

# MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION  
SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

2158

2001 SENATE GOVERNMENT AND VETERANS AFFAIRS

SB 2158

2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2158

Senate Government and Veterans Affairs Committee

Conference Committee

Hearing Date January 19, 2001

Tape Number	Side A	Side B	Meter #
1		X	17.4-33.1
Committee Clerk Signature <i>James R. Raile</i>			

Minutes: Chairman Krebsbach opened the hearing on SB 2158 which relates to interest earned from the sale of Veteran's Cemetery License Plates. Appearing before the committee to introduce the bill was primary sponsor Senator Tim Flakoll, District 44, Fargo. The clerk presented the narrative on the Fiscal Note to the committee. Senator Flakoll presented copies of his written testimony to the committee. A copy is attached. There were no questions from the committee. Also appearing before the committee was Brigadier General Michael J. Haugen, Adjutant General of the North Dakota National Guard who offered testimony in support of SB 2158. A copy of his written testimony is attached. Senator Dever indicated that he was curious if he was talking about the plates which have the different service branches on them? The Adjutant General indicated that was the correct plates. Chairman Krebsbach indicated she wondered when that program was instituted? The Adjutant General indicated the program was implemented in 1998. Keith Bjurke, private citizen and former Adjutant General of the North Dakota National Guard also appeared in support of SB 2158. The bill is a streamlining effort.

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Senate Government and Veterans Affairs Committee

Bill/Resolution Number SB 2158

Hearing Date January 19, 2001

We aren't talking about a great deal of money however, it is money that does go directly into the maintenance account of the office of the Adjutant General and that gives us the opportunity to pay those salaries and operating expenses without raiding the principle of any funds. It doesn't totally eliminate the need at this point but there are other bills that are coming before this body that will. The cemetery has been in existence for almost a decade. It is a place to behold.

Chairman Krebsbach asked Mr. Bjurke to relate to the committee a story had told her about what an impression the cemetery had made on a visitor who came to North Dakota to see it. He related the story. Bob Hanson of the North Dakota Veteran's Coordinating Council appeared before the committee. He indicated this bill is merely a continuation of what was started in 1997 and his organization supports it. He recommended a Do Pass from the committee. There was nothing further to come before the committee. The hearing on SB 2158 was closed at this time. A motion for a Do Pass was made by Senator Dever, seconded by Senator Kilzer. Roll Call Vote indicated 6 Yeas, 0 Nays, 0 Absent and Not Voting. Chairman Krebsbach will carry the bill.

**FISCAL NOTE**  
 Requested by Legislative Council  
 01/05/2001

**REVISION**

Bill/Resolution No.: SB 2158

Amendment to:

**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.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

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

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

**2. Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

Additional revenues are needed to support the special funds appropriated in the executive budget for existing 3 FTE and temporaries at the Veterans Cemetery. Revenues, appropriations and expenditures are all included in our budget to support these salaries, therefore we show no fiscal effect. This bill allows us to identify a source of those special funds, interest earnings from the Veterans Cemetery Trust Fund. Revenue comes to the Veterans Cemetery Trust Fund from sales of license plates and also some donations. The projected revenue from interest on the Veterans Cemetery Trust Fund accumulated through the 01-03 Biennium is approximately \$8,000.00. Projected interest that will be earned for the 03-05 Biennium is approximately \$6,000.00. Moneys from this fund have never been appropriated since the principal is still relatively small, approximately \$28,000.

**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.*

**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.*

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

<b>Name:</b>	Holly Gaugler	<b>Agency:</b>	Adjutant General
<b>Phone Number:</b>	224-5211	<b>Date Prepared:</b>	01/05/2001

**FISCAL NOTE**  
 Requested by Legislative Council  
 12/26/2000

Bill/Resolution No.: SB 2158

Amendment to:

**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.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
<b>Revenues</b>				\$8,000		\$6,000
<b>Expenditures</b>						
<b>Appropriations</b>						

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

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

**2. Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

Additional revenues are needed for special funds appropriated in the executive budget to support 3 FTE and temporaries at the Veterans Cemetery. The projected revenue from interest on the Veterans Cemetery Trust Fund accumulated through the 01-03 Biennium is approximately \$8,000.00. Projected interest that will be earned for the 03-05 Biennium is approximately \$6,000.00.

