

**TESTIMONY OF
MAJOR GENERAL ALAN S. DOHRMANN
THE ADJUTANT GENERAL
BEFORE THE 67th LEGISLATIVE SESSION
SENATE APPROPRIATIONS COMMITTEE
MARCH 15, 2021
IN SUPPORT OF GOVERNOR'S BUDGET RECOMMENDATION**

Chairman Holmberg, members of the Senate appropriations committee, my name is Al Dohrmann, I'm the Adjutant General of the National Guard and the Director of Emergency Services for the state of North Dakota. I am here today to testify in support of the Governor's budget recommendation and address Engrossed House Bill 1016.

The men and women of the North Dakota National Guard (NDNG) and North Dakota Department of Emergency Services (NDDDES) continue to demonstrate remarkable commitment, dedication, and selfless service in the current response to COVID-19 and they stand prepared to protect the citizens of North Dakota if called on. The National Guard also stands ready to deploy as an operational force to protect the homeland, fight, and win America's wars.

Additionally, per the written request received on December 17, 2020, please find attached responses to our written testimony and presentation. I will be providing additional information on these topics throughout my testimony.

1. Direct responses to all of the information requested by the Chairman. **(Attachment #1)**
2. Listing of proposed budget reductions to meet the Governor's 15% budget reduction. **(Attachment #2)**
3. Comparison of optional adjustments requested versus what is in the Governor's recommendation. **(Attachment #3)**
4. Federal funding available to the agency for COVID-19. **(Attachment #4)**

Role of the National Guard and Emergency Services

The world is currently in a state of sustained competition that has caused our nation to place a greater reliance on the National Guard and Emergency Services. Since 9/11 our National Guard has evolved from a strategic "cold war" reserve into an operational force expected to be more ready than ever before. It is our responsibility to be a force that is lethal, adaptive, and resilient. Defending our nation, fighting and winning America's wars are our primary missions, so we must be agile enough to rapidly pivot and provide critical resources in defense of the homeland and in support of our communities and state during times of crisis.

The Department of Emergency Services must remain prepared and agile to address threats from Mother Nature as well as state and non-state actors. Our experiences during the DAPL protest and COVID-19 responses highlight the need to be prepared and ready to respond in all domains.

State of the National Guard

As an organization, we continually train to operate in our new paradigm of continuous competition. "Always Ready, Always There" is the motto of the North Dakota National Guard. We have consistently lived up to that motto. Whether it be floods, fires, protests, or disease in the state or mobilizing and deploying Soldiers and Airmen around the globe, your National Guard has always been ready and will always be there. As the threats to the homeland and around the globe evolve, so too have the demands placed on us, we must be prepared today to support our state and communities and to be more ready and lethal tomorrow to engage our enemies abroad.

State of the Department of Emergency Services

The North Dakota Department of Emergency Services (NDDDES) consists of the Division of Homeland Security and the Division of State Radio. The NDDDES provides 24/7 emergency communications and resource coordination with more than 50 lead and support agencies, private enterprise, and voluntary organizations to assist local and tribal jurisdictions in disaster and emergency response activities.

The Division of Homeland Security administers federal disaster recovery programs as well as several other federal grant programs. The Division also manages the State Emergency Operations Center (SEOC), ensuring a statewide coordinated response to emergencies and disasters as outlined in the State Emergency Operations Plan (SEOP) and serves as a liaison between federal, local, tribal, private, and voluntary agencies. The staff coordinates resources, compiles damage assessment information, maintains situational awareness, and evaluates information to determine the potential for state and federal declarations and requests for assistance. The Division of Homeland Security also provides administrative support for the North Dakota Civil Air Patrol (CAP). The North Dakota Civil Air Patrol (CAP) is the lead agency for civilian search and rescue in North Dakota. CAP also provides information gathering and reconnaissance during disasters, as well as quick emergency transport. CAP members are trained to FEMA standards for emergency response. There is one FTE in this program with a Budget Line of \$309,499.

The State Radio Communications System has over 4,000 users representing 287 agencies of the local, state, and federal government. The Division of State Radio coordinates 9-1-1 services as well as emergency medical, fire, and law enforcement response for 25 North Dakota counties. It also serves as the primary or secondary backup for 16 of the 21 public safety answering points throughout the state. State Radio is the primary dispatch center for the N.D. Highway Patrol, the Game and Fish Department and various other state and federal agencies. It also responds to calls for emergency assistance across the state. Statewide communication services ensure necessary resources are dispatched for emergency response.

