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ROLL NUMBER

DESCRIPTION

2260

2001 SENATE GOVERNMENT AND VETERANS AFFAIRS

SB 2260

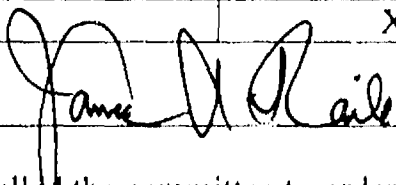
2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2260

Senate Government and Veterans Affairs Committee

☐ Conference Committee

Hearing Date February 2, 2001

Tape Number	Side A	Side B	Meter #
1	X		0.0-36.5
1		X	39.0-End
2	X		0.0-5.2
February 8, 2001 2		X	24.3-39.9
Committee Clerk Signature 			

Minutes: Chairman Krebsbach called the committee to order. The clerk called the roll. All members were present. Chairman Krebsbach opened the hearing on SB 2260 relating to the Veteran's Aid Fund and appeals from the Department of Veteran's Affairs. Appearing before the committee to introduce the bill was Senator Dick Dever, District 32. A copy of his written testimony is attached. Robert Evans, Secretary of the North Dakota Veteran's Coordinating Council testified before the committee. He indicated the council has looked at the bill through its legislative committee and has voted unanimously to support the bill as presented. The bill is at the request of the County Veteran's Service Officers across the state. They felt that there was a need for both the increase in the loan amount and also to establish an appeal process. The appeal process is an exact need. It is real and it has to be addressed. We are requesting an appeal process similar to that which is provided in Chapter 28-32. We do not want to be placed under the administrative rules act. It gives the committee latitude in how to establish this appeal

process and how to make it much more fair to the veterans. Senator C. Nelson indicated that she too is a sponsor of this bill. What is the current definition of a veteran? Mr. Evans indicated he would defer that question to the commissioner of veteran affairs who has a copy of the state guidelines. Bill Peschle, President of the county veteran's service officers association appeared before the committee. He indicated that this bill did come from his organization. He indicated that this was designed to bring the organization into the new era. They felt that they needed more money available or perhaps higher limits of money available for those who come to them seeking assistance. We have no real problem with the program but occasionally to have the ability to go to \$5,000.00 would be nice. The association is unanimously backing that part of the bill and the appeals process to be put in the hands of the veteran's administrative committee. Senator T. Mathern inquired if Mr. Peschle knew when the amount was last increased. Mr. Peschle indicated he was not sure when it was done. Senator C. Nelson inquired where the organizations money comes from initially. He indicated he did not know where the original dollars came from but he indicated it all comes from the trust fund. Senator Kilzer inquired approximately how many loans per year are processed. It was indicated that this could be answered with much of Mr. Harkema's written testimony. Appearing before the committee was Ray Harkema, commissioner of Veteran's Affairs. A copy of his written testimony is attached. He responded to Senator C. Nelson's earlier question about the definition of a veteran. He indicated that the definition is found in ND Century Code 37-01-40. This definition pertains to our state programs. Mr. Harkema in his testimony indicated that his organization has included a request for an amendment to this proposed legislation. Senator Kilzer asked if Mr. Harkema in his amendment request meant the last two sentences of the bill rather than the last two lines. Mr. Harkema indicated that was correct. Senator Wardner inquired what the interest rate is on the

loans done by his organization. Mr. Harkema indicated the rate was 8% with one half of that being returned. Century Code currently states not to exceed 10%. Senator Dever inquired about how things work within the hierarchy of the veteran's organizations within the state or at the state level. He explained the hierarchy to the committee. Senator Dever posed several more questions. Mr. Harkema responded. There were no further questions for Mr. Harkema at this time. Robert Evans asked the committee to keep in mind that they are not only talking about an appeals process for the loan program but also for the Veteran's Aid Grant Program. Ken Evanson, Valley City, Chairman of the subcommittee for Veteran's Affairs. He indicated he was present to represent the administrative committee in support of SB 2260. Jim Brent, Cass County Veteran's Service Officer. He is an advocate for the largest group of veterans in the state. His office does more grants and more loans than any other office in the state. He indicated that he is very concerned about this bill. He also indicated that he is pleased that the cap is being raised to \$5,000. This will be a plus for veterans. He indicated that he is also delighted that there is going to be an appeals process for the grants and the loan program. Senator Wardner inquired about his reaction to the cost of bringing the group together and the timeline and asked if he had any suggestions on how this might be better accomplished. Mr. Brent indicated he knew it is a concern and he knows that it is expensive. When you look at a veteran, especially a wartime veteran, a person who has served in World War II, Korea, or Vietnam or invaded Grenada, isn't it worth it to go to that expense to make sure they get that benefit? Granted the appeals process will drag it out. It's better to drag it out and get him a benefit than not be getting the benefit at all. There were several more questions offered by Senator Wardner. Mr. Brent responded. Ron Otto, Morton County Veteran's Service Officer, indicated that the review process is already in place and the bill before you is not asking to interrupt that. The

