

2019 SENATE APPROPRIATIONS

SB 2016

2019 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Harvest Room, State Capitol

SB 2016
1/7/2019
JOB # 30498

- ☐ Subcommittee
☐ Conference Committee

Committee Clerk: Alice Delzer and Alicia Larsgaard
--

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the office of the adjutant general; and to provide for a transfer.

Minutes:

- | |
|---|
| 1. Testimony of Major General Alan S. Dohrmann, Adj. Gen. |
|---|

Chairman Holmberg: Called the Committee to order on SB 2016 at 2:30 pm. All committee members were present. Alex Cronquist, Legislative Council and Becky Deichert, OMB were also present.

Adjutant General Alan Dohrmann also Director of Emergency Services: Testified in support of the governor's budget recommendation and SB 2016. See Attachment # 1, the testimony of the Major General, which states the role of the National Guard and Emergency Services and the budget requests and needs for the next biennium. **(4.18)** There is a strong need for stronger military and cyber and space protection. We need to, as a nation, change our focus. **(8.46)** Pages 3-4: Three components of readiness requirements: 1. Personnel readiness. 2. New training model for National Guard. 3. Our facilities.

(15.30) Senator Mathern: On the readiness issue, how do we rate compared to SD? What is the authorized level in terms of number personnel compared to ND? What are they authorized as a full contingent?

Adj. Gen. Alan Dohrmann: For SD, their in-strength is around 2,900, where ours is around 3,000. MN is over 10,000. Our economy provides great opportunities in North Dakota which may impact the folk's decisions to serve because there are plenty of job opportunities out there. Based on our population we recruit more people per capita than SD or MN. We drove down our in-strength to 3,000, because we thought we could maintain that number. Right now we are around 2,950. In Minot, it is harder to hire people to secure the missal field. We have a new mission in Fargo to build a new facility. It takes years to train the airman to do a mission. He continued with his written testimony on page 4 regarding the North Dakota Department of Emergency Services. (NDDDES). **(21:22)** We need to build relationships with the counties, townships, we need to make sure that trust is there before we are actually needed to assist in an emergency. **(21:57)** Continued to read his testimony on page 5. Following the DAPL emergency, we went into the worst draught and wildfire situation and

our team responded, in terms to the wildfires we need to bring in the Department of Agriculture and also the State Forester, we need to keep these relationships in place in the case the people of ND need us. The first challenge is the workforce for NDDDES. **(23:33)** Continued to read from testimony on page 5-6. **(27.11)** We were requested to provide the following: 1. Explanation of our 2017-19 Budget. 2. Estimated 2017-19 Spending and Status of One-Time Funding. 3. Comparison of our 2017-19 Budget with the Governor's 2019-21 Recommendation. All of these can be found attached to the testimony. The reason I ran short was that there was a change in federal policy, that found that the use of federal tuition assistance and the GI bill by our Army National Guard members was considered dual compensation and therefore they had to choose between one or the other. In almost all cases, they chose the GI bill which puts pressure on the State Tuition Assistance Program. The other impact to that was the University System had raised tuition around 25%. NDSU was closer to 45%. The majority of the students of the national guard that utilized tuition assistance attend NDSU. That combined with efforts in recruiting have been putting stress on the program and causes us to run short of funds. Other than that, we think we will execute as projected and we don't suspect any turn backs. **(30:35)** Continued reading from testimony on page 7 under Federal Funds. **(36:36)** Continued reading testimony on Executive Recommendation beginning at the bottom of page 8. We have 1 vacant FTE position, that we are turning back in. Under the "Capital Assets" headline; most of the land is needed so there is a safety zone on the range in case there is a ricochet that goes astray. Of the land we have at Camp Grafton right now 95% is still in production, either being tilled, which is a very small majority, or being grazed under leases with ranchers in the local area. That range runs about 78 to 80 days a year and back to what my job is to train soldiers and airmen so they do their missions and when they do the mission there as safe as they possibly can be. **(40.11)** Right now a few in a military police company in Dickinson, ND, with the weapon systems you have, you have to go to Camp Ripley, Mn, or Camp Guernsey, Wy for every annual training period. Every unit in the ND National Guard that has a machine gun or a weapon that has a caliber bullet over a 223, we call it a 556, but a small round, if you want to qualify on that weapon you have to go to Camp Ripley in Mn or Camp Guernsey, Wy. There are only 37 days a year to train. If you have to get in your vehicles and drive at convoy speed at 35 or 40 MPH, from Dickinson to either Camp Guernsey, Wy or Camp Ripley, Mn, you are going to waste 2-4 days of your 37 days of training days just to driving down the road. What we are trying to do is make sure we can train our soldiers and make them ready today and more lethal tomorrow right in ND. That's not just the Army NG, the Air Guard has requirements too. we safeguard the missile fields at Minot Air Force Base. Both Grand Forks and Minot AFB would love the opportunity to drive 90 miles east or west and qualify in their weapons systems right here in the state of ND. The requirements there is a heavy lift. We have held 4 town hall meetings, one with New Rockford, with Eddy County Commission, one at Camp Grafton North in Devils Lake, one at Camp Grafton South. The first one was spirited, there is no good way to go up to someone and say, "Hey, I want to buy your land" because they may not want to sell. But once we got past that, we don't have the right to take the land from you. In the governor's budget recommendation, it is very clear that eminent domain cannot be used, I am not sure I could ever get the authority, even if I wanted it, but eminent domain cannot be used to purchase land to expand Camp Grafton. **(42.50)** Even if it could be used, it is critical important that we remain good neighbors in Eddy County and I'm not going to have good neighbors if I take people's land from them. The other concern we had going in is, what happens to the tax pays in Eddy County. But the way this program is being funded in the governor's budget recommendation, that section of law requires us to pay a fee

in lieu of taxes and that pay in lieu of taxes has to equal the amount that a private party would pay if they were paying taxes in that jurisdiction. **(43.41)** What we're asking for is to secure the money, so we can pursue this opportunity. As I told every farmer and rancher in Eddy County, if you don't want to sell, you don't have to sell. I contacted the Stockmen's Association because they came out against it because it violates some of their core principles. I knew this going in, but it was confirmed, the Stockmen's Association are great Americans. I don't think there is any doubt about that but they don't like government owning land, however, we let them know that eminent domain will never be used. And they let us know and there was a joint release that went out between myself and the Stockmen's Association where I committed to no eminent domain and they committed to they would never come between a willing buyer and a willing seller.

Senator Sorvaag (45.02) Would you only purchase if you can get it all so you don't end up owning a bunch of land in which you can't end up using the land for what you wanted it for? How are you going to approach that if one holds out, are you not going to buy the rest of the land?

Adj. Gen: Yes, because we really don't have a need for some of this land to build this range. The other thing we shared with everybody, is most of this land is strictly needed for a danger safety zone. The likelihood of a bullet landing there is quite remote. It would be our desire where the range complex is built, that we own that land. But when you get into the danger zone on the edges, if this would work for their business plan, if we could enter into a 25-year lease with a farmer or rancher just to have enough interest in that property that if there's a ricochet into their property that we're covered, then we wouldn't need to purchase that land. We lease back all this land, especially in the safety danger zone area and there is a good possibility that a soldier would never even walk on that land because we would never have a reason too.

Senator Erbele: (46.50) Could you lease the land instead of buying it?

Adj. Gen: Yes. But we would prefer to own the land where we do the construction. As we get into that safety danger zone, leasing would be fine.

Senator Grabinger: How many other sites did you consider? I know you used to camp to the southeast of Camp Grafton, down past St. Michael's. Did you look at some of those sites as an easier opportunity to get the land?

Adj. Gen: (47.51) We looked a little bit. We got a head start at Camp Grafton South. We already own over 9,000 acres. There is an existing range complex there. Part of our challenge is, right now we can fire our M16 personal weapon, we can fire our side arms, but with some new rounds coming out in our ballistic characteristics, even our M16 range is going to be cut in half. The one machine gun that we can currently fire those range complexes are there already. It would be much easier and cost effective to expand at Camp Grafton. If we can't find a solution at Camp Grafton, then it is my obligation to keep looking for solutions for our requirements. Camp Grafton seems to be the best place to do this.

Senator Robinson: Where are these 6,000 acres located that you are looking to obtain in proximity to the present Camp Grafton South? Are we looking to the west or east?

Adj. Gen: To the south of Highway 15. With that said, we need to find willing participants in this endeavor. So if opportunities come up some other place that will meet that requirement, we will certainly look into that.

V. Chairman Wanzek: I am assuming the 6,000 acres need to be continuous, is that correct?

Adj. Gen: Yes. Right now building to the south would make the most sense but if there are other opportunities somewhere else we might have to look at that. Right now the southern part of Camp Grafton makes the most sense because it is currently a safety danger zone for our current range complex. If we build anywhere else that would probably take away some of the maneuver space we have right now.

V. Chairman Wanzek: Doesn't that make your challenge a little more difficult too? The need to be continuous. I am sure you are not going to find many individuals that will have 6,000 acres of continuous property.

Adj. Gen: During these town hall meetings we have personally talked to every landowner. It is not one family with interest in a ranch, it might be multiple families. We have communicated with 50 families on what we are looking to do here, just staging interest and receiving their feedback.

Chairman Holmberg: This is the shining object that will generate discussions in this budget.

Adj. Gen: Yes. We've been talking about this for 30 years. The last time a machine gun was fired at Camp Grafton was in the 80's. For 30 years, we've been saying, wouldn't it be nice, and up to 2001 maybe the answer to that is yes it would be nice, but there is no requirement, we'll just have to keep going to Camp Ripley. But again getting back to operational reserve and the need to get soldiers and airmen trained and ready to go on a short notice, I don't see it any more as a nice to have thing. I think it is critically important that we provide the resources they need to keep them as safe as they can be with when they go down range. And this may be too hard to do. But after 30 years of saying "wouldn't it be nice", I personally and my staff personally thought that if we don't try we'll never know. So we are trying and hopefully we can find a solution.

Chairman Holmberg: (53.18) One question about the geography. Is there a Lake Washington? or Lake Cole? Are they part of your property? It was confirmed that Lake Cole is.

Adj. Gen: (54.08) Continued with testimony on page 10 regarding the Grants. This line provides rental payments to community owned armories partially occupied by NDNG units throughout the state. Right now, the NDNSG leases space in seven armories. During the current biennium the NDNG vacated six city owned armories in the communities of Mayville, Bottineau, Carrington, Grafton, Mott, and Rugby. Civil Air patrols, we handle their budget for them. He continued on page 11 regarding tuition, recruiting and retention. I think it's important we fully fund the program of tuition, recruiting and retention. I can tell you, while this is critically important to the readiness of the NG, I would list tuition assistance as parties one, two and three when it comes to recruiting young men and women to join the NDNG. I

think its critically important we fully fund this program. Concurrently we are working with our congressional delegation to try to change the DOD policy that really put all the pressure on the state program. What that policy did, it happened in 2014, DOD, a new bunch of attorneys read the law and they came up with a different interpretation of what the law or policy said. so after 2014, if you join the Army National Guard you can get federal tuition assistance and the GI bill. And they are both valued at about \$6,000 a year if you are a student at NDSU. The rules didn't change, the interpretation of the rule changed in 2014. In the last couple of years the adjutant generals from all the states and territories that have been working with the NG bill to try to get this policy changed. We had some success. At least they are open to the possibility of changing it. The other thing we are doing, working very closely with Senator Hoeven's office, looking at the possibility of introducing federal legislation to get this turned back to what it was in 2014. I am hopeful that we can fix some of the problems we have had on the federal side so it doesn't take \$4.6 million a biennium to fully fund this program but I am still asking this committee to consider that because until we know we can get that changed, to ensure we have our ranks filled, and to be sure we can compete with our neighbors, especially to the east and the south, this tuition assistance program is critical to the readiness of the North Dakota National Guard.

Chairman Holmberg: (58.15) I think one of the things that has to happen too is when the subcommittee meets they have to put this as a high priority to make sure we have some kind of safety valve, so that if the feds don't change, and if the University System raises their tuition beyond what was estimated, that there be some kind of mechanism for the protection of the men and women that sign up for the Guard. It might include, but not limited to such things as right now, the university system waives a certain amount of tuition for these folks. Maybe there has to be change part way through the season to protect these people because as was pointed out at the emergency commission, when you see the rules and regulations when you sign up, there is language in there that says "subject to" whatever, but this young 19-year-old doesn't see that because there are many shiny objects that they like. **Senator Hogue, Chair., Senator Holmberg and Senator Grabinger will be on the subcommittee.**

Adj. Gen: Continued with testimony on page 11 regarding the Air Guard Contracts and the Army Guard Contracts. As shown on Attachment #2 in my testimony there were three separate requests for general fund increases in this budget line which were also included in the executive recommendation. The first request - \$300,000 to meet the general fund match for maintenance and repair projects for buildings and infrastructure that have a percentage of state support. **(1.01.06)** The second request is for state support for the new 99,000 sq. ft. Fargo Readiness Center and storage building to be completed in spring of 2021. The third request is \$221,598 of general funds to source an existing federally funded FTE that will serve as Project Manager for our Camp Grafton Expansion proposal. **(1. An item not included in our budget request is the design costs for a new readiness center in Dickinson, with a storage building, detailed on Attachment # 3 in my testimony.**

(1:03:11) Senator Robinson: Has the flood issue at Camp Grafton North been mitigated? Where are we at with that?

Adj. Gen: I have not tracked it closely. The water is way down the riprap and I know its dropped significantly in the last year or two. Right now there is no threat to Camp Grafton. He continued with his testimony on page 12 regarding the design costs for a new readiness

center in Dickinson which is not included in our budget request along with a storage building, detailed on Attachment # 3 in my testimony. We have great support from the community of Dickinson, they have already donated the land and that unit really does need a new facility. That's an MP company. MP companies have been very popular over the last 15,16 years when it comes to deployments and meeting our world wide obligations for the department of defense.

(1.05.11) Chairman Holmberg: Does the department of defense have a number of units that are MP's or do they rely upon the reserves in the Guard to fill those positions as they go around the globe? Just the military police. Do they have lots of regular army that are or do they rely heavily on the Guard?

Adj. Gen: For military police, that's pretty well balanced. Although ours have been deployed at least three times. They went to Iraq, they had a mission at Guantanamo Bay, and we just got them back from Afghanistan where they served as a personal security detachment for senior leaders coming in and out of Afghanistan. The off tempo for MP's has been deployed maybe once every 4-5 years so they've been pretty busy. **(1.06.14)** Next item is Veterans Cemetery Salaries. There is an organization, North Dakota Veterans Cemetery Foundation, (NDVCF) that has provided money each biennium in support of the cemetery.

Senator Robinson: We commend the Guard; the work you have done is beautiful. We now have stability in financing. He also commented about the beautiful setting at the cemetery.

Adj. Gen: It is the best one in the country. It is a beautiful setting. Between your support and the private foundations, we've been able to maintain that facility. It has to be at the highest possible state of repair at all times. **(1.9.10)** He continued with page 13 – Reintegration Program. There wasn't a solution right now to maintain our requirement and meet our need for the behavioral health assistance in the National Guard without having our own social workers. It's important for everyone to have behavioral health services they need. For me, it is a readiness issue and if I don't have them available, that impacts my ability to send units down that are trained and ready to go. Subdivision 2. Salaries and Wages of the NDDes: We have 4 regional coordinators; we see a need for these coordinators. We need to help the local folks out because it is difficult for them to get properly trained. **(1:13:25)** Operating Expenses Page 13. We need to do a better job in communicating with our customers. We need to let them know that, next biennium, under the law we have to go to actual cost per line. Some of the things we have done; we set up a working group with the 25 communities that we provide emergency communication with to start the process of discussing how we are going to set this rate. Another group includes first responders. **(1.16.57)** Capital Assets Page 14. We just need the authority to buy the equipment if we qualify with the federal government requirements. He continued with the testimony pages 14-15 as well as the Governor's recommendation Section 3-12 and SB 2016 Sections 3-4. (page 15-16). (Section 5) If this authority would have been in place, our tuition situation probably could have been resolved at that time. Readiness remains my number one priority.

(1:26:08) Senator Robinson: We are still challenged in significant ways with mental health. I appreciate your efforts to put research into that area. The more we can do the better.

Adj. Gen: I appreciate that. If soldiers can't deploy because of mental health that affects our readiness which affects everyone in the state.

Senator Mathern: Will the new cemetery in the east impact the cemetery here in terms of space needed and all of that?

Adj. Gen: I don't have the numbers yet. We had concerns about that. It is serving folks that want to be buried in the Fargo-Moorhead area. The smaller facility in Fargo provides the capability of them to be closer to their families if that is what they desire.

(1:29:25) Chairman Holmberg: Closed the hearing on SB 2016.

2019 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Harvest Room, State Capitol

SB 2016
1/22/2019
Job # 31232

- ☐ Subcommittee
☐ Conference Committee

Committee Clerk: Rose Laning / Marne Johnson

Explanation or reason for introduction of bill/resolution:

AN ACT to provide an appropriation for defraying the expenses of the office of the adjutant general; to provide an appropriation to the state treasurer; relating to the national guard tuition waiver, national guard tuition grants, and the state share of oil and gas taxes deposited in the state disaster relief fund; to provide for a transfer; to provide for a report; to provide a statement of legislative intent; to provide an exemption; to provide an effective date; and to declare an emergency.

Minutes:

No Attachments

Legislative Council: Alex Cronquist
OMB: Larry Martin

The Senate Appropriations Committee met to discuss the agency bills and others that have been presented thus far and wanted to get input from the whole committee on what should be the focus of each sub-committee.

Chairman Holmberg said that we're not going thru salaries at this time.

SB 2001 – Governor (sub-committee: Hogue, Lee, Mathern)

- The 10% movement of moving money between line items. Have a standard response for them.
- Discuss the governor's salary - this reduces salary just short of \$200,000 & what happens to the rest of it. They took their 5% cut. (Language needs to be revisited)
- Council said by putting it in a line item, then it couldn't get spent in other areas.
- Transfer language - limited it to 10% before going to emergency commission

SB 2002 – Secretary of State (sub-committee: Hogue, Oehlke, Grabinger)

- Voting equipment – replacing voting machines (matching requirement by state)
- Emergency clause should be there.
- 10% line item transfers

SB 2003 – Attorney General (sub-committee: Sorvaag, Bekkedahl, Mathern)

- Litigation authority
- Amount of money for Litigation
- Joining in with other states suing the federal government
- New line in OMB to tap into litigation pool
- Human trafficking grants added to AG bill

SB 2004 – State Auditor (sub-committee: Oehlke, Dever, Mathern)

- Looking at number of FTE requests
- FTEs between University system and Auditor's office
- ITD FTEs.

SB 2005 – State Treasurer (sub-committee: Bekkedahl, Dever, Robinson)

- Investments of the Veterans Post War Trust Fund (low interest)
- Treasurer's salary

SB 2006 – Tax Commissioner (sub-committee: Wanzek, Bekkedahl, Mathern)

- Discovery of compliance of businesses with no physical sales tax.
- Concern about staffing – many retirees and loss of senior staff.
- Authority for line item transfers between the Homestead Tax Credit and Disabled Veteran's Credit programs.
- Litigation funds – or funds in litigation pool.

SB 2007 – Labor & Human Rights (sub-committee: Poolman, Sorvaag, Robinson)

- Salary of Commissioner as she will be in charge of Dept of Labor and Human Rights as well as the Dept. of Commerce.

SB 2008 – Public Service Commissioner (sub-committee: Lee, Wanzek, Grabinger)

- Wanting additional staff for indemnity issues
- Additional staff
- \$100,000 increase in budget

JOB # 31232 -

SB 2009 – Agriculture Commissioner (sub-committee: Wanzek, Erbele, Grabinger)

- Want to move APUC and Trade Office to his office.
- 2 less FTEs
- Ag bio-science program – an appropriation bill. Should it be added to the budget or let it a stand-alone bill.

SB 2010 – Insurance Commissioner (sub-committee: Oehlke, Erbele, Grabinger)

- Moving the Fire & Tornado fund over to the ND Insurance Reserve Fund
- Boiler inspection program
- Fire Departments & Sheriff's tax on insurance

SB 2011 – Securities Commission (sub-committee: Krebsbach)

- Money for a FINTECH position
- Section 3 appropriation of any income from federal funds (14:17)

Larry Martin: Like the transfer language, we added a lot of the language to spend additional federal or other funds to the cabinet agencies. Again, some of them receive money from outside sources, so we wanted them to have the ability to pay out. Job Service has similar language currently because they do get additional federal money so they have to be able to spend it out. We added that language to all the cabinet bills.

SB 2012 – Human Services (sub-committee: Dever, Erbele, Mathern)

- Provider rates. Governor 1-1. They want 3-3-3.
- Medicaid – reauthorization of the expansion. Do we reimburse?
- Behavioral Health
- State Hospital – support the move from New England for the women? Justification for the state hospital – a study?
- Policy and how its structured – for whole department. \$182M
- Nursing Homes
- Study the 36 Critical Access Hospitals - Commercial rates vs. traditional rates
- Study resolution of medical care in the future for the state
- 1915(i) needs support.
- Commercial vs. traditional rates

SB 2013 – Public Instruction; Library, Blind & Deaf (sub-committee: Holmberg, Poolman, Robinson)

- Will have some meetings but need to wait for Education Committee to complete policy. Governor's school information is confusing.
- 1 FTE reinstated.
- Adult education.
- FTEs at school at Devils' Lake
- Governor moved pre-school money from Commerce to DPI (where is the money?)
- Transportation grants

SB 2014 – Protection & Advocacy (sub-committee: Sorvaag, Krebsbach, Grabinger)

- Adding of one employee
- Additional operating expenses
- Transferring guardianship programs to P & A.

SB 2015 – Office of Management & Budget (sub-committee: Holmberg, Bekkedahl, Robinson)

- Transferring money – \$1B of oil revenue to general funds.
If we put \$1B in and oil prices go down and we have less money in the general fund, we might have a risk with allotments.
Do we want to expose ourselves more in the general fund by putting \$1B in the general fund from direct oil revenue?
- Fees or dues for several organizations. Last session we reduced dues by 10%.
- WICHE (Western Interstate Commission for Higher Ed) dues were in OMB and Commission was placed under Higher Ed. Did the \$15,000 get transferred?

SB 2016 – Office of Adjutant General (sub-committee: Hogue, Holmberg, Grabinger)

- Land Acquisition - Proposed 6,000 acres of land in south Camp Grafton. Want to ask the adjutant, you have \$15M set aside to acquire 6000 continuous acres and will not exercise the power of eminent domain. How much will they pay an acre?
How did they come up with \$15M?
- \$15M set aside to gain land - long term leases. Be wary of setting precedent for cost/acre.
- Locals are not on board?

SB 2017 – Game & Fish (sub-committee: Oehlke, Wanzek, Grabinger)

- Section 5 on green sheet – additional amounts appropriated to Game & Fish Dept. There is appropriated additional income from the feds from other funds to that agency. Would the federal funds go to their agency first?
- If they're receiving monies from federal, they can spend them out.
- Section 6 - Require them to hang onto \$15M unless we have a budget section meeting and have an exception for some emergency. They have to invest it and its not making money where its being invested. They'd like it to be invested by the state investment board.
- Sportsman's clubs – raise the fishing licenses; boat tax/gas tax.

2019 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Harvest Room, State Capitol

SB 2016
1/24/2019
JOB # 31408

☒ Subcommittee
☐ Conference Committee

Committee Clerk: Alice Delzer / Florence Mayer
--

Explanation or reason for introduction of bill/resolution:

A Subcommittee hearing for the adjutant general

Minutes:

- | |
|--|
| 1. Camp Grafton Expansion Project
2. Proposed Amendment |
|--|

Chairman Hogue: Called the Subcommittee to order at 11:30 am in the Harvest Room. Let the record show that all committee members were present. Senator Hogue, Chair., Senator Holmberg and Senator Grabinger. Alex Cronquist, Legislative Council and Becky Deichert, OMB were also present.

Alan S. Dohrmann, Adjutant General of North Dakota: I believe it is worthwhile to talk about Camp Grafton Expansion, Tuition Assistance and Strategic Investment & Improvement Fund (SIIF) appropriation. I'm prepared to answer any questions about those 3 subjects.

Senator Hogue: We had some discussion about the 6000 acres for Camp Grafton South, the expansion. An area of questioning was what combination fee ownership and lease ownership would work for the project, if at all.

Adjutant General: Submitted Attachment #1, Camp Grafton Expansion Project containing background information concerning Cap Grafton and the reason for expanding Camp Grafton. As far as what combination would work, it could be as little as 200-300 acers to get the fee interest in land that we would definitely want for the actual range construction. There will be a range building, an array of targets, that is the portion of the land we'd like to have complete ownership of. As you get further into the safety danger zone, the range fan, if we had a lease interest and our resource tells that a 25-year lease interest would be enough for the federal government to make the investment to build the range complex. Federal military construction dollars' estimate is between \$15-20M. **(2.44)**

Chairman Hogue: Have you talked or considered if the lease interest would have to be traditional, or could it be one where you don't have exclusive possession of the land but the land owner could still continue to use?

Adjutant General: About 95% of Camp Grafton is currently in agriculture production. The only issue with the range area, would be working with ranchers for the 75-80 days a year we

would be firing to protect their livestock. The likely hood of a ricochet ending up on the very edge and injuring cattle is quite low. We only fire 556 ammunition, a lot of hunters are at 224-228. We went back 20 years and haven't had an injury or claim for injury or death of livestock. We would anticipate all the land we lease to continue in agriculture production, with provisions in the lease agreement that for those days, cattle would need to be moved.

Chairman Hogue: Is that even necessary if the likelihood of a stray round is so remote?

Adjutant General: Obviously you need to move them out of the immediate area. Cattle will graze right around the targets, we had to move them back to a safe distance. Otherwise, we have process in place we let landowners know when the ranges are firing. We would want all humans to be outside of the range fan, if there was damage to the livestock we would go through the Federal Torts Claims process to make sure the owner was made whole.

Senator Grabinger: I have been a little bit involved getting a firing range in my community, although that wasn't successful for some of the same reasons you're pointing out. My business was straight in the line of fire of a shooting range for 30 years. I don't believe I had a ricochet. When you are talking about the leases, that is so they can't develop the property down range?

Adjutant General: Yes. We are just making sure we have enough interest in the property and that it isn't infringed upon.

Chairman Hogue: We discussed an alternative, to give you a sum of money such as \$500,000, and to direct the money be used for you to go out and try to option that land. Either what you need to own or lease, as opposed to a \$15M appropriation. What are your thoughts on that?

(7:32) Adjutant General: I'd have to give that some additional thought. How can we get to the point where we can engage with the federal government? To do that I need some level of interest in about 6000 acres. The \$500,000 is a good first step, that means at least two years before we enter into conversations with land owners about either an exchange of property or lease agreement. We have done 4 town hall meetings; no one is really tipping their hat because they know we don't have any money. We do know there are some folks that are not interested, if we could secure the interest in the land that would hold the range, and entered in agreement with some of the other land owners just in case a round were to hit their land.

Chairman Hogue: With an option you could tie up that land right away. You could say you want an agreement to lease your property for the next 25 years, here is X amount of dollars to do that. Once you got the 6000 continuous acres, you'd expect the legislature to say, you got the land tied up now, the legislature could fund this. The concern with how it was presented was you don't have eminent domain, you are trying to get 6000 acres, how will you do that for \$15M after the first 3,000-4,000 acres. Then the other land owners will figure out you need their property and then they raise the price.

Adjutant General: That is the concern all along. We've talked about how is it best to proceed with this project. The best approach being open and honest about this with everyone. Knowing full well that being open and honest, might drive property values up.

Chairman Hogue: Would you tell us, whether that proposal to give you money to go out and option this 6,000 acers track, by the ownership of 200-300 acers and long term lease, if that is something you think you could do. Then how much you would need to do that. That was confirmed they could do that. On the green sheet, there's a new FTE for expansion of Camp Grafton. Is it for this project or the main land camp?

Adjutant General: It is for this project. But in addition to this project, we've been actively pursuing other users for the 2 camps. NASA has done some testing there, we've entered into a memorandum agreement with General Atomics, we're meeting next week with U.S. North Comm. with testing they wish to do. There are revenue generating opportunities. We need a state employee to handle those things.

(12:24) Chairman Hogue: You would need that FTE regardless? That was confirmed.

Senator Grabinger: On the funding for tuition assistance, the \$2M, what level does that bring us up to?

Adjutant General: That allows us to pay tuition assistance for eligible Army and Air National Guard through the biennium with current Federal policies.

Senator Grabinger: I don't want to get back into the same situation we were, because we didn't give you enough.

Adjutant General: With what we know right now and assuming no more than a 4% tuition hike at the schools, this will get us through the biennium. This came up in the Emergency Commission, there are things we are working on with Congressional delegation. One is to get Federal tuition assistance for the Air National Guard ND, which is the only reserve not to have it. The biggest thing, getting a policy decision by the Department of Defense, using federal tuition assistance in conjunction with the GI bill, is dual compensation. We heard recently, that the Department of Defense (DOD) general council, although he's sympathetic to Adjutant General's point of view, he thinks it requires a law change. We've been working with Senator Hoeven's office to get that into the authorization act.

(15:10) Senator Holmberg: The safety valve for the tuition might be an additional assessment from the campuses if they go 6% tuition. Right now 25% of the tuition is waved on the campuses with the proper safeguards a provision that if the money was running out, they could go to 30-40% tuition waiver. Take the money from the schools rather than from the students. I don't know if you have the opportunity to look at that. We can just say leave it at the 25, but if there is a shortfall, that the second year of the biennium the schools would pay 40%. I don't know the number.

Adjutant General: There are some states that just waive tuition. From an administrative standpoint that would be cheaper to administer. So instead of the university having to manage a 25% waiver program and us managing a 75% reimbursement program, it could all

be managed by the university. We haven't had those conversations with Higher Ed, but to just spread the pain. Most tuition waiver money goes to NDSU; second highest is UND. Even those universities or the system waiving a percentage point or two as their tuition rates go up that would allow us to plan more precisely for the biennium.

(17.13) Senator Holmberg: We already plucked so many feathers off the goose, if you only pluck a few more maybe they won't hiss so much. But all of a sudden we tell them they have to give up all the feather from the goose, then we will get a roomful of those folks. There has to be a way to do that that protects the students. We are protecting the students.

Adjutant General: We have requested an emergency clause for that section just in case we run short spring semester. We are asking for carry over authority that maybe we don't expend this biennium just because it's so important to keep that consistency for the students.

Chairman Hogue: If the federal policy was reversed back to the original interpretation you'd probably have some of the \$2M left, that you'd want to carry that over.

Adjutant General: The base budget is around \$2.6M, if we had Air Force Federal Assistance for the Air National Guard and we got that dual compensation policy reversed, the \$6.2M would be close to what we'd need for the biennium. Not knowing if that is going to happen, but I'd like to get into the position we thought we were in last biennium where we carried over monies for a rainy day. I would like to get back to that point where we have some sustainability and predictability because right now the numbers we have here are based on our projections of no more than 4% increase by university system and a gradual growth and in-strength of the National Guard. We have 200 open positions, if they were all filled, that would be a great problem to have but the money probably would not be enough.

(19.34) Senator Holmberg: I certainly don't want to be asking the Guard to be plucking the feathers from the goose. Could you make an amendment that allows if they're running short they can come to the Emergency Commission? Maybe they could assess up to 35%, I don't know.

(20:10) Alex Cronquist, Legislative Council: When you say with the 35%, are you talking about the waiver from the universities?

Senator Holmberg: Yes. Is 35% a big enough cushion?

Adjutant General: I think we have enough data we could probably provide a good estimate of what that 35% would cost.

Senator Holmberg: Why don't you get us that, we will draft the amendment. Then it's not what the Guard wants but what the legislature might mandate.

Chairman Hogue: You've had the ability to do line transfers for maintenance of the armories. One thing we haven't resolved for state agencies yet, is the request for the ability to transfer up to 10% between line items. That issue is not resolved but will likely be resolved on Wednesday. Question on the veteran's cemetery, that went up \$100,000, for increase for salaries and benefits? That was confirmed.

Senator Grabinger: Back to the maintenance and repairs with the \$500,000, that's a separate deal than the 10%? That was confirmed. The 500 has been in previous budgets.

Adjutant General: That's correct. That's part of the reason that when the money is tight, we've been able to take some risk with deferred maintenance. We've used that authority in the past to try to keep our buildings in good repair.

Senator Grabinger: The question that hasn't been settled yet is the line item transfers. That was confirmed by the Adj. Gen.

(22:36) Chairman Hogue: Can you give us an update on the Fargo Armory?

Adjutant General: The money was appropriated last biennium. I believe it was \$32M in federal authority, \$1M in state. The million was required to raise the grade to get it out of the flood plain. Right now we are waiting on the results of the environmental assessment. A couple tribes have made comments that we have to regress. It will be easy to accommodate. They want to be present when excavation is being done, in case of any cultural resources. Once that is done we're at 95% design, then 100% design. We anticipate breaking ground this spring.

Chairman Hogue: So it is a 19-21 biennium project?

Adjutant General: Yes. We do have the FTE's in there to provide support for that once it's completed.

Senator Homberg: Do you have the FTE's in current budget or this budget? He was told in this budget.

Chairman Hogue: I don't have any further questions.

Adjutant General: The 10% transfer authority, that was put into our budget by OMB. We are going to ask for a similar authority. We are 4 agencies in one. As money got tight, and because of the way the National Guard and DES are funding a lot through special funds. There is a lot of flexibility for homeland security, and the national Guard to move federal dollars around, not so much state radio. We were going to ask for the authority to transfer money within the office of the Adjutant General, to state radio. I see that as an example where the 10% authority could be used. Also tuition purposes. The emergency commission might say that's great but you can come to us anyway, that worked pretty well. But if we want to provide that level of flexibility, these are things we could use the 10% authority for.

Adjutant General: Just to follow up on some topics that are brought up, but on the 10% transfer authority, I can tell you that was put into our budget by OMB. We had considered and we are going to ask for a similar authority. And the reason we are going to ask for that is we are really four agencies in one if you count Civil Air Patrol. But as money got tight and because of the way both the National Guard and DES are funded a lot through special funds, through federal grants, the State Radio is almost exclusively general fund dollars but there is a lot of flexibility for Homeland Security and for the National Guard to move federal dollars

around to cover the requirements, not so much the State Radio. So we were going to ask for the authority to transfer money within the office of the Adj. Gen. so that if I had money I could spare in the National Guard and we had an operational shortfall in State Radio that we could transfer that money over. So I see that as an example of where this 10% authority may be used. I also believe that the state tuition assistance issues we had this current biennium that this authority could have been used for that purpose. The Emergency Commission might say that's great but you can come to us anyway and that worked pretty well. But if you want to provide that level of flexibility and efficiency within the agency these are some things that the 10% authority could be used for. We do have one amendment to the governor's budget recommendation, Attachment #2. Proposed Amendment.

Holly Gaugler, Budget Officer for the Adjutant General: We are requesting a carry over language amendment to SB 2016, due to several factors. The fact that we are getting down to the end of our open disasters, it's very difficult to predict when those payments will be made. If it's this current biennium or next. Nothing has changed in our overall obligation to the State Disaster Relief Fund. It's just a matter of timing. It's hard to manage the budget, and guessing when that project will be paid. We have 5 open disasters we were anticipating to be closed this past June. Due to government shut down, FEMA is slowing things down. Makes my life tough to try to get the appropriations right. The State Disaster Relief Fund has the same unobligated amount of about \$25.9 M., nothing is changed in the total.

Chairman Hogue: Adjourned the meeting.

2019 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Harvest Room, State Capitol

SB 2016
2/13/2019
Job # 32693

☒ Subcommittee
☐ Conference Committee

Committee Clerk: Rose Laning / Florence Mayer

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the office of the adjutant general; and to provide for a transfer.

Minutes:

Testimony # 1 - 5

Legislative Council: Alex Cronquist
OMB: Becky Deichert

Senator Hogue: Called the subcommittee to order on SB 2016. Chairman Holmberg and Senator Grabinger were also present.

We just want to go over the proposed amendments and get General Dohrmann's reaction to those. As you can see we followed the governor's recommendations pretty closely. There were 2 things the full committee was wrestling with. 1 was the proposal that called for the expansion of Camp Grafton South, the other was to deal with the tuition. With these amendments we proposed to take \$600,000 out of the SIIF fund and to use it to authorize the Adjutant General to buy options to rent or buy real-estate. There is a cap of up to 400 acres, if you have a different idea let us know. On the tuition waiver, we provided the recommended appropriation and increase the amount of the waiver from 25 to 30%. That doesn't come out of your budget. Between the appropriation and the increase in the tuition waiver, that should keep you solvent through the biennium. In your budget you have a lot more carryover authority than most agencies and we kept that.

Alex Cronquist: Handed out the Base Level Funding Sheet, Attachment #1.

Senator Hogue: Provided Attachment #2.

Major General Dohrmann, ND Adjutant General: Thank you for your support. Provided Attachment #3. I did prepare testimony to go over some of the things you wanted to address. On the tuition assistance, I appreciate the support there. I know we had the conversation last time of what happens if every other NDUS school follows NDSUs lead and makes a full time student 13 credit hours. That was the additional \$160,000 you added. With the optional adjustment, it assumes a 4% increase in tuition each year, but if you throw on top of that a different way of defining full time students; If we can't get to 35%, if we could at least, during

the biennium, say that if any tuition increases apply to guard members and the state assistance, it would allow us to budget with confidence. On Camp Grafton expansion, my only concern is with the 400 acres and fee. When it comes to securing land to build the range, there may be some landowners that would rather sell than lease. There is only one farmstead down there. Any land that is further out in the safety danger zone, if we would even want to own that. To be limited to 400 acres, might limit our ability to negotiate with land owners.

Senator Hogue: Do you have an amount in mind? A question for Senator Holmberg while you look for the answer: I was under the impression that the other higher ed institutions will go to this blended tuition, is that a good assumption?

Senator Holmberg: I think it's a work in progress. I don't know what it will do. They are searching for a lot of flexibility and it will depend on what the legislature feels like.

Senator Hogue: That will continue to have an impact on his dollars.

General Dohrmann: I looked through some of the land owner discussions. I think if that limit was up to 1,600 acres, that would provide flexibility if one of those land owners would rather sell. We have talked with the Stockman's association and the farmers and ranchers, we understand that our training impacts people's lives down there. We say it's only 75-80 days a year where we fire weapons but if you live there, you're listening to gun fire. Lacking the authority and lacking the resources to really dig into this, I can't tell you right now that there's a plan in place and we have assurances from land owners, but I'd hate to limit it to 400 acres. We are just talking purchase or lease options; we can work language in there that are subject to appropriations. We can come back next biennium and lay out the plan for the legislature. There is a level of security long term in owning land, but if we can get the range we need for 25-30 years, that might be a good solution. Also, just to make sure that without the Legacy funding in there, that we have a showing of support and commitment from the legislature that if we can find a solution we will have that support down the road. With providing the resources to enter into the lease or buy options, I think that is the support we need from the legislature to move forward and to start negotiations.

(9:58) Senator Hogue: That is why I put that subsection 2 in there, the legislative intent. It's not binding, but we do it with the water projects, and we have tended to stick to the intent and the committee's recommendations.

General Dohrmann: The reality is even if you didn't put legislative intent in there, and said we're going to put \$15M of Legacy against this, that could all be taken away next session anyway.

Senator Hogue: Right. Committee, any concern with the 1,600 acres versus 400?

Senator Grabinger: I have no problem with it, if we're going to give him the option, we have to do this.

Senator Hogue: I was going to go back to the tuition issue, so you feel with the \$2.1M.

General Dohrmann: Last time we gave you a number of \$164,572 we would be short if every school followed NDSU's lead on definition of full time student. They are probably planning on doing that.

Senator Hogue: I gathered that was an updated number. Alex, is that right?

Alex Cronquist: The \$164,572 is a number from the Adjutant General. As far as the blending of tuition with the university system institutions, that is something they have spoken about to the interim higher education committee this past summer. Their plan is for all campuses to have blended tuition rates with the fees by this fall.

Senator Hogue: With the combo of increasing the percentage and appropriation, the intent is to keep you signing up students.

General Dohrmann: Will that apply to both tuition waiver and tuition grant? The 2 are tied together. For the grant, they track at the NDSU rate. For code for the tuition grant program, 25% of the NDSU rate. Just want to make sure we look at that. Will have to renegotiate with the private schools if we raise the rate.

Alex Cronquist: I am not sure of that.

Senator Hogue: Let's check on that and confirm either way.

General Dohrmann: I don't really know the impact of that. In the next week we will sign our first agreement with a tribal college. That will anticipate a waiver based on 25% of NDSU tuition rate. We will have to go back to U-Mary and Jamestown and everyone else if that calculation changes.

Senator Hogue: Any other concerns that you have?

General Dohrmann: I wanted to address the SIIF funding of state radio of \$1,212,253. That is in here? (That was confirmed.) We explained why that wasn't necessary this biennium, that can be fixed next. On the 10% transfer authority, I see that isn't here. Should I waste any time talking about that?

Senator Hogue: No, because we want to ask you about 2045 if we have time.

Alex Cronquist: There were a couple amendments sent to us by the Adjutant General on a couple more exemption sections. Does the General want to go over them? Provided Attachment #4 & Attachment #5.

General Dohrmann: Sure, on the first exemption, a carryover for the state radio communication tower package. This has been going on for some time, it seems to take a while, but working with DOT and other stake holders, it has taken awhile to get these towers built out. The amendment recognizes the fact that we are moving toward a new radio system, so we want to make sure that money is available. Not only to build out the towers, but to work in concert with HB 1435, which is the funding mechanism to build out the new state wide interoperability radio network siren. Just to make sure any investments we make in radio

towers both support current communication needs and the next generation radio system that is put in. We'd request that carryover authority for the tower package. The next one is an exemption to carry over for the disaster relief fund authority that was granted last biennium. It is always difficult to work with FEMA; we don't actually control when disasters are closed out. Because of the longest Federal Government shutdown in recent history, FEMA has not been processing disaster claims of late, so we are concerned we will need that money to carry over to close out the prior year disasters. To date, of the money authorized for this biennium, we spent \$4.6 of the \$8.5 that was appropriated. We are just asking for that money to be carried over so we can close out those disasters with the money that was previously appropriated. That will leave the dearth balance in excess of \$25M.

(19:04) Senator Hogue: I don't know if you were here yesterday in SB 2055, we agreed for those dollars in the disaster relief fund, you wouldn't have to go to the budget section or the emergency commission. You would just have to report your expenditures to the budget section. That would give you the further authority that anything left over from the previous biennium would carry over.

Holly Gaugler, Adjutant General's Office: Carry over would go through the same process as a new appropriation.

Senator Holmberg: I think we should run it up the flag pole. There will be another month and a half of mulling over it. I don't see why we don't try it.

General Dohrmann: In my prepared comments, there are some things about the 10% transfer authority, the state employee benefit package, I am supportive of the governor's package. I have had town halls with all my state employees and also had a survey done to engage the climate within our various divisions and not having pay raises for 2 years will start to impact us soon if we don't get after that employee compensation package. We need to recruit and sustain the quality people we have. The last point I want to bring up is the transfer of FTEs to ITD under unification. That is being debated quite a bit. We have 4 IT specialists; their focus is to make sure state radio is up 24/7/365. We have been working with ITD to transfer those FTEs and work under this new government structure. For us, it hasn't had any impact at all. Our relationship with ITD is better than its ever been. As this process matures, we will have much greater reach back authority than we've experienced in the past. The reason we have 4 IT specialists; it is a zero defect mission in state radio. If we have a disaster, making sure DES and Homeland Security that their comms are up and running all the time. They are also the smart innovative young people that figure out how to put nest cameras up on poles so we can keep folks in Morton County and law enforcement safe in times of civil unrest. For our IT folks, when they came in under this unification scheme, their life didn't really change. They came to work in the same location. They support the same people they've always supported but a side benefit has been that we've had better relationships and reach back with ITD.

Senator Holmberg: There's a great debate on how this will end. With our Senate budget we put in the IT unification amendments, in the House they are not. I don't know where the IT budget is right now, have they passed it out?

Alex Cronquist: I believe it is in House Appropriations, so out of the Government Ops.

Senator Holmberg: That is a work in progress. I think we should continue, and at some point we will have to approve all the budgets.

Senator Grabinger: I wish I'd have asked him for testimony on the salary increase bill.

Senator Holmberg: (Inaudible) ...the insurance is also something we hear from state employees is a huge benefit. We've looked at having a minimum per month. By the time to book keepers got done with me, I was in tatters. You have to figure out who is the lowest paid state employees, and what will he or she get, that becomes your minimum. That doesn't accomplish anything. The only way to do that is put in more money. We don't want to put additional money into that line item at this point.

Senator Hogue: Sounds like we need a couple more amendments. We need to amend the acreage from 400 to 1,600. We will adopt your proposed amendment on the carryover for the disaster relief dollars. And we will have to check whether that applies to both the tuition grants and tuition waivers?

General Dohrmann: Yes, the grant program is tied to the waiver program in regard to how the waiver is set for those private universities and institutions. We just have to make sure that is harmonized. If we raised that, we'd have to do that knowingly and I don't know what impact that will have on those participating schools as to whether that might drive them away because the legislature cannot direct them to participate in the program.

Senator Hogue: Just a quick question, we heard SB 2095 yesterday. This is a federal law change that affects you. I believe it is 6% the dollars for presidential declared disasters is set aside for competitive mitigation projects. You want to be able to use the state fund, to be the state's share for those types of competitive bids?

Cody Schultz, Homeland Security: Primarily correct. The change in federal law did move 6% of the previous year's presidential declared disaster mitigation funding into a competitive grant. Currently the statute allows for the state disaster relief fund must be linked to a presidentially declared disaster so the proposed language changes that to read Federal Emergency Management Agency Disaster Response Recovery and Mitigation which would cover both presidentially declared disaster and this new process in federal law.

Senator Hogue: I don't know if we need to have another meeting.

Senator Holmberg: I am good. As soon as the amendments are put together, then Alex can send them to us. If we don't say anything within an hour, we agree.

Senator Hogue: Closed the hearing on SB 2016.

2019 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Harvest Room, State Capitol

SB 2016
2/14/2019
Job # 32728

- ☐ Subcommittee
☐ Conference Committee

Committee Clerk: Rose Laning

Explanation or reason for introduction of bill/resolution:

This hearing is a vote on the Adjutant General's budget and was moved Do Pass as Amended.

Minutes:

Amendment 19.0229.01002

Legislative Council: Adam Mathiak
OMB: Becky Keller

Chairman Holmberg: called the committee to order on SB 2016.

Senator Hogue: presented Amendment 19.0229.01002 and explained it.

Senator Hogue: moved Amendment 19.0229.01002.

Senator Oehlke: Seconded the motion.

Voice vote carried.

Senator Hogue: Moved a Do Pass on SB 2016 as Amended.

Senator Bekkedahl: seconded the motion.

A Roll Call Vote was taken: Yes: 14 No: 0 Absent: 0.

Senator Hogue: will carry the bill.

