just can't grasp that. When I said that I don't understand why that couldn't be acceptable again right in my face you know nothing because you are not a veteran. I don't know what to say to that.

**Rep. Glen Froseth:** Following that line and I don't know what the possibility would be to change but rather than have just all of ACOVA board chosen from the different veterans' organizations, maybe some of those people should be chosen from the different eras of conflict. There would be more of an age representation all the way down from the present conflicts through World War II.

**Chairman Bette Grande:** That is certainly definitely something to look at. That is why if you look at it and it says 5 instead of the 15, we remove the representation of the clubs and we said veteran and we used the formal definition of veteran so that all are included. All

names can be offered up. If you don't belong to one of the clubs, you cannot serve on ACOVA. You must belong to one of the five. We thought that if we could open that up to any veteran in the state that we could see representation. We would hope that we would see that form of representation.

**Rep. Karen Karls:** I think we should have a homework assignment this weekend. Go home and find a young vet or two or three or four and see what they think because I can see where the standing veterans' groups want them to join their groups because they need young blood. They need young members. If these young veterans returning from Afghanistan and Iraq don't feel welcome or don't feel comfortable, we have a problem.

**Vice Chairman Randy Boehning:** One of the handouts we received, Century Code 37-01-40 (**Attachment 6**) references to what the veteran is. According to our state law it would be World War I, Korean War, Vietnam War, Gulf War, and another period starting September 11, 2001. There are five distinct eras of veterans. How does that match up with what is in the bill for the five voting members? Could we do one from each era? That way we would have it covered in law.

**Chairman Bette Grande:** I think the committee could look at that.

The discussion ended for this time around.

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February 17, 2011  
14719

Conference Committee

Committee Clerk Signature *Carmen Hart*

## Explanation or reason for introduction of bill/resolution:

Relating to the administrative committee on veterans' affairs and compensation for the administrative committee on veterans' affairs

## Minutes:

**Chairman Bette Grande** opened the discussion on HB 1379. A report had been distributed yesterday and Treasurer Schmidt has been asked to present this information. **Attachment 1.**

**Kelly Schmidt, State Treasurer**, appeared. The first is a summary of the study. The second item is a copy of power point presentation, and the third item is the complete study in itself. This study originated from talking with the department of veterans' affairs and some of our veterans' groups there was discussion about possibly working through the session this year in an effort to add some dollars to the veterans' post war trust fund for the use of grant opportunities for our veterans. Knowing that and knowing how appropriations works we felt it was important to find and gather some statistical information so that we would be able to come down as trustee of the fund to better give information to the appropriations committee so that they would be able to make some good decisions based on that information. We did accomplish this in this report. The expenditure portions of the trust fund are administered through the administrative committee of veterans' affairs and they can help identify what they do with the funds once we make that transfer. The people of North Dakota through a constitutional resolution in 1996 established the veterans' post war trust fund with the amount of \$4.1 million. That money is put in the hands of the state treasurer who is trustee and does the investing of the fund. The income of that fund is then transferred to the department of veterans' affairs with the administration of ACOVA to provide benefits for veterans. There are approximately 55,768 veterans that live in North Dakota. This is according to the 2006-2008 data. That population is expected to decrease on an annual basis through 2030 mostly due to the higher number of deaths than that of new veterans. The grant categories as you can see in the table are defined based on years and period of time in which they were established and the calendar year caps that were placed on them. Most of the grants have been to hearing, eye glasses, dentures, and special grants which are defined at the commissioner's discretion to deal with in special situations. They did add a portion to the study relating to traumatic brain injury because that is such a current topic to see if indeed there are benefits to be considered moving forward and there was no data specific to North Dakota to show that a need for benefits

related to TBI at this time. We learned that 1,493 people are approved for grants from 1993 to 2010. Out of the 1,493 applicants, 963 people actually received those grants. If you are approved does not necessarily mean you have went to the doctor and done everything you need to do in order to receive the dollar amount. We did notice some of the usage of the grant fund and that information is available to you. The eligibility requirements are set by ACOVA relating to household size and income. That is defined in the study and the projections which is the real number that we were looking for. Using the assumed rate in the population of North Dakota veterans to be approximately 3%, the assumed increase, and using a 3% rate of inflation based on the current benefits costs, we were able to determine using the current benefits that ACOVA has in place, that as we move through the table on the last page of the summary, the income dollar amounts that would need to be necessary in order to maintain the current programs. As we see it right now in the current biennium we need approximately \$179,000 through the 09-11 biennium and currently the department of veterans' affairs using the current model receives \$200,000. As we move forward to the biennium 2017-2019 they have increased the denture portion of that and through the table would determine that we would need approximately \$541,000 of income to accommodate the benefit structure that they presented.

**Chairman Bette Grande:** Are they saying here that they feel that there is that high of a need in the population right now of an increase of 90 people per biennium for need for dentures? Was there something that drew them to that? That is the biggest leap out of all these numbers.

**Kelly Schmidt:** I am going to answer this because I think I know. I believe that there was a higher number of applications for dentures prior to a time where we had to reel back in some of the benefits and with the anticipation that the income would increase as the economy changes that they would like to see that number come back up and that is why the number was increased. She asked Lonnie Wangen if that was a correct answer. He said yes and that the denture part was eliminated for awhile. The remainder portion of it talks about the different ages. It talks about how our veterans are broke up by gender and age. The largest group of folks that currently use the veterans' post war trust fund grant program are those between the ages of 55 and 64. It talks again about how they administer it and some of the other benefits that are available. It defines the hardship grants. Slide 10 talks about the income levels, what those levels are relating to the household size. Those are set by ACOVA and then again it talks about the unused grant portion which is the portion of what is approved and what is received and the grant dollars that are expended. Slide 13 shows the grant dollars approved for and the amounts used and the difference between those two. On Page 14 are the amounts that have been paid out of the post war trust fund and the amounts that the DVA has discussed and the difference between the two. Relating to Slide 14 I had a discussion with the commissioner this morning and we have been able to line up some of those numbers now and some of that is relating to timing. If a veteran applied for a grant in December for dentures and had the lower set done in December but both top and bottom were approved, there may have been a timing issue with some of those dollar amounts so we have been able to kind of bring those two together.

**Rep. Lonny Winrich:** What is in the constitution? Did you say ACOVA is in the constitution?

**Kelly Schmidt:** Yes, ACOVA is in the constitution. The constitution specifically states that a trust fund named the veterans' post war trust fund has been established in the state constitution will be administered by the administrative committee of veterans' affairs meaning ACOVA and that the trustee shall be the treasurer of the state of North Dakota.

**Lonnie Wangen, Commissioner of Veterans' Affairs,** appeared. **Attachment 2.**

**Rep. Karen Karls:** Toward the bottom of your testimony it says eligible grants are approved. Is that by ACOVA or a subcommittee of ACOVA?

**Lonnie Wangen:** The ACOVA authorizes the use for the programs. They do the policies and what not. Our office has a person named Andrea that they all go to and so she would work those grants and check the eligibility as far as income level based on the number of people in the family and then asset level is looked at and then are they a veteran or an eligible dependent or spouse. If they are eligible, it is approved.

**Chairman Bette Grande:** The persons that are looking for a grant are they usually referred to Andrea from their CVSO?

**Lonnie Wangen:** Yes. These grants are all completed by either a county veterans' service officer or done by one of our state service officers. Andrea does not like to work directly with the veterans on that part. It is best to have somebody who knows the veteran and can help them with the forms.

**Chairman Bette Grande:** Do you track in your office like are you seeing the vast majority coming out of Williams County or out of Cass? Do you track where the grant applications are coming from?

**Lonnie Wangen:** Yes we do. Andrea does do a report and she keeps that tracked out for us so we can see from each county how many were applied for, how many were denied because they weren't eligible, and how many were approved.

**Chairman Bette Grande:** The denial process--the CVSO was the one who worked with them and filled out the grant. They should have been pretty clear that it was going to be something that worked, wouldn't it be?

**Lonnie Wangen:** They wouldn't have access to their banking accounts and things like that. Normally what they will do is they will come in and put in the information they can. The credit reports and what not get requested to our office and then Andrea looks at those.

**Chairman Bette Grande:** The CVSO is not looking at the areas of finance. They are just looking at first, need. They refer you on a needs basis. Then you go from there into the next phase of qualification.

**Lonnie Wangen:** That is pretty clear, yes. Some CVSOs do help them with the banking and may have a lot of that information but once we send that information to a bank they might find that the average—they go by the average balance of the last 90 days and from there they say your average balance can't be over the \$2,000 or what not. The banking

statements they bring into the CVSO may look good, but when we run it with the bank again or if it takes longer to run it, it might have gone up a little bit. Then we will work with the veteran to see if they have deducted everything that they can if it is close.

**Chairman Bette Grande:** That criteria is set by the ACOVA, your office, or the federal government?

**Lonnie Wangen:** That would be the criteria pretty much set by the ACOVA.

**Rep. Gary Paur:** You said \$25,000 available for grants as an example. If you have \$30,000 or \$35,000 of requests, then what is the process?

**Lonnie Wangen:** It would be the same process.

**Chairman Bette Grande:** I think what he is looking for is you have been given say \$200,000 for the year, by quarterly you get the \$25,000. With that \$25,000 and he is saying in that quarter you got grant needs for \$35,000 what do you with that other \$10,000?

**Lonnie Wangen:** If the \$25,000 came in and we had balances left from the last quarter, of course we could probably pay that, but if we do not have the funds in our account, our current policy is we do not approve that grant until there is funding in that account. Right now we do have the funding so all current grants are covered.

**Rep. Gary Paur:** You have seven \$5,000 requests for grants. You only have enough money for five. Who determines which five you take?

**Lonnie Wangen:** That only has been a small time period in the history that we have really had to do that. For the most part the funding has been there. In that situation it would be by date order and critical need.

**Rep. Gary Paur:** Who determines this?

**Lonnie Wangen:** That would be determined by myself and Andrea.

**Rep. Mark Sanford:** I probably missed it in the explanation but the difference between the approved grant and the amount used and then it stays in the account so what would be the difference? If it is in the trust fund I am assuming it is earning at a certain rate. What happens to it when it sits in the revolving account or whatever you want to call it?

**Chairman Bette Grande:** Is there interest on the 410 account? Note: I think Chairman Grande received a nod of a no.

**Rep. Karen Karls:** Is there any way of knowing what the balance is in that 410 account?

**Kelly Schmidt:** I checked it about 10 days ago and it was about \$50,000.

**Chairman Bette Grande:** Something just kind of intrigues me when you say \$50,000 and we are in January. If it is \$25,000 per quarter, when does the \$25,000 usually go in?

**Kelly Schmidt:** Recently in the last several quarters usually at the very beginning of each quarter we get a request from DVA to make a transfer of \$25,000 based on the \$200,000 per biennium expense. At their request we transfer \$25,000 into that account at which time it no longer does have interest earning to it and then once it goes into their account I don't know what their procedure is.

**Chairman Bette Grande:** We have twice as much in there so would have there already been two transfers of \$25,000 if we are at \$50,000 and I am only in February?

**Kelly Schmidt:** The most recent transfer made was in January and normally it has been based on calendar year.

**Chairman Bette Grande:** There must have been a carryover of \$25,000?

**Lonnie Wangen:** There are two different ways that this has been run and this is the way it has been run since 2009. Prior to 2009 what would happen is--we have no visual contact on that account. We can't see the balance on it or know anything about what is in there right now. As the vouchers part would come through, Cathy would look at the vouchers and she has kind of an idea what is in that account and she would call the treasurer's office and say this is what I figure. How much do you have in the account? I have this much in vouchers. Transfer some more over. With the economic downturn that we had and during that time we had a big influx of grants, we ended up with a lot of claims waiting for the funding to come in. What we did from that point on is we cut back on the amounts of the grant amount and I said we are not going to be doing this anymore from now until we get well ahead. We are going to be waiting until the money is in the account, then approve, and get that done. We got caught up back in October and the history says December-January area we get piggyback. What they do is they will come in and have a grant at some point in this year and our rules say you can only have \$3,000. If it costs \$3,000 for lower dentures, you do it this year. Next year you will apply and get your uppers done. We usually see a big influx. We didn't see that in December and January like we figured, but this last month I have had stacks of these grants coming in. That money is sitting there and we probably won't be making that next request for \$25,000. We are going back to the old system but the money that is there is going to be probably eaten up in the next month or so and we still have a van to purchase. If we get all that taken care of, we are going to be going back to the old way of keeping that amount as low as possible in the future.

**Chairman Bette Grande:** Currently that other \$25,000 is really kind of that rollover you were talking about, those turn back grant dollars and so they were still waiting in there for that second set of dentures or that type of thing?

**Lonnie Wangen:** We just had a lot of grants coming in and a lot of those what we call the piggybacks where they got half the work done this year and will do the next half next year.

**Vice Chairman Randy Boehning:** You are talking all the grants and all of a sudden you slip the van in. Where does the van come in with the grants?

**Lonnie Wangen:** The post war trust fund has many programs that it funds. The grants are just one portion of that. We did keep requesting those quarterlies and cover our grant program. We did keep those requests coming because we were expecting that big influx, but we are in the need of one more transportation van and whether or not we will have the funding for that—we probably will—or if the grants are that big we need to be purchasing that pretty soon here so we can get it by spring. That is totally separate. This wouldn't be covered in the study.

**Vice Chairman Randy Boehning:** You are going to use post war trust fund money that is going to take away from dentures and optical and purchase a van?

**Lonnie Wangen:** We are hoping that doesn't happen. We are hoping we have enough money to purchase a van without that. We would prioritize those grants over that and we are working with the federal VA to allow some of the vans that we have to have higher mileage on it. They have a mileage mark. We buy the vans and give it to them. They insure them and license them. CVSOs get someone to volunteer drive them so it costs us nothing except for some housing for the drivers when they have to stay over. It is a good program but to save themselves on having to pay the maintenance on these vehicles they set a mileage cap and at that point they say you need to replace this van because we don't want to have to start putting in engines and transmissions in because they have to return a good van to us to sell.

**Chairman Bette Grande:** Did you put in a request in your budget to purchase a van instead or is it normal to take it out of the post war trust fund?

**Lonnie Wangen:** That has always been normal through that. The DAV has I believe it is called a Colorado Trust where they help purchase vans and so they normally will split a van with them or if we need two vans, we will buy one and the DAV will come up with the money that way. We will be working with them also to try to alleviate the costs here so we won't have to dip in the post war trust fund.

**Chairman Bette Grande:** What is the Colorado Trust?

**Lonnie Wangen:** It is through the DAV. It is a trust they have to buy vans for the country.

**Chairman Bette Grande:** Sorry, I was thinking DVA, not DAV.

**Lonnie Wangen:** Through them you can get a discounted rate for these vans. They negotiate them and they do give away some free ones. Every year we apply for that and show them the need, and we were hoping we would have gotten a free van from them but our state wasn't chosen.

**Kelly Schmidt:** This discussion came up years ago relating to the purchase of vans using veterans' post war trust fund monies. I have in my office a copy of a letter that was written by a former commissioner of the department of veterans' affairs to the attorney general requesting an opinion relating to the purchase of vans. That informal letter did approve the opportunity to purchase vans using post war trust fund money because it does benefit our

veterans by bringing them from private areas to the different satellite clinics and to the VA hospital in Fargo.

**Rep. Bill Amerman:** I don't know if it was in the study. All the emails and things flying out there that I don't understand have something to do with the \$450,000. Will you please explain that to me.

**Kelly Schmidt:** It would be my pleasure to give you an explanation on that. Years ago in 1996 when this fund was established and the policy was put into place by the former treasurer that was in office at that time. That policy was established that the ACOVA had the opportunity to spend any dollars that were available through the post war trust fund. Let me give you an example. If the treasurer purchased the stock for \$100 and it went up in value to \$120 there was reporting that was given to ACOVA that showed they could spend \$20. Twenty dollars is only on paper. Until you sell that stock you don't know what that stock is worth, so if the stock sold for \$110, you would really only have \$10 to sell. That was something that went on for several years and in 2009 we went forward because there were so many questions about what was being able to be spent. What was happening when that policy had been established and those additional dollars were set up that treasurer also determined that there could be a savings fund or a set aside account. Instead of let's say as I said again you buy \$100 stock and on paper it shows that it is worth \$120 they would spend \$10 on grants and the other \$10, for example, they would put in an account or they'd put it in their savings account. Mind you it never left the post war trust fund because that would be against the law. You cannot establish the second account unless you have authority in statue. That \$10 instead of being spent on grants or vans was set aside. That money they had set aside on unrealized gains sat on paper and accumulated to \$400,000. When we did the entire fiscal analysis in 2009 where we hired an independent public certified accountant to come in and take a look at this fund and working with the attorney general's office and also using the Uniform and Income Act it was determined that by law we have to follow the Uniform and Income Act and the policy in which this program was established in the very beginning was inaccurate. Knowing what we know now in order to follow the law we can only spend income. If you buy a stock for \$100 and it is worth \$120 and you sell it for \$120, you can't use that \$20 because it is a realized gain. You can only use interest that came from that \$120 or you can use dividends that were paid from that \$120. The \$20 stays in the principle.

**Chairman Bette Grande:** That 400 to 450 to 480, because I have been getting all the same emails and I have received all kinds of numbers—I have seen it written in the paper all different kinds of numbers that you stole this money. I stole it too in a couple newspapers. That was paper money and it stayed in the post war trust fund?

**Kelly Schmidt:** The only transfers that are made out of the post war trust fund go to the 410 account that was previously mentioned. Otherwise, they are in secured accounts like a CD account or they are in our investment account which is managed by our investment firm and our custodial bank.

**Chairman Bette Grande:** All that was happening was that somebody was drawing a line and putting certain dollar amounts in another account by paper not literally physically taking money and putting it in another account? On paper somebody drew money into another

account but it was being put there illegally so when this was found it was put back to the post war trust fund where it belonged?

**Kelly Schmidt:** I will make just one correction. I don't think anyone did it illegally. I think it was just a policy that was established and the way it was originally established was wrong. I do not believe for any second there was any malicious intent or any way to do it in any other way but what they thought was best.

**Chairman Bette Grande:** That person didn't do it with vicious intent and neither did in removing it back. Is that correct?

**Kelly Schmidt:** All we have tried to do is follow the law.

**Chairman Bette Grande:** Can we share that with all of our friends?

**Kelly Schmidt:** I received a call today regarding the post war trust fund but he was very upset because he thought this bill did something with the post war trust fund and I was able to explain and communicate to him. There is a whole lot of misinformation out there.

**Chairman Bette Grande:** My email just before coming down here accused me of taking that money again too. I thought I would clear that up. I did not take any money nor am I trying to take any money.

**Rep. Glen Froseth:** The balance of the post war trust fund is \$4.1 million. If that came out of there, could that have shown a loss to the principles and then when you put it back in would show a gain? How could you wash that out?

**Kelly Schmidt:** No, because at one time the post war trust fund was worth a lot more than \$4.1 million. We have been over \$5 million.

**Chairman Bette Grande:** In the spending prior to 96 they were spending into the principle?

**Kelly Schmidt:** Had this policy been established correctly from the onset, this fund would be worth a lot more than \$4.1 million.

**Chairman Bette Grande:** That was part of the issue and I am new to what was going on prior to the constitutional amendment to that. Prior to it being established in the constitution it was not managed to the point where principle was not being spent and that is why there was some consternation and problems and it was voted in to make it constitutional so no one could touch it again.

**Rep. Mark Sanford:** In power point 13 could the commissioner help me on that, where we have the amount approved for grants, the amount used, and the difference. That seems like a big number. I am trying to reconcile that to this and I am not succeeding.

**Lonnie Wangen:** When the study was brought to us by NDSU, we met with them and provided them with much information if we could. What they did was to come into our grant

computer to download information so that they can work on their own on this. When the new computer system came in, a lot of things weren't brought over from other grants and filled into this and there are a lot of different places you can make payments. Initial payments may have showed up on a different spot in the program so when this was downloaded, the lady doing it brought this to our attention and we looked at that and our records retention is three to five years so we have got easily the last two full bienniums and maybe the biennium before we can provide exact data. That is why I did hand out the one sheet that shows what has been done in those past bienniums. If you look at Page 9 of the actual study on the bottom she does reference that. We tried to do what we can to fix those numbers but requesting the vouchers from OMB to show those vouchers that were paid they didn't have the records retention on those either. Going back to 2003 forward I am pretty sure we can get really good records to show those but her intent wasn't to look at the overall dollars. Her intent was to look at the individuals, their ages, and all that. That would have to come out of that system.

**Vice Chairman Randy Boehning:** On power point 13 under amount approved grants for the period 7-1-05 through 6-30-09 there was \$744,000 of grants approved but there is only \$457,000 of that amount used. What happened to that other approximately \$300,000 that wasn't used or approved but wasn't granted or are these numbers not accurate?

**Lonnie Wangen:** The 7-1-05 through the 6-30-07 is the biennium so you have two bienniums added up there if you go four lines. He found the correct power point slide. We do have a lot of people that cancel because they die, they can't afford to pay the amount over that. Without actually going back and looking at those I couldn't tell you exactly why there is such a big discrepancy there. The reports that we have is the actual amounts that we paid out and that would line up with what the treasurer would have. On these reports these looked at the individuals and a lot of grants do get canceled or they don't follow through on them. Just because a grant is canceled, it may be that went from dental to denture so we cancel the one and it becomes a denture grant. It will show that we canceled \$1,000 and what we did is actually add \$2,000 to it. It is now a \$3,000 grant.

**Rep. Karen Rohr:** Basically this middle column it is just the amount. It is not the amount disbursed. It is the amount that was probably on the application. Is that what you are saying?

**Lonnie Wangen:** That is the amount that was actually used. Looking at the information that was missing in there, when the information was pulled out of a system if you had a grant for dentures for \$3,000, your first payment is probably \$100 or \$200 to get the exam or what not, the cleaning. That goes in the line that shows payment. There are other areas where we track the following payments and that is where there are some discrepancies in showing what was actually paid on those.

**Chairman Bette Grande:** Just a point of clarification and I know you probably didn't mean it like this but when he pays a voucher, he pays it to the vendor. The vet does not receive the cash. The vendor does. For some reason I am taking all of the Vietnam Veteran loan money. I am not aware of what that is. Is there a way I can address that in my emails.

**Lonnie Wangen:** The Vietnam adjusted compensation money is where the post war trust fund comes from. It comes from money left over from the bonuses for the Vietnam War. That is where the whole post war trust fund comes from. The Vietnam loan program was never part of the post war trust fund or the Vietnam Veteran so I have no idea.

**Chairman Bette Grande:** I wasn't quite sure what I had done wrong on that one. I just want to be able to answer the questions. I am just a little nervous sometimes with some of the accusations I am trying to get through.

**Lonnie Wangen:** We are going to do our best to get more information on our website so it is clear.

**Rep. Mark Sanford:** I am going to try one more time to do a better job of understanding. On that Slide 13 the actual amount expended is certainly close to what you show on this and the amounts spent are very close. I am still not understanding the amount approved. What happens when it is approved? Does that mean that you get that money from the trust fund at that time or not so this difference that Rep. Boehning was alluding to, that \$300,000, is that money that you received or is that just a paper transaction that was approved? You didn't really get it. What you got was the amount that was actually expended?

**Lonnie Wangen:** The pre 2009 or the way we do it now is irrelevant to that part. Your question is basically if you know the money is there, we will approve it and they are eligible? No money moves anywhere at that point. The only time money moves is when we pay the vendor. They are approved for it. They go get their help and then on our own internal accounting for money we know that if they didn't use a full \$3,000 that we could put more towards another veteran's grant based on the budget. The ACOVA will work with the treasurer and kind of do a budget for the year for the biennium and that gets adjusted by the income that comes in. Sometimes they may say we are looking at \$300,000 in grants in the next biennium and it might be less or it might be more and so it gets adjusted a little bit. That ends up more toward the end of the biennium.

**Rep. Mark Sanford:** It probably is my interpretation of the table and it is getting me in trouble so I'll stop.

**Carlee McLeod, Deputy State Treasurer,** appeared. I think maybe I can help clarify this. That amount approved column is the total dollars that have been approved. If you have a grant that was approved for \$500 but only \$400 was spent that \$100 is going to keep showing up in that column over and over as it is reapproved for other grants. It is kind of aggregated so that column will be higher than the amount paid out.

**Chairman Bette Grande:** I have a copy of an amendment that I would like to replace the first amendment with. **Attachment 3.** I will walk you through the bill. The biggest changes will be the first one compared to the discussion from last Thursday. When we left last Thursday one of the things that Rep. Froseth had asked for and I had agreed to was that over the course of the week that we take some input from veterans' groups. A couple of things that I had in discussion with either veterans that came to my desk to speak to me, that I was able to reach by phone, communicated with emails, they offered some

suggestions and some of those are in here. Section 1, 2, 3 are the sections that deal with the government of the veterans' home. In those sections I was asked if we could have the administrator of the veterans' home be appointed by the governor just as I had written in for the commissioner to be appointed by the governor. I also took under consideration having spoke to some of those that are involved on that governing board the concern wasn't a majority of veterans in there so that changes there making it a majority so it is four veterans and three other instead of the other way around. If the governor was to appoint four veterans and another person's name was brought up that was a veteran, you could end up with seven veterans there. It is not limited to.

**Rep. Lonny Winrich:** On the top of Page 2, Paragraph 3 the last sentence says if a committee member with an expiring term qualifies as a veteran under Section 37-01-40 the governor shall appoint a member qualifying as a veteran under that section. Does that mean that if the situation ever arose where there were seven veterans on the committee there would always have to be seven veterans on the committee?

**Chairman Bette Grande:** I think what it is saying is that we never want to go below four. Oh, I see what you are saying.

**Rep. Lonny Winrich:** I think it would say if a committee member with an expiring term was appointed as a veteran member

**Chairman Bette Grande:** Very good point. ...was appointed as a veteran. Point 5 gets to that a little bit. If a position becomes vacant, the governor shall fill the vacancy for the unexpired portion of the term in the same manner as the initial appointment. That will cover that also that if they were initially appointed as the veteran that seat needs to stay as the veteran. In that Section 3 still we talk about the chairman will be appointed. Committee must meet at the call of that chair. Powers and duties, the governing board is responsible for the administration of the veterans' home. Performance evaluations needed to be done. Implementation of the strategic plan. It is all pretty standard board language. We did put compensation in. If anybody is wondering that is the standard compensation for boards. I didn't know where the \$135 came from, but council said that is standard. At the end of last hearing it was brought to our attention by OMB that we had some old language that had been transferred in and I am going to have Rep. Steiner address that amendment.

**Attachment 4.**

**Rep. Vicky Steiner:** It is not in typical code form. It basically just removes language by warrant check drawn by the office of management and budget upon the submission of a paper voucher to it, signed so it is cleanup language. They don't do that warrant check paper voucher.

**Chairman Bette Grande:** She is on Page 2, down to the bold topic of veteran home governing board-compensation-expenses and you will see where you need to read that in about the bottom four lines.

**Rep. Vicky Steiner:** The payment must be made upon approval of the administrator of the veterans' home is the change.

**Chairman Bette Grande:** We are striking the language by warrant check drawn by the office of management and budget upon the submission of the paper voucher all the way through to the word signed. We are going to insert upon approval of the administrator and goes on. We will have that same language issue on Page 6.

**Rep. Vicky Steiner:** It is on Page 6, the last page of the amendment 02006. It is the same language where at the last four lines again the payment must be made by warrant check. The payment must be made upon approval of the commissioner of veterans' affairs. This has to do with paying the voting members for expenses for the meeting, \$135 per day for the voting members.

**Chairman Bette Grande:** Label that Number 2. We are now onto Section 4. On Section 4 and 5 is the description and talking about the commissioner of the department of veterans' affairs and that lends to the same language you saw in the previous amendment where it still stays governor shall appoint the commissioner, working at the pleasure of the governor. The significance of that is the DVA is an executive branch. The executives of other branches are all appointed by the governor. This stays with consistency of that. In Section 5 we are just talking about what his current authority and direction is there.

**Rep. Karen Karls:** I must say I have never seen the term clerkhire before.

**Chairman Bette Grande:** I know I haven't either. Section 6 is the elimination of that language and then it starts into the administrative committee on veterans' affairs. I have an amendment to that on Subsection 1 on the bottom of 3, there is created an administrative committee on veterans' affairs which for the purpose of this chapter is referred to as the committee. The committee shall consist of, and I would like to entertain 7 as the number there, voting members and 3 ex officio members and then we have to change that again thus. The veterans are the voting members. The others are nonvoting members and they are made up—I want to finish correcting Paragraph 1. We go on 3 ex officio nonvoting members. The 5 needs to go to 7 again. Now here's your ex officios, adjutant general, director of department of human services, executive director of job service. Currently that is the makeup. The commissioner used to be listed and I changed that to the department of human services because the commissioner isn't on that committee really. He is separate. Since human services really plays a role in this in that they can help with information regarding what are the poverty levels, what are they seeing for veterans' issues, what are they seeing coming into their things? What information can they give to this voting group that helps them make decisions as to what they want to do with the post war trust fund, what they would want to do as further change or develop inside a strategic plan that might meet the needs in another way? What kind of input can they give them to make a decision? Is job service seeing a higher number of veterans out there that are seeking employment and then maybe there is something they could be doing different to work through veterans' preference issues. Part of me says 7 might be too small. Maybe 9 is a better number and I would entertain discussion on that.

**Rep. Roscoe Streyle:** Right now they have 15.

**Chairman Bette Grande:** Of that 15 there are ex officios, but they are not counted in that 15 so really there is 18. From the 15 right now it is down to 7. I don't know if the

committee feels that should be a little bit bigger number. I am willing to discuss that. You received a handout that had the description of veteran, the portion of the code and if you want to look at that how that works and what means we can certainly have a discussion at this time on that. **Attachment 7.** My thought is you are still looking at each of the service groups. That is five. If each of them were to put names forward, there is five people and a couple other kind of more at large veterans that are not members of the group. Maybe the women's veterans' group wants to put a name forward. That would be another option. They talk about the periods of service. There is WW II, Korean, Vietnam, Gulf, and the period beginning September 11 on.