reconsideration from the commissioners office basically will remain in place. Basically he will still use that before he would recommend to a veteran or take a veteran to an appeals process.

There was nothing further at this time. No one else appeared in support of, in neutral position on, or against SB 2260. Chairman Krebsbach closed the hearing on SB 2260. Further discussion of SB 2260 took place on 2/02/01 (Tape 1, Side B, Meter #'s 39.0-End and Tape 2, Side A, Meter #'s 0.0-5.2). Bob Hanson appeared to discuss this bill with the committee. We have had some discussions and we feel perhaps your suggestion to go to a five member appeals committee of the administrative committee to start this appeals process would be a proper way to go and they be composed of one member from each veteran's organization and that committee would be appointed by the chairman of the administrative committee to do this. With today's technology you don't have to have a face to face meeting but it would still be better to allow for a little more consolidation of this thing and we would support an amendment to that effect. Chairman Krebsbach indicated that she was looking at this and she did not know that the committee would have to deal with how you structure your appeals process, at least as to the numbers involved. That could be done within your organization. Senator C. Nelson indicated she wasn't sure where that fits. The question she thought was whether or not to delete the last two sentences and then she was hearing that you wanted it in because you wanted a definite appeals process. You know, written into the code. What you do, how you set up that appeals process, it's just that you have to tell us what it is by December 1. Mr. Hanson indicated he thinks the key there is that it says that the departments decisions of appeal with the administrative committee of veteran's affairs, the decision of the committee is final. I think that is why we would have to move and say that it's not the administrative committee that is making the final decision, it's the five member appeals committee or something. Senator Dever inquired but doesn't the second to last sentence

that says the committee shall adopt and establish an appeals process, allow for the administrative committee to establish how that would be done. Mr. Hanson indicated that he thought as long as that is put in the record that this administrative committee can have this other appeals committee and that's fine and particularly that they do not come under the administrative factions of that. That they use this simply as a guideline for all appeals that are done by citizens, kind of follow a certain process all the way through. He indicated that he did not have a problem with that along as it is clearly stated in the record. Senator Dever, if the administrative committee establishes that process isn't that by it's nature the administrative committee authorizing that? Mr. Hanson indicated he thought that would be fine with them as long as that's all in the record so that somewhere down the road we're not wrong. That's okay with us. Chairman Krebsbach asked Mr. Harkema if he had any comments to make on this issue. Mr. Harkema indicated that what he heard as he understands it if we were to delete the last two sentences and as I stated the administrative committee is already formulating an appeals process. With that discussion the number 5 has come up and that would be a very good number because that would represent every veteran's organization. At the same time we are getting away from trying to call a 15 member committee together. A 5 member committee would suffice to accomplish what we need to accomplish and we would accept that. Senator Dever, doesn't this second to the last sentence become necessary to authorize that to take place. Mr. Harkema, indicated no and according to the century code the administrative committee already has that authority. Senator C. Nelson inquired what would happen if the last two sentences were consolidated and said the committee shall adopt and establish an appeals process before December 1, 2001. Mr. Harkema, indicated he believed that could be accomplished by December 1. Keeping in mind that in July we replaced 5 of our members, 5 of our 15 members are replaced so there would be a transition

