

**2019 HOUSE APPROPRIATIONS**

**HB 1168**

# 2019 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee - Human Resources Division  
Sakakawea Room, State Capitol

HB1168  
1/30/2019  
31808

- Subcommittee  
 Conference Committee

Committee Clerk: Caitlin Fleck

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

Overview hearing.

### Minutes:

A

Opened hearing, read bill name and number.

**Joe Hall, Member of the ND Veterans Legislative Council: (see attachment A)**

**(8.08) Representative Randy A. Schobinger:** What was the reason the trust fund was no longer available?

**Mr. Hall:** I think it has something to do with how much money is coming in and investments, but Mr. Wangen can speak to that.

**Chairman Jon O. Nelson:** We have always been in support of those vans. We wanted to get on a rotation schedule from a budgetary standpoint where we would give an appropriation each biennium for some service vans. I do know that the Disabled American Veterans (DAV) did give us a van, and we have asked for that same schedule. You might want to stick around and listen to that discussion. It has always been one of our priorities to provide that transportation to the veterans. The year and mileage of the vehicles is a concern of ours, has that changed?

**Mr. Hall:** We heard that the veteran's affairs (VA) wanted vans replaced between 100,000 and 150,000 miles. This year, Mr. Wangen and The VA came together and determined that a van could go to 150,000 miles, and that is why we only requested one van this time. We do have the new van in Bismarck as well. By moving some of the vans it will help with the mileage, and keeping it down to the recommended area.

**Chairman Jon O. Nelson:** We'll get testimony from Lonnie as for the rational to the use of the vans.

**Mr. Hall:** Moving them around, should help with the mileage.

**Vice Chairman Gary Kreidt:** Where would the new van go now?

**Mr. Hall:** I do not know that, Lonnie would more than likely be able to answer that.

**(13.35) Lonnie Wangen, Commissioner for Veteran's Affairs, ND:** I can answer your questions.

**Chairman Jon O. Nelson:** Why did we decide to go up to 150,000 miles before replacing the van?

**Mr. Wangen:** That's a decision my office can make. The funding from the postwar trust fund was coming out of there, and in 2008 everyone was taking a hit on interest earnings, and so a lot of our programs couldn't be funded like they were in the past. It was then suggested that something like this be funded through general dollars and it went through committee and then became part of the ND department of veteran's affairs (VA) and state funding. I spoke with the director of the VA and we decided on 150,000 miles. The old numbers were for older vehicles, where 100,000 miles would be the point that they would be breaking down. So the agreement was that it could be 150,000 miles, or useful life. If they started to break down before that, then we could decide to replace them. So we have started putting that into our contract agreements as the attorney general's office wanted to see a number being out in there.

**Chairman Jon O. Nelson:** Do you have track record yet to see if that 150,000-mile limit has performed as you thought?

**Mr. Wangen:** We do not have that yet.

**Vice Chairman Gary Kreidt:** Are these diesel vans?

**Mr. Wangen:** I don't believe any of them are diesel. They are only up to 12 passenger vans.

**Vice Chairman Gary Kreidt:** I think you could get it in diesel and then it would go up to the 150,000miles.

**Representative Randy A. Schobinger:** How is the earnings on the trust fund?

**Mr. Wangen:** The earnings to the ACOVA have gone down significantly over the past biennia. The principle has gone from 4 to 6 million.

**Chairman Jon O. Nelson:** When a van is replaced, the salvage value for the existing van, where does that go?

**Mr. Wangen:** We had an agreement with the DAV, that when they were returned from the federal VA we would sell the vans for whatever we could get at market value, and put that back into our clearing account so that we could use it for the vans. It doesn't go back to the postwar trust fund principle; it goes back into spendable income.

**Chairman Jon O. Nelson:** We haven't had a situation yet, where we have had that salvaged value yet?

**Mr. Wangen:** That is correct.

**Chairman Jon O. Nelson:** Renae do you know anything as to how that would be handled?

**Renae Bloom, Office of Management and Budget:** I do not, but I can figure it out.

**Chairman Jon O. Nelson:** That is something that we should at least discuss. You advertise them, and then just sell them at a bid standpoint?