**Rep. Roscoe Streyle:** What about keeping the five in and having four at large or are we getting too large then? That would alleviate some pain of we are getting kicked off of it. Could we say one of each of those groups, four at large, leave the three nonvoting?

**Chairman Bette Grande:** If we were to look at not using a seven there but going to a nine and maybe take that language from up above where we would say that five of those would be one from each of the service groups and four just as listed as veterans using the definition of 37-01-40. Rep. Boehning was wondering if we were taking one from each of the a, b, c, d, e and I said no the five service groups not the eras. You were referring to the service groups, correct?

**Rep. Roscoe Streyle:** Correct which it is how it is now.

**Rep. Lonny Winrich:** When you say four at large, you mean veterans?

**Chairman Bette Grande:** Correct, not necessarily connected. They could be connected or they don't have to be.

**Rep. Lonny Winrich:** All of them will still be veterans?

**Chairman Bette Grande:** Correct. All nine are veterans. Steven, in Section 6 we are going to be using the number nine. Five will be listed out of, and you will have to find the language of the service groups, and four will be listed under the veteran language. We still go on and continue on with the three ex officios. On the top of Page 4, Number 2, on August 1—of those numbers there I am going to let Steven play with those to make sure they match up. There will be nine members of the committee and he is going to have to break it down in those three, three, and three in the various terms. I believe it is going to work. The governor shall appoint three of the members at that point for a three year term. Three of the members for a two year term, three of the members on a one year term, and then they will all start rotating in.

**Vice Chairman Randy Boehning:** That refers to all of the members of the board including ex officios?

**Chairman Bette Grande:** No. Ex officio is a permanent set position. This is only dealing with the veterans' group.

**Rep. Bill Amerman:** In going back up to Number 2, I have been trying to follow this. Each five of the organizations, one from each. In Number 2 it says any organization or citizen may nominate an individual for appointment to the governor.

**Chairman Bette Grande:** That is the other four. Steven is going to have break out that language for us. The first three are going to be from the service groups. The next three will be from the service group plus one at large and then we will add in two more at large. They are all going to come on at the same time but just so we have a way of appointing it. You will see on Point 4 that on that three year term rotation if it is Am Vet, VFW, and DAV, then those three are the reappointed on that next rotation so we don't lose that person as they rotate through. On Section 7 let us go with three voting members can call. Meeting must be called by the chair upon the written request of three of the members. The minority should be able to still call for that but the quorum has to be brought in. According to the last audit which I think was 07 there was discussion that there was a strategic plan being developed and put together. They can use that same that is being developed, rework it, whatever this new group is looking at, and submit that and then we can start having a strategic plan to work off of it that more eyes are looking at and more direction goes to then. The new governing board I believe has put together or is putting together a strategic plan also. This will allow for that to continue. I want this to be considered part of amendment 2006.

**Steven Podoll, Law Intern,** appeared. I want to make sure that I have everything that was discussed. On Page 1 there is nothing that was changed?

**Chairman Bette Grande:** Correct.

**Steven Podoll:** Page 2 I have at the top for Number 3 the second sentence if a committee member appointed as a veteran and continues on. That is the only change there?

**Chairman Bette Grande:** Yes.

**Rep. Lonny Winrich:** ...is redundant. It would be better to say if a committee member appointed as a veteran with an expiring term

**Chairman Bette Grande:** Go to the committee member on 3.

**Rep. Lonny Winrich:** I think it scans better if it goes after the thing about expiring term. If a committee member with an expiring term was appointed as a veteran the governor shall appoint a member qualifying as a veteran under Section such and such

**Chairman Bette Grande:** I see where you are putting it.

**Steven Podoll:** So I'll read that back. If a committee member with an expiring term was appointed

**Rep. Lonny Winrich:** If a committee member with an expiring term was appointed as a veteran then cross down to the governor shall appoint a member qualifying as a veteran. Delete the redundancy there.

**Steven Podoll:** Delete from qualifies to the comma?

**Chairman Bette Grande and Rep. Lonny Winrich:** Yes.

**Steven Podoll:** Right before the comma and instead I'll replace that was appointed as a veteran. If a committee member with an expiring term was appointed as a veteran, the governor shall appoint a member qualifying as a veteran under Section 37-01-40. Nothing else on Page 2?

**Chairman Bette Grande:** Go on Page 2 under veterans' home governing board compensation expenses. In that paragraph the last three lines it should read the payment must be made and then overstrike the words by warrant check drawn by the office of management and

**Steven Podoll:** Okay, that part. Is that amendment 2?

**Chairman Bette Grande:** Yes, it is amendment 2. We are going to meld this all into one and take one motion.

**Steven Podoll:** Page 3?

**Chairman Bette Grande:** I think we will give you the gist of this but I have a feeling Mr. Dawson is going to have put this language for you. We are going to a nine.

**Steven Podoll:** Fives to nines.

**Chairman Bette Grande:** On the top of 4, we are going to need to rework Paragraph 2, but I still think back on Paragraph 1 we still might have to do something different. I think we have to spell out that nine. I want to see that nine spelled out as five and then the groups and then four at large using the definition of veteran.

**Steven Podoll:** On to Page 4 we have right away in Number 2 there is a five that needs to be changed to nine. When we get down to the final four lines when the governor shall appoint we will change those twos to threes and then you also want me to make sure that we get the five members spelled out groups, get those in the first three, the second three, and the remaining four will be those veterans at large. It will be three..

**Chairman Bette Grande:** You know what, though, I think we almost have to go every other one as a service member because otherwise you are going to have three rotate off at the same time.

**Rep. Lonny Winrich:** My inclination would be to leave that up to the governor.

**Chairman Bette Grande:** I think the only language you are going to need to do is appoint nine members of the committee. Each member and then we are going to have to spell that out the five and the four again instead of leaving that other language. Under the chairman duties meetings, meetings must be called by the chairman upon the written request of any three voting members so we can have a minority call of the chair.

**Rep. Glen Froseth:** I would move the amendments (2006) and I would also recommend that you probably appoint a subcommittee of three to review these amendments prior to sending to the floor. I would suggest you, Vice Chairman Boehning, and Rep. Winrich.

**Vice Chairman Randy Boehning** seconded the motion.

**Rep. Bill Amerman:** A lot of hard work went into these amendments and a lot of frustration. I just look at Page 3. We over struck 28 lines that had how the veterans' affairs committee worked. We sat here all afternoon. We went from five members to seven members to nine members, under the governor, how they should be appointed. We already had the system that is there. I don't know exactly what we are doing so why are we doing this? Why do we overstrike the words that were there and try to stay all afternoon to come up with this system? I just need to know why.

**Chairman Bette Grande:** A lot of that overstrike will probably become un struck through the development of what we just did. I think there has been enough issue that this had come to the forefront two years ago. It has been studied for a whole interim prior. There were issues that were coming up that some people felt that we could address this and this is the form that it has come up in.

**A voice vote was taken on the amendments. Motion carried.**

**Vice Chairman Randy Boehning** handed out some amendments. **Attachment 5 and 6.** Basically what 2007 would do is it would be the audit of the veterans' post war trust fund during the interim 2011-12.

**Rep. Vicky Steiner:** When you say every entity's transaction isn't that a little detailed? Don't you just want to say shall conduct an audit? You want them to go through every single voucher, every single thing?

**Vice Chairman Randy Boehning:** When I talked to council I told them to draft up what normal language would be. I told them my intent was to do a normal audit.

**Chairman Bette Grande:** When I look at this, every entity's. I don't want to get into the point where we have to look at Dr. Joe's records to make sure he did the dental work that the voucher came from. Rep. Winrich, if you look at that what is your thought on taking out the words every entity's transaction and just authorizing an audit? Have you looked at any audit language on any other things recently?

**Rep. Lonny Winrich:** I have not looked at language in code like this. I know from service on the audit and fiscal review committee that when, for example, the treasurer's office is audited, we get a report on the funds which she manages and the veterans' post war trust fund is included in that.

**Chairman Bette Grande:** That is the income side, but this would be the outside.

**Rep. Lonny Winrich:** I am kind of wondering what we mean by every entity here? Are we in fact talking about every expenditure under all of these grants whether it is for

dentures or anything else? That is going to be a horrendous audit, probably looking at records all over the state.

**Chairman Bette Grande:** I am concerned about that language too.

**Rep. Lisa Meier:** Do we have any idea of what the cost of an audit like this would be? Perhaps we might want to ask. I am assuming that it would be pretty expensive.

**Chairman Bette Grande:** If it is every entity like this, this is horrendously large.

**Vice Chairman Randy Boehning:** Reading through the state auditor shall conduct the financial audit of the veterans' post war trust fund expenditures and then overstrike every entity's transaction authorizing and. Then after expenditures overstrike from that fund. Would that be proper then?

**Rep. Roscoe Streyle:** Couldn't we just request a ledger instead of having an audit?

**Chairman Bette Grande:** This would be in addition to the current audit that takes place for the DVA. This would be an expanded piece to their regular audit.

**Rep. Glen Froseth:** These last two amendments that were passed out is it the intent to hoghouse this entire bill and replace it with one of these?

**Chairman Bette Grande:** No. That is what your amendment says.

**Rep. Glen Froseth:** Page 1, Line 1 after a bill replace...

**Vice Chairman Randy Boehning:** No, it shouldn't be a hoghouse.

**Chairman Bette Grande:** I would say it would say Section 11, not Section 1 and strike those first few lines.

**Rep. Glen Froseth:** If you want to add this as the legislative study to the end of this bill, that is fine. I think in that legislative study you can look at any type of an audit or review of the expenses. You can include that in the legislative study. I would move to include the legislative study as an amendment to 2006, but not as a hoghouse.

**Chairman Bette Grande:** You are adding 2008 with audit language?

**Rep. Glen Froseth:** No, 2008 with legislative study. Section 10.

**Rep. Lisa Meier:** What is the process? Doesn't your organization already go through an audit every year and isn't that up for public review?

**Lonnie Wangen:** Every biennium we have an audit and the post war trust fund is part of that audit. That should begin here in the next month or so.

**Chairman Bette Grande:** The expenditures are included in that audit? I didn't see any in the last audit.

**Lonnie Wangen:** There must not have been any errors.

**Chairman Bette Grande:** The audit piece would not be necessary then, so we could just be looking at the 2008 handout that you had.

**Vice Chairman Randy Boehning:** The 2008 amendment is going to study the veterans' benefits and delivery system for veterans' benefits including benefits from the federal and state sources and in particular from the national guard and the department of veterans' affairs. Basically what I am trying to do is find out what benefits are out there so when we come back in two years to see if we are overlapping in some places.

**Rep. Bill Amerman:** I understand the intent of Rep. Boehning's amendment, but I don't know if it needs to be shored up because if you go federal and state sources and all the benefits and the benefits depend on the circumstances of the veteran and what benefits come from the federal government and what benefits come from—I don't know how you are going to study this thing. This is pretty big.

**Vice Chairman Randy Boehning:** Maybe we could just do a state and national guard and cross out the federal?

**Chairman Bette Grande:** I think what you are trying to get to is we have service centers that are going up, we have been talking about stand downs, we have been talking about grants, loans so is there a way that all the services—you are looking for a how to and what. You are looking almost more of an overview of how services are delivered.

**Vice Chairman Randy Boehning:** Correct.

**Chairman Bette Grande:** We could do something more to the effect of study veterans' benefits and the delivery systems of veterans' benefits including benefits from the national guard and the department of veterans' affairs. I took out the words from federal and state sources and in particular.

**Rep. Lisa Meier:** About two weeks ago we passed a bill out of this committee doing a study for benefits for veterans.

**Chairman Bette Grande:** For national guard.

**Rep. Lisa Meier:** For national guard. We did. Could we further maybe look at amending that bill in the senate?

**Vice Chairman Randy Boehning:** We possibly could do that. It would be two separate studies but they could study either or of them. This would probably be cleaner and we could send it over there and if they want to take it off and change it over there that would be up to them.

**Rep. Gary Paur:** With this study aren't we trying to do the job of the organization you are trying to create here? That's their job isn't it?

**Chairman Bette Grande:** I think what Rep. Boehning is saying what are the two entities doing that they could be doing together. I know what you are saying. The entities should work together without us telling them to. That national guard bill was Rep. DeKrey's. We can certainly talk with him and see about working that language into his bill. I think we are better to do that.

**Rep. Glen Froseth:** I withdraw my motion.

**Vice Chairman Randy Boehning** made a motion for a **Do Pass as amended.**

**Rep. Glen Froseth** seconded the motion.

**Rep. Bill Amerman:** I am just not sure what we are doing. We had a system. We sat here all afternoon with amendments flying around. I really don't know what we are talking anymore. We are taking a system that has worked for years and the reason it has worked is because they built it over the years. There have been mistakes, but they built it up to where it is today. Now we are dismantling it and we are putting into whatever we are putting it into. I'll surprise you that I will probably vote against a do pass.

**Chairman Bette Grande:** After the letter you wrote I am not surprised at all.

**DO PASS AS AMENDED, 6 YEAS, 7 NAYS. MOTION FAILS.**

**Rep. Lisa Meier** made a motion for a **Do Not Pass as amended.**

**Rep. Mark Sanford** seconded the motion.

**DO NOT PASS AS AMENDED, 8 YEAS, 5 NAYS. Rep. Bill Amerman is the carrier of this bill.**

**Attachments 8-11 are written testimony and statements provided by various individuals.**

**FISCAL NOTE**  
 Requested by Legislative Council  
 02/22/2011

Amendment to: HB 1379

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2009-2011 Biennium		2011-2013 Biennium		2013-2015 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$25,000	\$0	\$44,440	\$0	\$46,440	\$0
Appropriations	\$0	\$0	\$0	\$0	\$0	\$0

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

2009-2011 Biennium			2011-2013 Biennium			2013-2015 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

Changes membership of the Administrative Committee on Veterans Affairs and allows for compensation along with meals, mileage and lodging.

B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Administrative Committee to be receiving compensation. The present board chooses not to receive the \$135 a day. The department only pays for meals, miles, and lodging at this time.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

No revenue connected with this bill.

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

Expenditure amounts based on compensation for 9 committee members along with expenses.

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

Included in department general funding.

<b>Name:</b>	Cathy Halgunseth	<b>Agency:</b>	Veterans Affairs
<b>Phone Number:</b>	701-298-4692	<b>Date Prepared:</b>	02/24/2011

# FISCAL NOTE

Requested by Legislative Council  
01/19/2011

Bill/Resolution No.: HB 1379

**1A. State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2009-2011 Biennium		2011-2013 Biennium		2013-2015 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
<b>Revenues</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Expenditures</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Appropriations</b>	\$0	\$0	\$0	\$0	\$0	\$0

**1B. County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

2009-2011 Biennium			2011-2013 Biennium			2013-2015 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

**2A. Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

Changes membership of the Administrative Committee on Veterans Affairs. Allows Commissioner to form advisory committees.

**B. Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Advisory committees may be reimbursed for travel expenses.

**3. State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

**A. Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

No revenue connected with this bill.

**B. Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

Expenditure amounts based on advisory committee size and number of meetings.

**C. Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

Funding neutral.

<b>Name:</b>	Cathy Halgunseth	<b>Agency:</b>	Veterans Affairs
<b>Phone Number:</b>	701-298-4692	<b>Date Prepared:</b>	01/24/2011

February 15, 2011

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1379

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact four new sections to chapter 37-15 of the North Dakota Century Code, relating to governance of the veterans' home; to amend and reenact sections 37-15-03, 37-15-07, 37-18-07, 37-18-12, 37-18.1-01, 37-18.1-02, 37-18.1-03, and 37-18.1-04 of the North Dakota Century Code, relating to county veterans' service officers, governance of the veterans' home, the commissioner of the department of veterans' affairs, and the administrative committee on veterans' affairs.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1. AMENDMENT.** Section 37-15-03 of the North Dakota Century Code is amended and reenacted as follows:

**37-15-03. Government of veterans' home.**

The general supervision and government of the veterans' home is vested in the ~~administrative committee on veterans' affairs~~ veterans' home governing board.

**SECTION 2. AMENDMENT.** Section 37-15-07 of the North Dakota Century Code is amended and reenacted as follows:

**37-15-07. Administrator of veterans' home - Appointment - ~~Qualifications.~~**

~~The appointment, qualifications, term of office, and salary of the administrator of the veterans' home must be as prescribed in section 37-18.1-03~~ governor shall appoint the administrator. The administrator serves at the pleasure of the governor. The administrative committee on veterans' affairs veterans' home governing board may designate the administrator as commandant of the veterans' home if the administrator is an honorably discharged veteran.

**SECTION 3.** Four new sections to chapter 37-15 of the North Dakota Century Code are created and enacted as follows:

**Veterans' home governing board - Membership - Appointment.**

1. The governing board for the veterans' home consists of seven voting members appointed by the governor.
2. On August 1, 2011, the governor shall appoint seven members of the committee. Of the appointments, four members must qualify as a veteran under section 37-01-40. The governor shall appoint persons based on experience and qualifications. The governor shall appoint three of the members to a term of three years, two members to a term of two years, and two members to a term of one year, or until their successors are appointed and qualified.

3. On the first day of August in each year beginning in 2012, the governor shall appoint members to fill the expiring terms of committee members. If a committee member with an expiring term qualifies as a veteran under section 37-01-40, the governor shall appoint a member qualifying as a veteran under section 37-01-40.
4. Beginning in 2012, each appointment must be for a term of three years, or until a successor is appointed and qualified. All terms begin on August first and end on July thirty-first in the year specified.
5. If a position becomes vacant, the governor shall fill the vacancy for the unexpired portion of the term in the same manner as the initial appointment.

#### **Veterans' home governing board - Chairman - Duties - Meetings.**

The governor shall appoint the chairman of the veterans' home governing board from among the membership of the board. Meetings of the governing board must be held upon the call of the chairman, at such times and places as may be selected by the chairman, and upon due notice to members by the chairman. Meetings must also be called by the chairman upon the written request of any four voting members of the board.

#### **Powers and duties of veterans' home governing board.**

The governing board is responsible for the administration of the veterans' home. The governing board has all ordinary powers required of a governing board. The governing board shall assure compliance with applicable federal and state laws in the administration of the veterans' home. The governing board shall conduct an annual performance evaluation of the administrator and create and implement a strategic plan for the veterans' home. The governing board annually shall report on the status of the strategic plan to the governor and the legislative management.

#### **Veterans' home governing board - Compensation - Expenses.**

The veterans' home governing board members may receive compensation of one hundred thirty-five dollars per day for the performance of their official duties. Members may be reimbursed for travel expenses and meals and lodging expenses in connection with their official duties at the same rate and in the same manner as are elected officials and employees of the state. Payment for compensation and expense reimbursement must be made by the veterans' home. The payment must be made by warrant-check drawn by the office of management and budget upon the submission of a paper voucher to it, signed by the administrator of the veterans' home.

**SECTION 4. AMENDMENT.** Section 37-18-07 of the North Dakota Century Code is amended and reenacted as follows:

#### **37-18-07. Commissioner - Appointment - Qualifications - Term - Salary.**

The appointment, qualifications, term of office, and salary of the commissioner must be as prescribed in section 37-18-1-03. The governor shall appoint the commissioner. The commissioner must be a veteran as defined in section 37-01-40 and shall serve at the pleasure of the governor. The commissioner must be allowed such amounts for travel, clerkhire, and expenses as may be prescribed from time to time by legislative appropriations.

**SECTION 5. AMENDMENT.** Section 37-18-12 of the North Dakota Century Code is amended and reenacted as follows:

**37-18-12. Funding authority - Continuing appropriation.**

The department of veterans' affairs may accept and expend funds from any source, including federal or private sources, to be used to assist veterans or qualified veterans' spouses in obtaining assistance and to pay other expenses authorized by law incurred in carrying out programs of benefit and service for resident North Dakota veterans ~~as authorized by the administrative committee on veterans' affairs~~ with the approval of the emergency commission. However, all interest earnings from the veterans' postwar trust fund received by the department of veterans' affairs from the administrative committee on veterans' affairs are appropriated to the department on a continuing basis.

**SECTION 6. AMENDMENT.** Section 37-18.1-01 of the North Dakota Century Code is amended and reenacted as follows:

**37-18.1-01. Administrative committee on veterans' affairs - Membership - Appointment.**

~~There is hereby created an administrative committee on veterans' affairs, which, for purposes of this chapter, must hereinafter be referred to as the committee. The committee must consist of three ex officio nonvoting members and fifteen voting members. The adjutant general, the center director of the veterans' administration, and the executive director of job service North Dakota are the ex officio nonvoting members who shall serve in an advisory capacity to the committee. On or before June 20, 1971, the American legion, the veterans of foreign wars, the disabled American veterans, the veterans of World War II, Korea, and Vietnam, (amvets), and Vietnam veterans of America, incorporated, shall each prepare a list containing the names of six persons qualifying as veterans under the provisions of section 37-01-40, for appointment as voting members of the committee. On or before July 1, 1971, the governor shall select fifteen nominees, three from each list, five of whom must be appointed to a term of three years, five of whom must be appointed to a term of two years, and five of whom must be appointed to a term of one year, or until their successors are appointed and qualified. On or before the twentieth day of June in each year, beginning in the year 1972, each of the above listed nominating organizations shall submit a list containing the names of two persons who qualify as veterans under the provisions of section 37-01-40, to the governor for appointment or reappointment as voting members of the committee. On or before the first day of July in each year, beginning in the year 1972, the governor shall select one nominee from each list, a total of five nominees, to fill expiring terms of voting members of the committee. Each such appointment must be for a term of three years, or until a successor is appointed and qualified. All terms begin on the first day of July and end on the thirtieth day of June in the year specified. In case of the inability or failure of any voting member of the committee to serve, the governor shall appoint another member from a list of two persons qualifying as veterans under the provisions of section 37-01-40, submitted by the nominating organization represented by the member who was unable or failed to serve. Such appointments must be made for the remainder of the unexpired term.~~

1. There is created an administrative committee on veterans' affairs, which for the purposes of this chapter, is referred to as the committee. The committee consists of five voting members and three ex officio nonvoting members. The five voting members are members appointed by the

governor, The adjutant general, director of the department of human services, and the executive director of job service North Dakota are ex officio nonvoting members of the committee.

2. On August 1, 2011, the governor shall appoint five members of the committee. Each member must qualify as a veteran under section 37-01-40. The governor shall appoint members based on experience and qualifications while attempting to fairly represent the state's veterans' population. Any organization or citizen may nominate an individual for appointment to the governor. The governor shall appoint two of the members to a term of three years, two of the members to a term of two years, and two of the members to a term of one year, or until their successors are appointed and qualified.
3. On the first day of August in each year beginning in 2012, the governor shall appoint members to fill the expiring terms of the committee members in the same manner as the initial appointment.
4. Beginning in 2012, each appointment must be for a term of three years, or until a successor is appointed and qualified. All terms begin on August first and end on July thirty-first in the year specified.
5. If a voting member position becomes vacant, the governor shall fill the vacancy for the unexpired portion of the term in the same manner as the initial appointment.

**SECTION 7. AMENDMENT.** Section 37-18.1-02 of the North Dakota Century Code is amended and reenacted as follows:

**37-18.1-02. Chairman - Secretary—Duties - Terms—Meetings.**

~~A chairman and a secretary of the committee must be appointed by the governor from among the voting membership of the committee. Such appointment must be made annually, with the term of office to begin on the first day of July of the year specified and to end on the thirtieth day of June of the following year. The governor shall appoint the chairman of the committee from the membership of the committee. Meetings of the committee must be held upon the call of the chairman, at such times and places as may be selected by the chairman, and upon due notice to committee members by the secretary chairman. Meetings must also be called by the chairman upon the written request of any ~~four~~two voting members of the committee. A majority of the members of the committee is required for a quorum, and a majority of the members present voting in favor thereof is required for any action.~~

**SECTION 8. AMENDMENT.** Section 37-18.1-03 of the North Dakota Century Code is amended and reenacted as follows:

**37-18.1-03. Powers and duties of committee—Creation of subcommittee and governing board.**

~~The committee is responsible for organization, policy, and general administration of all veterans' affairs in the state of North Dakota. It has the following powers and duties:~~

- ~~1. The chairman and secretary of the committee, acting jointly, shall appoint a seven-member governing board for administration of the veterans' home;~~

~~from within or outside the committee, subject to ratification of a majority vote of the committee, and shall establish term lengths for service on the governing board. The governing board has all ordinary powers required of a governing board, including the power to establish qualifications for and selection of an administrator and to establish an appropriate salary structure, subject to limitations of legislative appropriation. The administrator serves at the pleasure of the governing board.~~

- ~~2.—The chairman and secretary of the committee jointly shall appoint a subcommittee to be responsible for supervision and government of the department of veterans' affairs. Once appointed, a subcommittee member may continue to serve as long as the member remains a voting member of the committee, unless removed from the subcommittee by joint action of the committee chairman and secretary. A member of the subcommittee may not serve on the governing board of the veterans' home. Each nominating organization listed in section 37-18.1-01 must have at least one voting member nominated by the organization serving on the subcommittee. The subcommittee shall select by majority vote of the members a chairman to preside for the term of one year.~~
- ~~3.—The committee shall appoint the commissioner of the department of veterans' affairs. The commissioner must be a bona fide resident of the state, and must qualify as a veteran as defined in section 37-01-40. The commissioner serves at the pleasure of the committee. The committee shall determine the salary paid to the commissioner of the department of veterans' affairs within the limits of legislative appropriation. The commissioner of veterans' affairs shall serve as the executive secretary for the subcommittee. The commissioner has no vote in the affairs of the subcommittee.~~
- ~~4.—The committee shall, under recommendation from the board or the subcommittee, present any matters needing attention and action to the appropriate board, commission, agency, or department of the state, and the North Dakota veterans' coordinating council.~~
- ~~5.2. The committee shall assure compliance with applicable federal and state laws in the administration of both the department of veterans' affairs and the North Dakota veterans' home and shall exercise its responsibilities in all things necessary to carry out the provisions of this chapter in regard to organization, policy, and general administration of the agencies served and involved in the conduct of veterans' affairs. The board governing the veterans' home and the subcommittee governing the department of veterans' affairs shall conduct an annual performance evaluation of the administrator and commissioner, respectively, with the evaluation presented to the committee. The board and subcommittee shall create and implement a strategic plan for the veterans' home and the department of veterans' affairs, respectively. delivery of veterans' services by the commissioner. The board and the subcommittee ~~committee~~ annually shall report as to the status of the respective strategic plan to the committee. After receiving a report, the committee shall submit the report to the governor.~~

**SECTION 9. AMENDMENT.** Section 37-18.1-04 of the North Dakota Century Code is amended and reenacted as follows:

**37-18.1-04. ~~Committee members not to receive compensation-~~  
Compensation - Expenses permitted.**

~~Committee~~Voting members may ~~not~~ receive ~~any~~ compensation of one hundred thirty-five dollars per day for the performance of their official duties. Voting members may be reimbursed for travel expenses and meals and lodging expenses in connection with their official duties at the same rate and in the same manner as are elected officials and employees of the state, ~~with payment to~~. Payment of compensation and expense reimbursement must be made by the department of veterans' affairs ~~and the veterans' home to each of their respective subcommittee members incurring the expenses.~~ The payment must be made by warrant-check drawn by the office of management and budget upon the submission of a proper voucher to it, signed by the commissioner of veterans' affairs ~~or the administrator of the veterans' home, as the case may be.~~"

Renumber accordingly

Date: 2-17-11  
Roll Call Vote #: 1

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 1379

House GOVERNMENT AND VETERAN AFFAIRS Committee

Check here for Conference Committee

Legislative Council Amendment Number 2006

Action Taken  Do Pass  Do Not Pass  Amended  Adopt Amendment  
 Rerefer to Appropriations  Reconsider

Motion Made By Froseth Seconded By Boehning

Representatives	Yes	No	Representatives	Yes	No
Chairman Bette Grande			Bill Amerman		
Vice Chairman Randy Boehning			Ron Guggisberg		
Glen Froseth			Lonny Winrich		
Karen Karls					
Lisa Meier					
Gary Paur					
Karen Rohr					
Mark Sanford					
Vicky Steiner					
Roscoe Streyle					

Total (Yes) \_\_\_\_\_ No \_\_\_\_\_

Absent \_\_\_\_\_

Floor Assignment \_\_\_\_\_

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

*Will vote to adopt amendment motion carried*

Date: 2-17-11  
 Roll Call Vote #: 2

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
 BILL/RESOLUTION NO. 1379

House GOVERNMENT AND VETERAN AFFAIRS Committee

Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken  Do Pass  Do Not Pass  Amended  Adopt Amendment  
 Rerefer to Appropriations  Reconsider

Motion Made By Boehning Seconded By Froseth

Representatives	Yes	No	Representatives	Yes	No
Chairman Bette Grande	✓		Bill Amerman		✓
Vice Chairman Randy Boehning	✓		Ron Guggisberg		✓
Glen Froseth	✓		Lonny Winrich	✓	
Karen Karls	✓				
Lisa Meier		✓			
Gary Paur	✓	✓			
Karen Rohr	✓				
Mark Sanford		✓			
Vicky Steiner		✓			
Roscoe Streyle		✓			

Total (Yes) 6 No 7

Absent 0

Floor Assignment \_\_\_\_\_

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

February 18, 2011

VR  
2/18/11  
1086

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1379

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact four new sections to chapter 37-15 of the North Dakota Century Code, relating to governance of the veterans' home; to amend and reenact sections 37-15-03, 37-15-07, 37-18-07, 37-18-12, 37-18.1-01, 37-18.1-02, 37-18.1-03, and 37-18.1-04 of the North Dakota Century Code, relating to county veterans' service officers, governance of the veterans' home, the commissioner of the department of veterans' affairs, and the administrative committee on veterans' affairs.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1. AMENDMENT.** Section 37-15-03 of the North Dakota Century Code is amended and reenacted as follows:

**37-15-03. Government of veterans' home.**

The general supervision and government of the veterans' home is vested in the ~~administrative committee on veterans' affairs~~ veterans' home governing board.

