

ADMINISTRATIVE COMMITTEE ON VETERANS AFFAIRS
VETERANS HOME, LISBON ND

November 18, 2011
8:00AM

Meeting called to order by Chairman Schuchard. Pledge of Allegiance and Moment of Silence for POW/MIAs and those serving overseas.

Roll Call:

Present:

John Adolf	Jeff Hall	Ron Otto
Richard Belling	Ken Hasby	Dean Overby
Ron Braaten	Dave Hilleren	Carroll Quam
Lee Finstad	Orletta Kilen	Lyle Schuchard
Mike Fisher	Mark Landis	

Absent:

Jim Verwey

Guests:

Laura Bearfield	Jerry Samuelson	Steve Frojen
Jeb Oehlke	Rep Mike Brandenburg	June Veit
Laura Bearfield	LTC Davina French	Norris Braaten
Mark Johnson		

Motion by Orletta Kilen to approve the August 5, 2011 meeting minutes, second by Mike Fisher. Motion passed.

Chairman Schuchard introduced Rep Mike Brandenburg, District 28, Edgeley.

Speakers:

LTC French NDNG:

Disabled Veterans Hunt is underway at Camp Grafton, about 17 veterans are participating.

- ▶ Celebrated the Day of the Deployed two weeks ago. This event started under Governor Hoeven five years ago. It has gone nationwide with a total of 15 states having their own celebration.
- ▶ GWOT memorial held, 17 of 24 families were represented.
- ▶ For the first time in ND history, a National Guard member made it all the way to be a finalist in the Best Warrior Competition. He competed against active duty members for 90 days and took second place.
- ▶ Mobilization- 188th Engineer Company in Kuwait; 112th Aviation, 55 soldiers, in KOSOVO HQ rotation. Two pending alerts: 818th and 57 members civil air. Air support-first air guard full unit deployment. One alert concerns a four person team of contractors going to Afghanistan.
- ▶ A Military Service Center in Fargo with 8 people to service military members and their families is in place. Invitations will go out soon for an event to be held December 15, 2011 at 10:30am
- ▶ Retirements: the last enlisted Vietnam Veteran will be retiring from the Guard.

KellySchmidt, State Treasurer

Introduced Jeb Oehlke as the new deputy treasurer. He will be at the meetings when Kelly cannot be present. The State Investment Board meets the third Friday of every month and she is required by law to attend those meetings. She has been getting a lot of requests for information and wanted to come and give clear answers to the committee.

Handouts included reports from the last biennium along with a glossary of information for future reference. She explained the FY 2010 report in detail. The money market account is simply a flow-through account for transactions. The savings account at the Bank of North Dakota contains the funds available to be distributed to ACOVA. For July 2009, the Total Income was \$15,009.61 minus the Total Expenses of \$2,489.68 for a Net Income of \$12,519.93. The earnings are split between principal and interest. The expenses are split between principal and income. The Payable Income (\$5,581.17) is the dollar amount available to ACOVA.

Q: Mike Fischer- When earnings are realized where it is moved to, i.e. added to a CD or start another CD?

A: It would depend on the interest rates and cash flow for ACOVA's needs. This biennium the funds will not be used because of legislative action so the fund can be given time to grow. So at the end of this biennium, she will have a total available for the next biennium.

Q: Lee Finstad- Savings account-what is that for?

A: Money is placed in this account until it can be reinvested, i.e. cashing in a CD. The turnaround time is very short for the fund deposited in the account. The Bank of North Dakota calls it a savings account when it actually functions as a suspense account.

Q: Lonnie Wangen-Is savings account same as clearing account?

A: No, they are separate accounts

Q: Mark Johnson- Do you know the balance of the Melvin Norgard Account?

A: No, she is working with OMB on the issue.

Q: Lyle Schuchard- Under Miscellaneous Expense the \$10,725 (May 2010), asked the State Treasurer to explain where those funds were taken from and why

A: The funds are taken in the same format: ½ of the income that we earn from the fund, half is used to grow the fund and ½ half of it goes to benefits to veterans. Expenses are paid in the same way: ½ principal portion and ½ from income to veterans. The study was used to determine the future needs of the Veterans of ND.

Lee Finstad asked for clarification. Following the Uniform Principal and Income Act, Kelly clarified that she can pull funds from principal for expenses. These rules apply to the Postwar Trust Fund.

Lee Finstad asked for further clarification. Kelly stated when we make \$100,000, 50% goes to Principal 50% goes to income to veteran's.

Commissioner Wangen brought up the subcommittee had questions on the guidelines or rules for growing the Fund. The Treasurer answered it is a growing fund. Example: income of \$100,000 (dividends, interest, realized gains); \$50,000 goes to the veterans (ACOVA) minus expenses and \$50,000 goes to the growth of the fund. That's what was never happening before and should have been. When the Fund was originally established, it was not managed correctly. Kelly has since made the necessary changes for the fund to grow. The dollars were all being spent for veterans; it should have been a 50-50 split from the beginning.

Treasurer Schmidt stated that for all those years prior, ACOVA had been spending money it shouldn't have been spending. Commissioner Wangen clarified that the ACOVA was given money it shouldn't have been given.

