

VETERANS' BENEFITS STUDY - BACKGROUND MEMORANDUM

The Government Services Committee has been assigned, pursuant to Section 3 ([Appendix A](#)) of 2013 Senate Bill No. 2344, a study of current state and federal benefits available to North Dakota veterans; statutory changes that would benefit North Dakota veterans, including possible changes to state income taxes and property taxes; the provision of veteran-focused incentives; assistance with obtaining and maintaining benefits; and assistance with obtaining and maintaining various life-enhancing services.

North Dakota Century Code Section 37-01-40(1) defines a "veteran" as an individual who has served on continuous federalized active military duty for 180 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. In addition, for the purposes of Chapter 37-14 relating to veterans' aid programs, Section 37-14-01.1 defines a "veteran" as an individual who served in the armed forces of the United States on federal active duty for reasons other than training and who has been discharged under other than dishonorable conditions.

Veterans' Service Agencies

United States Department of Veterans' Affairs

The United States Department of Veterans' Affairs (VA) administers a variety of benefits and services for servicemembers, veterans, dependents, and survivors. The VA operates the nation's largest integrated health care system, with more than 1,700 hospitals, clinics, community living centers, and other facilities. The VA benefits include health care, disability compensation, dental care, education and training, vocational rehabilitation, life insurance, home loan assistance, and burial benefits. A federal benefits timetable is attached as [Appendix B](#).

Administrative Committee on Veterans' Affairs

The Administrative Committee on Veterans' Affairs (ACOVA) is responsible for the organization, policy, and general administration of all veterans' affairs in North Dakota. Pursuant to Section 37-18.1-01, ACOVA is comprised of 3 ex officio nonvoting members and 15 voting members. The 15 voting members are appointed by the Governor from each of the five major veteran organizations in the state--the American Legion, Veterans of Foreign Wars, Disabled American Veterans, Veterans of World War II, Korea, and Vietnam (AMVETS), and Vietnam Veterans of America. The three nonvoting members who serve in an advisory capacity include the Adjutant General, the Center Director of the VA, and the Executive Director of Job Service North Dakota. The Governor appoints a Chairman and Secretary of ACOVA.

The Chairman and Secretary of ACOVA are to appoint a subcommittee responsible for supervision and government of the North Dakota Department of Veterans' Affairs (NDVA). Once appointed, a subcommittee member may continue to serve as long as the subcommittee member is a member of the administrative committee. Each nominating organization for ACOVA must have at least one member serving on the subcommittee. The Administrative Committee on Veterans' Affairs is responsible for appointing the Commissioner of NDVA. The Commissioner must be a resident veteran of North Dakota. The Commissioner also serves as Executive Secretary of the Subcommittee on Veterans' Affairs but does not have a vote in the affairs of the subcommittee.

The Chairman and Secretary of ACOVA, subject to approval by the full committee, are responsible for appointing a seven-member Governing Board responsible for the administration of the Veterans' Home. The Governing Board members may be from within or outside the administrative committee. A member of the subcommittee overseeing NDVA may not also serve on the Governing Board. The Governing Board selects the Administrator of the Veterans' Home, who serves at the pleasure of the Governing Board.

The members of ACOVA may not receive compensation 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 elected officials and employees of the state. The payments for expenses are to be paid by NDVA and the Veterans' Home to each of their respective subcommittee members incurring the expenses.

North Dakota Department of Veterans' Affairs

The North Dakota Department of Veterans' Affairs was established by the 1945 Legislative Assembly. Previously, it had been known as the Office of the Veterans' Service Commissioner, which was established in
North Dakota Legislative Council

1927. The main office of NDVA is located in Fargo with a branch office located in Bismarck. The mission of NDVA is to ensure every veteran in the state of North Dakota who has served in the military receives every benefit to which the veteran may be entitled from the VA, allied agencies, and from the state of North Dakota.

The North Dakota Department of Veterans' Affairs provides assistance, directly or through county and tribal veterans' service officers, to North Dakota veterans and their dependents in obtaining federal and state benefits and disseminates current information to the state veteran population through the use of news media, county veterans' service officers, and veterans' organizations. The North Dakota Department of Veterans' Affairs assists with claims for entitlement from the VA and counsels veterans on employment, educational programs, disability benefits, medical care entitlement, nursing home assistance, death benefits, and other related veterans' activities. The North Dakota Department of Veterans' Affairs is responsible for the training of county veterans' service officers, appointed by county boards and serving in 53 counties, and tribal service officers. The North Dakota Department of Veterans' Affairs conducts a minimum of two training seminars each year. The ongoing general fund appropriation for NDVA for the 2013-15 biennium is \$1.4 million. The North Dakota Department of Veterans' Affairs is authorized eight full-time equivalent (FTE) positions for the 2013-15 biennium, one more than the 2011-13 biennium. The Legislative Assembly did not change the executive recommendation to add one FTE national service officer position.