**Mr. Wangen:** I get a value on the van and then post it on Craig's list or car soup. But I do have other organizations that are interested in buying the vans.

**Chairman Jon O. Nelson:** Would one of the options be to put that money back into the postwar trust fund?

**Mr. Wangen:** It could, but it could cover to cost of the DAV vans.

**Vice Chairman Gary Kreidt:** You only have 3 high mileage vans; what type of maintenance problems do you have with these?

**Mr. Wangen:** This isn't my program, but the DAV does an excellent job of maintaining these vans.

**Vice Chairman Gary Kreidt:** Have any of the vans broken down?

**Mr. Wangen:** We haven't had any issues like that.

**Chairman Jon O. Nelson:** In regard to the emergency commission request that you had, we appropriated money for the vans and then you switched that over to the operating expenses. Was there supposed to be an itemized list of how that money was spent?

**Mr. Wangen:** That went to the emergency commission.

**Chairman Jon O. Nelson:** Can we get a copy of that?

**Mr. Wangen:** I went all to salaries basically. But I can get a copy of that.

**Chairman Jon O. Nelson:** This is funded in the executive budget as well.

NO FURTHER QUESTIONS OR TESTIMONY.  
MEETING CONCLUDED.

# 2019 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee - Human Resources Division  
Sakakawea Room, State Capitol

HB1168  
1/30/2019  
31810

- Subcommittee  
 Conference Committee

Committee Clerk: Caitlin Fleck

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

Voting on bill.

## Minutes:

Opened hearing.

**Representative Lisa Meier:** Do not pass.

**Representative Bert Anderson:** Second.

**Chairman Jon O. Nelson:** When we get to the budget what we need to consider is that we may need to add the 200 to the appropriation for the van and the consideration for the salvage amount for the existing vans. I would like to see that we put the salvaged value back into the postwar trust fund when they sell the vans.

**Representative Richard G. Holman:** Since we haven't done the Veteran's Affairs budget yet, there is an assumption that we are going to bring it forward as they are stated on the green sheet?

**Chairman Jon O. Nelson:** Yes, you have that assurance.

**Roll Call Vote: 6 Yes, 0 No, 0 Absent. Motion passed.**

Floor assignment is **Representative Lisa Meier.**

Meeting Concluded.

# 2019 HOUSE STANDING COMMITTEE MINUTES

**Appropriations Committee**  
Roughrider Room, State Capitol

HB 1168  
1/31/2019  
31883

- Subcommittee  
 Conference Committee

Committee Clerk Risa Bergquist

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

**The department of veterans' affairs for the purchase of a transport van.**

**Minutes:**

**Chairman Delzer:** Calls the HB 1168 meeting to order.

**Representative Meier:** This is a bill for a service van for \$18,800 we have it in the budget for \$18,600 and we felt that was an appropriate place to have it so we recommend a Do Not Pass on this bill.

**Chairman Delzer:** What did you leave off for the \$200?

**Representative Meier:** I'm not sure, I think it's just a price change from the time of the budget and the time of the bill. They wanted to have the bill separate even though it's in the bill just so they could have testimony.

**Chairman Delzer:** Representative J. Nelson, you said that they are getting to the point of retiring some of the vans that we have provided them?

**Representative J. Nelson:** This is the first time we are having vans come out of use, so we asked what should happen? Money could go back to general fund if the value is less than 3000 dollars if it's more than 3000 it would go back to the Post War Trust Fund. We wanted to create an amendment that would return that salvage money to the Post War Trust Fund.

