

**TESTIMONY OF
BRIGADIER GENERAL MITCHELL R. JOHNSON
THE ADJUTANT GENERAL
BEFORE THE 69th LEGISLATIVE SESSION
HOUSE APPROPRIATIONS COMMITTEE
JANUARY 15, 2025
IN SUPPORT OF GOVERNOR'S EXECUTIVE RECOMMENDATION**

Chairman Monson, members of the Government Operations Division, my name is Mitch Johnson, 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 executive recommendation and address House Bill 1016.

The dedicated members of the North Dakota National Guard (NDNG), North Dakota Department of Emergency Services (NDDDES), and Civil Air Patrol (CAP) consistently exemplify exceptional commitment, resilience, and selflessness as they remain ready to serve and safeguard the people of North Dakota whenever duty calls. Additionally, the National Guard is prepared to deploy as a powerful operational force to defend the homeland and to fulfill its mission to prevail in America's conflicts.

Additionally, per the chairman's request from December 19, 2024, 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. Responses to question #5, FTE positions approved by the 2023 Legislative Assembly **(Attachment #2)**
3. A one-page itemized listing of the changes our agency is requesting the committee to make to the executive recommendation. **(Attachment #3)**

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 mission, 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 vigilant, adaptable, and fully prepared to address a wide range of threats, from natural disasters to the actions of both state and non-state actors. Our experiences over the past 15 years – responding to floods, wildfires, droughts, civil unrest, and a global pandemic – underscore the critical importance of building and maintaining a high level of readiness. This ongoing commitment ensures that we can protect our communities swiftly and effectively, whatever the challenge.

State of the National Guard

As an organization, we continuously train to meet the demands of a dynamic and competitive global environment. The NDNG lives by the motto “Always Ready, Always There,” a commitment we uphold across the state and whenever our Soldiers and Airmen are called to serve worldwide. As threats to the homeland and abroad continue to evolve, so do the challenges we face. To remain fully prepared to support our state and communities – and to strengthen our capabilities against adversaries globally – we must modernize and enhance our readiness and effectiveness.

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. 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 oversees federal disaster recovery programs and a range of other federal grant initiatives. During the current biennium, the division continued to develop and implement a 24/7 all-hazard, whole of government Watch Center to continually scan, assess and initiate early response to public safety emergencies. Additionally, the Division manages the State Emergency Operations Center (SEOC), coordinating statewide responses to emergencies and disasters as specified in the State Emergency Operations Plan (SEOP). Acting as a bridge between federal, local, tribal, private, and volunteer agencies, the Division facilitates resource coordination, gathers damage assessment data, monitors situational developments, and evaluates the need for potential state and federal declarations and assistance requests. The Division also provides administrative support for the North Dakota Civil Air Patrol (CAP), which leads civilian search and rescue operations in North Dakota. CAP assists with information gathering, reconnaissance during disasters, and emergency transport, with members trained to FEMA emergency response standards. This program operates with one Full Time Equivalent (FTE) and has a budget allocation of \$390,571.

The State Radio Communications System has over 4,000 users representing 310 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 26 North Dakota counties. State Radio serves as the primary or secondary backup for 12 of the 21 public safety answering points (PSAP’s) throughout the state, is the primary dispatch center for the N.D. Highway Patrol, the Game and Fish Department and various other state and federal agencies, and also responds to calls for emergency assistance across the state. The Division of State Radio manages the statewide law enforcement query system (NLETs message switch) for all law enforcement and PSAP’s statewide. Statewide communication services ensure necessary resources are dispatched for emergency response.

Explanation of 2023-25 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 2023-25 biennium has been on track as projected. We anticipate spending all general funds. We are requesting carryover

authority for the NDNG Tuition, Enlistment, and Compensation budget line, and the remaining funds appropriated for the cybersecurity grants, which I will explain more later in my testimony.

Federal Funds:

Approximately 85-90% of our funding is provided through federal cooperative agreements and federal grants. This biennium, the NDDDES estimates approximately \$289,000,000 in federal funds, of which \$254,000,000 are FEMA grant funds and \$35,000,000 are Homeland Security grant funds. At the end of November 2024 approximately \$69,000,000 has been dispersed to counties, cities, tribal governments, emergency management entities, and first responder organizations. Federal funding received has mostly been expended to support disaster recovery efforts resulting from 2019, 2020, 2021, 2022, and 2023 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 \$115,600,000 in the current biennium to support the Air and Army Guard facilities, missions, and team members.