period there. Possibly we would even have a new chairman. That would be up to the governor. Our goal is to have it done by then anyway. That is a long way off and we are working on it now. Senator Dever indicated that if December 1, wasn't reasonable this would their opportunity to express a better time. Mr. Harkema indicated that he considers this reasonable, but that's really up to their chairman. They meet again, it's up to him how quick they formulate the appeals process and begin it. His original request was simply to try to keep it simple, delete the last two sentences. Let the administrative committee working with the council solve this problem in a way that they can better serve veterans in a timely manner. Mr. Harkema indicated he sees no reason why in even September this couldn't be accomplished, from our July meeting which is our reorganizational meeting. He indicated again to keep it simple if we could delete the last two sentences and let the committees handle this. Chairman Krebsbach inquired of the committee if they needed some more time to think on this as to the best solution. We can certainly do so if you feel you need some more time. Discussion continued with comments and suggestions being offered from Senators T. Mathern and Wardner (Tape 1, Side B, Meter #'s 48.1-56.3) Chairman Krebsbach inquired if we were to go back to the suggestion where in we just took the first part of that sentence and said the committee shall adopt and establish an appeals process, leaving the balance of it off. That would be a directive that would satisfy the fact that there will be a process established and it will not tie you into the provisions of 28-32 even though you can use them as a guideline. Mr. Harkema indicated that he would agree with that. Senator C. Nelson indicated she would move to that. Chairman Krebsbach indicated that Senator C. Nelson moved to amend the bill removing the language on line 20. The motion was seconded by Senator Wardner. Senator T. Mathern indicated he wanted to caution the committee that there is still language in this bill that this appealable to the administrative committee and you

can create anything you want and I think somebody would have the ability to say okay you create your three member committee and when I'm done with that appeal, now I can go to the full board of 15 members because that is what the law would say now and you have not simplified you have created another step. I just caution that that wouldn't be the only issue that needs to be addressed here. Discussion of the amendment continued with input from various committee members. It was decided to hold off on the amendment until adequate time takes place to prepare an amendment that deals with the issues of this bill. Chairman Krebsbach indicated the committee would complete action on this bill at a later date. On February 8, 2001 the committee brought back SB 2260 for discussion. Proposed amendments to the bill were introduced to the committee. The amendments had been proposed by Ray Harkema, Bob Hanson, and Jim Fleming. The committee reviewed the amendments. A motion to adopt amendments was made by **Senator T. Mathern**, seconded by **Senator Wardner**. Roll call vote indicated 6 Yeas, 0 Nays, and 0 Absent and Not Voting. A motion for Do Pass as Amended was made by **Senator Dever** seconded by **Senator C. Nelson**. Roll Call Vote indicated 6 Yeas, 0 Nays, and 0 Absent or Not Voting. **Senator Dever** will carry the bill.

Date: 2/08/01
Roll Call Vote #: 1

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2260

Senate GOVERNMENT AND VETERAN'S AFFAIRS Committee

☐ Subcommittee on _____
or
☐ Conference Committee

Legislative Council Amendment Number 10617.0101

Action Taken Motion to adopt amendments

Motion Made By Sen. T. Matheyn Seconded By Sen. Wardner

[illegible]

Total (Yes) 6 No 0

Absent 0

Floor Assignment

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

Date: 2/08/01

2

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. SB 2260

Senate GOVERNMENT AND VETERAN'S AFFAIRS

Committee

☐ Subcommittee on

or

☐ Conference Committee

Legislative Council Amendment Number 16617. 0101

Action Taken

Motion Made By

Secondded

By

Sen. C. Nelson

[illegible]

Total (Yes)

No

Absent

Floor Assignment

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

REPORT OF STANDING COMMITTEE

SB 2260: Government and Veterans Affairs Committee (Sen. Krebsbach, Chairman)
recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends
DO PASS (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2260 was placed
on the Sixth order on the calendar.

Page 1, line 18, after the underscored period insert "The committee shall adopt and establish
an appeal process."

Page 1, line 19, replace "the administrative committee on veterans' affairs. The" with "an
appeals committee appointed by the chairman of the administrative committee, and
the"

Page 1, line 20, remove ". The committee shall adopt and establish an appeal process similar
to that"

Page 1, remove line 21

Page 1, line 22, remove "before December 1, 2001"

Renumber accordingly

2001 HOUSE GOVERNMENT AND VETERANS AFFAIRS

SB 2260

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2260

House Government and Veterans Affairs Committee

☐ Conference Committee

Hearing Date 3/01/01

Tape Number	Side A	Side B	Meter #
2	X		0-1020
	X		2833-3067
Committee Clerk Signature <i>Robin L. Small</i>			

Minutes:

REP. M. KLEIN called the hearing to order with all members present at the time.