**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.*

This revenue was included in the executive budget to fund the Veterans Cemetery salaries as special funds but the specific sources of that revenue had not yet been determined. This revenue comes from interest earned from the Veterans Cemetery Trust fund.

**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.*

Expenditures are for salaries for the Veterans Cemetery. This revenue has no effect on expenditures since the expenditures are for existing FTE and temporary salaries.

**C. Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive*

*budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

The appropriations for the 3 Veterans Cemetery FTE and temporaries was included in the executive recommendation as special funds. The revenue source for these appropriations was not specified.

<b>Name:</b>	Holly Gaugler	<b>Agency:</b>	Adjutant General
<b>Phone Number:</b>	224-5211	<b>Date Prepared:</b>	01/02/2001



Date: 1/19/01  
Roll Call Vote #: 1

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 2158

Senate GOVERNMENT AND VETERAN'S AFFAIRS Committee

Subcommittee on \_\_\_\_\_  
or  
 Conference Committee

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

Action Taken Do Pass

Motion Made By Sen. Dever Seconded By Sen. Kilzer

Senators	Yes	No	Senators	Yes	No
Senator Karen Krebsbach, Chr.	✓		Senator Carolyn Nelson	✓	
Senator Dick Dever, Vice-Chr.	✓		Senator Tim Mathern	✓	
Senator Ralph Kilzer	✓				
Senator Rich Wardner	✓				

Total (Yes) 6 No 0

Absent 0

Floor Assignment Sen. Krebsbach

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

**REPORT OF STANDING COMMITTEE (410)**  
January 19, 2001 12:43 p.m.

**Module No: SR-09-1293**  
**Carrier: Krebsbach**  
**Insert LC: . Title: .**

**REPORT OF STANDING COMMITTEE**

**SB 2158: Government and Veterans Affairs Committee (Sen. Krebsbach, Chairman)**  
recommends **DO PASS** (8 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2158  
was placed on the Eleventh order on the calendar.

2001 HOUSE GOVERNMENT AND VETERANS AFFAIRS

SB 2158

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2158

House Government and Veterans Affairs Committee

Conference Committee

Hearing Date 3/01/01

Tape Number	Side A	Side B	Meter #
2	X		1789-2699
Committee Clerk Signature <i>Robin D. Small</i>			

Minutes:

REP. M. KLEIN called the hearing to order with all members present, except REP. KASPER.

In favor:

REP CLARK introduces the bill since TIM FLAKOLL is not there to do it. Please see attached testimony.

In favor:

BRIGADIER GENERAL MICHAEL J. HAUGEN, ND NATIONAL GUARD

Please see attached testimony.

REP. M. KLEIN asks is this an annual thing? HAUGEN states that it is an ongoing thing.

REP. M. KLEIN asks if the funds are growing. HAUGEN states that there are all kinds of funds.

Being there was no further testimony the hearing was then closed. Action was taken right away.

REP. CLARK motioned for a DO PASS, seconded by REP. METCALF. The roll call was taken

Page 2  
House Government and Veterans Affairs Committee  
Bill/Resolution Number SB 2158  
Hearing Date 3/01/01

with 14 YES, 0 NO and 1 ABSENT AND NOT VOTING. The motion carries. The CARRIER of  
the bill is REP. METCALF.