Explanation of 2019-21 Budget

General Funds:

The requirement of general funds for the North Dakota National Guard (NDNG) and the North Dakota Department of Emergency Services (NDDDES) for the 2019-21 biennium has been on track as projected with the exception of the NDNG Tuition, Enlistment, and Compensation budget line. Three things which occurred during the biennium have resulted in the under execution of these funds and a reduction in our 2021-23 request. Usage of tuition assistance

reduced drastically during the 2020 summer and fall semesters due to COVID-19. The reduced use will leave an estimated \$1,400,000 that we are requesting carry-over to the 2021-23 biennium. The second and third events occurred on the federal level. First, North Dakota was selected for a three-year Air National Guard Federal Tuition Assistance pilot program and then a resolution of a federal policy referred to as “dual compensation” will reduce our request for the 2021-23 biennium. Otherwise, we are executing our spending plan as projected and we do not expect any general fund turn back from either divisions.

Federal Funds:

Approximately 70-75% of our funding is provided through federal cooperative agreements and federal grants. This biennium, the NDDDES estimates approximately \$148,000,000 in federal funds, of which \$71,000,000 are FEMA grant funds, \$54 million are related to COVID-19 funding and \$23,000,000 are Homeland Security grant funds. Thus far, \$73,000,000 has been dispersed to counties, cities, tribal governments, emergency management entities, and first responder organizations. As part of HB 1394, we have asked for an additional \$78,666,667 of additional federal (FEMA) fund authority for the current biennium. The extension of the Coronavirus Relief Funds, as well as FEMA reimbursement increasing from 75% to 100%, additional federal authority is needed to process COVID-19 related expenditures this biennium. Federal funding received has mostly been expended to support disaster recovery efforts resulting from 2011, 2017, 2019, and 2020 presidential declared disasters. Funds have also been expended to improve state, county, and tribal mitigation and preparedness planning, law enforcement planning, intelligence analysis activities, interoperable communications, and supporting regional response capabilities. The NDNG has received \$52 million in the current biennium to support the Air and Army Guard facilities, missions, and employees.

Special Funds:

Revenues from special funds provide some of the agency’s operational funding sources. We will be very close to what we projected with \$2.4 million in radio fees, \$700,000 in hazardous chemical funds and \$750,000 in Veterans Cemetery maintenance funds. We projected \$3 million in Disaster Relief Fund expenditures and incurred costs of approximately \$1.8 million.

Estimated 2019-21 spending and status of one-time funding

The NDNG received authority for \$600,000 and legislative intent to pursue interest in land around Camp Grafton South for expansion and the eventual construction of a multi-purpose machine gun range. To date we have spent \$28,300 for appraisals so that we can move forward with negotiations for purchase and lease agreements. We are requesting carry-over of any remaining funds and would like these to be deposited into the trust fund. SB2114 proposes updated language to NDCC 37-07.3-03 for the trust fund use, and passed through the Senate. The proposed language asks for the trust fund to be utilized for appropriations made for the Camp Grafton expansion and the state cost share for the construction of new National Guard armory facilities.

The NDDDES division received five one-time appropriations for the 2019-21 biennium. First, of the \$660,000 of authority received for federal emergency response equipment, approximately \$467,000 has been spent to date. Remaining expenditures are projected throughout the remainder of this biennium for a cumulative total of \$500,000. The division also

received \$20,000 for an uninterruptable power supply battery replacement project and we have executed \$18,902. We received \$516,000 to upgrade the computer aided dispatch equipment. To date we have expended \$195,185. Since last session we have received an additional \$196,780 of CARES funding allowing us to upgrade to the most current version, 10.0. This version will offer additional flexibility and would allow for work to be completed at a remote location if necessary. The CAD project is scheduled to be complete in June 2021, however we are requesting carry-over of any unspent dollars per Section 7 of the Governor's Budget Recommendation should the need arise. We received \$335,000 for the message switch system upgrade, which started in Fall of 2020, and we are anticipating the majority of this project to be complete by June 30, 2021 however, we are requesting carry-over of any unspent dollars in Section 8 of the Governor's Budget Recommendation. Finally, the \$1,212,253 received for the dispatching service fee shortfall was fully expended by November 2020.