In favor:

SEN. DEVER, DISTRICT 32

Please see attached testimony.

REP. M. KLEIN asks how much money is in the post war trust fund? DEVER was not sure.

REP. KASPER asks about the departments decision. DEVER replies that is yet to be defined and is establishing that.

In favor:

RON OTTO, MORTON COUNTY VETERANS SERVICE OFFICER

Please see attached testimony.

REP. M. KLEIN asks where does the money come from? OTTO replies that it comes from itself.

The loan program generates its own funds.

Page 2

House Government and Veterans Affairs Committee

Bill/Resolution Number SB 2260

Hearing Date 3/01/01

In favor:

RAY HARKEMA, VETERANS AFFAIRS

HARKEMA states that the administration committee spends the interest off of the fund.

The veteran aid was disbanded in 1971. There is 4.1 million in the fund.

REP. KASPER asks what was the decision of the committee? HARKEMA states that the meeting is still being conducted.

In favor:

BOB HANSON, ND VETS CORD. COUNCIL

HANSON wants to be on record that they are in support of this bill.

REP. CLEARY asks if the appeals committee makes up the administration committee.

HANSON replies that the financial sense is overseen.

Being there was no further testimony the hearing was closed until later that day. REP. KASPER was absent at the time of action.

REP. MEIER motioned for a DO PASS, seconded by REP. CLEARY. The roll call was taken with 14 YES, 0 NO and 1 ABSENT AND NOT VOTING. The motion carries. The CARRIER of the bill is REP. WIKENHEISER.

SB 2260: DO PASS 14-0

CARRIER: REP. WIKENHEISER

Date: 3-1-01

Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 3260

House GOVERNMENT AND VETERANS AFFAIRS Committee

☐ Subcommittee on _____

or

☐ Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Meier Seconded By Cleary

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. Wikenheiser

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

REPORT OF STANDING COMMITTEE (410)
March 1, 2001 3:13 p.m.

Module No: HR-35-4638
Carrier: Wikenheiser
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2260: Government and Veterans Affairs Committee (Rep. M. Klein, Chairman)
recominends DO PASS (14 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SB 2260
was placed on the Fourteenth order on the calendar.

2001 TESTIMONY

SB 2260

**Testimony
Senator Richard Dever
SB 2260
Senate Government and Veterans Affairs Committee
February 2, 2001**

Good morning Chairperson Krebsbach, members of the committee. For the record I am Senator Richard Dever, District 32, Bismarck.

I am here this morning as chief sponsor of SB 2260. This bill proposes two changes, both of which have the unanimous support of the North Dakota Veterans Coordinating Council.

First, the bill simply raises the maximum amount a veteran may receive from the veterans aid loan fund from \$2000 to \$5000. It does not require that all loans from this fund be \$5000, only that the maximum amount of a loan could be \$5000. The commissioner of veterans affairs has the right to grant or deny any loan not exceeding \$5000.

Second the bill allows any decision the commissioner makes relative to financial assistance matters be appealable to the administrative committee on veterans affairs. The administrative committee on veterans affairs is a 15 member committee consisting of 3 veterans from each of the five state veterans organizations who are appointed by the Governor to three year terms.

The financial assistance programs currently administered by the commissioner are the veterans aid loan program and the grant program for needy veterans which is funded by interest earnings from the Postwar Trust Fund. As strange as it may sound current law states the commissioner's decision are final and thus not appealable. No one should ever be denied the right to appeal a decision by a government agency head, least of all veterans.

Because this agency is not under the administrative practices act, the appeal process recommended to be established for this agency by the administrative committee is to be similar to the process provided in chapter 28-32, which is the chapter which establishes the appeal process for most all of the other state agencies. It is felt that a state agencies appeal processes should be as similar to one another as possible. I want to emphasize this legislation does not bring the department of veterans affairs under chapter 28-32, but only requires its appeal process be similar to that in chapter 28-32.

Both these changes are needed and are fair to veterans. I encourage you to give this bill a do pass recommendation.

Thank you.