SB 2158: DO PASS 14-0

CARRIER: REP. METCALF

Date: 3-1-01

Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 2158

House GOVERNMENT AND VETERANS AFFAIRS Committee

Subcommittee on \_\_\_\_\_

or

Conference Committee

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

Action Taken Do Pass

Motion Made By Clark Seconded By Metcalf

Representatives	Yes	No	Representatives	Yes	No
CHAIRMAN KLEIN	✓		REP KROEBER	✓	
VICE CHAIR GRANDE	✓				
REP BELLEW	✓				
REP BRUSEGAARD	✓				
REP CLARK	✓				
REP DEVLIN	✓				
REP HAAS	✓				
REP KASPER					
REP KLEMIN	✓				
REP MEIER	✓				
REP WIKENHEISER	✓				
REP CLEARY	✓				
REP HUNSKOR	✓				
REP METCALF	✓				

Total (Yes) 14 No 0

Absent 1

Floor Assignment Rep. Metcalf

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

**REPORT OF STANDING COMMITTEE (410)**  
March 1, 2001 3:14 p.m.

Module No: HR-35-4640  
Carrier: Metcalf  
Insert LC: . Title: .

**REPORT OF STANDING COMMITTEE**

**SB 2158: Government and Veterans Affairs Committee (Rep. M. Klein, Chairman)**  
recommends **DO PASS** (14 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SB 2158  
was placed on the Fourteenth order on the calendar.

2001 TESTIMONY

SB 2158



SB 2158

TOPIC: Veteran's Cemetery

Testimony by: Senator Tim Flakoll, District 44 of Fargo

Madam Chairman and members of the Government and Veterans' Affairs Committee. For the record I am Senator Tim Flakoll, District 44 of Fargo.

The issue that we are dealing with in SB 2158 is the interest earned from the North Dakota Veterans' Cemetery Trust Fund. Currently the fund generates interest from:

- 1) revenue from special Veterans' Cemetery license plates
- 2) donations
- 3) accrued interest from the fund that is placed back in the fund

The ND State Investment Board manages the fund. Historical investigation indicates that the fund originally required legislative approval so that the fund and its interest could be monitored and that the interest could be used to help the fund reach its minimum long-term investment value of \$50,000. Under the law, the Adjutant General can request the interest from the account to fund the salaries and maintenance of the Veterans' Cemetery.

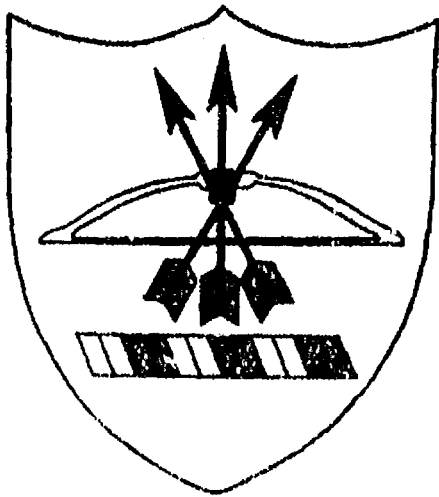
SB 2158 does not change the required use of the fund, which is for salaries and maintenance of the cemetery. It simply streamlines the process.

It should be noted that on lines 16-18 of the first page of the bill that "the department must still report to the legislative assembly on the funds collected under this section during each legislative session." This will insure that the legislature can continue to monitor the funds growth and usage.

I know there will be testimony from the North Dakota National Guard on this Bill, but I will be happy to stand for any questions.

