

2009 SENATE APPROPRIATIONS

SB 2444

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2444

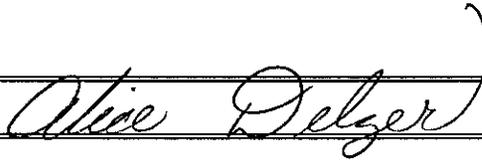
Senate Appropriations Committee

Check here for Conference Committee

Hearing Date: 04-03-09

Recorder Job Number: 11722

Committee Clerk Signature



Minutes:

Chairman Holmberg called the committee hearing to order at 8:30 am in reference to SB 2444 in regards to an appropriation for defraying the expenses of the adjutant general related to the 2009 flood disaster response; to require certain funds to be deposited in the general fund; to authorize transfers; to provide for budget section reports; and to declare an emergency.

Senator Stenehjem Introduced the bill.

Adjutant General Dave Sprynczynatyk Serve as Director of Emergency Services for the state of ND. Complimented the citizens of ND on their work on the flood fight. Gave an update on the situation. In some areas the recovery process has begun. He appreciates SB 2444. 2444 allows them to move forward and pay the bill. They need to be able to pay payroll and supply costs. They will be receiving the first batch of federal money very soon. What 2444 does is gives us 20 million of federal money and the authority to pass the money to counties and cities. It also appropriates 12.5 million of general funds that will go towards paying the state's share of the flood flight.

Section 1 is the section where the appropriations are made. Line 7 and 8 represent the money of federal authority. The current budget would be increased by 32.5M, of that 20M is federal

funds. The event is called the 2009 flood disaster. It ends at the end of the 2011 biennium.

Section 2 Deals with the reimbursement of the general fund. There is an amendment for the committee to consider. He read section 2. He ask the committee to consider on line 13 after the word expenses adding the words pay with general funds *and...* The significance of that being that where general fund money was used, any reimbursement of that would go back into the general fund. Senator Stenehjem understood and supported the amendment. Section 3 transfers authority to the adjutant general to transfer funds as necessary from the appropriation into the National Guard (NG) emergency fund. NG salaries are paid from that fund. Section 5 deals with reporting to the budget section. Section 4 is a transfer authority to help facilitate the management of the appropriation. Right now they estimate that the state expense incurred by the flood fight will be somewhere between the amount of 40-50M dollars. They expect to pay about 25% after the federal money. They are expecting it to be 90/10 cost share. There are assessments being done across the state. The 20 million is for phase one—the next couple of months. After the legislative session they will go back to normal routine of going through the emergency commission (EC). As that went forward, the EC felt they needed to go through the legislature. There is still an issue with individual assistance/public assistance. That is contingent on different disaster declarations.

Chairman Holmberg How does this position the state with the 12 and half million if the Souris River presents problems?

Sprynczynatyk We are watching the Souris River; we did not estimate what our flood costs would be there. I am hopeful the numbers we have worked up to this date, will be sufficient to cover the Souris River. We are just over 40 million now. If we are successful in reaching that 90/10 threshold more money will be added.

Senator Warner If the damages reach 40-50M and the appropriation is only for 20M what is your expectation to cover the rest of the money?

Sprynczynatyk Our ability to manage funds through the NG allows us to roll this money over, as we pay out the initial amounts to subdivisions, and get reimbursed, our comfort level right now is that the 20 million will be enough. I hate to ask for something we don't know for sure we need. By then all the public damages assessments will be made. We would come back to emergency commission for additional authority at that stage.

Senator Warner If we are unable to match the 10% is there emergency authority?

Sprynczynatyk You are right, what the law already provides for is that we have the authority to borrow from the Bank of ND. In order to do that, we would have to go through the emergency commission. Once approved, we can draw on our loan from the bank. It works quite well.

Senator Warner Can you elaborate a little more on the difference between the 75% and 90% federal reimbursements?

Sprynczynatyk It is a formula that starts with a dollar amount per capita impact. That total amount is approximately 104 M with 79M of Federal which includes costs of flood, damages. We fully expect to go above that threshold. When we go above, we will go back to FEMA.

Senator Warner Does this cover the entire state?

Sprynczynatyk The disaster declaration covered the whole state. Right now we have 33 counties, but we expect to add more.

Senator Krauter I need to understand the flow of these things. From FEMA on down, give me a flow chart. I am afraid someone will be left out.