SLC
189

PROPOSED AMENDMENTS TO SENATE BILL NO. 2016

Page 1, line 2, replace "and" with "to amend and reenact sections 37-07.1-03 and 37-07.2-01 of the North Dakota Century Code, relating to the national guard tuition waiver and national guard tuition grants;"

Page 1, line 2, after "transfer" insert "; to provide for a report; to provide a statement of legislative intent; to provide an exemption; and to declare an emergency"

Page 1, remove lines 12 through 24

Page 2, replace lines 1 and 2 with:

"		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$6,666,525	\$147,083	\$6,813,608
Operating expenses	3,525,934	(758,613)	2,767,321
Capital assets	224,046	0	224,046
Grants	318,553	(107,637)	210,916
Civil air patrol	299,580	4,295	303,875
Tuition, recruiting, and retention	2,617,500	2,164,572	4,782,072
Air guard contract	8,098,582	443,544	8,542,126
Army guard contract	57,717,944	(10,818,059)	46,899,885
Veterans' cemetery	881,284	91,388	972,672
Reintegration program	1,261,384	(213,635)	1,047,749
Camp Grafton expansion	0	600,000	600,000
Total all funds	\$81,611,332	(\$8,447,062)	\$73,164,270
Less estimated income	<u>65,174,778</u>	<u>(10,426,348)</u>	<u>54,748,430</u>
Total general fund	\$16,436,554	\$1,979,286	\$18,415,840"

Page 2, replace lines 5 through 15 with:

"		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$12,551,119	(\$1,226,414)	\$11,324,705
Operating expenses	6,988,451	2,379,149	9,367,600
Capital assets	0	660,000	660,000
Grants	16,889,159	(615,734)	16,273,425
Disaster costs	51,445,841	(18,992,521)	32,453,320
Radio communications	0	785,000	785,000
Total all funds	\$87,874,570	(\$17,010,520)	\$70,864,050
Less estimated income	<u>78,424,702</u>	<u>(16,757,646)</u>	<u>61,667,056</u>
Total general fund	\$9,449,868	(\$252,874)	\$9,196,994"

Page 2, replace lines 18 through 23 with:

"		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
Grand total general fund	\$25,886,422	\$1,726,412	\$27,612,834
Grand total special funds	143,599,480	(27,183,994)	116,415,486
Grand total all funds	\$169,485,902	(\$25,457,582)	\$144,028,320
Full-time equivalent positions	234.00	(10.00)	224.00"

Page 2, line 24, after "FUNDING" insert "- EFFECT ON BASE BUDGET - REPORT TO SIXTY-SEVENTH LEGISLATIVE ASSEMBLY"

Page 2, line 25, after "biennium" insert "and the 2019-21 biennium one-time funding items included in section 1 of this Act"

Page 2, remove lines 28 through 31

Page 3, replace lines 1 and 2 with:

"Emergency response equipment	569,000	660,000
Camp Grafton expansion	0	600,000
Uninterruptible power supply battery replacement	0	20,000
Computer-aided dispatch equipment	0	516,000
Message switch system upgrade	0	335,000
Dispatching service fee shortfall	0	1,212,253
Dakota access pipeline law enforcement	21,000,000	0
Mobile repeaters and programming radios	300,000	0
Total all funds	\$54,869,000	\$3,343,253
Total other funds	54,869,000	3,162,253
Total general fund	\$0	\$181,000

The 2019-21 biennium one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The adjutant general shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021."

Page 3, after line 8, insert:

"SECTION 4. ESTIMATED INCOME - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. The estimated income line item in subdivision 1 of section 1 of this Act includes \$600,000 of one-time funding from the strategic investment and improvements fund for the camp Grafton expansion. The estimated income line item in subdivision 2 of section 1 of this Act includes \$1,902,253 of one-time funding from the strategic investment and improvements fund for computer-aided dispatch equipment, message switch system upgrades, and 911 dispatching service operations due to a revenue shortfall.

SECTION 5. CAMP GRAFTON EXPANSION - LEGISLATIVE INTENT. It is the intent of the sixty-sixth legislative assembly that:

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

342

SECTION 6. AMENDMENT. Section 37-07.1-03 of the North Dakota Century Code is amended and reenacted as follows:

37-07.1-03. Tuition waiver - Terms.

A qualifying member of the national guard who enrolls in any state-controlled school, subject to rules adopted by the adjutant general, is entitled to receive a ~~twenty-five~~thirty-five percent waiver of the tuition from the state-controlled school, conditioned on the adjutant general having sufficient appropriations for tuition reimbursement under section 37-07.1-06.2. The tuition waiver is valid only so long as the member of the national guard maintains satisfactory performance with the guard, meets the qualification requirements of rules adopted by the adjutant general, and pursues a course of study in a manner that satisfies the normal requirements of the school.

SECTION 7. AMENDMENT. Section 37-07.2-01 of the North Dakota Century Code is amended and reenacted as follows:

37-07.2-01. National guard ~~tuition~~member grants and tuition waivers - Terms of grants.

~~Any~~

1. Subject to legislative appropriation and rules adopted by the adjutant general, a qualifying member of the national guard who enrolls in an accredited postsecondary institution in North Dakota which is not controlled by the state may, subject to the limitations of available appropriated funds and subject to national guard rules adopted by the adjutant general, receive a grant in an amount not to exceed the cost of tuition and fees for similar courses and credit hours for each a qualifying member of the national guard who is enrolled at in the North Dakota university system school institution with the highest tuition and fee rate.
2. Any accredited postsecondary institution that agrees to participate in such is not controlled by the state and which participates in the national guard member grant program must shall waive twenty-five percent of the tuition for that otherwise would be charged to each enrolled, qualifying member of the national guardsmenguard. These grants must be distributed according to rules promulgated by the adjutant general and are available only so
3. The adjutant general shall adopt rules for distributing grants under this section and establishing qualification requirements for grant recipients.
4. A member of the national guard may receive a grant under this section only as long as the member maintains satisfactory performance with the national guard, meets the qualification requirements of the rules adopted under this section, and pursues a course of study which satisfiessatisfying the normal requirements of the schoolpostsecondary institution in which the member is enrolled.
5. For purposes of calculating the grant amount under subsection 1, the "cost of tuition and fees for similar courses and credit hours for a qualifying member of the national guard who is enrolled in the North Dakota university system institution with the highest tuition and fee rate" may not

be reduced by more than twenty-five percent pursuant to section 37-07.1-03."

Page 3, after line 15, insert:

"SECTION 9. EXEMPTION. Any amounts carried over in the radio communications line item for the state radio tower package, in section 7 of chapter 15 of the 2017 Session Laws is not subject to section 54-44.1-11 and any unexpended funds are available for completing these projects or for technology upgrade costs required to implement the statewide interoperable radio network during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 10. EXEMPTION. The amount appropriated in the tuition, recruiting, and retention line item in subdivision 1 of section 1 of chapter 15 of the 2017 Session Laws is not subject to section 54-44.1-11, and any unexpended funds from this appropriation may be used to provide tuition assistance, recruiting, and retention incentives to eligible members of the North Dakota national guard during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 11. EXEMPTION. Any amounts carried over pursuant to section 11 of chapter 15 of the 2017 Session Laws which are unexpended as of June 30, 2019, are not subject to section 54-44.1-11 and are available for payment of adjusted compensation to veterans. Any unexpended funds from this appropriation must be transferred to the veterans' cemetery trust fund during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 12. EXEMPTION. The amount of \$300,000 from the strategic investment and improvements fund appropriated in the operating expenses line item in subdivision 2 of section 1 of chapter 15 of the 2017 Session Laws for mobile repeaters and programming radios is not subject to section 54-44.1-11 and any unexpended funds from this appropriation may be used to complete this project during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 13. EXEMPTION. Any amounts carried over in the disaster costs line item for grants to political subdivisions for amounts required to match federal dollars on road grade raising projects and federal emergency relief funding pursuant to section 13 of chapter 15 of the 2017 Session Laws which are unexpended as of June 30, 2019, are not subject to section 54-44.1-11. Any unexpended funds from this appropriation are available for these purposes during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 14. EXEMPTION. The amount of \$8,530,116 from the state disaster relief trust fund appropriated in the disaster costs line item in subdivision 2 of section 1 of chapter 15 of the 2017 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this appropriation may be used to provide the required state share for the purposes of reimbursing costs under section 37-17.1-27 during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 15. EMERGENCY. Sections 4 and 5 and the camp Grafton expansion and tuition, recruiting, and retention line items in subdivision 1 of section 1 of this Act are declared to be an emergency measure."

Renumber accordingly

509

STATEMENT OF PURPOSE OF AMENDMENT:**Senate Bill No. 2016 - Summary of Senate Action**

	Base Budget	Senate Changes	Senate Version
Adjutant General			
Total all funds	\$81,611,332	(\$8,447,062)	\$73,164,270
Less estimated income	65,174,778	(10,426,348)	54,748,430
General fund	\$16,436,554	\$1,979,286	\$18,415,840
FTE	155.00	(1.00)	154.00
Department of Emergency Services			
Total all funds	\$87,874,570	(\$17,010,520)	\$70,864,050
Less estimated income	78,424,702	(16,757,646)	61,667,056
General fund	\$9,449,868	(\$252,874)	\$9,196,994
FTE	79.00	(9.00)	70.00
Bill total			
Total all funds	\$169,485,902	(\$25,457,582)	\$144,028,320
Less estimated income	143,599,480	(27,183,994)	116,415,486
General fund	\$25,886,422	\$1,726,412	\$27,612,834
FTE	234.00	(10.00)	224.00

Senate Bill No. 2016 - Adjutant General - Senate Action

	Base Budget	Senate Changes	Senate Version
Salaries and wages	\$6,666,525	\$147,083	\$6,813,608
Operating expenses	3,525,934	(758,613)	2,767,321
Capital assets	224,046		224,046
Grants	318,553	(107,637)	210,916
Civil air patrol	299,580	4,295	303,875
Tuition, recruiting, and retention	2,617,500	2,164,572	4,782,072
Air guard contract	8,098,582	443,544	8,542,126
Army guard contract	57,717,944	(10,818,059)	46,899,885
Veterans' cemetery	881,284	91,388	972,672
Reintegration program	1,261,384	(213,635)	1,047,749
Camp Grafton expansion		600,000	600,000
Total all funds	\$81,611,332	(\$8,447,062)	\$73,164,270
Less estimated income	65,174,778	(10,426,348)	54,748,430
General fund	\$16,436,554	\$1,979,286	\$18,415,840
FTE	155.00	(1.00)	154.00

Department 540 - Adjutant General - Detail of Senate Changes

	Adjusts Funding for Base Payroll Changes ¹	Adds Funding for Salary and Benefit Increases ²	Adjusts FTE Positions ³	Adjusts Funding for National Guard Contracts ⁴	Increases Funding for Tuition Assistance ⁵	Reduces Funding for Grants and Operating Expenses ⁶
Salaries and wages	(\$18,506)	\$314,153	(\$148,564)			
Operating expenses						(\$758,613)
Capital assets						
Grants						(107,637)
Civil air patrol		7,927				(3,632)
Tuition, recruiting, and retention					\$2,164,572	
Air guard contract	(12,999)	281,543		\$175,000		
Army guard contract	592	660,005	221,344	(11,700,000)		
Veterans' cemetery	48,565	42,823				
Reintegration program	23,563	49,499	(286,697)			
Camp Grafton expansion						
Total all funds	\$41,215	\$1,355,950	(\$213,917)	(\$11,525,000)	\$2,164,572	(\$869,882)
Less estimated income	216,404	888,530	(131,282)	(12,000,000)	0	0
General fund	(\$175,189)	\$467,420	(\$82,635)	\$475,000	\$2,164,572	(\$869,882)
FTE	0.00	0.00	(1.00)	0.00	0.00	0.00

	Adds Funding for the Camp Grafton Expansion ⁷	Total Senate Changes
Salaries and wages		\$147,083
Operating expenses		(758,613)
Capital assets		
Grants		(107,637)
Civil air patrol		4,295
Tuition, recruiting, and retention		2,164,572
Air guard contract		443,544
Army guard contract		(10,818,059)
Veterans' cemetery		91,388
Reintegration program		(213,635)
Camp Grafton expansion	\$600,000	600,000
Total all funds	\$600,000	(\$8,447,062)
Less estimated income	600,000	(10,426,348)
General fund	\$0	\$1,979,286
FTE	0.00	(1.00)

¹ Funding is adjusted for base payroll changes.

² The following funding is added for 2019-21 biennium salary adjustments of 2 percent on July 1, 2019, and 3 percent on July 1, 2020, and increases in health insurance premiums from \$1,241 to \$1,427 per month:

	General Fund	Other Funds	Total
Salary increase	\$248,659	\$444,672	\$693,331
Health insurance increase	218,761	443,858	\$662,619
Total	\$467,420	\$888,530	\$1,355,950

³ FTE positions and related funding are adjusted as follows:

7289

	<u>FTE</u> <u>Positions</u>	<u>General</u> <u>Fund</u>	<u>Other</u> <u>Funds</u>	<u>Total</u>
Adds Fargo Readiness Center positions	3.00	\$131,028	\$131,029	\$262,057
Removes carpenter	(1.00)	(148,564)	0	(148,564)
Removes veterans' benefits specialists	(2.00)	(286,697)	0	(286,697)
Removes security officer	(1.00)	0	(129,932)	(129,932)
Reclassifies security officer as project manager	0.00	221,598	(132,379)	89,219
Total	(1.00)	(\$82,635)	(\$131,282)	(\$213,917)

⁴ Funding for the Air Guard and Army Guard contracts is adjusted as follows:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Air Guard contract	\$175,000	\$0	\$175,000
Army Guard contract	300,000	(12,000,000)	(11,700,000)
Total	\$475,000	(\$12,000,000)	(\$11,525,000)

⁵ Funding of \$2,164,572 from the general fund is added to provide tuition assistance for National Guard members.

⁶ Funding for operating expenses including travel, utilities, repairs, and information technology expenses, is reduced by \$762,245 from the general fund. Funding for city-owned armory grants is reduced by \$107,637 from the general fund due to the closure of armories in Mayville, Bottineau, Carrington, Grafton, Mott, and Rugby during the 2017-19 biennium.

⁷ One-time funding of \$600,000 from the strategic investment and improvements fund is added for the Adjutant General to purchase options for the lease or purchase of up to 6,000 acres for the expansion of Camp Grafton.

Senate Bill No. 2016 - Department of Emergency Services - Senate Action

	<u>Base</u> <u>Budget</u>	<u>Senate</u> <u>Changes</u>	<u>Senate</u> <u>Version</u>
Salaries and wages	\$12,551,119	(\$1,226,414)	\$11,324,705
Operating expenses	6,988,451	2,379,149	9,367,600
Capital assets		660,000	660,000
Grants	16,889,159	(615,734)	16,273,425
Disaster costs	51,445,841	(18,992,521)	32,453,320
Radio communications		785,000	785,000
Total all funds	\$87,874,570	(\$17,010,520)	\$70,864,050
Less estimated income	78,424,702	(16,757,646)	61,667,056
General fund	\$9,449,868	(\$252,874)	\$9,196,994
FTE	79.00	(9.00)	70.00

Department 542 - Department of Emergency Services - Detail of Senate Changes

	<u>Adjusts</u> <u>Funding for</u> <u>Base Payroll</u> <u>Changes¹</u>	<u>Adds Funding</u> <u>for Salary and</u> <u>Benefit</u> <u>Increases²</u>	<u>Removes FTE</u> <u>Positions³</u>	<u>Adjusts</u> <u>Funding and</u> <u>FTE Positions</u> <u>for IT</u> <u>Unification⁴</u>	<u>Adjusts</u> <u>Funding for</u> <u>Operating</u> <u>Expenses⁵</u>	<u>Reduces</u> <u>Funding for</u> <u>Disaster Costs</u> <u>and Grants⁶</u>
Salaries and wages	(\$478,711)	\$560,263	(\$630,476)	(\$677,490)		
Operating expenses				716,040	\$364,856	
Capital assets						
Grants						(\$615,734)
Disaster costs	(340,934)	56,466				(18,708,053)
Radio communications						
Total all funds	(\$819,645)	\$616,729	(\$630,476)	\$38,550	\$364,856	(\$19,323,787)
Less estimated income	(819,646)	309,029	(48,591)	20,758	542,338	(19,323,787)
General fund	\$1	\$307,700	(\$581,885)	\$17,792	(\$177,482)	\$0
FTE	0.00	0.00	(5.00)	(4.00)	0.00	0.00

826

	Adds One-Time Funding for State Radio ⁷	Adds One-Time Funding for Equipment ⁸	Total Senate Changes
Salaries and wages			(\$1,226,414)
Operating expenses	\$1,298,253		2,379,149
Capital assets		\$660,000	660,000
Grants			(615,734)
Disaster costs			(18,992,521)
Radio communications	785,000		785,000
Total all funds	\$2,083,253	\$660,000	(\$17,010,520)
Less estimated income	1,902,253	660,000	(16,757,646)
General fund	\$181,000	\$0	(\$252,874)
FTE	0.00	0.00	(9.00)

¹ Funding is adjusted for base payroll changes.

² The following funding is added for 2019-21 biennium salary adjustments of 2 percent on July 1, 2019, and 3 percent on July 1, 2020, and increases in health insurance premiums from \$1,241 to \$1,427 per month:

	General Fund	Other Funds	Total
Salary increase	\$159,354	\$162,877	\$322,231
Health insurance increase	148,346	146,152	294,498
Total	\$307,700	\$309,029	\$616,729

³ FTE positions and related funding are adjusted as follows:

	FTE Positions	General Fund	Other Funds	Total
Removes communications specialists	(4.00)	(\$437,314)	(\$48,591)	(\$485,905)
Removes GIS specialist	(1.00)	(144,571)	0	(144,571)
Total	(5.00)	(\$581,885)	(\$48,591)	(\$630,476)

⁴ Funding and FTE positions are adjusted as follows for the information technology unification initiative:

	FTE Positions	General Fund	Other Funds	Total
Transfers FTE positions	(4.00)	(\$310,746)	(\$366,744)	(\$677,490)
Adds funding for operating expenses	0.00	328,538	387,502	716,040
Total	(4.00)	\$17,792	\$20,758	\$38,550

⁵ Funding for operating expenses, including miscellaneous supplies, repairs, professional services, and information technology expenses, is reduced by \$177,482 from the general fund and increased by \$542,338 from the radio communications fund.

⁶ Funding for disaster costs is reduced by \$18.7 million, including a reduction of \$5.4 million from the state disaster relief trust fund and a reduction of \$13.3 million from federal funds. Funding from federal funds is also reduced by \$615,734 for Department of Emergency Services grants.

⁷ One-time funding is added for State Radio as follows:

	General Fund	Strategic Investment and Improvements Fund	Total
Uninterruptible power supply battery replacement	\$20,000	\$0	\$20,000
Computer-aided dispatch equipment replacement	66,000	450,000	516,000
Message switch system upgrade	95,000	240,000	335,000
Dispatching service revenue shortfall	0	1,212,253	1,212,253
Total	\$181,000	\$1,902,253	\$2,083,253

⁸ One-time funding of \$660,000 from federal funds is added for Department of Emergency Services equipment.

28
929

Senate Bill No. 2016 - Other Changes - Senate Action

This amendment also:

- Adds a section of legislative intent regarding the purchase of options for the future expansion of Camp Grafton.
- Amends North Dakota Century Code Section 37-07.1-03 to increase the National Guard tuition waiver from 25 to 35 percent.
- Amends Section 37-07.2-01 to provide the increased tuition waiver does not affect the National Guard tuition grant amounts paid to nonstate institutions of higher education.
- Adds 6 new sections to allow the following items to be continued and expended during the 2019-21 biennium:
 - Unexpended general or special funds authority carried over in the radio communications line item from the 2013-15 biennium relating to the State Radio tower package may be used for that purpose or for technology upgrade costs relating to the statewide interoperable radio network;
 - Unexpended general or special funds authority in the tuition, recruiting, and retention line item from the 2017-19 biennium relating to tuition assistance, recruiting, and retention incentives for eligible members of the National Guard;
 - Unexpended general or special funds authority carried over in the grants line item from the 2015-17 biennium relating to adjusted compensation for veterans;
 - Unexpended special funds authority from the strategic investment and improvements fund from the 2017-19 biennium relating to mobile repeaters and programming radios;
 - Unexpended general or special funds authority in the disaster costs line item from the 2011-13 biennium relating to grants to political subdivisions for amounts required to match federal dollars on road grade raising projects and federal emergency relief funding; and
 - Unexpended funds appropriated from the state disaster relief trust fund in the disaster costs line item from the 2017-19 biennium relating to the state share of disaster costs.
- Adds a section to declare the Camp Grafton expansion line item and provisions and the tuition, recruiting, and retention line item to be an emergency measure.

Date: 2/14/19
Roll Call Vote #: 1

2019 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2016

Senate Appropriations Committee

☐ Subcommittee

Amendment LC# or Description: 19. 0229. 01002

Recommendation: ☒ Adopt Amendment
☐ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar
Other Actions: ☐ Reconsider ☐ _____

Motion Made By Hogue Seconded By Oehlke

Senators	Yes	No	Senators	Yes	No
Senator Holmberg			Senator Mathern		
Senator Krebsbach			Senator Grabinger		
Senator Wanzek			Senator Robinson		
Senator Erbele					
Senator Poolman					
Senator Bekkedahl					
Senator G. Lee					
Senator Dever					
Senator Sorvaag					
Senator Oehlke					
Senator Hogue					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

*Voice Vote
it carried*

Date: 2/14/19
Roll Call Vote #: 2

2019 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2016

Senate Appropriations Committee
☐ Subcommittee

Amendment LC# or Description: _____

Recommendation: ☐ Adopt Amendment
☒ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☒ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar
Other Actions: ☐ Reconsider ☐ _____

Motion Made By Hogue Seconded By Bekkedahl

Senators	Yes	No	Senators	Yes	No
Senator Holmberg	✓		Senator Mathern	✓	
Senator Krebsbach	✓		Senator Grabinger	✓	
Senator Wanzek	✓		Senator Robinson	✓	
Senator Erbele	✓				
Senator Poolman	✓				
Senator Bekkedahl	✓				
Senator G. Lee	✓				
Senator Dever	✓				
Senator Sorvaag	✓				
Senator Oehlke	✓				
Senator Hogue	✓				

Total (Yes) 14 No 0

Absent 0

Floor Assignment Hogue

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

REPORT OF STANDING COMMITTEE

SB 2016: 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 2016 was placed on the Sixth order on the calendar.

Page 1, line 2, replace "and" with "to amend and reenact sections 37-07.1-03 and 37-07.2-01 of the North Dakota Century Code, relating to the national guard tuition waiver and national guard tuition grants;"

Page 1, line 2, after "transfer" insert "; to provide for a report; to provide a statement of legislative intent; to provide an exemption; and to declare an emergency"

Page 1, remove lines 12 through 24

Page 2, replace lines 1 and 2 with:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$6,666,525	\$147,083	\$6,813,608
Operating expenses	3,525,934	(758,613)	2,767,321
Capital assets	224,046	0	224,046
Grants	318,553	(107,637)	210,916
Civil air patrol	299,580	4,295	303,875
Tuition, recruiting, and retention	2,617,500	2,164,572	4,782,072
Air guard contract	8,098,582	443,544	8,542,126
Army guard contract	57,717,944	(10,818,059)	46,899,885
Veterans' cemetery	881,284	91,388	972,672
Reintegration program	1,261,384	(213,635)	1,047,749
Camp Grafton expansion	0	600,000	600,000
Total all funds	\$81,611,332	(\$8,447,062)	\$73,164,270
Less estimated income	65,174,778	(10,426,348)	54,748,430
Total general fund	\$16,436,554	\$1,979,286	\$18,415,840"

Page 2, replace lines 5 through 15 with:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$12,551,119	(\$1,226,414)	\$11,324,705
Operating expenses	6,988,451	2,379,149	9,367,600
Capital assets	0	660,000	660,000
Grants	16,889,159	(615,734)	16,273,425
Disaster costs	51,445,841	(18,992,521)	32,453,320
Radio communications	0	785,000	785,000
Total all funds	\$87,874,570	(\$17,010,520)	\$70,864,050
Less estimated income	78,424,702	(16,757,646)	61,667,056
Total general fund	\$9,449,868	(\$252,874)	\$9,196,994"

Page 2, replace lines 18 through 23 with:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total general fund	\$25,886,422	\$1,726,412	\$27,612,834
Grand total special funds	143,599,480	(27,183,994)	116,415,486
Grand total all funds	\$169,485,902	(\$25,457,582)	\$144,028,320
Full-time equivalent positions	234.00	(10.00)	224.00"

Page 2, line 24, after "FUNDING" insert "- EFFECT ON BASE BUDGET - REPORT TO SIXTY-SEVENTH LEGISLATIVE ASSEMBLY"

Page 2, line 25, after "biennium" insert "and the 2019-21 biennium one-time funding items included in section 1 of this Act"

Page 2, remove lines 28 through 31

Page 3, replace lines 1 and 2 with:

"Emergency response equipment	569,000	660,000
Camp Grafton expansion	0	600,000
Uninterruptible power supply battery replacement	0	20,000
Computer-aided dispatch equipment	0	516,000
Message switch system upgrade	0	335,000
Dispatching service fee shortfall	0	1,212,253
Dakota access pipeline law enforcement	21,000,000	0
Mobile repeaters and programming radios	300,000	0
Total all funds	\$54,869,000	\$3,343,253
Total other funds	54,869,000	3,162,253
Total general fund	\$0	\$181,000

The 2019-21 biennium one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The adjutant general shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021."

Page 3, after line 8, insert:

"SECTION 4. ESTIMATED INCOME - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. The estimated income line item in subdivision 1 of section 1 of this Act includes \$600,000 of one-time funding from the strategic investment and improvements fund for the camp Grafton expansion. The estimated income line item in subdivision 2 of section 1 of this Act includes \$1,902,253 of one-time funding from the strategic investment and improvements fund for computer-aided dispatch equipment, message switch system upgrades, and 911 dispatching service operations due to a revenue shortfall.

SECTION 5. CAMP GRAFTON EXPANSION - LEGISLATIVE INTENT. It is the intent of the sixty-sixth legislative assembly that:

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

SECTION 6. AMENDMENT. Section 37-07.1-03 of the North Dakota Century Code is amended and reenacted as follows:

37-07.1-03. Tuition waiver - Terms.

A qualifying member of the national guard who enrolls in any state-controlled school, subject to rules adopted by the adjutant general, is entitled to receive a ~~twenty-five~~thirty-five percent waiver of the tuition from the state-controlled school, conditioned on the adjutant general having sufficient appropriations for tuition reimbursement under section 37-07.1-06.2. The tuition waiver is valid only so long as the member of the national guard maintains satisfactory performance with the guard, meets the qualification requirements of rules adopted by the adjutant general, and pursues a course of study in a manner that satisfies the normal requirements of the school.

SECTION 7. AMENDMENT. Section 37-07.2-01 of the North Dakota Century Code is amended and reenacted as follows:

37-07.2-01. National guard ~~tuition~~member grants and tuition waivers - Terms of grants.

~~Any~~

1. Subject to legislative appropriation and rules adopted by the adjutant general, a qualifying member of the national guard who enrolls in an accredited postsecondary institution in North Dakota which is not controlled by the state may, subject to the limitations of available appropriated funds and subject to national guard rules adopted by the adjutant general, receive a grant in an amount not to exceed the cost of tuition and fees for similar courses and credit hours for each a qualifying member of the national guard who is enrolled at a in the North Dakota university system ~~school~~institution with the highest tuition and fee rate.
2. Any accredited postsecondary institution that agrees to participate in such is not controlled by the state and which participates in the national guard member grant program must shall waive twenty-five percent of the tuition for that otherwise would be charged to each enrolled, qualifying member of the national guardsmenguard. These grants must be distributed according to rules promulgated by the adjutant general and are available only so
3. The adjutant general shall adopt rules for distributing grants under this section and establishing qualification requirements for grant recipients.
4. A member of the national guard may receive a grant under this section only as long as the member maintains satisfactory performance with the national guard, meets the qualification requirements of the rules adopted under this section, and pursues a course of study which satisfiessatisfying the normal requirements of the ~~school~~postsecondary institution in which the member is enrolled.
5. For purposes of calculating the grant amount under subsection 1, the "cost of tuition and fees for similar courses and credit hours for a qualifying member of the national guard who is enrolled in the North Dakota university system institution with the highest tuition and fee rate" may not be reduced by more than twenty-five percent pursuant to section 37-07.1-03."

Page 3, after line 15, insert:

"SECTION 9. EXEMPTION. Any amounts carried over in the radio communications line item for the state radio tower package, in section 7 of chapter 15 of the 2017 Session Laws is not subject to section 54-44.1-11 and any unexpended funds are available for completing these projects or for technology

upgrade costs required to implement the statewide interoperable radio network during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 10. EXEMPTION. The amount appropriated in the tuition, recruiting, and retention line item in subdivision 1 of section 1 of chapter 15 of the 2017 Session Laws is not subject to section 54-44.1-11, and any unexpended funds from this appropriation may be used to provide tuition assistance, recruiting, and retention incentives to eligible members of the North Dakota national guard during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 11. EXEMPTION. Any amounts carried over pursuant to section 11 of chapter 15 of the 2017 Session Laws which are unexpended as of June 30, 2019, are not subject to section 54-44.1-11 and are available for payment of adjusted compensation to veterans. Any unexpended funds from this appropriation must be transferred to the veterans' cemetery trust fund during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 12. EXEMPTION. The amount of \$300,000 from the strategic investment and improvements fund appropriated in the operating expenses line item in subdivision 2 of section 1 of chapter 15 of the 2017 Session Laws for mobile repeaters and programming radios is not subject to section 54-44.1-11 and any unexpended funds from this appropriation may be used to complete this project during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 13. EXEMPTION. Any amounts carried over in the disaster costs line item for grants to political subdivisions for amounts required to match federal dollars on road grade raising projects and federal emergency relief funding pursuant to section 13 of chapter 15 of the 2017 Session Laws which are unexpended as of June 30, 2019, are not subject to section 54-44.1-11. Any unexpended funds from this appropriation are available for these purposes during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 14. EXEMPTION. The amount of \$8,530,116 from the state disaster relief trust fund appropriated in the disaster costs line item in subdivision 2 of section 1 of chapter 15 of the 2017 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this appropriation may be used to provide the required state share for the purposes of reimbursing costs under section 37-17.1-27 during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 15. EMERGENCY. Sections 4 and 5 and the camp Grafton expansion and tuition, recruiting, and retention line items in subdivision 1 of section 1 of this Act are declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2016 - Summary of Senate Action

	Base Budget	Senate Changes	Senate Version
Adjutant General			
Total all funds	\$81,611,332	(\$8,447,062)	\$73,164,270
Less estimated income	65,174,778	(10,426,348)	54,748,430
General fund	\$16,436,554	\$1,979,286	\$18,415,840
FTE	155.00	(1.00)	154.00
Department of Emergency Services			
Total all funds	\$87,874,570	(\$17,010,520)	\$70,864,050
Less estimated income	78,424,702	(16,757,646)	61,667,056
General fund	\$9,449,868	(\$252,874)	\$9,196,994
FTE	79.00	(9.00)	70.00

Bill total			
Total all funds	\$169,485,902	(\$25,457,582)	\$144,028,320
Less estimated income	143,599,480	(27,183,994)	116,415,486
General fund	\$25,886,422	\$1,726,412	\$27,612,834
FTE	234.00	(10.00)	224.00

Senate Bill No. 2016 - Adjutant General - Senate Action

	Base Budget	Senate Changes	Senate Version
Salaries and wages	\$6,666,525	\$147,083	\$6,813,608
Operating expenses	3,525,934	(758,613)	2,767,321
Capital assets	224,046		224,046
Grants	318,553	(107,637)	210,916
Civil air patrol	299,580	4,295	303,875
Tuition, recruiting, and retention	2,617,500	2,164,572	4,782,072
Air guard contract	8,098,582	443,544	8,542,126
Army guard contract	57,717,944	(10,818,059)	46,899,885
Veterans' cemetery	881,284	91,388	972,672
Reintegration program	1,261,384	(213,635)	1,047,749
Camp Grafton expansion		600,000	600,000
Total all funds	\$81,611,332	(\$8,447,062)	\$73,164,270
Less estimated income	65,174,778	(10,426,348)	54,748,430
General fund	\$16,436,554	\$1,979,286	\$18,415,840
FTE	155.00	(1.00)	154.00

Department 540 - Adjutant General - Detail of Senate Changes

	Adjusts Funding for Base Payroll Changes ¹	Adds Funding for Salary and Benefit Increases ²	Adjusts FTE Positions ³	Adjusts Funding for National Guard Contracts ⁴	Increases Funding for Tuition Assistance ⁵	Reduces Funding for Grants and Operating Expenses ⁶
Salaries and wages	(\$18,506)	\$314,153	(\$148,564)			
Operating expenses						(\$758,613)
Capital assets						
Grants						(107,637)
Civil air patrol		7,927				(3,632)
Tuition, recruiting, and retention					\$2,164,572	
Air guard contract	(12,999)	281,543		\$175,000		
Army guard contract	592	660,005	221,344	(11,700,000)		
Veterans' cemetery	48,565	42,823				
Reintegration program	23,563	49,499	(286,697)			
Camp Grafton expansion						
Total all funds	\$41,215	\$1,355,950	(\$213,917)	(\$11,525,000)	\$2,164,572	(\$869,882)
Less estimated income	216,404	888,530	(131,282)	(12,000,000)	0	0
General fund	(\$175,189)	\$467,420	(\$82,635)	\$475,000	\$2,164,572	(\$869,882)
FTE	0.00	0.00	(1.00)	0.00	0.00	0.00

	Adds Funding for the Camp Grafton Expansion ⁷	Total Senate Changes
Salaries and wages		\$147,083
Operating expenses		(758,613)
Capital assets		
Grants		(107,637)
Civil air patrol		4,295
Tuition, recruiting, and retention		2,164,572
Air guard contract		443,544
Army guard contract		(10,818,059)
Veterans' cemetery		91,388
Reintegration program		(213,635)
Camp Grafton expansion	\$600,000	600,000
Total all funds	\$600,000	(\$8,447,062)
Less estimated income	600,000	(10,426,348)
General fund	\$0	\$1,979,286
FTE	0.00	(1.00)

¹ Funding is adjusted for base payroll changes.

² The following funding is added for 2019-21 biennium salary adjustments of 2 percent on July 1, 2019, and 3 percent on July 1, 2020, and increases in health insurance premiums from \$1,241 to \$1,427 per month:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Salary increase	\$248,659	\$444,672	\$693,331
Health insurance increase	<u>218,761</u>	<u>443,858</u>	<u>\$662,619</u>
Total	\$467,420	\$888,530	\$1,355,950

³ FTE positions and related funding are adjusted as follows:

	<u>FTE Positions</u>	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Adds Fargo Readiness Center positions	3.00	\$131,028	\$131,029	\$262,057
Removes carpenter	(1.00)	(148,564)	0	(148,564)
Removes veterans' benefits specialists	(2.00)	(286,697)	0	(286,697)
Removes security officer	(1.00)	0	(129,932)	(129,932)
Reclassifies security officer as project manager	0.00	221,598	(132,379)	89,219
Total	(1.00)	(\$82,635)	(\$131,282)	(\$213,917)

⁴ Funding for the Air Guard and Army Guard contracts is adjusted as follows:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Air Guard contract	\$175,000	\$0	\$175,000
Army Guard contract	<u>300,000</u>	<u>(12,000,000)</u>	<u>(11,700,000)</u>
Total	\$475,000	(\$12,000,000)	(\$11,525,000)

⁵ Funding of \$2,164,572 from the general fund is added to provide tuition assistance for National Guard members.

⁶ Funding for operating expenses including travel, utilities, repairs, and information technology expenses, is reduced by \$762,245 from the general fund. Funding for city-owned armory grants is reduced by \$107,637 from the general fund due to the closure of armories in Mayville, Bottineau, Carrington, Grafton, Mott, and Rugby during the 2017-19 biennium.

⁷ One-time funding of \$600,000 from the strategic investment and improvements fund is added for the Adjutant General to purchase options for the lease or purchase of up to 6,000 acres for the expansion of Camp Grafton.

Senate Bill No. 2016 - Department of Emergency Services - Senate Action

	<u>Base Budget</u>	<u>Senate Changes</u>	<u>Senate Version</u>
Salaries and wages	\$12,551,119	(\$1,226,414)	\$11,324,705
Operating expenses	6,988,451	2,379,149	9,367,600
Capital assets		660,000	660,000
Grants	16,889,159	(615,734)	16,273,425
Disaster costs	51,445,841	(18,992,521)	32,453,320
Radio communications		785,000	785,000
Total all funds	\$87,874,570	(\$17,010,520)	\$70,864,050
Less estimated income	<u>78,424,702</u>	<u>(16,757,646)</u>	<u>61,667,056</u>
General fund	\$9,449,868	(\$252,874)	\$9,196,994
FTE	79.00	(9.00)	70.00

Department 542 - Department of Emergency Services - Detail of Senate Changes

	Adjusts Funding for Base Payroll Changes ¹	Adds Funding for Salary and Benefit Increases ²	Removes FTE Positions ³	Adjusts Funding and FTE Positions for IT Unification ⁴	Adjusts Funding for Operating Expenses ⁵	Reduces Funding for Disaster Costs and Grants ⁶
Salaries and wages	(\$478,711)	\$560,263	(\$630,476)	(\$677,490)		
Operating expenses				716,040	\$364,856	
Capital assets						
Grants						(\$615,734)
Disaster costs	(340,934)	56,466				(18,708,053)
Radio communications						
Total all funds	(\$819,645)	\$616,729	(\$630,476)	\$38,550	\$364,856	(\$19,323,787)
Less estimated income	(819,646)	309,029	(48,591)	20,758	542,338	(19,323,787)
General fund	\$1	\$307,700	(\$581,885)	\$17,792	(\$177,482)	\$0
FTE	0.00	0.00	(5.00)	(4.00)	0.00	0.00

	Adds One-Time Funding for State Radio ⁷	Adds One-Time Funding for Equipment ⁸	Total Senate Changes
Salaries and wages			(\$1,226,414)
Operating expenses	\$1,298,253		2,379,149
Capital assets		\$660,000	660,000
Grants			(615,734)
Disaster costs			(18,992,521)
Radio communications	785,000		785,000
Total all funds	\$2,083,253	\$660,000	(\$17,010,520)
Less estimated income	1,902,253	660,000	(16,757,646)
General fund	\$181,000	\$0	(\$252,874)
FTE	0.00	0.00	(9.00)

¹ Funding is adjusted for base payroll changes.

² The following funding is added for 2019-21 biennium salary adjustments of 2 percent on July 1, 2019, and 3 percent on July 1, 2020, and increases in health insurance premiums from \$1,241 to \$1,427 per month:

	General Fund	Other Funds	Total
Salary increase	\$159,354	\$162,877	\$322,231
Health insurance increase	148,346	146,152	294,498
Total	\$307,700	\$309,029	\$616,729

³ FTE positions and related funding are adjusted as follows:

	FTE Positions	General Fund	Other Funds	Total
Removes communications specialists	(4.00)	(\$437,314)	(\$48,591)	(\$485,905)
Removes GIS specialist	(1.00)	(144,571)	0	(144,571)
Total	(5.00)	(\$581,885)	(\$48,591)	(\$630,476)

⁴ Funding and FTE positions are adjusted as follows for the information technology unification initiative:

	FTE Positions	General Fund	Other Funds	Total
Transfers FTE positions	(4.00)	(\$310,746)	(\$366,744)	(\$677,490)
Adds funding for operating expenses	0.00	328,538	387,502	716,040
Total	(4.00)	\$17,792	\$20,758	\$38,550

⁵ Funding for operating expenses, including miscellaneous supplies, repairs, professional services, and information technology expenses, is reduced by \$177,482 from the general fund and increased by \$542,338 from the radio communications fund.

⁶ Funding for disaster costs is reduced by \$18.7 million, including a reduction of \$5.4 million from the state disaster relief trust fund and a reduction of \$13.3 million from federal

funds. Funding from federal funds is also reduced by \$615,734 for Department of Emergency Services grants.

⁷ One-time funding is added for State Radio as follows:

	<u>General Fund</u>	<u>Strategic Investment and Improvements Fund</u>	<u>Total</u>
Uninterruptible power supply battery replacement	\$20,000	\$0	\$20,000
Computer-aided dispatch equipment replacement	66,000	450,000	516,000
Message switch system upgrade	95,000	240,000	335,000
Dispatching service revenue shortfall	0	1,212,253	1,212,253
Total	\$181,000	\$1,902,253	\$2,083,253

⁸ One-time funding of \$660,000 from federal funds is added for Department of Emergency Services equipment.

Senate Bill No. 2016 - Other Changes - Senate Action

This amendment also:

- Adds a section of legislative intent regarding the purchase of options for the future expansion of Camp Grafton.
- Amends North Dakota Century Code Section 37-07.1-03 to increase the National Guard tuition waiver from 25 to 35 percent.
- Amends Section 37-07.2-01 to provide the increased tuition waiver does not affect the National Guard tuition grant amounts paid to nonstate institutions of higher education.
- Adds 6 new sections to allow the following items to be continued and expended during the 2019-21 biennium:
 - Unexpended general or special funds authority carried over in the radio communications line item from the 2013-15 biennium relating to the State Radio tower package may be used for that purpose or for technology upgrade costs relating to the statewide interoperable radio network;
 - Unexpended general or special funds authority in the tuition, recruiting, and retention line item from the 2017-19 biennium relating to tuition assistance, recruiting, and retention incentives for eligible members of the National Guard;
 - Unexpended general or special funds authority carried over in the grants line item from the 2015-17 biennium relating to adjusted compensation for veterans;
 - Unexpended special funds authority from the strategic investment and improvements fund from the 2017-19 biennium relating to mobile repeaters and programming radios;
 - Unexpended general or special funds authority in the disaster costs line item from the 2011-13 biennium relating to grants to political subdivisions for amounts required to match federal dollars on road grade raising projects and federal emergency relief funding; and
 - Unexpended funds appropriated from the state disaster relief trust fund in the disaster costs line item from the 2017-19 biennium relating to the state share of disaster costs.
- Adds a section to declare the Camp Grafton expansion line item and provisions and the tuition, recruiting, and retention line item to be an emergency measure.

2019 HOUSE APPROPRIATIONS

SB 2016

2019 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee – Government Operations Division Medora Room, State Capitol

SB2016
3/1/2019
Recording Job# 33045

- ☐ Subcommittee
☐ Conference Committee

Committee Clerk: Sheri Lewis

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the office of the adjutant general; and to provide for a transfer.

Minutes:

Attachments A and B

Chairman Vigesaa: Opened the hearing on SB2016.

Roll call taken.

Major General Alan Dohrmann, Adjutant General, ND National Guard: See attachments A and B.

Vice Chairman Brandenburg: How are you coming in the Southwest?

Alan Dohrmann: The money for the next generation land mobile radio is in the ITD budget. As we move forward, we need to keep our eye on what is the long term solution for North Dakota.

Alan Dohrmann continued with his testimony.

Representative Beadle: Serving on the interim higher education committee, one of the conversations we've always had is in terms of on time graduation. With the tuition assistance, do you only pay for the minimum of what the credits are or do you offer any incentive to get that student through on time? Is your tuition assistance program capped at four years?

Alan Dohrmann: We're incentivizing them to complete their education, so it's not capped at four years. We have made changes to how guardsmen can access the program for graduate work. The purpose of the program is to get people to join the national guard and to continue their education.

Representative Beadle: Have you looked into knowing that you have those mitigating circumstances that would prevent them going through the program quickly? When they are in state are they able to take a full workload with ease or do their duties restrict that? Has

there been an analysis done if the incentive was expanded so you covered all the credits; in terms of what you could save the assistance long term?

Alan Dohrmann: I don't know if we have those numbers. My assumption is that between a drill check and the federal and state education benefits available to them, they should not need to work as much as a non-guard student.

Chairman Vigesaa: If you have a student doing the 13 credits; does the guard assistance cover the tuition fully for those 13 credits?

Alan Dohrmann: That's correct.

Chairman Vigesaa: So if they had 15 credits, they would get tuition assistance for 13 of those?

Alan Dohrmann: That is a definition of a full-time student. Yes.

Alan Dohrmann continued with his testimony.

Chairman Vigesaa: Was one reason that you ran short of money is that you had more students apply than you thought would?

Alan Dohrmann: We are making gains. The air guard has changed missions and it takes time to grow them.

Vice Chairman Brandenburg: There is another bill out there for an income tax break for \$3 million. It was said on the floor that the air bases could get pulled out of the state. Is that true?

Alan Dohrmann: It's true that how you support the military in the state will be an evaluation criteria for any future base realignment and closure commission. In the past it's always been a factor.

Alan Dohrmann continued with his testimony.

Vice Chairman Brandenburg: Could this bring us into compliance where we could have that training at Camp Grafton South?

Alan Dohrmann: No. There just isn't land available for what you would need for an impact area.

Alan Dohrmann continued with his testimony.

Chairman Vigesaa: If you went forward with the leasing option, if you have someone in the middle of your plot that doesn't want to lease the land to you, how do go that route?

Alan Dohrmann: It will be challenging. It would probably derail the project and we'd have to go to option B.

Alan Dohrmann continued with his testimony.

Chairman Vigesaa: There must be a minimum you need to keep the facility viable. Is that a possibility that half of what you desire is available?

Alan Dohrmann: At first the Senate put in a cap of buying 400 acres and the rest would have to be obtained through leases. Right now 95% of over 9,000 acres we own at Camp Grafton South is in production today.

Vice Chairman Brandenburg: What is the right amount to lock down land with earnest money?

Alan Dohrmann: I would like the commitment of the \$15 million that was in the governor's budget recommendation. They did put in language stating that if a solution is found that there is a commitment from the legislature to fund this.

Vice Chairman Brandenburg: If you have a game plan to get there it may work.

Alan Dohrmann: I think there are solutions out there.

Alan Dohrmann continued with his testimony.

Representative Beadle: Are there federal funds or any other funding sources available to help with state radio systems?

Alan Dohrmann: No. I think through homeland security we've been able to put some grant money toward equipment and maintenance; but there are no federal resources available for someone to sit behind a microphone.

Alan Dohrmann continued with his testimony.

Chairman Vigesaa: Recessed the hearing.

2019 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee – Government Operations Division Medora Room, State Capitol

SB2016
3/1/2019
Recording Job# 33058

- ☐ Subcommittee
☐ Conference Committee

Committee Clerk: Sheri Lewis

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the office of the adjutant general; and to provide for a transfer.

Minutes:

Attachments A through E

Chairman Vigesaa: Brought the hearing to order.

Major General Alan Dohrmann, Adjutant General, ND National Guard: Continued with his testimony see attachments A and B.

Chairman Vigesaa: It was the House's position to not do the unification.

Alan Dohrmann: I have some concerns with that.

Alan Dohrmann continued with his testimony.

Vice Chairman Brandenburg: You have enough money for about 60% of the funding; but you need to come up with the other 40%.

Alan Dohrmann: That's correct.

Chairman Vigesaa: You have not had that authority in the past?

Alan Dohrmann: No.

Alan Dohrmann continued with his testimony.

Chairman Vigesaa: Could you explain how our interaction with FEMA works?

Cody Schulz, Director of Homeland Security, ND Office of Adjutant General: Explained the FEMA process.

Chairman Vigesaa: How far back are we still working with disasters?

Cody Schulz: Currently 2011 is the oldest one open. We're about a year away from closing that particular disaster.

Chairman Vigesaa: When the FEMA funds come in, where do they go and where do they reside?

Cody Schulz: They reside in a federal account. Once the work is done, we pay the bills from the state and then we get federal reimbursement.

Chairman Vigesaa: How soon do they refund you?

Cody Schulz: Immediately.

Chairman Vigesaa: The unobligated balance in the fund is \$25 million?

Cody Schulz: That's correct.

Vice Chairman Brandenburg: What are you requesting from the fund?

Cody Schulz: Of the current appropriation, we had \$8.6 million appropriated and about \$4.6 of that remains to be spent; so we're asking for carry over on that number.

Vice Chairman Brandenburg: See attachment E.

Cody Schulz continued with his testimony.

Vice Chairman Brandenburg continued with attachment E.

Cody Schulz continued with his testimony.

Chairman Vigesaa: It looks like it would be section 13 in the engrossed bill?

Cody Schulz: It's section 14.

Chairman Vigesaa: In previous bienniums have we had that language in the bill? You've gone to the emergency commission or the budget section for anything you want to spend in that regard? That's how it's different?

Cody Schulz: That would be correct. The process as it exists today, we would not be accessing the disaster relief fund; but we would be getting permission to take out a loan from the Bank of North Dakota to administer that in the interim. At the end of the biennium, we'd get a deficiency appropriation through the disaster relief fund to repay the loan.

Chairman Vigesaa: Will you spend some more during the rest of this biennium?

Cody Schulz: Yes we will. Assuming the construction can get done this May or June, there may be some bills to reimburse.