**SENATE BILL 2158**  
**VETERANS CEMETERY TRUST FUND**

- THIS FUND WAS ESTABLISHED DURING 97 LEGISLATURE, EFFECTIVE 7/1/97.
- LICENSE PLATE SALES BEGAN 6/98
- DONATIONS TO THIS FUND BEGAN 1/98
- REVENUE OF \$10 PER LICENSE PLATE SOLD COMES TO ADJ GEN
  - ◆ \$5 IS TRANSFERRED BY THE ADJ GEN TO THE VET CEM TRUST FUND
  - ◆ \$5 GOES TO THE VET CEM MAINTENANCE FUND
- TOTAL LICENSE PLATE REVENUE TO ADJ GENERAL TO DATE = \$38,268
  - ◆ SPLIT EQUALLY BETWEEN THE TWO ABOVE FUNDS
- TOTAL LICENSE PLATES SOLD APPROXIMATELY 3,800
- REVENUE FOR EACH FUND (VET CEM TRUST AND MAINTENANCE FUND) FOR FY 00 = \$8,725
- PLATES SOLD IN JUST FY 00 = 1,745
- PROJECTED INTEREST REVENUE ACCUMULATED FROM INCEPTION THROUGH 01-03 BIENNIUM = APPROXIMATELY \$8,000.
- AS OF DECEMBER 2000 THE FUND WAS EARNING 6.27% AT THE BND IN A MONEY MARKET DEMAND ACCOUNT MANAGED BY THE STATE INVESTMENT BOARD.
- ONCE THIS FUND REACHES APPROX \$50,000, THE INVESTMENT BOARD WILL INVEST IN LONG TERM INVESTMENTS DEPENDING ON THE NEEDS AND INCOME OF THE FUND.



*Gray National Guard  
"The Straight Arrows"*



*North Dakota National Guard  
"Guarding the North End"*

*The  
North Dakota  
National Guard*

*Testimony of  
Brig Gen Michael J. Hogan, on  
before the  
Government and Veterans Affairs  
Committee  
January 19, 1961  
SENATE BILL 1000*

TESTIMONY OF  
BRIG GEN MIKE HAUGEN, THE ADJUTANT GENERAL  
NORTH DAKOTA NATIONAL GUARD  
BEFORE THE  
GOVERNMENT AND VETERANS AFFAIRS COMMITTEE

January 19, 2001

11:00 a.m.

SENATE BILL 2158

Madam Chairman, Members of the Committee, good morning.

This Bill gives the Adjutant General the authority to receive, on behalf of the Veterans' Cemetery, the interest in the Veterans' Cemetery Trust Fund, without first obtaining legislative approval.

Under our current law, the Adjutant General must come before the legislative body and request the transfer of these funds. We would like to simplify the process by making these funds readily available upon request by our agency.

It should be noted that there are safeguards in the law that prevent the indiscriminate spending of the interest in this fund. If this Bill is enacted into law, the fact remains that these funds can only be spent on salaries and maintenance at the Veterans' Cemetery. This restriction effectively controls this money, without the additional requirement that the Adjutant General receive authority from this body to obtain these funds.

I have attached the current financial statement of the North Dakota Veterans' Cemetery Trust Fund for your information.

I would be pleased to respond to any questions, Madam Chairman.

**ND VETERAN'S CEMETERY TRUST FUND**  
(MANAGED BY ND STATE INVESTMENT BOARD)

**MONTHLY STATEMENT OF ASSETS & LIABILITIES**  
As of January 18, 2001

**ASSETS**

CURRENT ASSETS:

Cash in Bank (MMDA - savings at BND)	\$30,301.64
Revenue - License Plate Sales	\$19,135.00
Revenue - Donations	\$ 8,966.64
Accrued Interest on above Investment**	\$ 2,200.00
Total Assets	<u>0.00</u> \$30,301.64

**LIABILITIES**

CURRENT LIABILITIES:

None \$ 0.00

**NET ASSETS** \$30,301.64

\*\*Investments of this fund will not be made until a minimum of \$50,000 has been accumulated in the MMDA savings account held by the ND Investment Board at the Bank of North Dakota.

Tim Flakoll  
02/27/01 03:01 PM

To: Matthew M. Klein/NDLC/NoDak@NoDak  
cc:  
Subject: SB 2158

Since I am out of the state this week and not able to testify on SB 2158, I would ask for a favor. Could you print this and have the pages make copies for the committee and have you hand them out please. I know the ND Guard will have people there to testify as this bill comes at their request.

SB 2158

TOPIC: Veteran's Cemetery

Testimony by: Senator Tim Flakoll, District 44 of Fargo

Madam Chairman and member of the Government and Veterans Affairs Committee. For the  
Tim Flakoll, District 44 of Fargo.