County Veterans' Service Officers

Section 37-14-18 provides the board of county commissioners of each county may appoint, employ, and pay, on a full-time or part-time basis, an officer to be known as a county veterans' service officer. Such appointment must be made with the prior advice of the Commissioner of NDVA and in accordance with veterans' preferences. It is the duty of the county veterans' service officer to become acquainted with the laws, both state and federal, enacted to assist returning members of the armed forces in the presentation, proof, and establishment of such claims, privileges, and rights as they have. It also is the duty of the county veterans' service officer to actively cooperate with and to coordinate the activities of the state and federal agencies within the county which the officer serves to facilitate their operation and ensure promptness in the solution of the problems concerned with the reestablishment of returning servicemen and servicewomen in civilian pursuits.

Sections 57-15-06.4 and 57-15-06.7(18) provide a county may annually levy a tax to provide for the payment of the salary, traveling, and office expenses of the county veterans' service officer. The county mill levy rate may not exceed two mills.

Tribal veterans' service officers are appointed and employed by each respective tribe. The tribal veterans' service officers are invited to participate in the training seminars offered by NDVA each spring and fall.

Veterans' Support Services

The North Dakota Department of Veterans' Affairs, pursuant to Section 37-18-12, 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 ACOVA with the approval of the Emergency Commission. However, all interest earnings from the veterans' postwar trust fund received by NDVA from ACOVA are appropriated to NDVA on a continuing basis.

The North Dakota Department of Veterans' Affairs administers the veterans' aid fund loan program and programs supported by the veterans' postwar trust fund, pursuant to Chapter 37-14 ([Appendix C](#)).

The **veterans' aid fund** is a permanent revolving fund for the purpose of making loans to veterans or their widows/widowers. To qualify, the applicant is required to be a peacetime veteran, wartime veteran, or National Guard with active duty as defined in Chapter 37-14, or a widow/widower of an eligible veteran who has not remarried; a citizen and resident of North Dakota for at least one year; and have the financial ability to make payments. The maximum loan amount is \$5,000, and the annual interest rate is 8 percent. The interest rate may not exceed 10 percent, and loans may be for up to 48 months. If the loan is repaid as agreed upon in the terms, one-half of the interest paid is refunded to the borrower. The North Dakota Department of Veterans' Affairs may take legal action to collect delinquent loans.

The North Dakota Department of Veterans' Affairs administers a **hardship assistance grant**. The purpose of this grant is to give aid and comfort to eligible veterans and their spouses, or widows/widowers of eligible veterans who have not remarried, who do not have the financial means to meet certain needs. The individual must have an unmet need of dental work, eyeglasses, hearing aids, transportation for medical treatment, or any special need

for medical reasons, approved by the Commissioner of NDVA. Grants are funded by the earnings of the veterans' postwar trust fund. The **veterans' postwar trust fund** was created by Section 6 of 1981 Senate Bill No. 2271, which provided for a transfer of unobligated money in the Vietnam veterans' adjusted compensation funds in the state treasury after July 1, 1981, to the veterans' postwar trust fund. Initiated measure No. 4, approved by the voters in the November 1988 general election, established the veterans' postwar trust fund as a permanent fund and required transfers from the general fund or other sources as appropriated by the Legislative Assembly totaling \$3.7 million over five years. The initiated measure also appropriated the income from the veterans' postwar trust fund on a continuing basis to ACOVA to be spent for veterans' programs as authorized by law and required the State Treasurer to invest the fund in legal investments as provided by Section 21-10-07.

The final transfer required by the initiated measure was made during the 1993-95 biennium. Initiated constitutional measure No. 4, approved by the voters in the November 1996 general election, created a new section to Article X, of the Constitution of North Dakota, establishing the veterans' postwar trust fund as a permanent trust fund of the state of North Dakota. The section authorizes the State Treasurer to invest the fund and provides all income received from investments to be utilized for programs which must be of benefit and service to veterans, who are defined by legislative enactment, or their dependents. The income is appropriated to ACOVA on a continuing basis for programs selected at the discretion of ACOVA. The North Dakota Department of Veterans' Affairs is responsible for the disbursement of funds from the veterans' postwar trust fund as directed by ACOVA.

The Administrative Committee on Veterans' Affairs uses veterans' postwar trust fund earnings to provide transportation for veterans to the VA Hospital in Fargo and to three community-based outpatient clinics in Grafton, Minot, and Bismarck. Funds are provided for travel costs and vans. Vans are purchased with veterans' postwar trust fund earnings and used by the VA for the transportation of veterans. The VA pays for fuel and maintenance costs for the vans until they are returned to NDVA for sale or trade on new vans. The North Dakota Department of Veterans' Affairs may also provide funding for special transportation services necessary for a veteran in need of same day surgery or specialized care in another city when a family member is not available to assist with transporting the veteran. The Legislative Assembly in 2013 Senate Bill No. 2007 provided NDVA prepare and provide a transport van replacement plan to the 2015 Legislative Assembly and introduce legislation seeking state funding for the replacement of transport vans based on the plan.

