

**OUTLINE FOR AGENCY BUDGET PRESENTATIONS TO THE  
APPROPRIATIONS COMMITTEE**

- 1. Explain the purpose of the agency and its various divisions/programs – Cite the North Dakota Century Code (NDCC) provisions and attach an organizational chart.**
  - a) Reference written testimony pages 1 – 2 for the purpose of the agency and its various divisions/programs.
  - b) Organization Chart – provided in slides on January 15<sup>th</sup>, 2025 (slide 2)
  - c) Title 37 – Military  
Major responsibilities include:
    1. Train and respond to domestic emergencies; natural and man-made disasters and emergencies.
    2. Train and respond to overseas combat and humanitarian missions
    3. Perform counterdrug operations with local law enforcement
  - d) NDCC 37-17.1-02 Purposes  
The purposes of this chapter are to:
    1. Reduce vulnerability of people and communities of this state to damage, injury, and loss of life and property resulting from natural or manmade disasters or emergencies, threats to homeland security, or hostile military or paramilitary action.
    2. Provide a setting conducive to the rapid and orderly start of restoration and rehabilitation of persons and property affected by disasters or emergencies.
    3. Clarify the roles of the governor, state agencies, and local governments in prevention of, in mitigation of, preparation for, response to, and recovery from disasters or emergencies.
    4. Authorize and provide for coordination of emergency management activities by agencies and officers of this state, and similar state-local, interstate, federal-state, and foreign activities in which the state and its political subdivisions may participate.
    5. Provide for a statewide emergency management system embodying all aspects of prevention, mitigation, preparedness, response, and recovery and incorporating the principles of the national incident management system and its incident command system, as well as other applicable federal mandates.
- 2. Report any audit findings included in the most recent audit and action taken to address each finding.**
  - a) There were no audit findings identified in the most recent audit (Agency Audit for the two-year period ending June 30, 2022).
- 3. Discuss current biennium accomplishments and challenges and next biennium goals and plans.**
  - a) Reference written testimony.
- 4. Compare the agency's request/recommendation totals, including full-time equivalent (FTE) positions, for the next biennium compared to the current biennium.**
  - a) Reference written testimony pages 5 – 13.
  - b) FTEs – The agency has received seven additional FTEs in the executive recommendation. Details of the FTE requests are outlined in #7 below, and also within the written testimony and PowerPoint slides provided to the committee.
- 5. Discuss any new positions approved for your agency for the 2023-25 biennium by the 2023 Legislative Assembly, the timing of filling the positions, amounts transferred from the OMB pool for the filled positions, and funding appropriated and the amount estimated to be spent for each position for the 2023-25 biennium.**
  1. Reference Attachment #2

- 6. Discuss employee turnover and the number of vacant positions during the 2023-25 biennium to date, the amount of savings relating to the vacant positions and employee turnover to date compared to the vacant position savings removed from your agency's budget by the 2023 Legislative Assembly, the amount of vacant position saving spent for other purposes, and any amounts transferred or anticipated to be transferred from the OMB pool.**

As of December 1, 2024 the agency had 14 vacant positions. As of the beginning of January 2025, four positions were filled, two positions were advertised, one position was pending advertisement, two positions were pending interviews and the remaining five positions are being analyzed by the agency. The agency evaluates each vacant position and works to find the best possible solution to meet organizational needs.

Each quarter the agency submits information related to vacancy savings per the Office of Management and Budget's (OMB) request, which is then reported to the Budget Section. The last report submitted to OMB was for vacancies for the time period July 2023 – October 2024. At that time, the agency estimated \$1,740,246 of vacancy savings of which \$484,909 had been used for various things such as accrued leave payouts, salary increases, bonuses, location pay, reclassifications, additional temporary salaries, overtime and also funding for two watch center positions the agency did not receive funding for during the sixty-eighth legislative session.

As of January 2025, all available funds have been requested from the OMB pool. The funding that was removed from our agency appropriation does not cover all of the projected funds needed for the new and vacant positions. The agency received nine funded FTE positions as the start of the 2023-25 biennium. Two of the new positions had a delayed authorized start date of January 2025 and one position had a delayed authorized start date of May 2025, however there are no more funds available in the pool to request for these positions. The other portion of the pool relates to vacant positions as of July 1, 2023. The agency had 19 vacant positions as of this date. Of those 19 vacant positions, we were able to request full funding for 10 positions and partial funding for two other positions before all of the funding in the pool was exhausted. The FTE pool was not an ideal situation for our agency and the additional funding is necessary to operate and ensure our biennial needs are met.