Chairman Vigesaa: So about \$3 million is what we're looking at carrying over?

Cody Schulz: I would say less than \$4 million.

Alan Dohrmann continued with his testimony.

Chairman Vigesaa: Could you explain the reduction of the four FTE's?

Holly Gaugler, Budget Specialist, ND National Guard: Explained attachment D.

Chairman Vigesaa: Were those 9 FTE's open positions?

Holly Gaugler: The regional coordinator was a current filled position.

Chairman Vigesaa: The others were open?

Holly Gaugler: Yes.

Holly Gaugler continued with her explanation.

Alan Dohrmann continued with his testimony.

Attachment C was handed out but not discussed.

Chairman Vigesaa: Closed the hearing.

2019 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee – Government Operations Division Medora Room, State Capitol

SB2016
3/7/2019
Recording Job# 33414

- ☐ Subcommittee
☐ Conference Committee

Committee Clerk: Sheri Lewis

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the office of the adjutant general; and to provide for a transfer.

Minutes:

Chairman Vigesaa: Opened the discussion on SB2016.

Major General Alan Dohrmann, Adjutant General, ND National Guard: Discussed the green sheet.

Vice Chairman Brandenburg: Your budget recommendation was \$2 million and you have \$2.1 million with the increase. Isn't the total for tuition at \$4.6 million for the biennium?

Alan Dohrmann: It is. There's \$2.6 million in the base budget. This \$2 million that's in the governor's budget recommendation is one-time spending based on the increases that we've experienced and the changes in federal policy.

Alan Dohrmann continued with the green sheet.

Vice Chairman Brandenburg: That's probably the reason why?

Alan Dohrmann: When we had our shortfall last year we thought about approaching the universities to see if there was a way they could help us out.

Chairman Vigesaa: You said the increase from 25% to 35% is also in this number?

Alan Dohrmann: It's a separate line. The \$164,000.00 is what they added to the \$2 million that was in the governor's budget recommendation.

Chairman Vigesaa: Can you just touch on the three FTE's for the Fargo readiness center?

Alan Dohrmann: The appropriation for that was approved last biennium. At that time, we shared with the committee that once these facilities are built, we have to have the full-time

employees to manage the facilities. For that size facility it requires three full-time equivalent; and I believe it's 50%/50% state/federal to manage those facilities.

Chairman Vigesaa: What are those three positions?

Holly Gaugler, Budget Specialist, ND National Guard: We have a physical plant director, a maintenance supervisor and a custodial supervisor.

Chairman Vigesaa: Those nine positions that had been removed here; had those been vacant positions?

Alan Dohrmann: Four of those positions were communications specialists; those were vacant. The GIS specialist was vacant and the other four FTE's were the four FTE's that were part of IT unification.

Vice Chairman Brandenburg: Is that the best way to explain that?

Alan Dohrmann: There is the full time workforce that's in there every day.

Vice Chairman Brandenburg: If you have a GIS specialist in there, who is in charge of who? Do you have someone in the building that's in charge of all of the IT people?

Alan Dohrmann: The IT people mainly support state radio; but they're also there for homeland security and emergency management in times of crisis. Under the unification, we physically left them in the building. They are under direct support of emergency management.

Vice Chairman Brandenburg: Where did the nine FTE's go?

Alan Dohrman: Five of them are turned in and the four are transferred to ITD; but they increased our operations line because of the way they're funded will get built back for their salaries.

Chairman Vigesaa: You're finding that you can get by without those four communication specialists? You're finding ways to cover your bases without those four?

Mike Lynk, Director, ND State Radio: That is correct. We have found efficiencies in the department based on technology. I've struggled to find people that want to work long term as dispatchers.

Chairman Vigesaa: You ramped up those FTE's when the oil boom really hit out west.

Mike Lynk: Yes.

Vice Chairman Brandenburg: Are we getting closer to getting that worked out?

Mike Lynk: Yes. We've been doing a lot of out reach with our customers. Those counties in the southwest are very dedicated to state radio. We've cultivated some good relationships in the southwest.

Chairman Vigesaa: The increased funding for national guard contract lines of \$475,000.00. Could you comment on that?

Holly Gaugler: We had \$175,000.00 in our air guard contract line and \$300,000.00 in our army guard contract line. It's inflationary costs, utility costs, salary costs of the state match. Those lines require state match to federal funding. The formulas change depending on what the particular mission is. Most of the time it's a 25%/75% split. We weren't able to make the bare minimum match on utilities in the air guard.

Chairman Vigesaa: So it's basically a contract with air guard and army guard?

Holly Gaugler: Yes.

Vice Chairman Brandenburg: You're matching \$900,000.00?

Holly Gaugler: Yes. It's such a mix because we have a lot of facilities that are 100% federally funded.

Representative Bellew: On the green sheet it says reduce federal funding for the army guard contract of \$12 million.

Holly Gaugler: When we constructed our budget this summer, we looked at the federal revenue we had in the maintenance repair and construction lines; and the numbers were really inflated and so the federal funding was reduced.

Representative Bellew: On the same sheet it says you added \$475,000.000 in general funds to that line item.

Holly Gaugler: Yes. The \$12 million reduction was for pure federal construction contracts. We were not going to be doing that much pure federal construction.

Representative Bellew: Why do we need the \$475,000.00 in general funds?

Holly Gaugler: That mostly relates to ongoing maintenance and repairs that is static from biennium to biennium. Inflationary costs have increased requiring a greater expenditure of federal funds on maintenance and repair; therefore, the state match as well.

Representative Bellew: You said it was a 25%/75% match.

Holly Gaugler: Yes.

Representative Bellew: With the \$475,000.00 we'll get roughly \$1.4 million in federal?

Holly Gaugler: Yes.

Chairman Vigesaa: Was that part of the governor's request for a 90% budget?

Holly Gaugler: Yes, that was from our original cuts.

Alan Dohrmann continued with the green sheet.

Cody Schulz, Director, Homeland Security: Discussed the green sheet.

Chairman Vigesaa: Is this the way it's been done previously or did you have to go before the budget section to get approval to take money?

Cody Schulz: We had to do both. We received a total appropriation for this current biennium of \$8.5 million; however, before we can spend out of that appropriated money, we are required to go before the emergency commission and the budget section for authority to make that expenditure. SB2055 and SB2095 in this current session that may change that process for future bienniums.

Chairman Vigesaa: Would section 12 change it so you would not have to come before the budget section and emergency commission? It just gives you the authority to spend it whenever?

Cody Schulz: The legislature would first have to appropriate that money and then we would be required as SB2055 reads right now; to provide reports to the appropriations committees of both Houses or the budget section if not in session.

Chairman Vigesaa: So that would be the major change; that you wouldn't have to come to request it. We'd be giving you the authority to spend the \$3.9 million as you needed.

Cody Schulz: That's correct.

Cody Schulz continued with the green sheet.

Vice Chairman Brandenburg: There's another \$3 million coming in this biennium?

Holly Gaugler: That \$25.7 million that's unobligated already takes in to account that \$3 million. We're getting to where we're closing out all our disasters; the majority of them were programmed to be closed out at the end of this June. Because of the federal shutdown, we think it's going to be pushed into the next biennium. We're hoping for carry over so we can continue this process. Today's balance is around \$31 million.

Vice Chairman Brandenburg: You can take care of the obligations that you're anticipating; there will be roughly \$25.7 million in the disaster relief fund.

Holly Gaugler: When FEMA reviews and does the closeout, we're at their mercy.

Chairman Vigesaa: The disaster relief fund is capped at what figure?

Holly Gaugler: \$22 million.

Chairman Vigesaa: There are no additional funds flowing into that?

Holly Gauger: No.

Representative Bellew: If it's capped at \$22 million, why is there \$25 million now?

Alex Cronquist, Fiscal Analyst, ND Legislative Council: It's in the oil formula and if it has a balance of less than \$20 million, then it can get up to \$20 million deposited in the fund; but not an amount that would bring it above \$20 million.

Representative Bellew: I thought you said this was capped at \$22 million.

Alex Cronquist: There is no cap.

Vice Chairman Brandenburg: At one point it was at \$40 million; gradually it's been backed off over time.

Chairman Vigesaa: Is it the unobligated balance that determines whether or not money goes into it?

Alex Cronquist: That's correct. It only gets oil revenue if it's under \$20 million. There's no cap on the fund.

Chairman Vigesaa: It can have more in there if it's obligated; that's how it builds up over the \$20 million?

Alex Cronquist: There is no cap on the fund.

Chairman Vigesaa: There isn't anything being added to it.

Alex Cronquist: There hasn't been any oil revenue for the fund since the 2015-2017 biennium.

Representative Bellew: Your report stated that it gets \$758,000.00 this biennium; and it's projected to get \$140,000.00 next biennium.

Alex Cronquist: That's interest income and miscellaneous reimbursements; which would be from the locals and the federal government. There is no oil and gas tax money going into it.

Chairman Vigesaa: That \$31 million includes the \$3.9 million that's obligated but hasn't been spent yet?

Holly Gaugler: Yes.

Alan Dohrmann continued with the green sheet.

Representative Bellew: I heard that that land is by New Rockford or is it by Camp Grafton?

Alan Dohrmann: It's in Eddy county.

Vice Chairman Brandenburg: If someone wants to sell, do you have a mechanism to buy that land?

Alan Dohrmann: We do have some funds available and we do have the authority to purchase land; but we don't have anywhere near the money needed to purchase or lease the land.

Vice Chairman Brandenburg: Until we know something concrete it's hard to lay the money out there; but we want to have a mechanism in place.

Alan Dohrmann: I think the Senate did us a favor. With this \$600,000.00 it provides us a vehicle to lease if we think we have a solution.

Representative Bellew: Do you have any idea what it would cost two years from now?

Alan Dohrmann: I don't know. Land sales are difficult. With this leasing option we can lock everyone in; and it's capped at 1,600 acres that we can purchase.

Alan Dohrmann continued with the green sheet.

Representative Bellew: How does that differ from the SERN network?

Alan Dohrmann: SERN will just replace the network that the communication takes place over; but it won't change who our clients are.

Chairman Vigasaa: This is just to catch up? Is this new fee structure already in place?

Alan Dohrmann: It's already in place. Under law the director of state radio sets the fee in June of every year. We were charging \$.46 per line and our actual expenses were \$1.34 per line. Under the law there's a provision where you can adjust the rate based on economic factors. We went from \$.46 per line to \$.84 per line. If nothing changes, the rate will be \$1.34 in the 2021-2023 biennium.

Mike Lynk continued with the green sheet.

Cody Schulz continued with the green sheet.

Chairman Vigasaa: Recessed the discussion.

2019 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee – Government Operations Division Medora Room, State Capitol

SB2016
3/7/2016
Recording Job# 33418

- ☐ Subcommittee
☐ Conference Committee

Committee Clerk: Sheri Lewis

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the office of the adjutant general; and to provide for a transfer.

Minutes:

Attachment A

Chairman Vigesaa: Brought the discussion to order.

Major General Alan Dohrmann, Adjutant General, ND National Guard: Continued with the green sheet.

Vice Chairman Brandenburg: Do you have any carry over from last biennium that anticipate so you have carry over language in there for that?

Alan Dohrmann: We have both. We have an emergency clause on this bill and carry over authority on our current biennium.

Vice Chairman Brandenburg: Wasn't it about \$550,000.00 that you needed to take care of that program?

Alan Dohrmann: It's about \$560,000.00. We've done that a number of years and it's our number one recruiting tool.

Alan Dohrmann continued with the green sheet.

Vice Chairman Brandenburg: How many towers are you looking at?

Mike Lynk, Director, ND State Radio: See testimony attachment A.

Vice Chairman Brandenburg: You're looking at 3 towers for the next biennium. How many dollars do you have left of the \$3.7 million?

Holly Gaugler, Budget Specialist, ND National Guard: It's \$800,000.00.

Chairman Vigesaa: What does it cost to construct a tower?

Mike Lynk: In the ones that we have left; we did a test in Morton county. There's some infrastructure that we're able to save some cost in the tower structure. The one in the New Town area will be a full tower, the one in the Oakes area we are going to use a school building that has fiber in the school and have their permission to hang a small antenna on the top of the building, and then we are going to try to rent space on a tower or use some space in a tower owned by LaMoure county to fill that last gap. We hope to have these done this biennium; but we're asking for carry over in case we don't get it done.

Alan Dohrmann continued with the green sheet.

Vice Chairman Brandenburg: That's that \$3 million?

Holly Gaugler: It's \$3.9 million.

Alan Dohrmann continued with the green sheet.

Representative Bellew: Why do you need an emergency clause for both of those?

Alan Dohrmann: In case that money we received through the emergency commission wasn't enough.

Vice Chairman Brandenburg: Section 12 for those repeaters, what kind money are you looking at there?

Holly Gaugler: We were provided \$300,000.00 from SIIF funding and we have spent approximately \$193,000.00 to date.

Vice Chairman Brandenburg: So about \$107,000.00 is left.

Holly Gaugler: Yes.

Vice Chairman Brandenburg: In section 13 you said there's \$80,000.00 in that special fund?

Alan Dohrmann: That's right.

Chairman Vigesaa: Closed the discussion.

2019 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee – Government Operations Division Medora Room, State Capitol

SB 2016
3/18/2019
33831

- ☐ Subcommittee
☐ Conference Committee

Committee Clerk: Risa Bergquist

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the office of the adjutant general; to amend and reenact sections 37-07.1-03 and 37-07.2-01 of the North Dakota Century Code, relating to the national guard tuition waiver and national guard tuition grants; to provide for a transfer; to provide for a report; to provide a statement of legislative intent; to provide an exemption; and to declare an emergency.

Minutes:

Attachment 1,2

Chairman Vigessa: Called the meeting to order for SB 2016. This is probably our last chance to have a meeting with the Adjutant General and the department. We will work off the budget sheets to start. **(Attachment 1)**

4:15 The funding for the Readiness Center, there was 3 FTEs and you outlined those in your testimony. Those dollars between the general fund and the other fund, is that sufficient for 3 employees?

Holly Gaugler, Adjutant General's Office: The reason those numbers look so small is because the facilities won't be done until March of 2021. We are looking at 3 months of operations costs and 3 FTEs.

Chairman Vigessa: How about the increasing funding for the National Guard contracts? The 475 is the state match for that?

Mrs. Gaugler: We have about 300 buildings, facilities in our inventory, theirs is significant facilities that require 25% general fund match to the federal. 300 thousand in our Army Guard contract and 175 in the Air Guard contract, it is to keep funding our utilities. Army Guard contract line it's 300 thousand and that is significant maintenance repairs and then some utilities.

Rep. Brandenburg: I want to go over the 9 FTEs that were removed, don't you need those?

Mrs. Gaugler: Our requirement to reduce 5% in FTEs was 11 FTEs. When we chose those FTEs they were all vacant except for two. That was the regional coordinator for DES and also our resource councilor on the National Guard side and those two positions were both refunded.

Chairman Vigessa: So the 9 remaining were vacant. Then the tuition assistance; 2.164 million that's calculated as being actually what you would need?

General Alan Dohrmann: The initial plus up was 2 million but on the Senate side we have the discussion about the Universities following NDSU's leading and defining a full time student as 13 credits. That drove out cost up by 1 credit hour per student and that is the 165 thousand. Also Senator Hoven has drafted a bill that is in the Department of Defense right now to change that federal policy that put pressure on the state program. We are hopeful that the second year of the biennium we will get some relief on this. I think we need to go forward with what's in the budget but I am hoping next biennium we can be talking about a different base line.

Rep. Brandenburg: I think when it comes to recruiting and retention, keeping the numbers in the national guard and the air guard, this is the number one program that keeps them there.

General Dohrmann: Because of the current requirements on the national guard to be part of the war fight, there is an effort going on at the national level to move or structure around to where they can be filled. The shortages we have now would be like one engineer company. If we don't fill that we could lose that to another state. So we are at a positive projector right now but it is critically important that we get those numbers filled so we don't lose them.

Chairman Vigessa: What is that division that you could potentially lose?

General Dohrmann: There's no until identified but right now we're just under 200 short on the Army National Guard side and 150-180 bodies and that would be about the side of an engineer company. They take the bodies away from you but more importantly they will take that capability away from you. As we prepare for potential flooding having those engineers available when we need them is critically important and MP's are critically important.

Rep. Brandenburg: Whenever your force isn't full they will look for reductions, but there have been times that we were over strength too and we've picked up units.

13:20 General Dohrmann: We try to look at what Grand Forks and Minot have going on, most new missions are a mixture of active and national guard, so to keep Minot and Grand Forks competitive for future equipment and things we may need to show the ability to recruit guardsmen into those mission sets if they come our way.

Rep. Bellew: Your tuition assistance, is there a breakdown on how many kids get that? This is an increase compared to the last biennium isn't it?

General Dohrmann: It is an increase, there's about 440 soldiers in the program, and the increase is due to the extra credit per student. Right now NDSU is the most expensive followed by UND, some of the two year schools are quite a bit less.

Rep. Bellew: If you are on tuition assistance and they are called up for active duty, what happens then?

General Dohrmann: Usually the schools are willing to work with us. Sometimes if we see it could be coming we can let them know and they may choose to wait and not go back to school for that next semester.

Chairman Vigessa: Let's look at those reductions in special funds for the army guard contract and the disaster relief fund. Just go through what those large negatives are.

General Dohrmann: The army guard contract is authority, this year we talked about that we were thinking back to the good old days when there was a lot of money from the federal government to run some of these programs. The last few biennia we were overestimating the authority we would need to get through the biennium. That is why there is that reduction.

18:25 Cody Schulz, Director of homeland Security: The larger reduction you see in disaster relief fund is primarily because we are coming to the conclusion of projects and funding related to the 2011 flood. It's the biggest chunk of the money, we also have some smaller floods mixed in 2013 and 2017 and those projects are also going to an end.

Rep. Beadle: For the 2011 flood, how much time and energy from the department has been focused trying to deal with that and then how much did that cost us?

Mr. Schultz: I term of cost in staffing; we have a pretty small and sometimes a temporary staff. Right now we are at 2 FTEs and 1 temporary employee. We do bring that up, I think we had close to 100 staff for about 9 months. We usually have a slow start as they are inspecting the damages and writing the projects, that's most of the work on the front end. The middle for two years, road construction, school construction, most of that work is handled on a local level and then the backend is the administrative close out. 8 years is typical for a disaster that size and that was about a quarter of a billion dollars of federal money.

Rep. Brandenburg: Disaster relief fund, there will be about 25 million in that fund when it is all said and done, and then there is an issue in Dickey county for about 250 thousand, with the organic rocks and that law suit. Do I need to make a motion to get that money in place because we need to pay back the federal part of that?

Alex Cronquist, Legislative Council: The federal portion is 231 thousand.

Rep. Kempenich: Rep. Brandenburg, you want to change how we use the disaster relief fund?

Rep. Brandenburg: No there's 3.9 million in funds that are ongoing and I want to add this 250 thousand to that amount.

Chairman Kempenich: What is the mechanic? How do you get at the money?

Rep. Brandenburg: The suggestion was to put it in with the 3.9 million and have it carry over and part of the ongoing projects.

Mr. Schulz: It's not so much the dollar amount it's the authority to use that money, right now the specific language indicated for a cost share, technically speaking this wouldn't be a cost share.

Rep. Bellew: Did Dickey county get any money out of the Prairie Dog bill?

Rep. Brandenburg: They will but it won't be there for two more years, but they will get 2 million of ongoing funding.

Rep. Kempenich: How do we handle that money if it's over the cap? Does it go back to the general fund?

Rep. Brandenburg: The fund is there and it says it should be capped at 22 if it's full it doesn't go back to the general fund because you are probably looking at some disasters coming up.

Chairman Kempenich: I was just looking at how it gets filled, the way it reads right now is it'll take a presidential disaster.

Mr. Schulz: The money we are talking about was related to a presidential disaster declaration however the statutory language for the state disaster relief fund was cost share.

Chairman Vigessa: You still have projects to be completed, is that about that 3.9 million?

Mr. Schulz: That is correct, we about 3.9 in carryover plus requesting another 3 million in the next biennium. Our expectations are about 6.9 million between carryover and new money.

Rep. Bellew: How are you going to be able to use this money if Fargo is going to need a lot of it this spring? According to what the supreme court said the legislature can't do this anymore.

Mr. Schulz: If there is a presidentially declared disaster that occurs when the legislature is not in session we would go before the emergency commission for the authority to take out a loan for the Bank of North Dakota and then we ask for a deficiency appropriation at the next legislative session.

Chairman Kempenich: This is a statutory fund?

31:10 Chairmen Vigessa: Moving on, the onetime funding issues, we talked about Camp Grafton expansion we know what that is, 600 thousand for the potential of leasing some of the land for the expansion. Then there is 1.2 million from SIIF for a revenue short fall.

General Dohrmann: That falls under the law of how we administer the fee we charge counties that have us do their dispatch services. In the past we tried to asses a fee based on services provided to each county, the service we are providing is the excess to the 911 system. It was explained to us it should be based on the amount of land lines not the services provided and cell phones that are in the county. It's pretty simple math after that, divide the number of phones and cell phones, by what's our total expense to provide 911 services and that's the total for the county. The Reason for the deficiency is because of the moving to the new way of assessing the fee. It would have raised our fees in a single year for 46 cents a line to 1.30 dollars per line. There is also authority in there for the director of state radio to take into consideration the economic conditions.

Rep. Brandenburg: How do you get a hold of the cells lines in the smaller counties?

General Dohrmann: Unless we want to try to determine where the cell phones are being used we will have to use the billing address.

Rep. Bellew: This fee is assessed on those cells phones we have a 2 dollars' fee already; this isn't going to be added to the top of that.

General Dohrmann: No I think you are thinking of the legislative fees.

38:15 Mike Lynk, Director of State Radio: There is a 911 fee that gets voted on in the county. They are eligible 2 dollars there; the fee we are charging is back to the counties based on the 911 lines in our formula.

Chairman Vigessa: And then the onetime funding from SIIF for the IT upgrades, was that a specific project? It was 690 federal and 181 state.

Mrs. Gaugler: The 690 SIIF funding, includes 450 thousand for the computer aided dispatch, just an upgrade to our current system. The other 240 thousand is the upgrade to our current message switch. And you asked about 181 thousand in the general funds, that is to bring our message switch software up to what is legal and supported, and there is also 20 thousand to replace our UPS batteries, that is a four-year cycle. Finally, 66 thousand is to replace outdated computer aid PCs and monitors.

Chairman Vigessa: So the dispatch system and the message switch.

Rep. Brandenburg: Of the 660 thousand that was for generator pump, is that just one generator pump?

Mrs. Gaugler: I believe that was 3 generators.

Rep. Brandenburg: How many dollars are in the veteran's cemetery and how much did that increase?

Chairman Vigessa: That section is every biennium.

Alex Cronquist, LC: The veteran's cemetery fund was projected to have a balance of just over 200 thousand at the end of the current biennium.

General Dohrmann: We did take a reduction in the general fund, we made up the difference through a grant that the veterans cemetery foundation has pledged to make every biennium in the amount of 250 thousand for operating expenses. I do want to point out the bills that will affect our appropriations; there is a bill out there SB 2195, came out of the senate with the propose of paying the cost of burning an eligible dependent and spouses at the veteran's cemetery. Currently in our budget we budget for 550 dollars per burials for spouses and eligible dependents, the veterans' burials are paid for by the VA. In the house GVA I was told they passed it out but reduced it to 125 thousand, so right now if that bill was included in our budget we would be short 125 thousand as written. It requires the adjutant general to pay the burial expenses for the spouses and eligible dependents in the next biennium. If we ran short, we would still be required to pay for those expenses. Another concern is that it is onetime funding and I think that if you start this you wouldn't want to stop.

49:00 Rep. Brandenburg: It's going to take 250 thousand per biennium?

General Dohrmann: I think right now it would be about 220 thousand, part of that is that we are at 15 thousand prepaid burials, so that's another complicated factor in this. We can't really refund that money because it's onetime funding, if they were to pass in the next biennium and we could refund the money.

Rep. Brandenburg: The veteran's cemetery is for the veteran's if the wife or kids decided to be buried out there it's a 550 dollars' charge, is that the total cost?

General Dohrmann: There is the cost for the employees that are defrayed across all burials that are done out there, there is also a requirement for a new headstone every time someone is buried. So when those headstones are updated the old one need to be destroyed and buried, the new ones are about 300 dollars.

Rep. Brandenburg: So that bill is coming to appropriations?

Chairman Kempenich: How did you get to the 250 thousand?

General Dohrmann: The 550 dollars is that fixed cost for the headstone and maintenance, to some extent it was a market driven number.

Chairman Kempenich: How many plots do you expect over a biennium?

General Dohrmann: When a spouse dies the plot is reopened and they are being buried the same spot. We are in good shape at the north Dakota's Cemetery as far as the amount of land we have.

Rep. Brandenburg: I think we should allow the family members to be buried there but I don't think we should have to pay for it.

General Dohrmann: There is a movement amongst veteran's cemeteries to pay those costs.

58:30 Mrs. Gaugler: One last thing, we have determined that the 2 positions are currently working in state radio really should be working under BCI. We have worked with them to transfer those positions.

Chairman Vigessa: Yes, the Attorney General has that in their budget.

Mrs. Gaugler The funding would have to be transferred. **(Attachment 2)**

Rep. Brandenburg: So the 381,943 also talks about 37 thousand for state radio and 74 thousand for state radio from general funds, why is that?

Mrs. Gaugler: We were just trying to show how we fund them, that funding won't actually be transferred, only the special funds authority is being transferred.

Chairman Vigessa: And this is the amendment we would need to accomplish that?

Mrs. Gaugler: Correct

Chairman Vigessa: Any further question? Seeing none we will close this work session for SB 2016.

2019 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee – Government Operations Division Medora Room, State Capitol

SB2016
3/22/2019
Recording Job# 34167

- ☐ Subcommittee
☐ Conference Committee

Committee Clerk: Sheri Lewis

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the office of the adjutant general; and to provide for a transfer.

Minutes:

Attachment A

Chairman Vigesaa: Opened the discussion on SB2016.

Roll Call taken.

Vice Chairman Brandenburg: Discussed the green sheet.

Chairman Vigesaa: It says funding adjustment to reflect IT unification error and the executive recommendation has some figures in there but the Senate didn't move that over. Is there any clarification on that?

Alex Cronquist, Fiscal Analyst, ND Legislative Council: When they submitted their budget they had the wrong employee selected as one of the employees to be moved over. We did fix that on the Senate side by not making that same change.

Chairman Vigesaa: The fact that the Senate didn't move it over fixes the issue?

Alex Cronquist: Right.

Vice Chairman Brandenburg: See attachment A.

Chairman Vigesaa: Is there federal money that comes for that as well? The \$2.164 million in addition to what's already available?

Alex Cronquist: In their base budget there was about \$2.6 million of general funds; so this \$2.16 million will be in addition to that; so they'll be just short of \$4.8 million under the Senate recommendation. There is federal funding available but it's not included in this line item. With the changes that have been made at the federal level with the GI Bill; they're not allowed

to double dip. Most national guard members are seeking tuition assistance through this program and not the GI Bill as it was before.

Vice Chairman Brandenburg continued with his explanation.

Vice Chairman Brandenburg: Why did they have \$12 million more?

Alex Cronquist: It was \$12 million in authority that they had; but it wasn't money they were actually receiving.

Vice Chairman Brandenburg continued with the green sheet.

Vice Chairman Brandenburg: What is that \$615,000.00 for?

Alex Cronquist: I'm not sure.

Vice Chairman Brandenburg continued with his explanation.

Chairman Vigesaa: The \$1.2 million will be the difference between what they're going to charge and what the cost is. So the SIIF is going to subsidize it and next biennium they would be fully charging what it costs.

Vice Chairman Brandenburg continued with his explanation.

Representative Howe: The one-time funding for IT upgrades, why are we taking some from the general fund and some from SIIF?

Chairman Vigesaa: The \$450,000.00 was to upgrade the dispatch system and \$240,000.00 was to upgrade a message switch within the dispatch system.

Becky Deichert, Budget Analyst, ND Office of Management and Budget: The SIIF funding was for the CAD upgrade information.

Vice Chairman Brandenburg: This is in that communication room.

Becky Deichert: Yes.

Chairman Vigesaa: So the SIIF is really for the upgrade to the system and the general funds are basically maintenance and upgrades to normal equipment that they have.

Vice Chairman Brandenburg continued with his explanation.

Chairman Vigesaa: What does section 13 mean as far as actual dollars?

Alex Cronquist: That is about \$80,000.00 to \$85,000.00; that's being carried over. In 2011 or 2013 there was a disaster declared that secured funding from FEMA to raise roads up; they're still going through those projects and hope to have it done in the next year. They

weren't sure that they were going to be able to make all those payments before June 30 or after; that's why they wanted that carry over.

Chairman Vigesaa: You said that was about \$80,000.00?

Alex Cronquist: Yes, for section 13.

Chairman Vigesaa: What's entailed in section 14?

Alex Cronquist: About \$3.9 million. The reason that they're asking for so much carry over from this current biennium's appropriation is because of the federal government shut down in January set them back quite a bit as far as approving payments. They aren't sure whether these payments are going to be made before or after June 30th.

Chairman Vigesaa: So this actual dollar amount that's in there; the \$8 million, what totals that? Is that specific projects?

Alex Cronquist: The \$8,530,000.00 was the appropriation for all outstanding projects generally in the 2017-2019 biennium. Those disasters would include 2009 flooding, 2010 flooding, 2011 flooding, 2013 the Red River Valley flood, 2013 winter storms and 2014 rain storms.

Chairman Vigesaa: That's the projects that they can complete this next biennium?

Alex Cronquist: The \$8.5 million was their estimate during the 2017 session. They're still hoping that they can have those completed by June 30th; however, because of the federal government shutdown setting them back, they're worried that they won't be able to get all of those payments made.

Chairman Vigesaa: Where does the \$3.9 million come into the equation?

Alex Cronquist: The \$3.9 million is part of the \$8.5 million. Of the \$8.5 million, they estimate that \$3.9 million won't be spent by June 30th at this point.

Chairman Vigesaa: If the others are, what they really need is the \$3.9 million for the next biennium?

Alex Cronquist: The \$8.5 million was what they originally estimated they'd spend in the current biennium and they want carry over just in case they don't. In addition to that, there's \$3 million in this budget bill that's being appropriated for the next biennium to pay for unclosed disasters.

Vice Chairman Brandenburg continued with the green sheet.

Chairman Vigesaa: It wouldn't specifically mention the amount or the area that the funding is going to go to; it's just language that would permit?

Alex Cronquist: Correct.

Vice Chairman Brandenburg continued with the green sheet.

Vice Chairman Brandenburg: There's somewhere between \$200,000.00 and \$250,000.00 in that fund. Is that correct?

Alex Cronquist: It's estimated that at the end of the current biennium it will be \$208,000.00.

Vice Chairman Brandenburg continued with the green sheet.

Vice Chairman Brandenburg: Is that right it's \$125,000.00 in section 4?

Alex Cronquist: There's \$600,000.00 for Grafton for the purchase of land and then there's \$1.9 million for the department of emergency services and that includes \$4.2 million for their dispatching revenue service shortfall and \$690,000.00 for those IT item.

Vice Chairman Brandenburg: What's the total from SIIF?

Alex Cronquist: There's about \$2.5 million from SIIF in this bill.

Chairman Vigesaa: Section 4 will outline those specifically. Correct?

Alex Cronquist: Right now it says that there's \$600,000.00 for Grafton and \$1.9 million for the computer. It doesn't have specific amounts for each of those IT items but it identifies the IT items that the money is allowed to be used for.

Chairman Vigesaa: Do they have a continuing appropriation for the veteran's cemetery or is that turned back?

Alex Cronquist: That balance would stay in fund and section 3 gives them permission to spend monies from that fund if they have more than what's already included in their appropriation.

Chairman Vigesaa: In section 1 where there is an additional \$91,388.00 going in there, that's not necessarily in that fund. That's just a direct appropriation for those expenses?

Alex Cronquist: Correct. That's not necessarily going in to the fund; it's for the operations of the veteran's cemetery.

Chairman Vigesaa: The funds are basically those that are donations and contributions to the cemetery fund. Is that correct?

Alex Cronquist: There are fees that would also be included in there.

Vice Chairman Brandenburg: They charge \$550.00 for burial fees.

Chairman Vigesaa: Because we're giving them an additional \$91,000.00 do they anticipate a higher number of burials and additional maintenance in the next biennium?

Alex Cronquist: This is a section that's been included in their bill for a number of bienniums. This is part of their base budget and it's something that they've always had in case they get additional money beyond what's appropriated.

Chairman Vigesaa: In section 1 where we've given them an increase of \$91,000.00.

Alex Cronquist: That's just salary and benefit increases for the employees that are working out there.

Chairman Vigesaa: Can you check where they are at with their total appropriation from last year?

Alex Cronquist: I'm not sure where to look for that.

Becky Deichert: So far this biennium they have spent \$658,000.00 of their \$881,000.00 appropriation; so they have roughly 25% left.

Vice Chairman Brandenburg continued with the green sheet.

Vice Chairman Brandenburg: How many dollars are we looking at there with the increase from 25% to 35%?

Alex Cronquist: I'm not sure about the dollar amount; but it would affect the university and college system. It wouldn't affect any of the private colleges.

Vice Chairman Brandenburg continued with the green sheet.

Chairman Vigesaa: The waivers are not applicable to non-state institutions.

Alex Cronquist: The adjutant general negotiates with non-state education institutions to have them also waive 25% of tuition. This change is to make it clear that they don't have to waive 35%; they can remain at 25% for the private institutions.

Chairman Vigesaa: Does it have to be within our state? Could they have students attending Moorhead State University?

Alex Cronquist: It would be limited to institutions within the state.

Vice Chairman Brandenburg: Do you get a report of all of the state owned armories and how that breaks down?

Becky Deichert: What they give us is the dollar amount so we can go into the accounting and make that transfer so it's reflected in their appropriation line. We don't require them to tell us which armory; just a dollar amount.

Vice Chairman Brandenburg: How many dollars are we sending out to the state armories?

Becky Deichert: I don't know off hand.

Alex Cronquist: The grants line in the national guard is for the grants to the state owned armories. The base level for the current biennium is just under \$320,000.00. There was that reduction because of the closing of a few armories. The appropriation that came over from the Senate is \$211,000.00.

Chairman Vigesaa: When there's \$500,000.00 in section 8 and they're anticipating \$210,000.00. Is there a reason for the \$500,000.00 versus the \$200,000.00?

Alex Cronquist: Section 8 allows them to transfer from other line items to provide for maintenance and repairs in their state owned armories.

Chairman Vigesaa: I'm assuming that that section has been in their budget for forever?

Alex Cronquist: Yes.

Vice Chairman Brandenburg continued with the green sheet.

Vice Chairman Brandenburg: There's three different radios in the state that they're looking at?

Alex Cronquist: Correct. They're finishing putting up some towers.

Vice Chairman Brandenburg continued with the green sheet.

Chairman Vigesaa: That would be the tuition assistance that we've been visiting about?

Alex Cronquist: Correct.

Vice Chairman Brandenburg continued with the green sheet.

Vice Chairman Brandenburg: Is there any money in there?

Alex Cronquist: I'm not sure about the amount; but there's a request to carry over of the funds available.

Chairman Vigesaa: Is there an amount in their budget that's dedicated to the veteran's bonus?

Vice Chairman Brandenburg: I'm not sure.

Vice Chairman Brandenburg continued with the green sheet.

Vice Chairman Brandenburg: How much money is left in there? My notes have that there was \$300,000.00 put in there last session; and \$193,000.00 has been spent and there's \$107,000.00 left. Are they asking for any more?

Alex Cronquist: They would be asking to carry over that \$107,000.00 that hasn't been spent.

Vice Chairman Brandenburg continued with the green sheet.

Alex Cronquist: On that veteran's bonus program in the 2015-2017 biennium you appropriated \$500,000.00 of one-time funding for that program. It was included in the national guard grants line item. There isn't any ongoing appropriation for that program, they've just been carrying over that one-time appropriation to make payments each biennium.

Chairman Vigesaa: At the end of the next biennium, if there's anything left, it would go into the veteran's fund?

Alex Cronquist: That's been the language that's been used in the 2017 session as well. By giving them this carry over authority, it makes it so that transfer is not made to the veteran's cemetery.

Becky Deichert: The increase in the tuition waiver from 25% to 35% will cost them about \$380,000.00 over the biennium.

Chairman Vigesaa: Did we have an amount that's remaining?

Alex Cronquist: I don't have that.

Vice Chairman Brandenburg: Is that the cost for the adjutant general's budget or the higher ed budget?

Becky Deichert: That would be for higher ed.

Alex Cronquist: It's a reduced cost for the adjutant general.

Chairman Vigesaa: The adjutant general handed out this amendment.

Vice Chairman Brandenburg: These are the positions that are going from the adjutant general to the attorney general?

Alex Cronquist: That's correct. The adjutant general has been told by the FBI that the two positions should be located in a law enforcement agency. Right now there's about \$270,000.00 general fund, just under \$75,000.00 federal funds and the adjutant general has been using about \$37,000.00 from the state radio fund for special funds to pay for these positions. The attorney general has available special funds to pay this special fund portion; so we'd just be requesting the transfer of the two FTE's, the appropriation authority and the general funds.

Chairman Vigesaa: This amendment needs to be attached?

Alex Cronquist: I haven't gone through all of the numbers there.

Chairman Vigesaa: I think we had something in the attorney general's budget about it.

Alex Cronquist: You don't need any language, we'll just remove two FTE's and the money here and add two FTE's and the money over on the attorney general's.

Becky Deichert: Kathy did hand out a sheet with these two additional FTE's on there.

Chairman Vigesaa: Closed the discussion.

2019 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee – Government Operations Division Medora Room, State Capitol

SB2016
4/2/2019
Recording Job# 34425

- ☐ Subcommittee
☐ Conference Committee

Committee Clerk: Sheri Lewis

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the office of the adjutant general; and to provide for a transfer.

Minutes:

Attachment A

Chairman Vigesaa: Opened the discussion on SB2016.

Roll Call taken.

Vice Chairman Brandenburg: See attachment A.

Chairman Vigesaa: On the counties that don't have a number in the budget, they don't have a dedicated snow budget or they just take it out of their general operating?

Vice Chairman Brandenburg: They're not complete. The governor requested to get the information for emergency management; and they've had a meeting to understand how big the disaster is. There's going to be an updated list with the ones that aren't in there.

Representative Mock: Do we know is there funding in the budget to address any of the declared snow emergencies that have occurred across the state?

Vice Chairman Brandenburg: You have about \$25 million in the disaster relief fund.

Representative Mock: Would those funds be accessed if there was a declared snow emergency or would we need to appropriate those?

Vice Chairman Brandenburg: We would need to appropriate them.

Representative Mock: There were declared snow emergencies.

Vice Chairman Brandenburg: We have a statewide snow emergency; but it's not about the snow anymore.

Representative Mock: A snow emergency is not the current challenge that we're facing; but, the snow emergency was a fiscal cost to cities, counties and townships. If we were to look at disaster relief for the snow emergencies to offset some of those incurred expenses, would that help LaMoure county as they're trying to repair some of their roads?

Vice Chairman Brandenburg: The problem is with all the snow removal the budgets are gone.

Chairman Vigesaa: To access the disaster relief fund, currently the situation that's there doesn't allow access to that fund. Is that correct?

Vice Chairman Brandenburg: It would be borderline. It could be done, but you would need to have everyone on board.

Vice Chairman Brandenburg: The cemetery fund has about \$900,000.00 in it right now. I don't know if we have to put language in for first come first serve for the biennium.

Chairman Vigesaa: We want to make sure that we appropriate what they need for the next biennium for the disaster relief fund; not just an extension of the balance.

Vice Chairman Brandenburg: Some of that language is already in a separate bill.

Chairman Vigesaa: There will be a section in there appropriating an exact amount that's slated. There's some language for carry over authority that I think will be coming out.

Chairman Vigesaa: Closed the discussion.

2019 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee – Government Operations Division
Medora Room, State Capitol

SB2016
4/8/2019
Recording Job# 34588

☐ Subcommittee
☐ Conference Committee

Committee Clerk: Sheri Lewis

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the office of the adjutant general; and to provide for a transfer.

Minutes:

Chairman Vigesaa: Opened the discussion on SB2016.

Vice Chairman Brandenburg: Discussed the green sheet.

Alex Cronquist, Fiscal Analyst, ND Legislative Council: Discussed the green sheet.

Chairman Vigesaa: Is that going to be in one number?

Alex Cronquist: We'll put it all together in one.

Vice Chairman Brandenburg: Would that be added to section 14?

Alex Cronquist: Section 14 would be removed. The \$18.7 million will be reduced to \$14.6 million to reflect the increase in funding for disaster costs.

Vice Chairman Brandenburg continued discussing the green sheet.

Chairman Vigesaa: If we didn't make any adjustment and the conference committee would settle on a different number, that just gets incorporated into the budget without us having to do any action?

Alex Cronquist: That's right.

Vice Chairman Brandenburg: In section 4 is that going to be \$2.5 million or \$690,000.00 for upgrades?

Alex Cronquist: The unification doesn't affect that at all; that's funding for certain hardware and software.

Vice Chairman Brandenburg: It would be \$690,000.00?

Alex Cronquist: Correct. It won't change.

Vice Chairman Brandenburg: I have \$2.5 million in here; so is that the total?

Alex Cronquist: There's \$600,000.00 from SIIF for the Camp Grafton expansion to lease or purchase the land. There's \$1.9 million for computer aided dispatch equipment, message switch system upgrades and 911 dispatching service operations revenue shortfall. It was \$1.2 million for the shortfall.

Chairman Vigesaa: There will be a section that will specifically identify that \$4.1 million that will be spent out of the disaster relief fund?

Alex Cronquist: No, unless you want a separate section to identify it; it won't be separately identified.

Chairman Vigesaa: We were going to remove one section that gave them the continuing authority.

Alex Cronquist: Right. In section 1 it will be identified in the disaster cost line item.

Vice Chairman Brandenburg continued with the green sheet.

Chairman Vigesaa: That \$4.1 million will show up in section 1?

Alex Cronquist: In department of emergency services there's a line item called disaster costs; it will show up in there. In the Senate version that appropriation was \$32,453,320.00; so we'll be adding \$4.1 million to that.

Chairman Vigesaa: What is that appropriation for?

Alex Cronquist: Those are for disasters that have occurred in prior bienniums that are still open; and the vast majority of that is federal funding. In the \$32 million there was \$3.1 million from the disaster relief fund and the rest would be from federal funds.

Representative Kempenich: How much borrowed money do they still have?

Alex Cronquist: The \$32 million should be from the disaster relief fund and federal funds.

Representative Kempenich: Is that paying back money that they borrowed?

Alex Cronquist: I don't believe so. They take out loans for disasters as they occur during a biennium. The ones that occurred after the 2017 legislature met, those are being paid back through the deficiency appropriation bill; which is SB2024. There are loans outstanding relating to the DAPL protests and those are being carried over.

Vice Chairman Brandenburg: How much out of that is DAPL?

Alex Cronquist: None of that \$32.5 million is DAPL related. The majority is related to the 2011 floods.

Vice Chairman Brandenburg: They paid them but they're waiting for the federal dollars to come so that they can pay back that \$32 million?

Alex Cronquist: Part of that is from the disaster relief fund; there's about \$3.1 million. The remainder is federal funds.

Vice Chairman Brandenburg: We did take out of the fund about \$9 million to pay for DAPL costs.

Alex Cronquist: That was paid by Bank of North Dakota loans. Some of those loans have been repaid. There was \$10 million from the federal government and \$15 million from energy transfer partners.

Vice Chairman Brandenburg: How much is left for the loan at the Bank of North Dakota?

Alex Cronquist: I believe that's about \$13 million.

Chairman Vigesaa: Closed the discussion.

2019 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee – Government Operations Division Medora Room, State Capitol

SB2016
4/9/2019
Recording Job# 34639

- ☐ Subcommittee
☐ Conference Committee

Committee Clerk: Sheri Lewis

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the office of the adjutant general; and to provide for a transfer.

Minutes:

Attachment A

Chairman Vigesaa: Opened the discussion on SB2016.

Alex Cronquist, Fiscal Analyst, ND Legislative Council: Explained the changes that have so far been adopted.

Vice Chairman Brandenburg: Discussed the green sheet.

Vice Chairman Brandenburg: Is that tuition assistance all used up?

Alex Cronquist: Because they went to the emergency commission, they did have additional funding go into that line item.

Vice Chairman Brandenburg continued with the green sheet.

Chairman Vigesaa: Section 14 will come out right?

Alex Cronquist: Correct.

Vice Chairman Brandenburg: When you take care of all of the disasters that are committed there should be \$25,700,000.00 left?

Alex Cronquist: That's correct.

Vice Chairman Brandenburg: Made a motion to adopt the amendments.

Representative Beadle: Seconded the motion.

Alex Cronquist: Would you like to expand the emergency clause to include the \$200,000.00 for Dickey county?

Chairman Vigesaa: That was supposed to be included in one amount and not separated out.

Alex Cronquist: In the statement of purpose of amendment, where we have all of the numbers and the footnotes with the description, we have stated that \$200,000.00 is for a grant for a county that experienced a disaster.

Chairman Vigesaa: In the line item in the budget it will just be included in the line item?

Alex Cronquist: In the disaster cost line item.

Voice Vote made.

Motion Carried.

Vice Chairman Brandenburg: Made a motion for a “Do Pass as Amended”.

Representative Beadle: Seconded the motion.

Representative Kempenich: See attachment A.

Vice Chairman Brandenburg: We know we have problems some places with disasters and hopefully we can get something worked out.

Roll Call Vote: 6 Yeas 1 Nay 0 Absent

Motion Carried.

Chairman Vigesaa: Closed the discussion.

2019 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee Roughrider Room, State Capitol

SB 2016
4/10/2019
34650

- ☐ Subcommittee
☐ Conference Committee

Committee Clerk: Risa Bergquist

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the office of the adjutant general

Minutes:

--

Chairman Delzer: Called the meeting to order for SB 2016. This is the adjutant general's budget.

Representative Brandenburg: We'll be working off amendment 19.0229.02003, it's the adjutant general budget as well as the emergency management budget. Last session this budget was 169 million and this time we are coming in at 147 million for a 21-million-dollar reduction. Detail of the house changes and basically the only thing that was adjusted was the salaries for 31 thousand. The EMS budget we've got 4 things there, adjusted funding for salaries, IT unification, transfers of positions, two of them were moved to the attorney general's office. Last thing was the adjusted funding for emergency costs of 4.1 million.

3:30 First page tuition recruiting and retention went from 2.6 to 4.7 the federal money that was coming before is not anymore but it may still come later. and there was also an increase in the credits from 12 to 13.

Chairman Delzer: Did you put anything in the bill about making sure that money would come back as turn back if the money does come from the federal government?

Representative Brandenburg: I know there are some conversations about that on record because if the money comes from the feds they don't need it from the state.

Chairman Delzer: I think it would but I think we want to make sure.

Representative Brandenburg: That's their top recruiting tool and I don't think they would take any chances and do anything wrong with that program. Going down the page there is a reduction of 10 million dollars that was requested on their part. If there's federal money they don't need that high of a number.

Chairman Delzer: And if they need more money they can come back to us.

Representative Brandenburg: Looking at the EMS; 3.2-million-dollar operating expense increase for department of emergency services. There's 1.2 million of operations short fall. There's 450 thousand for computer upgrade. There was 169 thousand dealing with batteries and switches upgrades.

Veteran cemetery fund has 972 thousand dollars. Section 4 is for camp Grafton; we gave them 600 thousand to purchase some land. They are trying to get a firing range. Section 6 is tuition waivers going from 25-35 also talks about the grants. Section 8 is for the maintenance and repairs. Section 9 talks about the towers, there's 800 thousand in there for towers. There are three towers going in New Town, Lisbon and Lamoure county.

Chairman Delzer: How did those towers line up with the siren situation? We've been building towers for years how much do we have to rebuild and how much they just putting up.