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 \$3,800,000 in radio fees, \$1,200,000 in hazardous chemical fees, and \$915,000 in Veterans Cemetery maintenance funds. Hazardous chemical fees were budgeted at roughly \$1,470,000. We projected roughly \$14.5 million in Disaster Relief Fund expenditures and have incurred costs of approximately \$1,650,000 through October 2024 and estimating to spend another \$7,900,000 before June 30, 2025. The Disaster Relief Fund expenditures can vary significantly depending on the timing of project completions and disaster response efforts.

Estimated 2023-25 spending and status of one-time funding

The agency received one-time funding for a variety of projects identified below. The figures reported are as of November 2024, unless otherwise noted.

- Dickinson Readiness Center - \$15,500,000 of federal appropriation was received during the 2021-23 biennium for the construction of the Dickinson Readiness Center. Carryover authority and an additional \$8,900,000 of State Fiscal Recovery Funds (SFRF) were received through the sixty-eighth legislative session, along with \$5,800,000 of additional federal authority through Emergency Commission actions to be expended on the project. The \$8,900,000 of SFRF was obligated prior the December 2024 deadline and will all be spent on the project. As of November 2024, approximately \$20,500,000 has been expended on the project. The project has a projected completion date of September 2025. Carryover authority has been requested for the 2025-27 biennium due to unknown project delays that may arise.
- Camp Grafton Fitness Facility - \$9,000,000 of SFRF was received for the construction of the Camp Grafton fitness facility. The agency requested and received an additional \$2,000,000 of federal authority through Emergency Commission during the current biennium. As of November 2024, approximately \$3,100,000 of SFRF and \$100,000 of federal funds have been spent on the project.

The project has a projected completion date of February 2026. The agency has requested carryover authority for the 2025-27 biennium.

- Deferred Maintenance - \$1,000,000 of general funds were received for critical infrastructure projects located throughout the National Guard facilities. Approximately \$830,000 has been expended on nine projects. The remaining funds will be spent prior to biennium end.
- Statewide Interoperable Radio Network (SIRN) Equipment - \$2,700,000 of SFRF was received for the purchase of SIRN equipment. Of the funds received, all but \$4,242.70 was expended on the purchase of 328 radios and one dispatch console plus required installation and setup. The equipment will be used by ND National Guard units to train and respond to statewide emergencies.
- Minot Airport Hangar – \$60,000 of general funds were appropriated for the purchase of a hangar in Minot, ND for Civil Air Patrol. Of the funds received, \$51,273 was expended and the remaining funds will be turned back at the end of the biennium.
- Emergency Response Equipment & Supplies - \$660,000 in federal authority was received for the purchase of disaster response equipment if federal funds became available. As of November 2024, \$27,900 was expended to purchase a forklift for the Department of Emergency Services warehouse.
- Cybersecurity Grant - \$314,000 of general funds were appropriated to provide up to five percent to political subdivisions towards the required local match for cybersecurity projects. Approximately \$174,000 has been expended through November 2024, and the agency has requested carryover authority for the 2025-27 biennium as not all the projects will be completed by biennium end.
- Safeguarding Tomorrow through Ongoing Risk Mitigation Act (STORM) - \$1,000,000 of Disaster Relief Funds were appropriated for a 10% state match on state revolving loan funds for mitigation projects to local governments. This past year was the first year this program was offered, and our state was very successful in being awarded \$16,600,000 in projects for local communities. The agency is requesting funding with an emergency clause for the 2025-27 biennium to distribute the entirety of the federal funds received.
- Flood Mitigation Grants - \$225,000 of Disaster Relief Funds (DRF) were appropriated for flood mitigation grants to the City of Marion. Approximately \$12,000 has been expended on Phase I of the project through November 2024. The project will continue moving forward with a large part of Phase II being completed next biennium. The agency has requested carryover authority.
- Natural Disaster Response & Recovery Grants - \$2,000,000 from the state disaster relief fund (DRF) was appropriated for preparing for, responding to, and recovering from natural disasters. The agency utilized this funding for ice jams along the Missouri River in the Spring of 2024, and most recently for the wildland fires that occurred in western North Dakota. In response to these two activities, the agency is projecting expenditures of roughly \$120,000.

