

# MICROFILM DIVIDER

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DESCRIPTION

2260

2001 SENATE GOVERNMENT AND VETERANS AFFAIRS

SB 2260

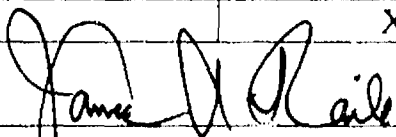
2001 SENATE STANDING COMMITTEE MINUTES

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.