Representative Brandenburg: These are the dead spots in the state.

Chairman Delzer: Section 10 are they expecting unexpended money?

Representative Brandenburg: That is actually the money that was taken out when we had the ROTC program. If there is anything left it will go into the tuition in the next biennium.

Chairman Delzer: That's how we grow some of this stuff, I don't know if we should be doing all these exemptions, we don't get to look at it in the future.

Representative Brandenburg: Section 11 is talking compensation for veterans dealing with if they are overseas and get a stiffen in their pay wage.

Chairman Delzer: Section 11 also says any unexpended funds goes to the Veteran's Cemetery Trust Fund? I think we are sitting at about 7 million dollars in that trust fund aren't we?

Representative Brandenburg: I know the cemetery trust fund has 972 thousand in it right now.

Chairman Delzer: That's the operating part.

Representative Vigessaa: It was 500 thousand put into this 2015, whatever has happened over the past 4 years.

Representative Beadle: The veteran cemetery fund 2017/2019 biennium started with 141 thousand they have 650 of revenue and transfers, 250 general governments, 400 intergovernmental grants and contracts. Expenditures of 583 for an ending balance of 208 thousand. Currently it's estimated to have another 750 transfer.

Representative Nathe: I think there is a trust fund and a maintenance fund, which one where you talking about? I know the sale of the veteran license plates, 5 dollars goes into the maintenance fund and 5 dollars goes into the trust fund.

Representative Brandenburg: Section 12 there is dealing with mobile repeaters and program radios. They started with 300 the spent 193 thousand and there's 107 thousand left in there at this time. Section 13 re removed about 80 thousand left for disaster cost and I think we need to have some discussion on section 14.

Chairman Delzer: You're not doing any carry over but you are appropriating whatever is left.

Representative Brandenburg: Section 15 talks about the emergency clause.

Chairman Delzer: Questions by the committee? Seeing none.

Representative Brandenburg: I would move the amendment 19.0229.02003

Representative Kempenich: Second

Chairman Delzer: Questions on the motion to amend? Seeing none. **Voice Vote, All in Favor, Motion Carries**

Representative Brandenburg: I would make a motion to further amend and **remove section 13.**

Representative Beadle: Second

Chairman Delzer: Any discussion on the motion to further amend? Seeing none. **Voice Vote, All in Favor, Motion Carries.**

Chairman Delzer: I have another amendment 19.0229.02004 this is because we had some areas that had a lot of snow, we couldn't figure out how to do it. Section 9 on the amendment would lower the trigger from 20 to 15 so it wouldn't change our fund at all. We have talked to senate leadership about this. This would give every nonoil counties 5 thousand dollars. This would be directly out of the disaster relief fund.

Representative Bellew: Does 5 thousand dollars do any good?

Chairman Delzer: Well with prairie dog there is 10 thousand coming in so this 5 thousand would be for the snow or road maintenance won't go far but it's a help.

Representative Boe: I will move amendment.

Representative Beadle: Second

Chairman Delzer: Any further discussion on the motion to further amend? Seeing none. **Voice Vote, All in Favor, Motion Carries.** Any further amendments? Seeing none.

Representative Brandenburg: I would move 2016 with a Do Pass as Amended.

Representative Monson: Second

**Chairman Delzer: Further discussion on the motion for a Do Pass as Amended?
Seeing none we will call the roll.**

A Roll Call vote was taken. Yea: 21 Nay: 0 Absent: 0

Motion Carries, Representative Brandenburg will carry the bill.

Chairman Delzer: With that we will close the meeting.

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2016

Page 1, remove lines 17 through 24

Page 2, replace lines 1 through 6 with:

"Salaries and wages	\$6,666,525	\$167,241	\$6,833,766
Operating expenses	3,525,934	(758,613)	2,767,321
Capital assets	224,046	0	224,046
Grants	318,553	(107,637)	210,916
Civil air patrol	299,580	5,554	305,134
Tuition, recruiting, and retention	2,617,500	2,164,572	4,782,072
Air guard contract	8,098,582	472,547	8,571,129
Army guard contract	57,717,944	(10,777,931)	46,940,013
Veterans' cemetery	881,284	95,622	976,906
Reintegration program	1,261,384	(210,216)	1,051,168
Camp Grafton expansion	0	600,000	600,000
Total all funds	\$81,611,332	(\$8,348,861)	\$73,262,471
Less estimated income	<u>65,174,778</u>	<u>(10,360,121)</u>	<u>54,814,657</u>
Total general fund	\$16,436,554	\$2,011,260	\$18,447,814"

Page 2, replace lines 11 through 19 with:

"Salaries and wages	\$12,551,119	(\$1,564,688)	\$10,986,431
Operating expenses	6,988,451	2,370,376	9,358,827
Capital assets	0	660,000	660,000
Grants	16,889,159	(615,734)	16,273,425
Disaster costs	51,445,841	(14,890,756)	36,555,085
Radio communications	0	785,000	785,000
Total all funds	\$87,874,570	(\$13,255,802)	\$74,618,768
Less estimated income	<u>78,424,702</u>	<u>(12,754,317)</u>	<u>65,670,385</u>
Total general fund	\$9,449,868	(\$501,485)	\$8,948,383"

Page 2, replace lines 24 through 27 with:

"Grand total general fund	\$25,886,422	\$1,509,775	\$27,396,197
Grand total special funds	<u>143,599,480</u>	<u>(23,114,438)</u>	<u>120,485,042</u>
Grand total all funds	\$169,485,902	(\$21,604,663)	\$147,881,239
Full-time equivalent positions	234.00	(12.00)	222.00"

Page 6, remove lines 29 through 31

Page 7, remove lines 1 through 3

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2016 - Summary of House Action

	Base Budget	Senate Version	House Changes	House Version
Adjutant General				

Total all funds	\$81,611,332	\$73,164,270	\$98,201	\$73,262,471
Less estimated income	65,174,778	54,748,430	66,227	54,814,657
General fund	\$16,436,554	\$18,415,840	\$31,974	\$18,447,814
FTE	155.00	154.00	0.00	154.00
Department of Emergency Services				
Total all funds	\$87,874,570	\$70,864,050	\$3,754,718	\$74,618,768
Less estimated income	78,424,702	61,667,056	4,003,329	65,670,385
General fund	\$9,449,868	\$9,196,994	(\$248,611)	\$8,948,383
FTE	79.00	70.00	(2.00)	68.00
Bill total				
Total all funds	\$169,485,902	\$144,028,320	\$3,852,919	\$147,881,239
Less estimated income	143,599,480	116,415,486	4,069,556	120,485,042
General fund	\$25,886,422	\$27,612,834	(\$216,637)	\$27,396,197
FTE	234.00	224.00	(2.00)	222.00

Senate Bill No. 2016 - Adjutant General - House Action

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$6,666,525	\$6,813,608	\$20,158	\$6,833,766
Operating expenses	3,525,934	2,767,321		2,767,321
Capital assets	224,046	224,046		224,046
Grants	318,553	210,916		210,916
Civil air patrol	299,580	303,875	1,259	305,134
Tuition, recruiting, and retention	2,617,500	4,782,072		4,782,072
Air guard contract	8,098,582	8,542,126	29,003	8,571,129
Army guard contract	57,717,944	46,899,885	40,128	46,940,013
Veterans' cemetery	881,284	972,672	4,234	976,906
Reintegration program	1,261,384	1,047,749	3,419	1,051,168
Camp Grafton expansion		600,000		600,000
Total all funds	\$81,611,332	\$73,164,270	\$98,201	\$73,262,471
Less estimated income	65,174,778	54,748,430	66,227	54,814,657
General fund	\$16,436,554	\$18,415,840	\$31,974	\$18,447,814
FTE	155.00	154.00	0.00	154.00

Department 540 - Adjutant General - Detail of House Changes

	Adds Funding for Salary Increases ¹	Total House Changes
Salaries and wages	\$20,158	\$20,158
Operating expenses		
Capital assets		
Grants		
Civil air patrol	1,259	1,259
Tuition, recruiting, and retention		
Air guard contract	29,003	29,003
Army guard contract	40,128	40,128
Veterans' cemetery	4,234	4,234
Reintegration program	3,419	3,419
Camp Grafton expansion		
Total all funds	\$98,201	\$98,201
Less estimated income	66,227	66,227
General fund	\$31,974	\$31,974
FTE	0.00	0.00

¹ Funding is adjusted to provide employee salary increases of 2 percent on July 1, 2019, with a minimum monthly increase of \$120 and a maximum monthly increase of \$200, and 2.5 percent on July 1, 2020. The Senate provided funding for a 2 percent salary increase on July 1, 2019, and a 3 percent salary increase on July 1, 2020.

Senate Bill No. 2016 - Department of Emergency Services - House Action

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$12,551,119	\$11,324,705	(\$338,274)	\$10,986,431
Operating expenses	6,988,451	9,367,600	(8,773)	9,358,827
Capital assets		660,000		660,000
Grants	16,889,159	16,273,425		16,273,425
Disaster costs	51,445,841	32,453,320	4,101,765	36,555,085
Radio communications		785,000		785,000
Total all funds	\$87,874,570	\$70,864,050	\$3,754,718	\$74,618,768
Less estimated income	78,424,702	61,667,056	4,003,329	65,670,385
General fund	\$9,449,868	\$9,196,994	(\$248,611)	\$8,948,383
FTE	79.00	70.00	(2.00)	68.00

Department 542 - Department of Emergency Services - Detail of House Changes

	Adjusts Funding for Salary and Benefit Increases ¹	Adjusts Funding for IT Unification ²	Transfers FTE Positions to the Attorney General ³	Adjusts Funding for Disaster Costs ⁴	Total House Changes
Salaries and wages	\$15,017		(\$353,291)		(\$338,274)
Operating expenses		\$615	(9,388)		(8,773)
Capital assets					
Grants					
Disaster costs	1,765			\$4,100,000	4,101,765
Radio communications					
Total all funds	\$16,782	\$615	(\$362,679)	\$4,100,000	\$3,754,718
Less estimated income	9,329	(13)	(105,987)	4,100,000	4,003,329
General fund	\$7,453	\$628	(\$256,692)	\$0	(\$248,611)
FTE	0.00	0.00	(2.00)	0.00	(2.00)

¹ Funding is adjusted to provide employee salary increases of 2 percent on July 1, 2019, with a minimum monthly increase of \$120 and a maximum monthly increase of \$200, and 2.5 percent on July 1, 2020. The Senate provided funding for a 2 percent salary increase on July 1, 2019, and a 3 percent salary increase on July 1, 2020. Funding for salary and benefit increases is also adjusted to reflect the transfer of 2 FTE positions to the Attorney General's office.

² Funding for operating expenses related to the IT unification initiative is adjusted.

³ Funding is reduced to reflect the transfer of 2 FTE positions from the Department of Emergency Services to the Attorney General's office.

⁴ Funding for disaster costs is increased by \$4,100,000 from the state disaster relief fund to provide a total of \$7,123,161 from the state disaster relief fund, including \$6,923,161 for unclosed state disasters. The remaining \$200,000 is for a grant to a county required to reimburse the Federal Emergency Management Agency for a grant to repair roads damaged by flood waters in 2011 for which the Federal Emergency Management Agency later deemed to be ineligible. Any requirement to repay the state share of the grant to repair roads damaged by floodwaters in 2011 is waived.

Senate Bill No. 2016 - Other Changes - House Action

This amendment also removes a section added by the Senate to provide an exemption to allow approximately \$3.9 million appropriated from the state disaster relief fund for unclosed state disasters to be continued into the 2019-21 biennium.

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2016

Page 1, line 2, after the semicolon insert "to provide an appropriation to the state treasurer;"

Page 1, line 2, after "37-07.2-01" insert "and subsection 6 of section 57-51.1-07.5"

Page 1, line 3, replace "and" with a comma

Page 1, line 4, after "grants" insert ", and the state share of oil and gas taxes deposited in the state disaster relief fund"

Page 1, line 5, after the second semicolon insert "to provide an effective date;"

Page 3, after line 23, insert:

"SECTION 4. APPROPRIATION - 2017-19 BIENNIUM - STATE DISASTER RELIEF FUND - STATE TREASURER - DISTRIBUTIONS TO NON-OIL-PRODUCING COUNTIES. Due to extraordinary snowfall in 2019 in the eastern part of the state and due to the excessive cost of road maintenance in the western part of the state, there is appropriated out of any moneys in the state disaster relief fund in the state treasury, not otherwise appropriated, the sum of \$8,100,000, or so much of the sum as may be necessary, to the state treasurer for the purpose of providing distributions to non-oil-producing counties for the benefit of the organized and unorganized townships within each non-oil-producing county, for the period beginning with the effective date of this Act, and ending June 30, 2019. In June 2019, the state treasurer shall distribute \$8,100,000, or so much of the sum as may be necessary, to non-oil-producing counties for the benefit of the organized and unorganized townships within each non-oil-producing county. The distribution to each non-oil-producing county must provide for an allocation of \$5,000 to each organized and unorganized township within the county. The amount allocated to organized townships under this section must be paid by the county treasurer to each organized township. The amount allocated to unorganized townships under this section must be credited by the county treasurer to a special fund for unorganized township roads. The distributions under this section must be used for the maintenance and improvement of township paved and unpaved roads and bridges. A township is not eligible for an allocation of funds under this section if the township does not maintain any township roads. For the purposes of this section, a "non-oil-producing county" means a county that has received no allocation of funding or a total allocation of funding under subsection 2 of section 57-51-15 of less than \$5,000,000 for the period beginning September 1, 2017, and ending August 31, 2018."

Page 5, after line 23, insert:

"SECTION 9. AMENDMENT. Subsection 6 of section 57-51.1-07.5 of the North Dakota Century Code is amended and reenacted as follows:

6. The next twentyfifteen million dollars into the state disaster relief fund, but not in an amount that would bring the unobligated balance in the fund to more than twentyfifteen million dollars; and"

Page 7, after line 3, insert:

"SECTION 17. EFFECTIVE DATE. Section 9 of this Act is effective for taxable events occurring after June 30, 2019."

Page 7, line 4, replace "and 5" with ", 5, and 6"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment provides a 2017-19 biennium appropriation of \$8.1 million from the state disaster relief fund to the State Treasurer to provide grants to townships in non-oil-producing counties for the maintenance and improvement of township roads and bridges. The amendment also reduces the allocation of the state's share of oil and gas tax revenue to the state disaster relief fund.

DP 4/10/19
1 of 8

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2016

Page 1, line 2, after the semicolon insert "to provide an appropriation to the state treasurer;"

Page 1, line 2, after "37-07.2-01" insert "and subsection 6 of section 57-51.1-07.5"

Page 1, line 3, replace "and" with a comma

Page 1, line 4, after "grants" insert ", and the state share of oil and gas taxes deposited in the state disaster relief fund"

Page 1, line 5, after the second semicolon insert "to provide an effective date;"

Page 1, remove lines 17 through 24

Page 2, replace lines 1 through 6 with:

"Salaries and wages	\$6,666,525	\$167,241	\$6,833,766
Operating expenses	3,525,934	(758,613)	2,767,321
Capital assets	224,046	0	224,046
Grants	318,553	(107,637)	210,916
Civil air patrol	299,580	5,554	305,134
Tuition, recruiting, and retention	2,617,500	2,164,572	4,782,072
Air guard contract	8,098,582	472,547	8,571,129
Army guard contract	57,717,944	(10,777,931)	46,940,013
Veterans' cemetery	881,284	95,622	976,906
Reintegration program	1,261,384	(210,216)	1,051,168
Camp Grafton expansion	0	600,000	600,000
Total all funds	\$81,611,332	(\$8,348,861)	\$73,262,471
Less estimated income	65,174,778	(10,360,121)	54,814,657
Total general fund	\$16,436,554	\$2,011,260	\$18,447,814"

Page 2, replace lines 11 through 19 with:

"Salaries and wages	\$12,551,119	(\$1,564,688)	\$10,986,431
Operating expenses	6,988,451	2,370,376	9,358,827
Capital assets	0	660,000	660,000
Grants	16,889,159	(615,734)	16,273,425
Disaster costs	51,445,841	(14,890,756)	36,555,085
Radio communications	0	785,000	785,000
Total all funds	\$87,874,570	(\$13,255,802)	\$74,618,768
Less estimated income	78,424,702	(12,754,317)	65,670,385
Total general fund	\$9,449,868	(\$501,485)	\$8,948,383"

Page 2, replace lines 24 through 27 with:

"Grand total general fund	\$25,886,422	\$1,509,775	\$27,396,197
Grand total special funds	143,599,480	(23,114,438)	120,485,042
Grand total all funds	\$169,485,902	(\$21,604,663)	\$147,881,239
Full-time equivalent positions	234.00	(12.00)	222.00"

Page 3, after line 23, insert:

DE 4/10/17
2019

"SECTION 4. APPROPRIATION - 2017-19 BIENNIUM - STATE DISASTER RELIEF FUND - STATE TREASURER - DISTRIBUTIONS TO NON-OIL-PRODUCING COUNTIES. Due to extraordinary snowfall in 2019 in the eastern part of the state and due to the excessive cost of road maintenance in the western part of the state, there is appropriated out of any moneys in the state disaster relief fund in the state treasury, not otherwise appropriated, the sum of \$8,100,000, or so much of the sum as may be necessary, to the state treasurer for the purpose of providing distributions to non-oil-producing counties for the benefit of the organized and unorganized townships within each non-oil-producing county, for the period beginning with the effective date of this Act, and ending June 30, 2019. In June 2019, the state treasurer shall distribute \$8,100,000, or so much of the sum as may be necessary, to non-oil-producing counties for the benefit of the organized and unorganized townships within each non-oil-producing county. The distribution to each non-oil-producing county must provide for an allocation of \$5,000 to each organized and unorganized township within the county. The amount allocated to organized townships under this section must be paid by the county treasurer to each organized township. The amount allocated to unorganized townships under this section must be credited by the county treasurer to a special fund for unorganized township roads. The distributions under this section must be used for the maintenance and improvement of township paved and unpaved roads and bridges. A township is not eligible for an allocation of funds under this section if the township does not maintain any township roads. For the purposes of this section, a "non-oil-producing county" means a county that has received no allocation of funding or a total allocation of funding under subsection 2 of section 57-51-15 of less than \$5,000,000 for the period beginning September 1, 2017, and ending August 31, 2018."

Page 5, after line 23, insert:

"SECTION 9. AMENDMENT. Subsection 6 of section 57-51.1-07.5 of the North Dakota Century Code is amended and reenacted as follows:

6. The next twentyfive million dollars into the state disaster relief fund, but not in an amount that would bring the unobligated balance in the fund to more than twentyfive million dollars; and"

Page 6, remove lines 23 through 31

Page 7, replace lines 1 through 3 with:

"SECTION 15. EFFECTIVE DATE. Section 9 of this Act is effective for taxable events occurring after June 30, 2019."

Page 7, line 4, replace "and 5" with ", 5, and 6"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2016 - Summary of House Action

	Base Budget	Senate Version	House Changes	House Version
Adjutant General				
Total all funds	\$81,611,332	\$73,164,270	\$98,201	\$73,262,471
Less estimated income	65,174,778	54,748,430	66,227	54,814,657
General fund	\$16,436,554	\$18,415,840	\$31,974	\$18,447,814
FTE	155.00	154.00	0.00	154.00

DP 4/10/19
3084

Department of Emergency Services				
Total all funds	\$87,874,570	\$70,864,050	\$3,754,718	\$74,618,768
Less estimated income	78,424,702	61,667,056	4,003,329	65,670,385
General fund	\$9,449,868	\$9,196,994	(\$248,611)	\$8,948,383
FTE	79.00	70.00	(2.00)	68.00
Bill total				
Total all funds	\$169,485,902	\$144,028,320	\$3,852,919	\$147,881,239
Less estimated income	143,599,480	116,415,486	4,069,556	120,485,042
General fund	\$25,886,422	\$27,612,834	(\$216,637)	\$27,396,197
FTE	234.00	224.00	(2.00)	222.00

Senate Bill No. 2016 - Adjutant General - House Action

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$6,666,525	\$6,813,608	\$20,158	\$6,833,766
Operating expenses	3,525,934	2,767,321		2,767,321
Capital assets	224,046	224,046		224,046
Grants	318,553	210,916		210,916
Civil air patrol	299,580	303,875	1,259	305,134
Tuition, recruiting, and retention	2,617,500	4,782,072		4,782,072
Air guard contract	8,098,582	8,542,126	29,003	8,571,129
Army guard contract	57,717,944	46,899,885	40,128	46,940,013
Veterans' cemetery	881,284	972,672	4,234	976,906
Reintegration program	1,261,384	1,047,749	3,419	1,051,168
Camp Grafton expansion		600,000		600,000
Total all funds	\$81,611,332	\$73,164,270	\$98,201	\$73,262,471
Less estimated income	65,174,778	54,748,430	66,227	54,814,657
General fund	\$16,436,554	\$18,415,840	\$31,974	\$18,447,814
FTE	155.00	154.00	0.00	154.00

Department 540 - Adjutant General - Detail of House Changes

	Adds Funding for Salary Increases ¹	Total House Changes
Salaries and wages	\$20,158	\$20,158
Operating expenses		
Capital assets		
Grants		
Civil air patrol	1,259	1,259
Tuition, recruiting, and retention		
Air guard contract	29,003	29,003
Army guard contract	40,128	40,128
Veterans' cemetery	4,234	4,234
Reintegration program	3,419	3,419
Camp Grafton expansion		
Total all funds	\$98,201	\$98,201
Less estimated income	66,227	66,227
General fund	\$31,974	\$31,974
FTE	0.00	0.00

¹ Funding is adjusted to provide employee salary increases of 2 percent on July 1, 2019, with a minimum monthly increase of \$120 and a maximum monthly increase of \$200, and 2.5 percent on July 1, 2020. The Senate provided funding for a 2 percent salary increase on July 1, 2019, and a 3 percent salary increase on July 1, 2020.

DE 4/10/19
9 of 9

Senate Bill No. 2016 - Department of Emergency Services - House Action

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$12,551,119	\$11,324,705	(\$338,274)	\$10,986,431
Operating expenses	6,988,451	9,367,600	(8,773)	9,358,827
Capital assets		660,000		660,000
Grants	16,889,159	16,273,425		16,273,425
Disaster costs	51,445,841	32,453,320	4,101,765	36,555,085
Radio communications		785,000		785,000
Total all funds	\$87,874,570	\$70,864,050	\$3,754,718	\$74,618,768
Less estimated income	78,424,702	61,667,056	4,003,329	65,670,385
General fund	\$9,449,868	\$9,196,994	(\$248,611)	\$8,948,383
FTE	79.00	70.00	(2.00)	68.00

Department 542 - Department of Emergency Services - Detail of House Changes

	Adjusts Funding for Salary and Benefit Increases ¹	Adjusts Funding for IT Unification ²	Transfers FTE Positions to the Attorney General ³	Adjusts Funding for Disaster Costs ⁴	Total House Changes
Salaries and wages	\$15,017		(\$353,291)		(\$338,274)
Operating expenses		\$615	(9,388)		(8,773)
Capital assets					
Grants					
Disaster costs	1,765			\$4,100,000	4,101,765
Radio communications					
Total all funds	\$16,782	\$615	(\$362,679)	\$4,100,000	\$3,754,718
Less estimated income	9,329	(13)	(105,987)	4,100,000	4,003,329
General fund	\$7,453	\$628	(\$256,692)	\$0	(\$248,611)
FTE	0.00	0.00	(2.00)	0.00	(2.00)

¹ Funding is adjusted to provide employee salary increases of 2 percent on July 1, 2019, with a minimum monthly increase of \$120 and a maximum monthly increase of \$200, and 2.5 percent on July 1, 2020. The Senate provided funding for a 2 percent salary increase on July 1, 2019, and a 3 percent salary increase on July 1, 2020. Funding for salary and benefit increases is also adjusted to reflect the transfer of 2 FTE positions to the Attorney General's office.

² Funding for operating expenses related to the IT unification initiative is adjusted.

³ Funding is reduced to reflect the transfer of 2 FTE positions from the Department of Emergency Services to the Attorney General's office.

⁴ Funding for disaster costs is increased by \$4,100,000 from the state disaster relief fund to provide a total of \$7,123,161 from the state disaster relief fund, including \$6,923,161 for unclosed state disasters. The remaining \$200,000 is for a grant to a county required to reimburse the Federal Emergency Management Agency for a grant to repair roads damaged by floodwaters in 2011 for which the Federal Emergency Management Agency later deemed to be ineligible. Any requirement to repay the state share of the grant to repair roads damaged by floodwaters in 2011 is waived.

Senate Bill No. 2016 - Other Changes - House Action

This amendment also:

- Adds a section to provide a 2017-19 biennium appropriation of \$8.1 million to the State Treasurer to provide distributions to townships in non-oil-producing counties for road and bridge maintenance and improvements.
- Adds a section to reduce the state share of oil and gas taxes deposited in the state disaster relief fund from \$20 million to \$15 million.
- Removes a section added by the Senate to provide an exemption to allow approximately \$80,000 appropriated from the state disaster relief fund for road grade raising projects to be continued into the 2019-21 biennium.
- Removes a section added by the Senate to provide an exemption to allow approximately \$3.9 million appropriated from the state disaster relief fund for unclosed state disasters to be continued into the 2019-21 biennium. The House appropriated the additional funding for the 2019-21 biennium.

**2019 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. SB2016**

House Appropriations - Government Operations Division Committee

☐ Subcommittee

Amendment LC# or Description: _____

Recommendation: ☒ Adopt Amendment
☐ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar
Other Actions: ☐ Reconsider ☐ _____

Motion Made By Vice Chairman Brandenburg Seconded By Representative Beadle

Representatives	Yes	No	Representatives	Yes	No
Chairman Vigesaa			Representative Mock		
Vice Chairman Brandenburg					
Representative Beadle					
Representative Bellew					
Representative Howe					
Representative Kempenich					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:
Motion to adopt the changes.
Motion Carried.

**2019 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. SB2016**

House Appropriations - Government Operations Division Committee

☐ Subcommittee

Amendment LC# or Description: _____

Recommendation: ☐ Adopt Amendment
☒ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☒ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar
Other Actions: ☐ Reconsider ☐ _____

Motion Made By Vice Chairman Brandenburg Seconded By Representative Beadle

Representatives	Yes	No	Representatives	Yes	No
Chairman Vigesaa	X		Representative Mock	X	
Vice Chairman Brandenburg	X				
Representative Beadle	X				
Representative Bellew		X			
Representative Howe	X				
Representative Kempenich	X				

Total (Yes) 6 No 1

Absent 0

Floor Assignment Vice Chairman Brandenburg

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

Date: 4/10/2019
Roll Call Vote #: 1

**2019 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2016**

House Appropriations Committee

☐ Subcommittee

Amendment LC# or Description: 19.0229.2003

Recommendation: ☒ Adopt Amendment
☐ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar

Other Actions: ☐ Reconsider ☐ _____

Motion Made By Representative Brandenburg Seconded By Representative Kempenich

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer					
Representative Kempenich					
Representative Anderson			Representative Schobinger		
Representative Beadle			Representative Vigesaa		
Representative Bellew					
Representative Brandenburg					
Representative Howe			Representative Boe		
Representative Kreidt			Representative Holman		
Representative Martinson			Representative Mock		
Representative Meier					
Representative Monson					
Representative Nathe					
Representative J. Nelson					
Representative Sanford					
Representative Schatz					
Representative Schmidt					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

Voice Vote/Motion Carries

Date: 4/10/2019
Roll Call Vote #: 2

**2019 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2016**

House Appropriations Committee

☐ Subcommittee

Amendment LC# or Description: **Removes section 13**

Recommendation: ☒ Adopt Amendment
☐ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar
Other Actions: ☐ Reconsider ☐ _____

Motion Made By **Representative Brandenburg** Seconded By **Representative Beadle**

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer					
Representative Kempenich					
Representative Anderson			Representative Schobinger		
Representative Beadle			Representative Vigesaa		
Representative Bellew					
Representative Brandenburg					
Representative Howe			Representative Boe		
Representative Kreidt			Representative Holman		
Representative Martinson			Representative Mock		
Representative Meier					
Representative Monson					
Representative Nathe					
Representative J. Nelson					
Representative Sanford					
Representative Schatz					
Representative Schmidt					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

Voice Vote/Motion Carries

Date: 4/10/2019
Roll Call Vote #: 3

**2019 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2016**

House Appropriations Committee

☐ Subcommittee

Amendment LC# or Description: 19.0229.02004

Recommendation: ☒ Adopt Amendment
☐ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar

Other Actions: ☐ Reconsider ☐ _____

Motion Made By Representative Boe Seconded By Representative Beadle

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer					
Representative Kempenich					
Representative Anderson			Representative Schobinger		
Representative Beadle			Representative Vigesaa		
Representative Bellew					
Representative Brandenburg					
Representative Howe			Representative Boe		
Representative Kreidt			Representative Holman		
Representative Martinson			Representative Mock		
Representative Meier					
Representative Monson					
Representative Nathe					
Representative J. Nelson					
Representative Sanford					
Representative Schatz					
Representative Schmidt					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

Voice Vote/Motion Carries

Date: 4/10/2019
Roll Call Vote #: 4

**2019 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2016**

House Appropriations Committee

☐ Subcommittee

Amendment LC# or Description: _____

Recommendation: ☐ Adopt Amendment
☒ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☒ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar
Other Actions: ☐ Reconsider ☐ _____

Motion Made By Representative Brandenburg Seconded By Representative Monson

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer	X				
Representative Kempenich	X				
Representative Anderson	X		Representative Schobinger	X	
Representative Beadle	X		Representative Vigesaa	X	
Representative Bellew	X				
Representative Brandenburg	X				
Representative Howe	X		Representative Boe	X	
Representative Kreidt	X		Representative Holman	X	
Representative Martinson	X		Representative Mock	X	
Representative Meier	X				
Representative Monson	X				
Representative Nathe	X				
Representative J. Nelson	X				
Representative Sanford	X				
Representative Schatz	X				
Representative Schmidt	X				

Total (Yes) 21 No 0

Absent 0

Floor Assignment Representative Brandenburg

Motion Carries

REPORT OF STANDING COMMITTEE

SB 2016, as engrossed: Appropriations Committee (Rep. Delzer, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (21 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed SB 2016 was placed on the Sixth order on the calendar.

Page 1, line 2, after the semicolon insert "to provide an appropriation to the state treasurer;"

Page 1, line 2, after "37-07.2-01" insert "and subsection 6 of section 57-51.1-07.5"

Page 1, line 3, replace "and" with a comma

Page 1, line 4, after "grants" insert ", and the state share of oil and gas taxes deposited in the state disaster relief fund"

Page 1, line 5, after the second semicolon insert "to provide an effective date;"

Page 1, remove lines 17 through 24

Page 2, replace lines 1 through 6 with:

"Salaries and wages	\$6,666,525	\$167,241	\$6,833,766
Operating expenses	3,525,934	(758,613)	2,767,321
Capital assets	224,046	0	224,046
Grants	318,553	(107,637)	210,916
Civil air patrol	299,580	5,554	305,134
Tuition, recruiting, and retention	2,617,500	2,164,572	4,782,072
Air guard contract	8,098,582	472,547	8,571,129
Army guard contract	57,717,944	(10,777,931)	46,940,013
Veterans' cemetery	881,284	95,622	976,906
Reintegration program	1,261,384	(210,216)	1,051,168
Camp Grafton expansion	0	600,000	600,000
Total all funds	\$81,611,332	(\$8,348,861)	\$73,262,471
Less estimated income	65,174,778	(10,360,121)	54,814,657
Total general fund	\$16,436,554	\$2,011,260	\$18,447,814"

Page 2, replace lines 11 through 19 with:

"Salaries and wages	\$12,551,119	(\$1,564,688)	\$10,986,431
Operating expenses	6,988,451	2,370,376	9,358,827
Capital assets	0	660,000	660,000
Grants	16,889,159	(615,734)	16,273,425
Disaster costs	51,445,841	(14,890,756)	36,555,085
Radio communications	0	785,000	785,000
Total all funds	\$87,874,570	(\$13,255,802)	\$74,618,768
Less estimated income	78,424,702	(12,754,317)	65,670,385
Total general fund	\$9,449,868	(\$501,485)	\$8,948,383"

Page 2, replace lines 24 through 27 with:

"Grand total general fund	\$25,886,422	\$1,509,775	\$27,396,197
Grand total special funds	143,599,480	(23,114,438)	120,485,042
Grand total all funds	\$169,485,902	(\$21,604,663)	\$147,881,239
Full-time equivalent positions	234.00	(12.00)	222.00"

Page 3, after line 23, insert:

"SECTION 4. APPROPRIATION - 2017-19 BIENNIUM - STATE DISASTER RELIEF FUND - STATE TREASURER - DISTRIBUTIONS TO NON-OIL-PRODUCING COUNTIES. Due to extraordinary snowfall in 2019 in the eastern part of the state and due to the excessive cost of road maintenance in the

western part of the state, there is appropriated out of any moneys in the state disaster relief fund in the state treasury, not otherwise appropriated, the sum of \$8,100,000, or so much of the sum as may be necessary, to the state treasurer for the purpose of providing distributions to non-oil-producing counties for the benefit of the organized and unorganized townships within each non-oil-producing county, for the period beginning with the effective date of this Act, and ending June 30, 2019. In June 2019, the state treasurer shall distribute \$8,100,000, or so much of the sum as may be necessary, to non-oil-producing counties for the benefit of the organized and unorganized townships within each non-oil-producing county. The distribution to each non-oil-producing county must provide for an allocation of \$5,000 to each organized and unorganized township within the county. The amount allocated to organized townships under this section must be paid by the county treasurer to each organized township. The amount allocated to unorganized townships under this section must be credited by the county treasurer to a special fund for unorganized township roads. The distributions under this section must be used for the maintenance and improvement of township paved and unpaved roads and bridges. A township is not eligible for an allocation of funds under this section if the township does not maintain any township roads. For the purposes of this section, a "non-oil-producing county" means a county that has received no allocation of funding or a total allocation of funding under subsection 2 of section 57-51-15 of less than \$5,000,000 for the period beginning September 1, 2017, and ending August 31, 2018."

Page 5, after line 23, insert:

"SECTION 9. AMENDMENT. Subsection 6 of section 57-51.1-07.5 of the North Dakota Century Code is amended and reenacted as follows:

6. The next ~~twenty~~ twenty-five million dollars into the state disaster relief fund, but not in an amount that would bring the unobligated balance in the fund to more than ~~twenty~~ twenty-five million dollars; and"

Page 6, remove lines 23 through 31

Page 7, replace lines 1 through 3 with:

"SECTION 15. EFFECTIVE DATE. Section 9 of this Act is effective for taxable events occurring after June 30, 2019."

Page 7, line 4, replace "and 5" with ", 5, and 6"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2016 - Summary of House Action

	Base Budget	Senate Version	House Changes	House Version
Adjutant General				
Total all funds	\$81,611,332	\$73,164,270	\$98,201	\$73,262,471
Less estimated income	65,174,778	54,748,430	66,227	54,814,657
General fund	<u>\$16,436,554</u>	<u>\$18,415,840</u>	<u>\$31,974</u>	<u>\$18,447,814</u>
FTE	155.00	154.00	0.00	154.00
Department of Emergency Services				
Total all funds	\$87,874,570	\$70,864,050	\$3,754,718	\$74,618,768
Less estimated income	78,424,702	61,667,056	4,003,329	65,670,385
General fund	<u>\$9,449,868</u>	<u>\$9,196,994</u>	<u>(\$248,611)</u>	<u>\$8,948,383</u>
FTE	79.00	70.00	(2.00)	68.00
Bill total				
Total all funds	\$169,485,902	\$144,028,320	\$3,852,919	\$147,881,239
Less estimated income	143,599,480	116,415,486	4,069,556	120,485,042
General fund	<u>\$25,886,422</u>	<u>\$27,612,834</u>	<u>(\$216,637)</u>	<u>\$27,396,197</u>

FTE	234.00	224.00	(2.00)	222.00
-----	--------	--------	--------	--------

Senate Bill No. 2016 - Adjutant General - House Action

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$6,666,525	\$6,813,608	\$20,158	\$6,833,766
Operating expenses	3,525,934	2,767,321		2,767,321
Capital assets	224,046	224,046		224,046
Grants	318,553	210,916		210,916
Civil air patrol	299,580	303,875	1,259	305,134
Tuition, recruiting, and retention	2,617,500	4,782,072		4,782,072
Air guard contract	8,098,582	8,542,126	29,003	8,571,129
Army guard contract	57,717,944	46,899,885	40,128	46,940,013
Veterans' cemetery	881,284	972,672	4,234	976,906
Reintegration program	1,261,384	1,047,749	3,419	1,051,168
Camp Grafton expansion		600,000		600,000
Total all funds	\$81,611,332	\$73,164,270	\$98,201	\$73,262,471
Less estimated income	65,174,778	54,748,430	66,227	54,814,657
General fund	\$16,436,554	\$18,415,840	\$31,974	\$18,447,814
FTE	155.00	154.00	0.00	154.00

Department 540 - Adjutant General - Detail of House Changes

	Adds Funding for Salary Increases ¹	Total House Changes
Salaries and wages	\$20,158	\$20,158
Operating expenses		
Capital assets		
Grants		
Civil air patrol	1,259	1,259
Tuition, recruiting, and retention		
Air guard contract	29,003	29,003
Army guard contract	40,128	40,128
Veterans' cemetery	4,234	4,234
Reintegration program	3,419	3,419
Camp Grafton expansion		
Total all funds	\$98,201	\$98,201
Less estimated income	66,227	66,227
General fund	\$31,974	\$31,974
FTE	0.00	0.00

¹ Funding is adjusted to provide employee salary increases of 2 percent on July 1, 2019, with a minimum monthly increase of \$120 and a maximum monthly increase of \$200, and 2.5 percent on July 1, 2020. The Senate provided funding for a 2 percent salary increase on July 1, 2019, and a 3 percent salary increase on July 1, 2020.

Senate Bill No. 2016 - Department of Emergency Services - House Action

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$12,551,119	\$11,324,705	(\$338,274)	\$10,986,431
Operating expenses	6,988,451	9,367,600	(8,773)	9,358,827
Capital assets		660,000		660,000
Grants	16,889,159	16,273,425		16,273,425
Disaster costs	51,445,841	32,453,320	4,101,765	36,555,085
Radio communications		785,000		785,000
Total all funds	\$87,874,570	\$70,864,050	\$3,754,718	\$74,618,768
Less estimated income	78,424,702	61,667,056	4,003,329	65,670,385
General fund	\$9,449,868	\$9,196,994	(\$248,611)	\$8,948,383
FTE	79.00	70.00	(2.00)	68.00

Department 542 - Department of Emergency Services - Detail of House Changes

	Adjusts Funding for Salary and Benefit Increases ¹	Adjusts Funding for IT Unification ²	Transfers FTE Positions to the Attorney General ³	Adjusts Funding for Disaster Costs ⁴	Total House Changes
Salaries and wages	\$15,017		(\$353,291)		(\$338,274)
Operating expenses		\$615	(9,388)		(8,773)
Capital assets					
Grants					
Disaster costs	1,765			\$4,100,000	4,101,765
Radio communications					
Total all funds	\$16,782	\$615	(\$362,679)	\$4,100,000	\$3,754,718
Less estimated income	9,329	(13)	(105,987)	4,100,000	4,003,329
General fund	\$7,453	\$628	(\$256,692)	\$0	(\$248,611)
FTE	0.00	0.00	(2.00)	0.00	(2.00)

¹ Funding is adjusted to provide employee salary increases of 2 percent on July 1, 2019, with a minimum monthly increase of \$120 and a maximum monthly increase of \$200, and 2.5 percent on July 1, 2020. The Senate provided funding for a 2 percent salary increase on July 1, 2019, and a 3 percent salary increase on July 1, 2020. Funding for salary and benefit increases is also adjusted to reflect the transfer of 2 FTE positions to the Attorney General's office.

² Funding for operating expenses related to the IT unification initiative is adjusted.

³ Funding is reduced to reflect the transfer of 2 FTE positions from the Department of Emergency Services to the Attorney General's office.

⁴ Funding for disaster costs is increased by \$4,100,000 from the state disaster relief fund to provide a total of \$7,123,161 from the state disaster relief fund, including \$6,923,161 for unclosed state disasters. The remaining \$200,000 is for a grant to a county required to reimburse the Federal Emergency Management Agency for a grant to repair roads damaged by floodwaters in 2011 for which the Federal Emergency Management Agency later deemed to be ineligible. Any requirement to repay the state share of the grant to repair roads damaged by floodwaters in 2011 is waived.

Senate Bill No. 2016 - Other Changes - House Action

This amendment also:

- Adds a section to provide a 2017-19 biennium appropriation of \$8.1 million to the State Treasurer to provide distributions to townships in non-oil-producing counties for road and bridge maintenance and improvements.
- Adds a section to reduce the state share of oil and gas taxes deposited in the state disaster relief fund from \$20 million to \$15 million.
- Removes a section added by the Senate to provide an exemption to allow approximately \$80,000 appropriated from the state disaster relief fund for road grade raising projects to be continued into the 2019-21 biennium.
- Removes a section added by the Senate to provide an exemption to allow approximately \$3.9 million appropriated from the state disaster relief fund for unclosed state disasters to be continued into the 2019-21 biennium. The House appropriated the additional funding for the 2019-21 biennium.

2019 TESTIMONY

SB 2016

**Department 540 - Adjutant General, including the
National Guard and Department of Emergency Services
Senate Bill No. 2016**

Executive Budget Comparison to Prior Biennium Appropriations

	FTE Positions	General Fund	Other Funds	Total
2019-21 Executive Budget	224.00	\$42,638,487	\$116,081,868	\$158,720,355
2017-19 Legislative Appropriations ¹	234.00	25,886,422	198,468,480	224,354,902
Increase (Decrease)	(10.00)	\$16,752,065	(\$82,386,612)	(\$65,634,547)

¹The 2017-19 biennium agency appropriation amounts have not been adjusted for additional special funds authority of \$25,010,112 resulting from Emergency Commission action during the 2017-19 biennium, including:

- \$10 million of federal funds to repay Bank of North Dakota loans for expenses related to the Dakota Access Pipeline protests;
- \$5 million of Bank of North Dakota loan proceeds for expenses related to the Dakota Access Pipeline protests;
- \$1.5 million of Bank of North Dakota loan proceeds for an emergency hay transportation program;
- A \$110,000 transfer from the state contingency line for National Guard tuition assistance; and
- \$8,400,112 (including \$7,211,842 of federal funds and \$1,188,270 from Bank of North Dakota loan proceeds) for spring 2017 flooding.

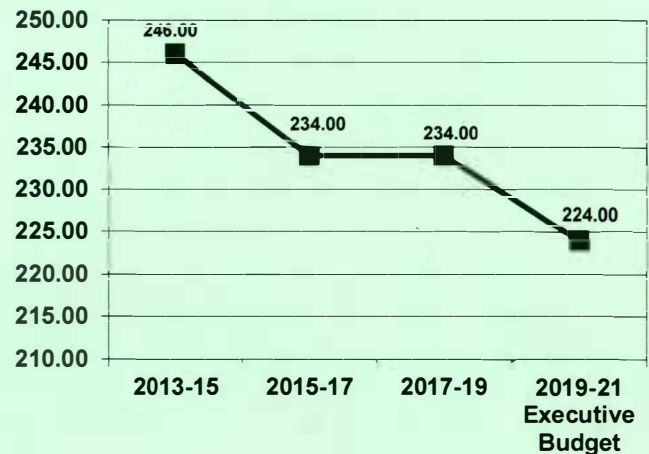
Ongoing and One-Time General Fund Appropriations

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2019-21 Executive Budget	\$27,457,487	\$15,181,000	\$42,638,487
2017-19 Legislative Appropriations	25,886,422	0	25,886,422
Increase (Decrease)	\$1,571,065	\$15,181,000	\$16,752,065

Agency Funding



FTE Positions



Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
2019-21 Executive Budget	\$42,638,487	\$116,081,868	\$158,720,355
2019-21 Base Level	25,886,422	143,599,480	169,485,902
Increase (Decrease)	\$16,752,065	(\$27,517,612)	(\$10,765,547)

Attached as an appendix is a detailed comparison of the executive budget to the agency's base level appropriations.

Executive Budget Highlights

	General Fund	Other Funds	Total
1. Provides funding for state employee salary and benefit increases, of which \$1,447,598 is for salary increases, \$810,607 is for health insurance increases, and \$173,497 is for retirement contribution increases	\$961,709	\$1,469,993	\$2,431,702

Department of Emergency Services

2. Removes 5 FTE positions, including 4 communications specialists and 1 geographic information systems specialist	(\$581,885)	(\$48,591)	(\$630,476)
3. Transfers 4 FTE positions to the Information Technology Department for the information technology unification initiative and adjusts related operating costs	\$21,428	\$14,706	\$36,134
4. Reduces funding for operating expenses, including information technology, miscellaneous supplies, and professional services	(\$177,482)	\$0	(\$177,482)
5. Increases funding from the radio communications fund for State Radio operating expenses	\$0	\$542,338	\$542,338
6. Reduces funding for emergency services grants	\$0	(\$615,734)	(\$615,734)
7. Reduces funding for disaster costs, to provide a total of \$32,467,562 for disaster costs, of which \$48,978 is from the general fund, \$3,023,161 is from the state disaster relief fund, and \$29,395,423 is from federal funds	\$0	(\$18,708,053)	(\$18,708,053)
8. Adds one-time funding from the strategic investment and improvements fund for an anticipated 911 dispatching service revenue shortfall	\$0	\$1,212,253	\$1,212,253
9. Adds one-time funding, including funding from the strategic investment and improvements fund, for information technology upgrades	\$181,000	\$690,000	\$871,000
10. Adds one-time funding from federal funds for emergency services equipment	\$0	\$660,000	\$660,000

National Guard

11. Adds funding and 3 FTE positions for the Fargo Readiness Center	\$131,028	\$131,029	\$262,057
12. Removes 4 FTE positions, including 1 carpenter, 1 security officer, and 2 veterans benefits specialists	(\$435,261)	(\$129,932)	(\$565,193)
13. Reclassifies 1 FTE security officer position as a project manager position for the Camp Grafton expansion	\$221,598	(\$132,379)	\$89,219
14. Increases funding for Air Guard and Army Guard contract operating expenses	\$475,000	\$0	\$475,000
15. Increases funding for tuition assistance to provide a total of \$4,617,500 from the general fund for tuition assistance	\$2,000,000	\$0	\$2,000,000
16. Reduces funding for operating expenses, including travel, utilities, repairs, and information technology	(\$762,245)	\$0	(\$762,245)
17. Reduces funding for grants for city-owned armories relating to the closure of armories in Mayville, Bottineau, Carrington, Grafton, Mott, and Rugby during the 2017-19 biennium	(\$107,637)	\$0	(\$107,637)
18. Reduces federal funding for the Army Guard contract	\$0	(\$12,000,000)	(\$12,000,000)
19. Adds one-time funding for the Camp Grafton expansion	\$15,000,000	\$0	\$15,000,000

**Other Sections Recommended to be Added in the Executive Budget
(As Detailed in the Attached Appendix)**

Veterans' Cemetery maintenance fund - Section 3 would appropriate any funds which are received and deposited in the Veterans' Cemetery maintenance fund pursuant to North Dakota Century Code Sections 37-03-14 and 39-04-10.10 for the operation of the Veterans' Cemetery for the 2019-21 biennium.

Maintenance and repairs - Section 4 would authorize the Adjutant General to transfer up to \$500,000 from various line items to the operating expenses and capital assets line items for the maintenance and repair of state-owned armories during the 2019-21 biennium. Any amounts transferred must be reported to the Office of Management and Budget.

Line item transfers - Section 5 would authorize the Adjutant General to transfer up to 10 percent of its total appropriation between line items.

Exemption - Radio communications - Section 6 would provide that any unexpended general fund or special funds appropriation authority carried over in the radio communications line item relating to the State Radio tower package for the 2013-15 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2019-21 biennium.

