

**2021 HOUSE GOVERNMENT AND VETERANS AFFAIRS**

**HB 1211**

# 2021 HOUSE STANDING COMMITTEE MINUTES

## Government and Veterans Affairs Committee Pioneer Room, State Capitol

HB 1211  
1/22/2021

Relating to the veterans' aid fund and veterans' postwar trust fund; and to declare an emergency

**Rep. Rohr** opened the hearing on HB 1211 at 9:34 a.m.

Representatives	Roll Call
Representative Jim Kasper	P
Representative Ben Koppelman	A
Representative Pamela Anderson	P
Representative Jeff A. Hoverson	P
Representative Karen Karls	P
Representative Scott Louser	P
Representative Jeffery J. Magrum	P
Representative Mitch Ostlie	P
Representative Karen M. Rohr	P
Representative Austen Schauer	P
Representative Mary Schneider	P
Representative Vicky Steiner	P
Representative Greg Stemen	P
Representative Steve Vetter	P

### Discussion Topics:

- Give more leeway to state treasurer on investments

**Rep. Magrum** introduced the bill and testified in favor.

**Lonnie Wangen, ND Dept. of Veterans' Affairs**, testified in favor with testimony #2157.

**Ryan Skor, Director of Finance, State Treasurer's Office**, testified in a neutral position.

**Rep. Rohr** closed the hearing at 9:58 a.m.

*Carmen Hart, Committee Clerk*

**House Government and Veterans Affairs**  
**67<sup>th</sup> Legislative Session**  
**Representative Jim Kasper-Chair**

Chairman Kasper and House Government and Veterans Affairs Committee,

Please accept this testimony in support of HB 1211. This bill will...

- Amend NDCC 37-14-03 Veterans' aid fund and NDCC 37-14-14 Veterans' Post War Trust Fund (PWTF) to allow the state treasurer investment authority of these clearing account funds. Cash funds are held in fund 368 (loan fund) and fund 410 (PWTF clearing account).
- Allow the North Dakota Department of Veterans Affairs (NDDVA), the Administrative Committee on Veterans Affairs (ACOVA) and Treasurers office to be good stewards of these funds by ensuring they are securely invested to gain the best interest rate.

Currently the ACOVA authorizes the NDDVA to invest the cash balance of the Veterans aid fund or Loan Fund, which is held at the Bank of North Dakota in Fund 368, in CD's which mature every quarter to ensure the funds are available as needed for the loan program. As of January 1, 2020 the balance of fund 368 was \$363,198.44 of which \$103,198.44 was in cash earning about \$22 in interest per month. \$260,000 was invested in four 1-year CD's earning about \$220 in interest per month. These are invested in CD's at the Bank of ND as per NDCC 6-09-07.

**6-09-07. State funds must be deposited in Bank of North Dakota - Income of the Bank.**

All state funds and funds of all state penal, educational, and industrial institutions must be deposited in the Bank of North Dakota by the persons having control of such funds **or must be deposited in accordance with constitutional and statutory provisions...**

Other funds invested by the State Treasurer allow the purchase of CD's outside the Bank of North Dakota due to the language of the NDCC such as the ND Wheat Commission or the ND Veterans Cemetery Trust Fund under NDCC 39-04-10.10

NDCC39-04-10.10 (2)... **Investment of the fund is the responsibility of the state treasurer who shall have full authority to invest the fund only in the same manner as the state investment board is authorized to make investments...**

From the State Treasurers CD report for January 2020...

Investment Group Label: **Veteran's Aid Loan**

Maturity Date	Purchase Date	Financial Institution	CD Number	Rate	Purchase Amount	Term in Days
03/31/2020	03/31/2019	Bank of ND, Bismarck	10542	1.000%	\$ 65,000.00	366
06/30/2020	06/30/2019	Bank of ND, Bismarck	10655	1.050%	\$ 65,000.00	366
09/30/2020	09/30/2019	Bank of ND, Bismarck	10754	0.950%	\$ 65,000.00	366
12/31/2020	12/31/2019	Bank of ND, Bismarck	10869	0.900%	\$ 65,000.00	366
Investment Group Total:					\$ 260,000.00	