**SECTION 2. AMENDMENT.** Section 37-15-07 of the North Dakota Century Code is amended and reenacted as follows:

**37-15-07. Administrator of veterans' home - Appointment—Qualifications.**

~~The appointment, qualifications, term of office, and salary of the administrator of the veterans' home must be as prescribed in section 37-18.1-03~~ governor shall appoint the administrator. The administrator serves at the pleasure of the governor. The administrative committee on veterans' affairs veterans' home governing board may designate the administrator as commandant of the veterans' home if the administrator is an honorably discharged veteran.

**SECTION 3.** Four new sections to chapter 37-15 of the North Dakota Century Code are created and enacted as follows:

**Veterans' home governing board - Membership - Appointment.**

1. The governing board for the veterans' home consists of seven voting members appointed by the governor.
2. On August 1, 2011, the governor shall appoint seven members of the committee. Of the appointments, four members must qualify as a veteran under section 37-01-40. The governor shall appoint persons based on experience and qualifications. The governor shall appoint three of the members to a term of three years, two members to a term of two years, and two members to a term of one year, or until their successors are appointed and qualified.

- 3. On the first day of August in each year beginning in 2012, the governor shall appoint members to fill the expiring terms of committee members. If a committee member with an expiring term was appointed as a veteran, the governor shall appoint a member qualifying as a veteran under section 37-01-40.
- 4. Beginning in 2012, each appointment must be for a term of three years, or until a successor is appointed and qualified. All terms begin on August first and end on July thirty-first in the year specified.
- 5. If a position becomes vacant, the governor shall fill the vacancy for the unexpired portion of the term in the same manner as the initial appointment.

**Veterans' home governing board - Chairman - Duties - Meetings.**

The governor shall appoint the chairman of the veterans' home governing board from among the membership of the board. Meetings of the governing board must be held upon the call of the chairman, at such times and places as may be selected by the chairman, and upon due notice to members by the chairman. Meetings must also be called by the chairman upon the written request of any four voting members of the board.

**Powers and duties of veterans' home governing board.**

The governing board is responsible for the administration of the veterans' home. The governing board has all ordinary powers required of a governing board. The governing board shall assure compliance with applicable federal and state laws in the administration of the veterans' home. The governing board shall conduct an annual performance evaluation of the administrator and create and implement a strategic plan for the veterans' home. The governing board annually shall report on the status of the strategic plan to the governor and the legislative management.

**Veterans' home governing board - Compensation - Expenses.**

The veterans' home governing board members may receive compensation of one hundred thirty-five dollars per day for the performance of their official duties. Members may be reimbursed for travel expenses and meals and lodging expenses in connection with their official duties at the same rate and in the same manner as are elected officials and employees of the state. Payment for compensation and expense reimbursement must be made by the veterans' home. The payment must be made upon approval of the administrator of the veterans' home.

**SECTION 4. AMENDMENT.** Section 37-18-07 of the North Dakota Century Code is amended and reenacted as follows:

**37-18-07. Commissioner - Appointment - Qualifications - Term - Salary.**

The appointment, qualifications, term of office, and salary of the commissioner must be as prescribed in section 37-18-1-03 governor shall appoint the commissioner. The commissioner must be a veteran as defined in section 37-01-40 and shall serve at the pleasure of the governor. The commissioner must be allowed such amounts for travel, clerkhire, and expenses as may be prescribed from time to time by legislative appropriations.

**SECTION 5. AMENDMENT.** Section 37-18-12 of the North Dakota Century Code is amended and reenacted as follows:

**37-18-12. Funding authority - Continuing appropriation.**

The department of veterans' affairs may accept and expend funds from any source, including federal or private sources, to be used to assist veterans or qualified veterans' spouses in obtaining assistance and to pay other expenses authorized by law incurred in carrying out programs of benefit and service for resident North Dakota veterans ~~as authorized by the administrative committee on veterans' affairs with the approval of the emergency commission.~~ However, all interest earnings from the veterans' postwar trust fund received by the department of veterans' affairs from the administrative committee on veterans' affairs are appropriated to the department on a continuing basis.

**SECTION 6. AMENDMENT.** Section 37-18.1-01 of the North Dakota Century Code is amended and reenacted as follows:

**37-18.1-01. Administrative committee on veterans' affairs - Membership - Appointment.**

~~There is hereby created an administrative committee on veterans' affairs, which, for purposes of this chapter, must hereinafter be referred to as the committee. The committee must consist of three ex officio nonvoting members and fifteen voting members. The adjutant general, the center director of the veterans' administration, and the executive director of job service North Dakota are the ex officio nonvoting members who shall serve in an advisory capacity to the committee. On or before June 20, 1971, the American legion, the veterans of foreign wars, the disabled American veterans, the veterans of World War II, Korea, and Vietnam, (amvets), and Vietnam veterans of America, incorporated, shall each prepare a list containing the names of six persons qualifying as veterans under the provisions of section 37-01-40, for appointment as voting members of the committee. On or before July 1, 1971, the governor shall select fifteen nominees, three from each list, five of whom must be appointed to a term of three years, five of whom must be appointed to a term of two years, and five of whom must be appointed to a term of one year, or until their successors are appointed and qualified. On or before the twentieth day of June in each year, beginning in the year 1972, each of the above listed nominating organizations shall submit a list containing the names of two persons who qualify as veterans under the provisions of section 37-01-40, to the governor for appointment or reappointment as voting members of the committee. On or before the first day of July in each year, beginning in the year 1972, the governor shall select one nominee from each list, a total of five nominees, to fill expiring terms of voting members of the committee. Each such appointment must be for a term of three years, or until a successor is appointed and qualified. All terms begin on the first day of July and end on the thirtieth day of June in the year specified. In case of the inability or failure of any voting member of the committee to serve, the governor shall appoint another member from a list of two persons qualifying as veterans under the provisions of section 37-01-40, submitted by the nominating organization represented by the member who was unable or failed to serve. Such appointments must be made for the remainder of the unexpired term.~~

1. There is created an administrative committee on veterans' affairs, which for the purposes of this chapter, is referred to as the committee. The committee consists of nine voting members and three ex officio nonvoting members. The nine voting members are members appointed by the

governor. The adjutant general, director of the department of human services, and the executive director of job service North Dakota are ex officio nonvoting members of the committee.

2. On August 1, 2011, the governor shall appoint nine members of the committee. The governor shall appoint one member each from the American legion; the veterans of foreign wars; the disabled American veterans; the veterans of world war II, Korea, and Vietnam, amvets; and Vietnam veterans of America. Each of the remaining four members must qualify as a veteran under section 37-01-40. The governor shall appoint members based on experience and qualifications while attempting to fairly represent the state's veterans' population. Any organization or citizen may nominate an individual for appointment to the governor. The governor shall appoint three of the members to a term of three years, three of the members to a term of two years, and three of the members to a term of one year, or until their successors are appointed and qualified.
3. On the first day of August in each year beginning in 2012, the governor shall appoint members to fill the expiring terms of the committee members in the same manner as the initial appointment.
4. Beginning in 2012, each appointment must be for a term of three years, or until a successor is appointed and qualified. All terms begin on August first and end on July thirty-first in the year specified.
5. If a voting member position becomes vacant, the governor shall fill the vacancy for the unexpired portion of the term in the same manner as the initial appointment.

**SECTION 7. AMENDMENT.** Section 37-18.1-02 of the North Dakota Century Code is amended and reenacted as follows:

**37-18.1-02. Chairman - ~~Secretary~~ - Duties - Terms - Meetings.**

~~A chairman and a secretary of the committee must be appointed by the governor from among the voting membership of the committee. Such appointment must be made annually, with the term of office to begin on the first day of July of the year specified and to end on the thirtieth day of June of the following year. The governor shall appoint the chairman of the committee from the membership of the committee. Meetings of the committee must be held upon the call of the chairman, at such times and places as may be selected by the chairman, and upon due notice to committee members by the secretary.~~ chairman. Meetings must also be called by the chairman upon the written request of any ~~four~~three voting members of the committee. A majority of the members of the committee is required for a quorum, and a majority of the members present voting in favor thereof is required for any action.

**SECTION 8. AMENDMENT.** Section 37-18.1-03 of the North Dakota Century Code is amended and reenacted as follows:

**37-18.1-03. Powers and duties of committee - ~~Creation of subcommittee and governing board.~~**

~~The committee is responsible for organization, policy, and general administration of all veterans' affairs in the state of North Dakota. It has the following powers and duties:~~

1. ~~The chairman and secretary of the committee, acting jointly, shall appoint a seven member governing board for administration of the veterans' home, from within or outside the committee, subject to ratification of a majority vote of the committee, and shall establish term lengths for service on the governing board. The governing board has all ordinary powers required of a governing board, including the power to establish qualifications for and selection of an administrator and to establish an appropriate salary structure, subject to limitations of legislative appropriation. The administrator serves at the pleasure of the governing board.~~
2. ~~The chairman and secretary of the committee jointly shall appoint a subcommittee to be responsible for supervision and government of the department of veterans' affairs. Once appointed, a subcommittee member may continue to serve as long as the member remains a voting member of the committee, unless removed from the subcommittee by joint action of the committee chairman and secretary. A member of the subcommittee may not serve on the governing board of the veterans' home. Each nominating organization listed in section 37-18.1-01 must have at least one voting member nominated by the organization serving on the subcommittee. The subcommittee shall select by majority vote of the members a chairman to preside for the term of one year.~~
3. ~~The committee shall appoint the commissioner of the department of veterans' affairs. The commissioner must be a bona fide resident of the state, and must qualify as a veteran as defined in section 37-01-40. The commissioner serves at the pleasure of the committee. The committee shall determine the salary paid to the commissioner of the department of veterans' affairs within the limits of legislative appropriation. The commissioner of veterans' affairs shall serve as the executive secretary for the subcommittee. The commissioner has no vote in the affairs of the subcommittee.~~
4. ~~The committee shall, under recommendation from the board or the subcommittee, present any matters needing attention and action to the appropriate board, commission, agency, or department of the state, and the North Dakota veterans' coordinating council.~~
- 5.2. ~~The committee shall assure compliance with applicable federal and state laws in the administration of both the department of veterans' affairs and the North Dakota veterans' home and shall exercise its responsibilities in all things necessary to carry out the provisions of this chapter in regard to organization, policy, and general administration of the agencies served and involved in the conduct of veterans' affairs. The board governing the veterans' home and the subcommittee governing the department of veterans' affairs shall conduct an annual performance evaluation of the administrator and commissioner, respectively, with the evaluation presented to the committee. The board and subcommittee shall create and implement a strategic plan for the veterans' home and the department of veterans' affairs, respectively delivery of veterans' services by the commissioner. The board and the subcommittee committee annually shall report as to the status of the respective strategic plan to the committee. After receiving a report, the committee shall submit the report to the governor.~~

606

**SECTION 9. AMENDMENT.** Section 37-18.1-04 of the North Dakota Century Code is amended and reenacted as follows:

**37-18.1-04. Committee members ~~not to receive compensation~~ - Compensation - Expenses permitted.**

~~Committee~~Voting members may ~~not receive any compensation of one hundred thirty-five dollars per day~~ for the performance of their official duties. Voting members may be reimbursed for travel expenses and meals and lodging expenses in connection with their official duties at the same rate and in the same manner as are elected officials and employees of the state, ~~with payment to~~. Payment of compensation and expense reimbursement must be made by the department of veterans' affairs ~~and the veterans' home to each of their respective subcommittee members incurring the expenses.~~ The payment must be made ~~by warrant check drawn by the office of management and budget upon the submission of a proper voucher to it, signed by upon approval of the commissioner of veterans' affairs or the administrator of the veterans' home, as the case may be."~~

Renumber accordingly

Date: 2-17-11  
 Roll Call Vote #: 3

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
 BILL/RESOLUTION NO. 1379

House GOVERNMENT AND VETERAN AFFAIRS Committee

Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken  Do Pass  Do Not Pass  Amended  Adopt Amendment

Rerefer to Appropriations  Reconsider

Motion Made By Meier Seconded By Sanford

Representatives	Yes	No	Representatives	Yes	No
Chairman Bette Grande		✓	Bill Amerman	✓	
Vice Chairman Randy Boehning		✓	Ron Guggisberg	✓	
Glen Froseth		✓	Lonny Winrich	✓	
Karen Karls		✓			
Lisa Meier	✓				
Gary Paur	✓				
Karen Rohr		✓			
Mark Sanford	✓				
Vicky Steiner	✓				
Roscoe Streyle	✓				

Total (Yes) 8 No 5

Absent 0

Floor Assignment Amerman

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

**REPORT OF STANDING COMMITTEE**

**HB 1379: Government and Veterans Affairs Committee (Rep. Grande, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO NOT PASS** (8 YEAS, 5 NAYS, 0 ABSENT AND NOT VOTING). HB 1379 was placed on the Sixth order on the calendar.

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact four new sections to chapter 37-15 of the North Dakota Century Code, relating to governance of the veterans' home; to amend and reenact sections 37-15-03, 37-15-07, 37-18-07, 37-18-12, 37-18.1-01, 37-18.1-02, 37-18.1-03, and 37-18.1-04 of the North Dakota Century Code, relating to county veterans' service officers, governance of the veterans' home, the commissioner of the department of veterans' affairs, and the administrative committee on veterans' affairs.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1. AMENDMENT.** Section 37-15-03 of the North Dakota Century Code is amended and reenacted as follows:

**37-15-03. Government of veterans' home.**

The general supervision and government of the veterans' home is vested in the ~~administrative committee on veterans' affairs~~veterans' home governing board.

**SECTION 2. AMENDMENT.** Section 37-15-07 of the North Dakota Century Code is amended and reenacted as follows:

**37-15-07. Administrator of veterans' home - Appointment - ~~Qualifications.~~**

The ~~appointment, qualifications, term of office, and salary of the administrator of the veterans' home must be as prescribed in section 37-18.1-03~~governor shall appoint the administrator. The administrator serves at the pleasure of the governor. The ~~administrative committee on veterans' affairs~~veterans' home governing board may designate the administrator as commandant of the veterans' home if the administrator is an honorably discharged veteran.

**SECTION 3.** Four new sections to chapter 37-15 of the North Dakota Century Code are created and enacted as follows:

**Veterans' home governing board - Membership - Appointment.**

1. The governing board for the veterans' home consists of seven voting members appointed by the governor.
2. On August 1, 2011, the governor shall appoint seven members of the committee. Of the appointments, four members must qualify as a veteran under section 37-01-40. The governor shall appoint persons based on experience and qualifications. The governor shall appoint three of the members to a term of three years, two members to a term of two years, and two members to a term of one year, or until their successors are appointed and qualified.
3. On the first day of August in each year beginning in 2012, the governor shall appoint members to fill the expiring terms of committee members. If a committee member with an expiring term was appointed as a veteran, the governor shall appoint a member qualifying as a veteran under section 37-01-40.
4. Beginning in 2012, each appointment must be for a term of three years, or until a successor is appointed and qualified. All terms begin on August first and end on July thirty-first in the year specified.

5. If a position becomes vacant, the governor shall fill the vacancy for the unexpired portion of the term in the same manner as the initial appointment.

**Veterans' home governing board - Chairman - Duties - Meetings.**

The governor shall appoint the chairman of the veterans' home governing board from among the membership of the board. Meetings of the governing board must be held upon the call of the chairman, at such times and places as may be selected by the chairman, and upon due notice to members by the chairman. Meetings must also be called by the chairman upon the written request of any four voting members of the board.

**Powers and duties of veterans' home governing board.**

The governing board is responsible for the administration of the veterans' home. The governing board has all ordinary powers required of a governing board. The governing board shall assure compliance with applicable federal and state laws in the administration of the veterans' home. The governing board shall conduct an annual performance evaluation of the administrator and create and implement a strategic plan for the veterans' home. The governing board annually shall report on the status of the strategic plan to the governor and the legislative management.

**Veterans' home governing board - Compensation - Expenses.**

The veterans' home governing board members may receive compensation of one hundred thirty-five dollars per day for the performance of their official duties. Members may be reimbursed for travel expenses and meals and lodging expenses in connection with their official duties at the same rate and in the same manner as are elected officials and employees of the state. Payment for compensation and expense reimbursement must be made by the veterans' home. The payment must be made upon approval of the administrator of the veterans' home.

**SECTION 4. AMENDMENT.** Section 37-18-07 of the North Dakota Century Code is amended and reenacted as follows:

**37-18-07. Commissioner - Appointment - Qualifications - Term - Salary.**

~~The appointment, qualifications, term of office, and salary of the commissioner must be as prescribed in section 37-18.1-03~~ governor shall appoint the commissioner. The commissioner must be a veteran as defined in section 37-01-40 and shall serve at the pleasure of the governor. The commissioner must be allowed such amounts for travel, clerkhire, and expenses as may be prescribed from time to time by legislative appropriations.

**SECTION 5. AMENDMENT.** Section 37-18-12 of the North Dakota Century Code is amended and reenacted as follows:

**37-18-12. Funding authority - Continuing appropriation.**

~~The department of veterans' affairs may accept and expend funds from any source, including federal or private sources, to be used to assist veterans or qualified veterans' spouses in obtaining assistance and to pay other expenses authorized by law incurred in carrying out programs of benefit and service for resident North Dakota veterans as authorized by the administrative committee on veterans' affairs with the approval of the emergency commission. However, all interest earnings from the veterans' postwar trust fund received by the department of veterans' affairs from the administrative committee on veterans' affairs are appropriated to the department on a continuing basis.~~

**SECTION 6. AMENDMENT.** Section 37-18.1-01 of the North Dakota Century Code is amended and reenacted as follows:

**37-18.1-01. Administrative committee on veterans' affairs - Membership - Appointment.**

~~—There is hereby created an administrative committee on veterans' affairs, which, for purposes of this chapter, must hereinafter be referred to as the committee. The committee must consist of three ex officio nonvoting members and fifteen voting members. The adjutant general, the center director of the veterans' administration, and the executive director of job service North Dakota are the ex officio nonvoting members who shall serve in an advisory capacity to the committee. On or before June 20, 1971, the American legion, the veterans of foreign wars, the disabled American veterans, the veterans of World War II, Korea, and Vietnam, (amvets), and Vietnam veterans of America, incorporated, shall each prepare a list containing the names of six persons qualifying as veterans under the provisions of section 37-01-40, for appointment as voting members of the committee. On or before July 1, 1971, the governor shall select fifteen nominees, three from each list, five of whom must be appointed to a term of three years, five of whom must be appointed to a term of two years, and five of whom must be appointed to a term of one year, or until their successors are appointed and qualified. On or before the twentieth day of June in each year, beginning in the year 1972, each of the above listed nominating organizations shall submit a list containing the names of two persons who qualify as veterans under the provisions of section 37-01-40, to the governor for appointment or reappointment as voting members of the committee. On or before the first day of July in each year, beginning in the year 1972, the governor shall select one nominee from each list, a total of five nominees, to fill expiring terms of voting members of the committee. Each such appointment must be for a term of three years, or until a successor is appointed and qualified. All terms begin on the first day of July and end on the thirtieth day of June in the year specified. In case of the inability or failure of any voting member of the committee to serve, the governor shall appoint another member from a list of two persons qualifying as veterans under the provisions of section 37-01-40, submitted by the nominating organization represented by the member who was unable or failed to serve. Such appointments must be made for the remainder of the unexpired term.~~

1. There is created an administrative committee on veterans' affairs, which for the purposes of this chapter, is referred to as the committee. The committee consists of nine voting members and three ex officio nonvoting members. The nine voting members are members appointed by the governor. The adjutant general, director of the department of human services, and the executive director of job service North Dakota are ex officio nonvoting members of the committee.
2. On August 1, 2011, the governor shall appoint nine members of the committee. The governor shall appoint one member each from the American legion; the veterans of foreign wars; the disabled American veterans; the veterans of world war II, Korea, and Vietnam, amvets; and Vietnam veterans of America. Each of the remaining four members must qualify as a veteran under section 37-01-40. The governor shall appoint members based on experience and qualifications while attempting to fairly represent the state's veterans' population. Any organization or citizen may nominate an individual for appointment to the governor. The governor shall appoint three of the members to a term of three years, three of the members to a term of two years, and three of the members to a term of one year, or until their successors are appointed and qualified.
3. On the first day of August in each year beginning in 2012, the governor shall appoint members to fill the expiring terms of the committee members in the same manner as the initial appointment.
4. Beginning in 2012, each appointment must be for a term of three years, or until a successor is appointed and qualified. All terms begin on August first and end on July thirty-first in the year specified.

5. If a voting member position becomes vacant, the governor shall fill the vacancy for the unexpired portion of the term in the same manner as the initial appointment.

**SECTION 7. AMENDMENT.** Section 37-18.1-02 of the North Dakota Century Code is amended and reenacted as follows:

**37-18.1-02. Chairman - Secretary--Duties - Terms--Meetings.**

~~A chairman and a secretary of the committee must be appointed by the governor from among the voting membership of the committee. Such appointment must be made annually, with the term of office to begin on the first day of July of the year specified and to end on the thirtieth day of June of the following year. The governor shall appoint the chairman of the committee from the membership of the committee. Meetings of the committee must be held upon the call of the chairman, at such times and places as may be selected by the chairman, and upon due notice to committee members by the secretary.~~ Meetings must also be called by the chairman upon the written request of any ~~four~~ three voting members of the committee. A majority of the members of the committee is required for a quorum, and a majority of the members present voting in favor thereof is required for any action.

**SECTION 8. AMENDMENT.** Section 37-18.1-03 of the North Dakota Century Code is amended and reenacted as follows:

**37-18.1-03. Powers and duties of committee--Creation of subcommittee and governing board.**

~~The committee is responsible for organization, policy, and general administration of all veterans' affairs in the state of North Dakota. It has the following powers and duties:~~

1. ~~The chairman and secretary of the committee, acting jointly, shall appoint a seven member governing board for administration of the veterans' home, from within or outside the committee, subject to ratification of a majority vote of the committee, and shall establish term lengths for service on the governing board. The governing board has all ordinary powers required of a governing board, including the power to establish qualifications for and selection of an administrator and to establish an appropriate salary structure, subject to limitations of legislative appropriation. The administrator serves at the pleasure of the governing board.~~
2. ~~The chairman and secretary of the committee jointly shall appoint a subcommittee to be responsible for supervision and government of the department of veterans' affairs. Once appointed, a subcommittee member may continue to serve as long as the member remains a voting member of the committee, unless removed from the subcommittee by joint action of the committee chairman and secretary. A member of the subcommittee may not serve on the governing board of the veterans' home. Each nominating organization listed in section 37-18.1-01 must have at least one voting member nominated by the organization serving on the subcommittee. The subcommittee shall select by majority vote of the members a chairman to preside for the term of one year.~~
3. ~~The committee shall appoint the commissioner of the department of veterans' affairs. The commissioner must be a bona fide resident of the state, and must qualify as a veteran as defined in section 37-01-40. The commissioner serves at the pleasure of the committee. The committee shall determine the salary paid to the commissioner of the department of veterans' affairs within the limits of legislative appropriation. The commissioner of veterans' affairs shall serve as the executive secretary for~~

~~the subcommittee. The commissioner has no vote in the affairs of the subcommittee.~~

4. ~~The committee shall, under recommendation from the board or the subcommittee, present any matters needing attention and action to the appropriate board, commission, agency, or department of the state, and the North Dakota veterans' coordinating council.~~
- 5-2. ~~The committee shall assure compliance with applicable federal and state laws in the administration of both the department of veterans' affairs and the North Dakota veterans' home and shall exercise its responsibilities in all things necessary to carry out the provisions of this chapter in regard to organization, policy, and general administration of the agencies served and involved in the conduct of veterans' affairs. The board governing the veterans' home and the subcommittee governing the department of veterans' affairs shall conduct an annual performance evaluation of the administrator and commissioner, respectively, with the evaluation presented to the committee. The board and subcommittee shall create and implement a strategic plan for the veterans' home and the department of veterans' affairs, respectively, delivery of veterans' services by the commissioner. The board and the subcommittee committee annually shall report as to the status of the respective strategic plan to the committee. After receiving a report, the committee shall submit the report to the governor.~~

**SECTION 9. AMENDMENT.** Section 37-18.1-04 of the North Dakota Century Code is amended and reenacted as follows:

**37-18.1-04. Committee members not to receive compensation - Compensation - Expenses permitted.**

~~Committee Voting members may not receive any compensation of one hundred thirty-five dollars per day for the performance of their official duties. Voting members may be reimbursed for travel expenses and meals and lodging expenses in connection with their official duties at the same rate and in the same manner as are elected officials and employees of the state, with payment to. Payment of compensation and expense reimbursement must be made by the department of veterans' affairs and the veterans' home to each of their respective subcommittee members incurring the expenses. The payment must be made by warrant check drawn by the office of management and budget upon the submission of a proper voucher to it, signed by upon approval of the commissioner of veterans' affairs or the administrator of the veterans' home, as the case may be."~~

Re-number accordingly

2011 TESTIMONY

HB 1379

**Testimony for HB 1379**

**House Government & Veteran's Affairs Committee**

**Senator Dick Dever**

Madam Chair, members of the Committee, for the record, I am Dick Dever, Senator from District 32 here in Bismarck.

In May of 1971, I volunteered for the draft because I thought it was the right thing to do. When the draft lottery was drawn three months later, I was in Fort Ord, California and my number was 353. I graduated from A.I.T. in December of that year. The entire class that graduated three weeks ahead of me went to Vietnam. About half of the class two weeks ahead of me went. None of my class went. That is how fast the shift happened to Vietnamization of the war, as they called it.

I love my country and I am proud of my service. It is for those same reasons that I, and I am sure each of you, serves in the Legislature.

It is for those reasons that every member of the Administrative Committee on Veteran's Affairs serves in that capacity. God bless them everyone!

So, what does this bill do and why is it here? The bill moves responsibility for the appointment of the Commissioner of Veteran's Affairs to the Governor. It places oversight of the Commissioner under a Board consisting of the State Treasurer, the Secretary of State, and the Director of the Department of Human Services.

Madam Chair, members of the committee, the bill is certainly flawed. I am offering amendments to the bill that will replace the entire bill; a hoghouse.

I would like to walk through the amendments now:

Section 1 will provide for a new Veterans' Home governing board.

Section 2 provides that the administrator of the Veteran's Home will be responsible to that governing board.

Section 3 provides that the governing board will be made up of seven members, including at least three of whom will be veterans. The members of the board will be appointed based on their experience and qualifications. The chairman will be appointed by the Governor. The

section also provides for meetings of the board and that the members will be compensated for their time at \$ 135.00 and expenses.

Section 4 provides that the Commissioner will be appointed by the Governor and must be a veteran.

Section 5 addresses the continuing appropriation that allows for the use of funds from federal and private sources. It removes the required authorization by the Administrative Committee.

Section 6 recreates the Administrative Committee on Veteran's Affairs with five veterans plus three ex-officio members including the Adjutant General, the Director of the Department of Human Services, and the Director Job Services.

Section 7 provides for the appointment of the chair of the committee by the Governor.

Section 8 addresses the powers and duties of the committee and to develop a strategic plan.

Section 9 provides that the members of ACOVA will be compensated at \$ 135.00 per day and it will cover their expenses.

So, why is the bill here? Madam Chair, members of the committee, I know that some would question the motivation of the sponsors and would question our support for veterans. I will tell you that it is because of our support for veterans that we put this bill forward.

Military units at all levels are groups of troops with a single commander and subject to other commanders in the chain of command.

ACOVA is the opposite of that. It is a group of 15 very dedicated, very passionate veterans with oversight of the Commissioner, and separately, the Administrator of the Veteran's Home. Individually, they each certainly have their heart in the right place.

The concern that this bill brings is to the nature of a committee in which all 15 independent thinkers must come to a unanimous decision in support of legislation and in oversight of the Commissioner and of the Administrator.

My concern was raised during the organizational session of this Legislature when the Commissioner was here looking for sponsors of approximately 15 different bills – and he was alone. ACOVA had decided to move all those bills forward and then sent him as a paid lobbyist. There appears to me to be a question of control.

One of those bills was to increase the principal in the Veteran's Postwar Trust Fund by \$ 15.9 million without any real justification except to make it a round number of \$ 20 million.



Perhaps the most difficult issue that ACOVA has had to deal with was the dismissal of the previous Commissioner. It seems to me that was something better dealt with through the Governor's office with their H.R. resources.

It seems to me that every function of Government should be accountable to someone who is accountable to the people.

You should have a chart that will show how the new structure will work. ACOVA will continue to exist with five veteran members and will operate in an advisory role.

Madam Chair, I believe that ACOVA has played an important role in bringing veterans of different organizations together in support of their legislative agenda. That will continue both through ACOVA and also through the Coordinating Council that is not affected by this bill.

Madam Chair, again, we bring this bill in support of veterans.

When a bill is introduced in the Legislature, it becomes the property of the Legislature, first in the chamber that it is introduced and to the committee it is assigned to.

If you do not see a problem, kill the bill. If you see a need to change the way that we provide services to veterans, but you see a better way, then amend the bill.



Just remember, this is about providing services to veterans. It should not be about who controls that process.



PROPOSED AMENDMENTS TO HOUSE BILL NO. 1379

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact four new sections to chapter 37-15 of the North Dakota Century Code, relating to governance of the veterans' home; to amend and reenact sections 37-15-03, 37-15-07, 37-18-07, 37-18-12, 37-18.1-01, 37-18.1-02, 37-18.1-03, and 37-18.1-04 of the North Dakota Century Code, relating to county veterans' service officers, governance of the veterans' home, the commissioner of the department of veterans' affairs, and the administrative committee on veterans' affairs.