- Disaster Grants - \$142,652,500 was appropriated, consisting of \$136,947,500 in federal authority and \$5,705,000 in Disaster Relief funds. Through November 2024, approximately \$31,400,000 in federal funds and \$1,100,000 in Disaster Relief funds have been expended. Projects are still being awarded, and the funds are distributed as the projects complete various stages.
- State Radio Consoles - \$150,000 of general funds were received for replacement of 10 State Radio consoles. The bids received exceeded the general fund authority, however the agency requested and received an additional \$281,474 in special fund authority to move forward with the project. All the general funds have been spent.
- Retirement Payouts - \$275,000 was appropriated for agency retirement leave payouts of which \$100,000 was general funds and \$175,000 was federal fund authority. As of November 2024, approximately \$91,000 has been expended and is made up of \$23,000 of general funds and \$68,000 in federal authority.
- Line of Communication Bridge Training Site - \$6,000,000 of federal authority was appropriated through the sixty-seventh legislative assembly, and carryover authority was granted from the sixty-eighth legislative assembly for completion of this project. Through Emergency Commission actions, the agency was approved for an additional \$3,674,000 of federal authority during the 2023-25 biennium. Approximately \$4,500,000 has been expended through November 2024, with an estimated project completion date of December 2025. The agency has requested carryover authority for the 2025-27 biennium.
- Camp Grafton Expansion – Through the sixty-seventh legislative assembly, the agency received \$600,000 of Strategic Investment and Improvements Funds (SIIF), and through the sixty-eighth legislative assembly, the agency received \$1,750,000 of general funds which were deposited into the National Guard Training Area and Facility Development Trust fund for the expansion of Camp Grafton and the intent to pursue interest in land around Camp Grafton South for the eventual construction of a multi-purpose machine gun range. The entirety of SIIF has been expended, and roughly \$1,600,000 remains of the National Guard Training Area and Facility Development Trust fund. NDCC 37-07.3-03 extends the use of the fund through June 30, 2029. The agency has requested carryover authority for the 2025-27 biennium.

Executive Recommendation (2025-27)

Next, I will discuss the executive recommendation for the 2025-27 biennium and compare it to our 2023-25 base budget. During my testimony, I will cover all one-time spending proposed for the 2025-27 biennium.

Subdivision 1. National Guard

Salaries and Wages

The salary and wages line includes funding for 14 FTEs and temporary team members supporting the National Guard division. The team members include the executive team, administrative staff, billeting operations, tuition and education, Veterans benefit specialists, ND Cares, a clinical specialist and two new FTEs for the Next Generation Leader Program. The Governor's Recommendation shows a net decrease in the salary and wages budget line. This is largely due to realignment of several positions that support the Army National Guard facilities. In previous biennium, it was not uncommon for a position that was both federally and state funded to be split between two separate budget lines. To align the funding sources, and provide internal program manager budgets, the positions were realigned to all fall under one budget class, Army Guard Contract. The net decrease shown in the salary and wages line item is offset by increases in the Governor's recommended compensation and benefits package, and realignment of three FTEs that previously fell under the Reintegration Program line. When the Reintegration Program budget line was created, this program had more FTEs than the program does today. The agency did not feel it was necessary to have a separate budget line for three FTE salaries, therefore an internal realignment of those budget dollars was completed.

The two additional FTEs approved for the Next Generation Leader Program are aimed at establishing a state-funded high school training program to provide Choice Ready options for high school students. Key points to the initiative include things such as: leadership and character development, educational benefits, career preparation, community engagement and citizenship, physical fitness and health, cultural and historical awareness, state and national security, economic benefits and state pride and identity.

Operating Expenses

Similar to the decrease shown in the salary and wages line item, the operating expenses budget line shows a net decrease from the base budget. In previous biennium, the general funds expended to support the NDNG facilities were projected here. The agency has over 330 facilities located throughout the state with varying federal/state match requirements. The agency is looking to realign all funding sources for the facility maintenance and repair, daily operations, and staffing under one program area. For the 2025-27 biennium, the state portion of the costs has been budgeted under the Army Guard Contract budget line, where the federal dollars have been budgeted in prior years. The remaining funds in the Operating Expenses line item are operational costs to support the team members budgeted in the salary and wages line, and other miscellaneous costs the National Guard division may incur throughout the biennium. Similar to the realignment of the Reintegration Program FTEs described above, the operational costs for this program area were also realigned within the internal budget eliminating the need to have a separate Reintegration Program budget line. This budget line includes funding in the executive recommendation for an increase to infrastructure insurance. The agency has several facilities that are significantly underinsured, and this would allow us to pay premiums for fully insured facilities.