Sprynczynatyk There always is a risk of someone being left out but hopefully that won't happen. When we talk about public assistance, we send out disaster teams that go into the

counties and do damage assessments of what need to be done to restore the public infrastructure. The damage assessment teams are almost 100% state. They make the initial damage assessment. On individual assessments there will be teams made up of state and federal officials and spend whatever time it takes to asses things. A lot falls upon the subdivision and the individual to try and get whatever grant or loan that can be made for them. We go to the EC. We advertize and spread the word and have the team there to sit down and talk to people

Senator Krauter Timeline—are we talking since the snow impact, the flood, these are going to be overlapping.

Sprynczynatyk Right now we are talking about the flood event. Previous to that request back in February the governor requested federal money for snow removal that was denied. The administration of FEMA here they gave us a 60 day extension on the appeal, trying to get money for the snow removal.

Senator Krauter That is a lot of money, is that all payroll?

Sprynczynatyk Payroll, materials, supplies, more than the guard, other state agencies too. The other part of it as we brought in resources from other states, we have to reimburse the neighboring states, there were specific missions assigned to the corps. It is the state's share of the flood fight.

Senator Krauter It would be good to have a schedule for that dollar amount.

Sprynczynatyk The initial assessment under the current some may be assigned back to locals for the most part, as we view the states effort. See written testimony # 1&2.

Senator Christmann When you say the nonfederal share whether that be 10-25%, I am assuming that all the expenses are figured the same whether they are supplies or labor, etc.; of the non federal share, how much is the state and how much is the local?

Sprynczynatyk Explained the formula—the non federal share is split 60/40 between the local and state.

Holly Gaugler Adjutant General's Office

Senator Robinson The last item on the list, mission assignments, can you explain that?

Sprynczynatyk There are 4 categories that make up that 41 million. Explained the budget and differed to Greg Wilz.

Greg Wilz Department Director of Emergency Services and Homeland Security. This stuff isn't easy. The EMAC request to date is for the aircraft we brought in, the people resources, the ambulances from other states, lots of things go into that. There are allowable and non-allowable in the cost share formula. Most everything in the EMAC is allowable. The local share will be 18M dollars 15% was the state and 10% will be local. The direct assistance is another area. Gave the example of using the predator aircraft from border patrol which was paid for by FEMA--The mission assignments happen in an emergency event where FEMA has the ability to bring in other state agencies. If someone brings something in, they give us the cost to transport it and use it, and this then is the percentage ND has to pay. Gave ex. of requesting larger helicopters

Senator Robinson What other assistance did we request besides helicopters? He was confused about the difference between EMAC and FEMA

Wilz There are two categories. We bring things in through a variety of different processes. Spoke about the processes. We brought in a variety of things based on what we thought we might need; medical support helmets, we brought in hospital type units, shelter support teams, semi loads of cots, water and food. For example the semi load we brought in, we won't be charged for this unless we break the locks on the back of the semi. Everything that we don't use will get taken off the total cost. There is quite an accounting task ahead of us.

Senator Seymour Earlier you mentioned the mitigation, can you give us some examples?

Sprynczynatyk The work that is done to fix the damage that was done to public infrastructure—roads, bridges, etc.

Wilz There is also a piece that happens after the flood recedes. Home buyouts, creating green space, etc.

Senator Lindaas Are any of these funds handed to FEMA?

Sprynczynatyk FEMA is entirely separate. The funds that they receive come from congress, when we talk about receiving federal money, which really comes through FEMA.

Senator Christmann The budget section reports in section 5 in the bill. Will they be laid out, by events and include what local subdivisions contributed?

Sprynczynatyk I would envision that we would come to you and provide an accounting of funds received, and funds expended, that would be identified, as the money is expended it will show where it was expended. I envision county by county, we could provide additional info where it was spent. We would give the overview of funds received

Senator Mathern District #11. Testified in favor of the 2444. I believe this bill is important. Proposed an amendment, see attachment#2. He is concerned about the individual costs to people and local subdivisions. He is particularly concerned about people who were unable to work during the emergency. Gave several personal stories of people struggling as a result of loss of income. The majority leader was concerned that the amendment was too broad at first so he had it redrafted to narrow the authority of the governor. He believe that a crisis of this proportion warrants a full consideration of the needs of the whole population.

Chairman Holmberg We will come back into session at 9:35. Hearing closed.