Veterans' postwar trust fund earnings also provide funding for grants to the Veterans' Home, stand down events, and to assist with the needs of veterans, their spouses, or widows/widowers that have not remarried. Assistance is provided for individuals with an emergency need for dental work, eyeglasses, hearing aids, or other medical need approved by the Commissioner of NDVA. Routine and maintenance procedures are not provided. An analysis of the veterans' postwar trust fund for the 2011-13 and 2013-15 bienniums is attached as [Appendix D](#).

The Legislative Assembly in 2011 House Bill No. 1468 amended Section 37-14-14 relating to the veterans' postwar trust fund to provide all income earned in a biennium is appropriated to ACOVA on a continuing basis in the following biennium, and not in the biennium in which it is earned, for authorized programs. Income earned by the veterans' postwar trust fund during the 2011-13 biennium will be available for benefits and services to veterans during the 2013-15 biennium. In addition, 2011 House Bill No. 1468 provided \$210,000 from the general fund to NDVA to be used in lieu of income generated from the veterans' postwar trust fund for the programs that benefit veterans or their dependents during the 2011-13 biennium and \$50,000 from the general fund to NDVA for the purchase of vans to transport veterans or their dependents. The Legislative Assembly in 2011 House Bill No. 1177 provided \$20,000 from the general fund for "stand down" events to coordinate benefits and provide services to needy veterans in the state. In addition to the \$210,000 provided from the general fund to be used in lieu of income generated from the veterans' postwar trust fund for programs, NDVA had available \$64,510 of veterans' postwar trust fund income remaining from the 2009-11 biennium and \$8,000 from the sale of vans during the 2011-13 biennium for a total of \$282,510 available for programs authorized by law to benefit and serve veterans or their dependents during the 2011-13 biennium. During the 2011-13 biennium, NDVA used the \$210,000 provided from the general fund for grants (\$188,132), transportation (\$13,128), Veterans' Home equipment (\$2,400), and other benefits (\$6,340); the \$50,000 provided from the general fund for vans; and \$5,000 of the \$20,000 provided from the general fund for "stand down" events. In addition, NDVA spent \$44,184 of the \$72,510 available from the 2009-11 biennium and van sale proceeds for equipment and computers at the Veterans' Home and transportation lodging.

The Legislative Assembly in 2013 House Bill No. 1439 provided for a \$250,000 transfer from the general fund to increase the principal balance of the veterans' postwar trust fund. Income available for benefits from the postwar trust fund does not include investment changes in market value. Payable income earned during the

2011-13 biennium totaling \$262,372 will be available from the postwar trust fund for benefits during the 2013-15 biennium.

The **North Dakota Veterans Emergency Needs Charitable Fund** was established by the Commissioner of NDVA to receive tax-deductible donations to provide resources for emergency needs of North Dakota veterans and their eligible dependents. The 501(c)(3) fund was established through the Impact Foundation of Fargo to meet one-time emergency needs of veterans that may include dental care, vision, hearing, transportation for medical treatment, and other special needs as approved by the fund advisors. Funding from the charitable fund is in addition to funds available from the earnings of the veterans' postwar trust fund and may be used to assist veterans with needs that do not meet the criteria for other veterans' assistance programs.

The **United States Department of Veterans' Affairs** offers an array of programs and initiatives specifically designed to help homeless veterans live as self-sufficiently and independently as possible. The VA programs offer a continuum of services that include aggressive outreach to those veterans living on streets and in shelters who otherwise would not seek assistance; clinical assessment and referral to needed medical treatment for physical and psychiatric disorders, including substance abuse; long-term sheltered transitional assistance, case management, and rehabilitation; employment assistance and linkage with available income supports; and supported permanent housing.

The **Salvation Army**, through a grant with the North Dakota Coalition for Homeless People, has funding available for assistance to North Dakota veterans and their families who are homeless or at risk of homelessness. Services provided by the Salvation Army include case management; assistance in obtaining VA benefits; assistance in coordinating and obtaining other benefits which may include referrals to health care services, food pantries, and other basic needs; personal financial planning services; transportation services; and temporary financial assistance of time-limited payments to third parties for rent, utilities, security and utility deposits, transportation, and emergency supplies.

The **North Dakota Coalition for Homeless People** is an organization of service providers established in 1989 to address the concerns of homelessness in the state. The coalition works with subgrantees, including the Salvation Army and Community Action, to administer funds provided through the Supportive Services for Veteran Families program with funding provided by the VA. The program works through private nonprofit organizations and consumer cooperatives to provide supportive services to low-income veteran families living in or transitioning to permanent housing. The program provides eligible veteran families with outreach, case management, and assistance in obtaining VA and other benefits which may include health care services, daily living services, personal financial planning, transportation services, fiduciary and payee services, legal services, child care services, and housing counseling. In addition, veteran families may qualify for assistance with time-limited payments to third parties for rent, utilities, moving expenses, and licensed child care. Regional coalitions exist to provide assistance in various areas of the state.

