

ADMINISTRATIVE COMMITTEE ON VETERANS AFFAIRS  
ND VETERANS HOME  
LISBON, ND

May 21, 2010  
9:00 a.m.

Meeting called to order by Chairman Schuchard. Pledge of Allegiance and Moment of Silence for POW/MIAs and those serving overseas.

Roll Call:

Present:

John Adolf  
Lee Finstad  
Mike Fisher  
Jeff Hall  
John Hanson

Ken Hasby  
Dave Hilleren  
Orletta Kilen  
Ron Otto  
Dean Overby

Wayne Paulson  
Carroll Quam  
Lyle Schuchard  
Dave Vandergon

Absent:

Mark Landis

Guests:

Joe Scmalz

***Motion to accept the February 19 & 20, 2010 meeting minutes, seconded. Motion passed.***

**Speakers:**

**Mike Mullen, Assistant Attorney General, ND Attorney General's Office.**

Mr. Mullen researched the Veterans Postwar Trust Fund Reserve Fund's Reserve Account through various sources, i.e. Treasurer's Office, OMB. Various reports by the State Treasurer showed excess income which the Committee authorized to be placed into a Reserve account in increments of \$50,000. The Uniform Principal and Income Act applies to the PWTF which means income does not include an unrealized gain or loss in

the principal value of the fund. The State Treasurer reports were misrepresenting the amount of income available to the Committee through the time frame that the Reserve account was being funded. According to Mr. Mullen, there is no “missing money”, there simply isn’t any Reserve account of \$450,000 for the Committee to access. Only when stocks or bonds were sold or a CD was cashed in, that the State Treasurer should have reported to ACOVA that there was income earned on the Postwar Trust Fund. The State Treasurer’s Office has instituted new reports to reflect the interest earnings accurately. Mr. Mullen reached the conclusion there is no legal basis to compel the State Treasurer to transfer an additional \$450,000.

Discussion on what the Committee can do to move forward and find ways to supplement the PWTF to take care of the needs of current veterans and future veterans. The Legislative Subcommittee will be working on ways to increase the Fund.

Mr. Mullen recommends that someone from the Committee and the independent auditor (Randy Schneider) get together and track the CD’s for verification of the assets. When questioned if there is a need for an audit of the Fund, Mr. Mullen responded that he did not think so at this time.

**Colonel Bob Walton, 141 MEB Commander, ND National Guard**

- ▶ Compared flood fighting efforts of 2009 & 2010:  
2009 – State Active Duty – a little over 100 days; 2010 – 35 days  
2009 – Money spent - \$18million; 2010 - \$1million  
2009 – Peak Manpower – 2, 400; 2010 – nearly 800
- ▶ Hector Air Base broke ground for a new 119<sup>th</sup> Wing Fire Station..
- ▶ 191st MP Unit sent 21 soldiers to Haiti. They will be there for approximately 3 weeks to assist in recovery efforts.
- ▶ The Family Assistance Center in Bismarck is now called “Service Member & Family Support”. Their mission is to provide service to service members, veterans, and their families. There are over 37 employees.
- ▶ Joan Bentz is the National Guard Legislative contact for developing legislation until Davina French comes back from Kosovo. Michele Hagl as the JAG is also involved.

**Transportation Van Update - Mike Fisher**

Mike met with Mark Landis regarding the transportation vans. After doing some research, they decided to wait until next year to try and find donated vans.

VA will be relocating some of the vans based on the usage. There will be no need to get new vans this year. The last of the 15 passenger vans will be returned to the Department for resale.

Bob Evans, Williams County, is having trouble getting volunteers to travel to Fargo and undergo the VA training. In discussions with Bob, Williams County is willing to take on a van and sign an agreement with the Department using the same contract agreement as with the VA. The county would pay gas, insurance, maintenance, etc.

**Strategic Plan** – Lonnie Wangen, Commissioner

Commissioner reported the plan is updated as far as the agency is concerned. The Chairman and Secretary will travel to Fargo and meet with the Commissioner to update plan.