**Chairman Delzer:** We will deal with that when the veterans bill come before us.

**Representative Meier: Motion for a Do Not Pass**

**Representative Howe: Second**

**Chairman Delzer:** Is there any further discussion? We'll take the vote.

House Appropriations Committee

HB 1168

Jan. 31<sup>st</sup> 2019

Page 2

**A Roll Call vote was taken. Yea: 17    Nay: 0    Absent: 4**

**Motion Carries**

**Representative Meier will carry the bill.**

**Chairman Delzer closes the hearing.**

Date: 11/30/2019  
Roll Call Vote #: 1

2019 HOUSE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. HB1168

House Appropriations - Human Resources Division Committee

Subcommittee

Amendment LC# or Description: \_\_\_\_\_

Recommendation:  Adopt Amendment  
 Do Pass  Do Not Pass  Without Committee Recommendation  
 As Amended  Rerefer to Appropriations  
 Place on Consent Calendar  
Other Actions:  Reconsider  \_\_\_\_\_

Motion Made By Rep. Meier Seconded By Rep. Anderson

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

Total (Yes) 6 No 0

Absent 0

Floor Assignment Rep. Meier

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

Date: 1/31/2019  
 Roll Call Vote #: 1

**2019 HOUSE STANDING COMMITTEE  
 ROLL CALL VOTES  
 BILL/RESOLUTION NO. HB 1168**

House Appropriations Committee

Subcommittee

Amendment LC# or Description: \_\_\_\_\_

Recommendation:  Adopt Amendment  
 Do Pass     Do Not Pass     Without Committee Recommendation  
 As Amended     Rerefer to Appropriations  
 Place on Consent Calendar  
 Other Actions:  Reconsider     \_\_\_\_\_

Motion Made By Representative Meier Seconded By Representative Howe

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

Total (Yes) 17 No 0

Absent 4

Floor Assignment Representative Meier

**Motion Carries**

**REPORT OF STANDING COMMITTEE**

**HB 1168: Appropriations Committee (Rep. Delzer, Chairman)** recommends **DO NOT PASS** (17 YEAS, 0 NAYS, 4 ABSENT AND NOT VOTING). None was placed on the Eleventh order on the calendar.

**2019 TESTIMONY**

**HB 1168**

HB 1168  
1/30/2019  
A

Chairman Nelson and members of the House Appropriations-Human Resources Division; my name is Joe Hall; I am a member of the ND Veterans Legislative Council representing the DAV. I am here today in favor of H.B. 1168.

The DAV operates a fleet of vehicles around the country to provide free transportation to VA medical facilities for injured and ill veterans. The DAV stepped in to help veterans get the care they need when the federal government terminated its program that helped many of them pay for transportation to and from medical facilities. The vans are driven by volunteers, and the rides are coordinated by more than 178 Hospital Service Coordinators around the country.

DAV Departments and Chapters, along with DAV's long-time partner Ford Motor Company, have purchased 3,517 vehicles at a cost of more than \$80.1 million, that have been donated to Department of Veterans Affairs medical centers nationwide since the program began in 1987 to ensure that injured or ill veterans are able to get to their medical appointments.

I have been a part of the DAV since 2008 and I am a Past Department of ND Commander 2016-2017. I am very active and have held

many Chapter, State, and National offices or appointments. I say all of this because I have seen firsthand how the Department of ND has struggled to fund these critical vans from other sources. One source used is the DAV Columbia Trust Foundation where State Departments like ours and/or their respective local chapters request grants because they are not in the financial position to implement, maintain or expand Transportation Network services.

According to the rules, all of the grant applicants are required to pay the minimum share of the van, those shares are broken down like this: \$14,356 for a Flex 7-passenger; \$16,701 for a Flex AWD 7-passenger; \$13,804 for a 7-passenger Transit Connect; \$18,661 for a 10-passenger Transit Wagon van (T-150); and \$19,858 for a 12-passenger Transit Wagon van (T-350). Last year, the DAV Department of ND was fortunate enough to receive a van from the Columbia Trust and Ford Motor Company. That is the 2018 7 Passenger Ford Flex (VA24821) located in Bismarck. Because you only replace vans that are high miles you do not get grants every year and are never guaranteed to receive one when you do apply.