The **Homeless Veterans' Dental Program** was established by the VA in 1992 to increase the accessibility of quality dental care to homeless veteran patients and to help assure success in VA-sponsored and VA partnership homeless rehabilitation programs throughout the United States.

In an effort to provide services to homeless veterans, NDVA participates in **stand downs**. Stand downs are typically one-day to three-day events providing services to homeless veterans. Services provided include food; shelter; clothing; health screenings; VA and Social Security benefits counseling; and referrals to a variety of other services, such as housing, employment, and substance abuse treatment. Stand downs are collaborative events, typically coordinated between local veteran groups, other government agencies, and community agencies who serve the homeless.

The North Dakota Division of Community Services periodically updates a list of **food pantries** operating within the state. This information is provided by the seven Community Action agencies that provide services within their designated service areas. In addition, the United States Department of Housing and Urban Development maintains a list of food banks, food pantries, food baskets, and hot meals in the state.

Education Services

Honorary high school diplomas are available for WWII, Korean War, and Vietnam War veterans and are designed for those who left high school to serve in these wars. Application can be made to the Department of Public Instruction. General educational development (GED) test preparation assistance is available through the Veterans' Upward Bound program.

Postsecondary education benefits include the Veterans' Upward Bound program, GI Bill benefits, Leave No Veteran Behind, Survivors and Dependents Educational Assistance, scholarships, tuition waivers for qualified dependents attending any North Dakota University System college, and the Yellow Ribbon Program.

The **Veterans' Upward Bound** program is an individualized educational program for veterans who seek academic preparation before entering or during postsecondary education. Coursework in English, computer literacy, mathematics, science, and reading is designed to prepare veterans for successful participation in postsecondary education. In addition to academic coursework, the program provides advising and referral services. Veterans may be eligible to receive educational benefits while attending the program. Prior to the 2013-15 biennium, funding for the program was provided through a grant from the United States Department of Education. The Legislative Assembly appropriated \$325,000 from the general fund to the University System to provide assistance to eligible veterans during the 2013-15 biennium.

The **GI Bill** is an education benefit earned by active duty, selected reserve, and National Guard servicemembers. The benefit is designed to help servicemembers and eligible veterans cover the costs associated with getting an education or training. The GI Bill has several programs and each is administrated differently, based on eligibility and duty status.

Leave No Veteran Behind is a national 501(c)(3) nonprofit organization run by veterans to assist those who are serving or have served in the United States military with student loans. Leave No Veteran Behind accepts private donations to assist veterans with student loans. Veterans receiving assistance are required to perform 100 hours of community service.

Survivors and Dependents Educational Assistance provides education and training opportunities to eligible dependents of certain veterans. The VA program offers up to 45 months of education benefits. These benefits may be used for degree and certificate programs, apprenticeship, and on-the-job training. Remedial, deficiency, and refresher courses may be approved under certain circumstances.

Scholarships are available from various organizations for veterans, active military, their children, and, in some cases, their grandchildren.

University System tuition waivers are available for qualified dependents attending any University System college. Pursuant to Section 15-10-18.3, a dependent of a North Dakota veteran who was killed, totally disabled, or declared missing in action may attend a University System institution without paying tuition or fees for up to 45 months. Eligible dependents must be accepted for enrollment by a University System campus, and the cost for aviation flight charges or expenses are not included in the waiver. In addition, Chapters 37-07.2 and 37-07.1 provide tuition assistance and tuition waivers for qualifying members of the National Guard attending state-controlled colleges.

The **Yellow Ribbon Program** is a provision of the Post-9/11 Veterans Educational Assistance Act of 2008. This program allows institutions of higher learning (degree-granting institutions) in the United States to voluntarily enter into an agreement with the VA to pay tuition expenses that exceed the highest public in-state undergraduate tuition rate. The institution can contribute up to 50 percent of those expenses, and the VA will match the same amount as the institution.

Entrepreneurship Services

Veteran-owned businesses or veterans interested in starting a business can receive assistance with business development, financing, and government contract application.

The **Entrepreneurship Bootcamp for Veterans with Disabilities (EBV)** offers training in entrepreneurship and small business management to post-9/11 veterans with disabilities resulting from service to the country. The EBV, largely privately funded, was founded at Syracuse University in 2007 but is now offered by a network of eight institutions. The EBV is designed to open the door to business ownership for veterans by developing skills associated with launching and growing a small business and helping leverage programs and services for veterans and people with disabilities.