Executive Recommendation (2021-23)

Next, I will address the executive recommendation for the 2021-23 biennium and compare that to HB1016. During my testimony, I will address all one-time spending requested for the 2021-23 biennium, and highlight the additions we would like to request for Section 2 of HB1016. A complete listing of all one-time spending is found in Section 2 of the executive recommendation.

Subdivision 1. National Guard

Salaries and Wages

The salary and wages line includes funding for 32 NDNG FTE's and temporary employees that support our state-owned and funded armories as well as one FTE supporting the National Guard Tuition program and one FTE supporting ND Cares. The net increase from our base budget equates to \$317,263, which is largely due to the House recommended compensation and benefits package, and performance based pay increases provided to FTE's. The continuation of the increases were found within our agency budget due to vacant positions. As part of our 15% general fund reduction additional federal funding was obtained for state owned facilities and the FTE utilized to operate those facilities. We continue to support the executive recommendation for salary increases and employee benefits as it becomes more difficult to recruit and retain our skilled workforce.

Operating Expenses

This line of our budget supports NDNG state supported facilities and provides operational support to state funded employees to include the ND Cares program. House Bill 1016 reflects an increase of \$280,992, however we continue to support the executive recommendation with an increase of \$1,280,992 (general funds). The \$1,280,992 supports two budget priorities as well as an increase in operational costs of \$992 for MS365. One priority is \$280,000 for lease options for the 2021-23 biennium in support of the Camp Grafton South expansion and the other is the state cost share of \$1,000,000 for statewide maintenance projects at National Guard facilities. The \$1,000,000 will return approximately \$1,900,000 in federal funds in support of these maintenance projects.

The North Dakota National Guard requires \$1,000,000 of additional funding, which is estimated to be matched by \$1,900,000 in federal funds, for repairs of deferred maintenance projects that have been delayed since 2015. The agency owns 330 buildings throughout the

state with approximately 20% state funded support required based upon usage. The capitalized cost is \$19,000,000 for buildings and \$52,000,000 for infrastructure. Maintaining these facilities is crucial to ND National Guard Soldier and Airmen readiness for response to federal and state missions.

The Office of the Adjutant General deferred maintenance and repair projects in order to support other priorities for the last three biennium. Types of maintenance deferred include wall cracks that leak water when it rains, antiquated air handling equipment, roofs that have exceeded their life expectancy, concrete and asphalt repairs, and siding, roofing, and windows on state residences on Camp Grafton and Fraire Barracks.

Everyone that works, trains, and lives in these facilities will benefit by having modern, efficient, and healthy work areas. Correcting these deficiencies will limit the chances of occupational caused diseases related to mold or other unhealthy working conditions. Additionally, this will enhance National Guard readiness and response capability to state emergencies.

We are approaching a point where we cannot postpone/neglect maintenance any longer, or we risk significant additional expenses incurred from the effects associated with these damages.

We also support the bonding for critical facility and maintenance repair projects identified in the comprehensive real estate study. We are working with OMB, analyzing projects where costs savings can be found, and incorporating those into our maintenance schedule.

Capital Assets

The capital assets line provides \$224,046 to pay special assessments in Burleigh, Cass and Williams County along with payment in lieu of taxes at our facilities at Camp Grafton in Eddy County. House Bill 1016 reflects an increase of \$21,500,000 and supports two of our budget priorities, however we support the executive recommendation and would like to request the additional \$2,600,000 for the expansion of Camp Grafton south also be included in our budget. The \$24,100,000 identified in the executive recommendation is to provide the authority and resources required for the following three budget priorities.

Camp Grafton Expansion - This will provide funding and authority to enter into purchase and lease agreements with landowners around Camp Grafton South for building a new weapons range complex. We received \$600,000 and legislative intent during last session to research and work towards purchase and lease options with landowners. The total request for the Camp Grafton Expansion is \$2,880,000 that includes expected land purchases (1,600 acres) and lease agreements (5,371 acres). A new range provides all NDNG units a location to qualify on individual weapons systems in ND. Currently we are restricted to qualifying on about half of those systems. For the other half, units travel to MN, MT, or WY. Valuable time is lost to travel to out of state ranges. A new range complex also provides qualification opportunities to the Air Forces bases and other organizations and agencies from within and outside of ND.

Senate Bill 2114 was submitted and passed, which amends Section 37-07.3-03 of the North Dakota Century Code. This section of NDCC established a trust fund for the expansion of National Guard training facilities and the construction of an armory and could potentially be utilized for any appropriations received through this legislative session as well.