Capital Assets

The capital assets line provides \$36,500,000 of total appropriation, consisting of \$34,000,000 in federal authority for an additional billeting wing on the Regional Training Institute located at Camp Grafton and \$2,500,000 in general funds for the design of a Williston Readiness Center. Once the design for the Readiness Center is completed, an estimated \$29,000,000 will be requested during the 2027-29 biennium to construct the facility.

Grants

The grants line consists of \$470,692 of general funds, which provides annual rent payments to community owned armories partially occupied by NDNG units in seven communities across North Dakota. For the 2025-27 biennium, with the completion of the Dickinson Readiness Center, the agency will utilize six locations for unit readiness.

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, and this budget line shows an overall increase. The increase includes \$250,000 of one-time Strategic Investment and Improvements Fund (SIIF) for the purchase of Statewide Interoperable Radio Network (SIRN) upgrades which would provide the wing with modernized communications systems to ensure interoperability with other state and local responders. This is a required upgrade to remain compatible with the response community and the agency has requested an emergency clause for this purchase. The remainder of the increase in this budget line is for salary increases based on the executive recommendation.

Tuition, Recruiting and Retention

The State Tuition Assistance (STA) program remains our #1 recruiting tool. The base budget includes \$3,362,235 in general funds for the 2025-27 biennium, and we are requesting carryover of an estimated \$2,750,000 from the 2023-25 biennium. This funding provides the resources required to offer up to 100% tuition reimbursement for our qualified members, and critical recruiting tools to assist in obtaining full formations. The agency received \$320,000 in the base budget during the sixty-eighth legislative assembly targeted at a program which provides a stipend for current and former members of the NG that provide a lead on a recruit that results in an enlistment. This program has been successful, and enlistments have increased. During the last legislative session, the tuition program was expended to help offset not only in-state tuition costs, but also out-of-state tuition costs. By expanding the program to schools located outside of North Dakota, the state was able to better posture themselves to compete with bordering states and retain top talent that is critical to the ND National Guard force.

Within the executive recommendation for the 2025-27 biennium, language has been included allowing the agency to utilize the funds for program administration and operating costs. Our current program operates with a significant amount of data entry, delaying customer service. We are proposing to establish a state tuition assistance portal that not only students would have access to, but schools will also be able to create an account. The goal is the service member can consistently check their status of application, application history, reimbursement status and history, lifetime credit balance in each education level and other significant information. The goal is to include an option for the universities to create an account,

providing them with the ability to verify students' eligibility to the STA program, create a rollup of applications and possibly a history for their records. The port will increase efficiency, communication with universities and students, and bring our STA program to a more cutting edge of technology that has been long overdue.

Full formations are critical to ensuring 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 31 state FTEs at the ND Air National Guard located at Hector Field in Fargo. Seventeen FTEs are 75% federally funded and 25% generally funded. The remaining 14 FTEs 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. This funding is critical for maintaining our facilities and operations. Overall, this budget line shows an increase which is largely attributed to internal realignment of required funds for daily operations of the facilities and staff. The increase from the base budget also encompasses the compensation package included in the executive recommendation.

Army Guard Contracts

This budget line supports federally funded facilities and 99 current FTEs, along with two additional FTE requests for the 2025-27 biennium. Many of the FTEs require a general and federal fund match. The executive recommendation has an overall increase which includes the executive recommendation compensation package, seven agency requests, and a major realignment of FTEs and operating funds between agency budget lines.

In previous biennium, both salary and operating expenses were split between the Army Guard Contract line, Salaries & Wages line, as well as the Operating Expenses line based on the match and funding source required for the expenditure. Due to the complexities of the program, the agency has aligned both the federal and state match under the Army Guard Contract line. The realignment of funds will provide internal efficiencies and effective program budget capabilities to better assist the division responsible for managing the cooperative agreement funds and team members. The reallocation of funds within the Army Guard line mirrors the internal processes already in place for other sections within the agency such as Civil Air Patrol, Air Guard Contracts and Veterans Cemetery.

The seven agency requests are made up of \$6,000,000 for critical infrastructure, two additional FTEs, realignment of funding for an existing FTE position, and full biennial funding for three FTEs authorized during the sixty-eighth legislative assembly but were approved to be filled for a partial biennial year.