Chairman Holmberg Called the committee back to order in reference to SB 2444.

We have two issues. We do have the issue of the language change that was suggested by the adjutant general on page 1 line 13. Asked Roxanne to read the language

Roxanne After expenses paid with funding from the general fund.

V. Chair Grindberg Moved the amendment

Senator Christmann Second

The amendment passed on a voice vote

Senator Mathern Moved his amendment 91031.0101.

Senator Krauter Second

Senator Mathern Summarized his amendment for those that were absent when he presented it.

Senator Krauter This is permissive legislation so the governor can do it.

Senator Robinson This has hit our family. Spoke about his personal experience with the flood. We just passed out a bill on qualified dividends. Those people have money. These people do not. How do these people buy groceries, pay rent, pay the bills? The trucks wouldn't be filled with sand bag without the volunteers. It is permissive legislation but we need to have this money for these families.

Senator Mathern Governor's Office is in support of this. Lance and Ryan from governor's office are supportive of this. They notified Senator Klein and he was supportive. I believe they are supportive. I spoke to congressmen, leaders of the legislature, representatives.

Senator Fischer I just was wondering how we address the small businesses that had to close or voluntarily closed so that the guard and volunteers could get to the problem areas.

Senator Mathern Employers brought this to my attention. There are those who lost their income because they were shut down too. They want this so they can keep their employees;

we have to continue working on that. You are right. I think that is also something we can deal with. It is one more option. The more options we have the more the response.

Senator Fischer Could you give me some detail on the fiscal note?

Senator Mathern This does not call for a reimbursement for all the businesses. If we could do that and charge to FEMA, it would be a great idea. This comes from the unemployment fund. It potentially would have an effect on that employer. This does not apply to everyone

Senator Fischer I can't support one without the other.

Senator Christmann Two thoughts; I assume we would, if it is the right thing to do, why is it more difficult during a presidential disaster than other times it can happen for other reasons that are not their fault should this become more permanent. When I think of myself as an employer, when my summer help loses some work time because of weather, football camp, the fact they weren't there, the work didn't go away. They had to make up for that later on.

They got the money anyway. These are just concerns

Senator Mathern In regard to the first one; you are talking about a number of crisis variables coming together that would be acknowledged by the president and the governor at same time, which does not happen very often. This is out of the ordinary. Spoke about the uniqueness of the situation. In terms of the second item; the difference here I think, is that people who have benefits, which is wonderful, would not be eligible for this. This is for people who don't have safety nets. They still have to go through the regular criteria. This is really giving the government the ability to waive the waiting period in this special circumstance.

The Clerk called the roll on the amendment. The motion failed.

V. Chair Grindberg moved a **do pass as amended**.

Senator Christmann Seconded

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Senate Appropriations Committee

Bill/Resolution No. 2444

Hearing Date: 04-03-09

The Clerk called the roll on the motion to **Do Pass as Amended. Yes: 14, No: 0, Absent: 0.**

V. Chair Grindberg will carry the bill.

The hearing was closed on SB 2444.

PROPOSED AMENDMENTS TO SENATE BILL NO. 2444

Page 1, line 10, replace "biennium" with "period"

Page 1, line 13, after "expenses" insert "paid with funding from the general fund and"

Renumber accordingly

Date: 4/3/09

Roll Call Vote # 1

2009 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2424

Senate Senate Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number Amendment will be drafted.

Action Taken Do Pass Do Not Pass Amended

Motion Made By Grindberg Seconded By Christmann

| Senators | Yes | No | Senators | Yes | No |
|-----------------------------|-----|----|------------------------|-----|----|
| Sen. Ray Holmberg, Ch | | | Sen. Tim Mathern | | |
| Sen. Tony S. Grindberg, VCh | | | Sen. Aaron Krauter | | |
| Sen. Bill Bowman, VCh | | | Sen. Larry J. Robinson | | |
| Sen. Randel Christmann | | | Sen. John Warner | | |
| Sen. Rich Wardner | | | Sen. Elroy N. Lindaas | | |
| Sen. Ralph L. Kilzer | | | Sen. Tom Seymour | | |
| Sen. Tom Fischer | | | | | |
| Sen. Karen K. Krebsbach | | | | | |
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Total Yes 1 No 0