This section became law in 1985 and provided the authority and funding to procure additional training lands at Camp Grafton, and to provide a state match for a new armory at Fraire Barracks. From July 1, 1985 through June 30, 1989, the trust fund was solely for this purpose. Thereafter, the funds were available for other “training area acquisitions and facility development” projects. The principle and interest from this trust fund were exhausted by 1989. There have been no new appropriations and the accounting line went dormant.

Today, our National Guard finds itself in a similar situation. We need to expand our facilities at Camp Grafton to meet our training requirements and future training facility projects will require state matching funds.

By adding additional land space there would be additional air space available for use by government and private entities to conduct research and development of unmanned aerial systems (UAS), counter UAS, and radar and sensor technology. This range complex, like our other ranges, will be used by other state and federal law enforcement and military organizations from ND and surrounding states. If we are able to fund the land space for this project at the state level, we are then required to request the funds for the physical range complex through the Federal process. The range complex is estimated to be a nearly \$17 million project. In a best-case scenario, a range could start construction in 4-5 years and be complete in 6-7 years.

Finally, I need to stress two items. First, during last session we included language that prohibits the use of eminent domain to secure any land. Secondly, approximately 95% of our land continues to be in agricultural production and it is our intent to achieve the same percentage with land acquired through purchase or lease.

To summarize the Camp Grafton expansion request, we are requesting \$280,000 in the Operating line for lease options, and \$2,600,000 in the Capital Assets line for purchase options. Together these requests total \$2,880,000.

The Dickinson Readiness Center is another request within the Capital Assets line. The intent of this request is to receive authority to expend federal funds and communicate the requirement of expenses for subsequent biennium. The project is to construct a new ND National Guard Readiness Center (45,388 sq ft) located south of interstate on the east end of Dickinson. Total construction costs are estimated at \$15,500,000, which is 100% federally funded. The optional request to begin design was communicated during the 66th legislative assembly. The projected completion of this project is in the Spring of 2024. Ongoing operational costs will need to be funded by 50% state general fund. Total operational costs, to include 3 FTE's, are estimated to cost the state \$360,106 per biennium.

The Readiness Center will support training, readiness, administrative and logistical requirements for the NDARNG. The readiness center will meet the current Army space requirements to support and train 81 Soldiers, 43 military vehicles and trailers, plus other authorized equipment. This facility will house the 816th Military Police Combat Support Company. The unit is currently located in a leased facility owned by the city of Dickinson. That facility was built in 1973 and is 17,641 sq. ft. Based on criteria set by the Army; this is a 30% shortfall of the required space for this type of unit. It lacks adequate training areas, administrative space, supply room space, toilets/showers, physical fitness space, locker room space, privately owned vehicle parking, military parking and unheated storage space.

The current location is not suitable for alteration or new construction and hinders the assigned unit's ability to meet troop and training readiness objectives.

Our third request within the Capital Assets line is a Line of Communication Bridge. The estimated cost for this project is approximately \$6,000,000 and is 100% federally funded. As one of only two training locations in the nation for Army bridging units, it will likely lead to increased revenue from units coming to Camp Grafton Training Center for training purposes. North Dakota National Guard expects the associated funding for design and construction within the 2021-23 biennium.

We are requesting authority to spend federal funds in the 2021-23 biennium to improve and prepare a training site on Camp Grafton, ND for the Army Line of Communication Bridge (LOC-B). In August 2020 the National Guard Bureau (NGB) and the Army Engineer Proponent at Fort Leonard Wood, MO approached the North Dakota National Guard about being a potential training site for fielding of the LOC-B. NGB and the Engineer proponent recommended the 164th Regiment-Regional Training Institute, Camp Grafton, North Dakota as one of two planned locations for the entire Army. The North Dakota National Guard Strategic Plan, Objective 2.2 states "Enhance Camp Grafton Training Center as a premier regional training center". Adding this training site as one of only two in the nation supports this objective and gives Camp Grafton Training Center the distinction as the only National Guard training site with the capability to train on every bridge in the Army inventory.

Grants

This line of \$210,916 provides rental payments to community owned armories partially occupied by NDNG units throughout the state. Currently, the NDNG leases space in seven armories.

Civil Air Patrol

The North Dakota Civil Air Patrol (CAP) is an agency called upon for civilian search and rescue as well as information gathering during state disasters. There is one FTE in this program with a budget line of \$309,499. There is an overall increase to this budget line of \$4,365 in general funds for increased salary and benefits costs in the House version of the compensation package.