Investment Group Label: **Wheat Commission**

Maturity Date	Purchase Date	Financial Institution	CD Number	Rate	Purchase Amount	Term in Days
02/26/2020	02/26/2019	KodaBank, Drayton	651895	2.660%	\$ 99,000.00	365
04/24/2020	04/24/2019	Choice Financial Group, Langdon	240055632	2.550%	\$ 100,000.00	366
04/25/2020	04/25/2019	First Community Credit Union, Jamestown	96449-15	2.550%	\$ 99,000.00	366
05/10/2020	05/10/2019	First State Bank, Grand Forks	66182120	2.350%	\$ 249,000.00	366
05/10/2020	05/10/2019	First Western Bank and Trust, Minot	87221	2.500%	\$ 249,000.00	366
06/03/2020	06/04/2019	First Community Credit Union, Jamestown	96449-16	2.550%	\$ 99,000.00	365
07/10/2020	07/10/2019	Plains Commerce Bank, Bismarck	1200010863	2.350%	\$ 99,000.00	366
Investment Group Total:					\$ 994,000.00	

Investment Group Label: **Veteran's Cemetery Trust Fund**

Maturity Date	Purchase Date	Financial Institution	CD Number	Rate	Purchase Amount	Term in Days
10/03/2020	10/03/2019	State Bank & Trust- Kenmare, Kenmare	37762	2.200%	\$ 99,000.00	366
Investment Group Total:					\$ 99,000.00	

Investment	Rate	Month	Year	Biennium	Difference
\$ 260,000.00	1%	\$ 216.00	\$ 2,600.00	\$ 5,200.00	
\$ 260,000.00	2.2%	\$ 476.00	\$ 5,720.00	\$ 11,440.00	\$ 6,240.00
\$ 260,000.00	2.66%	\$ 576.00	\$ 6,916.00	\$ 13,832.00	\$ 8,632.00

What is the impact? Fund 410 is used for the NDDVA unmet medical needs grants for hearing, optical, dental, dentures, housing and transportation to medical appointments. The grant limit is \$4,000 per year. This is 2 more Veterans that can be helped.

**About funds 410 and 368:**

**FUND 410:** The spendable income from the PWTF (\$7,321,806 balance as of 12/1/2020) is transferred to fund 410 at the end of each biennium for use in the following biennium. The average is about \$240,000 per biennium. The ACOVA appropriates these funds for the benefit of ND Veterans and their eligible dependents. The funds are held in fund 410 and invested in CDs which mature every quarter of the biennium.

Investment Group Label: <b>Veteran's Postwar Trust Fund (Fund 410)</b>						
<b>Maturity Date</b>	<b>Purchase Date</b>	<b>Financial Institution</b>	<b>CD Number</b>	<b>Rate</b>	<b>Purchase Amount</b>	<b>Term In Days</b>
12/31/2019	09/11/2019	Bank of ND, Bismarck	10723	0.370%	\$ 30,000.00	111
03/31/2020	09/11/2019	Bank of ND, Bismarck	10725	0.600%	\$ 30,000.00	202
06/30/2020	09/11/2019	Bank of ND, Bismarck	10726	0.600%	\$ 30,000.00	293
09/30/2020	09/11/2019	Bank of ND, Bismarck	10728	1.000%	\$ 30,000.00	385
12/31/2020	09/11/2019	Bank of ND, Bismarck	10730	1.000%	\$ 30,000.00	477
03/31/2021	09/11/2019	Bank of ND, Bismarck	10729	1.000%	\$ 30,000.00	567
06/30/2021	09/11/2019	Bank of ND, Bismarck	10727	1.000%	\$ 30,000.00	658
09/30/2021	09/11/2019	Bank of ND, Bismarck	10724	1.150%	\$ 30,000.00	750
<b>Investment Group Total:</b>					<b>\$ 240,000.00</b>	

**FUND 368:** The Veterans Aid Loan fund (368) are the cash funds available for loan to Veterans.

Loans are limited to \$5,000, unsecured and an 8% interest rate. Half the interest is refunded if paid in full by maturity date. NDDVA currently has 56 active loans with a balance of \$168,986. Fund 368 has \$363,000 available for new loans. \$103,000 in cash and \$260,000 invested in CD's maturing every quarter.