The issue that we are dealing with in SB 2158 is the interest earned from the North Dakota Trust Fund. Currently the fund generates interest from:

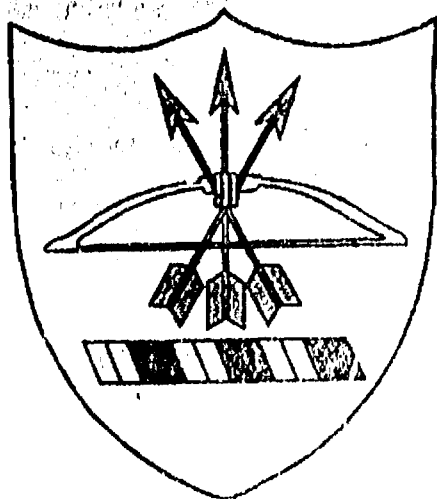
- 1) revenue from special Veteran's Cemetery license plates
- 2) donations
- 3) accrued interest from the fund that is placed back in the fund

The fund is managed by the ND State Investment Board. Historical investigation indicates t originally required legislative approval so that the fund and its interest could be monitored a could be used to help the fund reach its minimum of \$50,000. After the fund reaches \$50,00 be used for the purpose of salaries and maintenance of the veteran's cemetery.

SB 2158 does not change the required use of the fund, which is for salaries and maintenance simply streamlines the process.

It should be noted that on lines 16-18 of the first page of the bill that "the department must s legislative assembly on the funds collected under this section during each legislative session that the legislature can continue to monitor the funds growth and usage.

I know there will be testimony from the North Dakota National Guard on this bill, but I will any questions.



*Army National Guard  
"The Straight Arrows"*



*Air National Guard  
"The Happy Hooplers"*

*The  
North America  
National Guard*

*Testimony of  
Brigadier General Michael E. Haugen  
before the  
Government and Veterans Affairs  
Committee  
March 1, 2011  
SERIAL 1111111111*



TESTIMONY OF  
BRIG GEN MIKE HAUGEN, THE ADJUTANT GENERAL  
NORTH DAKOTA NATIONAL GUARD  
BEFORE THE  
GOVERNMENT AND VETERANS AFFAIRS COMMITTEE

March 1, 2001

2:30 p.m.

SENATE BILL 2158

Mr. Chairman, Members of the Committee, good morning.

This Bill gives the Adjutant General the authority to receive, on behalf of the Veterans' Cemetery, the interest in the Veterans' Cemetery Trust Fund, without first obtaining legislative approval.

Under our current law, the Adjutant General must come before the legislative body and request the transfer of these funds. We would like to simplify the process by making these funds readily available upon request by our agency.

It should be noted that there are other safeguards in the law that prevents the indiscriminate spending of the interest in this fund. If this Bill is enacted into law, the fact remains that these funds can only be spent on salaries and maintenance at the Veterans' Cemetery. This restriction effectively controls this small amount of money, without the additional requirement that the Adjutant General receive authority from this body to obtain a rather small sum of money.

I have attached the current financial statement of the North Dakota Veterans' Cemetery Trust Fund for you information.

I would be pleased to respond to any questions, Mr. Chairman.

**ND VETERAN'S CEMETERY TRUST FUND**  
(MANAGED BY ND STATE INVESTMENT BOARD)

**MONTHLY STATEMENT OF ASSETS & LIABILITIES**  
As of January 31, 2001

ASSETS

CURRENT ASSETS:

Cash in Bank (MMDA - savings at BND)	\$30,361.64
Revenue - License Plate Sales	\$19,135.00
Revenue - Donations	\$ 8,966.64
Accrued Interest on above Investments**	\$ 2,260.00
	<u>0.00</u>
Total Assets	\$30,361.64

LIABILITIES

CURRENT LIABILITIES:

None \$ 0.00

**NET ASSETS** \$30,361.64

**\*\*Investments of this fund will not be made until a minimum of \$50,000 has been accumulated in the MMDA savings account held by the ND Investment Board at the Bank of North Dakota.**