

Sixty-ninth  
Legislative Assembly  
of North Dakota

**PROPOSED AMENDMENTS TO  
FIRST ENGROSSMENT**

**ENGROSSED SENATE BILL NO. 2025**

Introduced by

Appropriations Committee

1 A BILL for an Act to provide an appropriation for defraying the expenses of the department of  
2 veterans' affairs; to amend and reenact sections 37-15-03, 37-15-07, 37-15-16, 37-18-01, and  
3 37-18-07, subsection 1 of section 37-18-12, and section 37-18.1-03 of the North Dakota  
4 Century Code, relating to the administrative committee on veterans' affairs; to provide for a  
5 transfer; to provide an exemption; and to declare an emergency.

6 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

7 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds  
8 as may be necessary, are appropriated out of any moneys in the general fund in the state  
9 treasury, not otherwise appropriated, and from other funds derived from federal funds, to the  
10 department of veterans' affairs for the purpose of defraying the expenses of the department of  
11 veterans' affairs, for the biennium beginning July 1, 2025, and ending June 30, 2027, as follows:

|                                       | <u>Base Level</u>      | <u>Adjustments or<br/>Enhancements</u> | <u>Appropriation</u>   |
|---------------------------------------|------------------------|--|------------------------|
| 14 <del>Veterans' affairs</del>       | <del>\$1,897,804</del> | <del>\$239,506</del>                   | <del>\$2,137,310</del> |
| 15 <u>Veterans' affairs</u>           | <u>\$1,897,804</u>     | <u>\$832,713</u>                       | <u>\$2,730,517</u>     |
| 16 State approving agency             | 323,129                | 67,207                                 | 390,336                |
| 17 <del>New and vacant FTE pool</del> | <del>0</del>           | <del>49,702</del>                      | <del>49,702</del>      |
| 18 <u>New and vacant FTE pool</u>     | <u>0</u>               | <u>202,907</u>                         | <u>202,907</u>         |
| 19 Grants - transportation program    | 1,126,085              | 193,621                                | 1,319,706              |
| 20 Transport vans                     | 18,800                 | 4,200                                  | 23,000                 |

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|   |   |                        |                      |                        |
|---|---|------------------------|----------------------|------------------------|
| 1 | Service dogs                              | 0                      | 50,000               | 50,000                 |
| 2 | Veterans' home cemetery                   | 0                      | 291,500              | 291,500                |
| 3 | <del>Total all funds</del>                | <del>\$3,365,818</del> | <del>\$895,736</del> | <del>\$4,261,554</del> |
| 4 | Total all funds                           | \$3,365,818            | \$1,642,148          | \$5,007,966            |
| 5 | Less other funds                          | 1,449,214              | 558,948              | 2,008,162              |
| 6 | <del>Total general fund</del>             | <del>\$1,916,604</del> | <del>\$336,788</del> | <del>\$2,253,392</del> |
| 7 | <del>Full-time equivalent positions</del> | <del>9.00</del>        | <del>0.00</del>      | <del>9.00</del>        |
| 8 | Total general fund                        | \$1,916,604            | \$1,083,200          | \$2,999,804            |
| 9 | Full-time equivalent positions            | 9.00                   | 1.00                 | 10.00                  |

**SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO**

**SEVENTIETH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

|    |   |                        |                    |              |
|----|---|------------------------|--------------------|--------------|
| 15 | <del>One-Time Funding Description</del> | <del>Other Funds</del> |                    |              |
| 16 | <del>Veterans' home cemetery</del>      | <del>\$291,500</del>   |                    |              |
| 17 | <del>Total</del>                        | <del>\$291,500</del>   |                    |              |
| 18 | <u>One-Time Funding Description</u>     | <u>General Fund</u>    | <u>Other Funds</u> | <u>Total</u> |
| 19 | Homeless veterans' services             | \$500,000              | \$0                | \$500,000    |
| 20 | Veterans' home cemetery                 | 0                      | 291,500            | 291,500      |
| 21 | Total                                   | \$500,000              | \$291,500          | \$791,500    |

**SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST.**

The department of veterans' affairs may not spend funds appropriated in the new and vacant FTE pool line item in section 1 of this Act, but may request the office of management and budget to transfer funds from the new and vacant FTE pool line item to the veterans' affairs and state approving agency line items in accordance with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

**SECTION 4. APPROPRIATION - TRANSPORTATION GRANT PROGRAM - FEDERAL FUNDS - 2023-25 BIENNIUM.** There is appropriated from federal funds, the sum of \$200,000, or so much of the sum as may be necessary, to the department of veterans' affairs for the highly

1 rural transportation grants program, for the period beginning with the effective date of this  
2 section and ending June 30, 2025.

3 **SECTION 5. APPROPRIATION - TRANSFER TO VETERANS' POSTWAR TRUST FUND -**  
4 **ONE-TIME FUNDING.** There is appropriated out of any moneys in the general fund in the state  
5 treasury, not otherwise appropriated, the sum of \$500,000, which the office of management and  
6 budget shall transfer to the veterans' postwar trust fund, for the biennium beginning July 1,  
7 2025, and ending June 30, 2027. This appropriation provided in this section is considered a  
8 one-time funding item.

9 **SECTION 6. AMENDMENT.** Section 37-15-03 of the North Dakota Century Code is  
10 amended and reenacted as follows:

11 **37-15-03. Government of veterans' home.**

12 The general supervision and government of the veterans' home is vested in the  
13 ~~administrative committee on veterans' affairs~~ governor.

14 **SECTION 7. AMENDMENT.** Section 37-15-07 of the North Dakota Century Code is  
15 amended and reenacted as follows:

16 **37-15-07. Administrator of veterans' home - Appointment - Qualifications.**

17 The appointment, qualifications, term of office, and salary of the administrator of the  
18 veterans' home must be as prescribed ~~in section 37-18.1-03~~ by the governor. The ~~administrative~~  
19 ~~committee on veterans' affairs~~ governor may designate the administrator as commandant of the  
20 veterans' home if the administrator is an honorably discharged veteran.

21 **SECTION 8. AMENDMENT.** Section 37-15-16 of the North Dakota Century Code is  
22 amended and reenacted as follows:

23 **37-15-16. Administrator shall take charge of unclaimed estates of small value.**

24 If a member of the veterans' home dies leaving property of the value of three thousand  
25 dollars or less, the administrator immediately shall take charge of the property. If within forty-five  
26 days of the date of death a valid claim of any heir or devisee is not made for the property and  
27 an application or petition has not been filed for issuance of letters of administration, the  
28 administrator shall convert the property into cash without probate or other proceedings and  
29 make payment first toward reasonable funeral expenses and second toward reasonable and  
30 necessary medical and hospital expenses of the last illness of the decedent. If any cash  
31 remains, the administrator shall deposit the cash with the state treasurer who shall credit it to

1 the veterans' home operating fund. The administrator shall make a report of the administrator's  
2 action to the administrative committee on veterans' affairs and the governor. The report must be  
3 audited by, and included in the records of, the committee.

4 **SECTION 9. AMENDMENT.** Section 37-18-01 of the North Dakota Century Code is  
5 amended and reenacted as follows:

6 **37-18-01. Department established - Commissioner.**

7 There is hereby established a department of veterans' affairs under the supervision and  
8 control of a commissioner known as commissioner of veterans' affairs, hereinafter referred to as  
9 the commissioner. The commissioner must be a bona fide resident of the state, and must qualify  
10 as a veteran as defined in section 37-01-40. The commissioner shall serve at the pleasure of  
11 the governor.