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

April 3, 2009

PROPOSED AMENDMENTS TO SENATE BILL NO. 2444

Page 1, line 1, after "to" insert "amend and reenact section 52-06-01 of the North Dakota Century Code, relating to eligibility for unemployment compensation in cases of emergencies; to"

Page 1, line 3, after the third semicolon insert "to provide for application; to provide an expiration date;"

Page 1, after line 4, insert:

"SECTION 1. AMENDMENT. Section 52-06-01 of the North Dakota Century Code is amended and reenacted as follows:

52-06-01. Conditions required to be eligible for benefits. An unemployed individual is eligible to receive benefits with respect to any week only if the bureau finds that:

1. The individual has made a claim for benefits with respect to such week in accordance with such regulations as the bureau may prescribe;
2. The individual has registered for work at, and thereafter continued to report at, an employment office in accordance with such regulations as the bureau may prescribe, except that the bureau may, by regulation, waive or alter either or both of the requirements of this subsection as to individuals attached to regular jobs and as to such other types of cases or situations with respect to which it finds that compliance with such requirements would be oppressive, or would be inconsistent with the purposes of the North Dakota unemployment compensation law; provided, that ~~no such~~ the regulation shall may not conflict with section 52-06-03;
3. The individual is able to work and is available for suitable work and actively seeking work, provided:
 - a. That notwithstanding any other provisions in this section, no otherwise eligible individual may be denied benefits for any week because the individual is in training with the approval of the bureau by reason of the application of provisions of this subsection relating to availability for work and to active search for work, or the provisions of subsection 3 of section 52-06-02 relating to disqualification for benefits for failure to apply for, or a refusal to accept, suitable work; and
 - b. That no claimant may be considered ineligible in any week of unemployment for failure to comply with this subsection, if the failure is due to an illness or disability not covered by workforce safety and insurance and which occurred after the claimant has registered for work and no work has been offered the claimant which is suitable;
4. ~~The~~ Except in the case of a disaster as defined under section 37-17.1-04 for which the president of the United States has declared a disaster under 42 U.S.C. 5170, et seq. and for which the governor has issued an executive order directing the bureau to waive the one-week waiting period otherwise required under this subsection, the individual has been unemployed for a waiting period of one week. The effective date of an

executive order issued under this subsection must coincide with the effective date of the presidential disaster declaration. No A week may not be counted as a week of unemployment for the purposes of this subsection:

- a. Unless ~~#~~ the week occurs within the benefit year ~~which~~ that includes the week with respect to which the individual claims payment of benefits;
 - b. If benefits have been paid with respect thereto; and
 - c. Unless the individual was eligible for benefits, with respect thereto as provided in this section and section 52-06-02; and
5. The individual participates in reemployment services, such as job search assistance services, if the individual has been determined to be likely to exhaust regular benefits and to need reemployment services pursuant to a profiling system established by the bureau, unless the bureau determines that:
- a. The individual has completed these services; or
 - b. There is justifiable cause for the claimant's failure to participate in these services."

Page 1, line 16, replace "1" with "2"

Page 2, replace line 5 with:

"SECTION 7. EMERGENCY - APPLICATION. Section 1 of this Act applies to unemployment compensation claims filed after March 23, 2009, and this Act is declared to be an emergency measure.

SECTION 8. EXPIRATION DATE. Section 1 of this Act is effective through July 31, 2011, and after that date is ineffective."

Re-number accordingly

Date: 4/3/09
 Roll Call Vote #: 2

2009 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2444

Senate Senate Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number 91031. 0101

Action Taken Do Pass Do Not Pass Amended

Motion Made By Matheru Seconded By Krauter

| Representatives | Yes | No | Representatives | Yes | No |
|--------------------|-----|----|------------------|-----|----|
| Senator Fischer | | ✓ | Senator Warner | ✓ | |
| Senator Christmann | | ✓ | Senator Robinson | ✓ | |
| Senator Krebsbach | | ✓ | Senator Krauter | ✓ | |
| Senator Bowman | | ✓ | Senator Lindaas | ✓ | |
| Senator Kilzer | | ✓ | Senator Matheru | ✓ | |
| Senator Grindberg | | ✓ | Senator Seymour | ✓ | |
| Senator Wardner | | ✓ | | | |
| Chairman Holmberg | | ✓ | | | |
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Total Yes _____ No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Date: 4/3/09
Roll Call Vote #: 3

2009 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2444

Senate Senate Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass Do Not Pass Amended