The **United States Small Business Administration (SBA)** was created in 1953 as an independent agency of the federal government to aid, counsel, assist, and protect the interests of small business concerns, to preserve free competitive enterprise, and to maintain and strengthen the overall economy of the nation. The SBA helps Americans start, build, and grow businesses. The Patriot Express Pilot Loan Initiative is available through the

SBA for veterans and members of the military community establishing or expanding small businesses. The **Office of Veterans Business Development** operates within the SBA to maximize the availability, applicability, and usability of all administration small business programs for veterans, service-disabled veterans, reserve component members, and their dependents or survivors.

The **Procurement Technical Assistance Program (PTAP)** was authorized by the United States Congress in 1985 in an effort to expand the number of businesses capable of participating in the government marketplace. Administered by the Department of Defense, Defense Logistics Agency (DLA), the program provides matching funds through cooperative agreements with state and local governments and nonprofit organizations for the establishment of Procurement Technical Assistance Centers (PTACs) to provide procurement assistance. Procurement Technical Assistance Centers are primarily focused on helping existing companies secure government contracts. Procurement Technical Assistance Centers work with veteran and service-disabled veteran entrepreneurs to position their companies to successfully compete in the government contracting arena.

Entrepreneurship training allows eligible servicemembers and veterans to use VA education benefits to take courses offered by the Small Business Development Centers (SBDCs) or the National Veterans Business Development Corporation, better known as "The Veterans Corporation." Individual courses must be specifically approved for VA purposes to qualify as benefits.

Mental Health Services

The Veterans Health Administration Mental Health Strategic Healthcare Group provides general inpatient psychiatric services at 132 medical centers as well as mental health outpatient services in 689 medical centers and community-based outpatient clinics. In addition, readjustment counseling services are available for veterans and their families at 209 veterans' centers across the nation. Mental health services are available in primary care clinics, VA nursing homes, and residential care facilities where veterans receive health care. Veterans with a serious mental illness may receive services at facilities and clinics where specialized programs, such as mental health intensive case management, day centers, work programs, and psychosocial rehabilitation are provided. The VA provides a confidential 24/7 Veterans Crisis Line for veterans in crisis and their families. Trained VA professionals are available at all times to assist veterans and their family members. Veterans and their families do not have to be enrolled in the VA to use the free, confidential Veterans Crisis Line. Coaching Into Care is a national telephone-based support service for family members and others to assist veterans in accessing their VA health care benefits, particularly for mental health issues.

Posttraumatic stress disorder (PTSD) is a disorder which causes disabling anxiety after a dangerous event, such as being in combat or a traffic accident. The high level of anxiety of PTSD can lead to associated problems like panic attacks, depression, alcoholism, and substance abuse. Veterans' centers, the National Suicide Prevention Lifeline, Military OneSource, Troop and Family, North Dakota National Guard Family Support, TRICARE, or the North Dakota Department of Human Services Division of Mental Health and Substance Abuse Services are available to assist veterans struggling with PTSD or any other mental health issues.

Funding was provided by the 2013 Legislative Assembly to train service dogs to assist North Dakota veterans with posttraumatic stress disorder. In addition to providing for a study of current state and federal benefits available to North Dakota veterans, Senate Bill No. 2344 provided \$50,000 from the general fund to NDVA to train service dogs to assist North Dakota veterans with posttraumatic stress disorder. Payments may only be made upon the completion of a service dog's training and may not exceed \$12,500 per service dog. The North Dakota Department of Veterans' Affairs must provide a report to the Legislative Management (Government Services Committee) during the 2013-14 interim regarding the status of the service dog training program, including benefits to veterans, number of applicants, and number of service dogs provided.

Property Tax Credit for Disabled Veterans

Certain qualified disabled veterans may be eligible for property tax exemptions or property tax reductions, which also apply to the unremarried surviving spouse of a qualified deceased veteran.

Pursuant to Section 57-02-08(20), the first \$120,000 of true and full value of property owned and occupied as a homestead by certain qualified disabled veterans or their unremarried surviving spouse may be eligible for an exemption from property tax.

In addition, Section 57-02-08.8 provides a disabled veteran of the United States armed forces with an armed forces service-connected disability of 50 percent or greater or a disabled veteran who has an extra-schedular rating to include individual unemployability that brings the veteran's total disability rating to 100 percent as

determined by NDVA, who was discharged under honorable conditions or who has been retired from the United States armed forces, or the unremarried surviving spouse if the disabled veteran is deceased, is eligible for a credit applied against the first \$6,750 of taxable valuation (\$150,000 of true and full value) of the fixtures, buildings, and improvements of the homestead owned and occupied by the disabled veteran or unremarried surviving spouse equal to the percentage of the disabled veteran's disability compensation rating for service-connected disabilities as certified by NDVA for the purpose of applying for a property tax exemption. The 2013 Legislative Assembly appropriated \$7,678,000 from the general fund to the Tax Commissioner for this benefit during the 2013-15 biennium.