Exemption - Tuition, recruiting, and retention - Section 7 would provide that any unexpended general fund or special funds appropriation authority in the tuition, recruiting, and retention line item for the 2017-19 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2019-21 biennium.

Exemption - Veterans' bonus - Section 8 would provide that any unexpended general fund or special funds appropriation authority carried over in the grants line item relating to payment of adjusted compensation to veterans for the 2015-17 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2019-21 biennium. Any unexpended funds from this appropriation must be transferred to the Veterans' Cemetery trust fund during the 2019-21 biennium.

Exemption - Mobile repeaters and programming radios - Section 9 would provide that any unexpended general fund or special funds appropriation authority carried over in the Department of Emergency Services operating expenses line item relating to one-time funding from the strategic investment and improvements fund for mobile repeaters and programming radios for the 2017-19 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2019-21 biennium.

Exemption - Disaster costs - Section 10 would provide that any unexpended general fund or special funds appropriation authority in the disaster costs line item relating to grants to political subdivisions for amounts required to match federal dollars on road grade raising projects and federal emergency relief funding for the 2011-13 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2019-21 biennium.

National Guard training area and facility development trust fund - Section 11 would amend Section 37-07.3-03 relating to the National Guard training area and facility development trust fund to allow the fund to be used for the proposed expansion of Camp Grafton. The section disallows the use of eminent domain in the acquisition of property for the expansion.

Continuing Appropriations

National Guard emergency fund - Section 37-01-04.1 - This fund allows the National Guard to respond to state emergencies.

National Guard military grounds fund - Section 37-03-13 - This fund is used for collecting rental revenues to be used for purchasing military training grounds.

Veterans' Cemetery maintenance fund - Section 37-03-14 - This fund is used to support the operations of the Veterans' Cemetery. The fund receives \$5 from the issuance of each veteran's license plate, grave opening and closing fees, and private and federal funds for the operation of the Veterans' Cemetery.

Veterans' Cemetery trust fund - Section 39-04-10.10 - This fund receives \$5 from the issuance of each veteran's license plate and donations. The interest in the fund is to be deposited in the Veterans' Cemetery maintenance fund for the purpose of providing funding for salaries and maintenance at the cemetery.

Deficiency Appropriation

The executive budget recommendation includes a deficiency appropriation of \$15,698,089 from the general fund to repay Bank of North Dakota loans for the state's share of disaster costs (\$488,822), emergency hay transportation (\$1,584,619), and law enforcement costs relating to unlawful activity associated with the construction of the Dakota Access Pipeline (\$13,624,648).

Significant Audit Findings

There were no significant audit findings for this agency.

Major Related Legislation

House Bill No. 1046 - Clarifies law relating to National Guard tuition waivers.

House Bill Nos. 1053 and 1061 - Provide for an income tax deduction relating to retired military personnel benefits.

House Bill No. 1091 - Increases the number of members on the Department of Emergency Services Advisory Committee from 11 members to 12. Eliminates language identifying the operational sections of the Division of Homeland Security under the Department of Emergency Services.

House Bill No. 1095 - Amends the definition of a volunteer emergency responder to include volunteer members of the National Guard of any state.

Senate Bill No. 2095 - Eliminates the need for Emergency Commission and Budget Section approval to expend moneys from the state disaster relief fund that have been appropriated by the Legislative Assembly. The bill also provides for a quarterly report to the Budget Section detailing expenditures from the appropriation.

Senate Bill No. 2096 - Amends law relating to mutual aid agreements.

**Adjutant General, including the National Guard and the Department of
Emergency Services - Budget No. 540
Senate Bill No. 2016
Base Level Funding Changes**

Executive Budget Recommendation				
	FTE Positions	General Fund	Other Funds	Total
2019-21 Biennium Base Level	234.00	\$25,886,422	\$143,599,480	\$169,485,902
2019-21 Ongoing Funding Changes				
Base payroll changes		(\$175,188)	(\$603,242)	(\$778,430)
Salary increase		580,067	867,531	1,447,598
Health insurance increase		307,642	502,965	810,607
Retirement contribution increase		74,000	99,497	173,497
Add funding for Fargo Readiness Center FTE positions and related operating expenses and equipment	3.00	131,028	131,029	262,057
Remove 9 FTE positions, including 4 communications specialists, 1 geographic information systems specialist, 1 carpenter, 1 security officer, and 2 veterans benefits specialists	(9.00)	(1,017,146)	(178,523)	(1,195,669)
Reclassify a security officer FTE position as a project manager FTE position for the Camp Grafton expansion		221,598	(132,379)	89,219
Transfer FTE positions for the information technology (IT) unification initiative	(4.00)	(310,746)	(366,744)	(677,490)
Funding adjustment to reflect IT unification error		(111,903)	77,027	(34,876)
Increase funding for operating expenses related to the IT unification initiative		444,077	304,423	748,500
Increase funding for National Guard contract lines		475,000		475,000
Increase funding for National Guard tuition assistance		2,000,000		2,000,000
Reduce funding for National Guard operating expenses, including travel, utilities, repairs, and IT		(762,245)		(762,245)
Reduce funding for city-owned armory grants due to the closure of armories in Mayville, Bottineau, Carrington, Grafton, Mott, and Rugby during the 2017-19 biennium		(107,637)		(107,637)
Reduce funding for emergency services operating expenses, including IT, miscellaneous supplies, and professional services		(177,482)		(177,482)
Increase funding from the radio communications fund for State Radio operating expenses, including IT, repairs, and professional services			542,338	542,338

Reduce federal funding for Army Guard contract			(12,000,000)	(12,000,000)
Reduce funding from the disaster relief fund (\$5.4 million) and federal funds (\$13.3 million) for disaster costs			(18,708,053)	(18,708,053)
Reduce federal funding for emergency services grants			(615,734)	(615,734)
Total ongoing funding changes	(10.00)	\$1,571,065	(\$30,079,865)	(\$28,508,800)
One-time funding items				
Add one-time funding for the Camp Grafton expansion		\$15,000,000		\$15,000,000
Add one-time funding from the strategic investment and improvements fund (SIIF) for a 911 dispatching service revenue shortfall			1,212,253	1,212,253
Add one-time funding for IT upgrades, including funding from SIIF		181,000	690,000	871,000
Add one-time funding from federal funds for emergency services equipment			660,000	660,000
Total one-time funding changes	0.00	\$15,181,000	\$2,562,253	\$17,743,253
Total Changes to Base Level Funding	(10.00)	\$16,752,065	(\$27,517,612)	(\$10,765,547)
2019-21 Total Funding	224.00	\$42,638,487	\$116,081,868	\$158,720,355

Other Sections for Adjutant General, including the National Guard and the Department of Emergency Services - Budget No. 540

	<u>Executive Budget Recommendation</u>
Veterans' Cemetery maintenance fund	Section 3 would appropriate any funds which are received and deposited in the Veterans' Cemetery maintenance fund pursuant to North Dakota Century Code Sections 37-03-14 and 39-04-10.10 for the operation of the Veterans' Cemetery for the 2019-21 biennium.
Maintenance and repairs	Section 4 would authorize the Adjutant General to transfer up to \$500,000 from various line items to the operating expenses and capital assets line items for the maintenance and repair of state-owned armories during the 2019-21 biennium. Any amounts transferred must be reported to the Office of Management and Budget.
Line item transfers	Section 5 would authorize the Adjutant General to transfer up to 10 percent of its total appropriation between line items.
Exemption - Radio communications	Section 6 would provide that any unexpended general or special funds appropriation authority carried over in the radio communications line item relating to the State Radio tower package for the 2013-15 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2019-21 biennium.
Exemption - Tuition, recruiting, and retention	Section 7 would provide that any unexpended general or special funds appropriation authority in the tuition, recruiting, and retention line item for the 2017-19 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2019-21 biennium.

**Other Sections for Adjutant General, including the National Guard and the Department of
Emergency Services - Budget No. 540**

Executive Budget Recommendation

Exemption - Veterans' bonus

Section 8 would provide that any unexpended general or special funds appropriation authority carried over in the grants line item relating to payment of adjusted compensation to veterans for the 2015-17 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2019-21 biennium. Any unexpended funds from this appropriation must be transferred to the Veterans' Cemetery trust fund during the 2019-21 biennium.

Exemption - Mobile repeaters and
programming radios

Section 9 would provide that any unexpended general or special funds appropriation authority carried over in the Department of Emergency Services operating expenses line item relating to one-time funding from the strategic investment and improvements fund for mobile repeaters and programming radios for the 2017-19 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2019-21 biennium.

Exemption - Disaster costs

Section 10 would provide that any unexpended general or special funds appropriation authority in the disaster costs line item relating to grants to political subdivisions for amounts required to match federal dollars on road grade raising projects and federal emergency relief funding for the 2011-13 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2019-21 biennium.

National Guard training area and facility
development trust fund

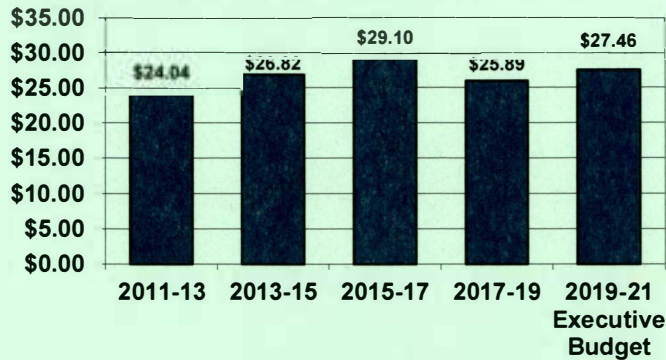
Section 11 would amend Section 37-07.3-03 relating to the National Guard training area and facility development trust fund to allow the fund to be used for the proposed expansion of Camp Grafton. The section disallows the use of eminent domain in the acquisition of property for the expansion.

Department 540 - Adjutant General, including the National Guard and the Department of Emergency Services

Historical Appropriations Information

Ongoing General Fund Appropriations Since 2011-13

Ongoing General Fund Appropriations (in Millions)



FTE Positions



Ongoing General Fund Appropriations					
	2011-13	2013-15	2015-17	2017-19	2019-21 Executive Budget
Ongoing general fund appropriations	\$24,035,127	\$26,824,589	\$29,096,100	\$25,886,422	\$27,457,487
Increase (decrease) from previous biennium	N/A	\$2,789,462	\$2,271,511	(\$3,209,678)	\$1,571,065
Percentage increase (decrease) from previous biennium	N/A	11.6%	8.5%	(11.0%)	6.1%
Cumulative percentage increase (decrease) from 2011-13 biennium	N/A	11.6%	21.1%	7.7%	14.2%

Major Increases (Decreases) in Ongoing General Fund Appropriations

2013-15 Biennium

1. Increased funding for the National Guard tuition program \$110,000
2. Added 4 FTE communication specialist positions in the State Radio dispatch center \$386,048
3. Added funding for State Radio tower maintenance \$360,000

2015-17 Biennium

1. Added funding for operating costs of the ND Cares Task Force \$260,000
2. Added funding for various maintenance items \$861,280
3. Added funding to realign State Radio dispatch positions within the employee classification system \$192,621
4. Added funding for mortuary response training (This item was affected by the August 2016 agency budget reductions) \$200,000

2017-19 Biennium

1. Reduced funding for operating expenses (\$2,307,572)
2. Increased funding for recruitment \$100,000
3. Reduced funding for National Guard armory grants (\$190,961)
4. Removed funding for mortuary response training (\$191,900)
5. Reduced funding for the reintegration program (\$716,075)

2019-21 Biennium (Executive Budget Recommendation)

1. Removes 9 FTE positions, including 4 communications specialists, 1 geographic information systems specialist, 1 carpenter, 1 security officer, and 2 veterans benefits specialists (\$1,017,146)
2. Increases funding for National Guard Air Guard and Army Guard contract operating expenses \$475,000
3. Reduces funding for operating expenses, including information technology, travel, utilities, repairs, miscellaneous supplies, and professional services (\$939,727)
4. Increases funding for National Guard tuition assistance, to provide a total of \$4,617,500 \$2,000,000

**GOVERNOR'S RECOMMENDATION FOR THE
ADJUTANT GENERAL AS SUBMITTED
BY THE OFFICE OF MANAGEMENT AND BUDGET**

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the office of the adjutant general for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

Subdivision 1.

NATIONAL GUARD

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and Wages	\$6,666,525	\$230,662	\$6,897,187
Operating Expenses	3,525,934	(758,613)	2,767,321
Capital Assets	33,224,046	(18,000,000)	15,224,046
Grants	318,553	(107,637)	210,916
Civil Air Patrol	299,580	5,739	305,319
Tuition, Recruiting, and Retention	2,617,500	2,000,000	4,617,500
Air Guard Contract	8,098,582	494,501	8,593,083
Army Guard Contract	57,717,944	(10,669,870)	47,048,074
Veterans' Cemetery	881,284	100,566	981,850
Reintegration Program	1,261,384	(200,357)	1,061,027
Total all funds	\$114,611,332	(\$26,905,009)	\$87,706,323
Less estimated income	98,174,778	(43,833,574)	54,341,204
Total general fund	\$16,436,554	\$16,928,565	\$33,365,119

Subdivision 2.

DIVISION OF EMERGENCY SERVICES

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and Wages	\$12,551,119	(\$1,123,134)	\$11,427,985
Operating Expenses	7,288,451	2,111,609	9,400,060
Capital Assets	569,000	91,000	660,000
Grants	16,889,159	(615,734)	16,273,425
Disaster Costs	51,445,841	(18,978,279)	32,467,562
Radio Communications	0	785,000	785,000
Total all funds	\$88,743,570	(\$17,729,538)	\$71,014,032
Less estimated income	79,293,702	(17,553,038)	61,740,664
Total general fund	\$9,449,868	(\$176,500)	\$9,273,368

Subdivision 3.

BILL TOTAL

	Base Level	Adjustments or Enhancements	Appropriation
Grand total general fund	\$25,886,422	\$16,772,065	\$42,638,487
Grant total special funds	177,468,480	(61,386,612)	116,081,868
Grant total all funds	\$203,354,902	(\$44,634,547)	\$158,720,355
Full-time equivalent positions	234.00	-10.00	224.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-SIXTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-fourth legislative assembly for the 2017-19 biennium and the 2019-21 one-time funding items included in the appropriation in section 1 of this Act:

One-Time Funding Description	2017-19	2019-21
ND national guard readiness center	\$33,000,000	\$0
Emergency Response equipment	569,000	0
Mobile repeaters and programming radios	300,000	0
State Radio operational increase	0	1,212,253
CAD upgrade	0	450,000
CAD monitor replacement	0	66,000
UPS battery replacement	0	20,000
Message switch hardware	0	240,000

Intergraph XML Change	0	95,000
Camp Grafton south expansion	0	15,000,000
Total all funds	\$33,869,000	\$17,083,253
Total special funds	33,869,000	16,902,253
Total general fund	\$0	\$181,000

The 2019-21 one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The adjutant general shall report to the appropriations committees of the sixty-sixth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 3. 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, 2019, and ending June 30, 2021.

SECTION 4. MAINTENANCE AND REPAIRS - TRANSFERS. The adjutant general may transfer to the operating expenses and capital assets line items contained in section 1 of this Act up to the sum of \$500,000 from the various other line items contained in section 1 of this Act, as determined necessary by the adjutant general to provide for the maintenance and repair of state-owned armories in this state during the biennium beginning July 1, 2019, and ending June 30, 2021. Any amounts transferred pursuant to this section must be reported to the director of the office of management and budget.

SECTION 5. LINE ITEM TRANSFER. Notwithstanding section 54-16-04, the agency may transfer between line items within section 1 of this Act up to ten percent of the total appropriation contained in section 1 during the biennium beginning July 1, 2019, and ending June 30, 2021. The agency shall notify the office of management and budget and the legislative council of any transfer made pursuant to this section.

SECTION 6. EXEMPTION. Any amounts carried over in the radio communications line for the state radio tower package, in section 7 of chapter 15 of the 2017 Session Laws is not subject to section 54-44.1-11 and any unexpended funds are available for completing these projects during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 7. EXEMPTION. The amount appropriated in the tuition, recruiting, and retention line item in subdivision 1 of section 1 of chapter 15 of the 2017 Session Laws is not subject to section 54-44.1-11, and any unexpended funds from this appropriation may be used to provide tuition assistance, recruiting and retention incentives to eligible members of the North Dakota national guard during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 8. EXEMPTION. Any amounts carried over pursuant to section 11 of chapter 15 of the 2017 Session Laws that is unexpended as of June 30, 2019 is not subject to section 54-44.1-11 and is available for payment of adjusted compensation to veterans. Any unexpended funds from this appropriation must be transferred to the veterans' cemetery trust fund during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 9. EXEMPTION. The amount appropriated in the operating expenses line item in subdivision 2 of section 1 of chapter 15 of the 2017 Session Laws for one-time funding from the strategic investment and improvement fund for mobile repeaters and programming radios is not subject to section 54-44.1-11 and any unexpended funds from this appropriation may be used to complete this project, during the biennium beginning July 1, 2019 and ending June 30, 2021.

SECTION 10. EXEMPTION. Any amounts carried over in the disaster costs line for grants to political subdivisions for amounts required to match federal dollars on road grade raising projects and federal emergency relief funding pursuant to section 13 of chapter 15 of the 2017 Session Laws that is

unexpended as of June 30, 2019, is not subject to section 54-44.1-11. Any unexpended funds from this appropriation are available for these purposes during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 11. AMENDMENT. Section 37-07.3-03 of the North Dakota Century Code is amended and reenacted as follows:

37-07.3-03. Trust fund use.

The principal, interest, and income from the national guard training area and facility development trust fund must be used by the adjutant general solely for training area acquisition, purchase or lease, and facility development; provided, that the principal, and any interest and income which the fund accrues from ~~July 1, 1985~~ July 1, 2019, through ~~June 30, 1989~~ June 30, 2029, must be used solely for the acquisition of land for national guard training purposes and the ~~expenditure, in conjunction with federal matching funds, for the construction of a new national guard armory on or adjacent to~~ expansion of the military reservation known as ~~Fraine Barracks~~ Camp Grafton. For the purpose of obtaining land for training purposes under this section, eminent domain shall not be used.

SECTION 12. EMERGENCY. The Tuition, recruiting, and retention line in section 1 of this Act is declared to be an emergency measure.

1-07-19
SB 2016
1
p1

**TESTIMONY OF
MAJOR GENERAL ALAN S. DOHRMANN
THE ADJUTANT GENERAL
BEFORE THE
SENATE APPROPRIATIONS COMMITTEE
JANUARY 7, 2019
IN SUPPORT OF GOVERNOR'S BUDGET RECOMMENDATION**

Chairman Holmberg, members of the Senate appropriations committee, my name is Al Dohrmann, I'm the Adjutant General of the National Guard and the Director of Emergency Services for the state of North Dakota. I am here today to testify in support of the Governor's budget recommendation and address Senate Bill 2016. Additionally, I will address the items that Chairman Holmberg highlighted in his December 19, 2018 letter pertaining to this biennium's budget, the Governor's recommendation, and SB 2016. Before I address our budget, I'd like to take a moment to describe the strategic framework that shaped our budget preparation and the Governor's recommendation.

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

Framing of the Strategic Environment

The world continues to grow more volatile, uncertain, complex, and ambiguous. As a nation, we are not in a state of peace – and haven't been since 9/11/2001, nor are we in a declared war, but rather in a continuous state of competition with a range of actors from unsophisticated opponents to near peer adversaries. Violent extremist organizations and failed states persist, while unfriendly state actors focus on countering U.S. influence in areas where we have national interests and regional commitments. Competitors such as Russia and China are engaging in conflict conducted at an intensity below the threshold of open war, while utilizing all instruments of national power to achieve their national objectives, such cyber and information operations. Additionally, future battlefields will be characterized by greater lethality across all domains including cyber and space. We can no longer assume that we will overmatch our adversaries in technology or lethality at every turn.

Role of the National Guard and Emergency Services

This world of sustained competition 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. As an operational force, we support the National Defense and National Military Strategies as

SB 2016
1-7-19
1 p2

well as answer the call to support state and national emergencies. It is our responsibility to be a force that is lethal, adaptive, and resilient. Defending our nation, fighting and winning America's wars are our primary missions, so we must be agile enough to rapidly pivot and provide critical resources in defense of the homeland and in support of our communities and state during times of crisis.

The Department of Emergency Services must be prepared and remain agile to address threats from Mother Nature, state, and non-state actors. Our experience during the Dakota Access Pipeline (DAPL) protest highlights our need to be prepared and ready to engage both on land and in cyber domains.

Since 2009, the North Dakota Department of Emergency Services has managed 14 presidentially declared disasters or emergencies, with the National Guard providing over 168,000 man-days of support to them, most notably the historic floods of 2009 and 2011, and the unprecedented civil unrest that surrounded the construction of the Dakota Access Pipeline. As we look to the future and prepare for natural, as well as man-made threats, it is extremely important that we resource to the level of readiness all citizens of North Dakota deserve.

All state agencies and our political sub-divisions have a role to play in this effort, but when times are really tough, having a trained and readied National Guard and Emergency Services, is the key to protecting lives and property.

State of the National Guard

As an organization, we continually train to operate in our new paradigm of continuous competition. "Always Ready, Always There" is the motto of the North Dakota National Guard. Time and again, we have lived up to that motto. From fighting floods and fires here at home to mobilizing and deploying Soldiers and Airmen around the globe, your National Guard has always been ready and will always be there. As the threats to the homeland and around the globe have evolved, so too have the demands placed on us. For this reason we must be prepared today to be more ready and lethal tomorrow.

In 2017 the North Dakota National Guard deployed 405 Soldiers and Airmen to locations such as Afghanistan, Jordan, Qatar, Kuwait, the United Arab Emirates, and the National Capitol Region. In 2018 we deployed 370 Soldiers and Airmen to similar locations across the globe. Additionally, this past biennium, our North Dakota Air National Guard continued to execute MQ-9 Reaper combat operations 24/7/365 from Fargo in support of combatant commanders world-wide.

In 2018 we participated in the United Accord Exercise in Accra, Ghana where 52 North Dakota Guard Soldiers worked alongside Ghanaian Armed Forces and soldiers from the Netherlands on various construction projects while our aviation assets took part in military exercises and real world missions in Germany. Additionally, we continue to send Soldiers to Combat Training Centers located at the Joint Readiness Training Center at Fort Polk, Louisiana and the National Training Center at Fort Irwin, California, in order

SB 2016
1-7-19
1
P 3

to maintain the readiness and war fighting skills necessary to be prepared at home and successful in combat.

At home, our 219th Security Forces Squadron excelled in the protection of our nation's nuclear security assets based out of Minot Air Force Base. Their work secured \$3.3 billion of United States Strategic Command nuclear assets. Our Weapons of Mass Destruction Civil Support Team and Counter-Drug program, provided valuable support to law enforcement and first responders.

Looking forward to 2019-21, we will send hundreds of North Dakota National Guardsmen to participate in military exercises throughout the United States, Canada, and Europe. We will continue to contribute directly to our national security on a daily basis through operations at Hector Field in Fargo and world-wide deployments. To date three units are projected to deploy this biennium. That number is likely to increase if trends from previous years' hold true. Currently, our fixed-wing aviation team is deployed to the Horn of Africa in support us U.S. Central Command. Our Cyber Protection Team will deploy very soon to support agencies in the National Capitol Region defending the nation's cyber domain, and our 957 Multi-Role Bridge Company will deploy to Southwest Asia to build capacity with strategic partners.

In 2020 the NDNG and NDDDES will host Exercise Vigilant Guard. This is a regional response exercise centering on a large scale, all hazards, domestic response. Exercise Vigilant Guard builds readiness across all levels of government and the private sector by emphasizing interagency coordination. I invite any of you who are interested to observe this exercise.

To meet tomorrow's challenges, we must generate readiness today. Job #1 for the Adjutant General is to provide the resources needed to meet our readiness requirements. To this end, the Governor's budget recommendation provides the resources we require to build and maintain the readiness needed to be "Always Ready, Always There." Maintaining readiness presents the most significant challenge facing the North Dakota National Guard.

Personnel readiness is the primary challenge for the NDNG. The strong North Dakota economy is both a blessing and curse. For the NDNG, it has impacted our ability to recruit young North Dakota men and women into our formations. Our current end strength of 93.2% equates to 290 vacancies in the Army and Air National Guard. North Dakota is lagging in comparison to surrounding states. South Dakota is at 103.8% of their authorized end strength and Minnesota at 101.6%. To address this, the Governor's budget recommendation fully funds key programs such as our state tuition assistance program – our number #1 recruiting tool.

As an operational force, our training requirements have increased significantly. As part of the Army's new training model, we must measure a unit's collective live-fire ability at the individual and crew-served weapons levels. The additional training requirements and the limited number of annual training days necessitates we train smarter and more

efficiently than ever before. The lack of a functioning multi-purpose machine gun range at Camp Grafton is the number one limiting factor which forces most of our units to train out-of-state on these weapon systems. With only 39 training days per year, we can no longer afford the time to meet these new training requirements.

Another major challenge to readiness is our facilities. Having the right units in the right locations, with adequate facilities to support their training requirements is critical to readiness. Some of our facilities, such as our rented facility in Fargo and the community-owned Dickinson Armory no longer meet basic requirements. Additionally, our 330 facilities scattered throughout the state require on-going maintenance.

To address this challenge we will break ground on the previously approved Fargo Readiness Center in the Spring of 2019. We are also in the planning stages to build a 100% federally funded readiness center in Dickinson. This \$15.5 million project is scheduled to be completed by the summer of 2024. While we don't need budget authority to begin design of this project, we want to be transparent as we will start design in 2020, with construction beginning in early 2022. We will discuss both these construction projects in more detail as we address the Governor's budget recommendation.

State of the Department of Emergency Services

The North Dakota Department of Emergency Services (NDDDES) consists of the Division of Homeland Security and the Division of State Radio. The NDDDES provides 24/7 emergency communications and resource coordination with more than 50 lead and support agencies, private enterprise, and voluntary organizations to assist local and tribal jurisdictions in disaster and emergency response activities. The Division of Homeland Security administers federal disaster recovery programs as well as several other federal grant programs. The Division also manages the State Emergency Operations Center (SEOC), ensuring a statewide coordinated response to emergencies and disasters as outlined in the State Emergency Operations Plan (SEOP) and serves as a liaison between federal, local, tribal, private, and voluntary agencies. The staff coordinates resources, compiles damage assessment information, maintains situational awareness, and evaluates information to determine the potential for state and federal declarations and requests for assistance.

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

The state-wide voice radio system is controlled from a single communications

SB 2016
1-7-19
#1 p5

dispatch center located in Bismarck. The state's land mobile radio system (LMR) is connected to 47 remote tower locations by fiber circuits, providing statewide voice communications.

NDDDES, throughout both divisions, employs a knowledgeable and experienced workforce, with a wide breadth of diverse of backgrounds. We have forged strong relationships with our interagency partners at all levels of government and hold numerous training events and exercises every year to test the interoperability of these entities which are crucial to our success. The NDDDES Training and Exercise Program offers a wide variety of courses for first responders, emergency managers, healthcare providers, and other response support staff as well as partners. We had 599 participants in 27 classes between July 1, 2017 and September 30, 2018. Additionally, NDDDES co-hosted the annual Emergency Management Conference with the ND Emergency Management Association attended by 132 emergency managers and first responders. During the 2017-19 biennium NDDDES participated in 13 multi-agency emergency response exercises designed to identify planning gaps and capability weaknesses while in a safe learning environment.

NDDDES accomplished a great deal during the last biennium. Our agency went through an exhaustive process to attain national accreditation, known as the Emergency Management Accreditation Program (EMAP). This was a great opportunity to test our program against national standards and we achieved accreditation with high marks.

The beginning of the 2017-19 biennium was very challenging as we responded to the historic Dakota Access Pipeline protest. Our State Emergency Operations Center was open continuously for 171 days. The dedication and professionalism of our staff, as well as that of numerous state, tribal, federal, and local partners brought the protest to a peaceful conclusion. Immediately following the DAPL protest the state experienced one of the most severe droughts of the past two decades. During the drought response and recovery, NDDDES brought together and facilitated a "whole of government" unified command response. This unprecedented collaboration included federal, state, and local government. Specifically at the state level the unified command was comprised of executive agencies, the State Forester, and the ND Department of Agriculture.

One final achievement I would like to mention is that North Dakota will become the first state in Federal Emergency Management Agency (FEMA) Region VIII to achieve Enhanced Mitigation Plan status. A statewide mitigation plan ensures the state can access federal funding. An enhanced status increases mitigation funding following a federal disaster declaration from 15 to 20%. This major milestone required the support of 84 public and private partners who comprise the State Hazard Mitigation Team (SHMT). The regional and national review panels praised the plan for its wide-range of stakeholders and comprehensive data analysis, which placed North Dakota at the forefront for a mitigation strategy with specific, measurable goals and objectives. The SHMT provided excellent data and analysis that is essential to developing a mitigation strategy that works for North Dakota.

SB 2016
1-7-19
1 p6

NDDDES is also the administrative agency for the North Dakota Civil Air Patrol (NDCAP), headquartered at Fraine Barracks. The NDCAP is a vital part of emergency operations and is often called upon for civilian search and rescue missions as well as information gathering during state disasters. Since July 2017 the NDCAP has flown more than 1,300 hours of mission flight time. This included support to Texas for Hurricane Harvey with two aircraft manned by three members each for one week in September 2017. This was paid for by the state of Texas. The NDCAP has 165 adult members and 96 cadet members, 7 aircraft and 12 search and rescue equipped vehicles.

NDDDES has several challenges facing it over the coming years. The first and likely foremost challenge is maintaining and recruiting a skilled, experienced workforce with the dedication to remain on staff even though working conditions can be challenging during our response to incidents. Another challenge is effective scaling of staff. We have experienced two catastrophic disasters over the past decade, intermixed with smaller incidents. Finding the balance of a lean, efficient workforce on a day to day basis but also having a reservist corps for scalability continues to be a challenge. We are confident that the Governor's recommended salary package, combined with strong branding and employee search efforts will benefit our recruiting and retention challenges.

The department continues to look to technology to gain efficiencies and better serve the citizens of North Dakota. Through the use of web based applications and mobile technology, we are now able to more accurately and efficiently conduct damage assessments and assist local political subdivisions to access federal disaster funding. Additionally, with the use of video and webinar technologies we have enhanced our ability to provide training to our local emergency managers, first responders and other stakeholders.

We are also leveraging technology to promote efficiencies in emergency communications. These efforts have helped ensure the safety of our first responders and the timely delivery of emergency services to the citizens of North Dakota. We have deployed a Computer Aided Dispatch system to ensure first responders have the information they need to keep them safe and respond appropriately to emergencies and criminal activity. We also made improvements in our land mobile radio system to ensure we have the coverage needed to protect our citizens. As we look to the next biennium, the Governor's budget recommendation proposes the funding necessary to maintain these critical life-saving capabilities.

Before I address the Governor's 2019-21 budget recommendation, I will speak to the items highlighted in the Chairman's letter dated December 19, 2018. The Chairman requested we address:

1. Explanation of our 2017-19 budget
2. Estimated 2017-19 spending and status of one-time funding
3. Comparison of our 2017-19 budget with the Governor's 2019-21 recommendation

SB 2016
1-2-19
#1
p 7

Additionally, per the chairman's request, please find attached to our written testimony:

1. Listing of proposed budget reductions to meet the Governor's 90% budget request. (Attachment #1)
2. Comparison of optional adjustments requested versus what is in the Governor's recommendation. (Attachment #2)
3. Itemized list of changes to Governor's recommendation for the Committee's consideration. (Attachment #3)

Explanation of 2017-19 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 2017-19 biennium has been on track as projected with the exception of the NDNG Tuition, Enlistment, and Compensation budget line. Due to federal funding restrictions, increased tuition costs and increases in program participation by Soldiers and Airmen, we had a general fund shortfall of \$560,000 this biennium. To correct this, we were able to transfer \$450,000 from our Reintegration/Outreach budget line and secure \$110,000 in state contingency funds with approval from the November 2018 Emergency Commission and the December 2018 Budget Section. The \$450,000 was harvested from vacant FTE positions within our reintegration line that we were not able to hire this biennium. Otherwise, we are executing our spending plan as projected and we do not expect any general fund turn back from either divisions.

Federal Funds:

Approximately 80% of our funding is provided through federal cooperative agreements and federal grants. This biennium, the NDDDES estimates approximately \$62 million in federal funds, of which \$48 million are FEMA grant funds and \$14 million are Homeland Security grant funds. Thus far, \$27 million 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 2011, 2013, 2014, and 2017 presidential declared disasters. Funds have also been expended to improve state, county, and tribal preparedness planning, law enforcement planning, intelligence analysis activities, interoperable communications, and supporting regional response capabilities. The NDNG has received \$27 million in the current biennium to support the Air and Army Guard facilities, missions, and employees.

Special Funds:

Revenues from special funds provide some of the agency's operational funding sources. We are very close to what we projected with \$1.2 million in radio fees, \$670,000 in hazardous chemical funds and \$735,000 in Veterans Cemetery maintenance funds.

SB 2016
1-7-19
#1 P 8

We projected \$8.5 million in Disaster Relief Fund expenditures and have incurred costs of approximately \$4.5 million.

Estimated 2017-19 spending and status of one-time funding

The NDNG received authority for \$33 million (\$32 million federal and \$1 million special funds) for the construction of a new Fargo Readiness Center. This will be a 99,000 sq. ft. facility with a 62,000 sq. ft. vehicle storage building. We are near completion of initial design with expenditures to date of approximately \$1.5 million. Construction will begin in Spring of 2019 with completion in Spring of 2021.

The NDDDES division received three one-time appropriations for the 2017-19 biennium. First, \$569,000 in federal fund authority was approved for the purchase of emergency response equipment. To date we have spent \$6,400 to upgrade IT equipment to facilitate information communications during emergencies. Second, \$300,000 from the Strategic Investment and Improvements Fund (SIIF) was allocated for the purchase of a mobile repeater and radio programming. A total of \$213,100 has been expended for the equipment portion with the remainder of the funding to be used for licensing and radio programming. We anticipate this project will be near completion at the end of the 2017-19 biennium, however, we have requested carry-over authority for the 2019-21 biennium to ensure completion. Third, is an appropriation for \$21 million to address the 2016-17 civil unrest surrounding the construction of the Dakota Access Pipeline (DAPL). We had a total of \$43 million in DAPL loan authority and incurred \$37.7 million in costs. We have repaid \$25 million to the Bank of North Dakota and will have a deficiency of approximately \$14 million which is addressed in SB 2024.

Carry-over of One-time Funding from 2015-17 biennium:

We also had a number of one-time funding carryovers from the 2015-17 biennium.

First, was \$584,306 in general funds for the NDNG Veterans Adjusted Compensation. Second, \$375,000 in general funds for NDNG tuition assistance program. Third, was \$883,341 in general funds for the on-going radio tower expansion project. We expect a significant amount, but not all of this amount will be expended by the end of the biennium to complete tower projects in Glen Ullin, Hebron Lisbon, Oakes and New Town. We are requesting carry-over again for 2019-21 to complete these projects. Finally, \$80,000 in general funds to complete the State Radio Redundancy Project. Equipment has been purchased to ensure redundancy of radio communications at our existing towers totaling \$41,130. The remaining funds will be expended by June 30, 2019 to cover installation costs.

Executive Recommendation (2019-21)

Next I will address the executive recommendation for the 2019-21 biennium and compare that to our 2017-19 base budget. During my testimony, I will address all one-

SB2016
1-7-19
1
P 9

time spending for the 2019-21 biennium. A complete listing of all one-time spending can be found in Section 2 of the executive recommendation.

Subdivision 1. National Guard

Salaries and Wages

The salary and wages line includes funding for 34 NDNG FTE's and temporary employees that support our state-owned and funded armories as well as one FTE supporting the National Guard Tuition program and one FTE supporting ND Cares. One vacant carpenter FTE was turned back to meet our 90% general fund budget reduction and 5% FTE reduction. This resulted in a savings of \$148,564 general funds as shown on Attachment #1. The net increase from base budget of \$489,668 is attributed to the executive recommendation for salary increases and employee benefits. We did not provide salary increases other than budgeted probationary increases during the current 2017-19 biennium.

Operating Expenses

This line of our budget supports NDNG state supported facilities and provides operational support to state funded employees to include the ND Cares program. The decrease of \$758,613 (general funds) is part of the 10% agency reduction as shown on Attachment #1.

Capital Assets

The capital assets line provides \$224,046 to pay special assessments in Fargo and payment in lieu of taxes at our facilities at Camp Grafton. The remaining \$15 million is to provide the resources required to expand Camp Grafton to meet our current training requirements.

The State of North Dakota owns just over 9,000 acres in Eddy County, commonly known as Camp Grafton South (CGS), managed by the NDNG as part of Camp Grafton Training Center (CGTC). The property has two primary functions: provide space for small arms qualification ranges and provide space, commonly known as maneuver space, for units to train in battlefield conditions. This property, while a tremendous asset, has become inadequate to support either of those functions due to improvements in the ballistics of new, more environmentally friendly ammunition issued for qualification and the increased demands for maneuver space required of an operational force. The range standards for the new enhanced performance ammunition which the NDNG may begin receiving as early as this biennium will render our current machine gun range unusable and will reduce our current rifle range from 16 to only 8 lanes significantly increasing the time it takes for a unit to qualify on their weapons.

An expansion of Camp Grafton South by approximately 6,000 acres offers the opportunity to overcome this training readiness challenge. This expansion proposal will

SB2016
1-7-19
#1 PIO

allow my units to fire and qualify on all their small arms weapon systems here in North Dakota. A vast majority of the 6,000 acres will constitute a surface danger zone, an area that is established to ensure adequate space and distance for weapon systems to guarantee safety around the range. Approximately 95% of this area will remain in agricultural production through our grazing lease program and would only be unavailable when the range is operational, which averages 78-80 days per year.

In addition to keeping North Dakota Guardsmen in state, there are potential ancillary benefits to this proposal as well. A new range complex would be 100% federally funded with an anticipated \$15-20 million of federal funds expended in North Dakota to build it. Additionally, a new range complex would likely attract units from other states to train in North Dakota. This represents Soldiers and Airmen spending more money in North Dakota at restaurants, shopping centers, and gas stations rather than at training centers in other states

When I meet with my Soldiers and Airmen across-the-state, I often brief this initiative to seek their input. The feedback I get is overwhelmingly positive and enthusiastic. They see the enormous potential for future training on drill weekends and annual training. A new range would be a "game changer" in how our leaders train their Soldiers and Airmen. It would allow them to build readiness and lethality required of today's operational force. This is my #2 budget priority for the North Dakota National Guard.

Finally, I need to stress that in the Governor's budget recommendation he made it clear that eminent domain cannot be used to secure any land. Further, under state law, we would have to pay a fee in lieu of taxes for any land acquired.

Grants

This line provides rental payments to community owned armories partially occupied by NDNG units throughout the state. Currently, the NDNG leases space in seven armories. During the current biennium the NDNG vacated six city owned armories in the communities of Mayville, Bottineau, Carrington, Grafton, Mott, and Rugby. As a result, this budget line is reduced by \$107,637 which was used as part of our 10% reduction on Attachment #1.

Civil Air Patrol

The North Dakota Civil Air Patrol (CAP) is an agency that is called upon for civilian search and rescue as well as information gathering during state disasters. There is one FTE in this program. This line was decreased by \$3,632 by reducing IT communications costs (\$3,000) and aircraft fuel costs (\$632) for the 10% overall general fund reductions, however there is an overall increase of \$5,739 in general funds for increased salary and benefit costs in the executive budget.

SB 2016

1-2-19

#1
P11

Tuition, Recruiting and Retention

The base funding of \$2,617,500 was increased by \$2 million to \$4,617,500 general funds in the executive budget. This additional funding was requested due to federal funding restrictions, tuition cost increases, and increases in program participation by Soldiers and Airmen. This increase in funding will allow the NDNG to continue to provide 100% tuition reimbursement, which is critical to meet our required end-strength in the NDNG. Being at our authorized strength will help ensure we are ready to deploy overseas and respond to domestic emergencies, and will help ensure we retain the Guard capabilities we have in the state today. Due to the difficulty in projecting the number of Soldiers and Airmen that will be participating in this program, we have asked for both an emergency clause (Section 12.) for the 2019-21 biennium and also carry over authority (Section 7.) for funding provided in the current 2017-19 biennium should there be a decline in enrollment for Spring of 2019.

Air Guard Contracts

This budget line supports the state funded facilities and state FTE's (28) at the ND Air National Guard located at Hector Field in Fargo. Approximately 16 FTE's are supported with 75% federal funding and 25% general funds. The remaining 12 are 100% federally reimbursed FTE's. 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. We requested and received in the executive budget an increase of \$175,000 in general funds to meet the state match for utility and repair costs as shown on Attachment #2. The remainder of the overall increase of \$494,501 or \$319,501 is salary and benefit increases in the executive recommendation.

Army Guard Contracts

This budget line supports federal funded facilities and 77 FTE's, many of which require a state match of general funds. The 2019-21 executive budget request has an overall decrease from the base budget of \$10,669,870 which is attributed to a reduction in our overall request for federal spending authority. After reviewing the last several biennium, we concluded that we were over-projecting required federal authority and feel that this biennium's request of \$44.9 million reflects our actual requirement. Other savings included, the turn back of a security officer FTE which was part of our 5% FTE reduction. This position was federal funded at \$129,932.

As shown on Attachment #2, there were three separate requests for general fund increases in this budget line which were also included in the executive recommendation. The first request was for \$300,000 to meet the general fund match for maintenance and repair projects for buildings and infrastructure that have a percentage of state support. The NDNG has approximately 330 buildings and supporting infrastructure. The capitalized cost of buildings is \$191.2 million and \$51 million for infrastructure. Of that

SB 2016
1-7-19
#1 p2

amount, approximately 20% requires a state share to meet facility requirements and maintain our readiness posture.

The second request is for state support for the new 99,000 sq. ft. Fargo Readiness Center and a 62,700 sq. ft. unheated equipment storage building to be completed in Spring of 2021. Our request through the executive recommendation for the 2019-21 biennium is for support of this facility totaling \$262,057 which includes \$131,028 general funds and \$131,029 federal funds. These costs are for three FTE state staff authorizations for maintenance and custodial work, one-time start-up costs for new equipment and supplies, such as floor cleaners, mowers, snow removal equipment, and recurring utility costs starting in the Spring of 2021. The FTE authorizations and costs were identified in the previous biennium and are being requested in this biennium. This project was approved by the 2017 Legislature for construction utilizing \$32 million in federal funds and \$1 million in special funds. The special fund cost share was reduced to \$500,000.

The third request is \$221,598 of general funds to source an existing federally funded FTE that will serve as Project Manager for our Camp Grafton Expansion proposal. This extensive project requires full time oversight beginning with the initial acquisition of the land through construction of a \$15-\$20 million, 100% federally funded, range complex. Additional tasks include private, corporate and governmental leasing activities that will likely increase with the purchase of additional training area.

An item that was not included in our budget request is the design costs for a new 40,328 sq. ft. readiness center in Dickinson with a 14,554 sq. ft. unheated equipment storage building, detailed on Attachment #3. The construction of this facility is estimated at \$15.5 million with 100% federal funding. The design costs are estimated at \$1.5 million federal funding would begin as early as 2020. The construction would be completed in late 2023 at which time there would be a requirement of 50% state support costs. Total support costs to include three FTE's, utilities and insurance as well as start-up costs in the 2023-25 biennium is estimated at \$700,000 with \$350,000 federal and \$350,000 general funds.

Veterans Cemetery Salaries

The North Dakota Veterans Cemetery budget line supports five FTE's and several temporary employees. The total number of internments as of October 2018 is 8,509. In the last five years, the average number of internments per month is 40, however, in June of 2018 there were a record number of 72 internments. As of the end of October 2018, the monthly average for 2018 rose to 49. This budget line has an overall increase of \$100,566 to fund the executive recommendation for salaries and benefits. However, the base budget was reduced by \$175,189 in general funds to meet the 10% general funds reduction. Special funds, derived from federal and private burial revenue and license plate sales were used to reduce general fund requirements and fully fund salaries.

SB 2016
1-7-19
#1
P13

Reintegration Program

The reintegration program supports Soldiers and Airmen during the course of their deployment and assists them and their families in transitioning once they return. This is critical to the overall readiness of the North Dakota National Guard. This program is supported by six FTE's to include three Outreach Specialists and three Human Resource Counselors as well as their travel and minor support costs. To meet the 10% budget reductions, we turned back two of five Outreach Specialists and one of three Human Resource Counselors for a total of \$465,802 in general funds. However, the executive budget restored the third Human Resource Counselor. With the executive recommendation for salaries and benefits, the net reduction in this budget line is \$200,357 in general funds.

Subdivision 2. ND Department of Emergency Services

Salaries and Wages

This budget line in the executive recommendation supports five administrative FTE's, 33 Homeland Security FTE's along with federally funded temporaries, and 32 State Radio FTE's. To meet the 10% budget reduction, six FTE's were turned back in our budget request. They included one GIS Specialist, one Regional Coordinator, and four State Radio Communication Specialists. All were vacant positions with the exception of the Regional Coordinator. The Regional Coordinator was restored in the executive recommendation as shown on Attachment #2.

No salary increases were provided in the current biennium other than programmed probationary increases. The overall decrease to this budget line in the executive recommendation is \$1,123,134, which includes a reduction of \$712,366 for the removal of four FTE's for the IT Unification initiative. It is important to note that an amendment is needed as one of the FTE's removed was not correct. We address this in attachment #4, which corrects the dollar amount as well as the funding sources. The total turn back for the five FTEs includes \$581,885 general funds and \$48,591 special funds.

Operating Expenses

The operating expense line supports the basic operating costs of NDDES. This budget line shows an overall increase of \$2,411,609 from the base budget of \$6,988,451. Several adjustments in the executive recommendation totaling \$177,482 were made reducing IT maintenance and small equipment purchases to meet the agency's 10% reduction as shown in Attachment #1. The executive budget includes an increase of \$1,212,253 in SIIF funds to address operational shortfalls for the fixed costs of maintaining IT service contracts as well as other operational costs as shown in Attachment #2. This item is also on our one-time funding list and is the #1 budget priority for NDDES.

SB 2016
1-7-19
#1
P 14

Other general fund operational increases include one-time funding of \$66,000 to replace CAD computers and \$20,000 to replace State Radio Uninterrupted Power Supply (UPS) batteries as shown on Attachment #2. We also increased the State Radio base budget operational costs by \$542,338 in special funds due to increased operations cost. This amount reflects the projected fees received from political subdivisions that use State Radio as its dispatch service. This budget line also increased by \$712,366, shifted from the salary line in the base budget, to provide funding for IT services as a result of IT Unification. As mentioned above, a correction will also need to be made to this budget line to reflect costs and funding sources of the one corrected IT FTE as shown on Attachment #4.

Capital Assets

Our NDDDES total capital asset line is \$660,000 in the executive recommendation. \$330,000 is funded with federal Emergency Management Performance Grants and \$330,000 is Homeland Security Grant funds intended for the purchase of disaster response equipment if federal funding becomes available.

Grants

The Grants line has a decrease in base level funding of \$615,734. This amount is made up of two adjustments including a reduction of \$850,000 in Emergency Performance Management Grants, and an increase of \$234,266 in Interagency Hazardous Materials Public Sector Training & Planning Grants.

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 2019-21 biennium, we estimate approximately \$32 million in disaster spending authority. This is a decrease in federal authority from the base budget, based on projected authority required for the 2019-21 biennium. The timing of these expenditures is highly dependent upon completion of on-going repair projects as well as mitigation projects. During the 2017-19 biennium, we had \$5,541,505.65 in remaining DAPL response costs that were paid through this budget line utilizing BND loan funds.

The funding for this line is primarily federal funding of \$29 million, however, it also includes an estimated \$3 million from the State Disaster Relief fund, and \$49,978 in general funds for operational costs related to disaster support. The current unobligated balance of the State Disaster Relief fund is in excess of \$25 million. This includes our remaining obligated balance of \$5.4 million from five presidential disasters: the 2011 flood, 2013 spring flood, 2013 summer flood, 2013 snowstorm, and the 2014 flood. All these disasters are expected to be closed by June 30, 2019 with the exception of the 2011 flood which is programmed to be closed by December 31, 2019.