The simple intention of HB 1211 is to allow the NDDVA, ACOVA and State Treasurer to purchase CD's outside the BND in order to gain the best interest rate.

Thank you for your consideration.

Lonnie Wangen

Commissioner-NDDVA

# 2021 HOUSE STANDING COMMITTEE MINUTES

## Government and Veterans Affairs Committee Pioneer Room, State Capitol

HB 1211  
1/29/2021

Relating to the veterans' aid fund and veterans' postwar trust fund; and to declare an emergency
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**Chairman Kasper** opened the committee work meeting at 10:22 a.m.

Representatives	Roll Vote
Representative Jim Kasper	P
Representative Ben Koppelman	P
Representative Pamela Anderson	P
Representative Jeff A. Hoverson	P
Representative Karen Karls	P
Representative Scott Louser	P
Representative Jeffery J. Magrum	P
Representative Mitch Ostlie	P
Representative Karen M. Rohr	P
Representative Austen Schauer	P
Representative Mary Schneider	P
Representative Vicky Steiner	P
Representative Greg Stemen	P
Representative Steve Vetter	P

### Discussion Topics:

- Allow state treasurer more investing leeway for veterans' aid fund

**Rep. B. Koppelman** summarized what the bill does.

**Rep. Stemen** moved a **DO PASS**. **Rep. Magrum** seconded.

Representatives	Vote
Representative Jim Kasper	Y
Representative Ben Koppelman	Y
Representative Pamela Anderson	A
Representative Jeff A. Hoverson	Y
Representative Karen Karls	Y
Representative Scott Louser	Y
Representative Jeffery J. Magrum	Y
Representative Mitch Ostlie	Y
Representative Karen M. Rohr	Y
Representative Austen Schauer	Y
Representative Mary Schneider	Y
Representative Vicky Steiner	Y
Representative Greg Stemen	Y
Representative Steve Vetter	Y

The motion passed 13-0-1. **Rep. Magrum** is the carrier.

House Government and Veterans Affairs Committee

HB 1211

1/29/2021

Page 2

**Chairman Kasper** closed the meeting at 10:26 a.m.

*Carmen Hart, Committee Clerk*

**REPORT OF STANDING COMMITTEE**

**HB 1211: Government and Veterans Affairs Committee (Rep. Kasper, Chairman)**  
recommends **DO PASS** (13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB  
1211 was placed on the Eleventh order on the calendar.



**2021 SENATE GOVERNMENT AND VETERANS AFFAIRS**

**HB 1211**

# 2021 SENATE STANDING COMMITTEE MINUTES

## Government and Veterans Affairs Committee Room JW216, State Capitol

HB 1211  
3/4/2021

<b>A BILL relating to the veterans' aid fund and veterans' postwar trust fund; and to declare an emergency.</b>
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**Chair Vedaa** opened the hearing at 2:25 PM with Sen Vedaa, Meyer, Elkin, K Roers, Wever, Wobbema, and Marcellais present.

**Discussion Topics:**

- Best % rate possible
- Loans and CD's
- Authority to invest

**Senator Vedaa** read Rep Magrum's testimony to introduce HB 1211 #7464

**Lonnie Wangen - ND Dept of Veterans Affairs** - testified via Zoom in favor #7076

**Jim Nelson - ND Veterans Legislative Council** testified in favor #7202, #7104,

**Ryan Skor - ND Treasurer's Office** - testified neutral

**Sen Weber moved Do Pass**

**Sen Meyer seconds**

**Roll Call Vote: 7 -- YES 0 -- NO -0-ab Motion Passes**

Senators	Vote
Senator Shawn Vedaa	Y
Senator Scott Meyer	Y
Senator Jay R. Elkin	Y
Senator Richard Marcellais	Y
Senator Kristin Roers	Y
Senator Mark F. Webber	Y
Senator Michael A. Wobbema	Y

**Sen Wobbema will carry the bill**

Adjourned at 2:42 PM

*Pam Dever, Committee Clerk*

**REPORT OF STANDING COMMITTEE**

**HB 1211: Government and Veterans Affairs Committee (Sen. Vedaa, Chairman)**  
recommends **DO PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB  
1211 was placed on the Fourteenth order on the calendar.