Veterans' Home

Veterans' Homes were established by an Act of Congress in 1887. Certain lands were set aside in a number of states and territories for the establishment and maintenance of homes for veteran Union soldiers. The North Dakota Veterans' Home was established in 1891 and has been in operation since 1893. The Veterans' Home is owned and operated by the state of North Dakota and currently provides 98 basic care and 52 skilled nursing beds for North Dakota veterans and spouses. Article IX, Section 13, of the Constitution of North Dakota, and Section 37-15-01 provides the Veterans' Home is to be located in Lisbon, North Dakota. To be eligible for admission, veterans must meet one of the following criteria:

- Bona fide residents of North Dakota verified 30-day residency;
- Served in a North Dakota regiment;
- Entered the armed services as a North Dakota resident; or
- Spouse or surviving spouse of above veteran.

A veteran whose last period of service in the armed services was terminated under dishonorable conditions is not eligible. In addition, no veteran may be admitted to the Veterans' Home that has been convicted of a felony or a crime involving moral turpitude, without producing sufficient evidence of subsequent good conduct and reformation of character so as to satisfy the Board of Admissions.

The 2007 Legislative Assembly provided \$21,098,656, of which \$6,483,226 was from the permanent oil tax trust fund, \$12,040,278 from federal funds, and \$2,575,152 from revenue bond proceeds, for construction of a new 150-bed Veterans' Home facility. The 2009 Legislative Assembly provided an additional \$10,588,895, of which \$7,944,991 is from the general fund and \$2,643,904 is from federal funds, for total construction funding of \$31,687,551. In addition, the Legislative Assembly provided in 2009 Senate Bill No. 2075 funding from the general fund for exterior improvements associated with the new facility (\$350,000) and funding from federal fiscal stimulus funds made available to the state under the federal American Recovery and Reinvestment Act (ARRA) of 2009 for the installation of a geothermal heating system in the new building (\$3,039,414). Senate Bill No. 2075 also provided contingent funding from the general fund for the installation of the geothermal heating system in the new building if funding from ARRA is not available to provide \$3,039,414 for this purpose. The Veterans' Home facility's geothermal heating system did not qualify for funding from ARRA, so the contingent funding from the general fund was used for the installation of a geothermal heating system in the new Veterans' Home facility.

The basic care unit requires potential residents have total independence with personal care needs--bathing, dressing, eating, ambulating (walking), toileting, and transferring. The Veterans' Home is unable to accept residents who are receiving dialysis treatment and requires applicants who have a diagnosis of alcohol or substance abuse have 9 months to 12 months of documented sobriety before being accepted. A potential resident with a mental health condition must be stabilized at the time of admission. The skilled care unit requires a potential resident meet the North Dakota criteria for nursing home placement. As of August 15, 2013, there are 82 individuals in the basic care unit and 51 individuals in the skilled care unit of the Veterans' Home facility.

The total 2013-15 biennium appropriation for the Veterans' Home is \$24.2 million, of which \$7.7 million is from the general fund. The Veterans' Home is authorized 120.72 FTE positions for the 2013-15 biennium, the same as the 2011-13 biennium.

Commandant's custodial funds - Pursuant to Section 37-15-21, the Administrator for the Veterans' Home may accept and expend funds from any source, including federal or private sources and donations, gifts, or bequests to benefit the Veterans' Home. All money received or accepted must be used for the specific purpose for which it was given or donated. The Veterans' Home may establish and maintain its own local fund to administer money received, and all interest, rent, or income from money or property received must be deposited

in the Veterans' Home operating fund unless by the terms of acquisition the money is required to be maintained in a different manner. This fund, used primarily to subsidize Veterans' Home activities, is maintained at a local bank and is audited by the State Auditor.

Melvin Norgard memorial fund - Section 3 of 2011 House Bill No. 1007 established the Melvin Norgard memorial fund (Section 37-15-23). All income related to a bequest made to the Veterans' Home by Melvin Norgard, including mineral lease income, royalties, and sale proceeds, must be transferred or deposited into the Melvin Norgard memorial fund. The State Treasurer is to invest money in the fund, and investment income of the fund must be retained in the fund. Money in the fund is available, subject to legislative appropriations, for projects and programs to benefit and serve the residents of the Veterans' Home. The Legislative Assembly must consider recommendations of the Veterans' Home Governing Board when making appropriations from the fund for projects and programs. The 2011 Legislative Assembly provided the Veterans' Home use \$211,500 of the funding available in the memorial fund for various projects, including landscaping, irrigation system repair, reshaping the oxbow, moving the gazebo, and for architect fees to design a workshop. Mineral lease payments related to the 120-acre bequest totaling \$397,832 were deposited into the Melvin Norgard memorial fund during the 2011-13 biennium, and the fund balance as of June 30, 2013, is \$186,656. The executive recommendation for the 2013-15 biennium included \$10,000 from the Melvin Norgard memorial fund for architect fees to design a workshop and the 2013 Legislative Assembly added \$788,200 from the Melvin Norgard memorial fund for construction of a shop addition to the Veterans' Home facility for a total of \$798,200.