The DAV, Department of ND relies on other sources for funds to replace vans that are in need because of high miles. In the past, Post War

Trust Fund dollars were used to pay the Departments portion for a new van to be placed in the Veterans Transportation Network. The last four years, the DAV was informed that PWTF monies are not available. That is why in the last two biennia, the DAV and NDDVA lobbied for funds and the State of ND responded to keep this important program going and appropriated money for van purchases showing that the legislature fully supports the Veterans' Transportation Network. In the last biennium, the Legislature appropriated \$37,200 for Vans to be purchased over the next biennium because we had two vans with high mileage. The money was placed as a Van Transportation line item in the NDDVA budget to ensure the money would be there when needed. Commissioner Wangen, went to the Emergency Commission this past summer to have the line item removed and placed back into his General budget to help meet other needs at the NDDVA.

Because that line item was removed and because the mileage standards were raised only one van should need to be replaced this next biennium. This is the reason NDDVA is requesting for the committee to appropriate \$18,800 for the purchase of a van for the Veterans Transportation Network. With the current mileage on the vans and after transferring them around to save miles at least one van will need to be

HB1168  
1/30/2019  
A

purchased in the next biennium (Please see the attached spreadsheets).  
Because of this need the NDVLC fully supports H.B. 1168 and hope your  
committee will recommend Do Pass.

HB1168 1/30/2019 A

Van	VAN PLATE	Type	2018.10.31 Mileage	Average Annual Mileage	VIN	est. mileage in fall 2019	est. mileage in fall 2020	est. mileage in fall 2021	est. mileage in fall 2022	est. mileage in fall 2023	est. mileage in fall of 2024	est. mileage in fall of 2025	est. mileage Fall of 2026	est. mileage Fall of 2027	est. mileage Fall of 2028
Bismarck	VA24821	2018 Ford Flex 7 Passenger	0	14830	2FMGK5B89KBA00942	7,415	22,245	37,075	51,905	66,735	81,565	96,395	111,225	126,055	140,885
Bismarck	VA23663	2014 Ford 12 Passenger	42589	23912	1FBNE3BL1CDA91426	54,545	78,457	102,369	126,281	150,193	174,105	198,017	221,929	245,841	269,753
Minot	VA24584	2017 Ford Transit 12 passenger	16710	5887	1FBZX2CM3HKB22191	19,654	25,541	31,428	37,315	43,202	49,089	54,976	60,863	66,750	72,637
Stanley	VA23116	2013 Ford Explorer 7 passenger	91463	7681	1FBNE3BL1EDB05778	95,304	102,985	110,666	118,347	126,028	133,709	141,390	149,071	156,752	164,433
Lidgerwood/Wahpeton	VA23606	2014 Ford Flex 7 passenger	63337	16076	2FMGK5B85EBD33689	71,375	87,451	103,527	119,603	135,679	151,755	167,831	183,907	199,983	216,059
Pembina/Cavalier	VA23909	2015 Ford Flex 7 Passenger	40433	13673	2FMHK6C80FBA08104	47,270	60,943	74,616	88,289	101,962	115,635	129,308	142,981	156,654	170,327
Beach	VA22336	2012 Ford 12 Passenger	117090	260	1FBNE3BLXCDA91425	117,220	117,480	117,740	118,000	118,260	118,520	118,780	119,040	119,300	119,560
Fargo	VA23806	Ford Winstar 7 passenger	112289	3651	2FMZA51645BA74348	114,115	117,766	121,417	125,068	128,719	132,370	136,021	139,672	143,323	146,974
Fargo	VA23117	2013 Ford 7 Passenger	63304	21719	1FM5K8B83DGC63934	74,164	95,883	117,602	139,321	161,040	182,759	204,478	226,197	247,916	269,635
Fargo	VA22337	2012 Ford 12 Passenger	129754	5887	1FBNE3BL8DDA98438										
Fargo															
***Van replacement is scheduled at 150,000 miles															
Move Van VA23116 -7 passenger from Fargo to Stanley (replaces VA23663-12 passenger)															
Move Van VA23663-12 passenger from Stanley to Bismarck (replaces VA22337-12 passenger)															
Move Van VA22337-12 passenger from Bismarck to Fargo															
Move Van VA 23117-7 passenger from Minot to Fargo (replaces VA23116-7 passenger)															