Chairman Krebsbach, committee members, I am Ray Harkema, Commissioner of Veterans Affairs for the state of North Dakota. I have the responsibility to manage the Veterans Aid Fund under the direction of the Administrative Committee on Veterans Affairs. First, I have provided a history of the Veterans Aid Fund to include appropriations and disbursements from 1943 to present.

In 1971, the Veterans Aid Commission disbanded and the Administrative Committee was formed. In 1983 legislation passed to increase the maximum amount of the loan from \$500.00 to \$2,000.00. As Mr. Evenson stated, we are in favor of the amount not to exceed five thousand dollars. However, I would like to point out that the Committee will use its authority to set the amount up to five thousand dollars depending upon the cash balance available. A balance sheet is attached to my testimony.

Example: In calendar year 2000, 86 loans were granted. 60 or 70% were for the maximum \$2,000.00. Using the same scenario, 60 loans at \$5,000.00 would be \$300,000.00. We must always keep in mind that these are "UNSECURED LOANS". We currently have \$38,000.00 in delinquent status.

This program requires close monitoring but we consider it a benefit to our veterans and widows.

At this time, I would like to introduce an amendment to SB 2260. If we, myself and the Administrative Committee, had been aware of or seen this bill prior to submission, we could have prevented this action. We request the last two sentences be omitted. We have no problem with the appeal and the decision of the committee final.

Section 2, line 21 makes reference to Chapter 28-32 and the process filed with Legislative Council. Chapter 28-32 is the Administrative Agencies Practice Act. Changing 37-14-12 contradicts 37-14-10, "Committee may adopt rules" and states Chapter 28-32 does not apply. Each legislative session, Legislative Council makes a review of the exempt agencies. The Administrative Committee remains exempt except as to the rules relating to the supervision and government of the Veterans Home in the implementation of programs or services provided by the Veterans Home. The Committee has discussed and is currently implementing an appeal process. 37-14-12, "Decision of Department Final" is overstated. We have always reconsidered a loan denial when requested by the applicant or County Veterans Service Officer.

Any change would require a formal process and delays. We do not consider this as improving service to our veterans.

We request favorable consideration to the Administrative Committee's request.

HISTORY OF APPROPRIATIONS INTO, AND DISBURSEMENTS FROM, VETERANS' AID FUND: 1943 TO PRESENT

- 1943 Veterans' Aid Fund created -- \$75,000 appropriated
Balance at end of biennium to revert to General Fund
- 1945 \$125,000 appropriated as a separate Trust Fund
In 1945 the amount of \$500,000 was transferred into the Post War Rehabilitation Reserve Fund and a like sum of \$500,000 in 1946. In 1947, \$3,000,000 was transferred into the Post War Rehabilitation Trust Fund. This money was to be invested in bonds and securities and the interest from this fund was to be placed in the Veterans' Aid Fund.
- 1947 \$315,000 appropriated from the Trust Fund interest to the Veterans Aid Fund
Legislature designated the Fund as a permanent revolving fund. No monies were to revert to the General Fund. Interest and income from Post War Rehabilitation Fund was \$871,380.
- 1967 \$50,000 appropriated from General Fund to Veterans' Aid Fund
- 1969 \$25,000 appropriated from General Fund to Veterans' Aid Fund
- 1971 Veterans Aid Commission disbanded and Administrative Committee formed.
Loan program put under the Department of Veterans Affairs
- 1981 \$400,000 appropriated from Vietnam Veterans Adjusted Compensation Fund to Veterans Aid Fund

Total into the Fund was \$1,861,380 since inception in 1943.

Disbursements from Veterans' Aid Fund, other than for loans:

- 1943-45 \$110,000 reverted back into General Fund
- 1951 \$300,000 for payment on bonus bonds
- 1955-57 \$170,716 to North Dakota Soldiers' (Veterans) Home, Lisbon
- 1944-65 \$66,271 to Veterans Aid Commission for administration
- 1944-65 \$517,121 to Department of Veterans Affairs for administration
- 1997-99 \$26,345 to Department of Veterans Affairs for administrative costs
- 1999-01 \$18,435 to Department of Veterans Affairs for administrative costs