Motion Made By Grindberg Seconded By Christmann

| Representatives | Yes | No | Representatives | Yes | No |
|--------------------|-----|----|------------------|-----|----|
| Senator Krebsbach | ✓ | | Senator Seymour | ✓ | |
| Senator Fischer | ✓ | | Senator Lindaas | ✓ | |
| Senator Wardner | ✓ | | Senator Robinson | ✓ | |
| Senator Kilzer | ✓ | | Senator Warner | ✓ | |
| V. Chair Bowman | ✓ | | Senator Krauter | ✓ | |
| Senator Christmann | ✓ | | Senator Mathern | ✓ | |
| V. Chair Grindberg | ✓ | | | | |
| Chairman Holmberg | ✓ | | | | |
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Total Yes 17 No _____

Absent _____

Floor Assignment Grindberg

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SB 2444: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2444 was placed on the Sixth order on the calendar.

Page 1, line 10, replace "biennium" with "period"

Page 1, line 13, after "expenses" insert "paid with funding from the general fund and"

Renumber accordingly

2009 HOUSE APPROPRIATIONS

SB 2444

2009 HOUSE STANDING COMMITTEE MINUTES

SB 2444

House Appropriations Committee

Check here for Conference Committee

Hearing Date: 04/06/09

Recorder Job Number: 11735 (Update on stimulus dollars at the beginning of the tape.)

SB 2444 Starting @ 9 minutes)

Committee Clerk Signature

Jeanette Cook

Minutes:

Chm. Svedjan opened the hearing on SB 2444.

Major General Sprynczynatyk, the Adjutant General and the director of Department of Emergency Services approached the podium to speak in support of SB 2444.

Major General Sprynczynatyk: Last Wednesday we submitted a request to ask for funds to allow us to meet the payroll for our soldiers and airmen and to pay for their expenses, and also to begin to pass federal money on to political subdivisions of the state. Thursday a meeting was scheduled, and then a meeting with the legislative leadership. We were asked if there was a problem of introducing this as a delayed bill. We said that would not be a problem, but that we would request that it move quickly because we have people that need to be paid. It was moved through rapidly. This will allow us to pay the bills for the flood of 2009.

Major General Sprynczynatyk: Section 1 is the appropriation part of the bill. The first part is the general fund appropriation of \$12.5 million to provide for the anticipated state costs for the flood fight. Round 1 is over. Round 2 will not be over until perhaps the end of April. This will help us ensure that we have the match necessary to address the flood fight. The match is 25

percent of the total. The Governor declared a disaster across the state as a result of the flooding that occurred. Almost immediately the President declared a disaster. That allowed us

to know that 75% of the cost will be provided for by the federal government. We are working toward an increase in that percentage and hope for a 90% federal participation. The other part of Section 1 provides for federal authority for the agency. It is a total of \$20 million of authority allowing us to receive federal money and to pay out federal money. Those federal funds go primarily to political subdivisions that had public infrastructure damage. Once the damage assessments are done, we will be able to pass money on to counties and cities that have incurred expenses in the flood of 2009.

Section 2 provides for reimbursement to the General Fund of any money we receive back from the federal government to cover expenses that were paid for with money from the general fund. The intent is that where we have used General Fund that the money goes back to the General Fund. There is also a provision that allows for the accounting to go through to the next biennium. The ending date for this act would be June 30, 2011.

Section 3 allows the Adjutant General to transfer the funds as necessary to our National Guard Emergency Fund. This is the fund we use for accounting to receive federal money, to put state money into it, and pay those funds out.

Section 4 allows us to further transfer money into to the various line items. This is through June 30, 2011.

Section 5 requires periodic reports to the Budget Section to show what the actual expenditures and revenues received from the federal government for the flood event of 2009 through the period of June 30, 2011.

SB 2444 is the first step towards being able to address the response and initial recovery from the flood of 2009. Initially, we expected the costs to be in excess of \$40 million, but we are already at \$42 million, and depending what happens in Round 2 that could easily increase to \$50 million. That is the basis for the \$12.5 million figure, 25 percent of the \$50 million. We

fully expect that the damage will be significantly more than that. In May, we will likely come back to the Emergency Commission to ask for the authority to borrow from the Bank of North Dakota. We would come back in the subsequent legislative session to request a deficiency appropriation.