# NORTH DAKOTA HOUSE OF REPRESENTATIVES

STATE CAPITOL  
600 EAST BOULEVARD  
BISMARCK, ND 58505-0360



## **Representative Jeffery J. Magrum**

District 28  
P.O. Box 467  
Hazelton, ND 58544-0467

C: 701-321-2224  
[jmagrum@nd.gov](mailto:jmagrum@nd.gov)

## **COMMITTEES:**

Judiciary  
Political Subdivisions

03/04/2021

Good Day Chairman Vedaa and committee members.

For the record I am Jeff Magrum representing District 28 in the House of Representatives. District 28 is south central ND.

The goal of HB1211 will allow North Dakota Department of Veteran Affairs (NDDVA), the Administrative Committee on Veterans Affairs (ACOVA) and the State Treasurer's office to be good stewards of fund 368 and fund 410. The goal is to get the best interest rate possible to benefit the veteran's programs.

This would include Approximately \$363,000 dollars for loans and CD's.

Commissioner Lonnie Wangen with the ND Department of Veterans Affairs will explain this bill in detail.

The House passed HB1211 91-0 and I ask for a due pass.

Thanks so much Chairman Vedaa and committee members for your consideration.

**Senate Government and Veterans Affairs**  
**67<sup>th</sup> Legislative Session**  
**Senator Shawn Vedaa-Chair**

Chairman Vedaa and Senate Government and Veterans Affairs Committee,

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**FUND 368:** The Veterans Aid Loan fund (368) are the cash funds available for loan to Veterans. Loans are limited to \$5,000, unsecured and an 8% interest rate. Half the interest is refunded if paid in full by maturity date. NDDVA currently has 56 active loans with a balance of \$168,986. Fund 368 has \$363,000 available for new loans. \$103,000 in cash and \$260,000 invested in CD's maturing every quarter.

Thank you for your consideration.

Lonnie Wangen

Commissioner-NDDVA

HB1211

The North Dakota Veterans Legislative Council supports this legislation.

In 1980 over 15% of the North Dakota's population was made up of veterans. In 2016 The Census Bureau's Community Survey estimated the state's veteran's population at 46,507 or about 8%. This sharp decline is due likely to two factors: the larger groups of WWII and Korean veterans have been passing away in greater numbers. In 2005 there were an estimated 7,427 WWII veterans and by 2025 that estimate had dropped to 2,056. Secondly the veterans in North Dakota are older than the general population. The current largest group are the Vietnam veterans who are mostly in their 70's. Why is this important in relationship to this legislation? This bill pertains to the Veterans aid fund and the Post War Trust Fund. Monies from these two accounts, in particular Fund 41, enabling the Department of Veterans Affairs to assist veterans by helping with their unmet medical needs by providing them grants for such things as hearing, optical, dental including dentures to mention a few.

With the aging of the Vietnam veterans and the increasing number of Gulf War veterans entering the system there are roughly 41,818 veterans in this group indicating an increasing need for these programs.

Currently there are restrictions on where investments can be made. This bill would allow the NDDVA, the ACOVA, and the State Treasury would allow investments that would gain the best interest rates while ensuring that they are secure thus allowing for the good stewardship of these funds.

I thank the committee and encourage you to vote and pass on this legislation.



## HB 121

The North Dakota Veterans Legislative Council stands in strong support of this legislation.

The Census Bureau's Community Survey in 2016 estimates the states veteran's population at 46,507 or about 8%. This percentage has steadily declined from just over 15% in 1980. This shift is due likely due to two factors: the larger cohorts of WWII and Korean veterans have been passing in greater numbers. Since 2005 we have lost estimated 5000+ of these veterans.

In 2016 the Census estimated 18,616 veterans served in the recent Gulf Wars while an estimated 22,461 served in WWII, Korean and Vietnam.