CAP is made up of volunteer professionals whom pride themselves on delivering high quality products at a low cost. The ability to continually provide services boils down to the ability to maintain operational readiness for all mission sets. During the past few biennium, funding has allowed paying for one FTE and covers the operations and training budget. However, during this time many of the airports that used to be able to overlook our small footprint and donate hangar space have started to charge us for that service. Additionally, the cost of maintenance has nearly doubled from \$37/hour in 2010 to \$70/hour in 2020. Combined, these additional costs are setting us up for future failure. No later than the 2023-25 biennium, we will need increased funding in order to provide the professional services expected from the ND CAP.

CAP's close working relationship with NDDDES has allowed a rapid response to emergencies by CAP in regards to search and rescue and now COVID-19 logistics transport. NDDDES has come to rely upon CAP to offer air and ground support when they need it most. ND Department of Health has benefited from our ability to transport this year. With 63 air sorties and nine ground sorties we moved 10,144 test kits while still completing our normal day-to-day missions. Also noted in the general testimony above, we are the lead agency in ND for SAR.

That designation is one that we are proud of, but it does come without obligations such as having a contingency operations plan with back up facilities if we are unable to maintain normal operations. Our back up facility for Fraine Barracks is the Mandan airport and we are looking at adding high-speed internet to that office in the next biennium as well. It is not only a backup facility but also our local staging area so when we take local photos the aircraft land there and we can upload them to our partners on site, which will save time for future missions.

Tuition, Recruiting and Retention

The State Tuition Assistance program remains our #1 recruiting tool. The base funding increased last session to \$4,782,072 to meet expected requirements of the 2019-21 biennium. As previously mentioned three things occurred during the biennium resulting in the under execution of these funds and a reduction in our 2021-23 request. I am requesting \$3,042,235 for the 2021-23 biennium and carry-over of an estimated \$1,400,000 from the 2019-21 biennium which is identified in Section 6 of the Governor's Budget Recommendation. This funding provides the resources required to offer 100% tuition reimbursement for our qualified members. This critical program allows us to meet the required personnel strength of the NDNG. The carry-over will provide security of the program and may be used under existing authority to conduct recruiting and retention programs in order to maintain our personnel numbers and readiness. The NDNG has managed similar recruiting and retention programs in the past. Full formations ensure we are ready to deploy overseas, respond to domestic emergencies, and ensure we sustain National Guard capabilities.

Air Guard Contracts

This budget line supports the state funded facilities and 30 state FTE's at the ND Air National Guard located at Hector Field in Fargo. Fifteen FTE's are approximately 75% federally funded and 25% generally funded. The remaining 15 FTE's are 100% federally reimbursed. Funding in this budget line supports both state and federal missions and 489,000 sq. ft. of federal facilities located at Hector Field. The majority of those facilities require a 25% state match to support utilities and operational costs. As part of our 15% general fund reduction, this budget line was reduced by \$70,500 for operations and maintenance costs. This funding is critical for maintaining our facilities and operations so this amount was requested and received in the governor's recommendation to help meet the state match for utility and repair costs. Overall this budget line shows a decrease of \$74,738 which is attributed to two vacant positions that were moved from the Air Guard line to the Army Guard line.

Army Guard Contracts

This budget line supports federally funded facilities and 78 FTE's, many of which require a state match of general funds. HB1016 has an overall increase of \$1,686,682 which is attributed to a few things including \$1,291,814 in compensation increases for both performance based pay provided to FTEs during the current biennium and also increases for the House recommended compensation and benefits package. House Bill 1016 reduced our total FTE in this budget line by one, and removed the increase of federal funds for this position by \$285,132. We would like to request the FTE and special fund authority be added back to our overall budget request. This would allow us to help support agency needs and will be further discussed later in the testimony. Along with the compensation changes identified, three separate requests are included for operation type activities as follows.

As shown on Attachment #3, there were three separate requests for general fund increases in this budget line that were also included in the executive recommendation and HB1016. The first request is for \$320,000 to update the building automation system (BAS) throughout the Fraine Barracks complex in order to mitigate the risk of a catastrophic failure of the system. The total estimated cost for the upgrade is \$320,000, which includes a state share of \$80,000. The BAS controls all HVAC systems in 13 buildings located at Fraine Barracks. It also controls access to these buildings. This BAS is approximately 20 years old and operates on a computer utilizing outdated software.