REVOLVING FUND

January 1, 2000 to December 31, 2000

Balance January 1, 2000		\$405,031.00
Interest Earned, Fund Balance		16,975.73
Reimbursed Bank Charges		63.00
Principle Collected	116,904.77	
Overpayments	<u>(702.95)</u>	
		116,201.82
Interest Collected	12,772.90	
Interest Refunded	<u>(4,863.85)</u>	
		7,909.05
Bank Charges		(110.00)
Administrative Costs		(9,241.91)
Attorney/Credit Bureau Fees		(4,085.08)
Loans Granted		<u>(147,400.00)</u>
Balance December 31, 2000		<u><u>\$385,343.61</u></u>

CASH BALANCE / ACCOUNTS RECEIVABLE	
Cash Balance as of December 31, 2000	\$385,343.61
Accounts receivable as of December 31, 2000	<u>\$197,504.17</u>
Total Cash Balance & Accounts Receivable	\$582,847.78

**Testimony
Senator Richard Dever
SB 2260
House Government and Veterans Affairs Committee
March 1, 2001**

Good morning Chairman Klein and members of the House government and veterans affairs committee. For the record I am Senator Richard Dever, District 32, Bismarck.

I am here today as chief sponsor of SB 2260. This bill proposes two changes, both of which have the unanimous support of the North Dakota Veterans Coordinating Council.

First, the bill simply raises the maximum amount a veteran may receive from the veterans aid loan fund from \$2000 to \$5000. It does not require that all loans from this fund be \$5000, only that the maximum amount of a loan could be \$5000. The commissioner of veterans affairs has the right to grant or deny any loan not exceeding \$5000.

Second the bill allows any decision the commissioner makes relative to financial assistance matters be appealable to an appeals committee of the administrative committee on veterans affairs. The administrative committee on veterans affairs is a 15 member committee consisting of 3 veterans from each of the five state veterans organizations who are appointed by the Governor to three year terms. This appeals committee would be appointed from the members of the administrative committee, by the chairman of the administrative committee. We would expect this appeals committee to consist of at least one member from each of the state's 5 veterans organizations.

The financial assistance programs currently administered by the commissioner are the veterans aid loan program and the grant program for needy veterans which is funded by interest earnings from the Postwar Trust Fund. As strange as it may sound current law states the commissioner's decision are final and thus not appealable. No one should ever be denied the right to appeal a decision by a government agency head, least of all veterans.

The original bill included language which required the appeals process to be developed in a manner similar to that included in chapter 28-32. It also included language which required that the process adopted needed to be filed with the legislative council by December, 2001. Based on state commissioner of veterans affairs Ray Harkima's testimony to our Senate committee that a fair appeals process would be adopted by the administrative committee, and in place, by no later than December, 2001 we removed the language requiring such be done.

Both these changes are needed and are fair to veterans. I encourage you to give this bill a do pass recommendation.

Thank you.

MORTON COUNTY

STATE OF NORTH DAKOTA

RONALD D. OTTO
Veterans Service Officer
LUCY ROVA
Secretary



Phone (701) 667-3365

210 2nd Ave. NW

MANDAN, NORTH DAKOTA 58554

SENATE BILL NO. 2260

A BILL for an Act to amend and reenact sections 37-14-06 and 37-14-12 of the North Dakota Century Code, relating to loans from the veterans' aid fund and appeals from the department of veterans' affairs.

My name is Ron Otto and I am the Morton County Veterans Service Officer. My office is located in the county court house at Mandan, ND.

Senate bill 2260 is necessary for two major reasons. The first reason is one of keeping pace with the needs of veterans who are in need of this resource to meet an unforeseen event. The loan program's maximum allowable loan needs to be increased in order to keep pace with the cost of goods and services. 15 years ago automotive mechanical labor was around \$18.00 per shop hour. Now it is sometimes over \$35.00 per hour. Heat and other utilities have also increased in cost, not to mention the cost medical procedures. These are just some of the events that can catch anyone who has a short term emergency or situation.

The appeal process in this bill allows the veteran "do process" in the event of a denial. It will give him or her the chance to have their situation considered on all aspects and not just on the facts of the stagnant application or the black and white of a credit report. The veteran will have their opportunity to address any issue that would in other cases result in a denial of assistance.

Please support Senate Bill 2260 as presented. Thank you.

A handwritten signature in cursive script that reads "Ronald D. Otto".

Ronald D. Otto
Morton County Veterans Service Officer