The agency has salary dollars appropriated throughout many of our budget lines. When the FTE pool reductions were made, we experienced reductions in multiple budget lines and relying on other vacant positions to help offset this reduction does not work for us. As an example, the Civil Air Patrol (CAP) line has one FTE position. The team member who is employed under this line has been with the state for over 12 years and we are not anticipating any turnover. This budget line saw a reduction of \$7,857 due to the funding pool. Since the agency has requested all available funds from the pool, it is uncertain if we will be able to request any funding after March 1, 2025 per SB 2015 to offset this reduction. The reduction of \$7,857 is very significant for this program area. If CAP is forced to reduce operations, it can equate to roughly 50 hours or more of flight proficiency training or four training exercises which synchronize air-ground capabilities as examples. In either case the impact to readiness can be significant.

- 7. Explain the funding included in each program/line item either in total or by division depending on the size of the agency as follows:**
- a) **Amounts included in the base budget and their purpose and use; and** Reference written testimony.

**b) Amounts included in the request/recommendation and justification for the change from the base level.**

**Discuss changes relating to:**

- 1) **Salaries & Wages;** Reference written testimony pages 6 & 10.
- 2) **Operating expenses;** Reference written testimony pages 6 & 10 - 12.
- 3) **Capital assets;** Reference written testimony pages 7 & 12.
- 4) **Grants;** Reference written testimony pages 7 and 12.
- 5) **Any special line items;** Reference written testimony pages 7 – 10 and 12 – 13.
- 6) **Estimated income – Special funds;** Reference written testimony.
- 7) **Estimated income – Federal funds;** Reference written testimony.
- 8) **General fund; and** Reference written testimony.
- 9) **FTE – 7 additional FTE requests**
  1. (2) Next Generation Leader Program
  2. (1) Dickinson Readiness Center Custodial Supervisor
  3. (1) Veterans Cemetery Admin
  4. (1) Veterans Cemetery Facility
  5. (2) Watch Center Officers

**8. Discuss the purpose and use of any one-time funding items for the current biennium.**

- a) Reference written testimony pages 3 – 5.

**9. Identify and justify the need for any one-time funding being requested.**

- a) Reference written testimony pages 5 – 13 and slides 7 – 30.

**10. Discuss any fees the agency charges, the appropriateness of the fee amount, fee collections that are deposited into the general fund or a special fund, and any anticipated changes from 2023 legislative session estimates during the 2023-25 biennium and estimated changes for the 2025-27 biennium.**

- a) State Radio Communications Fund – Following NDCC 37-17.3-09, the director establishes appropriate fees for access to the state radio system and North Dakota law enforcement telecommunications systems (LETS) and other such systems that may be employed that enhance public safety. The director shall announce any fee increases a minimum of one year before the effective date, and as of July 1, 2025 the 911 fees will see an increase of \$0.20 per line per month. In reference to the LETS fees, SB 2114 proposes to remove the flat fees identified in NDCC and establish the fees to be based on a percentage of the fee established by the director. The fees would continue to be charged on a per terminal basis, and be dependent on the county's population. Additional detail regarding SB 2114 is provided in question 13.b below.
- b) State Hazardous Chemical Fund – This special fund consists of revenue collected from the state hazardous chemical fee system. SB 2082 proposes changes to this fund that would allow the director of the homeland security division to set appropriate fees for the state hazardous chemical fee system. The current fees were established in 1991 and the agency feels changes are necessary to keep up with rising inflationary costs and increased demands on operations. NDCC 37-17.1-07.1, Subsection 2.d(2) currently identifies a \$25.00 fee. The proposed changes would remove the \$25.00 fee and replaces it with the fee to be levied on a per chemical basis, with a maximum fee for a facility to be \$1,250.00. Any fee increases shall be announced a minimum of one year before the effective date and the director of homeland security will take into account any economic conditions, general economy and availability of funds appropriated by the legislature to offset the costs of administering the program when setting the fees. One-half of the regular fees collected from the state's hazardous chemical fee system are transferred to the county hazardous chemicals preparedness and response account.