The second request is for state support for the new 99,000 sq. ft. Fargo Readiness Center and a 62,700 sq. ft. unheated equipment storage building approved by the 65th Legislature and will be completed in the spring of 2021. Our request through the executive recommendation for the 2021-23 biennium is for support of this facility totaling \$440,000. These costs are for \$100,000 of one-time start-up costs for new equipment and supplies, such as floor cleaners, mowers, snow removal equipment, and \$340,000 of recurring utility costs starting in the spring of 2021.

Lastly we are requesting restoration of the operations and maintenance dollars reduced in the agency's budget to meet the 15% general fund reduction. Federal regulations require a state match of 25%-50% for many ARNG facilities, depending on the facility. Federal funds support the remaining costs for operating and maintaining these facilities and infrastructure. This request is for \$155,245 ARNG matching state share, equating to approximately \$465,735 in federal funds. Ensuring proper operation and maintenance of our facilities provides our Soldiers and Airmen adequate facilities in which to train. This directly affects readiness and ability to respond to local and state emergencies.

Veterans Cemetery

The North Dakota Veterans Cemetery budget line supports five FTE's and several temporary employees. The total number of internments as of January 2021 is 9,816. The average number of interments over the past three years has been 587 per year. Special funds, derived from burial revenue and license plate sales reduce general fund requirements and help to fund salaries. This budget line has an overall increase of \$174,648. As part of our 15% general fund decrease, additional special funds were increased to offset \$77,822 of general fund salary dollars, but the general fund dollars were requested back and received as part of the governor's recommended budget. Along with this, salaries increased by \$21,827 as part of the House's recommended compensation and benefits package, as well as an increase of \$75,000 for defraying burial costs.

During the last legislative session, SB2195 provided \$175,000 of general funds for defraying the costs of interring veterans' spouses and dependents who are eligible for burial during the timeframe March 1, 2020 and ending June 30, 2021. We received the \$175,000 of general funds in our base budget. We support the executive budget and House request for an additional \$75,000 of general funds to ensure spouse and dependent burials have funding for the full 2021-23 biennium.

Reintegration Program

The reintegration program supports Soldiers and Airmen during the course of their deployment and assists them and their families in transitioning once they return. This is critical to the overall readiness of the North Dakota National Guard. This program has six FTEs, of

which four are filled: two of three Outreach Specialists and two of three Human Resource Counselors. The funding in this line item is for salaries, benefits, travel, and minor support costs. As part of the executive budget, and to help meet the 15% general fund budget reduction, one vacant counselor position was to remain open. This resulted in a decrease of \$191,376 in general funds with an offsetting increase to federal funds for a net effect of zero to this budget line. As part of the House changes, the FTE was removed along with the federal funds increase. We would like to request the FTE and special fund authority be added back to our overall budget request. This would allow us to help support agency needs and will be further discussed later in the testimony.

Subdivision 2. ND Department of Emergency Services

Salaries and Wages

This budget line in the executive recommendation supports five administrative FTE's, 33 Homeland Security FTE's along with federally funded temporary employees, and 30 State Radio FTE's. To meet the 15% general fund budget reduction DES adjusted salaries to be covered federally or through an increase in special funds resulting in a reduction of \$780,298 of general funds.

This line has a budget increase of \$986,330 in the House version and is largely due to an increase in federally funded temporary salaries and benefits, along with performance increases provided during the current biennium. The continuation of the performance increases were found within our agency budget by maximizing federal dollars and increasing utilization of special funds where applicable. The remaining increase is for the House's recommended compensation and benefits package included for the 2021-23 biennium.

As mentioned previously, the House removed two FTE positions, and funding authority from the Executive Budget Request. We would like to request the two positions back, along with special fund authority of \$265,530 which would allow us to help support agency needs. State Radio underwent a staffing study that was completed after the budget submission took place. The study identified needs for an additional five FTE: four Communication Specialist positions and one Operations Manager. We would like to act on two Communication Specialist positions during the upcoming biennium. We have been approached from potential customers, which would in turn generate more special fund revenue to offset the additional two FTEs. In summary, we would like to request special fund authority within the Department of Emergency Services division salary line, along with the two FTE to the agency total.