12 **SECTION 10. AMENDMENT.** Section 37-18-07 of the North Dakota Century Code is  
13 amended and reenacted as follows:

14 **37-18-07. Commissioner - Appointment - Qualifications - Term - Salary.**

15 The appointment, qualifications, term of office, and salary of the commissioner must be as  
16 prescribed ~~in section 37-18.1-03~~ by the governor. The commissioner must be allowed such  
17 amounts for travel, clerkhire, and expenses as may be prescribed from time to time by  
18 legislative appropriations.

19 **SECTION 11. AMENDMENT.** Subsection 1 of section 37-18-12 of the North Dakota Century  
20 Code is amended and reenacted as follows:

- 21 1. Except as otherwise provided by subsection 2, the department of veterans' affairs may  
22 accept and expend funds from any source, including federal or private sources, to be  
23 used to assist veterans or qualified veterans' spouses in obtaining assistance and to  
24 pay other expenses authorized by law incurred in carrying out programs of benefit and  
25 service for resident North Dakota veterans as authorized by the ~~administrative-~~  
26 ~~committee on veterans' affairs~~ governor with the approval of the emergency  
27 commission.

28 **SECTION 12. AMENDMENT.** Section 37-18.1-03 of the North Dakota Century Code is  
29 amended and reenacted as follows:

1       **37-18.1-03. Powers and duties of committee - Creation of subcommittee and**  
2 **governing board.**

3       The committee is responsible for advising the governor on the organization, policy, and  
4 general administration of all veterans' affairs in the state of North Dakota. It has the following  
5 powers ~~and~~, duties, and responsibilities:

- 6       1. The chairman and secretary of the committee, acting jointly, shall appoint a  
7 seven-member governing board for advising the governor on administration of the  
8 veterans' home, from within or outside the committee, subject to ratification of a  
9 majority vote of the committee, and shall establish term lengths for service on the  
10 governing board. ~~The governing board has all ordinary powers required of a governing~~  
11 ~~board, including the power to establish qualifications for and selection of an~~  
12 ~~administrator and to establish an appropriate salary structure, subject to limitations of~~  
13 ~~legislative appropriation. The administrator serves at the pleasure of the governing~~  
14 ~~board.~~
- 15       2. The chairman and secretary of the committee jointly shall appoint a subcommittee to  
16 be responsible for advising the governor on the supervision and government of the  
17 department of veterans' affairs. Once appointed, a subcommittee member may  
18 continue to serve as long as the member remains a voting member of the committee,  
19 unless removed from the subcommittee by joint action of the committee chairman and  
20 secretary. A member of the subcommittee may not serve on the governing board of the  
21 veterans' home. Each nominating organization listed in section 37-18.1-01 must have  
22 at least one voting member nominated by the organization serving on the  
23 subcommittee. The subcommittee shall select by majority vote of the members a  
24 chairman to preside for the term of one year.
- 25       3. ~~The committee shall appoint the commissioner of the department of veterans' affairs.~~  
26 ~~The commissioner must be a bona fide resident of the state, and must qualify as a~~  
27 ~~veteran as defined in section 37-01-40. The commissioner serves at the pleasure of~~  
28 ~~the committee. The committee shall determine the salary paid to the commissioner of~~  
29 ~~the department of veterans' affairs within the limits of legislative appropriation.~~ The  
30 commissioner of veterans' affairs shall serve as the executive secretary for the  
31 subcommittee. The commissioner has no vote in the affairs of the subcommittee.