The agency received \$6,000,000 in funding for critical infrastructure projects. The funds are made up of \$1,500,000 of ongoing general funds and \$4,500,000 of SIIF. The agency owns 330 buildings throughout the state with approximately 27% state funded support required based upon usage. The replacement value is estimated at \$900,000,000 for buildings. For the 2023-25 biennium, the federal government provided roughly \$18,000,000 to support the infrastructure requirements while the state provided \$1,000,000 in general fund match. The Army National Guard has several facilities around the state that require new roofs, new chillers, boilers and

other building system repairs. Maintaining these facilities is crucial to NDNG Soldier and Airmen readiness for response to federal and state missions.

Current funding levels for maintenance and repairs have not kept pace with increased costs of materials and labor. Additional state funding is required to properly maintain the buildings owned and operated by the National Guard, of which three are used to support four other state and federal agencies such as ND Highway Patrol, Bureau of Criminal Investigation, ND Information Technology, and the Federal Department of Homeland Security. Ongoing maintenance needs require consistent funding. The impact of not funding maintenance requirements is increased probability of catastrophic failure of building systems and equipment as well as increased chances of unsafe, undesirable, or unhealthy working conditions for the over 3,000 full and part-time employees of the NDNG.

One of the FTE requests consists of a Custodial Supervisor for the Dickinson Readiness Center. Historically, when the National Guard builds a facility of this nature the agency receives three FTEs to help maintain it once operational. During the sixty-eighth legislative session, the agency requested the standard three FTEs: a physical plant director, a maintenance supervisor, and a custodial supervisor. The agency did receive two of the three FTEs; however, the custodial supervisor position was cut from our budget request. This request is for the third position the agency feels is critical to properly staff, clean and maintain the property. Building upkeep is a 24/7 year-round responsibility. The construction of the facility is projected to be completed in September 2025, however staffing the facility ahead of time is necessary to ensure the facility has smooth operations upon opening.

The agency received approval in the executive recommendation to repurpose a 100% federally reimbursed Security Forces Squadron position and use this position for an additional Construction Coordinator position that is also 100% federally reimbursed. The authority for this position would shift from our Air Guard Contracts budget line to the Army Guard Contracts budget line. The reason for the transparency is the agency requested and received an additional FTE for the Security Forces Squadron during the 2023-25 biennium, however that section of our agency no longer has adequate funding to fill the position.

The remaining agency requests all include a full biennial appropriation and funding for three FTEs received during the sixty-eighth legislative assembly. Two of the three positions were for the Dickinson Readiness Center as mentioned above, and the remaining position was in support of the Camp Grafton Fitness Facility. The Dickinson Readiness Center FTEs were authorized with a fill date of January 2025, and the Fitness Facility position was authorized with a fill date of May 2025. The requests the agency has submitted were for a full 24 months of funding.

Veterans Cemetery

The North Dakota Veterans Cemetery (NDVC) budget line supports five FTEs and temporary team members throughout the year. The NDVC was established in 1992, and an average of 130 burials per year were completed at that time. Currently, the NDVC is performing over 600 burials per year. Two additional FTEs are being requested to fill long term temporary positions the Cemetery must maintain due to workload requirements. One of the FTE positions would assist with administrative functions, and the other FTE position would assist with grounds and cemetery operations. By having the FTE authorizations, it would allow for lower turnover rates, which would in turn have positive effects on the organization. The positions require a lot

of detail and the more consistent we can become with our staff; the less time will be spent training new staff. Lower turnover would allow for more time spent on the critical needs of the facility. The agency is seeking special fund authority, and no additional general funds for the new positions.

Reintegration Program

The reintegration program supports Soldiers and Airmen throughout a deployment and assists the service member and their families with reintegration upon return. This is critical to the overall readiness of the North Dakota National Guard. This program consists of three FTEs: two Outreach Specialists and one Human Resource Counselor. Due to the small number of FTE and internal budget alignments, the funds for this program area were included under both the Salary and Wages and Operating Expense budget lines. The funding for this program consists of salaries, benefits, travel, and minor support costs.

Subdivision 2. ND Department of Emergency Services

Salaries and Wages

This budget line shows an overall increase in the executive recommendation. This budget line supports 79 FTEs and two additional Watch Center FTE requests. The FTEs are comprised of administrative staff, along with both Homeland Security and State Radio full-time and temporary team members.

The two additional watch center FTEs are critical to maintaining an effective and efficient 24/7 watch center capability. The watch center serves the wholistic public safety of citizens and through the gathering and dispersal of information across the state with local and partner agencies with 24-hour service. The watch center has been instrumental in recent events such as the Missouri River Ice Jam, Boudulac Train Derailment, western ND wildland fires and numerous public alerts. State and local partners have stated they appreciate the ongoing situational awareness and 24-hour coverage.