Operating Expenses

The operating expense line supports the basic operating costs of NDDES. In the Governor's Budget Recommendation, as well as the House version, this budget line shows \$6,602,334. This is a combination of the base budget of \$8,060,574 with an increase of \$300,000 for State Radio operations, a budget priority of \$100,000 for DES operations, and an administrative optional adjustment reduction of \$1,858,240 caused by the transfer of State Radio Towers to NDITD.

The \$100,000 for DES is to update the cache of emergency response equipment and supplies in the warehouse on hand to assist local jurisdictions in times of emergencies and

disasters. Some of the items are in need of replacement due to expiring shelf life. Items such as (Meals Ready to Eat), usage (sandbags), wear and tear (semi-trailer tires), or additional supplies are needed (HESCO barriers) to maintain an adequate on-hand supply. These items are critical items when disasters strike and help to protect the citizens of North Dakota during times of emergency.

Capital Assets

Our NDDDES total capital asset line is \$660,000 in both the executive and House recommendations. Of which \$445,000 is funded with federal Emergency Management Performance Grants and \$215,000 is Homeland Security Grant funds intended for the purchase of disaster response equipment if federal funding becomes available.

Grants

The Grants line has an overall appropriation of \$14,550,000. It has a decrease in base level funding of \$1,723,425 which is due to an anticipated decrease of \$5,013,513 in federal funding for the Emergency Performance Management Grants and Homeland Security Grants. The decrease is offset with an increase of \$3,290,088 to Homeland Security and State Hazardous Chemical funds. The grants line is based on anticipated federal grant awards.

Disaster Costs

The 2009 Legislature created this budget line due to the extent of the damages and significant funding requirements associated with the 2009 flood. Since then we have expended most of our disaster funds through this budget line. For the 2021-23 biennium, we estimate a need of \$118,985,415 in disaster spending authority. This is an increase in federal authority requested from the executive recommendation due to a few factors taking place since the original submission of the budget. House Bill 1016 provides for authority of \$48,985,415, and House Bill 1394 provides for the additional \$70,000,000 of federal fund authority needed for our total 2021-23 budget request. The three factors leading up to the additional funding requests stem from FEMA offering updated guidance on February 2, 2021 indicating they will retroactively reimburse 100% of eligible pandemic related costs versus the initial 75% reimbursement, the coronavirus relief funds were extended to December 31, 2021, and also a reduction in our deficiency request (HB1025) for the current biennium has resulted in an increased need for the 2021-23 biennium due to timing of flood disaster payments. The timing of these expenditures is highly dependent upon completion of on-going repair projects as well as mitigation projects.

The funding for this line is primarily federal funding of \$45,000,000, however, it also includes approximately \$4,000,000 from the State Disaster Relief fund, and \$110,125 in general funds for operational costs related to disaster support. The current unobligated balance of the State Disaster Relief fund is approximately \$14,800,000. This includes our remaining obligated balance of \$2,300,000 from two presidential disasters: the 2011 flood and the 2017 Spring flood along with pre-disaster and flood mitigation grants for 2016-18, and also \$3,130,540 for the estimated deficiency loan repayment identified in House Bill 1025. The 2011 flood is expected to be closed by June 30, 2021.

As stated above, our current obligation from the State Disaster Relief fund is \$2,300,000 and our budget request is for \$4,000,000 in the 2021-23 biennium. If project completion is

delayed, the timing of our expenditures may also be delayed and require additional authority for the 2021-23 biennium.

Radio Communications

We are not requesting any new funds in the Radio Communications line, however we are requesting carry-over funds for three of our current projects as described in Sections 6, 8 and 9 of Engrossed House Bill 1016. We are requesting the unspent funds for the CAD upgrade, the message switch upgrade, and any available funds for the state radio tower package or technology upgrade costs required to implement the statewide interoperable radio network.

Engrossed House Bill Sections 3 - 12

Appropriation

Section 3. APPROPRIATION – NORTH DAKOTA MILITARY MUSEUM. The adjutant general may accept up to \$10,000,000 from other funds, including private and federal funds, the sum of which is appropriated to the adjutant general for the construction of a North Dakota military museum during the period beginning with the effective date of this Act, and ending June 30, 2023. The adjutant general, with the approval of the governor, may enter into an agreement with the director of the parks and recreation department or the state historical society for the construction of a new facility, the renovation of an existing property, and the operations and maintenance of a military museum. The funding provided in this section is considered a one-time funding item.

