

ANALYSIS OF THE VETERANS' POSTWAR TRUST FUND FOR THE 2007-09 AND 2009-11 BIENNIUMS

	2007-09 Biennium Actual		2009-11 Biennium Estimated	
Beginning balance		\$5,117,754		\$4,159,015
Add revenues				
Investment income (loss)	(\$573,269)		\$200,000	
Sale of vans	7,000			
Total revenues		(566,269)		200,000
Total available		\$4,551,485		\$4,359,015
Less expenditures and transfers				
Grants	\$310,000		\$93,031 ²	
Administrative committee travel	2,500			
Veterans' Home activities	30,270			
Vehicles - Vans	30,500			
Veterans' transportation programs	4,500		2,200 ²	
Other veterans' programs	10,000			
Appeals Committee	700		650 ²	
New Veterans' Home construction project	0 ¹		0 ¹	
Stand Down (outreach to homeless veterans)	4,000		3,300 ²	
Additional anticipated expenditures (not yet determined)			100,819 ²	
Total expenditures and transfers		392,470		200,000 ²
Ending balance		\$4,159,015		\$4,159,015

¹The Administrative Committee on Veterans' Affairs pledged \$150,000 to enable the Veterans' Home to secure additional federal Department of Veterans' Affairs grants for construction of the new Veterans' Home but does not anticipate these funds will be spent because the 2009 Legislative Assembly has appropriated funds from the general fund to secure the grants.

²Expenditures allocated and paid through March 31, 2010. The Administrative Committee on Veterans' Affairs receives and allocates funding on a quarterly basis, as it becomes available, to various programs and anticipates expending all of the funds that become available. The State Treasurer has identified \$200,000 in investment income available from the veterans' postwar trust fund for the various programs supported by the fund.

NOTE: Since the 1993-95 biennium, the **principal balance of the fund has been identified as \$4,101,849**. The fund balance of the veterans' postwar trust fund as of April 30, 2010, was \$4,192,691 and the market value of the fund was \$4,316,239. The estimated June 30, 2011, balance made at the end of the 2009 legislative session was \$3,746,685. The increase in the estimated balance of \$412,330 is due to smaller than anticipated investment losses during the 2007-09 biennium resulting in a higher than anticipated market value as of June 30, 2009. In addition, the estimated June 30, 2011, balance made at the end of the 2009 legislative session did not include any 2009-11 biennium expenditures because the Administrative Committee on Veterans' Affairs had not yet determined its anticipated expenditures from the fund for the 2009-11 biennium.

FUND HISTORY

Established

The fund was created by Section 6 of 1981 Senate Bill No. 2271:

SECTION 6. TRANSFER OF VIETNAM BONUS FUNDS TO VETERANS' POSTWAR TRUST FUND. All unobligated moneys in the Vietnam veterans' adjusted compensation funds in the state treasury after July 1, 1981, shall be transferred by the state treasurer to the veterans' postwar trust fund. Any obligations of such funds as a result of any amendment of section 37-25-10 by the forty-seventh legislative assembly shall be paid out of the veterans' postwar trust fund and the moneys necessary to meet those obligations are hereby appropriated.

1988 Initiated Measure No. 4

Initiated measure No. 4, approved by the voters in the November 1988 general election, provided the following:

- Established the veterans' postwar trust fund as a permanent fund.
- Required the State Treasurer to transfer \$740,000 per year for five years commencing July 1, 1989, from the state general fund or other sources as appropriated by the Legislative Assembly to the veterans' postwar trust fund to total \$3.7 million.
- Appropriated the income from the veterans' postwar trust fund on a continuing basis to the Administrative Committee on Veterans' Affairs to be spent for veterans' programs as authorized by law.
- Required the State Treasurer to invest the fund in legal investments as provided by North Dakota Century Code Section 21-10-07.

The principal balance in the fund on December 8, 1988, was \$401,849.

Senate Bill No. 2009 (1989) transferred \$1,480,000, \$740,000 on July 1, 1989, and \$740,000 on July 1, 1990, from the state general fund to the veterans' postwar trust fund. The bill also appropriated up to \$274,000 of investment income earned on the veterans' postwar trust fund balance to the Veterans' Home for its operating costs. Because of net budget reductions during the 1989-91 biennium, the transfer from the general fund to the veterans' postwar trust fund for the second year of the 1989-91 biennium was reduced by \$95,005, from \$740,000 to \$644,995.

Senate Bill No. 2001 (1991) transferred \$1,575,005 from the general fund to the veterans' postwar trust fund during the 1991-93 biennium. This amount restored the \$95,005 which was not transferred during the 1989-91 biennium because of net budget reductions. Because of budget allotments ordered by the Governor during the 1991-93 biennium, the transfer from the general fund to the veterans' postwar trust fund for the second year of the 1991-93 biennium was reduced by \$5,670, from \$740,000 to \$734,330.

House Bill No. 1001 (1993) transferred \$745,670 from the general fund to the veterans' postwar trust fund during the 1993-95 biennium. This was the final transfer required by the initiated measure and included \$5,670 to restore the reduction made during the 1991-93 biennium because of budget reductions.

1996 Initiated Constitutional Measure No. 4

Initiated constitutional measure No. 4, approved by the voters in the November 1996 general election, created the following new section to Article X of the Constitution of North Dakota:

The veterans' postwar trust fund shall be a permanent trust fund of the state of North Dakota and shall consist of moneys transferred or credited to the fund as authorized by legislative enactment. Investment of the fund shall be the responsibility of the state treasurer who shall have full authority to invest the fund only in the same manner as the state investment board is authorized to make investments. All income received from investments is to be utilized for programs which must be of benefit and service to veterans, who are defined by legislative enactment, or their dependents, and such income is hereby appropriated to the administrative committee on veterans' affairs on a continuing basis for expenditure upon those programs selected at the discretion of the administrative committee on veterans' affairs.