Veterans' Home Foundation - The Veterans' Home Foundation is a 501(c)(3) charitable organization administered separately from the Veterans' Home. The foundation determines funding priorities.

Other State Benefits for Veterans

Other benefits provided by the state for veterans include:

- Services to North Dakota veterans who were exposed to Agent Orange. The Legislative Assembly in 2013 House Bill No. 1405 provided \$50,000 from the general fund to NDVA for grants to identify and provide services to North Dakota veterans who were exposed to Agent Orange. The department must provide a report to the Budget Section during the 2013-14 interim regarding any funds received to provide services to veterans exposed to Agent Orange; the status of the grant program, including information on the use of the grants awarded; and outcomes of the services provided.
- Job reinstatement and veterans' preference in public employment provided in Chapter 37-19.1.
- Veterans' adjusted compensation (bonuses) - Chapter 37-28 provides for adjusted compensation payments to members of the North Dakota National Guard, and North Dakota residents of the reserve and active duty component, who were mobilized after December 5, 1992, in support of military operations around the world.
- Park fees - North Dakota veterans with a 100 percent, service-related disability and former prisoners of war (POWs) are eligible for a free annual permit. All other North Dakota veterans with service-related disabilities are eligible to receive an annual permit for \$20. The Golden Access Passport is issued by the Corps of Engineers to any individual who has been medically determined to be blind or permanently disabled for purposes of receiving benefits under federal law, including admission to federal parks.
- Aircraft excise tax exemption - Under Section 57-40.5-03(1), an aircraft acquired by a disabled veteran is exempt from aircraft excise tax.
- Motor vehicle excise tax exemption - Under Section 57-40.3-04(1), any motor vehicle acquired by, or leased and in the possession of, a resident disabled veteran who registers, or is eligible to register, the vehicle with a distinctive license plate is exempt from motor vehicle excise taxes. A surviving spouse who has not remarried and is receiving NDVA dependency and indemnity compensation retains the exemption of the deceased, qualifying veteran.
- Veteran's indicator on North Dakota driver's license - Veterans can request to have an indicator on their North Dakota driver's license to show they are veterans of United States military service.
- Reduced fees for licenses - Section 20.1-03-12 provides a Game and Fish Department resident fishing license for a disabled veteran who has a 50 percent service-related disability is \$5 instead of \$16, and the combined general game, habitat stamp, small game, and fur-bearer license for a resident disabled veteran is \$3 instead of \$50.

- Injured military deer licenses - Section 20.1-02-04 provides the Game and Fish Department issue free of charge four any deer licenses and six any white-tailed deer licenses annually to the Injured Military Wildlife Project of North Dakota.
- Veterans' Cemetery - Veterans may be buried in the North Dakota Veterans' Cemetery at no charge. A fee is charged for a spouse or eligible dependent buried on the same plot at the cemetery.

PREVIOUS STUDIES

The 1993-94 Budget Committee on Home and Community Care studied long-term care needs of veterans in the state and the use of state and other existing facilities for long-term care for veterans. The committee recommended 1995 Senate Bill No. 2033 authorizing the acquisition or construction of a western North Dakota Veterans' Home at a cost not to exceed \$3,000,000, including up to \$1,050,000 from a loan from the veterans' postwar trust fund and \$1,950,000 from a Veterans' Administration state home grant. The 1995 Legislative Assembly did not approve Senate Bill No. 2033.

The 2001-02 Budget Committee on Government Administration studied the management structure and oversight of the Veterans' Home and the selection process for the Commandant or Administrator of the home. The committee recommended the following bills:

- House Bill No. 1027 to change the residency requirement for a veteran to be eligible for admission from one year to 30 days. This bill was not approved by the 2003 Legislative Assembly.
- House Bill No. 1028 to change the requirement for a spouse or surviving spouse of a veteran to be admitted to the Veterans' Home. The bill reduced the number of years the spouse or surviving spouse must be married to a veteran from five years to one year and eliminated the requirement that the spouse or surviving spouse be at least 45 years old. This bill was not approved by the 2003 Legislative Assembly.
- House Bill No. 1029 to allow a veteran's service-connected compensation to be included in the veteran's contribution to the cost of care at the Veterans' Home. This bill was approved by the 2003 Legislative Assembly.
- House Bill No. 1030 to provide for a Legislative Council study during the 2003-04 interim of the future role of the Veterans' Home, including the development of a strategic plan for the operations of the home and the implementation of the recommendations included in the performance audit. This bill was not approved by the 2003 Legislative Assembly.