**BE IT ENACTED BY THE LEGILATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1. AMENDMENT.** Section 37-15-03 of the North Dakota Century Code is amended and reenacted as follows:

**37-15-03. Government of veterans' home.**

The general supervision and government of the veterans' home is vested in the ~~administrative committee on veterans' affairs~~ veterans' home governing board.

**SECTION 2. AMENDMENT.** Section 37-15-07 of the North Dakota Century Code is amended and reenacted as follows:

**37-15-07. Administrator of veterans' home - Appointment - Qualifications.**

The appointment, qualifications, term of office, and salary of the administrator of the veterans' home must be as prescribed in ~~section 37-18.1-03~~ this chapter. The ~~administrative committee on veterans' affairs~~ veterans' home governing board may designate the administrator as commandant of the veterans' home if the administrator is an honorably discharged veteran.

**SECTION 3.** Four new sections to chapter 37-15 of the North Dakota Century Code are created and enacted as follows:

**Veterans' home governing board - Membership - Appointment.**

1. There is created a governing board for the veterans' home consisting of seven voting members appointed by the governor.
2. On August 1, 2011, the governor shall appoint seven members of the committee. Of the appointments, three members must qualify as a veteran under section 37-01-40. The governor shall appoint persons based on experience and qualifications. The governor shall appoint three of the members to a term of three years, two members to a term of two years, and two members to a term of one year, or until their successors are appointed and qualified.
3. On the first day of August in each year beginning in 2012, the governor shall appoint members to fill the expiring terms of committee members. If a committee member with an expiring term qualifies as a veteran under

section 37-01-40, the governor shall appoint a member qualifying as a veteran under section 37-01-40.

4. Beginning in 2012, each appointment must be for a term of three years, or until a successor is appointed and qualified. All terms begin on August first and end on July thirty-first in the year specified.
5. If a position becomes vacant, the governor shall fill the vacancy for the unexpired portion of the term in the same manner as the initial appointment.

#### **Veterans' home governing board - Chairman - Duties - Meetings.**

A chairman of the veterans' home governing board must be appointed by the governor from among the membership of the board. Meetings of the governing board must be held upon the call of the chairman, at such times and places as may be selected by the chairman, and upon due notice to members by the chairman. Meetings must also be called by the chairman upon the written request of any four voting members of the board. A majority of the members of the board is required for a quorum.

#### **Powers and duties of veterans' home governing board.**

The veterans' home governing board has the following powers and duties:

1. The governing board is responsible for the administration of the veterans' home. The governing board has all ordinary powers required of a governing board, including the power to establish qualifications for and selection of an administrator and to establish an appropriate salary structure, subject to limitations of legislative appropriations. The administrator serves at the pleasure of the governing board.
2. The governing board shall assure compliance with applicable federal and state laws in the administration of the veterans' home. The governing board shall conduct an annual performance evaluation of the administrator and create and implement a strategic plan for the veterans' home. The governing board annually shall report on the status of the strategic plan to the governor and legislative management.

#### **Veterans' home governing board - Compensation - Expenses.**

The veterans' home governing board members may receive compensation of one hundred thirty-five dollars per day for the performance of their official duties. Members may be reimbursed for travel expenses and meals and lodging expenses in connection with their official duties at the same rate and in the same manner as are elected officials and employees of the state. Payment for compensation and expense reimbursement must be made by the veterans' home. The payment must be made by warrant-check drawn by the office of management and budget upon the submission of a paper voucher to it, signed by the administrator of the veterans' home.

**SECTION 4. AMENDMENT.** Section 37-18-07 of the North Dakota Century Code is amended and reenacted as follows:

### **37-18-07. Commissioner - Appointment - Qualifications - Term - Salary.**

~~The appointment, qualifications, term of office, and salary of the commissioner must be as prescribed in section 37-18.1-03 governor shall appoint the commissioner. The commissioner must be a veteran as defined in section 37-01-40 and shall serve at the pleasure of the governor. The commissioner must be allowed such amounts for travel, clerkhire, and expenses as may be prescribed from time to time by legislative appropriations.~~

**SECTION 5. AMENDMENT.** Section 37-18-12 of the North Dakota Century Code is amended and reenacted as follows:

### **37-18-12. Funding authority - Continuing appropriation.**

The department of veterans' affairs may accept and expend funds from any source, including federal or private sources, to be used to assist veterans or qualified veterans' spouses in obtaining assistance and to pay other expenses authorized by law incurred in carrying out programs of benefit and service for resident North Dakota veterans ~~as authorized by the administrative committee on veterans' affairs with the approval of the emergency commission.~~ However, all interest earnings from the veterans' postwar trust fund received by the department of veterans' affairs from the administrative committee on veterans' affairs are appropriated to the department on a continuing basis.

**SECTION 6. AMENDMENT.** Section 37-18.1-01 of the North Dakota Century Code is amended and reenacted as follows:

### **37-18.1-01. Administrative committee on veterans' affairs - Membership - Appointment.**

~~There is hereby created an administrative committee on veterans' affairs, which, for purposes of this chapter, must hereinafter be referred to as the committee. The committee must consist of three ex officio nonvoting members and fifteen voting members. The adjutant general, the center director of the veterans' administration, and the executive director of job service North Dakota are the ex officio nonvoting members who shall serve in an advisory capacity to the committee. On or before June 20, 1971, the American legion, the veterans of foreign wars, the disabled American veterans, the veterans of World War II, Korea, and Vietnam, (amvets), and Vietnam veterans of America, incorporated, shall each prepare a list containing the names of six persons qualifying as veterans under the provisions of section 37-01-40, for appointment as voting members of the committee. On or before July 1, 1971, the governor shall select fifteen nominees, three from each list, five of whom must be appointed to a term of three years, five of whom must be appointed to a term of two years, and five of whom must be appointed to a term of one year, or until their successors are appointed and qualified. On or before the twentieth day of June in each year, beginning in the year 1972, each of the above listed nominating organizations shall submit a list containing the names of two persons who qualify as veterans under the provisions of section 37-01-40, to the governor for appointment or reappointment as voting members of the committee. On or before the first day of July in each year, beginning in the year 1972, the governor shall select one nominee from each list, a total of five nominees, to fill expiring terms of voting members of the committee. Each such appointment must be for a term of three years, or until a successor is appointed and qualified. All terms begin on the first day of July and end on the thirtieth day of June in the year specified. In case of the inability or failure of any voting member of the committee to serve, the~~

~~governor shall appoint another member from a list of two persons qualifying as veterans under the provisions of section 37-01-40, submitted by the nominating organization represented by the member who was unable or failed to serve. Such appointments must be made for the remainder of the unexpired term.~~

1. There is created an administrative committee on veterans' affairs, which for the purposes of this chapter, is referred to as the committee. The committee consists of five voting members and three ex officio nonvoting members. The five voting members are members appointed by the governor. The adjutant general, director of the department of human services, and the executive director of job service North Dakota are ex officio nonvoting members of the committee.
2. On August 1, 2011, the governor shall appoint five members of the committee. Each member must qualify as a veteran under section 37-01-40. The governor shall appoint members based on experience and qualifications while attempting to fairly represent the state's veterans' population. Any organization or citizen may nominate an individual for appointment to the governor. The governor shall appoint two of the members to a term of three years, two of the members to a term of two years, and two of the members to a term of one year, or until their successors are appointed and qualified.
3. On the first day of August in each year beginning in 2012, the governor shall appoint members to fill the expiring terms of the committee members in the same manner as the initial appointment.
4. Beginning in 2012, each appointment must be for a term of three years, or until a successor is appointed and qualified. All terms begin on August first and end on July thirty-first in the year specified.
5. If a voting member position becomes vacant, the governor shall fill the vacancy for the unexpired portion of the term in the same manner as the initial appointment.

**SECTION 7. AMENDMENT.** Section 37-18.1-02 of the North Dakota Century Code is amended and reenacted as follows:

**37-18.1-02. Chairman - ~~Secretary~~ - Duties - ~~Terms~~ - Meetings.**

~~A chairman and a secretary of the committee must be appointed by the governor from among the voting membership of the committee. Such appointment must be made annually, with the term of office to begin on the first day of July of the year specified and to end on the thirtieth day of June of the following year. The governor shall appoint the chairman of the committee from the membership of the committee. Meetings of the committee must be held upon the call of the chairman, at such times and places as may be selected by the chairman, and upon due notice to committee members by the secretary chairman. Meetings must also be called by the chairman upon the written request of any four two voting members of the committee. A majority of the members of the committee is required for a quorum, and a majority of the members present voting in favor thereof is required for any action.~~

**SECTION 8. AMENDMENT.** Section 37-18.1-03 of the North Dakota Century Code is amended and reenacted as follows:

**37-18.1-03. Powers and duties of committee -~~Creation of subcommittee and governing board.~~**

~~The committee is responsible for organization, policy, and general administration of all veterans' affairs in the state of North Dakota. It has the following powers and duties:~~

- ~~1. The chairman and secretary of the committee, acting jointly, shall appoint a seven member governing board for administration of the veterans' home, from within or outside the committee, subject to ratification of a majority vote of the committee, and shall establish term lengths for service on the governing board. The governing board has all ordinary powers required of a governing board, including the power to establish qualifications for and selection of an administrator and to establish an appropriate salary structure, subject to limitations of legislative appropriation. The administrator serves at the pleasure of the governing board.~~
- ~~2. The chairman and secretary of the committee jointly shall appoint a subcommittee to be responsible for supervision and government of the department of veterans' affairs. Once appointed, a subcommittee member may continue to serve as long as the member remains a voting member of the committee, unless removed from the subcommittee by joint action of the committee chairman and secretary. A member of the subcommittee may not serve on the governing board of the veterans' home. Each nominating organization listed in section 37-18.1-01 must have at least one voting member nominated by the organization serving on the subcommittee. The subcommittee shall select by majority vote of the members a chairman to preside for the term of one year.~~
- ~~3. The committee shall appoint the commissioner of the department of veterans' affairs. The commissioner must be a bona fide resident of the state, and must qualify as a veteran as defined in section 37-01-40. The commissioner serves at the pleasure of the committee. The committee shall determine the salary paid to the commissioner of the department of veterans' affairs within the limits of legislative appropriation. The commissioner of veterans' affairs shall serve as the executive secretary for the subcommittee. The commissioner has no vote in the affairs of the subcommittee.~~
- ~~4. The committee shall, under recommendation from the board or the subcommittee, present any matters needing attention and action to the appropriate board, commission, agency, or department of the state, and the North Dakota veterans' coordinating council.~~
- ~~5.2. The committee shall assure compliance with applicable federal and state laws in the administration of both the department of veterans' affairs and the North Dakota veterans' home and shall exercise its responsibilities in all things necessary to carry out the provisions of this chapter in regard to organization, policy, and general administration of the agencies served and involved in the conduct of veterans' affairs. The board governing the veterans' home and the subcommittee governing the department of veterans' affairs shall conduct an annual performance evaluation of the administrator and commissioner, respectively, with the evaluation presented to the committee. The board and subcommittee shall create and~~

implement a strategic plan for the veterans' home and the department of veterans' affairs, respectively delivery of veterans' services by the commissioner. The board and the subcommittee committee annually shall report as to the status of the respective strategic plan to the committee. After receiving a report, the committee shall submit the report to the governor.

**SECTION 9. AMENDMENT.** Section 37-18.1-04 of the North Dakota Century Code is amended and reenacted as follows:

**37-18.1-04. Committee members not to receive compensation.**  
**Compensation - Expenses permitted.**

Committee Voting members may not receive any compensation of one hundred thirty-five dollars per day for the performance of their official duties. Voting members may be reimbursed for travel expenses and meals and lodging expenses in connection with their official duties at the same rate and in the same manner as are elected officials and employees of the state, ~~with payment to~~. Payment of compensation and expense reimbursement must be made by the department of veterans' affairs ~~and the veterans' home to each of their respective subcommittee members incurring the expenses.~~ The payment must be made by warrant-check drawn by the office of management and budget upon the submission of a proper voucher to it, signed by the commissioner of veterans' affairs ~~or the administrator of the veterans' home, as the case may be.~~

Renumber accordingly

## BILL SECTION SUMMARY

Section 1	Amends Section 37-15-03 to provide that the general supervision and governance of the Veterans' Home is vested in the Veterans' Home Governing Board.
Section 2	Amends Section 37-15-07 relating to the administrator of the Veterans' Home to provide that the Veterans' Home Governing Board, not the Administrative Committee on Veterans' Affairs, may designate the administrator as commandant of the Veterans' Home if the administrator is an honorably discharged veteran.
Section 3	<p>Creates four new sections to Chapter 37-15 to:</p> <ul style="list-style-type: none"> <li>• Establish a Veterans' Home Governing Board consisting of seven voting members appointed by the Governor. Of the members, three must qualify as veterans under Section 37-01-40.</li> <li>• Provide that the Governor is to appoint a chairman of the governing board.</li> <li>• Provide that the governing board is responsible for the administration of the Veterans' Home, including selecting an administrator, conducting an annual performance evaluation of the administrator, and implementing a strategic plan for the Veterans' Home.</li> <li>• Provide that the governing board members may receive compensation of \$135 per day and reimbursement for travel, meals, and lodging expenses.</li> </ul>
Section 4	Amends Section 37-18-07 to provide that the commissioner of the Department of Veterans' Affairs is to be appointed by the Governor. The commissioner must qualify as a veteran as defined in Section 37-01-40 and is to serve at the pleasure of the Governor.
Section 5	Amends Section 37-18-12 to provide that the Department of Veterans' Affairs may accept and spend funds from any source, including federal or private sources, to be used to assist veterans in obtaining assistance and to pay other expenses incurred in carrying out programs of benefit and service for veterans with approval of the Emergency Commission. This section previously required authorization by the Administrative Committee on Veterans' Affairs.
Section 7	Amends Section 37-18.1-01 to reduce the size of the Administrative Committee on Veterans' Affairs from 15 individuals to 5 individuals qualifying as veterans under the provisions of Section 37-01-40.
Section 8	Amends Section 37-18.1-02 to provide that a member of the Administrative Committee on Veterans' Affairs is to serve as the chairman.
Section 9	Amends Section 37-18.1-03 to revise the powers and duties of the Administrative Committee on Veterans' Affairs to remove supervision of the Department of Veterans' Affairs and the Veterans' Home and to provide that the committee is to create a strategic plan for the delivery of veterans' services.
Section 10	Amends Section 37-18.1-04 to provide that the members of the Administrative Committee on Veterans' Affairs may receive compensation of \$135 per day and may be reimbursed for travel expenses, including meals and lodging expenses, in connection with their official duties with payment made by the Department of Veterans' Affairs.

## SUMMARY OF AMENDMENTS (11.0599.02002) TO 2011 HOUSE BILL NO. 1379

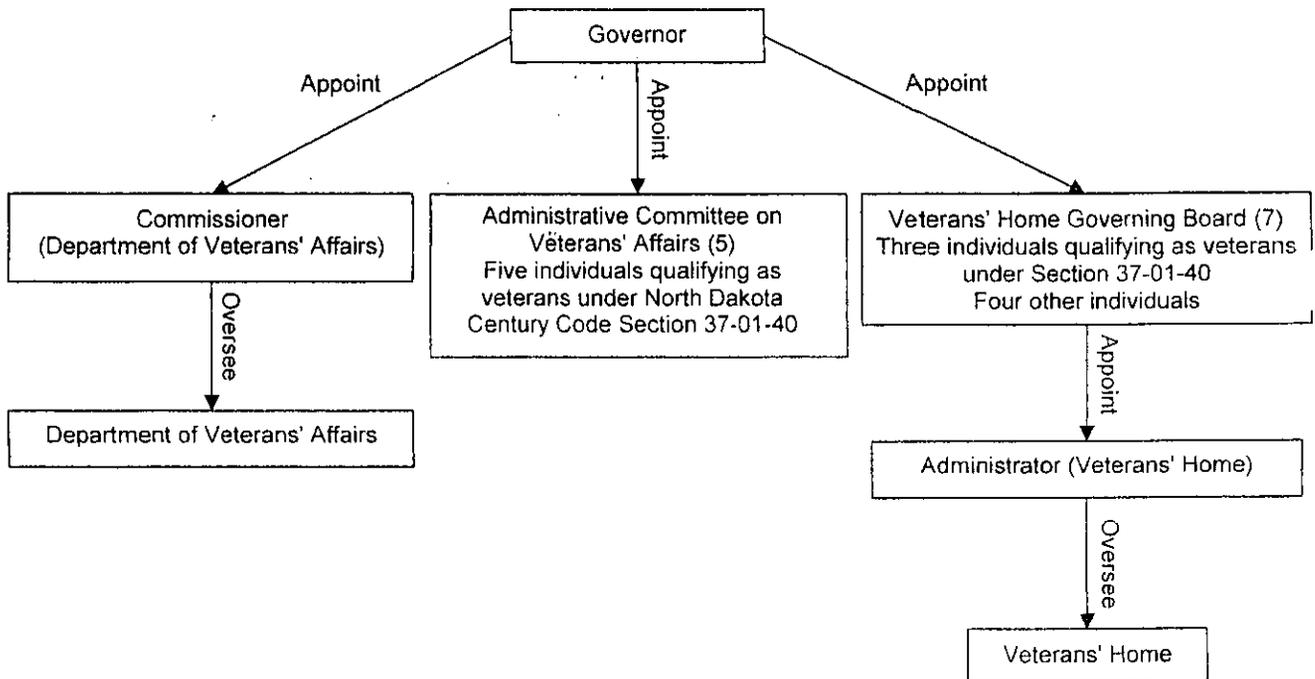
This memorandum provides a summary of amendments (11.0599.02002 to House Bill No. 1379). Major provisions of the bill:

- Provide that the general supervision and governance of the Veterans' Home is vested in a Veterans' Home Governing Board, which consists of seven members appointed by the Governor.
- Provide that the commissioner of the Department of Veterans' Affairs be appointed by the Governor.
- Provide that any employee of the Department of Veterans' Affairs may not be a conservator for a

person receiving benefits or services from the department.

- Reduce the size of the Administrative Committee on Veterans' Affairs from 15 individuals to 5 individuals with a member appointed chairman by the Governor.
- Revise the powers and duties of the Administrative Committee on Veterans' Affairs to remove supervision of the Department of Veterans' Affairs and the Veterans' Home and to provide that the committee is to create a strategic plan for the delivery of veterans' services in the state.

### PROPOSED ORGANIZATIONAL STRUCTURE



Attachment 2  
1379

**TESTIMONY ON HB 1379  
GOVERNMENT & VETERANS AFFAIRS COMMITTEE  
LYLE SCHUCHARD, CHAIRPERSON  
ND ADMINISTRATIVE COMMITTEE ON VETERANS' AFFAIRS**

February 10, 2011

GOOD MORNING MADAM CHAIRMAN GRANDE AND COMMITTEE MEMBERS. I AM LYLE SCHUCHARD, CHAIRMAN OF THE ADMINISTRATIVE COMMITTEE ON VETERAN'S AFFAIRS.

I WILL GIVE YOU A BRIEF OVERVIEW OF HOW THE ACOVA WORKS AND WHY WE THINK IT SHOULD NOT BE CHANGED OR REPLACED.

THE ADMINISTRATIVE COMMITTEE ON VETERANS' AFFAIRS IS A 15 MEMBER COMMITTEE APPOINTED BY THE GOVERNOR FROM NAMES SUBMITTED BY EACH OF THE STATE'S 5 MAJOR VETERANS ORGANIZATIONS. THE FIVE ARE THE AMERICAN LEGION, DISABLED AMERICAN VETERANS, (DAV), VETERANS OF FOREIGN WARS (VFW), VIETNAM VETERANS OF AMERICA (VVA), AND THE AMERICAN VETERANS (AMVETS). WE ARE RESPONSIBLE FOR OVERSEEING THE OPERATIONS OF THE NORTH DAKOTA DEPARTMENT OF VETERANS AFFAIRS, VETERANS HOME, PWTF REQUESTS AND PROGRAMS, STAND DOWNS, AND TRANSPORTATION. FROM ND CC 37-18.1-03. THE COMMITTEE IS RESPONSIBLE FOR ORGANIZATION, POLICY, AND GENERAL ADMINISTRATION OF ALL VETERANS' AFFAIRS IN THE STATE OF NORTH DAKOTA.

THE COMMISSIONER OF VETERANS AFFAIRS IS ACCOUNTABLE TO THE ACOVA AND IS ALSO ACCOUNTABLE TO THE VETERANS AND THE GOVERNOR. THE DEPARTMENT OF VETERAN'S AFFAIRS IS AUDITED EVERY BIENNIUM TO INCLUDE THE GRANT AND LOAN PROGRAMS.

THERE ARE THREE EX-OFFICIO MEMBERS OF THE ACOVA AND THEY ARE: THE ND ADJUTANT GENERAL, DIRECTOR OF THE VA MEDICAL CENTER, AND THE EXECUTIVE DIRECTOR OF JOB SERVICE ND.

THESE EX-OFFICIO MEMBERS, OR A MEMBER OF THEIR STAFF, BRIEF THE ACOVA AT OUR QUARTERLY MEETINGS. THE ND TREASURERS OFFICE NORMALLY PROVIDES REPORTS AND INFORMATION TO THE ACOVA AT THEIR QUARTERLY MEETINGS. UPON REQUEST THE ATTORNEY GENERALS OFFICE IS REPRESENTED AT THE ACOVA MEETINGS TO PROVIDE ADVICE AS NEEDED.

THERE ARE FIVE SUB-COMMITTEES SET UP WITHIN THE ACOVA, THEY ARE:

1. DEPARTMENT OF VETERANS AFFAIRS - FIVE MEMBERS  
RESPONSIBLE FOR THE SUPERVISION OF THE DEPARTMENT OF VETERANS' AFFAIRS.
2. BUDGET COMMITTEE - SIX MEMBERS  
MONITOR THE DEPARTMENT'S BUDGET AND REVIEW BIENNIAL BUDGET REQUESTS.
3. POST WAR TRUST FUND COMMITTEE - SIX MEMBERS  
REVIEW AND MAKE RECOMMENDATIONS TO THE FULL COMMITTEE ON REQUESTS FROM ENTITIES WISHING TO USE THE PWTF INTEREST EARNINGS FOR PROJECTS BENEFITTING ND VETERANS AND THEIR DEPENDENTS.
4. APPEALS - SIX MEMBERS  
THE DEPARTMENT'S DECISIONS ON FINANCIAL ASSISTANCE PROGRAMS ARE APPEALABLE TO THE APPEALS COMMITTEE. THE DECISION OF THE APPEALS COMMITTEE IS FINAL.
5. LEGISLATIVE COMMITTEE - FIVE MEMBERS  
RESEARCHES AND MAKES RECOMMENDATIONS FOR LEGISLATION ON ISSUES THAT IMPACT VETERANS AND THEIR DEPENDENTS.

THE SUB-COMMITTEES MEET THE NIGHT BEFORE AND THE MORNING OF THE FULL ACOVA MEETING AND CONDUCT THEIR BUSINESS AND PREPARE THEIR PRESENTATIONS FOR THE FULL ACOVA. SUB-COMMITTEES MUST KEEP MINUTES OF THEIR MEETINGS THAT ARE KEPT ON FILE IN THE COMMISSIONERS OFFICE.

THE ACOVA HAS A STRATEGIC BUSINESS PLAN (SBP) THAT IS UPDATED ON A QUARTERLY BASIS AND REVISED ON AN ANNUAL BASIS.

THE EXPERTISE OF THE MEMBERS ON THE ACOVA IS EXTENSIVE AND THEY COME FROM A WIDE RANGE OF CAREER BACKGROUNDS, FOR EXAMPLE: THREE ARE CVSO, THERE IS A OPERATIONS & TRAINING OFFICER FOR THE ND NATIONAL GUARD, CENTRAL OFFICE MANAGER FOR A COMMUNICATIONS/TELEPHONE COMPANY, MANAGER OF GRAIN ELEVATORS AND LUMBER YARD, ELEMENTARY/MIDDLE SCHOOL PRINCIPAL, NG RETENTION/RECRUITING NCOIC, ND RETIRED COMMAND SERGEANT MAJOR, SPECIAL EDUCATION DIRECTOR, ATTORNEY SPECIALIZING IN VETERANS LAW AND ACCREDITED BEFORE THE DEPARTMENT OF VETERAN AFFAIRS AS AN ATTORNEY ADVOCATE, AND WAS ADMITTED TO THE BAR FOR THE COURT OF APPEALS FOR VETERAN CLAIMS IN WASHINGTON, D.C., A RETIRED BUSINESS OPERATIONS MANAGER FOR THE DOT, A MAINTENANCE SECTION SUPERVISOR FOR THE DOT, AND A CHIEF NURSE WITH 22 YEARS IN THE ARMY RESERVE WHO SERVED OVER FOUR YEARS ON ACTIVE DUTY. MANY ACOVA MEMBERS HAVE 20 TO 30 YEARS EXPERIENCE AS VETERANS OR WORKING WITH VETERANS.

THE ACOVA HAS ALWAYS ASKED FOR ASISTANCE FROM ND HUMAN RESOURCE MANAGEMENT SERVICES WHEN PERSONNEL MATTERS NEED TO BE ADDRESSED. FOR EXAMPLE THEY WERE USED WHEN: THE ND COMMISSIONER OF VETERANS AFFAIR WAS RELIEVED OF HIS DUTIES, IN THE HIRING OF THE COMMISSIONER OF VETEANS AFFAIRS (AT WILL APPOINTMENT), AND WHEN THE AMINISTRATOR OF THE SOLDIERS HOME IN LISBON WAS HIRED. THE ACOVA WORKED HAND IN HAND WITH HUMAN SERVICES TO PROPERLY MAKE DECISIONS IN THE HUMAN RESOURCE AREA. I PERSONALLY HAVE OVER TWENTY FIVE YEARS OF HUMAN RESOURCES EXPERIENCE AND I AM COMFORTABLE WORKING IN THAT AREA.

THERE ARE CONCERNS THAT A FIFTEEN MEMBER ACOVA IS TOO LARGE AND THE NUMBER OF COMMITTEE MEMBERS SHOULD BE REDUCED. THE ACOVA RECEIVES INPUT FROM VETERANS ON A STATE WIDE BASIS. IT COMES FROM VETERAN'S LOCAL POST COMMANDERS, TO THE REGIONAL OR DISTRICT MEETINGS, AND THEN TO THE STATE CONFERENCES WHERE THEIR CONCERNS ARE ADDRESSED. ACOVA MEMBERS ARE MEMBERS OF THESE ORGANIZATIONS AND GET THE VETERANS NEEDS FIRST HAND. ACOVA MEMBERS BRING THIS INPUT FROM THEIR RESPECTIVE AREAS AND VETERANS ORGANIZATIONS TO OUR QUARTERLY MEETINGS. TO REDUCE THE NUMBER OF MEMBERS WOULD IN TURN REDUCE THE VALUABLE INPUT THEY PRESENTLY BRING TO US. THIS SYSTEM WORKS AND DOES NOT NEED TO BE CHANGED.

A FIFTEEN MEMBER COMMITTEE IS NOT UNUSUAL FOR STATE COMMITTEES. A LIST THAT I HAVE HERE LISTS THE GOVERNORS BOARDS AND COMMISSIONS OF SIMILAR OR LARGER SIZE THAN ACOVA AND OF THE FORTY ONE LISTED, SEVENTEEN ARE LARGER THAN THE ACOVA.

ONE DIFFERENCE BETWEEN OTHER COMMITTEES AND ACOVA MEMBERS IS THAT WE DO NOT RECEIVE COMPENSATION FOR THE PERFORMANCE OF OUR OFFICIAL DUTIES. VOTING MEMBERS MAY BE REIMBURSED FOR TRAVEL EXPENSES AND MEALS AND LODGING EXPENSES IN CONNECTION WITH THEIR OFFICIAL DUTIES. BY CHOICE WE DO NOT GET THE DAILY STIPEND AS MOST OTHER COMMITTEES DO. IF YOU WANT TO BE A MEMBER OF THE ACOVA AND BE AN ADVOCATE FOR VETERANS AFFAIRS AND WORK FOR VETERANS AND THEIR FAMILIES IT WILL TRULY BE A VOLUNTARY COMMITMENT.

AS CHAIRMAN OF THE ACOVA I MEET WITH A MEMBER OF THE GOVERNORS STAFF AT LEAST MONTHLY AND GIVE A BRIEFING ON ACOVA ACTIVITIES. I ALSO SUBMIT AN ANNUAL REPORT TO THE

COMMANDERS AND ADJUTANTS OF EACH VETERAN'S ORGANIZATION REPRESENTED ON THE ADMINISTRATIVE COMMITTEE.

THE SEVEN MEMBER GOVERNING BOARD FOR THE NORTH DAKOTA VETERANS HOME IS ALSO APPOINTED BY THE ACOVA CHAIRMAN AND SECRETARY. PRESENTLY ON THE BOARD ARE: JOHN ADOLF, DARYL SCHROEDER, DEAN OVERBY, DUWAYNE TERNES, LEE FINSTAD, DARYL BEARD, AND NORRIS BRAATEN. MR. BRAATEN ALSO SERVES AS THE CHAIRMAN OF THE GOVERNING BOARD.

IN SUMMARY I WILL JUST SAY THAT THE ACOVA IS TRULY A COMMITTEE THAT GOES ABOUT ITS WORK OF PROVIDING SUPPORT AND SERVICES TO VETERANS AND THEIR FAMILIES IN A VERY PROFESSIONAL MANNER.

AS WE HAVE HEARD NO COMPLAINTS ABOUT OUR OPERATING PROCEDURES OR POLICIES, WE SEE NO REASON TO CHANGE A COMMITTEE THAT IS PERFORMING IN AN EXEMPLARY MANNER AND ASK THAT IT BE LEFT AS IS SO WE CAN CONTINUE TO PROVIDE SERVICES TO VETERANS AS PROVIDED BY LAW.