SB2016

1-7-19

#1
P15

As stated above, our current obligation from the State Disaster Relief fund is \$5.4 million and our budget request is for \$3 million in the 2019-21 biennium. If project completion is delayed, the timing of our expenditures may also be delayed and require additional authority for the 2019-21 biennium.

Radio Communications

The executive budget includes \$785,000 in one-time spending to include \$450,000 in SIIF funds for the State Radio CAD upgrade, \$240,000 in SIIF funds for State Radio message switch hardware replacement, and \$95,000 in general funds for message switch software upgrade. It is important to note that our intent is to upgrade the existing CAD for \$450,000. However, we intend to look at other new CAD systems at the same dollar amount that are more cost effective. A replacement CAD would have to offer equal or superior functionality while creating a cost savings in on-going maintenance costs.

Governor's Recommendation Sections 3-12 and SB 2016 Sections 3-4.

Section 3, Veterans Cemetery Maintenance Fund, provides a continuing special fund appropriation for the operation of the North Dakota Veterans Cemetery for the 2019-21 biennium utilizing revenue generated from burial income and license plate sales. This authority has been used for several biennium and allows efficient fiscal management of the ND Veterans' Cemetery.

Section 4, Maintenance and Repairs, allows the agency the ability to transfer to the operating or capital assets line up to \$500,000 from other budget lines. This may only be used for the maintenance and repair of state-owned armories.

Section 5, Line Item Transfer, allows the agency to transfer between budget line items up to 10% of the total appropriation with reporting requirements to the Office of Management and Budget and the Legislative Council. This allows flexibility and maximizes the agency's ability to execute operational requirements. With the unpredictability of federal homeland security grant programs and federal National Guard education programs, this could be used to fund validated requirements that can no longer be funded with federal funds.

Section 6 provides an exemption to carry-over any unexpended funds in the radio communications line item relating to the state radio tower package for the 2017-19 biennium to the next biennium to complete this project.

Section 7 provides an exemption for unexpended funds in the tuition assistance line item to be carried over into 2019-21 biennium.

Section 8 provides an exemption to carry over in the grants line item relating to the payment of adjusted compensation to the 2019-21 biennium. Any unexpended funds from this appropriation must be transferred to the Veterans Cemetery trust fund during the 2019-21 biennium.

SB 2016
1-1-19
#1
p16

Section 9 provides an exemption to carry-over any unexpended strategic investment and improvement funds relating to the mobile repeaters and programming radios program to the 2019-21 biennium. It is important to note that although this was originally appropriated in the Operating Expenses line, this appropriation was moved to the Radio Communications line during the current 2017-19 biennium through the September 2017 Emergency Commission. This appropriation was to purchase capitalized equipment and would not be an appropriate expenditure for the Operations Expense budget line.

Section 10 provides an exemption to carry over funds in the disaster costs line item relating to grants to political subdivisions for amounts required to match federal dollars on road grade raising projects and federal emergency relief funding to the 2019-21 biennium. This is an appropriation sourced by the State Disaster Relief Fund with a current remaining balance of \$81,380.

Section 11 amends NDCC 37-07.3-03 to allow using the existing trust fund for the Camp Grafton South Expansion project over a ten year period beginning July 1, 2019 through June 30, 2029. This section of law was utilized for the purchase of the existing Camp Grafton South during the period of 1983 to 1991.

Finally, Section 12 provides an emergency clause for the appropriation in Tuition, Recruiting, and Retention budget line. This will provide flexibility in case our enrollment numbers for the Spring of 2019 exceed our expectations.

Conclusion

Mr. Chairman that completes my testimony. I would like to leave you with these final thoughts. This is a pivotal time for the Office of The Adjutant General as we evolve to meet the demands of a continuously changing strategic landscape. Our investment in readiness, increased capacity, and future capabilities must keep pace if we are to remain relevant today and able to meet the mission requirements of tomorrow. Readiness remains my number one priority. The 2019-21 biennial request for appropriations addresses my most urgent readiness concerns.

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

OFFICE OF ADJUTANT GENERAL
EXECUTIVE RECOMMENDATION 2019-21
10% BUDGET REDUCTIONS

ATTACHMENT #1

SB 2016
1-7-19
#1
p17

NATIONAL GUARD:

<u>BUDGET LINE</u>	<u>APPROPRIATIONS</u>	<u>AREA OF REDUCTION</u>	<u>AMOUNT</u>
SALARIES & WAGES	\$ 148,564.00	1 VACANT CARPENTER I	\$ 148,564.00
OPERATING EXPENSES	\$ 758,613.00	REPAIRS	\$ 430,000.00
		UTILITIES	\$ 252,013.00
		MISC OPERATIONS (DFE)	\$ 61,000.00
		ND CARES MISC OPS	\$ 15,600.00
GRANTS	\$ 107,637.00	CITY ARMORY CLOSURES	\$ 107,637.00
CIVIL AIR PATROL	\$ 3,630.00	IT COMMUNICATIONS	\$ 3,000.00
		FUEL	\$ 630.00
VETERANS CEMETERY	\$ 175,189.00	INCREASE SPECIAL FUND PARTICIPATION	\$ 175,189.00
REINTEGRATION / MILITARY OUTREACH	\$ 465,802.00	2 VACANT MOUT	\$ 286,697.00
		1 VACANT COUNSELOR	\$ 179,105.00 **
TOTAL NDNG REDUCTIONS			\$ 1,659,435.00

DES:

<u>BUDGET LINE</u>	<u>APPROPRIATIONS</u>	<u>AREA OF REDUCTION</u>	<u>AMOUNT</u>
SALARIES & WAGES	\$ 751,725.00	1 VACANT GIS II	\$ 144,572.00
		1 VACANT REGIONAL COOR	\$ 169,839.00 **
		4 COMM SPEC I	\$ 437,314.00
OPERATING EXPENSES	\$ 177,482.00	VTC REPLACEMENT	\$ 36,000.00 **
		POLYCOM MAINT	\$ 6,000.00 **
		JOLLY TECH ID SYST	\$ 2,800.00 **
		FIRST LINK	\$ 40,000.00 **
		RMS SYS MAINT	\$ 92,682.00 **
TOTAL DES REDUCTIONS			\$ 929,207.00

TOTAL BOTH DIVISIONS \$ 2,588,642.00

** The NDNG Counselor and the DES Regional Coordinator FTE's and funding were restored in agency's optional adjustments and an optional adjustment of \$1,212,253 was also received for DES operating expenses.

p17

**OFFICE OF ADJUTANT GENERAL
EXECUTIVE RECOMMENDATION 2019-21
2019 - 21 OPTIONAL ADJUSTMENTS**

ATTACHMENT #2

SB 2016
1-17-17
#1
P18

NDNG:

<u>INITIATIVE BY PRIORITY</u>	<u>GENERAL FUNDS</u>	<u>OTHER FUNDS</u>	<u>TOTAL</u>
1 TUITION	\$ 2,000,000.00		\$ 2,000,000.00
2 CP GRAFTON SOUTH EXPANSION	\$ 15,000,000.00	\$	\$ 15,000,000.00 Legacy
3 CAMP GRAFTON EXPANSION PROJECT MANAGER	\$ 221,598.00		\$ 221,598.00
4 HUMAN RESOURCE COUNSELOR	\$ 179,105.00		\$ 179,105.00
5 FARGO READINESS CENTER - 3 NEW FTE's	\$ 67,528.50	\$ 67,528.50	\$ 135,057.00
5 FARGO READINESS CENTER - OPERATIONS	\$ 63,500.00	\$ 63,500.00	\$ 127,000.00
6 MAINTENANCE & REPAIR	\$ 900,000.00	\$	\$ 900,000.00 not funded
7 AIR GUARD STATE MATCH (UTILITIES AND M&R)	\$ 175,000.00	\$	\$ 175,000.00
8 ARMY GUARD STATE MATCH (M&R)	\$ 300,000.00	\$	\$ 300,000.00

NDNG TOTAL \$ 18,906,731.50 \$ 131,028.50 \$ 19,037,760.00

DES:

<u>INITIATIVE BY PRIORITY</u>	<u>GENERAL FUNDS</u>	<u>OTHER FUNDS</u>	<u>TOTAL</u>
1 OPERATIONS SHORTFALL		\$ 1,212,253.00	\$ 1,212,253.00 SIIF
2 COMPUTER AIDED DISPATCH (CAD) UPGRADE		\$ 450,000.00	\$ 450,000.00 SIIF
3 REGIONAL COORDINATOR - RESTORE 1 FTE	\$ 169,838.00	\$	\$ 169,838.00
4 MESSAGE SWITCH UPGRADE TO XML	\$ 95,000.00		\$ 95,000.00
5 UPS BATTERIES	\$ 20,000.00	\$	\$ 20,000.00
6 MESSAGE SWITCH HARDWARE UPGRADE		\$ 240,000.00	\$ 240,000.00 SIIF
7 CAD PCs & LARGE MONITOR REPLACEMENT (18 Counsels @2,500 ea & 60 Monitors @\$350 ea)	\$ 66,000.00	\$	\$ 66,000.00

DES TOTAL \$ 350,838.00 \$ 690,000.00 \$ 2,253,091.00

All optionals were funded except NDNG Priority #6 for Maintenance & Repair - \$900,000.

P 18

OFFICE OF ADJUTANT GENERAL
REQUEST FOR AUTHORIZATION
2019-21 BIENNIAL BUDGET

ATTACHMENT #3

SB 2016
1-7-19
#1
P19

The Office of Adjutant General is not asking for a change to the executive recommendation, only an informational piece requesting your authorization that should have been included in our budget request.

The agency has been approved through National Guard Bureau for 100% federal funding for the construction of a \$15.5 million Dickinson Readiness Center. Construction would not begin until early 2022, however, design would begin in 2020. This project will build a 40,328 square foot readiness center and 14,554 square foot unheated equipment storage building, along with parking, fencing and other site amenities. This new Readiness Center location will be located on the eastern part of the City of Dickinson, south of I-94. The Dickinson Readiness Center is scheduled to be completed by the summer of 2024. The current armory in Dickinson is owned by the City and National Guard space will be turned back to the city once the new Readiness Center is complete.

One-time "startup" costs for new equipment and supplies, such as floor cleaners, mowers, snow removal equipment, and other equipment and supplies for custodial and maintenance will be needed prior to project completion. The new facility will need to be staffed by three (3) FTE's for maintenance and custodial work. This new facility will also have recurring utility and operational costs starting in late 2023 or early 2024. The funding of start-up costs, staff and operational costs will require a 50% state cost share beginning in the 2023-25 biennium. Those costs for the 2023-25 biennium are estimated at a total of \$700,000 which would include \$350,000 in state funding. Future costs in the 2025-27 biennium is estimated at \$760,000 with a \$380,000 state cost share.

As stated above there will not be state costs incurred until the 2023-25 biennium. The estimated design costs in the 2019-21 biennium are 100% federal federally funded at approximately \$1.5 million. If this project is authorized for design, we would not be asking for an amendment to our 2019-21 biennium as our federal authority in the Army Guard Contract line would be adequate as it is an estimated number that is contingent upon National Guard Bureau federally authorized projects each federal fiscal year, most of which do not require a state cost share.

P19

OFFICE OF ADJUTANT GENERAL
IT UNIFICATION CORRECTION
EXECUTIVE RECOMMENDATION 2019-21

ATTACHMENT #4 1-7-19

SB2016

#1

P20

	INCORRECT FTE POSITION #00005615	CORRECT FTE POSITION #00024459	CORRECTION
SALARY	\$ 126,048.00	\$ 121,704.00	\$ (4,344.00)
BENEFITS	\$ 59,941.41	\$ 25,598.79	\$ (34,342.62)
	\$ 185,989.41	\$ 147,302.79	\$ (38,686.62)
GENERAL FUNDS	\$ 167,390.47	\$ 51,555.98	\$ (115,834.49)
FEDERAL FUNDS P151	\$ -	\$ 22,095.42	\$ 22,095.42
SPECIAL FUND 373	\$ 18,598.94	\$ 73,651.39	\$ 55,052.45
	\$ 185,989.41	\$ 147,302.79	\$ (38,686.62)

The budget entries for IT Unification incorrectly removed position #00005615 (Communications Supervisor), the correct position should have been position #00024459 (Computer Network Spec III).

P20

Dickinson Armory

Current Maintenance Bay



P 21

SB2016 1-7-19
P 21

SB 2016
1-24-19

Subcom #1 P1

CAMP GRAFTON

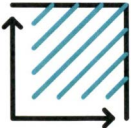
EXPANSION PROJECT

EDDY COUNTY



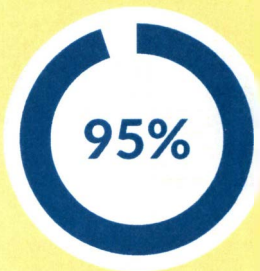
WHAT IS CAMP GRAFTON?

The state of North Dakota owns little more than 9,000 acres in Eddy County, 45 miles south of Devils Lake. This property, managed by the N.D. National Guard is part of Camp Grafton Training Center, commonly known as Camp Grafton South. The property has two primary functions: to provide space for weapons qualification and space for units to train in battlefield conditions, commonly known as maneuver space.



CURRENT ACREAGE: 9,000 acres

**MINIMUM ACREAGE
NEEDED FOR EXPANSION:** 6,000 acres



AGRICULTURAL PRODUCTION

The N.D. National Guard prioritizes being a good steward of its resources. Of the land currently used for training at Camp Grafton South, 95 percent is managed for agricultural purposes and leased to local farmers and ranchers. We intend to continue this practice with any additional land acquired.



PROJECTED COST:

\$15 Million for the additional 6,000 acres

EXPECTED FEDERAL INVESTMENT:

\$15 - \$20 Million to construct new firing ranges

* The N.D. National Guard does not have authority for eminent domain, nor would we wish to seek that authority.

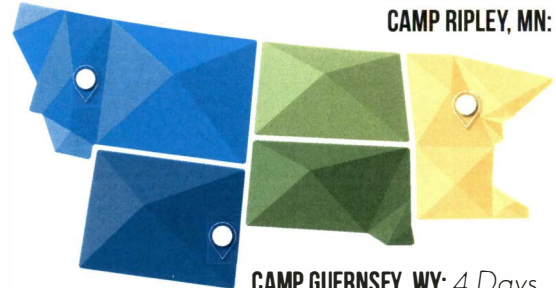
WHY EXPAND?

While a tremendous asset, this property has become inadequate to support our training requirements. As early as this year, the N.D. National Guard will have significantly reduced range capacity due to the implementation of the Enhanced Performance Round (EPR). The effect on the National Guard would be a complete loss of capability in firing machine guns, and our M-16 range would be reduced from 16 to only 8 firing lanes.

An additional 6,000 acres is required to ensure Camp Grafton South provides the space the N.D. National Guard needs to meet weapons qualification requirements.

FORT HARRISON, MT: 3-4 Days

CAMP RIPLEY, MN: 2 Days



CAMP GUERNSEY, WY: 4 Days

LOSS OF TRAINING DAYS

Since our Soldiers and Airmen have only 39 training days available each year and Camp Grafton cannot accommodate required training, our Guardsmen travel to various locations in the region to accomplish weapons qualifications. This results in a significant loss of training time due to travel time.

**Adjutant General
Proposed Amendment
SB 2016**

SB 2016
1-24-19
subcomm
#2
p1

SECTION __. EXEMPTION. The amount appropriated in the disaster costs line item for the state emergency disaster relief fund in subdivision 2 of section 1 of chapter 15 of the 2017 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this appropriation may be used to provide the required state share for the purposes of reimbursing costs under section 37-17.1-27, during the biennium beginning July 1, 2019, and ending June 30, 2021.

Adjutant General, including the National Guard and the Department of
Emergency Services - Budget No. 540

Senate Bill No. 2016

Base Level Funding Changes

/ SB 2016
2-13-2019
pg 1

	Executive Budget Recommendation				Senate Version				Senate Changes to Executive Budget Increase (Decrease) - Executive Budget			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2019-21 Biennium Base Level	234.00	\$25,886,422	\$143,599,480	\$169,485,902	234.00	\$25,886,422	\$143,599,480	\$169,485,902	0.00	\$0	\$0	\$0
2019-21 Ongoing Funding Changes												
Base payroll changes		(\$175,188)	(\$603,242)	(\$778,430)		(\$175,188)	(\$603,242)	(\$778,430)				\$0
Salary increase		580,067	867,531	1,447,598		408,013	607,549	1,015,562		(172,054)	(259,982)	(432,036)
Health insurance increase		307,642	502,965	810,607		367,107	590,010	957,117		59,465	87,045	146,510
Retirement contribution increase		74,000	99,497	173,497				0		(74,000)	(99,497)	(173,497)
Add funding for Fargo Readiness Center FTE positions and related operating expenses and equipment	3.00	131,028	131,029	262,057	3.00	131,028	131,029	262,057				0
Remove 9 FTE positions, including 4 communications specialists, 1 geographic information systems specialist, 1 carpenter, 1 security officer, and 2 veterans benefits specialists	(9.00)	(1,017,146)	(178,523)	(1,195,669)	(9.00)	(1,017,146)	(178,523)	(1,195,669)				0
Reclassify a security officer FTE position as a project manager FTE position		221,598	(132,379)	89,219		221,598	(132,379)	89,219				0
Transfer FTE positions for the information technology (IT) unification initiative	(4.00)	(310,746)	(366,744)	(677,490)	(4.00)	(310,746)	(366,744)	(677,490)				0
Funding adjustment to reflect IT unification error		(111,903)	77,027	(34,876)				0		111,903	(77,027)	34,876
Increase funding for operating expenses related to the IT unification initiative		444,077	304,423	748,500		328,538	387,502	716,040		(115,539)	83,079	(32,460)
Increase funding for National Guard contract lines		475,000		475,000		475,000		475,000				0
Increase funding for National Guard tuition assistance		2,000,000		2,000,000		2,164,572		2,164,572		164,572		164,572
Reduce funding for National Guard operating expenses, including travel, utilities, repairs, and IT		(762,245)		(762,245)		(762,245)		(762,245)				0
Reduce funding for city-owned armory grants due to the closure of armories in Mayville, Bottineau, Carrington, Grafton, Mott, and Rugby during the 2017-19 biennium		(107,637)		(107,637)		(107,637)		(107,637)				0

#1 SB 2016
2-13-2019
pg 2

Reduce funding for emergency services operating expenses, including IT, miscellaneous supplies, and professional services	(177,482)		(177,482)	(177,482)		(177,482)						0
Increase funding from the radio communications fund for State Radio operating expenses, including IT, repairs, and professional services		542,338		542,338		542,338		542,338				0
Reduce federal funding for Army Guard contract		(12,000,000)		(12,000,000)		(12,000,000)		(12,000,000)				0
Reduce funding from the disaster relief fund (\$5.4 million) and federal funds (\$13.3 million) for disaster costs		(18,708,053)		(18,708,053)		(18,708,053)		(18,708,053)				0
Reduce federal funding for emergency services grants		(615,734)		(615,734)		(615,734)		(615,734)				0
Total ongoing funding changes	(10.00)	\$1,571,065	(\$30,079,865)	(\$28,508,800)	(10.00)	\$1,545,412	(\$30,346,247)	(\$28,800,835)	0.00	(\$25,653)	(\$266,382)	(\$292,035)
One-time funding items												
Add one-time funding for the Camp Grafton expansion		\$15,000,000		\$15,000,000		\$600,000		\$600,000		(\$15,000,000)	\$600,000	(\$14,400,000)
Add one-time funding from the strategic investment and improvements fund (SIIF) for a 911 dispatching service revenue shortfall			1,212,253	1,212,253			1,212,253	1,212,253			0	0
Add one-time funding for IT upgrades, including funding from SIIF		181,000	690,000	871,000		181,000	690,000	871,000		0	0	0
Add one-time funding from federal funds for emergency services equipment			660,000	660,000			660,000	660,000			0	0
Total one-time funding changes	0.00	\$15,181,000	\$2,562,253	\$17,743,253	0.00	\$181,000	\$3,162,253	\$3,343,253	0.00	(\$15,000,000)	\$600,000	(\$14,400,000)
Total Changes to Base Level Funding	(10.00)	\$16,752,065	(\$27,517,612)	(\$10,765,547)	(10.00)	\$1,726,412	(\$27,183,994)	(\$25,457,582)	0.00	(\$15,025,653)	\$333,618	(\$14,692,035)
2019-21 Total Funding	224.00	\$42,638,487	\$116,081,868	\$158,720,355	224.00	\$27,612,834	\$116,415,486	\$144,028,320	0.00	(\$15,025,653)	\$333,618	(\$14,692,035)

Other Sections for Adjutant General, including the National Guard and the Department of Emergency Services - Budget No. 540

	Executive Budget Recommendation	Senate Version
Veterans' Cemetery maintenance fund	Section 3 would appropriate any funds which are received and deposited in the Veterans' Cemetery maintenance fund pursuant to North Dakota Century Code Sections 37-03-14 and 39-04-10.10 for the operation of the Veterans' Cemetery for the 2019-21 biennium.	Section 3 appropriates any funds which are received and deposited in the Veterans' Cemetery maintenance fund pursuant to North Dakota Century Code Sections 37-03-14 and 39-04-10.10 for the operation of the Veterans' Cemetery for the 2019-21 biennium.
Strategic investment and improvements fund		Section 4 identifies the appropriations from the strategic investment and improvements fund included in this bill.

	Executive Budget Recommendation	Senate Version
Camp Grafton expansion		Section 5 provides legislative intent for the Adjutant General to purchase options for the purchase or lease of up to 6,000 acres of land. The section also provides legislative intent that the 67th Legislative Assembly provide an appopriation to complete the purchase or lease of land during the 2021-23 biennium.
National Guard tuition waiver		Section 6 amends Section 37-07.1-03 to increase the National Guard tuition waiver from 25 percent to 35 percent.
Maintenance and repairs	Section 4 would authorize the Adjutant General to transfer up to \$500,000 from various line items to the operating expenses and capital assets line items for the maintenance and repair of state-owned armories during the 2019-21 biennium. Any amounts transferred must be reported to the Office of Management and Budget.	Section 7 authorizes the Adjutant General to transfer up to \$500,000 from various line items to the operating expenses and capital assets line items for the maintenance and repair of state-owned armories during the 2019-21 biennium. Any amounts transferred must be reported to the Office of Management and Budget.
Line item transfers	Section 5 would authorize the Adjutant General to transfer up to 10 percent of its total appropriation between line items.	
Exemption - Radio communications	Section 6 would provide that any unexpended general or special funds appropriation authority carried over in the radio communications line item relating to the State Radio tower package for the 2013-15 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2019-21 biennium.	Section 8 provides that any unexpended general or special funds appropriation authority carried over in the radio communications line item relating to the State Radio tower package for the 2013-15 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2019-21 biennium.
Exemption - Tuition, recruiting, and retention	Section 7 would provide that any unexpended general or special funds appropriation authority in the tuition, recruiting, and retention line item for the 2017-19 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2019-21 biennium.	Section 9 provides that any unexpended general or special funds appropriation authority in the tuition, recruiting, and retention line item for the 2017-19 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2019-21 biennium.
Exemption - Veterans' bonus	Section 8 would provide that any unexpended general or special funds appropriation authority carried over in the grants line item relating to payment of adjusted compensation to veterans for the 2015-17 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2019-21 biennium. Any unexpended funds from this appropriation must be transferred to the Veterans' Cemetery trust fund during the 2019-21 biennium.	Section 10 provides that any unexpended general or special funds appropriation authority carried over in the grants line item relating to payment of adjusted compensation to veterans for the 2015-17 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2019-21 biennium. Any unexpended funds from this appropriation must be transferred to the Veterans' Cemetery trust fund during the 2019-21 biennium.

#1 SB 2016
2-13-2019
pg 4

Other Sections for Adjutant General, including the National Guard and the Department of Emergency Services - Budget No. 540

	Executive Budget Recommendation	Senate Version
Exemption - Mobile repeaters and programming radios	Section 9 would provide that any unexpended general or special funds appropriation authority carried over in the Department of Emergency Services operating expenses line item relating to one-time funding from the strategic investment and improvements fund for mobile repeaters and programming radios for the 2017-19 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2019-21 biennium.	Section 11 provides that any unexpended general or special funds appropriation authority carried over in the Department of Emergency Services operating expenses line item relating to one-time funding from the strategic investment and improvements fund for mobile repeaters and programming radios for the 2017-19 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2019-21 biennium.
Exemption - Disaster costs	Section 10 would provide that any unexpended general or special funds appropriation authority in the disaster costs line item relating to grants to political subdivisions for amounts required to match federal dollars on road grade raising projects and federal emergency relief funding for the 2011-13 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2019-21 biennium.	Section 12 provides that any unexpended general or special funds appropriation authority in the disaster costs line item relating to grants to political subdivisions for amounts required to match federal dollars on road grade raising projects and federal emergency relief funding for the 2011-13 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2019-21 biennium.
National Guard training area and facility development trust fund	Section 11 would amend Section 37-07.3-03 relating to the National Guard training area and facility development trust fund to allow the fund to be used for the proposed expansion of Camp Grafton. The section disallows the use of eminent domain in the acquisition of property for the expansion.	
Emergency	Section 12 would declare the amount appropriated in the tuition, recruiting, and retention line item to be an emergency measure	Section 13 declares the amount appropriated in the Camp Grafton expansion and tuition, recruiting, and retention line items to be an emergency measure.

19.0229.01001
Title.
Fiscal No. 1

Prepared by the Legislative Council staff for
Senator Hogue
February 8, 2019

#2 SB 2016
2-13-2019
pg 1

PROPOSED AMENDMENTS TO SENATE BILL NO. 2016

Page 1, line 2, replace the first "and" with "to amend and reenact section 37-07.1-03 of the North Dakota Century Code, relating to the national guard tuition waiver;"

Page 1, line 2, after "transfer" insert "; to provide legislative intent; to provide exemptions; and to declare an emergency"

Page 1, remove lines 12 through 24

Page 2, replace lines 1 and 2 with:

"

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$6,666,525	\$147,083	\$6,813,608
Operating expenses	3,525,934	(758,613)	2,767,321
Capital assets	224,046	0	224,046
Grants	318,553	(107,637)	210,916
Civil air patrol	299,580	4,295	303,875
Tuition, recruiting, and retention	2,617,500	2,164,572	4,782,072
Air guard contract	8,098,582	443,544	8,542,126
Army guard contract	57,717,944	(10,818,059)	46,899,885
Veterans' cemetery	881,284	91,388	972,672
Reintegration program	1,261,384	(213,635)	1,047,749
Camp Grafton expansion	0	600,000	600,000
Total all funds	\$81,611,332	(\$8,447,062)	\$73,164,270
Less estimated income	65,174,778	(10,426,348)	54,748,430
Total general fund	\$16,436,554	\$1,979,286	\$18,415,840"

Page 2, replace lines 5 through 15 with:

"

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$12,551,119	(\$1,226,414)	\$11,324,705
Operating expenses	6,988,451	2,379,149	9,367,600
Capital assets	0	660,000	660,000
Grants	16,889,159	(615,734)	16,273,425
Disaster costs	51,445,841	(18,992,521)	32,453,320
Radio communications	0	785,000	785,000
Total all funds	\$87,874,570	(\$17,010,520)	\$70,864,050
Less estimated income	78,424,702	(16,757,646)	61,667,056
Total general fund	\$9,449,868	(\$252,874)	\$9,196,994"

Page 2, replace lines 18 through 23 with:

"

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total general fund	\$25,886,422	\$1,726,412	\$27,612,834
Grand total special funds	143,599,480	(27,183,994)	116,415,486
Grand total all funds	\$169,485,902	(\$25,457,582)	\$144,028,320
Full-time equivalent positions	234.00	(10.00)	224.00"

Page 2, line 24, after "FUNDING" insert "- EFFECT ON BASE BUDGET - REPORT TO SIXTY-SEVENTH LEGISLATIVE ASSEMBLY"

Page 2, line 25, after "biennium" insert "and the 2019-21 biennium one-time funding items included in section 1 of this Act"

Page 2, remove lines 28 through 31

Page 3, replace lines 1 and 2 with:

"Emergency response equipment	569,000	660,000
Camp Grafton expansion	0	600,000
Uninterruptible power supply battery replacement	0	20,000
Computer aided dispatch equipment	0	516,000
Message switch system upgrade	0	335,000
Dispatching service fee shortfall	0	1,212,253
Dakota access pipeline law enforcement	21,000,000	0
Mobile repeaters and programming radios	300,000	0
Total all funds	\$54,869,000	\$3,343,253
Total other funds	54,869,000	3,162,253
Total general fund	\$0	\$181,000

The 2019-21 biennium one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The adjutant general shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021."

Page 3, after line 8, insert:

"SECTION 4. ESTIMATED INCOME - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. The estimated income line item in subdivision 1 of section 1 of this Act includes \$600,000 of one-time funding from the strategic investment and improvements fund for the camp Grafton expansion. The estimated income line item in subdivision 2 of section 1 of this Act includes \$1,902,253 of one-time funding from the strategic investment and improvements fund for computer aided dispatch equipment, message switch system upgrades, and 911 dispatching service operations due to a revenue shortfall.

SECTION 5. CAMP GRAFTON EXPANSION - LEGISLATIVE INTENT. It is the intent of the sixty-sixth legislative assembly that:

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

2

SB 2016
2-13-2019

SECTION 6. AMENDMENT. Section 37-07.1-03 of the North Dakota Century Code is amended and reenacted as follows: pg 3

37-07.1-03. Tuition waiver - Terms.

A qualifying member of the national guard who enrolls in any state-controlled school, subject to rules adopted by the adjutant general, is entitled to receive a ~~twenty-five~~thirty-five percent waiver of the tuition from the state-controlled school, conditioned on the adjutant general having sufficient appropriations for tuition reimbursement under section 37-07.1-06.2. The tuition waiver is valid only so long as the member of the national guard maintains satisfactory performance with the guard, meets the qualification requirements of rules adopted by the adjutant general, and pursues a course of study in a manner that satisfies the normal requirements of the school."

Page 3, after line 15, insert:

"SECTION 8. EXEMPTION. Any amounts carried over in the radio communications line item for the state radio tower package, in section 7 of chapter 15 of the 2017 Session Laws is not subject to section 54-44.1-11 and any unexpended funds are available for completing these projects during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 9. EXEMPTION. The amount appropriated in the tuition, recruiting, and retention line item in subdivision 1 of section 1 of chapter 15 of the 2017 Session Laws is not subject to section 54-44.1-11, and any unexpended funds from this appropriation may be used to provide tuition assistance, recruiting, and retention incentives to eligible members of the North Dakota national guard during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 10. EXEMPTION. Any amounts carried over pursuant to section 11 of chapter 15 of the 2017 Session Laws that is unexpended as of June 30, 2019, is not subject to section 54-44.1-11 and is available for payment of adjusted compensation to veterans. Any unexpended funds from this appropriation must be transferred to the veterans' cemetery trust fund during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 11. EXEMPTION. The amount appropriated from the strategic investment and improvements fund in the operating expenses line item in subdivision 2 of section 1 of chapter 15 of the 2017 Session Laws for mobile repeaters and programming radios is not subject to section 54-44.1-11 and any unexpended funds from this appropriation may be used to complete this project during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 12. EXEMPTION. Any amounts carried over in the disaster costs line item for grants to political subdivisions for amounts required to match federal dollars on road grade raising projects and federal emergency relief funding pursuant to section 13 of chapter 15 of the 2017 Session Laws that is unexpended as of June 30, 2019, are not subject to section 54-44.1-11. Any unexpended funds from this appropriation are available for these purposes during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 13. EMERGENCY. Sections 4 and 5 and the camp Grafton expansion and tuition, recruiting, and retention line items in subdivision 1 of section 1 of this Act are declared to be an emergency measure."

Renumber accordingly

2 SB 2016
2-13-2019
Pg 4

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2016 - Summary of Senate Action

	Base Budget	Senate Changes	Senate Version
Adjutant General			
Total all funds	\$81,611,332	(\$8,447,062)	\$73,164,270
Less estimated income	65,174,778	(10,426,348)	54,748,430
General fund	\$16,436,554	\$1,979,286	\$18,415,840
FTE	155.00	(1.00)	154.00
Department of Emergency Services			
Total all funds	\$87,874,570	(\$17,010,520)	\$70,864,050
Less estimated income	78,424,702	(16,757,646)	61,667,056
General fund	\$9,449,868	(\$252,874)	\$9,196,994
FTE	79.00	(9.00)	70.00
Bill total			
Total all funds	\$169,485,902	(\$25,457,582)	\$144,028,320
Less estimated income	143,599,480	(27,183,994)	116,415,486
General fund	\$25,886,422	\$1,726,412	\$27,612,834
FTE	234.00	(10.00)	224.00

Senate Bill No. 2016 - Adjutant General - Senate Action

	Base Budget	Senate Changes	Senate Version
Salaries and wages	\$6,666,525	\$147,083	\$6,813,608
Operating expenses	3,525,934	(758,613)	2,767,321
Capital assets	224,046		224,046
Grants	318,553	(107,637)	210,916
Civil air patrol	299,580	4,295	303,875
Tuition, recruiting, and retention	2,617,500	2,164,572	4,782,072
Air guard contract	8,098,582	443,544	8,542,126
Army guard contract	57,717,944	(10,818,059)	46,899,885
Veterans' cemetery	881,284	91,388	972,672
Reintegration program	1,261,384	(213,635)	1,047,749
Camp Grafton expansion		600,000	600,000
Total all funds	\$81,611,332	(\$8,447,062)	\$73,164,270
Less estimated income	65,174,778	(10,426,348)	54,748,430
General fund	\$16,436,554	\$1,979,286	\$18,415,840
FTE	155.00	(1.00)	154.00

2 SB 2016
2-13-2019
pg 5

Department 540 - Adjutant General - Detail of Senate Changes

	Adjusts Funding for Base Payroll Changes ¹	Adds Funding for Salary and Benefit Increases ²	Adjusts FTE Positions ³	Adjusts Funding for National Guard Contracts ⁴	Increases Funding for Tuition Assistance ⁵	Reduces Funding for Grants and Operating Expenses ⁶
Salaries and wages	(\$18,506)	\$314,153	(\$148,564)			
Operating expenses						(\$758,613)
Capital assets						
Grants						(107,637)
Civil air patrol		7,927				(3,632)
Tuition, recruiting, and retention					\$2,164,572	
Air guard contract	(12,999)	281,543		\$175,000		
Army guard contract	592	660,005	221,344	(11,700,000)		
Veterans' cemetery	48,565	42,823				
Reintegration program	23,563	49,499	(286,697)			
Camp Grafton expansion						
Total all funds	\$41,215	\$1,355,950	(\$213,917)	(\$11,525,000)	\$2,164,572	(\$869,882)
Less estimated income	216,404	888,530	(131,282)	(12,000,000)	0	0
General fund	(\$175,189)	\$467,420	(\$82,635)	\$475,000	\$2,164,572	(\$869,882)
FTE	0.00	0.00	(1.00)	0.00	0.00	0.00

	Adds Funding for the Camp Grafton Expansion ⁷	Total Senate Changes
Salaries and wages		\$147,083
Operating expenses		(758,613)
Capital assets		
Grants		(107,637)
Civil air patrol		4,295
Tuition, recruiting, and retention		2,164,572
Air guard contract		443,544
Army guard contract		(10,818,059)
Veterans' cemetery		91,388
Reintegration program		(213,635)
Camp Grafton expansion	\$600,000	600,000
Total all funds	\$600,000	(\$8,447,062)
Less estimated income	600,000	(10,426,348)
General fund	\$0	\$1,979,286
FTE	0.00	(1.00)

¹ Funding is adjusted for base payroll changes.

² The following funding is added for 2019-21 biennium salary adjustments of 2 percent on July 1, 2019, and 3 percent on July 1, 2020, and increases in health insurance premiums from \$1,241 to \$1,427 per month:

	General Fund	Other Funds	Total
Salary increase	\$248,659	\$444,672	\$693,331
Health insurance increase	218,761	443,858	662,619
Total	\$467,420	\$888,530	\$1,355,950

³ FTE positions and related funding are adjusted as follows:

2 SB 2016
2-13-2019

Adds Fargo Readiness Center positions
Removes carpenter
Removes veterans' benefits specialists
Removes carpenter
Reclassifies security officer as project manager
Total

FTE Positions	General Fund	Other Funds	Total
3.00	\$131,028	\$131,029	\$262,057
(1.00)	(148,564)		(148,564)
(2.00)	(286,697)		(286,697)
(1.00)		(129,932)	(129,932)
	221,598	(132,379)	89,219
(1.00)	(\$82,635)	(\$131,282)	(\$213,917)

pg 6

⁴ Funding for the Air Guard and Army Guard contracts is adjusted as follows:

	General Fund	Other Funds	Total
Air Guard contract	\$175,000		\$175,000
Army Guard contract	\$300,000	(\$12,000,000)	(\$11,700,000)
Total	\$475,000	(\$12,000,000)	(\$11,525,000)

⁵ Funding of \$2,164,572 from the general fund is added to provide tuition assistance for National Guard members.

⁶ Funding for operating expenses including travel, utilities, repairs, and information technology expenses, is reduced by \$762,245 from the general fund. Funding for city-owned armory grants is reduced by \$107,637 from the general fund due to the closure of armories in Mayville, Bottineau, Carrington, Grafton, Mott, and Rugby during the 2017-19 biennium.

⁷ One-time funding of \$600,000 from the strategic investment and improvements fund is added for the Adjutant General to purchase options for the lease or purchase of up to 6,000 acres for the expansion of Camp Grafton.

Senate Bill No. 2016 - Department of Emergency Services - Senate Action

	Base Budget	Senate Changes	Senate Version
Salaries and wages	\$12,551,119	(\$1,226,414)	\$11,324,705
Operating expenses	6,988,451	2,379,149	9,367,600
Capital assets		660,000	660,000
Grants	16,889,159	(615,734)	16,273,425
Disaster costs	51,445,841	(18,992,521)	32,453,320
Radio communications		785,000	785,000
Total all funds	\$87,874,570	(\$17,010,520)	\$70,864,050
Less estimated income	78,424,702	(16,757,646)	61,667,056
General fund	\$9,449,868	(\$252,874)	\$9,196,994
FTE	79.00	(9.00)	70.00

Department 542 - Department of Emergency Services - Detail of Senate Changes

	Adjusts Funding for Base Payroll Changes ¹	Adds Funding for Salary and Benefit Increases ²	Removes FTE Positions ³	Adjusts Funding and FTE Positions for IT Unification ⁴	Adjusts Funding for Operating Expenses ⁵	Reduces Funding for Disaster Costs and Grants ⁶
Salaries and wages	(\$478,711)	\$560,263	(\$630,476)	(\$677,490)		
Operating expenses				716,040	\$364,856	
Capital assets						
Grants						(\$615,734)
Disaster costs	(340,934)	56,466				(18,708,053)
Radio communications						
Total all funds	(\$819,645)	\$616,729	(\$630,476)	\$38,550	\$364,856	(\$19,323,787)
Less estimated income	(819,646)	309,029	(48,591)	20,758	542,338	(19,323,787)
General fund	\$1	\$307,700	(\$581,885)	\$17,792	(\$177,482)	\$0
FTE	0.00	0.00	(5.00)	(4.00)	0.00	0.00

	Adds One-Time Funding for State Radio ⁷	Adds One-Time Funding for Equipment ⁸	Total Senate Changes
Salaries and wages			(\$1,226,414)
Operating expenses	\$1,298,253		2,379,149
Capital assets		\$660,000	660,000
Grants			(615,734)
Disaster costs			(18,992,521)
Radio communications	785,000		785,000
Total all funds	\$2,083,253	\$660,000	(\$17,010,520)
Less estimated income	1,902,253	660,000	(16,757,646)
General fund	\$181,000	\$0	(\$252,874)
FTE	0.00	0.00	(9.00)

¹ Funding is adjusted for base payroll changes.

² The following funding is added for 2019-21 biennium salary adjustments of 2 percent on July 1, 2019, and 3 percent on July 1, 2020, and increases in health insurance premiums from \$1,241 to \$1,427 per month:

	General Fund	Other Funds	Total
Salary increase	\$159,354	\$162,877	\$322,231
Health insurance increase	148,346	146,152	294,498
Total	\$307,700	\$309,029	\$616,729

³ FTE positions and related funding are adjusted as follows:

	FTE Positions	General Fund	Other Funds	Total
Removes communications specialists	(4.00)	(\$437,314)	(\$48,591)	(\$485,905)
Removes GIS specialist	(1.00)	(144,571)		(144,571)
Total	(5.00)	(\$581,885)	(\$48,591)	(\$630,476)

⁴ Funding and FTE positions are adjusted as follows for the information technology unification initiative:

	FTE Positions	General Fund	Other Funds	Total
Transfers FTE positions	(4.00)	(\$310,746)	(\$366,744)	(\$677,490)
Adds funding for operating expenses		328,538	387,502	716,040
Total	(4.00)	\$17,792	\$20,758	\$38,550

⁵ Funding for operating expenses, including miscellaneous supplies, repairs, professional services, and information technology expenses, is reduced by \$177,482 from the general fund and increased by \$542,338 from the radio communications fund.

⁶ Funding for disaster costs is reduced by \$18.7 million, including a reduction of \$5.4 million from the state disaster relief fund and a reduction of \$13.3 million from federal funds. Funding from federal funds is also reduced by \$615,734 for Department of Emergency Services grants.

⁷ One-time funding is added for state radio as follows:

	General Fund	Strategic Investment and Improvements Fund	Total
Uninterruptible power supply battery replacement	\$20,000		\$20,000
Computer aided dispatch equipment replacement	66,000	\$450,000	516,000
Message switch system upgrade	95,000	240,000	335,000
Dispatching service revenue shortfall		1,212,253	1,212,253
Total	\$181,000	\$1,902,253	\$2,083,253

⁸ One-time funding of \$660,000 from federal funds is added for Department of Emergency Services equipment.

Senate Bill No. 2016 - Other Changes - Senate Action

This amendment also:

- Adds a section of legislative intent regarding the purchase of options for the future expansion of Camp Grafton.
- Amends North Dakota Century Code Section 37-07.1-03 to increase the National Guard tuition waiver from 25 percent to 35 percent.
- Adds 5 new sections to allow the following items to be continued and expended during the 2019-21 biennium:
 - Unexpended general or special funds authority carried over in the radio communications line item from the 2013-15 biennium relating to the State Radio tower package;
 - Unexpended general or special funds authority in the tuition, recruiting, and retention line item from the 2017-19 biennium relating to tuition assistance, recruiting, and retention incentives for eligible members of the National Guard;
 - Unexpended general or special funds authority carried over in the grants line item from the 2015-17 biennium relating to adjusted compensation for veterans;
 - Unexpended special funds authority from the strategic investment and improvements fund from the 2017-19 biennium relating to mobile repeaters and programming radios; and
 - Unexpended general or special funds authority in the disaster costs line item from the 2011-13 biennium relating to grants to political subdivisions for amounts required to match federal dollars on road grade raising projects and federal emergency relief funding.
- Adds a section to declare the Camp Grafton expansion line item and provisions and the tuition, recruiting, and retention line item to be an emergency measure.

TESTIMONY OF
MAJOR GENERAL AL DOHRMANN
NORTH DAKOTA NATIONAL GUARD
BEFORE THE
SENATE APPROPRIATIONS COMMITTEE
13 FEBRUARY 2019
SENATE BILL 2016

Good afternoon Mr. Chairman, members of the committee, I am Al Dohrmann, Adjutant General for the state of North Dakota. I am here today to testify in support of Senate Bill 2016.

I won't review my entire testimony in support of the Governor's budget recommendation. My intent is to highlight some the key items in the Governor's Executive budget request, request 2 exemptions to carry-over funds, and stand for any questions you have for our agency. All items are in our Optional Adjustments or can be found on pages 4 and 5 of the "Green Sheets".

1. Tuition Assistance - \$2 Million above base for a total of \$4,617,500

- Number #1 operations adjustment priority. Most effective recruiting tool to attract young people to the North Dakota National Guard.
- 85% of new recruits state that tuition assistance as #1 reason for joining.
- The North Dakota Army and Air National Guard currently have approximately 200 open positions.
- Failure to fill these positions puts National Guard units and missions at risk.
- Requirement planning factors: 4% yearly tuition increase; current full-time student definition.
- Only competitive advantage we have with Minnesota and South Dakota.

2. Camp Grafton Range Expansion - \$15 Million in Legacy Funding (Plus \$500,000 in General Funds for buy/lease options)

- Number #2 Optional Adjustment.
- *No eminent domain* written into our budget recommendation.
- World has changed; we need ranges that ensure we are ready to deploy quickly.
- Currently, units need to travel outside the state to qualify on all their assigned weapons; wastes valuable training time.
- Important that legislature demonstrates intent and support by putting sufficient funds against this priority to ensure a strong bargaining position in negotiations with landowners.
- Without sufficient interest in land purchase or lease options, we are not able to pursue over \$15 Million in federal funds for range siting and construction.

- If a solution is not found; \$15 Million of Legacy Funding can be revoked before money is available during the next legislative session.
- Would make North Dakota a “training destination” for units from other states.

3. State Radio Operations – \$1,212,253 in SIIF

- New process has been developed, in accordance with law, that set fee based on phone lines in a county. This raised fee from \$0.46 to \$1.39 per line.
- Law allows a reduction in fee based on “economic conditions”; unrealistic for political subdivision to absorb a 300% increase in one biennium so fee set at \$0.84 per line.
- SIIF covers difference between \$0.84 and \$1.39.
- Process initiated with political sub-divisions to set fee at actual cost for the 21-23 biennium.

4. 10% Transfer Authority

- Provides flexibility needed to run a complex 3 in 1 Agency (National Guard, Division of Homeland Security & State Radio).
- Supports Governor’s reinvention initiative; can execute savings almost immediately when efficiencies are found.
- Provides flexibility for emerging requirements, challenges and opportunities within legislative authorized programs (i.e. off-setting loss in federal tuition funding with state funds).

5. State Employee Benefit Package.

- No pay raises in current biennium.
- Performance based, helps retain best and brightest.
- Agency behind market and other agencies in compensation.
- #1 issue when conducting “town halls” with employees.

6. Transfer of IT FTEs to ITD – Unification

- No issues in implementation of process.
- Improved communications and reach back with ITD.
- No employee movement; same focus and customer service for a 24/7/365 requirement.

3

SB 2016
2-13-2019

AJ3

7. Exemption to carry over State Radio Tower Package Funding (Amendment).

- Funding was appropriated to enhance public safety radio coverage.
- Statewide Interoperability Executive Committee (SIEC) enter contract with Motorola to construct a Statewide Interoperable Radio Network (SIRN).
- SIRN will use a different technology than our current radio network.
- Authority and funds used to lease tower space and make necessary technological upgrades to support current and new SIRN system.

8. Exemption to carry over Disaster Relief Fund (DRF) Authority

- Can't control close-out of federal disasters; Federal government shutdown delayed close-out progress with FEMA.
- Shutdown has delayed close-out of 5 disasters.
- Total projected costs from DRF for 17-19 biennium has not changed; \$4.6 of \$8.5 spent to date.
- Current unobligated DRF balance is in excess of \$25 Million.

I would be pleased to stand for any questions.

3 SB 2016
2-13-2019
A4

State Radio Tower Package Exemption Amendment:

SECTION 6. EXEMPTION. Any amounts carried over in the radio communications line for the state radio tower package, in section 7 of chapter 15 of the 2017 Session Laws is not subject to section 54-44.1-11 and any funds are available for completing these projects or technology upgrade costs required to implement the statewide interoperable radio network during the biennium beginning July 1, 2019, and ending June 30, 2021.