- 1       4. The committee, under recommendation from the board or the subcommittee, shall  
2       present any matters needing attention and action to the ~~appropriate board,~~  
3       ~~commission, agency, or department of the state, and the North Dakota veterans'~~  
4       ~~legislative council~~governor.
- 5       5. The committee shall ~~assure~~advise the governor regarding compliance with applicable  
6       federal and state laws in the administration of both the department of veterans' affairs  
7       and the North Dakota veterans' home and shall exercise its responsibilities in all things  
8       necessary to ~~carry out the provisions of this chapter~~advise the governor in regard to  
9       organization, policy, and general administration of the agencies served and involved in  
10      the conduct of veterans' affairs. ~~The board governing the veterans' home and the~~  
11      ~~subcommittee governing the department of veterans' affairs shall conduct an annual~~  
12      ~~performance evaluation of the administrator and commissioner, respectively, with the~~  
13      ~~evaluation presented to the committee. The board and subcommittee shall create and~~  
14      ~~implement a strategic plan for the veterans' home and the department of veterans'~~  
15      ~~affairs, respectively. The board and the subcommittee annually shall report as to the~~  
16      ~~status of the respective strategic plan to the committee. After receiving a report, the~~  
17      ~~committee shall submit the report to the governor.~~

18      **SECTION 13. EXEMPTION - UNEXPENDED APPROPRIATIONS.** The following  
19      appropriations are not subject to the provisions of section 54-44.1-11 and any unexpended  
20      funds may be continued into the biennium beginning July 1, 2025, and ending June 30, 2027:

- 21      1. The sum of \$500,000 continued in section 5 of chapter 25 of the 2023 Session Laws  
22      appropriated from the federal state fiscal recovery fund for a grant to assist in the  
23      construction of the Fisher house at the Fargo veterans' affairs medical center in  
24      subsection 32 of section 1 of chapter 550 of the 2021 Session Laws;
- 25      2. The sum of \$147,000 continued in section 5 of chapter 25 of the 2023 Session Laws  
26      appropriated from the federal state fiscal recovery fund for improving and expanding  
27      veterans' medical transportation in subsection 33 of section 1 of chapter 550 of the  
28      2021 Session Laws;
- 29      3. The sum of \$19,066 appropriated from the general fund for accrued leave of retiring  
30      staff in section 1 of chapter 25 of the 2023 Session Laws;

- 1        4.    The sum of \$100,836 appropriated from the federal state fiscal recovery fund for a
- 2            document scanning project in section 1 of chapter 25 of the 2023 Session Laws; and
- 3        5.    The sum of \$500,000 appropriated from the federal state fiscal recovery fund for a
- 4            grant to assist in the construction of the Fisher house at the Fargo veterans' affairs
- 5            medical center in section 1 of chapter 26 of the 2023 Session Laws.

6        **SECTION 14. EMERGENCY.** Section 4 of this Act is declared to be an emergency  
7 measure.

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2025 - Department of Veterans' Affairs - House Action**

|                                 | Base Budget        | Senate Version     | House Changes      | House Version      |
|---------------------------------|--------------------|--------------------|--------------------|--------------------|
| New and vacant FTE pool         |                    | \$49,702           | \$153,205          | \$202,907          |
| Veterans' affairs               | \$1,897,804        | 2,137,310          | 593,207            | 2,730,517          |
| State Approving Agency          | 323,129            | 390,336            |                    | 390,336            |
| Grants - Transportation program | 1,126,085          | 1,319,706          |                    | 1,319,706          |
| Transport vans                  | 18,800             | 23,000             |                    | 23,000             |
| Service dogs                    |                    | 50,000             |                    | 50,000             |
| Veterans' Home Cemetery         |                    | 291,500            |                    | 291,500            |
| Veterans' postwar trust fund    |                    |                    | 500,000            | 500,000            |
| <b>Total all funds</b>          | <b>\$3,365,818</b> | <b>\$4,261,554</b> | <b>\$1,246,412</b> | <b>\$5,507,966</b> |
| Less estimated income           | 1,449,214          | 2,008,162          | 0                  | 2,008,162          |
| General fund                    | \$1,916,604        | \$2,253,392        | \$1,246,412        | \$3,499,804        |
| FTE                             | 9.00               | 9.00               | 1.00               | 10.00              |