THE FIFTEEN MEMBER ACOVA HAS VOTED UNANIMOUSLY TO NOT SUPPORT HB 1379 AND I RESPECTIFULLY ASK THAT THE COMMITTEE VOTE NO ON THIS BILL SO WE CAN PUT THIS ISSUE BEHIND US AND HOPEFULLY NOT HAVE TO ADDRESS IT AGAIN.

I WILL TRY TO ANSWER ANY QUESTIONS YOU MAY HAVE.

THANK YOU FOR ALLOWING ME TO TESTIFY TODAY.

TESTIMONYONHB1739

Attachment 3  
1379

Testimony on House Bill 1379

House Government and Veterans Affairs

February 10, 2011

Good Morning Madam Chair and members of the committee.

My Name is Daryl Beard.

I was appointed to the Administrative Committee on Veterans Affairs from 2001- 2006 and on the North Dakota Veterans Home sub-committee in 2002.

In 2003 this sub-committee became the Veterans Home Governing Board of which I still serve.

I take this job seriously as well as the other board members.

I am very much a Veterans Advocate, as some veterans cannot speak for themselves. Having board meeting outside of Lisbon does not give the residents a chance for their voices to be heard. With the mental health and addiction issues I do not think this wise.

In 2005 I asked my wife who has worked in the field of mental health and is a social worker about getting a social worker to be part of the Governing Board in an advisory capacity. She said that no licensed professional would agree to that as they would not have a say in the outcome.

I was not on the Administrative Committee of Veterans Affairs when the commissioner was dismissed but I cannot think the committee was not using the Human Resource Department as Senator Dever and Representative Grande's letter infers.

This bill HB 1379 has two elected and one appointed offices over all Veteran Affairs and the Veterans Home. One of the reasons the Administrative Committee of Veterans Affairs consists of 15 members was to keep politics out of the process.

I mentioned in previous testimony of addition dollars being secured for the home, I was told by an individual that worked with Medicaid that would not happen. This is the agency that is being proposed for the oversight of the Veterans Home.

I am not in favor of HB 1379.

This concludes my testimony and I will be glad to answer any questions this committee has.

Attachment B  
1379

TESTIMONY ON HB 1379 - ND VETERANS COORDINATING COUNCIL.

A veteran is an individual that has signed a blank check in the amount of and up to including his or her life for their country. Good morning, my name is John L. Jacobsen. I am the Chairman of the Legislative Committee of the North Dakota Veterans Coordinating Council. I am also a member of the American Legion and the Veterans of Foreign Wars.

I served in the North Dakota National Guard and the US Army Reserve for a total of 30 years. I retired in 1995 as a Colonel. I was mobilized for Active Duty in 1991 during Operation Desert Shield/Desert Storm. Like all mobilizations, I left my home and family to serve in the Persian Gulf, stationed in the United Arab Emirates.

The Coordinating Council is made up of 15 members, 3 from each of the five Veterans Organizations in North Dakota:

- American Legion
- AMVETS
- Disabled American Veterans
- Veterans of Foreign Wars
- Vietnam Veterans of America

It is the policy of the Coordinating Council to support legislation that will benefit the welfare of the members of the Armed Forces. The committee MUST concur totally, that is all 15 members must agree on the legislation to be supported or else it does not get the support.

In this case, I have been instructed to recommend to this legislative committee that a "DO NOT PASS" on HB 1379 is supported by the entire membership of the Veterans Coordinating Council.

Madame Chairperson, Distinguished members of the Committee, My name is Larry Vetter. I am the State Commander of the North Dakota American Legion, representing over 28,000 members of the Legion Family.

The American Legion Department Executive Committee at its Winter Conference in Minot North Dakota held on February 4 thru 6, 2011 passed a resolution opposing HB 1379. The resolution is as follows:

### **HB 1379 RESOLUTION**

#### **A Bill relating to the Administrative Committee on Veterans' Affairs**

**Whereas**, House Bill 1379 has been introduced by Representative Grande and Senator Dever to drastically change the Administrative Committee on Veterans' Affairs (ACOVA); and

**Whereas**, Currently, The American Legion, the VFW, AMVETS, DAV and Vietnam Veterans of America each have three representatives on ACOVA; and

**Whereas**, According to existing North Dakota Century Code Section 37-18.1-03: ACOVA is responsible for organization, policy, and general administration of all veterans' affairs in the state of North Dakota; appoints a seven member board for administration of the Veterans' home; appoints a subcommittee to be responsible for supervision and government of the ND Department of Veterans' Affairs and appoints The Commissioner of the Department of Veterans Affairs; and has oversight responsibilities on the Post War Trust Fund; and

**Whereas**, House Bill 1379 eliminates the fifteen veterans on the Administrative Committee on Veterans' Affairs and replaces them with three state government officials: the State Treasurer (chair of the committee); the Director of Human Services; and the Secretary of State; and three non-voting (ex officio) members serving in an advisory capacity the: Executive Director of Job Service North Dakota, The Center Director of the Veterans' Administration and the Adjutant General, therefore be it

**Resolved**, by the Department of North Dakota, meeting in Winter Conference in Minot, North Dakota, February 4-6, 2011 that the American Legion, Department of North Dakota, representing over 28,000 members of the "Legion Family", is adamantly opposed to this bill because the Veterans who have served their Country feel Veterans should have input on issues affecting Veterans; **Eliminating Veterans from the Administrative Committee to replace them with state officials is a serious blow to veteran input and involvement in providing services to The Veterans of North Dakota,** and

**Be it further Resolved**, that The Department of North Dakota urges rejection of HB 1379 in its entirety.

In closing let me say that it is very important to have Veterans speaking for and representing other Veterans, who better to understand and relay to our State the needs of the Veteran than a Veteran.

**THANK YOU.**

**37-01-40. Veteran and wartime veteran defined - Uniform service dates for wartime veterans.**

1. A "veteran" is an individual who has served on continuous federalized active military duty for one hundred eighty days or the full period for which the individual was called or ordered to active military duty for reasons other than training, and who was discharged or released under other than dishonorable conditions. A discharge reflecting "expiration of term of service" or "completion of required service" or words to that effect qualifies the shorter term of service as making the individual a veteran.
2. A "wartime veteran" is an individual who served in the active military forces, during a period of armed conflict or who received the armed forces expeditionary or other campaign service medal during an emergency condition and who was discharged or released under other than dishonorable conditions. "Wartime veteran" also includes an individual who died in the line of duty in the active military forces, as determined by the armed forces.
3. Period of service dates for a wartime veteran begins with the date of any declaration of war by the Congress of the United States or presidential proclamation beginning hostilities or the beginning of an emergency condition recognized by the issuance of a presidential proclamation or a presidential executive order and in which the armed forces expeditionary medal or other campaign service medals are awarded according to presidential executive order and ending on a date prescribed by presidential proclamation or concurrent resolution of the Congress of the United States and dates determined by the United States department of defense.
4. Current uniform period of service dates for periods of armed conflict include:
  - a. The period beginning December 7, 1941, through December 31, 1946, known as world war II;
  - b. The period beginning June 27, 1950, through January 31, 1955, known as the Korean war;
  - c. The period beginning August 5, 1964, through May 7, 1975, known as the Vietnam war;
  - d. The period beginning August 2, 1990, through January 2, 1992, known as the gulf war; and
  - e. The period beginning September 11, 2001, and ending on a date prescribed by presidential proclamation or by Congress as the last day of operation Iraqi freedom or operation enduring freedom, whichever occurs later.
5. The department of veterans' affairs shall maintain a list of all period of service dates for emergency conditions in which the armed forces expeditionary medal has been awarded.

## Estimating Future Grant Benefit Needs for North Dakota Veterans Study Summary

The North Dakota Department of Veterans Affairs (DVA) manages a series of programs to provide benefits for veterans. One of the programs managed by DVA, and the subject of this study, is the hardship grant program, which is funded by the income generated from the Veterans Postwar Trust Fund (VPWTF). North Dakota State Treasurer Kelly Schmidt is the trustee of the VPWTF, and in order to determine the amount of income that the VPWTF would have to provide to the grant program over the next 10 years, she commissioned this study.

In order to determine the future use of provided benefits, it was necessary to analyze the past use of the grant program in combination with the current and future veteran population in North Dakota.

### Population:

- An estimated 55,768 veterans lived in North Dakota according to the 2006-2008 American Community Survey (ACS).
- That population is estimated to decrease 1% on an annual basis through 2030 mostly due to a higher number of deaths than the number of new veterans (1% of 55,768=557.68 per year.)

### Grant Program:

Grant benefits, coverage levels, and eligibility criteria are all set at ACOVA's discretion. Currently, the grant program is used to cover unmet medical based needs. Dental, optical, hearing aids, dentures are all covered under current ACOVA policy. There is also a "special" category that is used at the commissioner's discretion. The Table below shows the grants available and the coverage level over time.

years	category	limit	annual cap
1993-2006	hearing	\$ 500 ( 4 yrs. Interval)	\$ 1,500 (per calendar year /per applicant)
	optical	\$ 300 (2 yrs. interval)	
	dental	\$ 1,000 (one per calendar yr.)	
	special	\$ 1,000 (Commissioner's Discretion)	
2007-2009	hearing	\$ 1,500 (4 yrs. interval)	\$ 1,500 (per calendar year /per applicant)
	denture	\$ 3,000 (2 yrs. Interval)	
	dental	\$ 1,000 (one per calendar yr.)	
	special	\$ 1,000 (Commissioner's Discretion)	
	optical	\$ 300 (2 yrs. interval)	
2010+	hearing	\$ 1,500 ( 4 yrs. interval)	\$ 1,500 (per calendar year /per applicant)
	dental	\$ 1,000 (one per calendar yr.)	
	special	\$ 1,000 (Commissioner's Discretion)	
	optical	\$ 300 (2 yrs. interval)	

For the purpose of this study, traumatic brain injury (TBI) benefits were considered. However, the data specific to North Dakota does not show a need for benefits related to TBI at this time.

### Usage of grant funds:

The largest group of beneficiaries of these grants is the group representing single men 55 and older. Overall, the usage of this program shows the following:

- 1493 people were approved for grants from 1993 to 2010 (18 year period)
- Out of the 1493 approved applicants, 963 people actually had grants paid (over 18 years = 53.5 people a year = .0009593 of the veteran population, or just less than 1/10 of 1%)
- The grant program is generally used as a short-term benefit. However, there are a few individuals who have used the program as many as 18 times.
  - 82% of people applied 1-3 times
  - 16% of people submitted 4-6 applications
  - 2% of the beneficiaries submitted anywhere from 10-18 applications
- Many approved grants are never used.
  - Of the 1493 people approved for grants, 530 (35%) people received no payments

DVA data showing total usage of these benefits is questionable. Because of a series of data flaws, DVA and the analysts limited much of their analysis to years 2003-2009, a period which they felt was most accurate. The usage of the grant program over that time is shown in the table below.

Age Group	dental	dentures	hearing	optical	special
18-34	6	0	0	5	1
35-54	217	22	1	140	6
55-64	215	31	2	104	16
65-74	106	13	15	85	10
75+	142	19	42	98	2

### Eligibility

ACOVA sets the eligibility criteria for the grant program. Currently, the eligibility is based on household size and income level. ACOVA has set the income thresholds higher than the Department of Human Services poverty guidelines. At a household size of one, ACOVA's range is \$4,000 higher than DHS, but the discrepancy levels as the household size grows. By the highest level of household, seven, ACOVA's guidelines are \$800 below DHS. (See Tables 3 and 4 in full report).

### Projections:

An assumed rate of increase in the population of ND veterans was found to be 3%. Additionally, a 3% rate of inflation was used for the benefit costs, which is reflected in the following table.

Projection of Benefit Needs for Veteran's Population in North Dakota

Category	7/1/09-6/30/11	7/1/11-6/30/13	7/1/13-6/30/15	7/1/15-6/30/17	7/1/17-6/30/19	7/1/19-6/30/21
(1) DENTAL						
- amt. paid	\$ 104,845	\$ 111,230	\$ 118,004	\$ 228,161	\$ 242,056	\$ 256,798
- count	209	215	222	228	235	242
(2) DENTURE						
- amt. paid	\$ 15,000	\$ 154,500	\$ 154,500	\$ 175,000	\$ 180,250	\$ 185,658
- count	10	100	100	100	100	100
(3) HEARING						
- amt. paid	\$ 25,206	\$ 26,741	\$ 28,369	\$ 30,097	\$ 31,930	\$ 33,875
- count	20	21	21	22	23	23
(4) OPTICAL						
- amt. paid	\$ 29,631	\$ 31,436	\$ 33,350	\$ 71,792	\$ 76,164	\$ 80,803
- count	131	135	139	144	148	152
(5) SPECIAL						
- amt. paid	\$ 5,000	\$ 5,305	\$ 5,628	\$ 10,927	\$ 11,593	\$ 12,299
- count	10	10	11	11	11	12
Total (1)-(5)	\$ 179,682	\$ 329,211	\$ 339,851	\$ 515,978	\$ 541,994	\$ 569,431

*A. Schmidt  
03/09/11*

# **Estimating Future Grant Benefit Needs for North Dakota Veterans**

## **Spring 2011**

This study was commissioned by North Dakota State Treasurer Kelly Schmidt for the purposes providing an actuarial assessment of the future benefit need for veterans served through a hardship grant program managed by the ND Department of Veterans Affairs at the direction of the Administrative Committee on Veterans Affairs (ACOVA). The hardship grant program is funded by the income generated from the Veterans Postwar Trust Fund, for which the Treasurer serves as trustee. This study was completed by Tatjana Miljkovic and Reuben Tschritter.

# Overview of presentation

- National Projections
- North Dakota Department of Veterans Affairs (ND DVA)
- Analysis of ND DVA Data
- Projections
- Conclusion

3

## National Projections– U.S. Department of Veterans Affairs

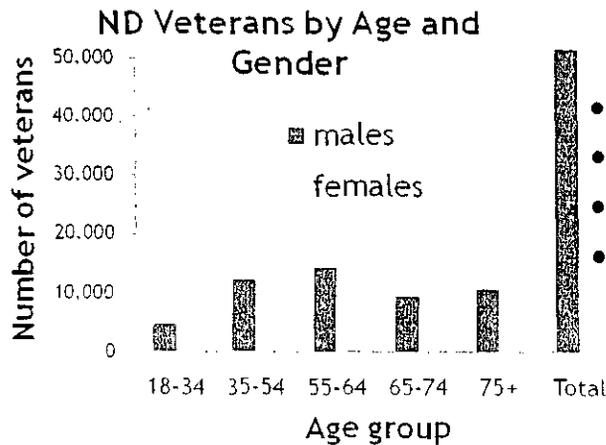
- The U.S. Department of Veterans Affairs (DVA) projected about 57,703 living veterans in North Dakota as of 09/30/2008
- Estimated decrease of 1% on annual basis through 2030 mostly due to a higher number of deaths than the number of new veterans
- The number of living veterans for the next year is calculated based on an iterative process:
  - the count for the current year
  - the number of deaths
  - + new veterans (separated from active duty)
  - +/- adjustment for state net migration
  - = the estimated count for the next year

4

# National Projections– ACS

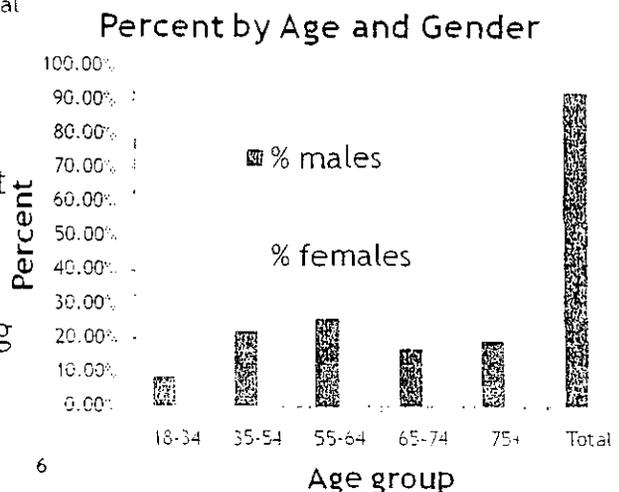
- Estimated 55,768 veterans live in North Dakota according to the 2006-2008 American Community Survey (ACS)
- Veterans represent 11.4% of the total population of North Dakota
- The total number of veterans has fallen by 9.1% comparing to the 2000 Census Report mostly due to mortality of those who served in World War II
- Count of World War II veterans declined by 49% from 12,150 reported in Census 2000 to 6,190 in 2006-2008 ACS
- Count of Korea War veterans declined by 21% since 2000
- Count of Vietnam War veterans declined by 8.6% since 2000
- Gulf War Veterans are the only group whose number has increased in past 20 years

5



- 55,768 living veterans per ACS'08
- 51,501 males & 4,267 females
- Males represent 92.3%
- Female represent 7.7%

- 55-64 age group has the largest share -26.3%
- 64% veterans are older than 55
- % female veterans is increasing for younger age



6

## **Veterans' programs under the administration of the ND Department of Veterans Affairs**

- Under the supervision of the Administrative Committee of Veterans Affairs (ACOVA), DVA administers the following:
  - Housing benefits - veterans home
  - Educational benefits – tuition waiver
  - Veterans' Bonus – Monetary compensation for mobilized domestic and foreign service
  - Property Tax exemption- for certain disabled veterans
  - Other State Benefits – license plates , transportation, state park admissions
  - Financial Assistance Benefits- hardship grant and loan program
    - Income from the Postwar Trust Fund pays for the hardship grant program, and those benefits are the focus of this study.

7

## **Hardship Grant Program Overview**

- The hardship grant program is funded by income from the Veterans Postwar Trust Fund. The State Treasurer is the trustee of the Veterans Postwar Trust Fund, and all income produced by the fund is to be paid to the DVA for programs benefiting veterans.
- ACOVA determines what benefits the fund will address and determines the level of coverage and criteria for each benefit.
- The current benefits, as determined by ACOVA, are categorized as follows :
  - dental
  - denture
  - hearing
  - optical
  - special

8

## Grant category and limits, by time period

years	category	limit	annual cap
1993-2006	hearing	\$ 500 ( 4 yrs. Interval)	\$ 1,500 (per calendar year /per applicant)
	optical	\$ 300 (2 yrs. interval)	
	dental	\$ 1,000 (one per calendar yr.)	
	special	\$ 1,000 (Commissioner's Discretion)	
2007-2009	hearing	\$ 1,500 (4 yrs. interval)	\$ 1,500 (per calendar year /per applicant)
	denture	\$3,000 (2 yrs. Interval)	
	dental	\$ 1,000 (one per calendar yr.)	
	special	\$ 1,000 (Commissioner's Discretion)	
	optical	\$ 300 (2 yrs. interval)	
2010+	hearing	\$ 1,500 ( 4 yrs. interval)	\$ 1,500 (per calendar year /per applicant)
	dental	\$ 1,000 (one per calendar yr.)	
	special	\$ 1,000 (Commissioner's Discretion)	
	optical	\$ 300 (2 yrs. interval)	

## Current eligibility criteria, as determined by ACOVA

- Veterans and their family members must be North Dakota Residents
- Must meet certain income level and the family size requirements

Household Size	1	2	3	4	5	6	7
Annual Income Level	\$ 14,400	\$ 16,800	\$ 19,200	\$ 21,600	\$ 25,200	\$ 28,800	\$ 31,200

- The 2007 household size and income level requirements set by ACOVA

Household Size	1	2	3	4	5	6	7
Annual Income Level	\$ 10,400	\$ 14,000	\$ 17,600	\$ 21,200	\$ 24,800	\$ 28,400	\$ 32,000

- For comparison, the 2008 income threshold by family size, reported by the Department of Health and Human Services (HHS), for 48 contiguous states

## Unused Grants

- An approved applicant is given 90 days from the approval date to use the grant
- 1,588 (44.6%) of approved grant applicants (years: 1993 to mid-2010) have not used the grant
- More than 50% of the amount approved for grants has not been spent
- Years 1998-2002 reported the largest number of unused applications

11

## Grant dollars expended since 1993

Category	Amount approved for grants	Amount paid for approved grants	Difference
Dental	\$1,009,261	\$440,285	\$568,976
Dentures	\$306,623	\$183,212	\$123,411
Optical	\$300,381	\$151,187	\$149,193
Hearing	\$164,656	\$90,984	\$73,672
Special	\$40,113	\$16,040	\$24,073
Transportation	\$13,902	\$7,530	\$6,372
Housing	\$5,178	\$2,660	\$2,518
Deposit Assist.	\$500	\$320	\$180
<b>Total</b>	<b>\$1,840,614</b>	<b>\$892,218</b>	<b>\$948,396</b>

## Grant dollars spent by fiscal year

App. Year	Amt approved for grants (\$)	Amt used (\$)	Difference (\$)
7/1/93-6/30/94	63,579	1,000	62,579
7/1/94-6/30/95	61,651	46,151	15,500
7/1/95-6/30/96	49,464	46,503	2,962
7/1/96-6/30/97	65,286	64,797	488
7/1/97-6/30/98	108,081	53,037	55,044
7/1/98-6/30/99	110,058	250	109,808
7/1/99-6/30/00	145,938	3,100	142,838
7/1/00-6/30/01	48,147	4,259	43,888
7/1/01-6/30/02	89,267	5,081	84,186
7/1/02-6/30/03	94,521	40,393	54,128
7/1/03-6/30/04	109,066	67,368	41,698
7/1/04-6/30/05	101,419	70,785	30,634
7/1/05-6/30/06	93,750	62,366	31,384
7/1/06-6/30/07	152,350	90,323	62,027
7/1/07-6/30/08	277,283	178,300	98,983
7/1/08-6/30/09	221,303	126,265	95,038
7/1/09-6/30/10	49,450	32,240	17,210
<b>Total</b>	<b>1,840,614</b>	<b>892,218</b>	<b>948,396</b>

## Veterans Postwar Trust Fund Liabilities Compared to ND DVA Expenditure Data

(1)	(2)	(3)=(1)-(2)	(4)=(3)/(1)
7/1/2001-6/30/2003		Difference (\$)	% Difference
PWTF	ND DVA		
\$ 160,000.00	\$ 45,401.96	\$ 114,598.04	71.6%
7/1/2003-6/30/2005			
PWTF	ND DVA		
\$ 138,800.00	\$ 135,788.19	\$ 3,011.81	2.2%
7/1/2005-6/30/2007			
PWTF	ND DVA		
\$ 145,000.00	\$ 151,098.58	\$ (6,098.58)	-4.2%
7/1/2007-6/30/2009			
PWTF	ND DVA		
\$ 310,000.00	\$ 175,640.77	\$ 134,359.23	43.3%
7/1/2009-6/30/2011 (as of 4/30/2010)			
PWTF	ND DVA		
\$ 93,031.31	\$ 32,240.32	\$ 60,790.99	65.3%

## Frequency of Grant Benefits

Repeats	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	18	Total
No. People	646	399	182	95	56	42	20	12	20	10	4	1	3	1	1	1	1493

- There were 3560 applications issued to 1493 people, over 18-year period
- 82% of people applied 1-3 times
- 16% of people submitted 4-6 applications
- 2% of the beneficiaries submitted anywhere from 10-18 applications
- Most people need benefits on a short term basis, 1-3 years
- 530 (35%) people received no payments

Repeats	1	2	3	4	5	6	Total
No. People	325	144	45	10	5	1	530

15

## Grant benefit by age group: 2003-2009

Age Group	dental	denture s	hearin g	optical	special
18-34	6	0	0	5	1
35-54	217	22	1	140	6
55-64	215	31	2	104	16
65-74	106	13	15	85	10
75+	142	19	42	98	2

- Dental and optical benefits are most commonly used for all age groups
- People in age group 18-34 are hardly using any benefits
- High need for denture benefit (2007-2009)

# Assumptions used in projections

- 3% annual increase in number of veterans
- Average amount of benefit is based on VPWTF Liability Report
- Grant liabilities by category are calculated based on DVA data
- 3% future annual inflation rate
- Denture benefits in 2011 and forward; 100 people/ per year
- Raise limits/per person in 2015:
  - \$1000 special
  - \$500 optical
  - \$1000 dental
  - \$1750 denture

17

## Projections to 2021

Projection of Benefit Needs for Veteran's Population in North Dakota

Category	7/1/09-6/30/11	7/1/11-6/30/13	7/1/13-6/30/15	7/1/15-6/30/17	7/1/17-6/30/19	7/1/19-6/30/21
(1) DENTAL						
- amt. paid	\$ 104,845	\$ 111,230	\$ 118,004	\$ 228,161	\$ 242,056	\$ 256,798
- count	209	215	222	228	235	242
(2) DENTURE						
- amt. paid	\$ 15,000	\$ 154,500	\$ 154,500	\$ 175,000	\$ 180,250	\$ 185,658
- count	10	100	100	100	100	100
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- count	131	135	139	144	148	152
(5) SPECIAL						
- amt. paid	\$ 5,000	\$ 5,305	\$ 5,628	\$ 10,927	\$ 11,593	\$ 12,299
- count	10	10	11	11	11	12
Total (1)-(5)	\$ 179,682	\$ 329,211	\$ 339,851	\$ 515,978	\$ 541,994	\$ 569,431

18

## Conclusion

- There are 57,703 living veterans in ND as of 2008
- The ND veterans and their family members are offered varieties of state benefits
- Post War Trust Fund supports veterans' grant program
- A large number of applicants who were granted dental and optical benefits have not used them
- 52% of money available for grants is not spent
- Age group 18-34 is less likely to apply for benefits
- High need for denture benefit
- Since 1993 most people needed benefits 1-3 times (short term basis)

# **Estimating Future Grant Benefit Needs for North Dakota Veterans**

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*As commissioned by State Treasurer Kelly Schmidt  
Spring 2011*

This study was commissioned by North Dakota State Treasurer Kelly Schmidt for the purposes providing an actuarial assessment of the future benefit need for veterans served through a hardship grant program managed by the ND Department of Veterans Affairs at the direction of the Administrative Committee on Veterans Affairs (ACOVA). The hardship grant program is funded by the income generated from the Veterans Postwar Trust Fund, for which the Treasurer serves as trustee. This study was completed by Tatjana Miljkovic and Reuben Tschritter.

Tatjana Miljkovic is a Lecturer in Statistics Department at North Dakota State University. She holds her MS Degree in Actuarial Science from the University of Illinois and MBA from North Dakota State University. She teaches varieties of courses in statistics and actuarial risk analysis. Currently, she is pursuing PhD in Statistics. Her expertise lies mostly in the area of actuarial risk management. Prior to her teaching career, she has spent about thirteen years working for some of the top national insurance and catastrophe modeling companies in the industry (UNUM, ANPAC, and RMS). Her industry experience includes: financial risk based capital modeling, catastrophe risk modeling, product development, and risk management and actuarial pricing in the area of property and casualty insurance. She has also worked as a research associate at Montana State University and North Dakota State University on various research projects related to pricing and risk management of crop insurance. Tatjana serves on the board of the NDSU Women's Club as a Vice President for academic year 2010-2011.

Reuben Tschritter is an Engineering Specialist in the Institute for Business and Industry Development (IBID), which is a part of NDSU Extension. He has a degree in Mechanical Engineering from NDSU and numerous business courses from various Universities. His work involves technical and business support to companies, entrepreneurs and inventors. Previous to working for NDSU, he worked for IBM in product design and development, manufacturing engineering and product management for thirty-three years. His experiences with IBM involved extensive travel to Europe, the Far East and South America providing technical and management support to IBM locations and foreign suppliers. Reuben is active with Minn-Dak Manufacturers Association, University Student Groups, NDSU Team Makers, Society of Manufacturing Engineers, Society of Quality Engineers, Church involvement as well as Bible Studies.

## Table of Contents

Executive Summary.....	3
National Projections.....	3
> The U. S. Department of Veterans Affairs.....	3
> American Community Survey.....	4
North Dakota Department of Veterans Affairs.....	5
Analysis of ND DVA Data.....	10
>Frequency of Benefits.....	12
>Severity of Benefit Payments.....	17
Traumatic Brain Injury and Posttraumatic Stress Disorder.....	22
Projections.....	23
Comparison to Other States.....	25
References.....	27
Appendix.....	27

## **Executive Summary**

The objective of this project is to assist the North Dakota Office of State Treasurer in providing an actuarial assessment of the future benefit needs of veterans in North Dakota so that appropriate decisions can be made at state level to generate sufficient funds to pay for benefit programs available to eligible veterans and their families in the next 10-20 years. It is projected that the total benefits provided in medical grants by 2021 will rise to \$570,000. This amount includes a denture benefit that was eliminated and reinstated in 2010. Dental, denture, and optical benefits are top three categories of medical benefits in terms of their demand. When considering age groups, it was found that young veterans, less than 34-years old, do not use benefits at all. Most of the veterans who use benefits are single men.

This report is organized in six large sections. First, we summarize the national projections of veterans' population in North Dakota. Second, we provide the overview of administrative functions of ND Department of Veterans Affairs including the summary of benefits offered. Then we analyze the data by category of benefits. We discuss the cost and statistics for young population of Post-Traumatic Stress Disorder /and Traumatic Brain Injury veterans registered in North Dakota. Projections of benefit needs up to year 2021 are discussed in the next section. The final section provides the summary of the survey conducted with other states in order to discover how North Dakota's veterans program compares to other states.

## **National Projections**

### The U. S. Department of Veterans Affairs

The U.S. Department of Veterans Affairs (DVA) projected about 57,703 living veterans in North Dakota as of 09/30/2008. The total number of veterans is expected to fall by 1% on annual basis through 2030 mostly due to a higher number of deaths than the number of new veterans. The projection model developed by DVA is based on an iterative process for each year. The number of living veterans for the next year is calculated by taking the count for the current year, subtracting the number of deaths, adding new veterans (separated from active duty), and adjusting for state net migration. The 2000 Federal Census is used in the first iteration to develop current estimates from the actual surveys. Separations from active duty and reserve as well as actual deaths are estimated based on data from Defense Manpower Data Center. American Community Survey (ACS) is utilized to track interstate migration only.

