

Testimony – HB 1025
Senate Appropriations Committee
March 12, 2021
By Cody Schulz
Deputy Director, Department of Emergency Services
Director, Division of Homeland Security

Chairman Holmberg and members of the Senate Appropriations Committee, my name is Cody Schulz. I am the Deputy Director of the Department of Emergency Services (DES) and Director of the Homeland Security Division. I offer this testimony in support of HB 1025 with the addition of \$750,000 for payment of interest to the Bank of ND on the outstanding loans for the Dakota Access Pipeline protest response.

Subdivision 2 provides \$3,130,540 to repay loans from the Bank of North Dakota (BND) for multiple flood disaster related cost this biennium. The original version of HB 1025 additionally identified \$14,064,916 to pay the remaining balance of the DAPL protest loans, including interest. The House did remove the DAPL portion in its entirety due to ongoing litigation, however in discussions with BND, the accrued interest through June 30, 2021 does need to be brought current. We are asking for an additional \$750,000 to cover the estimated interest on the DAPL loans. The sum of these two loan repayments is now \$3,880,540.

Attachment #1 provides a breakdown of the DAPL cost and the payments made against loans totaling \$39,064,916 dating back to the Fall of 2016. As you can see, we have received \$10,000,000 of federal funds from a Department of Justice Emergency Law Enforcement Assistance Grant, along with \$15,000,000 of donations to pay down the principal, leaving us with \$14,064,916 in our deficiency. This amount is comprised of \$13,362,262 in principal and an estimated \$702,654 in interest through June 30, 2021. We are asking for \$750,000 of funds due to variable interest rates between now and June 30, 2021. Any funds not utilized for the pay down of accrued interest will be turned back.

Subdivision 2 also identifies \$3,130,540 for the state cost share related to four presidentially declared disasters including the 2019 Spring flood (DR4444), the 2019 Fall flood (DR4475), the 2020 Spring flood (DR4553) and the 2020 Summer flood (DR4565).

The four flood disasters incurred this biennium involved 30 counties throughout the state and have a total federal and state cost of \$42,241,560 with an estimated state cost share of \$5,750,160. Of this amount, we are estimating a need for \$3,130,540 to be paid out this biennium. This includes both principal and interest payments for the BND loan draws. The remainder, or difference between the two state cost share figures, we do expect to be paid out in the 2021-2023 biennium and is part of our appropriations request contained in HB 1016.

Mr Chairman, both the amount identified within Subdivision 2, and the \$750,000 for DAPL loan interest are estimates and any excess funding will not be expended.

I ask for your support of HB 1025 with the noted addition and will stand by for any questions you may have.

DAPL EXPENDITURES



\$39,064,916
(Total DAPL Expenditures)

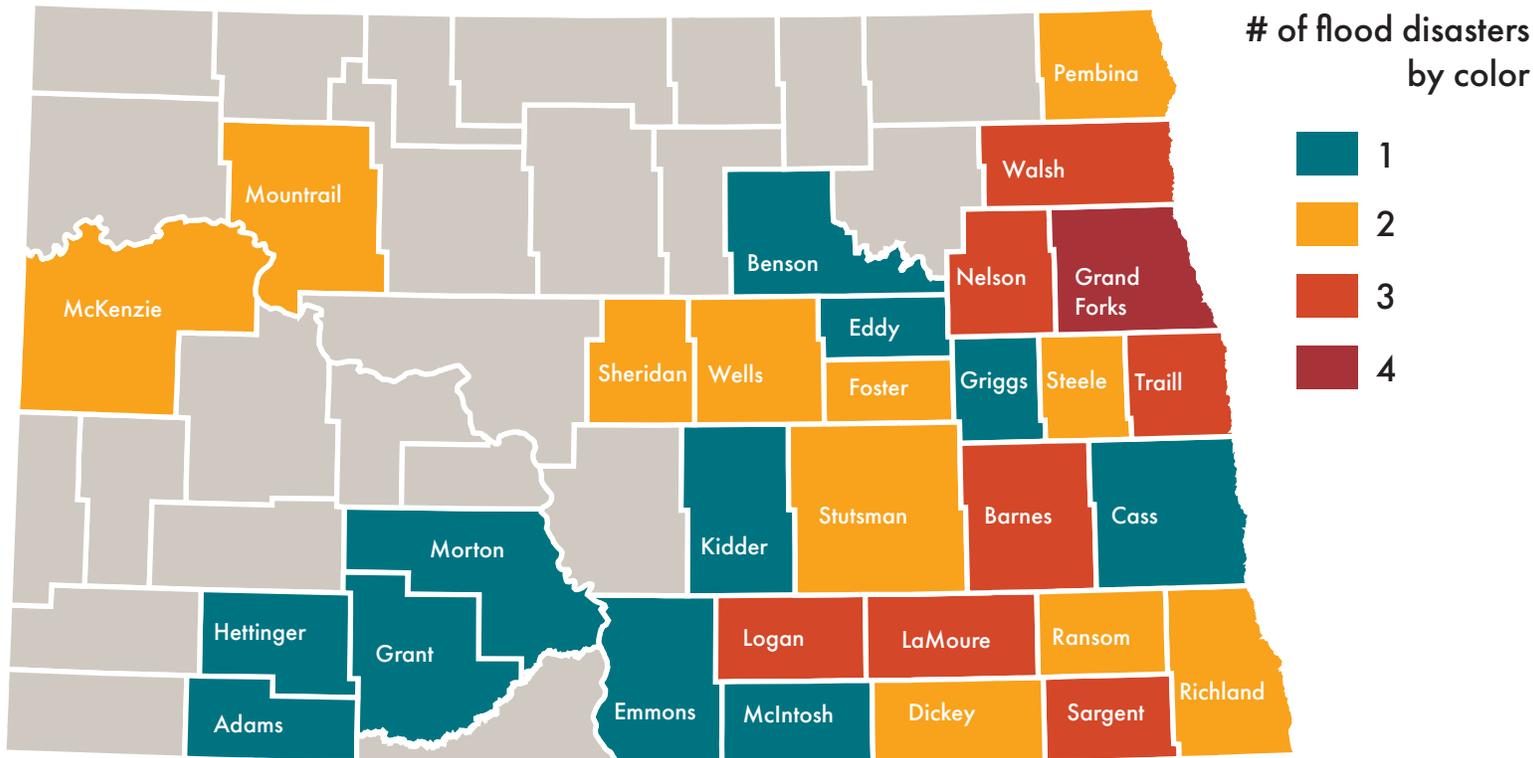
— **\$10 Million**
(Federal Department of Justice Emergency
Law Enforcement Assistance Grant)

— **\$15 Million** (Donation)

\$14,064,916
(BND Loan Balance and estimated interest
through June 30, 2021)

\$750,000
(Deficiency request for BND estimated
interest through June 30, 2021)

FLOOD DISASTER DECLARATIONS BY COUNTY • 2019-2021 BIENNIUM



FLOOD DISASTERS BY YEAR

2019 Spring Flood - DR4444 - 19 Counties

2019 Fall Flood - DR4475 - 16 Counties

2020 Spring Flood - DR4553 - 18 Counties

2021 Summer Flood - DR4565 - 6 Counties

2019-2021 BIENNIUM PAYMENTS (ESTIMATES)

Federal \$15,437,431

State \$3,130,540

TOTAL = \$18,567,971

CUMMULATIVE DAMAGE ESTIMATES

Federal \$36,491,400

State \$5,750,160

Local \$7,298,280

TOTAL =

\$49,539,840