Major General Sprynczynatyk concluded his remarks by reiterating his sense of urgency so that they are able to make their payroll, and by thanking the legislature moving the bill so quickly.

Rep. Berg: (16:41) We are upfronting this money, the \$25%, and which is going to be reimbursed. The \$12.5, we are expecting that the local portion will be also be reimbursed.

Major General Sprynczynatyk: That is correct. Under current cost share, 75 percent is federal and 25 percent. In a nonfederal event, the local cost share is 15%, the state's is 10%. If we go to the 90/10, the local cost share will be 6% of the total, and the state's share will be 4%. Not all of the costs that the state has incurred will be passed on to the local political subdivisions because a lot of what we have done has been very general in nature. We don't expect that the locals will be contributing towards all of the state expense. Where that has occurred, we will charge back that percentage to the local subdivision.

Rep. Skarphol: Are you going to be involved in the cleanup as well?

Major General Sprynczynatyk: Possibly. We are trying to convince the federal government that they should contract directly through the Corps of Engineers for the clean-up. It is possible that if requested, the Governor may make the decision to allow the National Guard to participate in the cleanup. We would encourage in all cases that local contractors be used, so that we are not competing with them. If local contractors are not available, we may be part of the clean-up.

Rep. Skarphol: It is the Governor's decision?

Major General Sprynczynatyk: That's correct. Under the definition for disaster, there is permissive language that would allow the Governor to declare a disaster, for the clean-up to be part of it, and for the soldiers and airmen to be placed on active duty.

Rep. Dosch: You anticipate \$42 million. \$12.5 million is the state's portion that we have to pay from the disaster money. What is the purpose of the \$20 million?

Major General Sprynczynatyk: \$42 million is where we are today. We anticipate that going up. The \$12.5 million is 25 percent of the \$50 million. The state's contribution will vary, but 100 percent of the payroll will be paid for with state funds and then some of that will be reimbursed. That money will go back into the General Fund.

Rep. Dosch: The other \$20 million?

Major General Sprynczynatyk: The office of the Adjutant General is the funding entity to receive federal money to be passed on to political subdivisions that incur damage to public infrastructure. Where roads have been roads, bridges, or culverts washed out, we will make an initial damage assessment. Based on that assessment, we will be able to provide federal funds up front to that county or city. Then they can make the repair and there is an accounting afterwards. The \$20 million is federal money that is passed through the agency, either to political subdivisions, other state agencies, or to the agency itself.

Rep. Wald: Can you discuss in general terms the aid to cities and counties in snow removal costs?

Major General Sprynczynatyk: None of this has to do with snow removal this is strictly the flood event. Back in January, the Governor put in place a program that allowed us to reimburse a portion of the snow removal cost of counties and cities within initially a 13 county area. The criteria were any place that had exceeded 400 percent of snowfall on the ground any time during the month of January. If they exceeded that, then the state would contribute

half of that amount over 200% of normal expenditure for the county or city. In addition counties that were expected to include township costs. For cities over 5,000 the cost share would only be 25% of the total not 50%. In January, the final tally was \$2.3 million, if you apply that formula to the counties. We went to the Emergency Commission and asked for \$1.5 million before any money came in. The Emergency Commission provided \$100,000 out of the state's contingency fund. Then the agency would seek a deficiency appropriation for the remaining \$1.4. We did that. Subsequently SB 2393 was introduced as it exists today, and SB 2393 would provide an additional \$1.5 million, bringing it to a total of 2.5 million. The \$2.5 million would cover the January costs. As we've moved along, our estimate is that if you were to apply that formula to the months of January, February, and March, the total state contribution would be about \$6.2 or \$6.3 million. That's where that stands today.

Rep. Wald: If you had to give us the total costs for flood relief, snow removal, and other related damages, what do you think that would total?

Major General Sprynczynatyk: With the \$12.5 and the \$6.3, that brings us to \$19 million. I would say it's in the \$20 million range. In February, the state submitted a request to the President for a federal disaster declaration for snow removal, and that was denied by the federal government. They said the problem is that you haven't shown damages from the snowfall and snow removal. We had identified to them what our costs were and burdens on the state and political subdivisions. We had 30 days to appeal and that period expired last week. We asked for an extension, and they gave us a 60 day extension. We fully intend to submit an appeal. If we could be fortunate in that appeal, then we could have federal funds available at the 75/25% level. Our arguments will be that we will show damage to the roads, and the cost per capita. In some communities the costs per capita have been nearly \$100 per capita. That almost brings you to the threshold of a 90/10% cost share. The federal

government looked at it and said the snow is gone and there are no damages to remove that snow. We have tried to impress upon them that it doesn't work that way in North Dakota.