The state estimate developed by DVA is higher by 3.5% than that developed by American Community Survey (ACS). ACS is conducted on ongoing basis with a purpose to provide the demographic projections every 1-3 years instead of every 10 years, as designed by Census.

American Community Survey

An estimated 55,768 veterans live in North Dakota according to the 2006-2008 American Community Survey (ACS). This figure represents 11.4% of the total population of North Dakota. The total number of veterans has fallen by 9.1% compared to the 2000 Census Report, mostly due to mortality of those who served in World War II. The number of veterans who served in World War II declined by 49% from 12,150 reported in Census 2000 to 6,190 in 2006-2008 ACS. At the same time, the number of Korea War veterans declined from 9,082 reported in Census 2000 to 7,138 estimated in 2006-2008 ACS. The number of veterans from Vietnam War is estimated at 18,348 in the 2006-2008 ACS, showing 8.6% decline from Census 2000 counts. Gulf War Veterans are the only group whose number has increased in past 20 years. These veterans include those who served on active duty since August 1990 in Gulf Wars and Afghanistan. In 2006-2008 ACS, it is estimated that number of Gulf War veterans in North Dakota is about 1,578, which is more than double since year 2000.

Most of veterans are men, representing 92.3% of the veterans' population. Sixty four percent of veterans are older than 55. The smallest number of female veterans is between age 55 and 74. The percent of female veterans is increasing for younger age relative to percent of male veterans. Female veterans age 18-34 represent the largest share of younger veterans compared to only 1.8% of those in the 55-64 age group. Table-1 shows distribution of veterans by gender for different age groups.

age group	males	females	% males	% females
18-34	4,755	1,297	8.5%	2.3%
35-54	12,231	1,681	21.9%	3.0%
55-64	14,387	264	25.8%	0.5%
65-74	9,467	345	17.0%	0.6%
75+	10,661	680	19.1%	1.2%
Total	51,501	4,267	92.3%	7.7%
Grand Total	55,768			

Table-1: Distribution of veterans by age and gender

The ACS has a model for estimating number of veterans by state, age, gender, and period of service. Population of veterans is estimated based on counts in the decennial Census, further adjusted by adding annual discharges reported by Department of Defense, subtracting number of estimated deaths, and accounting for migration. Estimates are published on 1-year and 3-year basis.

Decennial Census estimates are based on the responses from a sample of the population (e.g., the 2000 long form including a question on veteran status was distributed to 1 out of 6 households in the US). As with all surveys, estimates may vary from the actual numbers because of sampling variations and other factors. Since the decennial Census is conducted every ten years, in-between Census projections are developed using well developed projections methodologies. When

Census (or ACS estimates) data are combined with other data sources (*e.g.*, data from Defense Manpower Data Center or data on number of deaths based on the mortality rates), uncertainty exists in the data sources and the final results. For example, the reliability of the US DVA's projections will vary directly by geographic size and inversely by time. National estimates are more reliable than state estimates. However, the state estimates are more reliable than county estimates. Larger states will have more accurate estimates than smaller states. Estimates for more recent years are more reliable than future projection. The margin of error will also depend on the availability of the county versus state level data in the projection model. In Census 2000, insufficient information on veteran population was available at county level; the US DVA had to allocate the state level estimates down to county level while maintaining characteristics of the general county population. These are some of the factors that will increase the uncertainty in the projections.

In 2010, Census 2000 long form survey is replaced by American Community Survey Questionnaire on veterans.

## **North Dakota Department of Veterans Affairs**

North Dakota Department of Veterans Affairs (ND DVA), working under the supervision of the Administrative Committee of Veterans Affairs (ACOVA), administers various state benefit programs available to veterans and their families who reside in North Dakota. The Veterans Aid Loan Program provides loans up \$5,000. The Transportation Program is designed to assist veterans in transportation to a Veterans Hospital. Currently, there are five vans available for various routes in North Dakota. Hardship Grants Program provides aid to veterans for unmet medical needs. The Tuition Waiver Program is designed to provide waivers of the tuition to a member of the National Guard or a widower of the resident veteran who was killed in an action as a result of a service connected cause. For elderly veterans and their spouses, the state offers a nursing home that is located in Lisbon, ND. Any wartime or peace time veteran is eligible for burial in a National cemetery. Some disable veterans are eligible for the Property Tax Exemption Program. Other state benefits include special license plates and state park admissions.

The Hardship Grant program encompasses medical benefits for the following categories: dental, denture, hearing, optical, and special. The cost of this program is underwritten by Veterans Post War Trust Fund (VPWTF), managed by North Dakota Office of State Treasurer. The medical grants are subject to a limit, and annual amount of benefits is capped. ACOVA evaluates eligibility benefit criteria and benefit categories periodically and makes adjustments as they determine necessary. Since 1993, three modifications have been made to the medical benefits. Table-2 summarizes benefits by category and eligible amounts as provided by ND DVA.

The benefit for denture was offered in years 2007-2009, but was eliminated in 2010. It will be offered again in 2011. A limit of \$300 on optical grant is applied on two-year interval (average \$150/year). Limits on dental and hearing grants have not been raised since 2006. The annual cap on all benefits has remained constant, \$1500, since 1993.

years	category	limit	annual cap
1993-2006	hearing	\$ 500 ( 4 yrs. Interval)	\$ 1,500 (per calendar year /per applicant)
	optical	\$ 300 (2 yrs. interval)	
	dental	\$ 1,000 (one per calendar yr.)	
	special	\$ 1,000 (Commissioner's Discretion)	
2007-2009	hearing	\$ 1,500 (4 yrs. interval)	\$ 1,500 (per calendar year /per applicant)
	denture	\$ 3,000 (2 yrs. Interval)	
	dental	\$ 1,000 (one per calendar yr.)	
	special	\$ 1,000 (Commissioner's Discretion)	
	optical	\$ 300 (2 yrs. interval)	
2010+	hearing	\$ 1,500 ( 4 yrs. interval)	\$ 1,500 (per calendar year /per applicant)
	dental	\$ 1,000 (one per calendar yr.)	
	special	\$ 1,000 (Commissioner's Discretion)	
	optical	\$ 300 (2 yrs. interval)	

Table-2: Grants by category and eligibility amount

Dental grants cover an exam, cleaning, and x-rays, if there is a medical need or pain to be addressed. Preventive medical procedures such as routine annual exam or cleaning are not covered. Gum disease treatment is not covered. Optical grants cover the regular eye glasses and eye exams. Items that are not covered include: progressive lenses, sunglasses, scratch coating and tint, unless there is a medical need supported by a doctor prescription. Hearing grants cover hearing exams and hearing aids. Special grants are issued for a life-threatening medical need and are subject to Commissioner's approval.

Benefits offered through ND DVA apply to veterans, spouses, widows, and dependents. An applicant is required to apply individually for each grant. The application is reviewed by ND DVA administration and approved only if the applicant meets the eligibility criteria based on income and family size. Recent 2007 income guidelines are provided in table below.

Household Size	1	2	3	4	5	6	7
Annual Inc. Level	\$ 14,400	\$ 16,800	\$ 19,200	\$ 21,600	\$ 25,200	\$ 28,800	\$ 31,200

Table-3: Eligibility Requirements set by ACOVA

The Bureau of Labor Statistics reported that in 2007, North Dakota had 11.8% of total population living below the poverty level. The national average for the same period was 13%. The poverty guidelines are issued each year in the Federal Register by the Department of Health and Human Services (HHS). The 2008 income threshold by family size, reported by HHS, for 48 contiguous states is summarized below.

Household Size	1	2	3	4	5	6	7
Annual Inc. Level	\$ 10,400	\$ 14,000	\$ 17,600	\$ 21,200	\$ 24,800	\$ 28,400	\$ 32,000

Table-4: Department of Human Services -Poverty Guidelines

For family size 4-7, income levels set by ACOVA are in line with the HHS guidelines. However, for family size 1-3, ACOVA has a higher income threshold than HHS. The largest percent

difference is observed for a single person household. The national threshold for a single person is \$867 on monthly basis compared to \$1,200 set by ACOVA. For the families of two and three members, the thresholds set by ACOVA are 20% and 9% higher than HHS thresholds respectively. The ND DVA data shows that 49% applications originated from family size 1-3. One percent of applications were submitted by those from larger families of 4-7 members. The remaining 50% of the records are missing information about family size.

When the applicant does not meet eligibility criteria set in the ACOVA guidelines, the ND DVA cancels the grant. There have been a total of 669 cancellations for period 1993-2010. Reasons and counts for cancellations are listed in table below. About 73% of all cancellations are primary due to: (1) higher income, (2) higher asset (in cash), and (3) violation of NDCC 37-01-40 rule.

Cancellations due to higher than required income level show applicant's income level 32%-100% higher than required for a household size equal to one. There are 220 cancelled applications since 1993 due to higher than required income. The number of these cancellations decreased after 2007 since the income level criteria has been raised. Prior to 2007 there were on average 14 cancellations per year due to income level. After 2007, this number dropped to about 4 per year.

Reason for Cancellations	Count
income exceeds the maximum allowed	220
assets exceeds (cash) \$2,000.00	156
does not meet NDCC 37-01-40	110
2 year interval requirement	55
not an authorized expenditure	38
other	33
services provided prior to application	20
incomplete application	19
maintenance procedure	7
residency requirement	5
does not meet NDCC 37-14.01-1	4
5 year interval requirement	2
Total	669

Table-5: Cancellations

Once the application is approved, the applicant is given 90 days to use the grant. The ND DVA expects approved applicants to receive the services once they are approved. Even when the work is not completed in 90 days, it is still expected that the applicant starts the process and an extension can be granted if needed. The fact that about 1,588 (44.6%) of granted applications (years: 1993 to mid-2010) have zero dollars paid out indicates big challenges that applicants face with this process. Table-6 below shows percent of applicants by category not using grants, even

though they have been approved. Dental and optical grants represent the highest percentage of unused grants.

category	Grants not Used %
dental	52%
denture	1%
optical	38%
hearing	5%
transportation	2%
special	2%
Total	100%

Table-6: Percent of unused grants by category

Scheduling an eye, dental, or hearing exam can take several weeks, which may interfere with the timing of the grant. Medical exams may require additional follow-up work and cost exceeding the amount of grant. Since the applicants are responsible for the difference in payments, they may not have other funds to pay the balance and decide not to have any work done. The lowest percent of people using dental and optical grants are in the age group 18-34. The average of unused optical and dental grants across all other age groups is in the range of 19-33%. Table-7 below shows percent of people who are not using dental and optical grants by age group.

Age group	not used grants	
	dental	optical
18-34	3%	3%
35-54	29%	33%
55-64	24%	20%
65-74	24%	25%
75+	20%	19%
total	100%	100%

Table-7: Percent of unused grants by age group

More than 50% of the amount available and approved for grants has not been spent. Dental grants are in the top category. Table-8 shows the difference between amount granted and amount paid by year and category. The data is sorted based on the difference in dollar amount.

Category	Amount Granted	Amount Paid	Difference
Dental	\$1,009,261	\$440,285	\$568,976
Dentures	\$306,623	\$183,212	\$123,411
Optical	\$300,381	\$151,187	\$149,193
Hearing	\$164,656	\$90,984	\$73,672
Special	\$40,113	\$16,040	\$24,073
Transportation	\$13,902	\$7,530	\$6,372
Housing	\$5,178	\$2,660	\$2,518
Deposit Assist.	\$500	\$320	\$180
Total	\$1,840,614	\$892,218	\$948,396

Table-8: Amounts Spent Since 1993

Amounts paid by year compared to the granted amounts are summarized in the Table-9 below. The data are generated based on the calendar year of the approval date of the application. The largest number of unused applications is linked to approval years 1998-2002 with a large number of older applicants.

App. Year	Amt Granted(\$)	Amt Paid(\$)	Difference(\$)
1993	13,480	-	13,480
1994	88,169	24,997	63,172
1995	44,582	41,351	3,231
1996	51,489	50,135	1,354
1997	84,115	78,582	5,532
1998	108,164	16,423	91,741
1999	130,729	997	129,732
2000	112,978	3,792	109,187
2001	61,192	4,563	56,629
2002	77,305	3,860	73,445
2003	110,922	67,185	43,736
2004	112,855	74,473	38,381
2005	83,750	62,407	21,343
2006	110,000	65,647	44,353
2007	227,661	140,546	87,116
2008	262,825	163,941	98,884
2009	127,750	74,861	52,889
2010	32,650	18,457	14,193
Total	1,840,614	892,218	948,396

Table-9: Amounts spent by approved year on calendar year basis

The issue of missing payouts was discussed in a 9/27/10 meeting with ND DVA staff, and it was decided that the data for years prior to 2003 (1993-2002) should be excluded from the further analysis due to lack of credibility. A conversion to year 2000, personnel change, and data entry errors are some of the possible reasons for missing records, especially between 1999 and 2002. It is possible to manually impute back all the old records into the system, but it was decided not to

pursue this task since it is time consuming and would constrain the resources. A list of all data issues is provided in the Appendix.

A similar summary is generated in Table-10, considering a fiscal year rather than a calendar year. The fiscal year begins on July 1, and ends June 30<sup>th</sup> of the next year. In Table -10, summaries of amounts granted and paid are lined up following the same time period. The amount paid in one period may reflect the applications submitted in the previous time period. This timing issue will occur at the end of a fiscal year when the amount granted in one year can be paid in the next fiscal year. The lag in amount paid should be not be larger than 90 days considering that it takes 90 days to use the grant from the date of approval.

App. Year	Amt Granted(\$)	Amt Paid(\$)	Difference(\$)
7/1/93-6/30/94	63,579	1,000	62,579
7/1/94-6/30/95	61,651	46,151	15,500
7/1/95-6/30/96	49,464	46,503	2,962
7/1/96-6/30/97	65,286	64,797	488
7/1/97-6/30/98	108,081	53,037	55,044
7/1/98-6/30/99	110,058	250	109,808
7/1/99-6/30/00	145,938	3,100	142,838
7/1/00-6/30/01	48,147	4,259	43,888
7/1/01-6/30/02	89,267	5,081	84,186
7/1/02-6/30/03	94,521	40,393	54,128
7/1/03-6/30/04	109,066	67,368	41,698
7/1/04-6/30/05	101,419	70,785	30,634
7/1/05-6/30/06	93,750	62,366	31,384
7/1/06-6/30/07	152,350	90,323	62,027
7/1/07-6/30/08	277,283	178,300	98,983
7/1/08-6/30/09	221,303	126,265	95,038
7/1/09-6/30/10	49,450	32,240	17,210
Total	1,840,614	892,218	948,396

Table-10: Amount spent by fiscal year

Further analysis of ND DVA benefit payments is performed using data years 2003-2009. The data for year 2010 were excluded since they reflect the first part of the year only.

### Analysis of ND DVA Data

The ND DVA provided us with the liability reports for the Veteran's Postwar Trust Fund (VPWTF). The reports are created once every two years, run as of June 30. They include liabilities broken-down by category (i.e., grants, operations, computers, transportations, etc.). The amounts tracked are also allocated to: committed, funded, and unfunded categories. Before we have proceeded with the analysis, we had performed liability validation for years 2003-2009.

We compared total grant liabilities funded by the VPWTF to the paid amounts reflected in ND DVA data. The summary is presented in Table-11. The ND DVA data was aggregated based on the approval data (i.e. 7/1/2003-6/30/2005). It is expected that small differences will occur due to the timing issues and different ways the summary reports may have been run. It is easy to observe this for years (7/1/2003-6/30/2007) where the percent difference in total is about 2%. The largest difference in payouts is observed for years 7/1/2007-6/30/2009. This amount is reported at \$134,359.23 and it represents 43.3% of the total liabilities paid by the VPWTF. The second largest difference of \$114,598.04 or 71.6% is observed for years 7/1/2001-6/30/2003. The latest ND DVA report is also missing some records of payouts as the difference between estimated grant liabilities in the VPWTF and ND DVA is \$60,790.99 or 65.3% of the VPWTF estimate as of 4/30/2010.

Another method of data aggregation could be explored based on the voucher date/year, if the quality of data is improved, but the difference should not be large. This entry represents the date when the payment was made to the applicant. However, many records are missing a complete voucher date. It is important to emphasize that the grants included in the table below are: dental, denture, hearing, optical, and special. A few other grants for transportation and housing assistance were excluded since they are reported separately on VPWTF liability sheet.

The large differences will need to be clarified by ND DVA. It comes down to recognizing the importance of managing accurate data records in the system. Running the internal reports on periodic basis and reviewing the data would help in managing funds and improving the communication with the Treasurer's office. Credible data records are crucial in making right decisions and estimating future financial needs of the veterans' population.

<b>Veteran's Postwar Trust Fund Liabilities vs. ND DVA (2001-2010)</b>				
	(1)	(2)	(3)=(1)-(2)	(4)=(3)/(1)
	7/1/2001-6/30/2003 PWTF	ND DVA	Difference (\$\$)	% Difference
Grants	\$ 160,000.00	\$ 45,401.96	\$ 114,598.04	71.6%
Grants	7/1/2003-6/30/2005 PWTF \$ 138,800.00	ND DVA \$ 135,788.19	\$ 3,011.81	2.2%
Grants	7/1/2005-6/30/2007 PWTF \$ 145,000.00	ND DVA \$ 151,098.58	\$ (6,098.58)	-4.2%
Grants	7/1/2007-6/30/2009 PWTF \$ 310,000.00	ND DVA \$ 175,640.77	\$ 134,359.23	43.3%
Grants	7/1/2009-6/30/2011 (as of 4/30/2010) PWTF \$ 93,031.31	ND DVA \$ 32,240.32	\$ 60,790.99	65.3%

Table-11: Grant liabilities

## Frequency of Benefits

For modeling aggregate payment amounts, actuarial analysis typically includes both analysis of frequency as well as severity of payments. Ideally, we would like to know the total number of low income people who are eligible for benefits in the state of North Dakota. This number is unavailable, and we can only analyze counts of people who are already part of the benefit system. The DVA data shows how often people applied for benefits since 1993. Table-12 is generated by tracking a unique applicant's ID and summarizing the number of times it repeats in the database based on the amount of benefit paid since 1993. In addition to medical categories, housing, transportation, and deposit assistance benefits are also included in the total. There were 3560 applications issued to 1493 people over an 18-year period. About 82% of people applied 1-3 times during this 18-year period. About 16% of people submitted 4-6 applications during the same period. The remaining 2% of the beneficiaries submitted anywhere from 10-18 applications.

Considering a time span of 18 years, we infer that a very few people need benefits on a long term basis. Most people need benefits on a short term basis, 1-3 years. However, the highest number of people is reported not to be able to use the benefits granted to them.

Repeats	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	18	Total
No. People	646	399	182	95	56	42	20	12	20	10	4	1	3	1	1	1	1493

Table-12: Distribution of people based on number of applications

It should be noted that not all 1493 people received the benefits granted to them. We ran a summary to find out the frequency of applications that resulted in no payments. Table-13 shows the total number of approved applicants who received no payments in past 18 years. This group represents 35% of the total. Most of them applied only once and received no payments, even though they were granted the benefits. Some people applied multiple times. One person was granted benefit 6 times and did not manage to use it at all.

Repeats	1	2	3	4	5	6	Total
No. People	325	144	45	10	5	1	530

Table-13: Number of people who received no payments

In past 18 years, on average, about 54 people per year received payments for benefits. Considering the low amount of benefits, those who are approved and used the benefit managed to generate about one claim per year. A very few people filed two applications. Thus the frequency distribution for paid benefit applications has large probability mass at one and it is truncated at zero as the information about probability mass at zero is not available. The discrepancies between the VPWTF liabilities and the amounts paid in ND DVA data do not impact this part of the analysis since our focus is to analyze the frequency of applications granted by categories and age groups. While there is a belief that there are people who are eligible for benefits but file no claims, this count is unknown. We have also seen above that some granted applications did not result in paid benefits.

Using statistical models to model benefit claim frequency is not working in this case since there are only a few points with highest probability mass at 1 and 2. Ideally, we would like to know the number of applicants eligible for benefits by year and category. This can be estimated using some other socioeconomics proxies (i.e. unemployment rate, statistics on poverty, etc.) Additional assumptions need to be made regarding probability of veterans in this cohort. These assumptions are addressed later in the report.

The frequency of benefits is analyzed using a large two-way contingency table where frequency is cross-classified by benefit category (dental, dentures, hearing, optical, and special) and age groups ( 18-34, 35-54, 55-64, 65-74, and 75+), and a statistical model, named Generalized Linear Model (GLM), was used to fit the data. The summary of data for years 2003-2009 is conveniently displayed in Table-14. The number of applications is aggregated by year and applicant. For example, an applicant may have filled 4 applications in year 2003 and 1 application in year 2004. This applicant will show up twice in the table below. In year 2003, the same applicant was 54 years old and in 2004 he was 55 years old. Thus this applicant moves across two age groups. Aggregation by year and category is necessary to be able to keep track of different age groups.

Age Group	dental	dentures	hearing	optical	special
18-34	6	0	0	5	1
35-54	217	22	1	140	6
55-64	215	31	2	104	16
65-74	106	13	15	85	10
75+	142	19	42	98	2

Table-14: Benefit by age group 2003-2009

When modeling significance of age group and benefit category, we find out that all age groups and all benefit categories are significant predictors for frequency of applications. In Figure-1 the mosaic plot is generated first by dividing the area according to the frequency by age group and then within each age group the area is divided based on the frequency of benefit category. There are larger numbers of people using some benefits than others and there are larger numbers of people in some age groups than others. Top two categories of benefits that are most commonly used are dental and optical for all age groups except 18-34. People in age group 18-34 are hardly using any benefits.

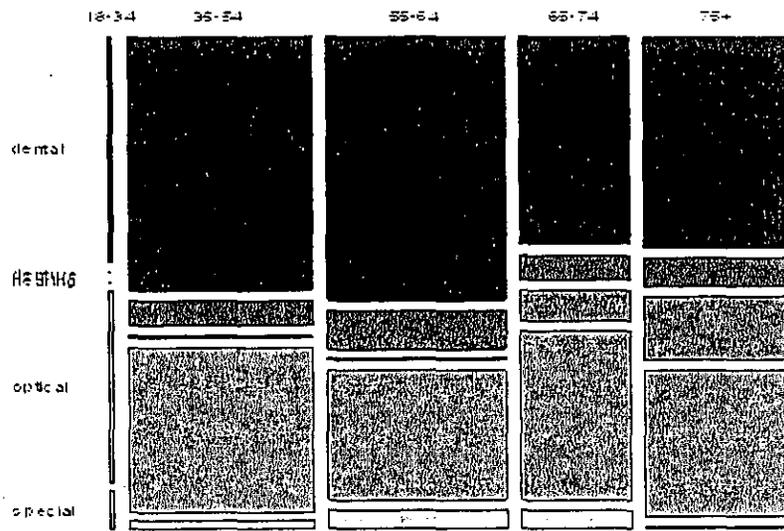


Figure-1: Mosaic Plot of benefit category and age group 2003-2009

In order to find out how some of these combinations of age groups and categories are dependent, a correspondence analysis is done (Figure-2). There is a strong association between special benefit for age group 55-64 as these points show close together and far from the origin on the plot. A large negative association is observed when points are located diametrically apart on either side of the origin. This is the case with denture and hearing benefits that are not used at all for age group 18-34. Similar pattern of association is observed for dental and optical benefits since the points for these categories are close together. It is important to be reminded that denture benefits are included in this analysis although they are eliminated in 2010 and they were not offered prior to 2007. Thus we see higher share of dental and optical benefits just because these have been offered for all years that we are using in the analysis.

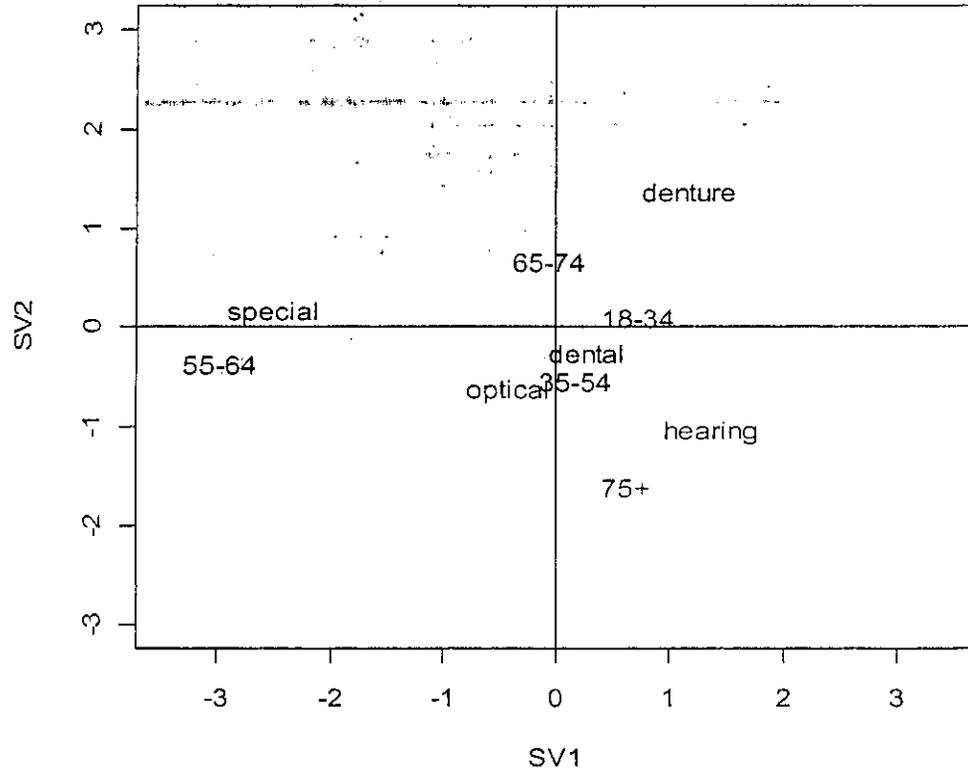


Figure-2: Correspondence analysis of benefit category and age group

A similar analysis was repeated considering the data for year 2008 only. Dot chart in Figure-3 shows the counts of applications by age and category. From the chart we can observe that age group 55-64 submitted 29 applications in total for dental benefit. There is equal number of applications submitted for optical benefits for age 34-65. Optical, hearing, and special benefits have less demand than denture and dental benefits. There are more dental and denture applications combined than hearing and optical applications combined for age group 75 and above.

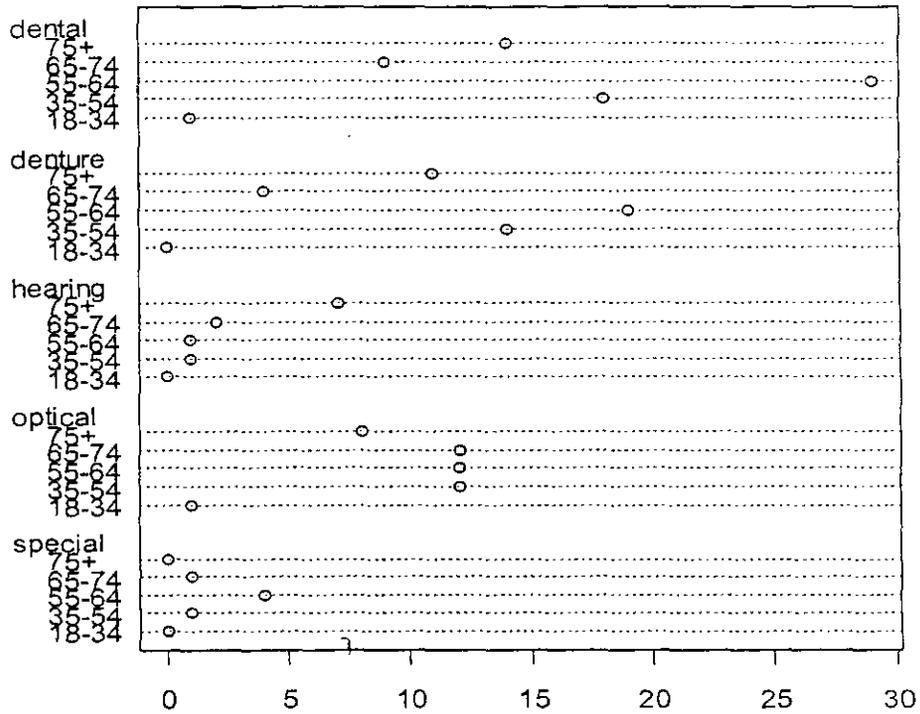


Figure-3: Dot chart for benefit category and age group

The mosaic plot in Figure-4 shows the frequency for various benefits used in 2008. Based on the size of the mosaic blocs we can see that denture benefit was used more than optical, hearing, and special benefits. This indicates high demand for denture benefit. It would be beneficial to veterans and their families if this category of benefits is offered again. Hearing and optical benefits are not used as much as denture and dental benefits. Again, we observe that age group 18-34 does not apply for denture, hearing, and special benefits. One application was reported for optical benefit and two applications for dental benefits for age 18-34. First, younger people are most likely to be capable of working and finding a job. Second, they may not have as many health issues as older people.