**Department of Veterans Affairs Report** – Lonnie Wangen, Commissioner [HANDOUT]

- ▶ Brenda Bergsrud hired as the Women Veteran's Coordinator and will be full-time June 1. She attended the Women Veterans Summit on April 12 in Bismarck.
- ▶ Spring 2010 Accreditation Training was held April 19-23 in Bismarck. 56 participated, with 38 ND CVSOs, 5 Assistants, 5 ND-DVA staff, 4 Tribal, and 4 out-of-state CVSOs. Four ND CVSOs did not attend. Everyone took the test and everyone passed. Once the NACVSO accreditation is obtained, accreditations can be applied for DAV, MOPH, TREA, and VVA. National Service Officers from the VFW and AMVETS gave additional training and will accredit CVSOs with their organizations also.
- ▶ Site visits have been done in the following counties: Towner, Benson, Ramsey, Nelson, Foster, Emmons and McLean.
- ▶ Two appeals hearing have been held, one for a grant and one for a loan.
- ▶ PWTF Balance, \$99,181.31 has been transferred to the Department for use in the grant program, transportation program, appeals, and Standdown. Committee discussed the Treasurer's report and wondered if there would be more earnings available than the \$200,000 for the biennium.
- ▶ Met with an organization that has set-up a non-profit fund for the Department. People can get a tax deduction for making a donation. Already the Department has received one \$500 donation, a couple donated a car which was sold with the proceeds being donated (\$1,000) and the ND Association of County Veterans Service Officers donated \$500. There is enough money to move forward with the yellow ribbon license plate once the 50 applications have been received. This license plate is for those who wish to show their support of veterans. Wayne Paulson asked if the fund can accept gaming monies. The Commissioner will check with the Attorney General's Office.
- ▶ Transportation Vans – there is one van for sale. It is the last 15 passenger van and has 136,000 miles on it. Commissioner working with SD Commissioner and the VA to provide a van to transport veterans in the Dickinson area to Fort Meade, SD. Ron Otto mentioned that the Commissioner may want to check into how the ND & SD Medical Centers will handle the fee basis issue and paying for consults.

**Chairman's Report – Lyle Schuchard**

Report he stopped in and visited Rudy Jensen, former ACOVA Chairman, and presented him with the plaque from the Committee.

New committee assignments will be made at the next meeting. Not all the organizations have submitted their names to the Governor's Office. If any committee member would like to be on a specific committee, let the Chairman know right away.

Options for the Reserve Fund - should the committee request an audit. Dean Overby reported the Legislative Subcommittee is looking at other ways to supplement the PWTF. Consensus by the Committee that there will be no further pursuit of finding the \$450,000.

A study by NDSU will help determine the future needs of North Dakota veterans and how much money will be needed to fund those needs. Lee Finstad spoke on an idea of supplementing the PWTF with a small percentage of funds from the Oil and Gas Extraction Tax. He feels the PWTF needs to be maintained at ten million dollars. Finstad would like to see a formula that would stop the money from coming in once the ten million would be reached, There would also be a trigger that if the fund would drop below 10 million for a measurable time, money would flow back into the fund.

***Motion by Dave Vandergon to increase the Postwar Trust Fund using the Oil and Gas Extraction Tax and base the amount of funding needed from the results of the NDSU study and other sources, second by Carroll Quam. Motion passed unanimously.***

Lee Finstad will pursue how receptive legislators and other interested parties will be to the proposal.

Jerry Meske resigned from the ND Governing Board. Chairman Schuchard is waiting for office notification from Jerry that he is leaving the Board. A replacement will be needed.

Chairman questioned committee if Thursday / Friday works better for a meeting than Friday / Saturday. The consensus of the committee is to stay with the Thursday / Friday format. The Chairman also suggested a meeting be held in Lisbon once a year.

A letter went to all State Commanders and State Adjutants telling them of the status of the Committee and the attendance of their respective members serving on the committee. That letter went out recently.