Representative Brandenburg stated that he is here to listen and understand the needs of veterans. He spoke of possibility of getting more money into the fund.

Treasurer Schmidt requested the Commissioner call so there is no misunderstanding of what he is requesting. Kelly clarified that she is the trustee of fund and ACOVA cannot tell her what she can do regarding investment of the funds.

Chairman Schuchard asked the Treasurer if she would testify for an increase of the fund. Treasurer Schmidt replied she would give testimony on the status of the fund but that is the extent of her support.

Kelly stated that Tatiana Miljkovik, Statistics Department NDSU, would like to expand on the study at no cost. Kelly is checking with the Attorney General's Office on the feasibility of the proposal.

Marlys Morgenstern

► Spoke of the Gold Card Services for post 9/11 Era Veterans. A Post 9-11 veteran can go to DOL website and print-out a certificate that will entitle him/her to receive intensive employment services on a priority basis, i.e. job assistance, referrals. JSND already gives veterans priority of service.

► Spoke of 18,000 job openings; next meeting Marlys will bring information on the oil fields jobs. She said the committee go to JSND website and click on the NDWIN icon to learn more.

Laura Bearfield- Attorney General's office

Explained the AG's opinion on CVSO's serving on ACOVA (available on the Attorney General's website 2011-L-07). Essentially the opinion was based on the common law doctrine of incompatible offices; there is not an obvious incompatibility, but there is a possibility for incompatibility. The appointing authority needs to look at each individual as a possible appointee and the facts surrounding their circumstances for a potential conflict of interest. It becomes a fact finding situation for the appointing authority. The opinion recommends the Governor's office consult with ACOVA and Commissioner prior to someone's possible appointment.

Ron Otto stated that there is no conflict with CVSOs. Laura stated that there could be a conflict depending on the individual. Ron replied that this would apply to anyone on the committee. Laura agreed with that statement. The Memorandum that was released before was not an official Attorney General's Opinion.

Mark Johnson, ND Veterans Home Administrator

► Thanked everyone for attending the grand opening.

► Admitted 20 on basic side, with 19 beds available and 20 on skilled side, with 5 more beds to fill. They are averaging 8-10 tours per week. Many applications are being received; background checks are done also so it takes some time to admit residents.

► Utilizing the space at the facility for events such as a steak and shrimp dinner, a pancake feed and a block party where each household and each department brought a dish to share.

▶ Last year had a quality study which showed high infection control rates, and weight loss. Infection control rates went straight down and weight gain is up due to the smaller groups setting.

▶ News article by Otter Tail Electric about the Veterans Home since the entire building is electric. It talks about the geothermal system and the amount of savings the Home will realize. He will forward the link to the article.

Lee Finstad asked what the time frame is for an application to be processed. Mark replied it takes at least two weeks for a background check, for a total of one month for processing time.

Mike Fisher asked what the number one reason applications are denied. Mark answered that the background check has uncovered three sex offenders and three pedophiles. Also, the Board has a recommendation an applicant must have six months of sobriety before they will be admitted if they have a chemical addiction.

Norris Braaten, ND Veterans Home Governing Board Chairman

Read a letter from the daughter of a resident at the Home. She is very impressed with the facility and the staff and how well her father is taken care of at the facility.

Department of Veterans Affairs Report – Lonnie Wangen, Commissioner (power point presentation)

- ▶ Setting up interviews for the open position in Bismarck.
- ▶ Reported on Department training and outreach activities.
- ▶ Heartsprings is a nonprofit organization run by a Doctor who specializes in TBI and PTSD. A Korean veteran wants to donate his farm to setup a treatment facility. It will be a biodynamic farm which has shown to be beneficial to those with brain injuries.
- ▶ Visited with the Governor's office on veterans' issues. Chairman Schuchard, Secretary Overby and Mark Johnson, Veterans Home, were also at the meeting.
- ▶ Met with Higher Education System Chancellor Goetz on the needs of veterans on the higher education campuses. Agreed there needed to be a vet rep on each campus to assist veterans. He is working together with various entities to put this program together.
- ▶ Commissioner appointed to Federal VA Committee on Rural Travel. Attended meeting in Texas. More fee basis would help with the travel situation, veterans could stay in their communities for care rather than travelling distances.
- ▶ Changes will be coming regarding the VA on-line software programs for claims work. Program will be phased out for just one program to handle everything. North Dakota may be the first state to submit paperless claims to the VA.
- ▶ If there is a Indian Health Service on a reservation, it can act as a VA Community Based Outreach Clinic. It can only provide services to those on the reservation.
- ▶ Overview of Fall Training Conference held in Bismarck in September.

- ▶ Five veterans' preference appeals, all have been resolved.
- ▶ Gave update on the Grant and Loan Programs.
- ▶ In October, the Strategic Plan was updated by Commissioner, Lyle Schuchard and Dave Hilleren for the current biennium.
- ▶ Website will be converted to a Drupal based website which will allow the Department to make changes instead of ITD. Explanation of some of the new pages which will be added to the website which will give resources at a local, state and national level.