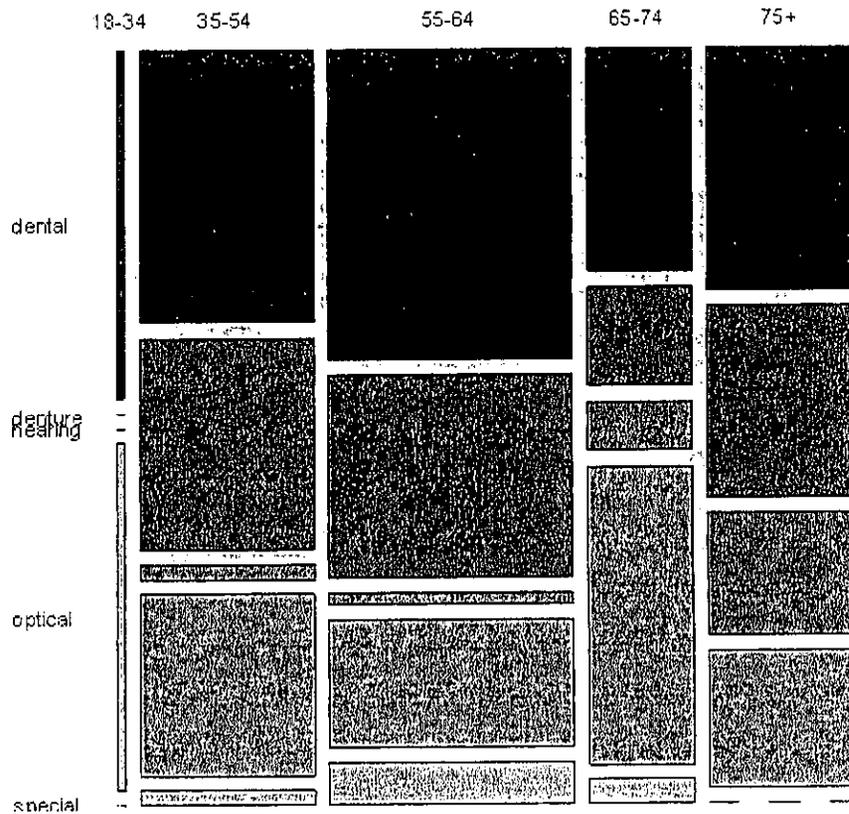


Figure-4: Mosaic Plot of benefit category and age group 2008

The next step in the analysis was done to analyze the income level (family size) in addition to age group and category for years 2003-2009. Income level and family size are used as basic benefit eligibility criteria. The original DVA data provide number of dependents excluding the applicant. For example, the number of dependents for a single person is zero. Number of dependents coded as 5 indicate family size of 6. Many original records were missing number of dependents. If the record was missing number of dependents, we coded it as 9999 for the purpose of data analysis. About 27% of the data was missing the information about the number of dependents for the applicants. Single people submitted about 49% of the total number of applications. While 18% of applications came from family size two, 6% of the applications came from larger families (size 3-7).

#### Severity of Benefit Payments

When modeling the severity of benefit payments, the amounts paid and granted by year are adjusted for inflation. Inflationary adjustment was estimated using historical data on Consumer

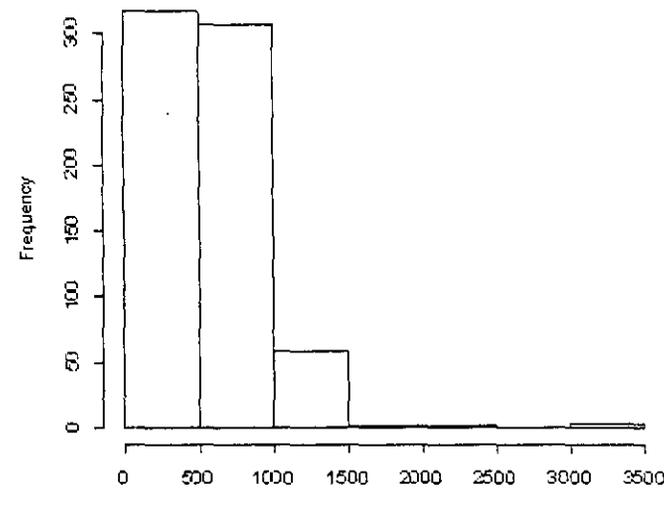
Price Index (CPI) published by the Bureau of Labor Statistics. The average inflation rate over 7-year period is 2.4%. For each category of benefits, basic summary of statistics are provided for the amount paid and amount granted. Histogram was generated for paid amounts to visually analyze the continuous distribution of amounts paid. The aggregation of the payment amount was done by applicant and year.

- Dental Benefits

Dental	1st Quartile	Median	Mean	3rd Quartile	Max
Amt. Granted	\$ 576.50	\$ 590.30	\$ 727.30	\$ 1,024.00	\$3,221.20
Amt. Paid	\$ 170.90	\$ 539.40	\$ 476.00	\$ 590.30	\$3,221.20

Table-15: Basic statistics for dental benefit

Histogram of the Paid Amount



The distribution of dental payments has a mean of \$476 and median of \$539.4. About 75% of the amounts paid are less than \$590.30. Maximum amount paid to one individual was about \$3,221.20 in 2007. This individual was reported as a single male veteran who lives in Fargo with birth year 1946.

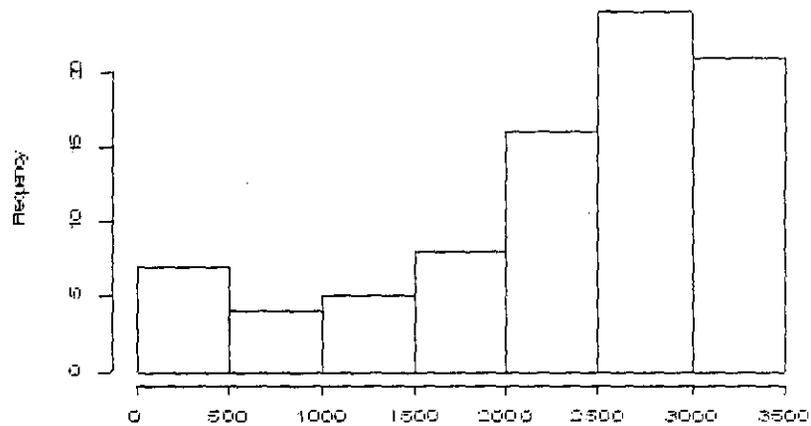
- Denture Benefits

Denture	1st Quartile	Median	Mean	3rd Quartile	Max
Amt. Granted	\$ 3,072	\$ 3,146	\$ 3,096	\$ 3,221	\$ 3,221
Amt. Paid	\$ 2,549	\$ 2,265	\$ 2,994	\$ 3,221	\$ 3,221

Table-16: Basic statistics for denture benefit

The distribution of denture benefits is skewed left driven by some small payments. Eleven payments are less than \$500 with a minimum payment of \$66. Mean/and maximum for the denture benefits are close to the maximum amount of \$3,000 allowed for denture benefits on two year basis.

Histogram of the Paid Amount

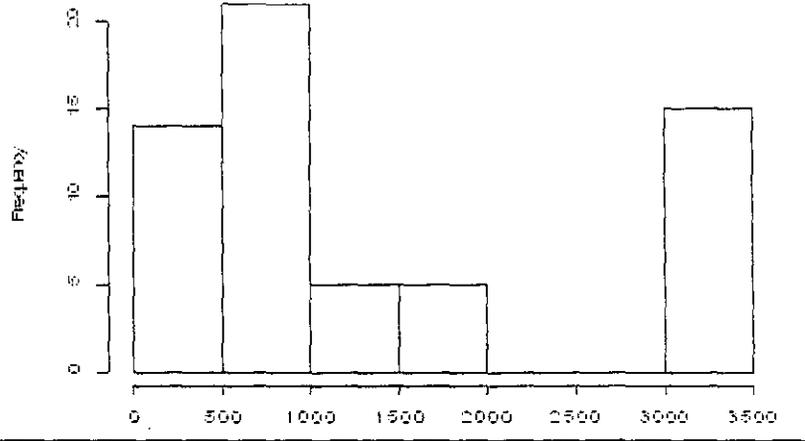


- Hearing Benefits

Hearing	1st Quartile	Median	Mean	3rd Quartile	Max
Amt. Granted	\$ 864.7	\$ 885.4	\$ 1,652.5	\$ 3,072.0	\$3,221.20
Amt. Paid	\$ 777.4	\$ 875.1	\$ 1,324.2	\$ 1,973.4	\$3,221.20

Table-17: Basic statistics for hearing benefit

Histogram of the Paid Amount



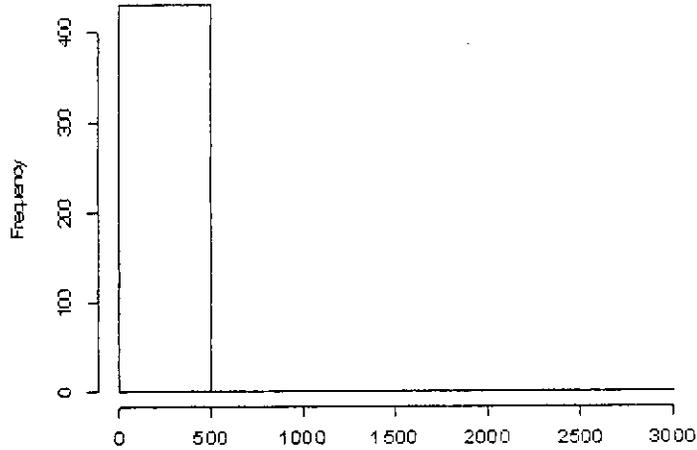
The distribution for hearing benefits seems to have a discontinuity between \$2,000 and \$3,000. The average amount paid is \$1,324.2. About 75% of the annual payments/per person are less than \$2,000. There are several people who received maximum amount of \$3,221.20 in today's dollars. These people include three veterans and one widower.

- Optical Benefits

Optical	1st Quartile	Median	Mean	3rd Quartile	Max
Amt. Granted	\$ 281.5	\$ 288.2	\$ 289.2	\$ 307.2	\$322.1
Amt. Paid	\$ 208.8	\$ 274.9	\$ 232.5	\$ 288.2	\$2888.4

Table-18: Basic statistics for optical benefit

Histogram of the Paid Amount



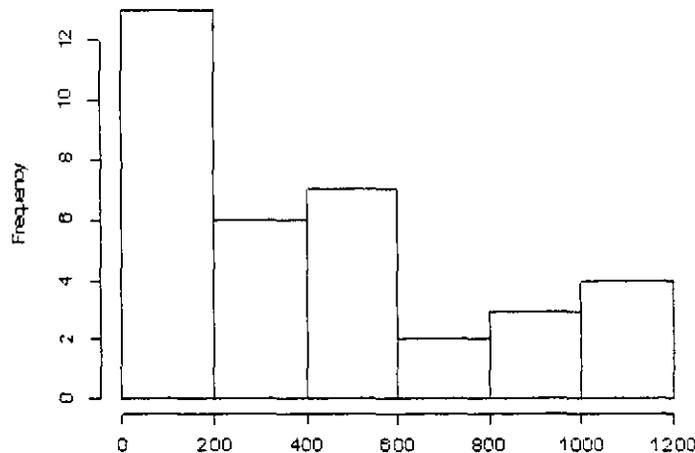
About 75% of the annual optical payments are less than \$307. This amount is expected considering that \$300 is allowed on two year basis. The maximum amount close to \$3000 indicates an outlier. We notice that there is a discrepancy between a max amount granted and paid for this category. By tracking down the data record it was found that there was one single veteran from Stutsman County, born in 1923, who applied for optical benefit in 2007. He was granted amount of \$300 but received \$2,690 at that time. If we account for inflation, the amount received today is worth \$2,888.4.

- Special benefits

Special	1st Quartile	Median	Mean	3rd Quartile	Max
Amt. Granted	\$ 844.4	\$ 1,048.6	\$ 900.0	\$ 1,073.7	\$1,099.5
Amt. Paid	\$ 91.9	\$ 340.7	\$ 412.6	\$ 659.8	\$1,099.5

Table-19: Basic statistics for special benefit

Histogram of the Paid Amount



The average amount of special benefits is \$412.60. Maximum amount granted was \$1,099.50. The 3<sup>rd</sup> quartile is \$659.80. On average, six people were granted average amount of \$500 per year.

Distribution of frequency and severity of benefits can be combined to develop an aggregate distribution of benefits by category. The central tendency of the aggregate benefit distribution can be calculated as a product of mean frequency and mean severity distributions. Variability of the aggregate claim distribution can be calculated based on the variability of both frequency and severity benefit distributions.

### **Traumatic Brain Injury and Posttraumatic Stress Disorder**

Traumatic brain injury (TBI) is defined as disruption in brain function caused by head injury. Many post-deployment service members and veterans of Iraqi and Afghanistan wars have high occurrence of TBI in range of "mild"-to-"severe" resulting from combat related injuries. TBI patients may develop posttraumatic stress disorders (PTSD), depression, anxiety, and substance abuse. Depending of severity of illness, TBI patients need diverse treatments. It is estimated that about 20% of veterans from Operating Enduring Freedom (OEF) and Operation Iraqi Freedom (OIF) experience some form of TBI [Amalia Corby].

The question that we are trying to answer is whether or not it is necessary to consider TBI/PTSD counts into our projection. Fargo VA Hospital has about 4000 registered veterans from OEF/OIF. About 2000 registered veterans are seeking medical care. Out of 2000, about 700 are

diagnosed with PTSD and about 180 are diagnosed with TBI. All TBI/PTSD patients are age 35 and younger [phone conversation with Debra Kunkel dated as of July 9, 2010.].

Annual cost of mild TBI ranges from \$27,259 to \$32,759 per case estimated by Department of Defense Task force on Mental Health, 2007. Severe TBI costs range from \$268,902 to \$408,519 per case. The information about the severity of TBI patients in ND is not available. Refer to the summary of another phone conversation with Debra Kunkel and Peggy Wheelden (VA Hospital, Fargo).

From the ND DVA data set we can observe that there were very few people in age group 18-34 who were using grants over seven year period (2003-2009). None of the veterans in this age group used denture or hearing grants, which is expected for the young population not to have these types of needs. The counts of TBI/PTSD reported by Ms. Kunkel reflect age group 18-34. Even if this age group is eligible for the grants, we should expect a very few or no people to apply for dental or optical grants. However, without additional information about their eligibility status, we cannot incorporate this group into our projection.

## Projections

It is estimated that the VPWTF will generate about \$200,000 in interest and dividends for 2009-2011 on about \$4.2 million of principal. The income of the fund is provided to Administrative Committee of Veterans Affairs (ACOVA) to fund benefit needs of veterans' population across North Dakota. We developed a projection of medical benefit payments up to year 2021.

The following assumptions are used in the projections:

- While the national projections for number of veterans in North Dakota are not accounting for additional growth in this cohort, we are assuming that 3% of growth is appropriate for North Dakota to account for: additional National Guard population and aging TBI/PTSD people who may not be using benefits at this time but will need them as they get older. This growth rate is in line with the unemployment rate of 3% in North Dakota.
- The average amount of benefits is estimated using the VPWTF reports on liabilities and frequency of benefits based on ND DVA data. This was necessary in order to maintain the accuracy of the estimates. Using the paid amount reported by ND DVA data would lead to a biased estimate that would be significantly under project future payments.
- The VPWTF report does not provide us with the breakdown for grant category. All medical grants are combined. In order to track the projection of individual grants, we allocated grant liabilities based on the distribution of amount paid by category observed in ND DVA data.

- The inflation rate of 3% is considered for future year.
- We assume that the denture benefits are included in projection starting with year 2011. It is estimated that about 100 people per year would use denture benefits. The annual limit on denture benefits would be raised to \$1,750 in year 2015 to cope with the rising cost for medical services.
- We assume that the average annual amount for special benefits would be raised to amount of \$1000 per person in year 2015.
- We assume that the average annual amount for optical benefits would be raised to amount of \$500 per person in year 2015.
- We assume that the average amount of dental benefits would be raised to amount of \$1,000 per person in year 2015. Note, current limit on dental benefits is \$1000 but on average about \$500-\$750 is used on annual basis. With increased cost for dental appointments and procedures, the benefit amount should increase by year 2015.

It is projected that the total amount of benefits allocated to medical grants will reach about \$570,000 by year 2021. The breakdown by category is provided in table below.

Category	7/1/09-6/30/11	7/1/11-6/30/13	7/1/13-6/30/15	7/1/15-6/30/17	7/1/17-6/30/19	7/1/19-6/30/21
(1) DENTAL						
- amt. paid	\$ 104,845	\$ 111,230	\$ 118,004	\$ 228,161	\$ 242,056	\$ 256,798
- count	209	215	222	228	235	242
(2) DENTURE						
- amt. paid	\$ 15,000	\$ 154,500	\$ 154,500	\$ 175,000	\$ 180,250	\$ 185,658
- count	10	100	100	100	100	100
(3) HEARING						
- amt. paid	\$ 25,206	\$ 26,741	\$ 28,369	\$ 30,097	\$ 31,930	\$ 33,875
- count	20	21	21	22	23	23
(4) OPTICAL						
- amt. paid	\$ 29,631	\$ 31,436	\$ 33,350	\$ 71,792	\$ 76,164	\$ 80,803
- count	131	135	139	144	148	152
(5) SPECIAL						
- amt. paid	\$ 5,000	\$ 5,305	\$ 5,628	\$ 10,927	\$ 11,593	\$ 12,299
- count	10	10	11	11	11	12
Total (1)-(5)	\$ 179,682	\$ 329,211	\$ 339,851	\$ 515,978	\$ 541,994	\$ 569,431

## Comparison to Other States

A questionnaire was developed and submitted through National Association of State Directors of Veterans Affairs (NASDVA) in order to compile a summary of veterans' benefits provided by other US states. The questions included in the questionnaire are available in the appendix section. The response rate was around 30-35% which is below the expected level. All questions were designed to be multiple choice questions. One of the choices was labeled as "Other" to allow respondents to answer it in other way/or comment if selections of other answers did not apply to their state. These written responses were summarized below as "Comments provided as written responses", in further analysis of the survey responses.

Following is the summary of the responses with the main points:

- Other states offer, more or less, similar type of medical and non-medical benefits (dental, denture, optical, hearing, transportation, housing assistance, deposit rent assistance, other). One state indicated that they offer behavioral health benefits.

Comments provided as written responses: Florida does not offer state medical benefits to veterans and their eligible dependents. Oklahoma primarily has 3 programs of assistance available to honorably discharged wartime veterans; Long-term care funded partially by state revenue, federal per diem payments and veteran participation; emergency financial assistance - a small \$750.00 one-time maximum per year to provide for rent, food and utilities on an emergency basis; and veterans service representatives covering all 77 Oklahoma counties to provide assistance in filing veterans benefits claims, both state and federal. In Alaska, this type of program is under social services. In Montana, no medical benefits for veterans or any eligible dependents are state funded.

- Six states spend more than \$200,000 on grants and benefits to veterans. This is just the state money spent for grants that does not include administration, operating and staff costs. Two of these states spend 3 to 4 million dollars, one other states spend 1-2 million dollars, and two additional states spend between \$500,000 and 1 million dollars. This spending exceeds the amount of spending in North Dakota most likely due to higher number of veterans per capita.
- Due to confidentiality of the responses, we are unable to find out exact names of these six states in order to be able to compare them to North Dakota. However, we can obtain a partial a list of states that participated in the survey and left their email contact information: AK, FL, MA, MO, MS, MT, OK, SD, VA, WI, and WY.

- Six states indicated that they evaluate the benefit eligibility criteria every years. Two other states do evaluation once in every two or five years. This is in line with ND DVA evaluation practices.
- Eligibility criteria are based on income only in three states. One state indicated that they additionally consider the number of dependents. ND DVA considers both income and number of dependents.
- Veterans Trust Fund is not available in fourteen states. Four out of 18 respondents indicated existence of Veterans Fund in their states. Two out of four of these states that have Veterans Fund received less than \$50,000 in the annual return on investment generated by veterans Trust Fund.
- Thirteen out of eighteen states feel that the current state funds are NOT sufficient to finance needs of veterans and their eligible dependents. Three out of eighteen states are satisfied with the funding.

Comments provided as written responses: The state of Oklahoma has an excellent program of service for Oklahoma wartime Veterans; however, the additional funds are always needed to meet the demand for services. In Massachusetts there is a feeling that the current funds are sufficient except that cities/towns are finding it tough to pay the benefits up front due to falling local aid and real estate taxes. In Wyoming, no funds are accessible to families unless the military member is currently on Active Duty.

- Four out of eighteen states consider additional sources of funding in the next five years to provide for unmet needs of the veterans and their dependents. Eleven out of eighteen states indicated that they do not consider additional funding.

Comments provided as written responses: Many veterans, especially younger veterans, feel Oklahoma does not meet the supplemental educational needs of veterans. (Supplemental to GI Bill benefits.) . In Montana and Massachusetts, veterans need jobs. Unmet need of veterans in Virginia is immediate monetary assistance. Alaska needs a cemetery for veterans (will be developed next year).

A dedicated sales tax as well as additional divisions of gaming monies is discussed as additional source of funding in Missouri. Massachusetts currently receives about \$5 million/year in federal DOL grants (HVRP/VWIP.) State would like to see VA/DOD financially support some of their outreach programs. Also they receive VASH Section 8 vouchers for veterans. In Oregon, people are looking at a change in the State's

Constitution to allow the Veterans Department to receive funding from the State Lottery.

In summary, the issue of funding seems to be common for many states. However, several states that acknowledge the problem do nothing to provide for additional funding. They are facing large budget deficits. Many states do not have a Veterans Trust Fund compared to North Dakota. Most states participating in the survey spend much larger amount (\$200,000 to 4 million) on grants and benefit programs compared to North Dakota. In order to proceed with the further analysis, we would need to compare per/capita veterans expenditure for the states that we believe participated in the survey to the veterans expenditures per/capita for North Dakota.

## References

1. <http://factfinder.census.gov>
2. American Association of Neurological Surgeons, "Traumatic Brain Injury," June 2006, [http://www.neurosurgerytoday.org/what/patient\\_e/head.asp](http://www.neurosurgerytoday.org/what/patient_e/head.asp).
3. C:\ND\_Veterans\Cencus\_Projections\Demographics - National Center for Veterans Analysis and Statistics.mht
4. National Association of State Directors of Veterans Affairs (NASDVA) [www.nasdva.net](http://www.nasdva.net)
5. Bureau of Economic Analysis (BEA); US Department of Commerce [www.bea.gov](http://www.bea.gov)
5. North Dakota Department of Veterans Affairs : Actual database on veterans who are approved and those who are disapproved to receive current benefits. [www.nd.gov/veterans/](http://www.nd.gov/veterans/)
6. Bureau of Labor Statistics <http://www.fedstats.gov/qf/states/38000.html>
7. The US Department of Health and Human services: <http://aspe.hhs.gov/poverty/08poverty.shtml>

## Appendix

### Telephone Call with Debra Kunkel and Peggy Wheelden, Fargo, ND VA

Date: Monday, October 4, 2010

Talked with: Debra Kunkel, VA Social Work Executive-Room 1135 and Peggy Wheelden, VA Public Affairs, located at VA Hospital in Fargo, ND.

Conversations: I sent Debra an email and talked to her on the phone to set up a meeting to discuss the VA Statistical Data that Tatjana Miljkovic had put together. She said she would put a meeting on her calendar for Wednesday, October 6. Later on Monday, October 4, I received a call from Peggy Wheelden and she said we could not meet until we wrote a hard copy letter to Michael Murphy, the director of the VA, and received his approval. The letter to Mr. Murphy had to state the purpose of our meeting and what we wanted to accomplish in our meeting. Peggy also stated that what NDSU was doing was for the state of ND which was a state project,

and the VA was federal entity. She said she didn't know if they would be able to provide any assistance to us because they are a federal and we are a state entity.

Tatjana and I talked about this and we decided we would not write the letter and would do without them reviewing the veteran statistical data that was put together. We thought this correspondence would hold up the project.

I called Lonnie Wangen, ND Dept Veteran Affairs Commissioner, to give him this information. He said he has to go thru this formality for certain requests but has a pretty good working relationship with the VA. If there is some information we needed, we should contact him and probably he could get this for us.

Mr Murphy's address:  
Mr Michael Murphy  
2101 North Elm  
Fargo, ND 58102

Reuben Tschritter – October 5, 2010

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#### Questionnaire Sent to Other States

1. Which of these state medical benefits are offered to veterans in your state regardless of the income level (excluding Federal benefits)?
  - (a) Dental
  - (b) Denture
  - (c) Optical
  - (d) Hearing
  - (e) Other: \_\_\_\_\_
  
2. Which of these state medical benefits are offered to veterans in your state ONLY if they qualify based on the income level (excluding Federal benefits)?
  - (f) Dental
  - (g) Denture
  - (h) Optical
  - (i) Hearing
  - (j) Other: \_\_\_\_\_

3. Which of these state NON-medical benefits are offered to veterans in your state ( excluding Federal benefits)?
- (a)Transportation
  - (b) Housing assistance
  - (c)Deposit rent assistance
  - (d) Other: \_\_\_\_\_
4. Which of these state NON-medical benefits are offered to veterans in your state ONLY if they qualify based on the income level (excluding Federal benefits)?
- (a)Transportation
  - (b) Housing assistance
  - (c)Deposit rent assistance
  - (d) Other: \_\_\_\_\_
5. What was the amount of total veterans' state expenditure in the state on annual basis (excluding federal funds) ?
- (a)Less than \$ 100,000
  - (b) \$100,000-\$200,000
  - (c)\$200,000-\$500,000
  - (d) 500,000-1,000,000
  - (e)1.5 million -2 million
  - (f) Above \$2million
6. How often do you update the state benefit eligibility requirements?
- (a) Every year
  - (b) Once in two years
  - (c) Once in 5 years
  - (d) Every 10 years
  - (e) Other : \_\_\_\_\_

7. State benefit eligibility requirements are based on (you may provide brochure or eligibility worksheet, if available):

(a)Income Only

(b) Income and Number of dependents

(c)Other: \_\_\_\_\_

5. Do you have a Veterans Trust Fund available in your state?

(a) YES

(b) NO

6. What is the annual return on investment generated by Veterans Trust Fund ?

(a) less than \$50,000

(b) \$50,000-\$100,000

(c.) \$100,000-200,000

(d) \$200,000-\$500,000

(e)\$500,000-\$1,000,000

(f) more than \$1 million

7. Do you feel that current state funds are sufficient to finance needs of veterans in your state?

(a) YES

(b) NO

(c.) Not sure

8. What are unmet needs of the veterans in your state?

\_\_\_\_\_  
\_\_\_\_\_

9. Does your state consider any additional sources of funding in the next 5 years to provide for unmet needs?

(a) YES

(b) NO

### List of ND DVA Data Issues

1. A large number of records show zero amount paid off. Granted amount is available.
2. Missing records :
  - 2 records are missing birth year
  - 10 records are missing zip code
  - 32 records are missing monthly income
  - 1744(49%) of records are missing number of dependents
  - 1552 (43%) of the records are missing voucher date (date when the payment was made)
  - 1552 (43%) of the records are missing amount paid. These records are assumed to have zero payments. Additional 105 records have zero amounts for payout.
3. Denture benefit is reported as "Dentures" and "Denture". These two names for a single category make it difficult to retrieve the data by category.

HB 1379

Government and Veterans Affairs

Testimony of Lonnie Wangen Commissioner of Veterans Affairs

Madam Chairman Grande and Committee Members,

I have been asked to provide an understanding of how the Grant program works in regards to the amounts granted, amount paid and the remaining difference as addressed in the "Estimating Future Grant Benefit Needs for North Dakota Veterans" study. There are two areas which will need to be understood:

- How the interest earnings are distributed for grant benefits
- The hardship grant process of "Granted" "Paid" and where the "Difference" goes to.

The PWTF is managed by the Treasurer's office and interest earnings are provided to the Administrative Committee on Veterans Affairs (ACOVA) to use for veterans programs. The ACOVA authorizes certain amounts for the Grant program and the ND-DVA will make the request to the Treasurers office for these funds as needed.

#### How PWTF funds are dispersed

- ND-DVA requests the treasurer to transfer funds to a clearing account.
- Using Peoplesoft voucher system, vendor bills are paid out of the clearing account
- This is the only way money is removed from the clearing account

#### Grant program as found in study

- Grants are submitted to ND-DVA
- Eligible grants are approved
- Veteran gets services needed
- Service vendor sends billing to ND-DVA
- Authorized bills will be approved for payment
- Peoplesoft vouchers completed and payment is sent to vendor
- When final billing is received and paid any remaining balance is made available for other grant applications

\*\*The (Difference) in table 10 page 10 of the study are reallocated, never removed from PWTF or clearing account.