Disaster Relief Exemption:

SECTION __. EXEMPTION. The amount appropriated in the disaster costs line item for the state emergency disaster relief fund in subdivision 2 of section 1 of chapter 15 of the 2017 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this appropriation may be used to provide the required state share for the purposes of reimbursing costs under section 37-17.1-27, during the biennium beginning July 1, 2019, and ending June 30, 2021.

4

SB 2016
2-13-2019
pg 1

**Adjutant General
Proposed Amendment
SB 2016 – Section 6**

SECTION 6. EXEMPTION. Any amounts carried over in the radio communications line for the state radio tower package, in section 7 of chapter 15 of the 2017 Session Laws is not subject to section 54-44.1-11 and any funds are available for completing these projects or technology upgrade costs required to implement the statewide interoperable radio network during the biennium beginning July 1, 2019, and ending June 30, 2021.

JUSTIFICATION:

This funding was appropriated to enhance statewide VHF public safety radio coverage through the construction of towers. Over the past four biennium, NDDDES has added a number of towers to accomplish this enhancement. In January 2019, the Information Technology Department (ITD), at the direction of the Statewide Interoperability Executive Committee (SIEC) signed a contract with Motorola to construct a Statewide Interoperable Radio Network (SIRN), using new technologies and systems. ITD will utilize the NDDDES towers constructed in the new system. The SIRN will use a different technology than our current radio network, and will require technological upgrades in the NDDDES State Radio dispatch center (which serve 25 Counties in ND) so that all systems interface. Therefore, we offer this amendment to our appropriations bill, with the intention of filling gaps in our current state radio system through the lease of tower space until the new SIRN is built out over the next 2-5 years, and making the necessary technological upgrades to the NDDDES State Radio dispatch center to enable the dispatching of emergency calls on both technologies.

5

SB 2016
2-13-2019

pg 1

**Adjutant General
Proposed Amendment
SB 2016**

SECTION __. EXEMPTION. The amount appropriated in the disaster costs line item for the state emergency disaster relief fund in subdivision 2 of section 1 of chapter 15 of the 2017 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this appropriation may be used to provide the required state share for the purposes of reimbursing costs under section 37-17.1-27, during the biennium beginning July 1, 2019, and ending June 30, 2021.

19.0229.01002
Title.
Fiscal No. 2

Prepared by the Legislative Council staff for
Senator Hogue

February 13, 2019

#1 5B 2016
2-14-2019
Pg 1

PROPOSED AMENDMENTS TO SENATE BILL NO. 2016

Page 1, line 2, replace the first "and" with "to amend and reenact sections 37-07.1-03 and 37-07.2-01 of the North Dakota Century Code, relating to the national guard tuition waiver and national guard tuition grants;"

Page 1, line 2, after "transfer" insert "; to provide legislative intent; to provide exemptions; and to declare an emergency"

Page 1, remove lines 12 through 24

Page 2, replace lines 1 and 2 with:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$6,666,525	\$147,083	\$6,813,608
Operating expenses	3,525,934	(758,613)	2,767,321
Capital assets	224,046	0	224,046
Grants	318,553	(107,637)	210,916
Civil air patrol	299,580	4,295	303,875
Tuition, recruiting, and retention	2,617,500	2,164,572	4,782,072
Air guard contract	8,098,582	443,544	8,542,126
Army guard contract	57,717,944	(10,818,059)	46,899,885
Veterans' cemetery	881,284	91,388	972,672
Reintegration program	1,261,384	(213,635)	1,047,749
Camp Grafton expansion	0	600,000	600,000
Total all funds	\$81,611,332	(\$8,447,062)	\$73,164,270
Less estimated income	<u>65,174,778</u>	<u>(10,426,348)</u>	<u>54,748,430</u>
Total general fund	\$16,436,554	\$1,979,286	\$18,415,840"

Page 2, replace lines 5 through 15 with:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$12,551,119	(\$1,226,414)	\$11,324,705
Operating expenses	6,988,451	2,379,149	9,367,600
Capital assets	0	660,000	660,000
Grants	16,889,159	(615,734)	16,273,425
Disaster costs	51,445,841	(18,992,521)	32,453,320
Radio communications	0	785,000	785,000
Total all funds	\$87,874,570	(\$17,010,520)	\$70,864,050
Less estimated income	<u>78,424,702</u>	<u>(16,757,646)</u>	<u>61,667,056</u>
Total general fund	\$9,449,868	(\$252,874)	\$9,196,994"

Page 2, replace lines 18 through 23 with:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total general fund	\$25,886,422	\$1,726,412	\$27,612,834
Grand total special funds	<u>143,599,480</u>	<u>(27,183,994)</u>	<u>116,415,486</u>
Grand total all funds	\$169,485,902	(\$25,457,582)	\$144,028,320
Full-time equivalent positions	234.00	(10.00)	224.00"

Page 2, line 24, after "**FUNDING**" insert "**- EFFECT ON BASE BUDGET - REPORT TO SIXTY-SEVENTH LEGISLATIVE ASSEMBLY**" P12

Page 2, line 25, after "biennium" insert "and the 2019-21 biennium one-time funding items included in section 1 of this Act"

Page 2, remove lines 28 through 31

Page 3, replace lines 1 and 2 with:

"Emergency response equipment	569,000	660,000
Camp Grafton expansion	0	600,000
Uninterruptible power supply battery replacement	0	20,000
Computer-aided dispatch equipment	0	516,000
Message switch system upgrade	0	335,000
Dispatching service fee shortfall	0	1,212,253
Dakota access pipeline law enforcement	21,000,000	0
Mobile repeaters and programming radios	300,000	0
Total all funds	\$54,869,000	\$3,343,253
Total other funds	54,869,000	3,162,253
Total general fund	\$0	\$181,000

The 2019-21 biennium one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The adjutant general shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021."

Page 3, after line 8, insert:

"SECTION 4. ESTIMATED INCOME - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. The estimated income line item in subdivision 1 of section 1 of this Act includes \$600,000 of one-time funding from the strategic investment and improvements fund for the camp Grafton expansion. The estimated income line item in subdivision 2 of section 1 of this Act includes \$1,902,253 of one-time funding from the strategic investment and improvements fund for computer-aided dispatch equipment, message switch system upgrades, and 911 dispatching service operations due to a revenue shortfall.

SECTION 5. CAMP GRAFTON EXPANSION - LEGISLATIVE INTENT. It is the intent of the sixty-sixth legislative assembly that:

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

SECTION 6. AMENDMENT. Section 37-07.1-03 of the North Dakota Century Code is amended and reenacted as follows:

#1 SB 2016
2-14-2019
A3

37-07.1-03. Tuition waiver - Terms.

A qualifying member of the national guard who enrolls in any state-controlled school, subject to rules adopted by the adjutant general, is entitled to receive a ~~twenty-five~~thirty-five percent waiver of the tuition from the state-controlled school, conditioned on the adjutant general having sufficient appropriations for tuition reimbursement under section 37-07.1-06.2. The tuition waiver is valid only so long as the member of the national guard maintains satisfactory performance with the guard, meets the qualification requirements of rules adopted by the adjutant general, and pursues a course of study in a manner that satisfies the normal requirements of the school.

SECTION 7. AMENDMENT. Section 37-07.2-01 of the North Dakota Century Code is amended and reenacted as follows:

37-07.2-01. National guard ~~tuition~~member grants and tuition waivers - Terms of grants.

1. ~~Any~~Subject to legislative appropriation and rules adopted by the adjutant general, a qualifying member of the national guard who enrolls in an accredited postsecondary institution in North Dakota that is not controlled by the state may, subject to the limitations of available appropriated funds and subject to national guard rules adopted by the adjutant general, receive a grant in an amount not to exceed the cost of tuition and fees for similar courses and credit hours for ~~each~~a qualifying member of the national guard who is enrolled ~~at~~in the North Dakota university system ~~school~~institution with the highest tuition and fee rate.
2. Any accredited postsecondary institution that ~~agrees to participate in such as~~ is not controlled by the state and which participates in the national guard member grant program ~~must~~shall waive twenty-five percent of the tuition ~~for that otherwise would be charged to each enrolled, qualifying member of the national guard~~smenguard. ~~These grants must be distributed according to rules promulgated by the adjutant general and are available only so~~
3. The adjutant general shall adopt rules for distributing grants under this section and establishing qualification requirements for grant recipients.
4. A member of the national guard may receive a grant under this section only as long as the member maintains satisfactory performance with the national guard, meets the qualification requirements of the rules adopted under this section, and pursues a course of study which satisfiessatisfying the normal requirements of the schoolpostsecondary institution in which the member is enrolled.
5. For purposes of calculating the grant amount under subsection 1, the "cost of tuition and fees for similar courses and credit hours for a qualifying member of the national guard who is enrolled in the North Dakota university system institution with the highest tuition and fee rate" may not be reduced by more than twenty-five percent pursuant to section 37-07.1-03."

#1 SB 2016
2-14-2019
Pg 4

Page 3, after line 15, insert:

"SECTION 9. EXEMPTION. Any amounts carried over in the radio communications line item for the state radio tower package, in section 7 of chapter 15 of the 2017 Session Laws is not subject to section 54-44.1-11 and any unexpended funds are available for completing these projects or for technology upgrade costs required to implement the statewide interoperable radio network during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 10. EXEMPTION. The amount appropriated in the tuition, recruiting, and retention line item in subdivision 1 of section 1 of chapter 15 of the 2017 Session Laws is not subject to section 54-44.1-11, and any unexpended funds from this appropriation may be used to provide tuition assistance, recruiting, and retention incentives to eligible members of the North Dakota national guard during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 11. EXEMPTION. Any amounts carried over pursuant to section 11 of chapter 15 of the 2017 Session Laws that is unexpended as of June 30, 2019, is not subject to section 54-44.1-11 and is available for payment of adjusted compensation to veterans. Any unexpended funds from this appropriation must be transferred to the veterans' cemetery trust fund during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 12. EXEMPTION. The amount of \$300,000 from the strategic investment and improvements fund appropriated in the operating expenses line item in subdivision 2 of section 1 of chapter 15 of the 2017 Session Laws for mobile repeaters and programming radios is not subject to section 54-44.1-11 and any unexpended funds from this appropriation may be used to complete this project during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 13. EXEMPTION. Any amounts carried over in the disaster costs line item for grants to political subdivisions for amounts required to match federal dollars on road grade raising projects and federal emergency relief funding pursuant to section 13 of chapter 15 of the 2017 Session Laws that is unexpended as of June 30, 2019, are not subject to section 54-44.1-11. Any unexpended funds from this appropriation are available for these purposes during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 14. EXEMPTION. The amount of \$8,530,116 from the state disaster relief trust fund appropriated in the disaster costs line item in subdivision 2 of section 1 of chapter 15 of the 2017 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this appropriation may be used to provide the required state share for the purposes of reimbursing costs under section 37-17.1-27 during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 15. EMERGENCY. Sections 4 and 5 and the camp Grafton expansion and tuition, recruiting, and retention line items in subdivision 1 of section 1 of this Act are declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:**Senate Bill No. 2016 - Summary of Senate Action**

	Base Budget	Senate Changes	Senate Version
Adjutant General			
Total all funds	\$81,611,332	(\$8,447,062)	\$73,164,270
Less estimated income	65,174,778	(10,426,348)	54,748,430
General fund	\$16,436,554	\$1,979,286	\$18,415,840
FTE	155.00	(1.00)	154.00
Department of Emergency Services			
Total all funds	\$87,874,570	(\$17,010,520)	\$70,864,050
Less estimated income	78,424,702	(16,757,646)	61,667,056
General fund	\$9,449,868	(\$252,874)	\$9,196,994
FTE	79.00	(9.00)	70.00
Bill total			
Total all funds	\$169,485,902	(\$25,457,582)	\$144,028,320
Less estimated income	143,599,480	(27,183,994)	116,415,486
General fund	\$25,886,422	\$1,726,412	\$27,612,834
FTE	234.00	(10.00)	224.00

Senate Bill No. 2016 - Adjutant General - Senate Action

	Base Budget	Senate Changes	Senate Version
Salaries and wages	\$6,666,525	\$147,083	\$6,813,608
Operating expenses	3,525,934	(758,613)	2,767,321
Capital assets	224,046		224,046
Grants	318,553	(107,637)	210,916
Civil air patrol	299,580	4,295	303,875
Tuition, recruiting, and retention	2,617,500	2,164,572	4,782,072
Air guard contract	8,098,582	443,544	8,542,126
Army guard contract	57,717,944	(10,818,059)	46,899,885
Veterans' cemetery	881,284	91,388	972,672
Reintegration program	1,261,384	(213,635)	1,047,749
Camp Grafton expansion		600,000	600,000
Total all funds	\$81,611,332	(\$8,447,062)	\$73,164,270
Less estimated income	65,174,778	(10,426,348)	54,748,430
General fund	\$16,436,554	\$1,979,286	\$18,415,840
FTE	155.00	(1.00)	154.00

#1

SB 2016
2-14-2019

Pg 5

Department 540 - Adjutant General - Detail of Senate Changes

#1 SB 2016
2-14-2019 P96

	Adjusts Funding for Base Payroll Changes ¹	Adds Funding for Salary and Benefit Increases ²	Adjusts FTE Positions ³	Adjusts Funding for National Guard Contracts ⁴	Increases Funding for Tuition Assistance ⁵	Reduces Funding for Grants and Operating Expenses ⁶
Salaries and wages	(\$18,506)	\$314,153	(\$148,564)			
Operating expenses						(\$758,613)
Capital assets						
Grants						(107,637)
Civil air patrol		7,927				(3,632)
Tuition, recruiting, and retention					\$2,164,572	
Air guard contract	(12,999)	281,543		\$175,000		
Army guard contract	592	660,005	221,344	(11,700,000)		
Veterans' cemetery	48,565	42,823				
Reintegration program	23,563	49,499	(286,697)			
Camp Grafton expansion						
Total all funds	\$41,215	\$1,355,950	(\$213,917)	(\$11,525,000)	\$2,164,572	(\$869,882)
Less estimated income	216,404	888,530	(131,282)	(12,000,000)	0	0
General fund	(\$175,189)	\$467,420	(\$82,635)	\$475,000	\$2,164,572	(\$869,882)
FTE	0.00	0.00	(1.00)	0.00	0.00	0.00

	Adds Funding for the Camp Grafton Expansion ⁷	Total Senate Changes
Salaries and wages		\$147,083
Operating expenses		(758,613)
Capital assets		
Grants		(107,637)
Civil air patrol		4,295
Tuition, recruiting, and retention		2,164,572
Air guard contract		443,544
Army guard contract		(10,818,059)
Veterans' cemetery		91,388
Reintegration program		(213,635)
Camp Grafton expansion	\$600,000	600,000
Total all funds	\$600,000	(\$8,447,062)
Less estimated income	600,000	(10,426,348)
General fund	\$0	\$1,979,286
FTE	0.00	(1.00)

¹ Funding is adjusted for base payroll changes.

² The following funding is added for 2019-21 biennium salary adjustments of 2 percent on July 1, 2019, and 3 percent on July 1, 2020, and increases in health insurance premiums from \$1,241 to \$1,427 per month:

	General Fund	Other Funds	Total
Salary increase	\$248,659	\$444,672	\$693,331
Health insurance increase	218,761	443,858	\$662,619
Total	\$467,420	\$888,530	\$1,355,950

³ FTE positions and related funding are adjusted as follows:

#1 SB 2016

2-14-2019

	<u>FTE</u> <u>Positions</u>	<u>General</u> <u>Fund</u>	<u>Other</u> <u>Funds</u>	<u>Total</u>
Adds Fargo Readiness Center positions	3.00	\$131,028	\$131,029	\$262,057
Removes carpenter	(1.00)	(148,564)	0	(148,564)
Removes veterans' benefits specialists	(2.00)	(286,697)	0	(286,697)
Removes security officer	(1.00)	0	(129,932)	(129,932)
Reclassifies security officer as project manager	0.00	221,598	(132,379)	89,219
Total	(1.00)	(\$82,635)	(\$131,282)	(\$213,917)

Pg 7

⁴ Funding for the Air Guard and Army Guard contracts is adjusted as follows:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Air Guard contract	\$175,000	\$0	\$175,000
Army Guard contract	300,000	(12,000,000)	(11,700,000)
Total	\$475,000	(\$12,000,000)	(\$11,525,000)

⁵ Funding of \$2,164,572 from the general fund is added to provide tuition assistance for National Guard members.

⁶ Funding for operating expenses including travel, utilities, repairs, and information technology expenses, is reduced by \$762,245 from the general fund. Funding for city-owned armory grants is reduced by \$107,637 from the general fund due to the closure of armories in Mayville, Bottineau, Carrington, Grafton, Mott, and Rugby during the 2017-19 biennium.

⁷ One-time funding of \$600,000 from the strategic investment and improvements fund is added for the Adjutant General to purchase options for the lease or purchase of up to 6,000 acres for the expansion of Camp Grafton.

Senate Bill No. 2016 - Department of Emergency Services - Senate Action

	<u>Base</u> <u>Budget</u>	<u>Senate</u> <u>Changes</u>	<u>Senate</u> <u>Version</u>
Salaries and wages	\$12,551,119	(\$1,226,414)	\$11,324,705
Operating expenses	6,988,451	2,379,149	9,367,600
Capital assets		660,000	660,000
Grants	16,889,159	(615,734)	16,273,425
Disaster costs	51,445,841	(18,992,521)	32,453,320
Radio communications		785,000	785,000
Total all funds	\$87,874,570	(\$17,010,520)	\$70,864,050
Less estimated income	78,424,702	(16,757,646)	61,667,056
General fund	\$9,449,868	(\$252,874)	\$9,196,994
FTE	79.00	(9.00)	70.00

Department 542 - Department of Emergency Services - Detail of Senate Changes

	<u>Adjusts</u> <u>Funding for</u> <u>Base Payroll</u> <u>Changes¹</u>	<u>Adds Funding</u> <u>for Salary and</u> <u>Benefit</u> <u>Increases²</u>	<u>Removes FTE</u> <u>Positions³</u>	<u>Adjusts</u> <u>Funding and</u> <u>FTE Positions</u> <u>for IT</u> <u>Unification⁴</u>	<u>Adjusts</u> <u>Funding for</u> <u>Operating</u> <u>Expenses⁵</u>	<u>Reduces</u> <u>Funding for</u> <u>Disaster Costs</u> <u>and Grants⁶</u>
Salaries and wages	(\$478,711)	\$560,263	(\$630,476)	(\$677,490)		
Operating expenses				716,040	\$364,856	
Capital assets						
Grants						(\$615,734)
Disaster costs	(340,934)	56,466				(18,708,053)
Radio communications						
Total all funds	(\$819,645)	\$616,729	(\$630,476)	\$38,550	\$364,856	(\$19,323,787)
Less estimated income	(819,646)	309,029	(48,591)	20,758	542,338	(19,323,787)
General fund	\$1	\$307,700	(\$581,885)	\$17,792	(\$177,482)	\$0
FTE	0.00	0.00	(5.00)	(4.00)	0.00	0.00

	Adds One-Time Funding for State Radio ⁷	Adds One-Time Funding for Equipment ⁸	Total Senate Changes
Salaries and wages			(\$1,226,414)
Operating expenses	\$1,298,253		2,379,149
Capital assets		\$660,000	660,000
Grants			(615,734)
Disaster costs			(18,992,521)
Radio communications	785,000		785,000
Total all funds	\$2,083,253	\$660,000	(\$17,010,520)
Less estimated income	1,902,253	660,000	(16,757,646)
General fund	\$181,000	\$0	(\$252,874)
FTE	0.00	0.00	(9.00)

#1 5B 2016
2-14-2019
pg 8

¹ Funding is adjusted for base payroll changes.

² The following funding is added for 2019-21 biennium salary adjustments of 2 percent on July 1, 2019, and 3 percent on July 1, 2020, and increases in health insurance premiums from \$1,241 to \$1,427 per month:

	General Fund	Other Funds	Total
Salary increase	\$159,354	\$162,877	\$322,231
Health insurance increase	148,346	146,152	294,498
Total	\$307,700	\$309,029	\$616,729

³ FTE positions and related funding are adjusted as follows:

	FTE Positions	General Fund	Other Funds	Total
Removes communications specialists	(4.00)	(\$437,314)	(\$48,591)	(\$485,905)
Removes GIS specialist	(1.00)	(144,571)	0	(144,571)
Total	(5.00)	(\$581,885)	(\$48,591)	(\$630,476)

⁴ Funding and FTE positions are adjusted as follows for the information technology unification initiative:

	FTE Positions	General Fund	Other Funds	Total
Transfers FTE positions	(4.00)	(\$310,746)	(\$366,744)	(\$677,490)
Adds funding for operating expenses	0.00	328,538	387,502	716,040
Total	(4.00)	\$17,792	\$20,758	\$38,550

⁵ Funding for operating expenses, including miscellaneous supplies, repairs, professional services, and information technology expenses, is reduced by \$177,482 from the general fund and increased by \$542,338 from the radio communications fund.

⁶ Funding for disaster costs is reduced by \$18.7 million, including a reduction of \$5.4 million from the state disaster relief trust fund and a reduction of \$13.3 million from federal funds. Funding from federal funds is also reduced by \$615,734 for Department of Emergency Services grants.

⁷ One-time funding is added for State Radio as follows:

	General Fund	Strategic Investment and Improvements Fund	Total
Uninterruptible power supply battery replacement	\$20,000	\$0	\$20,000
Computer-aided dispatch equipment replacement	66,000	450,000	516,000
Message switch system upgrade	95,000	240,000	335,000
Dispatching service revenue shortfall	0	1,212,253	1,212,253
Total	\$181,000	\$1,902,253	\$2,083,253

⁸ One-time funding of \$660,000 from federal funds is added for Department of Emergency Services equipment.

Senate Bill No. 2016 - Other Changes - Senate Action

This amendment also:

- Adds a section of legislative intent regarding the purchase of options for the future expansion of Camp Grafton.
- Amends North Dakota Century Code Section 37-07.1-03 to increase the National Guard tuition waiver from 25 to 35 percent.
- Amends Section 37-07.2-01 to provide the increased tuition waiver does not affect the National Guard tuition grant amounts paid to nonstate institutions of higher education.
- Adds 6 new sections to allow the following items to be continued and expended during the 2019-21 biennium:
 - Unexpended general or special funds authority carried over in the radio communications line item from the 2013-15 biennium relating to the State Radio tower package may be used for that purpose or for technology upgrade costs relating to the statewide interoperable radio network;
 - Unexpended general or special funds authority in the tuition, recruiting, and retention line item from the 2017-19 biennium relating to tuition assistance, recruiting, and retention incentives for eligible members of the National Guard;
 - Unexpended general or special funds authority carried over in the grants line item from the 2015-17 biennium relating to adjusted compensation for veterans;
 - Unexpended special funds authority from the strategic investment and improvements fund from the 2017-19 biennium relating to mobile repeaters and programming radios;
 - Unexpended general or special funds authority in the disaster costs line item from the 2011-13 biennium relating to grants to political subdivisions for amounts required to match federal dollars on road grade raising projects and federal emergency relief funding; and
 - Unexpended funds appropriated from the state disaster relief trust fund in the disaster costs line item from the 2017-19 biennium relating to the state share of disaster costs.
- Adds a section to declare the Camp Grafton expansion line item and provisions and the tuition, recruiting, and retention line item to be an emergency measure.

**Department 540 - Adjutant General, including the
National Guard and Department of Emergency Services
Senate Bill No. 2016**

Executive Budget Comparison to Prior Biennium Appropriations

	FTE Positions	General Fund	Other Funds	Total
2019-21 Executive Budget	224.00	\$42,638,487	\$116,081,868	\$158,720,355
2017-19 Legislative Appropriations ¹	234.00	25,886,422	198,468,480	224,354,902
Increase (Decrease)	(10.00)	\$16,752,065	(\$82,386,612)	(\$65,634,547)

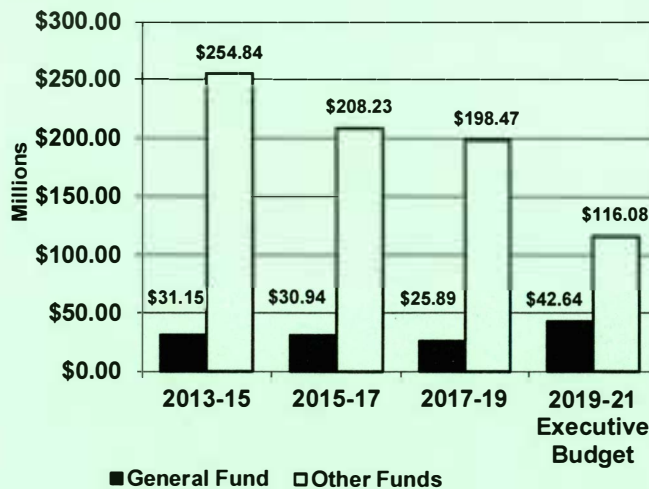
¹The 2017-19 biennium agency appropriation amounts have not been adjusted for additional special funds authority of \$25,010,112 resulting from Emergency Commission action during the 2017-19 biennium, including:

- \$10 million of federal funds to repay Bank of North Dakota loans for expenses related to the Dakota Access Pipeline protests;
- \$5 million of Bank of North Dakota loan proceeds for expenses related to the Dakota Access Pipeline protests;
- \$1.5 million of Bank of North Dakota loan proceeds for an emergency hay transportation program;
- A \$110,000 transfer from the state contingency line for National Guard tuition assistance; and
- \$8,400,112 (including \$7,211,842 of federal funds and \$1,188,270 from Bank of North Dakota loan proceeds) for spring 2017 flooding.

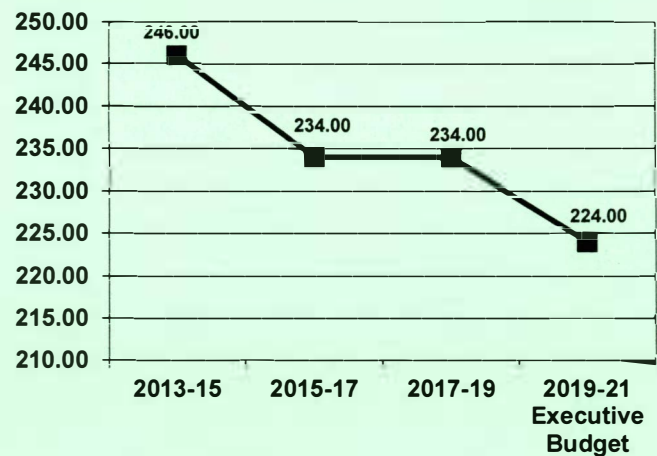
Ongoing and One-Time General Fund Appropriations

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2019-21 Executive Budget	\$27,457,487	\$15,181,000	\$42,638,487
2017-19 Legislative Appropriations	25,886,422	0	25,886,422
Increase (Decrease)	\$1,571,065	\$15,181,000	\$16,752,065

Agency Funding



FTE Positions



Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
2019-21 Executive Budget	\$42,638,487	\$116,081,868	\$158,720,355
2019-21 Base Level	25,886,422	143,599,480	169,485,902
Increase (Decrease)	\$16,752,065	(\$27,517,612)	(\$10,765,547)

First House Action

Attached is a comparison worksheet detailing first house changes to base level funding and the executive budget.

**Executive Budget Highlights
(With First House Changes in Bold)**

	General Fund	Other Funds	Total
1. Provides funding for state employee salary and benefit increases, of which \$1,447,598 is for salary increases, \$810,607 is for health insurance increases, and \$173,497 is for retirement contribution	\$961,709	\$1,469,993	\$2,431,702

increases. The Senate added funding for salary adjustments of 2 percent July 1, 2019, and 3 percent July 1, 2020, and increases in health insurance premiums from \$1,241 to \$1,427 per month. The Senate did not add funding for retirement contribution increases.

Department of Emergency Services

2. Removes 5 FTE positions, including 4 communications specialists and 1 geographic information systems specialist	(\$581,885)	(\$48,591)	(\$630,476)
3. Transfers 4 FTE positions to the Information Technology Department for the information technology unification initiative and adjusts related operating costs	\$21,428	\$14,706	\$36,134
4. Reduces funding for operating expenses, including information technology, miscellaneous supplies, and professional services	(\$177,482)	\$0	(\$177,482)
5. Increases funding from the radio communications fund for State Radio operating expenses	\$0	\$542,338	\$542,338
6. Reduces funding for emergency services grants	\$0	(\$615,734)	(\$615,734)
7. Reduces funding for disaster costs, to provide a total of \$32,467,562 for disaster costs, of which \$48,978 is from the general fund, \$3,023,161 is from the state disaster relief fund, and \$29,395,423 is from federal funds	\$0	(\$18,708,053)	(\$18,708,053)
8. Adds one-time funding from the strategic investment and improvements fund for an anticipated 911 dispatching service revenue shortfall	\$0	\$1,212,253	\$1,212,253
9. Adds one-time funding, including funding from the strategic investment and improvements fund, for information technology upgrades	\$181,000	\$690,000	\$871,000
10. Adds one-time funding from federal funds for emergency services equipment	\$0	\$660,000	\$660,000

National Guard

11. Adds funding and 3 FTE positions for the Fargo Readiness Center	\$131,028	\$131,029	\$262,057
12. Removes 4 FTE positions, including 1 carpenter, 1 security officer, and 2 veterans benefits specialists	(\$435,261)	(\$129,932)	(\$565,193)
13. Reclassifies 1 FTE security officer position as a project manager position for the Camp Grafton expansion	\$221,598	(\$132,379)	\$89,219
14. Increases funding for Air Guard and Army Guard contract operating expenses	\$475,000	\$0	\$475,000
15. Increases funding for tuition assistance to provide a total of \$4,617,500 from the general fund for tuition assistance. The Senate added \$2,164,572 to provide a total of \$4,782,072 from the general fund for tuition, recruiting, and retention.	\$2,000,000	\$0	\$2,000,000
16. Reduces funding for operating expenses, including travel, utilities, repairs, and information technology	(\$762,245)	\$0	(\$762,245)
17. Reduces funding for grants for city-owned armories relating to the closure of armories in Mayville, Bottineau, Carrington, Grafton, Mott, and Rugby during the 2017-19 biennium	(\$107,637)	\$0	(\$107,637)
18. Reduces federal funding for the Army Guard contract	\$0	(\$12,000,000)	(\$12,000,000)
19. Adds one-time funding for the Camp Grafton expansion. The Senate added \$600,000 from the strategic investment and improvements fund to purchase options for the purchase or lease of land for the Camp Grafton expansion.	\$15,000,000	\$0	\$15,000,000

Other Sections in Senate Bill No. 2016

Veterans' Cemetery maintenance fund - Section 3 appropriates any funds which are received and deposited in the Veterans' Cemetery maintenance fund pursuant to North Dakota Century Code Sections 37-03-14 and 39-04-10.10 for the operation of the Veterans' Cemetery for the 2019-21 biennium.

Strategic investment and improvements fund - Section 4 identifies \$2,502,253 from the strategic investment and improvements fund for various one-time funding items.

Camp Grafton expansion - Section 5 provides legislative intent regarding the expansion of Camp Grafton, including the purchase of options for the purchase or long-term lease of land for the expansion. Section 15 provides the funding and provisions relating to the Camp Grafton expansion are an emergency measure.

National Guard tuition waiver - Section 6 increases the National Guard tuition waiver from 25 percent to 35 percent.

National Guard tuition grants - Section 7 clarifies law relating to the calculation of the maximum National Guard tuition grant to be provided to private institutions.

Maintenance and repairs - Section 8 authorizes the Adjutant General to transfer up to \$500,000 from various line items to the operating expenses and capital assets line items for the maintenance and repair of state-owned armories during the 2019-21 biennium. Any amounts transferred must be reported to the Office of Management and Budget.

Exemption - Radio communications - Section 9 provides that any unexpended general fund or special funds appropriation authority carried over in the radio communications line item relating to the State Radio tower package for the 2013-15 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2019-21 biennium.

Exemption - Tuition, recruiting, and retention - Section 10 provides that any unexpended general fund or special funds appropriation authority in the tuition, recruiting, and retention line item for the 2017-19 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2019-21 biennium.

Exemption - Veterans' bonus - Section 11 provides that any unexpended general fund or special funds appropriation authority carried over in the grants line item relating to payment of adjusted compensation to veterans for the 2015-17 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2019-21 biennium. Any unexpended funds from this appropriation must be transferred to the Veterans' Cemetery trust fund during the 2019-21 biennium.

Exemption - Mobile repeaters and programming radios - Section 12 provides that any unexpended general fund or special funds appropriation authority carried over in the Department of Emergency Services operating expenses line item relating to one-time funding from the strategic investment and improvements fund for mobile repeaters and programming radios for the 2017-19 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2019-21 biennium.

Exemption - Disaster costs - Section 13 provides that any unexpended general fund or special funds appropriation authority in the disaster costs line item relating to grants to political subdivisions for amounts required to match federal dollars on road grade raising projects and federal emergency relief funding for the 2011-13 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2019-21 biennium.

Exemption - Disaster costs - Section 14 provides that any unexpended appropriation authority from the state disaster relief fund in the disaster costs line item for the 2017-19 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2019-21 biennium.

Continuing Appropriations

National Guard emergency fund - Section 37-01-04.1 - This fund allows the National Guard to respond to state emergencies.

National Guard military grounds fund - Section 37-03-13 - This fund is used for collecting rental revenues to be used for purchasing military training grounds.

Veterans' Cemetery maintenance fund - Section 37-03-14 - This fund is used to support the operations of the Veterans' Cemetery. The fund receives \$5 from the issuance of each veteran's license plate, grave opening and closing fees, and private and federal funds for the operation of the Veterans' Cemetery.

Veterans' Cemetery trust fund - Section 39-04-10.10 - This fund receives \$5 from the issuance of each veteran's license plate and donations. The interest in the fund is to be deposited in the Veterans' Cemetery maintenance fund for the purpose of providing funding for salaries and maintenance at the cemetery.

Deficiency Appropriation

Senate Bill No. 2024 - Provides a deficiency appropriation of \$2,473,884 from the general fund to repay Bank of North Dakota loans for the state's share of disaster costs (\$887,823) and emergency hay transportation (\$1,586,061).

Significant Audit Findings

There were no significant audit findings for this agency.

Major Related Legislation

House Bill No. 1046 - Clarifies law relating to National Guard tuition waivers.

House Bill No. 1053 - Provides for an income tax deduction relating to retired military personnel benefits.

House Bill No. 1091 - Increases the number of members on the Department of Emergency Services Advisory Committee from 11 members to 12. Eliminates language identifying the operational sections of the Division of Homeland Security under the Department of Emergency Services.

House Bill No. 1095 - Amends the definition of a volunteer emergency responder to include volunteer members of the National Guard of any state.

House Bill No. 1101 - Provides continuing appropriation authority from the North Dakota National Guard service member, veteran, family, and survivor support fund to the Adjutant General for expenses relating to the North Dakota National Guard service member, veteran, family, and survivor support program.

House Bill No. 1435 - Provides an appropriation of \$120 million from Bank of North Dakota line of credit proceeds to the Information Technology Department for statewide interoperable radio network projects.

Senate Bill No. 2095 - Eliminates the need for Emergency Commission and Budget Section approval to expend moneys from the state disaster relief fund that have been appropriated by the Legislative Assembly. The bill also provides for a report to the Budget Section detailing expenditures from the appropriation. The bill also changes the allowable uses of money in the fund.

Senate Bill No. 2096 - Amends law relating to mutual aid agreements.

Senate Bill No. 2195 - Provides an appropriation of \$250,000 from the general fund to pay the costs of interring veterans' spouses and dependents who are eligible for internment at the Veterans' Cemetery.

Adjutant General, including the National Guard and the Department of Emergency Services - Budget No. 540

Senate Bill No. 2016

Base Level Funding Changes

	Executive Budget Recommendation				Senate Version			
	FTE Positions	General Fund	Other Funds	Total	FTE Position	General Fund	Other Funds	Total
2019-21 Biennium Base Level	234.00	\$25,886,422	\$143,599,480	\$169,485,902	234.00	\$25,886,422	\$143,599,480	\$169,485,902
2019-21 Ongoing Funding Changes								
Base payroll changes		(\$175,188)	(\$603,242)	(\$778,430)		(\$175,188)	(\$603,242)	(\$778,430)
Salary increase		580,067	867,531	1,447,598		408,013	607,549	1,015,562
Health insurance increase		307,642	502,965	810,607		367,107	590,010	957,117
Retirement contribution increase		74,000	99,497	173,497				0
Add funding for Fargo Readiness Center FTE positions and related operating expenses and equipment	3.00	131,028	131,029	262,057	3.00	131,028	131,029	262,057
Remove 9 FTE positions, including 4 communications specialists, 1 geographic information systems specialist, 1 carpenter, 1 security officer, and 2 veterans benefits specialists	(9.00)	(1,017,146)	(178,523)	(1,195,669)	(9.00)	(1,017,146)	(178,523)	(1,195,669)
Reclassify a security officer FTE position as a project manager FTE position		221,598	(132,379)	89,219		221,598	(132,379)	89,219
Transfer FTE positions for the information technology (IT) unification initiative	(4.00)	(310,746)	(366,744)	(677,490)	(4.00)	(310,746)	(366,744)	(677,490)
Funding adjustment to reflect IT unification error		(111,903)	77,027	(34,876)				0
Increase funding for operating expenses related to the IT unification initiative		444,077	304,423	748,500		328,538	387,502	716,040
Increase funding for National Guard contract lines		475,000		475,000		475,000		475,000
Increase funding for National Guard tuition assistance		2,000,000		2,000,000		2,164,572		2,164,572
Reduce funding for National Guard operating expenses, including travel, utilities, repairs, and IT		(762,245)		(762,245)		(762,245)		(762,245)
Reduce funding for city-owned armory grants due to the closure of armories in Mayville, Bottineau, Carrington, Grafton, Mott, and Rugby during the 2017-19 biennium		(107,637)		(107,637)		(107,637)		(107,637)

Reduce funding for emergency services operating expenses, including IT, miscellaneous supplies, and professional services	(177,482)		(177,482)		(177,482)		(177,482)	
Increase funding from the radio communications fund for State Radio operating expenses, including IT, repairs, and professional services		542,338		542,338		542,338		542,338
Reduce federal funding for Army Guard contract		(12,000,000)		(12,000,000)		(12,000,000)		(12,000,000)
Reduce funding from the disaster relief fund (\$5.4 million) and federal funds (\$13.3 million) for disaster costs		(18,708,053)		(18,708,053)		(18,708,053)		(18,708,053)
Reduce federal funding for emergency services grants		(615,734)		(615,734)		(615,734)		(615,734)
Total ongoing funding changes	(10.00)	\$1,571,065	(\$30,079,865)	(\$28,508,800)	(10.00)	\$1,545,412	(\$30,346,247)	(\$28,800,835)
One-time funding items								
Add one-time funding for the Camp Grafton expansion		\$15,000,000		\$15,000,000		\$600,000		\$600,000
Add one-time funding from the strategic investment and improvements fund (SIIF) for a 911 dispatching service revenue shortfall			1,212,253	1,212,253			1,212,253	1,212,253
Add one-time funding for IT upgrades, including funding from SIIF		181,000	690,000	871,000		\$181,000	690,000	871,000
Add one-time funding from federal funds for emergency services equipment			660,000	660,000			660,000	660,000
Total one-time funding changes	0.00	\$15,181,000	\$2,562,253	\$17,743,253	0.00	\$181,000	\$3,162,253	\$3,343,253
Total Changes to Base Level Funding	(10.00)	\$16,752,065	(\$27,517,612)	(\$10,765,547)	(10.00)	\$1,726,412	(\$27,183,994)	(\$25,457,582)
2019-21 Total Funding	224.00	\$42,638,487	\$116,081,868	\$158,720,355	224.00	\$27,612,834	\$116,415,486	\$144,028,320

Other Sections for Adjutant General, including the National Guard and the Department of Emergency Services - Budget No. 540

	Executive Budget Recommendation	Senate Version
Veterans' Cemetery maintenance fund	Section 3 would appropriate any funds which are received and deposited in the Veterans' Cemetery maintenance fund pursuant to North Dakota Century Code Sections 37-03-14 and 39-04-10.10 for the operation of the Veterans' Cemetery for the 2019-21 biennium.	Section 3 appropriates any 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 Veterans' Cemetery for the 2019-21 biennium.
Strategic investment and improvements fund		Section 4 identifies the appropriations from the strategic investment and improvements fund included in this bill.

Other Sections for Adjutant General, including the National Guard and the Department of Emergency Services - Budget No. 540

	Executive Budget Recommendation	Senate Version
Camp Grafton expansion		Section 5 provides legislative intent for the Adjutant General to purchase options for the purchase or lease of up to 6,000 acres of land. The section also provides legislative intent that the 67th Legislative Assembly provide an appropriation to complete the purchase or lease of land during the 2021-23 biennium.
National Guard tuition waiver		Section 6 amends Section 37-07.1-03 to increase the National Guard tuition waiver from 25 to 35 percent.
National Guard tuition grant		Section 7 amends Section 37-07.2-01 to ensure the increased tuition waiver does not affect the National Guard tuition grant amount paid to nonstate institutions of higher education.
Maintenance and repairs	Section 4 would authorize the Adjutant General to transfer up to \$500,000 from various line items to the operating expenses and capital assets line items for the maintenance and repair of state-owned armories during the 2019-21 biennium. Any amounts transferred must be reported to the Office of Management and Budget.	Section 8 authorizes the Adjutant General to transfer up to \$500,000 from various line items to the operating expenses and capital assets line items for the maintenance and repair of state-owned armories during the 2019-21 biennium. Any amounts transferred must be reported to the Office of Management and Budget.
Line item transfers	Section 5 would authorize the Adjutant General to transfer up to 10 percent of its total appropriation between line items.	
Exemption - Radio communications	Section 6 would provide that any unexpended general or special funds appropriation authority carried over in the radio communications line item relating to the State Radio tower package for the 2013-15 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2019-21 biennium.	Section 9 provides that any unexpended general or special funds appropriation authority carried over in the radio communications line item relating to the State Radio tower package for the 2013-15 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2019-21 biennium.
Exemption - Tuition, recruiting, and retention	Section 7 would provide that any unexpended general or special funds appropriation authority in the tuition, recruiting, and retention line item for the 2017-19 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2019-21 biennium.	Section 10 provides that any unexpended general or special funds appropriation authority in the tuition, recruiting, and retention line item for the 2017-19 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2019-21 biennium.
Exemption - Veterans' bonus	Section 8 would provide that any unexpended general or special funds appropriation authority carried over in the grants line item relating to payment of adjusted compensation to veterans for the 2015-17 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2019-21 biennium. Any unexpended funds from this appropriation must be transferred to the Veterans' Cemetery trust fund during the 2019-21 biennium.	Section 11 provides that any unexpended general or special funds appropriation authority carried over in the grants line item relating to payment of adjusted compensation to veterans for the 2015-17 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2019-21 biennium. Any unexpended funds from this appropriation must be transferred to the Veterans' Cemetery trust fund during the 2019-21 biennium.

Other Sections for Adjutant General, including the National Guard and the Department of Emergency Services - Budget No. 540

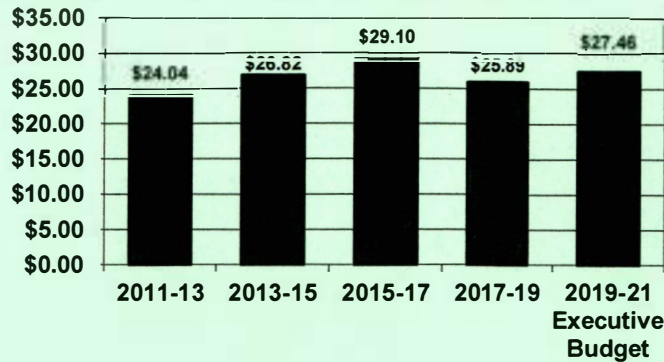
	Executive Budget Recommendation	Senate Version
Exemption - Mobile repeaters and programming radios	Section 9 would provide that any unexpended general or special funds appropriation authority carried over in the Department of Emergency Services operating expenses line item relating to one-time funding from the strategic investment and improvements fund for mobile repeaters and programming radios for the 2017-19 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2019-21 biennium.	Section 12 provides that any unexpended general or special funds appropriation authority carried over in the Department of Emergency Services operating expenses line item relating to one-time funding from the strategic investment and improvements fund for mobile repeaters and programming radios for the 2017-19 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2019-21 biennium.
Exemption - Disaster costs	Section 10 would provide that any unexpended general or special funds appropriation authority in the disaster costs line item relating to grants to political subdivisions for amounts required to match federal dollars on road grade raising projects and federal emergency relief funding for the 2011-13 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2019-21 biennium.	Section 13 provides that any unexpended general or special funds appropriation authority in the disaster costs line item relating to grants to political subdivisions for amounts required to match federal dollars on road grade raising projects and federal emergency relief funding for the 2011-13 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2019-21 biennium.
Exemption - Disaster costs		Section 14 provides that any unexpended special funds appropriation authority in the disaster costs line item from the 2017-19 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2019-21 biennium.
National Guard training area and facility development trust fund	Section 11 would amend Section 37-07.3-03 relating to the National Guard training area and facility development trust fund to allow the fund to be used for the proposed expansion of Camp Grafton. The section disallows the use of eminent domain in the acquisition of property for the expansion.	
Emergency	Section 12 would declare the amount appropriated in the tuition, recruiting, and retention line item to be an emergency measure.	Section 15 declares the amount appropriated in the Camp Grafton expansion and tuition, recruiting, and retention line items to be an emergency measure.

Department 540 - Adjutant General, including the National Guard and the Department of Emergency Services

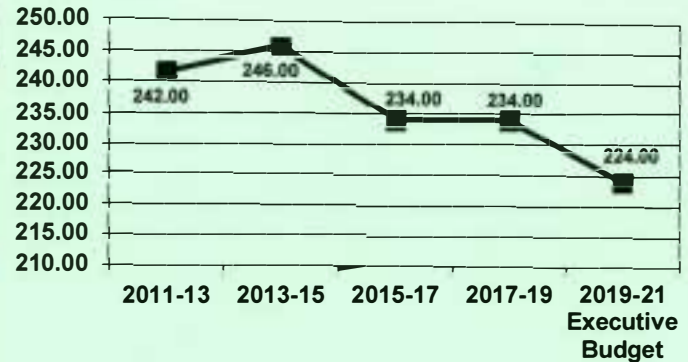
Historical Appropriations Information

Ongoing General Fund Appropriations Since 2011-13

Ongoing General Fund Appropriations (in Millions)



FTE Positions



Ongoing General Fund Appropriations					
	2011-13	2013-15	2015-17	2017-19	2019-21 Executive Budget
Ongoing general fund appropriations	\$24,035,127	\$26,824,589	\$29,096,100	\$25,886,422	\$27,457,487
Increase (decrease) from previous biennium	N/A	\$2,789,462	\$2,271,511	(\$3,209,678)	\$1,571,065
Percentage increase (decrease) from previous biennium	N/A	11.6%	8.5%	(11.0%)	6.1%
Cumulative percentage increase (decrease) from 2011-13 biennium	N/A	11.6%	21.1%	7.7%	14.2%

Major Increases (Decreases) in Ongoing General Fund Appropriations

2013-15 Biennium

1. Increased funding for the National Guard tuition program \$110,000
2. Added 4 FTE communication specialist positions in the State Radio dispatch center \$386,048
3. Added funding for State Radio tower maintenance \$360,000

2015-17 Biennium

1. Added funding for operating costs of the ND Cares Task Force \$260,000
2. Added funding for various maintenance items \$861,280
3. Added funding to realign State Radio dispatch positions within the employee classification system \$192,621
4. Added funding for mortuary response training (This item was affected by the August 2016 agency budget reductions) \$200,000

2017-19 Biennium

1. Reduced funding for operating expenses (\$2,307,572)
2. Increased funding for recruitment \$100,000
3. Reduced funding for National Guard armory grants (\$190,961)
4. Removed funding for mortuary response training (\$191,900)
5. Reduced funding for the reintegration program (\$716,075)

2019-21 Biennium (Executive Budget Recommendation)

1. Removes 9 FTE positions, including 4 communications specialists, 1 geographic information systems specialist, 1 carpenter, 1 security officer, and 2 veterans benefits specialists (\$1,017,146)
2. Increases funding for National Guard Air Guard and Army Guard contract operating expenses \$475,000
3. Reduces funding for operating expenses, including information technology, travel, utilities, repairs, miscellaneous supplies, and professional services (\$939,727)

- | | |
|---|-------------|
| 4. Increases funding for National Guard tuition assistance, to provide a total of \$4,617,500. The Senate added \$2,164,572 to provide a total of \$4,782,072 from the general fund for tuition, recruiting, and retention. | \$2,000,000 |
|---|-------------|

**GOVERNOR'S RECOMMENDATION FOR THE
ADJUTANT GENERAL AS SUBMITTED
BY THE OFFICE OF MANAGEMENT AND BUDGET**

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the office of the adjutant general for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

Subdivision 1.

