

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

	2007-09 Biennium		2009-11 Biennium	
Beginning balance		\$5,117,955		\$3,546,685
Add estimated revenues				
Investment income (loss)	(\$1,200,000)		\$200,000	
Sale of vans	7,000			
Total estimated revenues		(1,193,000)		200,000
Total available		\$3,924,955		\$3,746,685
Less estimated expenditures and transfers				
Grants	\$285,000			
Administrative committee travel	5,000			
Veterans' Home activities	32,770			
Vehicles - Vans	35,000			
Veterans' transportation programs	5,500			
Other veterans' programs	10,000			
Appeals Committee	1,000			
New Veterans' Home construction project	¹			
Stand Down (outreach to homeless veterans)	4,000			
Total estimated expenditures and transfers		378,270		⁰²
Estimated ending balance		\$3,546,685		\$3,746,685

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.

²The Administrative Committee on Veterans' Affairs has not yet determined its anticipated expenditures from the fund for the 2009-11 biennium. It plans to identify the anticipated expenditures in the summer of 2009.

NOTE: Since the 1993-95 biennium, the **principal balance of the fund has been identified as \$4,101,849**; however, due to reductions in the value of the fund's investments, as of April 30, 2009, the fund balance was \$3,881,618.

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 \$3,700,000.
- 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.