Operating Expenses

The operating expense line supports the basic operating costs of NDDDES. The increase shown in the executive recommendation is largely made up of two additional agency requests.

The first request consists of \$509,232 in general fund dollars to support ND Information Technology (NDIT) operations and maintenance costs. As part of unification, NDIT now charges agencies Operations & Maintenance (O&M) costs for various agency support functions. Initially this was tied to unified FTE counts, but for the 2025-27 biennium they are going away from a count basing it on the utilization rates for the Public Safety team that helps support the agency. In working with NDIT for the projected 2025-27 rate increases, we discovered the O&M costs are not associated with our Homeland Security division. As a result of this, the State Radio division will be experiencing a significant increase to their NDIT operating costs they are not able to absorb. The agency is not able to transfer the funding from Homeland Security to State Radio to help offset the charges as the majority of the NDIT bill for Homeland Security is paid with federal grant dollars and those dollars are not able to support State Radio IT

expenditures. The 2% general funds allocated to the Homeland Security division are also necessary to meet the state match requirements for the federal grants.

State Radio's base budget is comprised of 66% personnel costs, leaving limited resources for the remainder of their operations. The remaining operating costs are vastly technology costs the agency cannot operate without. The division has a no fail mission and cannot afford to downsize their manning power to help offset the increased technology costs. The demands put on the division are increasing as they continue to grow and take on more responsibility as jurisdictions continue to seek State Radio services.

For the 2023-25 biennium, both Homeland Security and State Radio are paying \$15,000/month (total of \$30,000/month) for O&M costs. The projected rates for the 2025-27 biennium total \$36,218/month. This is a significant impact to State Radio and will result in them experiencing an increase of \$21,218/month to their NDIT expenditures. This increase equates to \$509,232 of additional funds State Radio will need to request. They are not able to absorb all this cost. State Radio is requesting general funds to offset the difference.

Per NDCC, State Radio does set rates and calculates an amount the locals pay for 911 fees. Those rates must be published one year prior to the start of the biennium. Unfortunately, the timing of when NDIT submitted the O & M costs and when the fee calculations were due, did not align. Therefore, the increased cost is not accounted for in the 2027-29 911 fees. Of State Radio's \$10.5 million budget, 21% on average goes to NDIT.

The second request in this budget line attributing to the overall increase is a request for \$87,336 for the ND Response Website. The costs to operate the NDResponse.gov website are existing costs that have mainly been paid from the NDIT budget since its inception in 2016. For the 2023-25 biennium, the Homeland Security incurs a monthly cost of \$486.00 to support the website. Based on the NDIT funding model, this is unsustainable for them as they do not receive funding for this site and have previously not sought reimbursement. For the 2025-27 biennium, NDIT has notified NDDDES they will need to cover the costs of the website. The projected monthly rate DES received from NDIT for this service is going from \$486/month to \$4,125/month. This is a \$87,336 increase that Homeland Security is not able to absorb.

The NDResponse website was originally developed during the Dakota Access Pipeline protests to direct citizens to one trusted source of information for all of ND Government related to public safety; regardless of which agency may be the lead. At that time, the web traffic was extremely high and there were multiple ongoing cyber-attacks against ND government systems. The website is built to effectively function even when all other ND.gov systems are down, providing a resilient and redundant way to reach the citizens.

In addition, the system is built to handle large, rapid influxes of web traffic during public alerts such as Amber, Silver and Blue Alerts. When a public alert is issued, the website may spike to over 200,000 concurrent visitors. NDResponse has been used to communicate to citizens during protests, floods, pandemics, severe summer storms, blizzards, and long-term power outages.

Statutorily, 37-17.1 broadly charges NDDDES with reducing the vulnerability to communities, providing a setting conducive to the rapid and orderly restoration after a disaster, and providing a statewide emergency management system that includes prevention, mitigation, preparedness, response and recovery. All those functions are supported by the NDResponse

website. In addition, NDDDES has some statutory obligations to support the various public alerts which are now supported by NDRresponse.gov.

Capital Assets

Our NDDDES total capital asset line consists of \$660,000 of federal authority in the executive recommendation. The funds are intended for the purchase of disaster response equipment if federal funding becomes available.