There are damages that do not show up until late spring.

Rep. Ekstrom: (29:00) The National Guard did a tremendous job in our neighborhood. Many of them are from out of state. They staked the front of my house this week-end at forty-four feet. There will be another contingency dike in front of my house as well as the sand bags in back, effectively cutting me off. How many boots can we get on the ground?

Major General Sprynczynatyk: Talking about the second crest, the weather service has made a probabilistic forecast based on a long series of assumptions because it is so far out. The second crest is expected in late April. The first crest was 40.8, which was a record crest. The National Weather Service is saying that there is a 75 percent chance that the second crest will be at 41, and a 25 percent chance that it will be a foot above that. The city has begun to look at a contingency dike system. If the first line of defense fails, there will be a second line of defense. Unfortunately, there are a number of homes in between the first and second dike. At its peak, we had 2,400 servicemen on state active duty in the state of North Dakota. 2000 were from North Dakota and 400 came from six other states. Those from out of state brought aircraft. We are drawing down today through a rest period. We are prepared if need be, to go back to that 2400. I would not expect that because a lot of initial effort was in preparation for the crest, dike building or sand bagging. As we look to the second crest, we are refining our requirements based on what we expect to end up doing. I've assured the eastern part of the state that we will be there to do whatever it takes. We involuntarily activated some of our people to bring the number up to 2,000. As I look to the second crest, we will be able to ramp back up to meet the needs.

Rep. Williams: (33:03) You have referenced cities and counties. There is a lot of township damage in our area. How does the money trickle down to townships?

Major General Sprynczynatyk: For the most part the money will go down to the townships through the counties. They are fully eligible for repair to roads and infrastructure. It's important that they document what is done and to make sure that is brought to our attention, usually it is through the county itself.

Rep. Nelson: (34:12) I was assuming there was a 30-day appeal, and you requested an extension. Does that mean the appeal would not be acted on before we leave session?

Major General Sprynczynatyk: It would depend on our ability to fight the floods and at the same time try to gather the information that we need as part of the appeal. I don't expect us to file the appeal until the mid-May timeframe. We are stretched so thin right now. All the attention right now is on the floods not the snow removal. I fully expect that we will have a quick response from FEMA.

Rep. Nelson: (35:37) In the 13 original counties, most of the traffic has stopped, such as bus service and UPS service because the roads are so soft. Is that infrastructure damage something that we can account for in the delineation of costs? Does that help us?

Major General Sprynczynatyk: Yes, it does in that those damages are attributable to the record amounts of snowfall in the winter months. There is fine line. Some of the damages are attributable to the snowfall, but some of it in all likelihood is attributable to the flood event of 2009. If it's truly part of the impact of the snow, then we're still up in the air as to whether or not we will have federal money available. Our state program addresses only snow removal costs. We need to determine what the actual damages were, to be part of the appeal.

Rep. Nelson: (37:37) The local officials that are being asked to document the cost, they understand the difference between flood and snow removal?

Major General Sprynczynatyk: We hope to have it at our fingertips. The focus is on the flood fights. The extension gives us more time. I can't say with certainty that every county understands the difference.

Rep. Dosch: (38:36) You indicated the cost for the flooding issues will be between \$40 and \$50 million. Grand Forks built a dike ten years ago. Fargo seems to have done very little to have a permanent solution. Has there been any discussion as far as a permanent solution in Fargo?

Major General Sprynczynatyk: I disagree that Fargo has done very little. They have tried hard. The reason that Grand Forks was successful was because the community was devastated. They were able to take advantage of that opportunity, given the fact that 50,000 people were evacuated and there were hundreds of millions of dollars of damage. The time was right to get permanent flood control. The people of Grand Forks and East Grand Forks were very relieved because they knew that when the river crested the permanent solution that was put in place, was doing what it was intended to do. There is a similar situation in Cass County now. Last Friday there was joint press conference of Governor Hoven, and the mayors of Fargo/Moorhead and the county commissioner chairs. The whole purpose of that press conference was to demonstrate that they would seek a comprehensive permanent flood control solution through the Corp of Engineers. The Congressional delegations were there as well, and they recognized the need to do something and take advantage of the situation that we have just been through. Friday's press conference was a first where both governors, mayors, and the county chairs were all agreeing that we need a permanent solution. I feel confident that there will be a strong push to bring the Corp of Engineers and the federal government forward to develop a permanent solution in the coming years.