**Subcommittee Reports**

**Budget Subcommittee – Ron Otto reported**

Minutes from the last meeting approved. The budget was reviewed item by item. Commissioner shared the Governor's guidelines for the 2011-2013 Budget for a hold even budget and FTE's and an optional 3% savings package.

***Motion by Ken Hasby to approve report, second by Jeff Hall. Motion passed.***

**PWTF Subcommittee** – John Hanson reported

The committee discussed the issue of the \$450,000. Request of \$5,000 made to fund a StandDown, unfortunately there is no funding available.

***Motion to approve the report by Ron Otto, second Mike Fisher. Motion passed.***

**Appeals Subcommittee** – Orletta Kilen reported.

Two hearings held the previous night. The Committee upheld Commissioner's decision on both applications.

***Motion to approve the report by John Hanson, second by Orletta Kilen. Motion passed.***

**Veterans Affairs Subcommittee** – Dave Hilleren reported.

John Adolf and Dave Hilleren covered the Commissioner's evaluation. Office interviews with the staff were conducted. The subcommittee recommends that Commissioner receive full salary increase for July 1, 2010.

***Motion to approve the report by John Adolf, second by Mike Fisher. Motion passed.***

**Legislative Subcommittee** – Lee Finstad reported.

The following issues were discussed: a bill that would allow paid leave time for state employees who participate in Honor Guards; approach Colonel Walton regarding legislative issues; redefine what is a "veteran"; and proposal to increase PWTF. Subcommittee proposed meeting with the ND Veterans Coordinating Council in July on the upcoming legislative session.

***Motion to accept the report by Dave Hilleren, second by Ron Otto. Motion passed.***

Committee recessed for lunch.

Tour of new Veterans Home facility

**Maren Daley, Director, Job Service North Dakota**

► Fargo Veterans Employment Team supported the 2010 Construction Job Fair hosted by JSND at the Doublewood Inn, Fargo; Grand Forks Veterans Employment Team participated in the annual UND Career Fair; and the Bismarck Veterans' Employment Team supported the reintegration event for the ND National Guard RAID III Unit..

- ▶ The State Veterans Program Administrator, Marlys Morgenstern, participated in the Women Veterans' Summit held at the AMVETS Club in Bismarck.
- ▶ There are two new members to our Team – Susan Ogurek is the Minot Veterans Employment Rep. and Drew Nathan is the Veterans Rep in Grande Forks.
- ▶ The Department of Labor will be releasing new case management procedures and implementing changes to our Transition Assistance Workshops.
- ▶ Will be supporting four Veterans StandDown events.

Chairman Schuchard spoke on appointments to the Governing Board. Orletta Kilen's term is up and Jerry Meske's term still has one year left. Therefore, the recommendation is for Lee Finstad to serve a three year term, John Adolf to serve a one year term and Daryl Beard and Norris Braaten to be reappointed to the Governing Board.

***Motion by Dean Overby to accept the appointment of Lee Finstad to a three year term, John Adolf to a one year term and to reappoint Daryl Beard and Norris Braaten to the Governing Board, second by John Hanson. Motion passed.***

**Mark Johnson, Administrator, ND Veterans Home**

One of the challenges regarding the new facility is some staff positions will be changing their job duties. Also, twenty-four new FTE's will be coming on in July. Mr. Johnson reported on the spring flooding which did not cause the problems as last year's flood. There is discussion going on regarding the old facility and what direction to take with it – tear it down or find other uses for it.

***Motion by Carroll Quam to reappoint Norris Braaten as Chairman of the Governing Board, second by Dean Overby. Motion passed.***

The next meetings will be held in Bismarck due to the upcoming legislative session. The date to be determined when the Legislative Subcommittee meets with the ND Veterans Coordinating Council.

Mike Fisher commented he may be coming off the Administrative Committee and has very much enjoyed his time on the committee.

Respectfully submitted

Ron Otto  
Secretary