Grants

The Grants line has a base budget appropriation of \$27,790,000, consisting of \$27,140,000 in federal funds and \$650,000 in special fund authority. The grants are distributed to locals at various stages of their award and is based on anticipated federal grant awards such as the Emergency Performance Management Grants, Homeland Security Grants, Hazardous Emergency Preparedness Grants, Non-profit Security Grant Programs, Cybersecurity Grants, and also special funds resulting from Hazardous Chemical fees.

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 2025-27 biennium, we estimate approximately \$100,000,000 in disaster spending authority. This is an increase in federal authority from the base budget and is based on projected authority required for the 2025-27 biennium. Biennial projections are based on the projected state share of Public Assistance and Hazard Mitigation payments to local subrecipients, increased Public Assistance payments to locals, and increases to federal awards through the Building Resilient Infrastructure and Communities grants. 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, however, it also includes estimates from the State Disaster Relief fund (DRF). Included as part of the DRF, is an appropriation of \$3,550,000 for the state match on the revolving loan fund for the STORM act. In the 2023-25 biennium, the agency was appropriated \$1,000,000 of DRF, however \$0 have been executed to date as the agency is still waiting on the additional match and federal authority required to accept the award from FEMA. This past year was the first year our state has applied for the program, and we were 3rd nationally in terms of total dollars selected at \$16,600,000. The \$1,000,000 of DRF that were approved last biennium was not sufficient to meet the 10% state match of \$16,600,000, so an additional \$660,000 is required to accept the full federal award. In addition, the agency needs the federal authority for the awarded funds. The agency has requested the additional funding for the remaining cost match with an emergency clause in the agency's appropriation bill for the 2025-27 biennium and is seeking federal fund authority and DRF approval for the 2025-27 biennium to continue applying for additional federal funds in future grant rounds.

Radio Communications

The Radio Communications line totals \$1,020,000 and includes funding for two critical resources the division of State Radio needs. The number one priority is for a redundant switch with an estimated cost of \$525,000. The current system is running with single points of failure.

This system is on a “Cannot Fail Mission” and must be redundant due to the criticality of the system. The system is used by all law enforcement statewide as well as ND Insurance Department’s Fraud Investigators, Department of Corrections and Rehabilitation facilities, and Minot Airforce Base. The system allows law enforcement to run wants, warrants, driver’s license and motor vehicle information. If the current system were to fail, all law enforcement statewide will be impacted with the inability to run any of the necessary searches. Currently law enforcement and dispatch centers are running approximately 7,000,000 search per month. The state of Idaho was running single instance with a Disaster Recovery and had to use other states to help during their crash. They were down for four days, and it took several months and \$1,600,000 to resolve the catastrophic event.

The second request is \$495,000 for Statewide Interoperable Radio Network (SIRN) capabilities. The funds will provide for a new recording solution compatible with the new SIRN radio system as the current one is not compatible and is past life expectancy. The funds will also cover dual maintenance with the legacy system and the new SIRN system due to having to run them simultaneously, and the ability to convert three deployable tower trailers with SIRN gear.

Executive Recommendation

Standard Clauses

EXEMPTION – FULL-TIME EQUIVALENT POSITION ADJUSTMENTS. Notwithstanding any other provisions of law, the adjutant general may increase or decrease authorized full-time equivalent positions as needed, subject to the availability of funds, during the biennium beginning July 1, 2025, and ending June 30, 2027. The adjutant general shall report to the office of management and budget and legislative council any adjustments made pursuant to this section.

VETERANS' CEMETERY MAINTENANCE FUND - APPROPRIATION. In addition to the amount appropriated to the adjutant general in the veterans' cemetery line item in subdivision 1 of section 1 of this Act, there is appropriated any additional funds which 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, 2025 and ending June 30, 2027.

EXEMPTION – LINE ITEM 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 during the biennium beginning July 1, 2025, and ending June 30, 2027. The adjutant general shall notify the legislative council of any transfers made pursuant to this section.

ESTIMATED INCOME – STATE DISASTER RELIEF FUND. The estimated income line item in subdivision 2 of section 1 of this Act includes \$3,550,000 from the state disaster relief fund for the STORM Act program.

NATURAL DISASTER RESPONSE AND RECOVERY GRANTS. The disaster costs line item in subdivision 2 of section 1 of this Act includes \$2,000,000 from the state disaster relief fund for preparing for, responding to, and recovering from natural disasters.