**Department 321 - Department of Veterans' Affairs - Detail of House Changes**

|                                 | Adds Funding for an FTE Veterans' Benefit Specialist Position <sup>1</sup> | Removes Funding for Commissioner Salary Equity Increase <sup>2</sup> | Adds Funding for Salary Equity Increases <sup>3</sup> | Adds Funding for Operating Expenses <sup>4</sup> | Adds One-Time Funding for Homeless Veterans' Services <sup>5</sup> | Transfers Funding from the General Fund to the Veterans' Postwar Trust Fund <sup>6</sup> |
|---------------------------------|--|--|---|--|--|--|
| New and vacant FTE pool         | \$153,205  |  |   |  |  |  |
| Veterans' affairs               | 18,207   | (\$25,000)   | \$50,000  | \$50,000   | \$500,000  |  |
| State Approving Agency          |  |  |   |  |  |  |
| Grants - Transportation program |  |  |   |  |  |  |
| Transport vans                  |  |  |   |  |  |  |
| Service dogs                    |  |  |   |  |  |  |
| Veterans' Home Cemetery         |  |  |   |  |  |  |
| Veterans' postwar trust fund    |  |  |   |  |  | \$500,000  |
| <b>Total all funds</b>          | <b>\$171,412</b>   | <b>(\$25,000)</b>  | <b>\$50,000</b>                                       | <b>\$50,000</b>                                  | <b>\$500,000</b>   | <b>\$500,000</b>   |
| Less estimated income           | 0  | 0  | 0   | 0  | 0  | 0  |
| General fund                    | \$171,412  | (\$25,000)   | \$50,000  | \$50,000   | \$500,000  | \$500,000  |
| FTE                             | 1.00   | 0.00   | 0.00  | 0.00   | 0.00   | 0.00   |

|                                 | Total House Changes |
|---------------------------------|---------------------|
| New and vacant FTE pool         | \$153,205           |
| Veterans' affairs               | 593,207             |
| State Approving Agency          |                     |
| Grants - Transportation program |                     |
| Transport vans                  |                     |
| Service dogs                    |                     |
| Veterans' Home Cemetery         |                     |
| Veterans' postwar trust fund    | 500,000             |
| <b>Total all funds</b>          | <b>\$1,246,412</b>  |
| Less estimated income           | 0                   |
| General fund                    | \$1,246,412         |
| FTE                             | 1.00                |

<sup>1</sup> Funding from the general fund is added for an FTE veterans' benefit specialist position, including \$6,270 for operating expenses. Funding for salaries and wages is decreased by \$170,228 and funding of \$153,205 is added to the new and vacant FTE pool for the position resulting in net savings of \$17,023.

<sup>2</sup> Funding added by the Senate from the general fund for a commissioner salary equity increase is removed.

<sup>3</sup> Funding from the general fund is added for veterans' service officer salary equity increases.

<sup>4</sup> Funding of \$50,000 is added for operating expenses, to provide a total increase of \$84,000 from the general fund. The Senate provided \$34,000 from the general fund for operating expenses increases.

<sup>5</sup> One-time funding from the general fund is added for homeless veterans' services to prevent and eliminate veteran homelessness.

<sup>6</sup> One-time funding from the general fund is transferred to the veterans' postwar trust fund, as included in Section 5 of the bill.

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### **Senate Bill No. 2025 - Other Changes - House Action**

This amendment also:

- Adds a section to provide a 2023-25 biennium federal funds appropriation of \$200,000 to the Department of Veterans' Affairs for the highly rural transportation grants program.
- Adds sections regarding the authority of the administrative committee on veterans' affairs and to transfer supervision and governance of the Veterans' Home and Department of Veterans' Affairs to the Governor.
- Adds a section to authorize the carryover of funding into the 2025-27 biennium for grants to assist in the construction of the Fisher house at the Fargo veterans' affairs medical center, improving and expanding veterans' medical transportation, accrued leave of retiring staff, and a document scanning project. This will reduce general fund revenue available for the 2025-27 biennium by \$19,066.
- Adds a section to declare the \$200,000 in federal funds in Section 4 for the highly rural transportation grant program to be an emergency measure.