The 2007-08 Public Safety Committee, pursuant to 2007 House Concurrent Resolution No. 3063, studied the delivery and funding of veterans' services by the state and counties. The committee received information regarding benefits available to North Dakota veterans and performance audits of NDVA and ACOVA. The committee received information from county veterans' service officers regarding the delivery and funding of veterans' services. The committee learned 95 percent of the state's veterans' claims processed originate through county veterans' service officers. Training is important for county veterans' service officers, and many county veterans' service officers only receive training provided by the state, which the committee learned, is not adequate. The committee received the following suggestions for improving the delivery and funding of veterans' services:

1. Modify the mission of NDVA to train and provide support.
2. Review job descriptions of county veterans' service officers.
3. Eliminate NDVA claims personnel and assign them to training and support.
4. Budget the necessary funding for training and support.
5. Encourage regionalization and cooperation between counties.

The committee received information from interested persons regarding the delivery and funding of veterans' services. The committee learned:

- Some individuals believe ACOVA does not accurately reflect the state's veteran population and the choices of whom to nominate are severely restricted by the current process, which is not based on the qualification of the candidates.
- The size of ACOVA is not as important as the quality of its members.

- Many of the state's veterans are elderly and cannot travel very far on their own. It is essential North Dakota maintain and improve on its current system to ensure veterans and other claimants receive the benefits for which they are entitled.
- It is a challenge for county veterans' service officers to keep current on their advocacy skills. The North Dakota Department of Veterans' Affairs should employ a staff of field officers, each of whom would be responsible for training county veterans' service officers within an assigned region.

The committee learned the mission of the National Association of County Veterans Service Officers is to promote and protect the rights of veterans and their dependents through education, communication, and technology. Through membership in the association, county veterans' service officers receive training and can become nationally certified. Some states have adopted National Association of County Veterans Service Officers certification as a requirement for their county veterans' service officers.

The committee also reviewed information regarding county veterans' service officer FTE positions, county veterans' service officer salaries, county veterans' service officer mill levies, the veteran population, veterans' claims, total veteran-related federal expenditures, and transportation aid by county.

The committee recommended 2009 House Bill No. 1057 to:

- Require county veterans' service officers to maintain accreditation by the National Association of County Veterans Service Officers within one year of appointment.
- Provide a \$20,000 general fund appropriation to NDVA for arranging for National Association of County Veterans Service Officers accreditation training during the 2009-11 biennium.
- Require two of the NDVA existing FTE positions be used for training officers for the 2009-11 biennium.
- Provide 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 the Commissioner of NDVA be appointed by the Governor.
- Require NDVA be located in Bismarck or Mandan.
- Provide any employee of NDVA may not be a conservator for a person receiving benefits or services from the department.
- Reduce the size of ACOVA from 15 individuals to 7 individuals with the Commissioner of NDVA serving as the Chairman of the committee.
- Revise the powers and duties of ACOVA to remove the supervision of NDVA and the Veterans' Home and to provide the committee create and implement a strategic plan for the delivery of veterans' services. The bill does not change the committee's duties relating to the administration of the veterans' postwar trust fund as provided in Article X, Section 25, of the Constitution of North Dakota, and Section 37-14-12 and administration of the veterans' aid fund as provided in Section 37-14-10.

As approved by the Legislative Assembly, 2009 House Bill No. 1057:

- Required county veterans' service officers to maintain accreditation by the National Association of County Veterans Service Officers within one year of appointment.
- Provided a \$20,000 general fund appropriation to NDVA for arranging for National Association of County Veterans Service Officers accreditation training during the 2009-11 biennium.
- Allowed two of the NDVA existing FTE positions to be used for training officers for the 2009-11 biennium.
- Provided a county veterans' service officer may not serve as a conservator for an individual who is receiving benefits or services from NDVA or the VA, except if the individual is the spouse or an immediate family member of the officer.
- Provided any employee of NDVA may not be a conservator for a person receiving benefits or services from the department, except if the individual is the spouse or an immediate family member of the employee.

STUDY PLAN

The committee may wish to proceed with this study as follows:

1. Receive information from NDVA regarding a summary of current state and federal benefits available to North Dakota veterans.
2. Receive information from the Tax Commissioner regarding state income tax and property tax benefits available to North Dakota veterans.
3. Gather and review information regarding various life-enhancing services that may benefit North Dakota veterans.
4. Consider options to improve benefits available to North Dakota veterans and to provide veteran-focused incentives, assistance in obtaining and maintaining benefits, and assistance in obtaining and maintaining various life-enhancing services.
5. Consider statutory changes, including changes to state income taxes and property taxes that would benefit North Dakota veterans.
6. Develop committee recommendations and prepare any legislation necessary to implement the committee recommendations.
7. Prepare a final report for submission to the Legislative Management.

ATTACH:4