Carry-Over Clauses

EXEMPTION. Any amounts carried over of federal funds appropriated for the construction of the Dickinson Readiness Center in section 12.4 of chapter 48 of the 2023 session laws, along with additional federal funds appropriated through Emergency Commission Requests #2107 and #2137 are not subject to 54-44.1-11 and any unexpended funds from this appropriation may be used to complete the Dickinson Readiness Center project during the biennium beginning July 1, 2025, and ending June 30, 2027.

EXEMPTION. Any amounts carried over of federal funds appropriated for the line of communication bridge training site in section 12.5 of chapter 48 of the 2023 session laws, along with additional federal funds appropriated through Emergency Commission Requests #2106 and #2123 are not subject to 54-44.1-11 and any unexpended funds from this appropriation may be used to complete the line of communication bridge project during the biennium beginning July 1, 2025, and ending June 30, 2027.

EXEMPTION. The amount of \$9,000,000 of federal state fiscal recovery funds appropriated in subdivision 1 of section 1 of chapter 48 of the 2023 Session Laws, along with additional federal funds appropriated through Emergency Commission Request #2108 for the construction of the Camp Grafton fitness facility are not subject to 54-44.1-11 and any unexpended funds from this appropriation may be used to complete the construction of the fitness facility during the biennium beginning July 1, 2025, and ending June 30, 2027.

EXEMPTION. The amount appropriated in the tuition, recruiting, and retention line item in subdivision 1 of section 1 of chapter 48 of the 2023 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this appropriation may be used for tuition assistance program administration and operating costs and to provide tuition assistance, recruiting and retention incentives to eligible current and former members of the North Dakota national guard during the biennium beginning July 1, 2025, and ending June 30, 2027.

EXEMPTION. Any amounts carried over from the National Guard training area and facility development trust fund pursuant to section 12.6 and 13 of chapter 48 of the 2023 Session Laws for the expansion of Camp Grafton is not subject to section 54-44.1-11 and any unexpended funds from this appropriation may be used to continue forward with the expansion of Camp Grafton during the biennium beginning July 1, 2025, and ending June 30, 2027.

EXEMPTION. Any amounts carried over from the federal state fiscal recovery fund for pursuant to section 12.8 of chapter 48 of the 2023 special session laws is not subject to section 54-44.1-11 and any unexpended funds from this appropriation may be used for the purpose of replacing the state active-duty software and maintenance during the biennium beginning July 1, 2025, and ending June 30, 2027.

EXEMPTION. The amount of \$314,000 of general funds appropriated for cybersecurity grants in section 9 of chapter 48 of the 2023 session laws is not subject to 54-44.1-11 and any unexpended funds from this appropriation may be used to provide grants to political subdivisions for all or a portion of the required five percent local match for cybersecurity enforcement during the biennium beginning July 1, 2025, and ending June 30, 2027.

EXEMPTION. The amount of \$225,000 of disaster relief funds appropriated for flood mitigation grants in section 7 of chapter 48 of the 2023 session laws is not subject to 54-44.1-11 and any unexpended funds from this appropriation may be used to provide flood mitigation grants during the biennium beginning July 1, 2025, and ending June 30, 2027.

Legislative Intent

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

1. The adjutant general contract 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. The adjutant general not use eminent domain for the expansion of camp Grafton.

Others

NORTH DAKOTA MILITARY GALLERY. The adjutant general may accept funds including private and federal, to match state funds for the construction of a North Dakota military gallery during the period beginning with the effective date of this Act, and ending June 30, 2027. The adjutant general, with the approval of the governor, has entered into an agreement with 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 gallery. The funding provided in this section is considered a one-time funding item.

Emergency Clauses

EMERGENCY. Section 1 subdivision 1, related to the critical infrastructure state match, next generation leader program, Civil Air Patrol SIRM Upgrade and section 1 subdivision 2, related to STORM Act funding, of this Act are declared to be an emergency measure.

Conclusion

Mr. Chairman that concludes our testimony. I would like to leave you with these final thoughts: This is a critical period for the Office of the Adjutant General as we work to modernize our facilities and enhance incentives, meeting the demands of an ever-evolving strategic and competitive landscape. To remain "Always Ready, Always There" for our state and federal missions, our investment in readiness, capacity, and future capabilities must keep pace. Readiness continues to be my top priority, and the 2025-27 biennial request for appropriations addresses our most pressing needs in this area.

I respectfully ask for your support of the executive recommendation and am happy to answer any questions you may have. Thank you.