**11. Identify any federal state fiscal relief funds (SFRF) remaining to be spent by your agency by December 2026.**

**Provide the amount, the purpose, and a timeline of anticipated expenditures.**

- a) The agency received \$8,900,000 of SFRF for the Dickinson Readiness Center. The SFRF represents a small portion of the overall funding for the project and as of November 2024, approximately \$6,000,000 of the funds have been expended. The project has a completion date of September 2025 and the remainder of the funds will be executed.
- b) The agency received \$9,000,000 of SFRF for the Camp Grafton Fitness Facility. As of November 2024, approximately \$3,900,000 has been expended. The project has a completion date of February 2026 and the remainder of the funds will be executed.
- c) The agency received \$2,700,000 of SFRF for the purchase of Statewide Interoperable Radio Network Equipment to be utilized by ND National Guard units to train and respond to statewide emergencies. Of the total funding received \$2,695,757 will be expended for the purchase of 328 radios and one console. The remaining funds were returned to the Office of Management and Budget for reallocation.
- d) The agency received \$450,000 for the purpose of replacing the state active duty software and on-going maintenance costs. Approximately \$322,000 of the funds have been expended, but the remainder of the funds have been obligated. The funds will be executed prior to the December 2026 deadline for ongoing maintenance costs.

**12. Discuss the need for any other sections to be added to the appropriation bill.**

- a) Reference written testimony pages 13 – 15.

**13. Discuss any other bills being considered by the Legislative Assembly and their potential budgetary impact on the agency.**

- a) SB 2082 – This bill proposes changes that would allow the director of the homeland security division to set appropriate fees for the state hazardous chemical fee system, with a maximum fee for a facility to be \$1,250.00. Any fee increase shall be announced a minimum of one year before the effective date. The fiscal impacts of this bill are estimated to provide additional revenue of \$582,300 in the 2025-27 biennium. Per NDCC, the division transfers one-half of the regular fees collected to the county hazardous chemicals preparedness and response account, and the other half are used to help offset internal salary and operating costs.
- b) SB 2114 – This bill proposes to remove the flat fees identified in NDCC relating to the state radio system and service fees and instead establishes the fees are to be based on a percentage of the fee established by the director. The fees will still be based on a per terminal basis and are structured on a tiered system based on county population. The 2025-27 fee has been established and the cost per terminal will be \$270.66. This fee is a reduced fee from the current 2023-25 fee of \$402.53 due to a reduction in operating costs. Taking into account the new fee structure, the division is projecting to see reduced revenue of approximately \$32,800. Using the established fees for the 2025-27 biennium, the per terminal fees would be impacted as follows:
  - 1) \$40.00 vs \$40.60
  - 2) \$80.00 vs \$81.20
  - 3) \$120.00 vs \$121.80
  - 4) \$160.00 vs \$162.40
  - 5) \$200.00 vs \$203.00
- c) HB 1079 - This bill relates to the renaming of divisions within the department of emergency services. The Homeland Security division would be renamed to Homeland Security and Emergency Management, and the State Radio division would be renamed to Emergency Communications Center. This bill does not have a budgetary impact on the agency.

- d) HB 1073 - This bill relates to disaster or emergency response and recovery costs, providing authority to spend available funds from the state disaster relief fund. This bill does not have a budgetary impact on the agency.
- e) HB 1075 - This bill relates to criminal history record checks by the department of emergency services and would authorize the office of the adjutant general to complete background checks for a final applicant for a job opening or current employee working with the office of the adjutant general to include the department of emergency services. This bill does not have a budgetary impact on the agency.
- f) HB 1076 - This bill relates to the payment of a death benefit to the beneficiary of a member of the national guard who died serving on state active duty. The current chapter authorizes the payment of a death benefit to not exceed \$15,000, and this bill would increase the amount to not exceed \$100,000. This bill does not have a budgetary impact on the agency as fortunately this benefit has not been executed in the past. The agency hopes to continue that trend into the future, but increasing the benefit amount aligns the state benefit with the federal benefit amount.
- g) HB 1078 - This bill relates to the reimbursement of certain medical expenses for North Dakota national guard members. This bill would provide protections to Service Members on a State Active Duty (SAD) status to ensure they are protected if they become injured or ill on status, but symptoms or discomfort does not become present until they are off of a SAD status. This bill removes the language “when such treatment occurred while on state active duty”, and provides greater benefit to the Service Members should they become ill after a state active duty event occurs. This bill does not have a budgetary impact on the agency.
- h) SB 2130 - This bill relates to the prequalification, selection, and contracting for architect, engineer, construction management, and land surveying services for the Office of the Adjutant General. This bill would create a section of code within NDCC Chapter 37 where the adjutant general, or their designee, may prequalify, select, and contract for consultants in the areas of architecture, engineering, construction management, land surveying, and related matters, which will aid in expedition of the many projects the agency is tasked with completing throughout the biennium. This bill does not have a budgetary impact on the agency.

**14. Provide a one-page itemized listing any changes your agency is requesting the committee to make to the executive recommendation.**

- a) Reference Attachment #3.

**15. Provide additional information as necessary.**