Rep. Skarphol moved a **Do Pass** to SB 2444.

Rep. Kerzman seconded the motion.

Rep. Berg: I would like to thank the Guard for what they have done in Fargo. Earlier we set aside \$44 million dollars. Hearing that this impact is \$20 million, I'm wondering if the \$44 million was enough. I certainly support this Do Pass.

A roll call vote was taken. **Aye 24 Nay 0 Absent 1**

The motion passed unanimously.

Representative Skarphol will carry SB 2444.

Date: 4/6/09
 Roll Call Vote #: 1

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. ~~2444~~

2444

Full House Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken R. Pass

Motion Made By Skarphol Seconded By Kernan

| Representatives | Yes | No | Representatives | Yes | No |
|-------------------------|-----|----|-----------------|-----|----|
| Chairman Svedjan | ✓ | | | | |
| Vice Chairman Kempenich | ✓ | | | | |
| Rep. Skarphol | ✓ | | Rep. Kroeber | ✓ | |
| Rep. Wald | ✓ | | Rep. Onstad | ✓ | |
| Rep. Hawken | ✓ | | Rep. Williams | ✓ | |
| Rep. Klein | ✓ | | | | |
| Rep. Martinson | ✓ | | | | |
| Rep. Deizer | ✓ | | Rep. Glassheim | ✓ | |
| Rep. Thoreson | ✓ | | Rep. Kaldor | ✓ | |
| Rep. Berg | ✓ | | Rep. Meyer | ✓ | |
| Rep. Dosch | ✓ | | | | |
| Rep. Pollert | ✓ | | Rep. Ekstrom | ✓ | |
| Rep. Bellew | ✓ | | Rep. Kerzman | ✓ | |
| Rep. Kreidt | ✓ | | Rep. Metcalf | | |
| Rep. Nelson | ✓ | | | | |
| Rep. Wieland | ✓ | | | | |

Total (Yes) 24 No 0

Absent 1

Floor Assignment Skarphol

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
April 6, 2009 9:44 a.m.

Module No: HR-58-6207
Carrier: Skarphol
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2444, as engrossed: Appropriations Committee (Rep. Svedjan, Chairman)
recommends **DO PASS** (24 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING).
Engrossed SB 2444 was placed on the Fourteenth order on the calendar.

2009 TESTIMONY

SB 2444

**ND NATIONAL GUARD
2009 FLOOD COST ESTIMATES**

TO DATE ESTIMATED COSTS (4/02/09):

| | | | |
|---|-----------|----------------------|-----------------|
| PAYROLL (14,559 MANDAYS @\$155/DAY) | \$ | 2,256,645.00 | |
| PER DIEM (14,559 MANDAYS @\$25/DAY) | \$ | 363,975.00 | |
| WORKERS COMP @5% | \$ | 112,832.25 | |
| MOTELS | \$ | 253,710.00 | \$ 2,987,162.25 |
| AIR TRANSPORT | \$ | 17,483.00 | |
| BUS TRANSPORT | \$ | 12,000.00 | |
| SAND BAGS | \$ | 290,000.00 | |
| SAND BAG TRANSPORT | \$ | 656.70 | |
| EMERGENCY EXPLOSIVES DEMOLITION | \$ | 50,000.00 | |
| MISC MATERIALS | \$ | 95,282.00 | |
| FUEL COSTS | \$ | 75,000.00 | |
| EQUIPMENT COSTS thru 3/31/09) ARMY & AIR | \$ | 298,674.00 | |
| BARRIER MATERIAL | \$ | <u>419,574.12</u> | \$ 1,258,669.82 |
| | \$ | 4,245,832.07 | |
| | | | |
| EMAC REQUESTS TO DATE | \$ | 18,006,934.43 | |
| DIRECT ASSISTANCE | \$ | 6,840,000.00 | |
| MISSION ASSIGNMENTS | \$ | 12,185,000.00 | |
| | | | |
| TOTAL COSTS TO DATE | \$ | 41,277,766.50 | |