Carry-Over Clauses

Section _6_. EXEMPTION. Any amounts continued from the strategic investment and improvements fund pursuant to section 14 of chapter 41 of the 2019 Session Laws, which are unexpended as of June 30, 2021, are not subject to section 54-44.1-11 and any unexpended funds from this appropriation may be used to complete the mobile repeaters and programming radios, and for technology upgrade costs required to implement the statewide interoperable radio network during the biennium beginning July 1, 2021, and ending June 30, 2023.

Section _7_. EXEMPTION. The amount appropriated in the tuition, recruiting, and retention line item in subdivision 1 of section 1 of chapter 41 of the 2019 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this appropriation may be used to provide tuition assistance, recruiting and retention incentives to eligible members of the North Dakota national guard during the biennium beginning July 1, 2021, and ending June 30, 2023.

Section _8_. EXEMPTION. The sum of \$450,000 of strategic investment and improvements fund and \$66,000 of general fund appropriated for the computer-aided dispatch equipment in subdivision 2 of section 1 of chapter 41 of the 2019 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this appropriation may be used for computer-aided dispatch equipment project during the biennium beginning July 1, 2021, and ending June 30, 2023.

Section _9_. EXEMPTION. The sum of \$240,000 from the strategic investment and improvements fund and \$95,000 from the general fund appropriated for the message switch upgrade in subdivision 2 of section 1 of chapter 41 of the 2019 Session Laws is not subject to

section 54-44.1-11 and any unexpended funds from this appropriation may be used to complete the message switch upgrade project during the biennium beginning July 1, 2021, and ending June 30, 2023.

Section 10. EXEMPTION. The amount of \$600,000 from the strategic investment and improvements fund appropriated in the Camp Grafton Expansion line item in subdivision 1 of section 1 of chapter 41 of the 2019 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this appropriation may be used to continue forward with expansion of Camp Grafton during the biennium beginning July 1, 2021, and ending June 30, 2023.

Standard Clauses

Section 4. VETERANS' CEMETERY MAINTENANCE FUND – APPROPRIATION. In addition to the amount appropriated to the adjutant general in the veterans' cemetery line in subdivision 1 of section 1 of this Act, there is appropriated any additional funds that are received and deposited in the veterans' cemetery maintenance fund pursuant to sections 37-03-14 and 39-04-10.10 for the operation of the North Dakota veterans' cemetery for the biennium beginning July 1, 2021, and ending June 30, 2023.

Section 5. MAINTENANCE AND REPAIRS – TRANSFERS. Notwithstanding section 54-16-04, the director of the office of management and budget shall transfer up to \$500,000 of appropriation authority to the operating expenses and capital assets line items contained in section 1 of this Act from the various other line items contained in section 1 of this Act, as requested by the adjutant general to provide for the maintenance and repair of state-owned armories in this state during the biennium beginning July 1, 2021, and ending June 30, 2023. The adjutant general shall notify the legislative council of any transfers made pursuant to this section.

Legislative Intent

Section 11. LEGISLATIVE INTENT - CAMP GRAFTON EXPANSION. It is the intent of the sixty-seventh legislative assembly that:

1. The adjutant general purchase options during the biennium beginning July 1, 2021, and ending June 30, 2023, for the purchase or long-term lease of land for the camp Grafton expansion, including the purchase of no more than one thousand six hundred acres and the long-term lease of the remainder, not to exceed six thousand acres in total.
2. If the adjutant general secures options to purchase or lease all necessary land for the Camp Grafton expansion, the sixty-eighth legislative assembly provide funding and authority for the purchase or long-term lease of land for the Camp Grafton expansion during the biennium beginning July 1, 2023, and ending June 30, 2025.
3. The adjutant general not use eminent domain for the expansion of camp Grafton.

Emergency Clauses

Section 12. EMERGENCY. Section 3 of this Act is declared to be an emergency measure.

Conclusion

Mr. Chairman that completes our testimony. I would like to leave you with these final thoughts. This is a pivotal time for the Office of The Adjutant General as we evolve to meet the demands of a continuously changing strategic landscape. Our investment in readiness, increased capacity, and future capabilities must keep pace if we are to remain relevant today and able to meet the mission requirements of tomorrow. Readiness remains my number one priority. The 2021-23 biennial request for appropriations addresses my most urgent readiness requirements.

I ask for your favorable support of the executive recommendation and House Bill 1016 and am pleased to stand for any questions you may have. Thank you.