<u>Quarter</u>	<u>Dental</u>	<u>Denture</u>	<u>Deposit Asst.</u>	<u>Hearing</u>	<u>Optical</u>	<u>Special</u>	<u>Transportation</u>	<u>\$ Totals</u>	<u>Total</u>
07/01/05 - 09/30/05	\$10,048.00	\$0.00	\$0.00	\$750.00	\$4,704.00	\$839.72	\$500.00	\$16,841.72	57
10/01/05 - 12/31/05	\$8,527.00	\$0.00	\$0.00	\$750.00	\$2,151.00	\$0.00	\$0.00	\$11,428.00	41
01/01/06 - 03/31/06	\$10,864.00	\$0.00	\$0.00	\$0.00	\$2,369.98	\$1,000.00	\$0.00	\$14,233.98	41
04/01/06 - 06/30/06	\$15,803.00	\$0.00	\$0.00	\$3,750.00	\$3,531.45	\$0.00	\$0.00	\$23,084.45	53
07/01/06 - 09/30/06	\$9,982.00	\$0.00	\$0.00	\$0.00	\$1,207.00	\$0.00	\$0.00	\$11,189.00	27
10/01/06 - 12/31/06	\$10,504.00	\$0.00	\$0.00	\$0.00	\$1,975.45	\$619.80	\$0.00	\$13,099.25	37
01/01/07 - 03/31/07	\$10,299.00	\$0.00	\$0.00	\$1,500.00	\$2,231.98	\$1,255.06	\$614.70	\$15,900.74	39
04/01/07 - 06/30/07	\$17,865.00	\$1,673.00	\$0.00	\$4,500.00	\$3,248.96	\$373.68	\$474.90	\$28,135.54	45
07/01/07 - 09/30/07	\$10,901.00	\$16,270.00	\$0.00	\$995.00	\$2,510.00	\$2,340.47	\$735.00	\$33,751.47	45
10/01/07 - 12/31/07	\$8,535.00	\$14,725.00	\$0.00	\$10,500.00	\$3,818.95	\$0.00	\$500.00	\$38,078.95	48
01/01/08 - 03/31/08	\$14,077.00	\$22,895.00	\$320.00	\$3,000.00	\$7,749.58	\$948.95	\$250.00	\$49,240.53	58
04/01/08 - 06/30/08	\$12,475.90	\$29,152.00	\$0.00	\$1,500.00	\$2,263.50	\$824.56	\$410.46	\$46,626.42	45
07/01/08 - 09/30/08	\$23,594.00	\$43,359.00	\$2,510.00	\$21,265.00	\$6,594.00	\$1,214.36	\$0.00	\$98,536.36	120
10/01/08 - 12/31/08	\$8,898.00	\$13,797.00	\$755.00	\$9,000.00	\$2,772.00	\$953.68	\$0.00	\$36,175.68	43
01/01/09 - 03/31/09	\$7,450.00	\$18,383.00	\$1,755.00	\$8,990.00	\$1,628.00	\$260.68	\$0.00	\$38,466.68	38
04/01/09 - 06/30/09	\$7,246.00	\$11,179.00	\$0.00	\$3,275.00	\$2,194.00	\$0.00	\$0.00	\$23,894.00	35
<b>Totals</b>	<b>\$187,068.90</b>	<b>\$171,433.00</b>	<b>\$5,340.00</b>	<b>\$69,775.00</b>	<b>\$50,949.85</b>	<b>\$10,630.96</b>	<b>\$3,485.06</b>	<b>\$498,682.77</b>	<b>772</b>
<b>2005-2007</b>	<b>\$93,892.00</b>	<b>\$1,673.00</b>	<b>\$0.00</b>	<b>\$11,250.00</b>	<b>\$21,419.82</b>	<b>\$4,088.26</b>	<b>\$1,589.60</b>	<b>\$133,912.68</b>	<b>340</b>
<b>2007-2009</b>	<b>\$93,176.90</b>	<b>\$169,760.00</b>	<b>\$5,340.00</b>	<b>\$58,525.00</b>	<b>\$29,530.03</b>	<b>\$6,542.70</b>	<b>\$1,895.46</b>	<b>\$364,770.09</b>	<b>432</b>

February 15, 2011

Attachment 3  
1379

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1379

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact four new sections to chapter 37-15 of the North Dakota Century Code, relating to governance of the veterans' home; to amend and reenact sections 37-15-03, 37-15-07, 37-18-07, 37-18-12, 37-18.1-01, 37-18.1-02, 37-18.1-03, and 37-18.1-04 of the North Dakota Century Code, relating to county veterans' service officers, governance of the veterans' home, the commissioner of the department of veterans' affairs, and the administrative committee on veterans' affairs.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1. AMENDMENT.** Section 37-15-03 of the North Dakota Century Code is amended and reenacted as follows:

**37-15-03. Government of veterans' home.**

The general supervision and government of the veterans' home is vested in the ~~administrative committee on veterans' affairs~~ veterans' home governing board.

**SECTION 2. AMENDMENT.** Section 37-15-07 of the North Dakota Century Code is amended and reenacted as follows:

**37-15-07. Administrator of veterans' home - Appointment - Qualifications.**

~~The appointment, qualifications, term of office, and salary of the administrator of the veterans' home must be as prescribed in section 37-18.1-03~~ governor shall appoint the administrator. The administrator serves at the pleasure of the governor. The administrative committee on veterans' affairs veterans' home governing board may designate the administrator as commandant of the veterans' home if the administrator is an honorably discharged veteran.

**SECTION 3.** Four new sections to chapter 37-15 of the North Dakota Century Code are created and enacted as follows:

**Veterans' home governing board - Membership - Appointment.**

1. The governing board for the veterans' home consists of seven voting members appointed by the governor.
2. On August 1, 2011, the governor shall appoint seven members of the committee. Of the appointments, four members must qualify as a veteran under section 37-01-40. The governor shall appoint persons based on experience and qualifications. The governor shall appoint three of the members to a term of three years, two members to a term of two years, and two members to a term of one year, or until their successors are appointed and qualified.

3. On the first day of August in each year beginning in 2012, the governor shall appoint members to fill the expiring terms of committee members. If a committee member with an expiring term qualifies as a veteran under section 37-01-40, the governor shall appoint a member qualifying as a veteran under section 37-01-40.
4. Beginning in 2012, each appointment must be for a term of three years, or until a successor is appointed and qualified. All terms begin on August first and end on July thirty-first in the year specified.
5. If a position becomes vacant, the governor shall fill the vacancy for the unexpired portion of the term in the same manner as the initial appointment.

#### **Veterans' home governing board - Chairman - Duties - Meetings.**

The governor shall appoint the chairman of the veterans' home governing board from among the membership of the board. Meetings of the governing board must be held upon the call of the chairman, at such times and places as may be selected by the chairman, and upon due notice to members by the chairman. Meetings must also be called by the chairman upon the written request of any four voting members of the board.

#### **Powers and duties of veterans' home governing board.**

The governing board is responsible for the administration of the veterans' home. The governing board has all ordinary powers required of a governing board. The governing board shall assure compliance with applicable federal and state laws in the administration of the veterans' home. The governing board shall conduct an annual performance evaluation of the administrator and create and implement a strategic plan for the veterans' home. The governing board annually shall report on the status of the strategic plan to the governor and the legislative management.

#### **Veterans' home governing board - Compensation - Expenses.**

The veterans' home governing board members may receive compensation of one hundred thirty-five dollars per day for the performance of their official duties. Members may be reimbursed for travel expenses and meals and lodging expenses in connection with their official duties at the same rate and in the same manner as are elected officials and employees of the state. Payment for compensation and expense reimbursement must be made by the veterans' home. The payment must be made by warrant-check drawn by the office of management and budget upon the submission of a paper voucher to it, signed by the administrator of the veterans' home.

**SECTION 4. AMENDMENT.** Section 37-18-07 of the North Dakota Century Code is amended and reenacted as follows:

#### **37-18-07. Commissioner - Appointment - Qualifications - Term - Salary.**

The appointment, qualifications, term of office, and salary of the commissioner must be as prescribed in section 37-18-1-03 governor shall appoint the commissioner. The commissioner must be a veteran as defined in section 37-01-40 and shall serve at the pleasure of the governor. The commissioner must be allowed such amounts for travel, clerkhire, and expenses as may be prescribed from time to time by legislative appropriations.

**SECTION 5. AMENDMENT.** Section 37-18-12 of the North Dakota Century Code is amended and reenacted as follows:

**37-18-12. Funding authority - Continuing appropriation.**

The department of veterans' affairs may accept and expend funds from any source, including federal or private sources, to be used to assist veterans or qualified veterans' spouses in obtaining assistance and to pay other expenses authorized by law incurred in carrying out programs of benefit and service for resident North Dakota veterans ~~as authorized by the administrative committee on veterans' affairs with the approval of the emergency commission.~~ However, all interest earnings from the veterans' postwar trust fund received by the department of veterans' affairs from the administrative committee on veterans' affairs are appropriated to the department on a continuing basis.

**SECTION 6. AMENDMENT.** Section 37-18.1-01 of the North Dakota Century Code is amended and reenacted as follows:

**37-18.1-01. Administrative committee on veterans' affairs - Membership - Appointment.**

~~There is hereby created an administrative committee on veterans' affairs, which, for purposes of this chapter, must hereinafter be referred to as the committee. The committee must consist of three ex officio nonvoting members and fifteen voting members. The adjutant general, the center director of the veterans' administration, and the executive director of job service North Dakota are the ex officio nonvoting members who shall serve in an advisory capacity to the committee. On or before June 20, 1971, the American legion, the veterans of foreign wars, the disabled American veterans, the veterans of World War II, Korea, and Vietnam, (amvets), and Vietnam veterans of America, incorporated, shall each prepare a list containing the names of six persons qualifying as veterans under the provisions of section 37-01-40, for appointment as voting members of the committee. On or before July 1, 1971, the governor shall select fifteen nominees, three from each list, five of whom must be appointed to a term of three years, five of whom must be appointed to a term of two years, and five of whom must be appointed to a term of one year, or until their successors are appointed and qualified. On or before the twentieth day of June in each year, beginning in the year 1972, each of the above listed nominating organizations shall submit a list containing the names of two persons who qualify as veterans under the provisions of section 37-01-40, to the governor for appointment or reappointment as voting members of the committee. On or before the first day of July in each year, beginning in the year 1972, the governor shall select one nominee from each list, a total of five nominees, to fill expiring terms of voting members of the committee. Each such appointment must be for a term of three years, or until a successor is appointed and qualified. All terms begin on the first day of July and end on the thirtieth day of June in the year specified. In case of the inability or failure of any voting member of the committee to serve, the governor shall appoint another member from a list of two persons qualifying as veterans under the provisions of section 37-01-40, submitted by the nominating organization represented by the member who was unable or failed to serve. Such appointments must be made for the remainder of the unexpired term.~~

1. There is created an administrative committee on veterans' affairs, which for the purposes of this chapter, is referred to as the committee. The committee consists of five voting members and three ex officio nonvoting members. The five voting members are members appointed by the

governor. The adjutant general, director of the department of human services, and the executive director of job service North Dakota are ex officio nonvoting members of the committee.

2. On August 1, 2011, the governor shall appoint five members of the committee. Each member must qualify as a veteran under section 37-01-40. The governor shall appoint members based on experience and qualifications while attempting to fairly represent the state's veterans' population. Any organization or citizen may nominate an individual for appointment to the governor. The governor shall appoint two of the members to a term of three years, two of the members to a term of two years, and two of the members to a term of one year, or until their successors are appointed and qualified.
3. On the first day of August in each year beginning in 2012, the governor shall appoint members to fill the expiring terms of the committee members in the same manner as the initial appointment.
4. Beginning in 2012, each appointment must be for a term of three years, or until a successor is appointed and qualified. All terms begin on August first and end on July thirty-first in the year specified.
5. If a voting member position becomes vacant, the governor shall fill the vacancy for the unexpired portion of the term in the same manner as the initial appointment.

**SECTION 7. AMENDMENT.** Section 37-18.1-02 of the North Dakota Century Code is amended and reenacted as follows:

**37-18.1-02. Chairman - ~~Secretary~~ - Duties - Terms - Meetings.**

~~A chairman and a secretary of the committee must be appointed by the governor from among the voting membership of the committee. Such appointment must be made annually, with the term of office to begin on the first day of July of the year specified and to end on the thirtieth day of June of the following year. The governor shall appoint the chairman of the committee from the membership of the committee. Meetings of the committee must be held upon the call of the chairman, at such times and places as may be selected by the chairman, and upon due notice to committee members by the secretary.~~ Meetings must also be called by the chairman upon the written request of any four two voting members of the committee. A majority of the members of the committee is required for a quorum, and a majority of the members present voting in favor thereof is required for any action.

**SECTION 8. AMENDMENT.** Section 37-18.1-03 of the North Dakota Century Code is amended and reenacted as follows:

**37-18.1-03. Powers and duties of committee - ~~Creation of subcommittee and governing board.~~**

~~The committee is responsible for organization, policy, and general administration of all veterans' affairs in the state of North Dakota. It has the following powers and duties:~~

- ~~1. The chairman and secretary of the committee, acting jointly, shall appoint a seven member governing board for administration of the veterans' home,~~

~~from within or outside the committee, subject to ratification of a majority vote of the committee, and shall establish term lengths for service on the governing board. The governing board has all ordinary powers required of a governing board, including the power to establish qualifications for and selection of an administrator and to establish an appropriate salary structure, subject to limitations of legislative appropriation. The administrator serves at the pleasure of the governing board.~~

- ~~2.—The chairman and secretary of the committee jointly shall appoint a subcommittee to be responsible for supervision and government of the department of veterans' affairs. Once appointed, a subcommittee member may continue to serve as long as the member remains a voting member of the committee, unless removed from the subcommittee by joint action of the committee chairman and secretary. A member of the subcommittee may not serve on the governing board of the veterans' home. Each nominating organization listed in section 37-18.1-01 must have at least one voting member nominated by the organization serving on the subcommittee. The subcommittee shall select by majority vote of the members a chairman to preside for the term of one year.~~
- ~~3.—The committee shall appoint the commissioner of the department of veterans' affairs. The commissioner must be a bona fide resident of the state, and must qualify as a veteran as defined in section 37-01-40. The commissioner serves at the pleasure of the committee. The committee shall determine the salary paid to the commissioner of the department of veterans' affairs within the limits of legislative appropriation. The commissioner of veterans' affairs shall serve as the executive secretary for the subcommittee. The commissioner has no vote in the affairs of the subcommittee.~~
- ~~4.—The committee shall, under recommendation from the board or the subcommittee, present any matters needing attention and action to the appropriate board, commission, agency, or department of the state, and the North Dakota veterans' coordinating council.~~
- ~~5.2. The committee shall assure compliance with applicable federal and state laws in the administration of both the department of veterans' affairs and the North Dakota veterans' home and shall exercise its responsibilities in all things necessary to carry out the provisions of this chapter in regard to organization, policy, and general administration of the agencies served and involved in the conduct of veterans' affairs. The board governing the veterans' home and the subcommittee governing the department of veterans' affairs shall conduct an annual performance evaluation of the administrator and commissioner, respectively, with the evaluation presented to the committee. The board and subcommittee shall create and implement a strategic plan for the veterans' home and the department of veterans' affairs, respectively, delivery of veterans' services by the commissioner. The board and the subcommittee committee annually shall report as to the status of the respective strategic plan to the committee. After receiving a report, the committee shall submit the report to the governor.~~

**SECTION 9. AMENDMENT.** Section 37-18.1-04 of the North Dakota Century Code is amended and reenacted as follows:

**37-18.1-04. Committee members not to receive compensation-  
Compensation - Expenses permitted.**

~~Committee~~Voting members may ~~not~~ receive ~~any~~ compensation of one hundred thirty-five dollars per day for the performance of their official duties. Voting members may be reimbursed for travel expenses and meals and lodging expenses in connection with their official duties at the same rate and in the same manner as are elected officials and employees of the state, ~~with payment to~~. Payment of compensation and expense reimbursement must be made by the department of veterans' affairs and the veterans' home to each of their respective subcommittee members incurring the expenses. The payment must be made by warrant-check drawn by the office of management and budget upon the submission of a proper voucher to it, signed by the ~~commissioner of veterans' affairs or the administrator of the veterans' home, as the case may be.~~

Renumber accordingly

## SUMMARY OF AMENDMENTS (11.0599.02006) TO 2011 HOUSE BILL NO. 1379

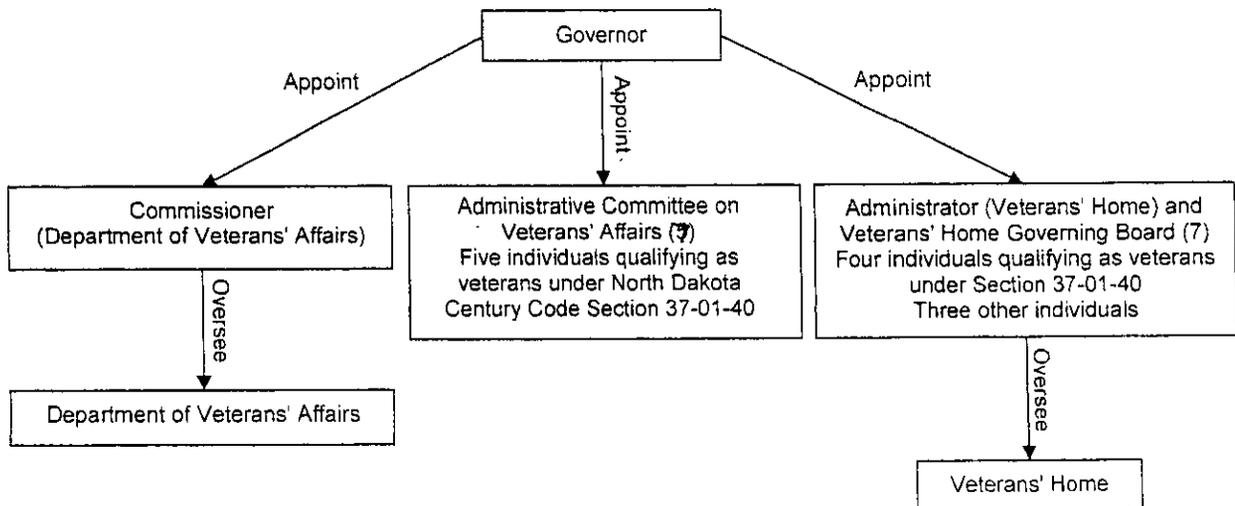
This memorandum provides a summary of amendments (11.0599.02006 to House Bill No. 1379). Major provisions of the bill:

- Provide that the general supervision and governance of the Veterans' Home is vested in a Veterans' Home Governing Board, which consists of seven members appointed by the Governor and the Governor appoints the administrator.
- Provide that the commissioner of the Department of Veterans' Affairs be appointed by the Governor.
- Provide that any employee of the Department of Veterans' Affairs may not be a conservator for a

person receiving benefits or services from the department.

- Reduce the size of the Administrative Committee on Veterans' Affairs from 15 individuals to 5 individuals with a member appointed chairman by the Governor.
- Revise the powers and duties of the Administrative Committee on Veterans' Affairs to remove supervision of the Department of Veterans' Affairs and the Veterans' Home and to provide that the committee is to create a strategic plan for the delivery of veterans' services in the state.

### PROPOSED ORGANIZATIONAL STRUCTURE



### BILL SECTION SUMMARY

Section 1	Amends Section 37-15-03 to provide that the general supervision and governance of the Veterans' Home is vested in the Veterans' Home Governing Board.
Section 2	Amends Section 37-15-07 relating to the administrator of the Veterans' Home to provide that the Veterans' Home Governing Board, not the Administrative Committee on Veterans' Affairs, may designate the administrator as commandant of the Veterans' Home if the administrator is an honorably discharged veteran.
Section 3	Creates four new sections to Chapter 37-15 to: <ul style="list-style-type: none"> <li>• Establish a Veterans' Home Governing Board consisting of seven voting members appointed by the Governor. Of the members, four must qualify as veterans under Section 37-01-40.</li> <li>• Provide that the Governor is to appoint a chairman of the governing board.</li> <li>• Provide that the governing board is responsible for the administration of the Veterans' Home and the Governor appoints the administrator.</li> <li>• Provide that the governing board members may receive compensation of \$135 per day and reimbursement for travel, meals, and lodging expenses.</li> </ul>
Section 4	Amends Section 37-18-07 to provide that the commissioner of the Department of Veterans' Affairs is to be appointed by the Governor. The commissioner must qualify as a veteran as defined in Section 37-01-40 and is to serve at the pleasure of the Governor.
Section 5	Amends Section 37-18-12 to provide that the Department of Veterans' Affairs may accept and spend funds from any source, including federal or private sources, to be used to assist veterans in obtaining assistance and to pay other expenses incurred in carrying out programs of benefit and service for veterans with approval of the Emergency Commission. This section previously required authorization by the Administrative Committee on Veterans' Affairs.
Section 7	Amends Section 37-18.1-01 to reduce the size of the Administrative Committee on Veterans' Affairs from 15 individuals to 3 individuals qualifying as veterans under the provisions of Section 37-01-40.
Section 8	Amends Section 37-18.1-02 to provide that a member of the Administrative Committee on Veterans' Affairs is to serve as the chairman.
Section 9	Amends Section 37-18.1-03 to revise the powers and duties of the Administrative Committee on Veterans' Affairs to remove supervision of the Department of Veterans' Affairs and the Veterans' Home and to provide that the committee is to create a strategic plan for the delivery of veterans' services.
Section 10	Amends Section 37-18.1-04 to provide that the members of the Administrative Committee on Veterans' Affairs may receive compensation of \$135 per day and may be reimbursed for travel expenses, including meals and lodging expenses, in connection with their official duties with payment made by the Department of Veterans' Affairs.

Attachment 4  
1379

Proposed Amendments to House Bill No. 1379

PAGE NO. 2 – VETERAN'S HOME GOVERNING BOARD – COMPENSATION -  
EXPENSES

... The payment must be made ~~by warrant check drawn by the office of  
management and budget upon the submission of a paper voucher to it, signed  
upon approval of~~ by the administrator of the veteran's home.

PAGE NO. 6 – 37-18.1-04

... The payment must be made ~~by warrant check drawn by the office of  
management and budget upon the submission of a proper voucher to it, signed  
upon approval of~~ by the commissioner of veterans' affairs.

11.0599.02007  
Title.

Prepared by the Legislative Council staff for  
Representative Boehning  
February 16, 2011

*Attachment 3  
1379*

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1379

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide for an audit of the veterans' postwar trust fund."

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1. AUDIT OF VETERANS' POSTWAR TRUST FUND.** During the 2011-12 interim, the state auditor shall conduct a financial audit of the veterans' postwar trust fund and every entity's transaction authorizing an expenditure from that fund."

Renumber accordingly

11.0599.02008  
Title.

*Attachment 6*  
*1379*  
Prepared by the Legislative Council staff for  
Representative Boehning  
February 16, 2011

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1379

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide for a legislative management study of veterans' benefits and the veterans' benefits delivery system."

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1. LEGISLATIVE STUDY - VETERANS' BENEFITS AND DELIVERY SYSTEM.** During the 2011-12 interim, the legislative management shall consider studying veterans' benefits and the delivery system for veterans' benefits, including benefits from federal and state sources and in particular from the national guard and the department of veterans' affairs. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-third legislative assembly."

Renumber accordingly

**37-01-40. Veteran and wartime veteran defined - Uniform service dates for wartime veterans.**

1. A "veteran" is an individual who has served on continuous federalized active military duty for one hundred eighty days or the full period for which the individual was called or ordered to active military duty for reasons other than training, and who was discharged or released under other than dishonorable conditions. A discharge reflecting "expiration of term of service" or "completion of required service" or words to that effect qualifies the shorter term of service as making the individual a veteran.
2. A "wartime veteran" is an individual who served in the active military forces, during a period of armed conflict or who received the armed forces expeditionary or other campaign service medal during an emergency condition and who was discharged or released under other than dishonorable conditions. "Wartime veteran" also includes an individual who died in the line of duty in the active military forces, as determined by the armed forces.
3. Period of service dates for a wartime veteran begins with the date of any declaration of war by the Congress of the United States or presidential proclamation beginning hostilities or the beginning of an emergency condition recognized by the issuance of a presidential proclamation or a presidential executive order and in which the armed forces expeditionary medal or other campaign service medals are awarded according to presidential executive order and ending on a date prescribed by presidential proclamation or concurrent resolution of the Congress of the United States and dates determined by the United States department of defense.
4. Current uniform period of service dates for periods of armed conflict include:
  - a. The period beginning December 7, 1941, through December 31, 1946, known as world war II;
  - b. The period beginning June 27, 1950, through January 31, 1955, known as the Korean war;
  - c. The period beginning August 5, 1964, through May 7, 1975, known as the Vietnam war;
  - d. The period beginning August 2, 1990, through January 2, 1992, known as the gulf war; and
  - e. The period beginning September 11, 2001, and ending on a date prescribed by presidential proclamation or by Congress as the last day of operation Iraqi freedom or operation enduring freedom, whichever occurs later.
5. The department of veterans' affairs shall maintain a list of all period of service dates for emergency conditions in which the armed forces expeditionary medal has been awarded.

Attachment 8  
1379

**Grande, Bette B.**

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**From:** Brad Maasjo [maasjos@cableone.net]  
**Date:** Wednesday, February 16, 2011 10:16 PM  
**To:** Grande, Bette B.  
**Subject:** WE SUPPORT HB 1379

Dear Chairman Grande,

**We collectively have some considerable experience and insight into the management of Veterans Affairs within North Dakota.**

**We want you to know that we support HB 1379 as amended, and we support HB 1429 without the amendment that would remove continuing national training requirements for CVSOs.**

**We applaud your efforts to modernize the functions and management of the ACOVA; it is long overdue and desperately needed.**

**No doubt the ACOVA and Commissioner will be mounting a campaign to overwhelm you with responses from local groups – do not be dissuaded; most of those who send you a form letter will not be able to explain their opposition, they will just know they were asked to send a letter.**

**We can provide a lot of additional information if you wish, but don't think it is necessary yet -- you obviously have studied the issues deeply and are committed to doing what is right for our ultimate customer – those who have held up their hand in a contract with our country and now need our help.**

**We all agree and wholeheartedly support what you are doing. Feel free to share this with your committee.**

Sincerely,

**Darrol Schroeder, Major General, USAF (Ret), member of NDVH Governing Board**

**Mike Dobmeier, former State and National Commander, Disabled American Veterans**

**Greg Seurer, National Service Officer, Disabled American Veterans**

**Jerry Balzer, former Director, Job Service North Dakota, former Chairman, ACOVA**

**Brad Maasjo, Colonel, USAF (RET), former Chairman, ACOVA, former Chairman, NDVH Governing Board**

**Jim Brent, former CVSO, Cass County**

**WRITTEN TESTIMONY ON HB 1379  
GOVERNMENT & VETERANS AFFAIRS COMMITTEE  
LYLE SCHUCHARD, CHAIRPERSON  
ND ADMINISTRATIVE COMMITTEE ON VETERANS' AFFAIRS  
February 16, 2011**

Madam Chairperson Grande and Committee members. I am Lyle Schuchard chairman of the Administrative Committee on Veteran's Affairs.

The testimony I presented to the Government & Veterans Affairs Committee on February 10, 2011, is still the considered to properly address HB 1379 and the ACOVA still supports that testimony.

On February 15, 2011, the ACOVA held a telephone conference to discuss HB 1379 as amended on February 10, 2011. The following are areas of concern the ACOVA had concerning HB 1379 as amended:

1. It strips the state Veterans service organizations of any authority to appoint and oversee veteran affairs and the soldier's home. The Administrator of the Soldiers Home in Lisbon would be a political appointee.
2. It makes the position of Commissioner of Veterans' Affairs a political appointee.
3. Under the bill the new five member committee has no authority and would be a lobbying entity to other agencies.
4. Non Veteran organizations or any citizen can nominate an individual for appointment to the governor. This could take Veterans out of the nominating process.
5. Veterans organizations and the ACOVA did not have input into the writing of this bill or the amendments.

Based on the above the ACOVA voted to not support HB 1379 as amended. They respectfully ask that the committee vote no on HB 1379 as amended.

Thank you for allowing me to submit this testimony today.

TESTIMONY ON HB 1379 - ND VETERANS COORDINATING  
COUNCIL.

A veteran is an individual that has signed a blank check in the amount of and up to including his or her life for their country. Good morning, my name is John L. Jacobsen. I am the Chairman of the Legislative Committee of the North Dakota Veterans Coordinating Council. I am also a member of the American Legion and the Veterans of Foreign Wars.

I served in the North Dakota National Guard and the US Army Reserve for a total of 30 years. I retired in 1995 as a Colonel. I was mobilized for Active Duty in 1991 during Operation Desert Shield/Desert Storm. Like all mobilizations, I left my home and family to serve in the Persian Gulf, stationed in the United Arab Emirates.

The Coordinating Council is made up of 15 members, 3 from each of the five Veterans Organizations in North Dakota:

- American Legion
- AMVETS
- Disabled American Veterans
- Veterans of Foreign Wars
- Vietnam Veterans of America

It is the policy of the Coordinating Council to support legislation that will benefit the welfare of the members of the Armed Forces. The committee **MUST** concur totally, that is all 15 members must agree on the legislation to be supported or else it does not get the support.

In this case, I have been instructed to recommend to this legislative committee that a "DO NOT PASS" on HB 1379 is supported by the entire membership of the Veterans Coordinating Council.

Attachment 4  
1379 11

Testimony on HB 1379  
February 10, 2011  
House Government & Veterans Affairs Committee

My Name is Robert Evans, Secretary North Dakota Veterans Coordinating Council, and State Adjutant for the Disabled American Veterans. I have served these organizations since 1986 in various positions. I have read with interest the letter from Rep. Grande and Senator Dever regarding their reasons for introducing HB 1379. If this is not intended to eliminate the input of the veterans, then where is the input???? There are no veterans listed on the committee.

If their concern is the appointment of the Commissioner then lets address that issue. Democracy is not meant to silence the veterans but strengthen their voice. Remember only fifteen veterans at this point speak for the veteran population of North Dakota and these fifteen members are already appointed by the Governor, Democracy in action.

They seem very concerned about the dismissal of the previous Commissioner, implying that the process was not handled according to the State H.R. policy. I believe that the HR people were contacted for input into the dismissal process. Imagine that, the veterans following state policy.

The ACOVA already has ex officio members listed (The Adjutant General, Center Director of the Veterans Administration and the Executive Director of Job Service. These people are key as they are directly related to veterans and providing services to veterans). Believe me when I say we use their input quite a bit. Why recreate the advisory committee as they are already doing the job as directed by Century Code, ask the Attorney General.

This bill not only eliminates the ACOVA but in doing so also eliminates the Governing Board of the North Dakota Veterans Home as the ACOVA has the appointing authority, all this with the Governor having oversight, based on ACOVA committee appointment.

If they want to improve advocacy for veterans in North Dakota then let's sit down face to face and work on improving just that, Advocacy. I just do not understand the rationale in destroying the one voice the veterans of North Dakota has in providing programs and services to the states veteran population. In the twenty seven years I served as the Williams County Veterans Service Office this is the most blatant attack on veterans since the pillaging of the Post War Trust Fund.

In Closing I must oppose HB 1379.