Subcommittee reports

Budget Committee – Ken Hasby, Chairman

Budget reviewed. Recommendations made to Commissioner to adjust the budget report.

Motion and second to approve report. Motion passed.

Veterans Affairs – Dave Hilleren, Chairman

Minutes of the Aug 4th were not available so no action was taken. Commissioner presented his report and overview of Department.

Discussion on Department expenditures.

Motion by Carroll Quam to approve report, second by Jell Hall . Motion carried.

Appeals – Orletta Kilen, Chairman

No appeals heard.

Motion by John Adolf to approve report, second by Gene Hasby . Motion passed.

PWTF – Jeff Hall, Chairman

Committee recommends approving Bottineau's PTSD Committee's request for matching funds, dollar for dollar up to but not to exceed \$5,000 from general funds monies.

Committee recommends approving the purchase of two vans using general fund monies.

PWTF discussion with Laura Bearfield

Motion by Ron Braaten to approve report, second by Dave Hilleren. Motion passed.

Public Relations Committee – Lee Finstad

Reviewed efforts made to provide positive publicity of the ACOVA. The committee will develop policies for clear communications with Government agencies and legislators and also formulating a plan to move forward.

Lyle Schucard spoke about the letters in the papers. He talked about legislators not understanding the mission of ACOVA and the Coordinating Council and the differences between the two groups.

Motion by Ron Braaten to approve report, second by Orletta Kilen. Motion passed.

Legislative Subcommittee-Lee Finstad

Committee reviewed bills that failed last legislative session. Will be resurrecting H.B. 1429, relating to the accreditation on service officers. Veterans Home requested the Committee look at legislation regarding donated funds so they go directly to the Home for disbursement (re: Melvin Norgaard bequeath). Discussed HB 1170, license plate bill, no action taken. HB 1178, exemption of retirement pay, will not be going forward. Other bills discussed - SB 2321, 40% discount for deployed veterans; remove 50% from property tax exemption; USERRA for state active duty; sliding scale for dependent disability benefits for education benefits for dependents. Access to the legislative history of the bills are available through the Department's website.

Discussed "Veterans Remembered" Flag- not going to take action to bring this to legislation. Lee spoke on the need for a legislative lobbyist next session. He talked about asking the Coordinating Council to hire one and the need for veterans' organizations to get more involved in the legislative process.

Motion by John Adolf to approve report, second by Mike Fischer. Motion passed.

Chairman Schuchard asked about the release of information form to county veteran service officers. The release of information form allows the Department as a Power of Attorney (P.O.A.) to send VA correspondence to the appropriate county. Ron Otto feels this should also allow the State to turn over the claims file to a county when the veteran chooses to work with a CVSO instead of the State Department. On a county level, county veterans service officers can share claims folders; but by law, the State Bismarck office isn't able to release these files to the county. Ron feels the State is in violation of the law since the State is providing the VA information to the counties but will not release the file to a county. If this can't be fixed it's not going to work to have a service officer at the Department. The Commissioner is researching this issue for clarification.

Chairman's Report – Lyle Schuchard

Most of everything he was going to talk about has already been covered. There is a need to get legislators to our meetings so they can be more informed about ACOVA. The Stand Down in Bismarck served over 200 veterans. They received a federal grant of \$7,000 to help pay for the bills.

Chairman asked for discussion on the time and place for the next meeting.

Motion by Dean Overby to have the meeting February 23-24, 2012 in Bismarck starting early afternoon, second by Ron Otto. Motion passed.

Committee recessed.

Chairman Schuchard brought committee back to order at 11:00AM. ACOVA/NDVCC joint meeting.

ND Veterans Coordinating Council:

Bob Bird	Steve Volk	Dale Ronning	Steve Frojen
Larry Vetter	Larry Young	Joe Schmaltz	Dave Rice
Dave Johnson	Jerry Samuelson	Bob Krause	Gary Maddock

Guests:

Laura Bearfield Marlys Morgenstern

Bob Wefald, Chair, USS North Dakota Committee.

Spoke of a new submarine that will be commissioned in 2014. It will be named U.S.S. North Dakota and christened in 2013. Bob talked about the North Dakota Navy League and its mission to support the U.S.S. North Dakota. They are selling merchandise to host a party at the commissioning and also to use it to support the ship.

To join go to www.Navyleague.org click on- ND Council-

Bob Krause, President, NDVCC

It will take time to get through all of the previous information (minutes and financial statements) to get up to speed. The Council plans to meet again with ACOVA in February. They are looking forward to getting back to what needs to be done. Gary Maddock was elected as Secretary.

Chairman Schuchard spoke on the discussion the Committee has had on legislation they are interested in for the next session. The Committee is looking forward to working with the Council on issues.

Lee Finstad would like to start some preliminary work with the Council by getting their list of legislative issues and their email addresses.

Motion to adjourn by Mike Fischer, second by Richard Belling. Motion passed.

ACOVA Meeting
November 18, 2011
Page 10 of 10

Meeting adjourned.

Respectfully submitted

Dean Overby
Secretary