NATIONAL GUARD

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and Wages	\$6,666,525	\$230,662	\$6,897,187
Operating Expenses	3,525,934	(758,613)	2,767,321
Capital Assets	33,224,046	(18,000,000)	15,224,046
Grants	318,553	(107,637)	210,916
Civil Air Patrol	299,580	5,739	305,319
Tuition, Recruiting, and Retention	2,617,500	2,000,000	4,617,500
Air Guard Contract	8,098,582	494,501	8,593,083
Army Guard Contract	57,717,944	(10,669,870)	47,048,074
Veterans' Cemetery	881,284	100,566	981,850
Reintegration Program	<u>1,261,384</u>	<u>(200,357)</u>	<u>1,061,027</u>
Total all funds	\$114,611,332	(\$26,905,009)	\$87,706,323
Less estimated income	<u>98,174,778</u>	<u>(43,833,574)</u>	<u>54,341,204</u>
Total general fund	\$16,436,554	\$16,928,565	\$33,365,119

Subdivision 2.

DIVISION OF EMERGENCY SERVICES

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and Wages	\$12,551,119	(\$1,123,134)	\$11,427,985
Operating Expenses	7,288,451	2,111,609	9,400,060
Capital Assets	569,000	91,000	660,000
Grants	16,889,159	(615,734)	16,273,425
Disaster Costs	51,445,841	(18,978,279)	32,467,562
Radio Communications	0	785,000	785,000
Total all funds	\$88,743,570	(\$17,729,538)	\$71,014,032
Less estimated income	79,293,702	(17,553,038)	61,740,664
Total general fund	\$9,449,868	(\$176,500)	\$9,273,368

Subdivision 3.

BILL TOTAL

	Base Level	Adjustments or Enhancements	Appropriation
Grand total general fund	\$25,886,422	\$16,772,065	\$42,638,487
Grant total special funds	177,468,480	(61,386,612)	116,081,868
Grant total all funds	\$203,354,902	(\$44,634,547)	\$158,720,355
Full-time equivalent positions	234.00	-10.00	224.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-SIXTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-fourth legislative assembly for the 2017-19 biennium and the 2019-21 one-time funding items included in the appropriation in section 1 of this Act:

One-Time Funding Description	2017-19	2019-21
ND national guard readiness center	\$33,000,000	\$0
Emergency Response equipment	569,000	0
Mobile repeaters and programming radios	300,000	0
State Radio operational increase	0	1,212,253
CAD upgrade	0	450,000
CAD monitor replacement	0	66,000
UPS battery replacement	0	20,000
Message switch hardware	0	240,000

Intergraph XML Change	0	95,000
Camp Grafton south expansion	0	15,000,000
Total all funds	\$33,869,000	\$17,083,253
Total special funds	33,869,000	16,902,253
Total general fund	\$0	\$181,000

The 2019-21 one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The adjutant general shall report to the appropriations committees of the sixty-sixth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 3. 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, 2019, and ending June 30, 2021.

SECTION 4. MAINTENANCE AND REPAIRS - TRANSFERS. The adjutant general may transfer to the operating expenses and capital assets line items contained in section 1 of this Act up to the sum of \$500,000 from the various other line items contained in section 1 of this Act, as determined necessary by the adjutant general to provide for the maintenance and repair of state-owned armories in this state during the biennium beginning July 1, 2019, and ending June 30, 2021. Any amounts transferred pursuant to this section must be reported to the director of the office of management and budget.

SECTION 5. LINE ITEM TRANSFER. Notwithstanding section 54-16-04, the agency may transfer between line items within section 1 of this Act up to ten percent of the total appropriation contained in section 1 during the biennium beginning July 1, 2019, and ending June 30, 2021. The agency shall notify the office of management and budget and the legislative council of any transfer made pursuant to this section.

SECTION 6. EXEMPTION. Any amounts carried over in the radio communications line for the state radio tower package, in section 7 of chapter 15 of the 2017 Session Laws is not subject to section 54-44.1-11 and any unexpended funds are available for completing these projects during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 7. EXEMPTION. The amount appropriated in the tuition, recruiting, and retention line item in subdivision 1 of section 1 of chapter 15 of the 2017 Session Laws is not subject to section 54-44.1-11, and any unexpended funds from this appropriation may be used to provide tuition assistance, recruiting and retention incentives to eligible members of the North Dakota national guard during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 8. EXEMPTION. Any amounts carried over pursuant to section 11 of chapter 15 of the 2017 Session Laws that is unexpended as of June 30, 2019 is not subject to section 54-44.1-11 and is available for payment of adjusted compensation to veterans. Any unexpended funds from this appropriation must be transferred to the veterans' cemetery trust fund during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 9. EXEMPTION. The amount appropriated in the operating expenses line item in subdivision 2 of section 1 of chapter 15 of the 2017 Session Laws for one-time funding from the strategic investment and improvement fund for mobile repeaters and programming radios is not subject to section 54-44.1-11 and any unexpended funds from this appropriation may be used to complete this project, during the biennium beginning July 1, 2019 and ending June 30, 2021.

SECTION 10. EXEMPTION. Any amounts carried over in the disaster costs line for grants to political subdivisions for amounts required to match federal dollars on road grade raising projects and federal emergency relief funding pursuant to section 13 of chapter 15 of the 2017 Session Laws that is

unexpended as of June 30, 2019, is not subject to section 54-44.1-11. Any unexpended funds from this appropriation are available for these purposes during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 11. AMENDMENT. Section 37-07.3-03 of the North Dakota Century Code is amended and reenacted as follows:

37-07.3-03. Trust fund use.

The principal, interest, and income from the national guard training area and facility development trust fund must be used by the adjutant general solely for training area acquisition, purchase or lease, and facility development; provided, that the principal, and any interest and income which the fund accrues from July 1, 1985 July 1, 2019, through June 30, 1989 June 30, 2029, must be used solely for the acquisition of land for national guard training purposes and the expenditure, in conjunction with federal matching funds, for the construction of a new national guard armory on or adjacent to expansion of the military reservation known as Fraine Barracks Camp Grafton. For the purpose of obtaining land for training purposes under this section, eminent domain shall not be used.

SECTION 12. EMERGENCY. The Tuition, recruiting, and retention line in section 1 of this Act is declared to be an emergency measure.

**TESTIMONY OF
MAJOR GENERAL AL DOHRMANN
NORTH DAKOTA NATIONAL GUARD
BEFORE THE
GOVERNMENT OPERATIONS DIVISION
MARCH 1, 2019
ENGROSSED SENATE BILL 2016**

Good morning Mr. Chairman, members of the committee, I am Al Dohrmann, Adjutant General for the state of North Dakota. I am here today to testify in support of Engrossed Senate Bill 2016 (SB 2016).

I won't review my entire testimony in support of the Governor's budget recommendation. My intent is to provide an agency overview and to highlight some the key items in the Governor's Executive budget request and SB 2016, changes made by the Senate, request an additional amendment, and stand for any questions you have for our agency.

1. Framing of the Strategic Environment (pg. 1)

- The world continues to grow more volatile, uncertain, complex, and ambiguous. As a nation, we are not in a state of peace – and haven't been since 9/11/2001, nor are we in a declared war, but rather in a continuous state of competition
- This world of sustained competition 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. As an operational force, we support the National Defense and National Military Strategies as well as answer the call to support state and national emergencies.
- The Department of Emergency Services must be prepared and remain agile to address threats from Mother Nature, state, and non-state actors.

2. State of the National Guard (pg. 2)

- As an organization, we continually train to operate in our new paradigm of continuous competition. "Always Ready, Always There" is the motto of the North Dakota National Guard. Time and again, we have lived up to that motto. From fighting floods and fires here at home, to mobilizing and deploying Soldiers and Airmen around the globe, your National Guard has always been ready and will always be there.
- In 2018 we deployed 370 Soldiers and Airmen to locations around the globe. Additionally, this past biennium, our North Dakota Air National Guard continued to execute MQ-9 Reaper combat operations 24/7/365 from Fargo in support of combatant commanders world-wide.
- To meet tomorrow's challenges, we must generate readiness today. Job #1 for the Adjutant General is to provide the resources needed to meet our readiness requirements.

- The lack of a functioning multi-purpose machine gun range at Camp Grafton is the number one limiting factor which forces most of our units to train out-of-state on these weapon systems. With only 39 training days per year, we can no longer afford the time to meet these new training requirements.
- Another major challenge to readiness is our facilities. Having the right units in the right locations, with adequate facilities to support their training requirements is critical to readiness.
- To address this challenge we will break ground on the previously approved Fargo Readiness Center in the spring of 2019.
- In 2020 the NDNG and NDDDES will host Exercise Vigilant Guard. This is a regional response exercise centering on a large scale, all hazards, and domestic response.

3. State of Department of Emergency Services (pg. 4)

- The North Dakota Department of Emergency Services (NDDDES) consists of the Division of Homeland Security and the Division of State Radio. The NDDDES provides 24/7 emergency communications and resource coordination with more than 50 lead and support agencies, private enterprise, and voluntary organizations to assist local and tribal jurisdictions in disaster and emergency response activities.
- The Division of Homeland Security administers federal disaster recovery programs as well as several other federal grant programs. The Division also manages the State Emergency Operations Center (SEOC), ensuring a statewide coordinated response to emergencies and disasters as outlined in the State Emergency Operations Plan (SEOP) and serves as a liaison between federal, local, tribal, private, and voluntary agencies.
- The State Radio Communications System has over 4,000 users representing 287 agencies of the local, state, and federal government. The Division of State Radio coordinates 9-1-1 services as well as emergency medical, fire, and law enforcement response for 25 North Dakota counties.
- NDDDES is also the administrative agency for the North Dakota Civil Air Patrol (NDCAP), headquartered at Fraine Barracks. The NDCAP is a vital part of emergency operations and is often called upon for civilian search and rescue missions as well as information gathering during state disasters.
- NDDDES has several challenges facing it over the coming years. The first and likely foremost challenge is maintaining and recruiting a skilled, experienced workforce.
- Another challenge is effective scaling of staff. We have experienced two catastrophic disasters over the past decade, intermixed with smaller incidents.
- The department continues to look to technology to gain efficiencies and better serve the citizens of North Dakota.

Att: A
SB 2016
3-1-19

4. Tuition Assistance - \$2,164,572 above base for a total of \$4,617,500, 35% waiver (pg. 10)

- Number #1 NDNG adjustment priority. Most effective recruiting tool to attract young people to the North Dakota National Guard.
- 85% of new recruits state that tuition assistance as #1 reason for joining.
- The North Dakota Army and Air National Guard currently have approximately 200 open positions.
- Failure to fill these positions puts current and future National Guard units and missions at risk.
- Requirement planning factors: 4% yearly tuition increase; current full-time student definition.
- Only competitive advantage we have with Minnesota and South Dakota.
- The executive budget included \$2.0 million above base. The Senate added \$164,572 to address tuition and fee rate structure increase at all state higher education institutions.
- The Senate added Sections 6 and 7 to adjust waivers from 25% to 35% for state institutions and to continue 25% waivers at institutions not controlled by the state.

5. Camp Grafton Range Expansion - \$600,000 in SIIF funding for buy/lease options and intent to support in 2019 Legislative Session (pg. 12)

- Executive recommendation of \$15 million legacy fund earnings reduced to \$600,000 SIIF funds and intent to support funding in 2019 Legislative Session. The funds are directed for the purchase of up to 1,600 acres and for lease options on the remaining land required.
- Number #2 Optional Adjustment.
- *No eminent domain* written into our budget recommendation.
- World has changed; we need ranges that ensure we are ready to deploy quickly.
- Currently we are negotiating to purchase 60 acres to avoid the loss of capability on our primary qualification range, this is due to enhanced rounds.
- Currently, units need to travel outside the state to qualify on all their assigned weapons; wastes valuable training time.
- Important that legislature demonstrates intent and support by putting sufficient funds against this priority to ensure a strong bargaining position in negotiations with landowners.
- Without sufficient interest in land purchase or lease options, we are not able to pursue over \$15 Million in federal funds for range siting and construction.
- Would make North Dakota a "training destination" for units from other states.

6. State Radio Operations – \$1,212,253 in SIIF (pg. 14)

- New process has been developed, in accordance with law, that set fee based on phone lines in a county. This raised fee from \$0.46 to \$1.39 per line.
- Law allows a reduction in fee based on “economic conditions”; unrealistic for political subdivision to absorb a 300% increase in one biennium so fee set at \$0.84 per line.
- SIIF covers difference between \$0.84 and \$1.39.
- Process initiated with political sub-divisions to set fee at actual cost for the 21-23 biennium.
- **This is the #1 priority for NDDDES.**

7. State Employee Benefit Package (pg. 9)

- No pay raises in current biennium.
- Performance based, helps retain best and brightest.
- Agency behind market and other agencies in compensation.
- #1 issue when conducting “town halls” with employees.
- Executive compensation package reduced to 2% and 3% and health and retirement adjustments.

8. Additional amendment request to transfer CSO and ISO positons at State Radio to NDBCI (pg. 14)

- Currently two positions at NDDDES, State Radio, perform duties related to the FBI’s Criminal Justice Information Service (CJIS).
- Recent monitoring visit, the state was informed these positions must be housed at a Criminal Justice Agency (CJA).
- Request to transfer these two positions to NDBCI.
- Both positions funded at 70% general fund and 30% “other funds”. Request general funds also be transferred with positions.
- Request general fund operational costs of \$9,388 also be transferred to NDBCI.
- We are providing Attachment #1 for these amendments.

9. Transfer of IT FTEs to ITD – Unification (pg. 14)

- No issues in implementation of process.
- Improved communications and reach back with ITD.
- No employee movement; same focus and customer service for a 24/7/365 requirement.
- Minor correction made in SB 2016 for IT Unification error.

10. 10% Transfer Authority in Executive Recommendation (Removed by Senate) (pgs. 16)

- Provides flexibility needed to run a complex 3 in 1 Agency (National Guard, Division of Homeland Security & State Radio).
- Supports Governor’s reinvention initiative; can execute savings almost immediately when efficiencies are found.

- Provides flexibility for emerging requirements, challenges and opportunities within legislative authorized programs (i.e. off-setting loss in federal tuition funding with state funds).
- This authority was removed by the Senate

11. Exemption to carry over State Radio Tower Package Funding (Amendment)(pg. 16)

- Funding was appropriated to enhance public safety radio coverage.
- Statewide Interoperability Executive Committee (SIEC) enter contract with Motorola to construct a Statewide Interoperable Radio Network (SIRN).
- SIRN will use a different technology than our current radio network.
- Authority and funds used to lease tower space and make necessary technological upgrades to support current and new SIRN system.
- Amendment of this exemption was adopted by the Senate.

12. Exemption to carry over Disaster Relief Fund (DRF) Authority (pg. 17)

- Can't control close-out of federal disasters; Federal government shutdown delayed close-out progress with FEMA.
- Shutdown has delayed close-out of 5 disasters.
- Total projected costs from DRF for 17-19 biennium has not changed; \$4.6 million of \$8.5 million spent to date.
- Current unobligated DRF balance is in excess of \$25 Million.
- Per the request of the agency, the Senate included as Section 14.

13. Conclusion (pg. 17)

- Mr. Chairman that completes my testimony. I would like to leave you with these final thoughts. This is a pivotal time for the Office of The Adjutant General as we evolve to meet the demands of a continuously changing strategic landscape. Our investment in readiness, increased capacity, and future capabilities must keep pace if we are to remain relevant today and able to meet the mission requirements of tomorrow. Readiness remains my number one priority. The 2019-21 biennial request for appropriations addresses my most urgent readiness concerns.
- I ask for your favorable support of the executive recommendation and Senate Bill 2016. I am pleased to stand for any questions you may have. Thank you.

**OFFICE OF ADJUTANT GENERAL - STATE RADIO DIVISION
CSO AND ISO POSITIONS
PROPOSED AMENDMENT -SALARIES AND OPERATIONS
ENGROSSED SENATE BILL 2016**

Att: A
SB 2016
3-1-19
pg 6

SALARIES & BENEFITS

Position No.	Position Description	Total Biennial Salary	General Fund	Radio Special Funds	EMPG Federal Funds	Total
5610	Admin Staff Officer III	\$ 193,297.00	\$ 135,307.90	\$ 19,329.70	\$ 38,659.40	\$ 193,297.00
5611	Admin Staff Officer III	\$ 179,258.00	\$ 125,480.60	\$ 17,925.80	\$ 35,851.60	\$ 179,258.00
		\$ 372,555.00	\$ 260,788.50	\$ 37,255.50	\$ 74,511.00	\$ 372,555.00
			70%	10%	20%	

Proposed amendment is based off Senate Compensation Package as in Engrossed SB 2016

OPERATIONAL COSTS

Position No.	Position Description	Biennial Cost Phone	Biennial Cost Data Processing	Biennial Cost Travel	Biennial Cost Risk Mgmt Prem	Total
5610	Admin Staff Officer III	\$ 1,920.00	\$ 1,671.60	\$ 1,098.34	\$ 53.80	\$ 4,743.74
5611	Admin Staff Officer III	\$ 792.00	\$ 1,671.60	\$ 2,127.29	\$ 53.80	\$ 4,644.69
						\$ 9,388.43

Operational Costs have been funded 100% General Funds

TOTAL FUNDING \$ 381,943.43

Att: A
SB 2016
3-1-19
Pg 7

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2016

Page 2, line 11, replace "(\$1,226,414)" with "(\$1,598,969)" and replace "\$11,324,705" with "\$10,952,150"

Page 2, line 12, replace "2,379,149" with "\$2,369,761" and replace "\$9,367,600" with "\$9,358,212"

Page 2, line 17, replace "(\$17,010,520)" with "(\$17,392,463)" and replace "\$70,864,050" with "\$70,482,107"

Page 2, line 18, replace "(\$16,757,646)" with "(\$16,869,412)" and replace "\$61,667,056" with "\$61,555,290"

Page 2, line 19, replace "(\$252,874)" with "(\$523,050)" and replace "\$9,196,994" with "\$8,926,818"

Page 2, line 24, replace "\$1,726,412" with "\$1,456,236)" and replace "\$27,612,834" with "\$27,342,658"

Page 2, line 25, replace "(\$27,183,994)" with "(\$27,295,760)" and replace "\$116,415,486" with "\$116,303,720"

Page 2, line 26, replace "(\$25,457,582)" with "(\$25,839,525)" and replace "\$144,028,320" with "\$143,646,377"

Page 2, line 27, replace "(10)" with "(12)" and replace "224" with "222"

Renumber accordingly

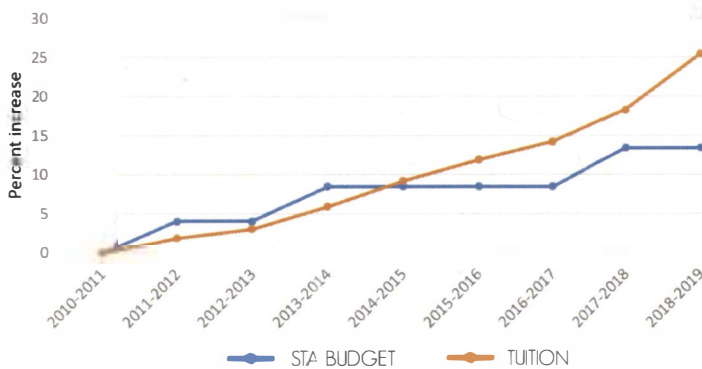
STATE TUITION ASSISTANCE

OUR MOST IMPORTANT RECRUITING INCENTIVE

- Bottom Line: Our State Tuition Assistance (STA) program has not kept pace with increasing tuition costs.
- N.D. National Guard relies on an array of incentives to attract and retain qualified and capable recruits.
- We rely on our STA program to support post-secondary education for our Soldiers, Airmen and ROTC Cadets.
- Since the 2009-2011 biennium, tuition costs have increased by 25 percent, whereas our STA has only increased 13 percent, on average, during the same period.
- Since 2015, Guard Soldiers are unable to use Federal Tuition Assistance (FTA) and the GI Bill simultaneously, placing increased reliance on STA.
- Air Guard members are the only military component not eligible for FTA and therefore rely on STA exclusively.
- N.D. National Guard, along with the National Guard Bureau, continues to work these federal issues.



STATE TUITION ASSISTANCE (STA) VS. TUITION INCREASES



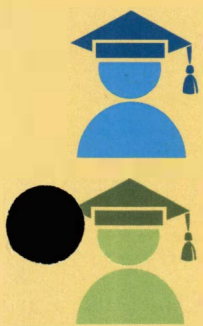
PROPOSED FUTURE FUNDING



BASE LEVEL FUNDING:
\$2,617,500

ADJUSTMENTS OR ENHANCEMENTS:
\$2,164,000

TOTAL APPROPRIATION: \$4,781,500



IMPORTANCE TO RECRUITING

85%

of our Soldiers and Airmen
indicated education incentives as
their No. 1 reason for joining.



429

*Guardsmen used state tuition assistance
during the Fall 2018 semester.*

Att: A
SB 2016
3-1-19
pg 9

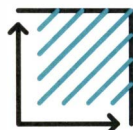
CAMP GRAFTON

EXPANSION PROJECT



WHAT IS CAMP GRAFTON?

The state of North Dakota owns little more than 9,000 acres in Eddy County, 45 miles south of Devils Lake. This property, commonly known as Camp Grafton South, is managed by the N.D. National Guard as part of Camp Grafton Training Center. The property has two primary functions: to provide space for weapons qualification and space for units to train in battlefield conditions, commonly known as maneuver space.



CURRENT ACREAGE: 9,000 acres

REQUESTED ACREAGE FOR EXPANSION: 6,000 acres

AGRICULTURAL PRODUCTION

The N.D. National Guard prioritizes being a good steward of its resources. Of the land currently used for training at Camp Grafton South, 95 percent is managed for agricultural purposes and leased to local farmers and ranchers. We intend to continue this practice with any additional land acquired.

95%

PROJECTED COST:

\$15 Million for the additional 6,000 acres

EXPECTED FEDERAL INVESTMENT:

\$15 - \$20 Million to construct new firing ranges

* The N.D. National Guard does not have authority for eminent domain, nor would we wish to seek that authority.

WHY EXPAND?

While a tremendous asset, this property has become inadequate to support our training requirements. As early as this year, the N.D. National Guard will have significantly reduced range capacity due to the implementation of the Enhanced Performance Round (EPR). The effect on the National Guard would be a complete loss of capability in firing machine guns, and our M-16 range would be reduced from 16 to only 8 firing lanes.

An additional 6,000 acres ensures Camp Grafton South provides the space the N.D. National Guard needs to meet weapons qualification requirements.

FORT HARRISON, MT: 3-4 Days

CAMP RIPLEY, MN: 2 Days



CAMP GUERNSEY, WY: 4 Days

LOSS OF TRAINING DAYS

Since our Soldiers and Airmen have only 39 training days available each year and Camp Grafton cannot accommodate required training, our Guardsmen travel to various locations in the region to accomplish weapons qualifications. This results in a significant loss of training time due to travel time.

March 1, 2019

SB2016

Attachment B

**TESTIMONY OF
MAJOR GENERAL ALAN S. DOHRMANN
THE ADJUTANT GENERAL
BEFORE THE
GOVERNMENT OPERATIONS DIVISION
MARCH 1, 2019
ENGROSSED SENATE BILL 2016**

Chairman Vigessa, members of the Government Operations Division, my name is Al Dohrmann, I'm the Adjutant General of the National Guard and the Director of Emergency Services for the state of North Dakota. I am here today to testify in support of the Governor's budget recommendation and address Engrossed Senate Bill 2016 (SB 2016). Before I address our budget, I'd like to take a moment to describe the strategic framework that shaped our budget preparation and the Governor's recommendation.

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

Framing of the Strategic Environment

The world continues to grow more volatile, uncertain, complex, and ambiguous. As a nation, we are not in a state of peace – and haven't been since 9/11/2001, nor are we in a declared war, but rather in a continuous state of competition with a range of actors from unsophisticated opponents to near peer adversaries. Violent extremist organizations and failed states persist, while unfriendly state actors focus on countering U.S. influence in areas where we have national interests and regional commitments. Competitors such as Russia and China are engaging in conflict conducted at an intensity below the threshold of open war, while utilizing all instruments of national power to achieve their national objectives, such cyber and information operations. Additionally, future battlefields will be characterized by greater lethality across all domains including cyber and space. We can no longer assume that we will overmatch our adversaries in technology or lethality at every turn.

Role of the National Guard and Emergency Services

This world of sustained competition 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. As an operational force, we support the National Defense and National Military Strategies as well as answer the call to support state and national emergencies. It is our responsibility

to be a force that is lethal, adaptive, and resilient. Defending our nation, fighting and winning America's wars are our primary missions, so we must be agile enough to rapidly pivot and provide critical resources in defense of the homeland and in support of our communities and state during times of crisis.

The Department of Emergency Services must be prepared and remain agile to address threats from Mother Nature, state, and non-state actors. Our experience during the Dakota Access Pipeline (DAPL) protest highlights our need to be prepared and ready to engage both on land and in cyber domains.

Since 2009, the North Dakota Department of Emergency Services has managed 14 presidentially declared disasters or emergencies, with the National Guard providing over 168,000 man-days of support to them, most notably the historic floods of 2009 and 2011, and the unprecedented civil unrest that surrounded the construction of the Dakota Access Pipeline. As we look to the future and prepare for natural, as well as man-made threats, it is extremely important that we resource to the level of readiness all citizens of North Dakota deserve.

All state agencies and our political sub-divisions have a role to play in this effort, but when times are really tough, having a trained and readied National Guard and Emergency Services, is the key to protecting lives and property.

State of the National Guard

As an organization, we continually train to operate in our new paradigm of continuous competition. "Always Ready, Always There" is the motto of the North Dakota National Guard. Time and again, we have lived up to that motto. From fighting floods and fires here at home to mobilizing and deploying Soldiers and Airmen around the globe, your National Guard has always been ready and will always be there. As the threats to the homeland and around the globe have evolved, so too have the demands placed on us. For this reason we must be prepared today to be more ready and lethal tomorrow.

In 2017 the North Dakota National Guard deployed 405 Soldiers and Airmen to locations such as Afghanistan, Jordan, Qatar, Kuwait, the United Arab Emirates, and the National Capitol Region. In 2018 we deployed 370 Soldiers and Airmen to similar locations across the globe. Additionally, this past biennium, our North Dakota Air National Guard continued to execute MQ-9 Reaper combat operations 24/7/365 from Fargo in support of combatant commanders world-wide.

In 2018 we participated in the United Accord Exercise in Accra, Ghana where 52 North Dakota Guard Soldiers worked alongside Ghanaian Armed Forces and soldiers from the Netherlands on various construction projects while our aviation assets took part in military exercises and real world missions in Germany. Additionally, we continue to send Soldiers to Combat Training Centers located at the Joint Readiness Training Center at Fort Polk, Louisiana and the National Training Center at Fort Irwin, California, in order

to maintain the readiness and war fighting skills necessary to be prepared at home and successful in combat.

At home, our 219th Security Forces Squadron excelled in the protection of our nation's nuclear security assets based out of Minot Air Force Base. Their work secured \$3.3 billion of United States Strategic Command nuclear assets. Our Weapons of Mass Destruction Civil Support Team and Counter-Drug program, provided valuable support to law enforcement and first responders.

Looking forward to 2019-21, we will send hundreds of North Dakota National Guardsmen to participate in military exercises throughout the United States, Canada, and Europe. We will continue to contribute directly to our national security on a daily basis through operations at Hector Field in Fargo and world-wide deployments. To date three units are projected to deploy this biennium. That number is likely to increase if trends from previous years' hold true. Currently, our fixed-wing aviation team is deployed to the Horn of Africa in support us U.S. Central Command. Our Cyber Protection Team will deploy very soon to support agencies in the National Capitol Region defending the nation's cyber domain, and our 957 Multi-Role Bridge Company will deploy to Southwest Asia to build capacity with strategic partners.

In 2020 the NDNG and NDDDES will host Exercise Vigilant Guard. This is a regional response exercise centering on a large scale, all hazards, domestic response. Exercise Vigilant Guard builds readiness across all levels of government and the private sector by emphasizing interagency coordination. I invite any of you who are interested to observe this exercise.

To meet tomorrow's challenges, we must generate readiness today. Job #1 for the Adjutant General is to provide the resources needed to meet our readiness requirements. To this end, the Governor's budget recommendation provides the resources we require to build and maintain the readiness needed to be "Always Ready, Always There." Maintaining readiness presents the most significant challenge facing the North Dakota National Guard.

Personnel readiness is the primary challenge for the NDNG. The strong North Dakota economy is both a blessing and curse. For the NDNG, it has impacted our ability to recruit young North Dakota men and women into our formations. Our current end strength of 93.2% equates to 290 vacancies in the Army and Air National Guard. North Dakota is lagging in comparison to surrounding states. South Dakota is at 103.8% of their authorized end strength and Minnesota at 101.6%. To address this, the Governor's budget recommendation fully funds key programs such as our state tuition assistance program – our number #1 recruiting tool.

As an operational force, our training requirements have increased significantly. As part of the Army's new training model, we must measure a unit's collective live-fire ability at the individual and crew-served weapons levels. The additional training requirements and the limited number of annual training days necessitates we train smarter and more

efficiently than ever before. The lack of a functioning multi-purpose machine gun range at Camp Grafton is the number one limiting factor which forces most of our units to train out-of-state on these weapon systems. With only 39 training days per year, we can no longer afford the time to meet these new training requirements.

Another major challenge to readiness is our facilities. Having the right units in the right locations, with adequate facilities to support their training requirements is critical to readiness. Some of our facilities, such as our rented facility in Fargo and the community-owned Dickinson Armory no longer meet basic requirements. Additionally, our 330 facilities scattered throughout the state require on-going maintenance.

To address this challenge we will break ground on the previously approved Fargo Readiness Center in the Spring of 2019. We are also in the planning stages to build a 100% federally funded readiness center in Dickinson. This \$15.5 million project is scheduled to be completed by the summer of 2024. While we don't need budget authority to begin design of this project, we want to be transparent as we will start design in 2020, with construction beginning in early 2022. We will discuss both these construction projects in more detail as we address the Governor's budget recommendation and SB 2016.

State of the Department of Emergency Services

The North Dakota Department of Emergency Services (NDDDES) consists of the Division of Homeland Security and the Division of State Radio. The NDDDES provides 24/7 emergency communications and resource coordination with more than 50 lead and support agencies, private enterprise, and voluntary organizations to assist local and tribal jurisdictions in disaster and emergency response activities. The Division of Homeland Security administers federal disaster recovery programs as well as several other federal grant programs. The Division also manages the State Emergency Operations Center (SEOC), ensuring a statewide coordinated response to emergencies and disasters as outlined in the State Emergency Operations Plan (SEOP) and serves as a liaison between federal, local, tribal, private, and voluntary agencies. The staff coordinates resources, compiles damage assessment information, maintains situational awareness, and evaluates information to determine the potential for state and federal declarations and requests for assistance.

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

The state-wide voice radio system is controlled from a single communications

dispatch center located in Bismarck. The state's land mobile radio system (LMR) is connected to 47 remote tower locations by fiber circuits, providing statewide voice communications.

NDDDES, throughout both divisions, employs a knowledgeable and experienced workforce, with a wide breadth of diverse backgrounds. We have forged strong relationships with our interagency partners at all levels of government and hold numerous training events and exercises every year to test the interoperability of these entities which are crucial to our success. The NDDDES Training and Exercise Program offers a wide variety of courses for first responders, emergency managers, healthcare providers, and other response support staff as well as partners. We had 599 participants in 27 classes between July 1, 2017 and September 30, 2018. Additionally, NDDDES co-hosted the annual Emergency Management Conference with the ND Emergency Management Association attended by 132 emergency managers and first responders. During the 2017-19 biennium NDDDES participated in 13 multi-agency emergency response exercises designed to identify planning gaps and capability weaknesses while in a safe learning environment.

NDDDES accomplished a great deal during the last biennium. Our agency went through an exhaustive process to attain national accreditation, known as the Emergency Management Accreditation Program (EMAP). This was a great opportunity to test our program against national standards and we achieved accreditation with high marks.

The beginning of the 2017-19 biennium was very challenging as we responded to the historic Dakota Access Pipeline protest. Our State Emergency Operations Center was open continuously for 171 days. The dedication and professionalism of our staff, as well as that of numerous state, tribal, federal, and local partners brought the protest to a peaceful conclusion. Immediately following the DAPL protest the state experienced one of the most severe droughts of the past two decades. During the drought response and recovery, NDDDES brought together and facilitated a "whole of government" unified command response. This unprecedented collaboration included federal, state, and local government. Specifically at the state level the unified command was comprised of executive agencies, the State Forester, and the ND Department of Agriculture.

One final achievement I would like to mention is that North Dakota will become the first state in Federal Emergency Management Agency (FEMA) Region VIII to achieve Enhanced Mitigation Plan status. A statewide mitigation plan ensures the state can access federal funding. An enhanced status increases mitigation funding following a federal disaster declaration from 15 to 20%. This major milestone required the support of 84 public and private partners who comprise the State Hazard Mitigation Team (SHMT). The regional and national review panels praised the plan for its wide-range of stakeholders and comprehensive data analysis, which placed North Dakota at the forefront for a mitigation strategy with specific, measurable goals and objectives. The SHMT provided excellent data and analysis that is essential to developing a mitigation strategy that works for North Dakota.

NDDDES is also the administrative agency for the North Dakota Civil Air Patrol (NDCAP), headquartered at Fraine Barracks. The NDCAP is a vital part of emergency operations and is often called upon for civilian search and rescue missions as well as information gathering during state disasters. Since July 2017 the NDCAP has flown more than 1,300 hours of mission flight time. This included support to Texas for Hurricane Harvey with two aircraft manned by three members each for one week in September 2017. This was paid for by the state of Texas. The NDCAP has 165 adult members and 96 cadet members, 7 aircraft and 12 search and rescue equipped vehicles.

NDDDES has several challenges facing it over the coming years. The first and likely foremost challenge is maintaining and recruiting a skilled, experienced workforce with the dedication to remain on staff even though working conditions can be challenging during our response to incidents. Another challenge is effective scaling of staff. We have experienced two catastrophic disasters over the past decade, intermixed with smaller incidents. Finding the balance of a lean, efficient workforce on a day to day basis but also having a reservist corps for scalability continues to be a challenge. We are confident that the Governor's recommended salary package, combined with strong branding and employee search efforts would benefit our recruiting and retention challenges.

The department continues to look to technology to gain efficiencies and better serve the citizens of North Dakota. Through the use of web based applications and mobile technology, we are now able to more accurately and efficiently conduct damage assessments and assist local political subdivisions to access federal disaster funding. Additionally, with the use of video and webinar technologies we have enhanced our ability to provide training to our local emergency managers, first responders and other stakeholders.

We are also leveraging technology to promote efficiencies in emergency communications. These efforts have helped ensure the safety of our first responders and the timely delivery of emergency services to the citizens of North Dakota. We have deployed a Computer Aided Dispatch system to ensure first responders have the information they need to keep them safe and respond appropriately to emergencies and criminal activity. We also made improvements in our land mobile radio system to ensure we have the coverage needed to protect our citizens. As we look to the next biennium, the Governor's budget recommendation and SB 2016 propose the funding necessary to maintain these critical life-saving capabilities.

Before I address the Governor's 2019-21 budget recommendation and SB 2016, I will speak to the following items:

1. Status of our 2017-19 budget
2. Estimated 2017-19 spending and status of one-time funding

Additionally, per the chairman's request, please find attached to our written testimony:

1. Listing of proposed budget reductions to meet the Governor's 90% budget request. (Attachment #2)
2. 2019-21 budget changes recommended by the Governor to the "base level" identifying each increase or decrease with explanations or justifications for each change. (Attachment #3)

Status of 2017-19 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 2017-19 biennium has been on track as projected with the exception of the NDNG Tuition, Enlistment, and Compensation budget line. Due to federal funding restrictions, increased tuition costs and increases in program participation by Soldiers and Airmen, we had a general fund shortfall of \$560,000 this biennium. To correct this, we were able to transfer \$450,000 from our Reintegration/Outreach budget line and secure \$110,000 in state contingency funds with approval from the November 2018 Emergency Commission and the December 2018 Budget Section. The \$450,000 was harvested from vacant FTE positions within our reintegration line that we were not able to hire this biennium. Otherwise, we are executing our spending plan as projected and we do not expect any general fund turn back from either divisions.

Federal Funds:

Approximately 80% of our funding is provided through federal cooperative agreements and federal grants. This biennium, the NDDDES estimates approximately \$62 million in federal funds, of which \$48 million are FEMA grant funds and \$14 million are Homeland Security grant funds. Thus far, \$27 million 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 2011, 2013, 2014, and 2017 presidential declared disasters. Funds have also been expended to improve state, county, and tribal preparedness planning, law enforcement planning, intelligence analysis activities, interoperable communications, and supporting regional response capabilities. The NDNG has received \$28 million in the current biennium to support the Air and Army Guard facilities, missions, and employees.

Special Funds:

Revenues from special funds provide some of the agency's operational funding sources. We are very close to what we projected with \$1.2 million in radio fees, \$670,000

in hazardous chemical funds and \$735,000 in Veterans Cemetery maintenance funds. We projected \$8.5 million in Disaster Relief Fund expenditures and have incurred costs of approximately \$4.6 million. In Sections 13 and 14 of SB 2016, a request is made to carry-over special fund authority due to the uncertainty of the timing of project completions and FEMA close out of presidential disasters.

Estimated 2017-19 spending and status of one-time funding

The NDNG received authority for \$33 million (\$32 million federal and \$1 million special funds) for the construction of a new Fargo Readiness Center. This will be a 99,000 sq. ft. facility with a 62,000 sq. ft. vehicle storage building. We are near completion of final design with expenditures to date of approximately \$1.5 million. Construction will begin in Spring of 2019 with completion in Spring of 2021.

The NDDDES division received three one-time appropriations for the 2017-19 biennium. First, \$569,000 in federal fund authority was approved for the purchase of emergency response equipment. To date we have spent approximately \$60,000 to upgrade IT equipment to facilitate information communications during emergencies. Second, \$300,000 from the Strategic Investment and Improvements Fund (SIIF) was allocated for the purchase of a mobile repeater and radio programming. A total of \$213,100 has been expended for the equipment portion with the remainder of the funding to be used for licensing and radio programming. We anticipate this project will be near completion at the end of the 2017-19 biennium, however, we have requested carry-over authority for the 2019-21 biennium to ensure completion, (SB 2016, Section 12). Third, is an appropriation for \$21 million to address the 2016-17 civil unrest surrounding the construction of the Dakota Access Pipeline (DAPL). We had a total of \$43 million in DAPL loan authority and incurred \$37.7 million in costs and have repaid \$25 million to the Bank of North Dakota. Our projected loan balance as of June 30, 2019 is \$13.9 million. Engrossed SB 2024 provides \$1.0 million to repay accrued interest to the Bank of North Dakota.

Carry-over of One-time Funding from 2015-17 biennium:

We also had a number of one-time funding carryovers from the 2015-17 biennium.

First, was \$584,306 in general funds for the NDNG Veterans Adjusted Compensation. Second, \$375,000 in general funds for NDNG tuition assistance program. Third, was \$883,341 in general funds for the on-going radio tower expansion project. We expect a significant amount, but not all of this amount will be expended by the end of the biennium to complete tower projects in Glen Ullin, Hebron Lisbon, Oakes and New Town. We are requesting carry-over again for 2019-21 to complete these projects. Finally, \$80,000 in general funds to complete the State Radio Redundancy Project. Equipment has been purchased to ensure redundancy of radio communications at our existing towers totaling \$41,130. The remaining funds will be expended by June 30, 2019 to cover installation costs.

Executive Recommendation (2019-21) and SB 2016

Next I will address the executive recommendation for the 2019-21 biennium and compare that to SB 2016. During my testimony, I will address all one-time spending for the 2019-21 biennium in Section 2 of SB 2016.

Subdivision 1. National Guard

Salaries and Wages

The salary and wages line includes funding for 34 NDNG FTE's and temporary employees that support our state-owned and funded armories as well as one FTE supporting the National Guard Tuition program and one FTE supporting ND Cares. One vacant carpenter FTE was turned back to meet our 10% general fund budget reduction and 5% FTE reduction. This resulted in a savings of \$148,564 in general funds. The net increase from base budget of \$147,083 is attributed to the Senate compensation package. We continue to support the executive recommendation for salary increases and employee benefits as it becomes more difficult to recruit and retain our skilled workforce. We did not provide salary increases other than budgeted probationary increases during the current 2017-19 biennium.

Operating Expenses

This line of our budget supports NDNG state supported facilities and provides operational support to state funded employees to include the ND Cares program. The decrease of \$758,613 (general funds) is part of the 10% agency reduction.

Capital Assets

The capital assets line provides \$224,046 to pay special assessments in Fargo and payment in lieu of taxes at our facilities at Camp Grafton.

The executive recommendation included \$15.0 million for the Camp Grafton Expansion project. This project was moved to a separate budget line by the Senate which we will discuss later in my testimony.

Grants

This line provides rental payments to community owned armories partially occupied by NDNG units throughout the state. Currently, the NDNG leases space in seven armories. During the current biennium the NDNG vacated six city owned armories in the communities of Mayville, Bottineau, Carrington, Grafton, Mott, and Rugby. As a result, this budget line is reduced by \$107,637 which was used as part of our 10% budget reduction.

Civil Air Patrol

The North Dakota Civil Air Patrol (CAP) is an agency that is called upon for civilian search and rescue as well as information gathering during state disasters. There is one FTE in this program. This line was decreased by \$3,632 by reducing IT communications costs (\$3,000) and aircraft fuel costs (\$632) for the 10% overall general fund reductions, however there is an overall increase of \$4,295 in general funds for increased salary and benefit costs in the Senate's proposed salary plan.

Tuition, Recruiting and Retention

The base funding of \$2,617,500 was increased by \$2 million to \$4,617,500 general funds in the executive budget and an additional \$164,572 by the Senate for a total of \$4,782,072. This additional funding is due to federal funding restrictions, tuition cost increases, and increases in program participation by Soldiers and Airmen. This increase in funding will allow the NDNG to continue to provide 100% tuition reimbursement, which is critical to meet our required end-strength in the NDNG. Being at our authorized strength will help ensure we are ready to deploy overseas and respond to domestic emergencies, and will help ensure we retain the Guard capabilities we have in the state today. Due to the difficulty in projecting the number of Soldiers and Airmen that will be participating in this program, we have asked for both an emergency clause (Section 15.) for the 2019-21 biennium and also carry over authority (Section 10.) for funding provided in the current 2017-19 biennium should there be a decline in enrollment for Spring of 2019.

Additional amendments were made by the Senate in Sections 6 and 7. Section 6 requires state controlled postsecondary institutions in North Dakota to increase their waiver from 25% to 35% for National Guard members. Section 7 requires postsecondary institutions participating in the National Guard tuition grant program to waive 25% of the tuition costs for members of the National Guard based upon the cost of tuition and fees for National Guard members enrolled in the North Dakota university system institution with the highest tuition and fee rate.

Air Guard Contracts

This budget line supports the state funded facilities and state FTE's (28) at the ND Air National Guard located at Hector Field in Fargo. Approximately 16 FTE's are supported with 75% federal funding and 25% general funds. The remaining 12 are 100% federally reimbursed FTE's. 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. We requested and received in the executive budget an increase of \$175,000 in general funds which is also included in Senate Bill 2016, to meet the state match for utility and repair costs. The remainder of the overall increase of \$443,544 or \$268,544 is for salary and benefit costs for the Senate's proposed salary plan.

Army Guard Contracts

This budget line supports federal funded facilities and 77 FTE's, many of which require a state match of general funds. Senate Bill 2016 has an overall decrease from the base budget of \$10,818,059 which is attributed to a reduction in our overall request for federal spending authority. After reviewing the last several biennium, we concluded that we were over-projecting required federal authority and feel that this biennium's request of \$47 million reflects our actual requirement. Other savings included, the turn back of a security officer FTE which was part of our 5% FTE reduction. This position was federally funded at \$129,932.

There were three separate requests for general fund increases in this budget line which included in the executive recommendation as well as SB 2016. The first request was for \$300,000 to meet critical general fund match for maintenance and repair projects for buildings and infrastructure that have a percentage of state support. The NDNG has approximately 330 buildings and supporting infrastructure. The capitalized cost of buildings is \$191.2 million and \$51 million for infrastructure. Of that amount, approximately 20% requires a state share to meet facility requirements and maintain our readiness posture.

The second request is for state support for the new 99,000 sq. ft. Fargo Readiness Center and a 62,700 sq. ft. unheated equipment storage building to be completed in Spring of 2021. Our request through the executive recommendation for the 2019-21 biennium is for support of this facility totaling \$262,057 which includes \$131,028 general funds and \$131,029 federal funds. These costs are for three FTE state staff authorizations for maintenance and custodial work, one-time start-up costs for new equipment and supplies, such as floor cleaners, mowers, snow removal equipment, and recurring utility costs starting in the Spring of 2021. The FTE authorizations and costs were identified in the previous biennium and are being requested in this biennium. This project was approved by the 2017 Legislature for construction utilizing \$32 million in federal funds and \$1 million in special funds. The special fund cost share was reduced to \$500,000.

The third request is \$221,598 of general funds to source an existing federally funded FTE that will serve as Project Manager for our Camp Grafton Expansion proposal. This extensive project will require full time oversight beginning with the initial acquisition of the land through construction of a \$15-\$20 million, 100% federally funded, range complex. Additional tasks include private, corporate and governmental leasing activities that will likely increase with the purchase of additional training area.

An item that was not included in our budget request is the design costs for a new 40,328 sq. ft. readiness center in Dickinson with a 14,554 sq. ft. unheated equipment storage building. The construction of this facility is estimated at \$15.5 million with 100% federal funding. The design costs are estimated at \$1.5 million federal funding would begin as early as 2020 and would be the only costs in the 2019-21 biennium. The construction would be completed in late 2023 at which time there would be a requirement of 50% state support costs. Total support costs to include three FTE's, utilities and

insurance as well as start-up costs in the 2023-25 biennium is estimated at \$700,000 with \$350,000 federal and \$350,000 general funds. We believe there is adequate federal authority in this budget line for design costs in 2019-21.

Veterans Cemetery Salaries

The North Dakota Veterans Cemetery budget line supports five FTE's and several temporary employees. The total number of internments as of January 2019 is 8,595. In the last five years, the average number of internments per month is 40, however, in June of 2018 there were a record number of 72 internments. As of the end of 2018, the monthly average for 2018 rose to over 45. This budget line has an overall increase of \$91,388 to fund the Senate's salary plan. However, the base budget was reduced by \$175,189 in general funds to meet the 10% general funds reduction. Special funds, derived from federal and private burial revenue and license plate sales were used to reduce general fund requirements and fully fund salaries.

Reintegration Program

The reintegration program supports Soldiers and Airmen during the course of their deployment and assists them and their families in transitioning once they return. This is critical to the overall readiness of the North Dakota National Guard. This program is supported by six FTE's to include three Outreach Specialists and three Human Resource Counselors as well as their travel and minor support costs. To meet the 10% budget reductions, we turned back two of five Outreach Specialists and one of three Human Resource Counselors for a total of \$465,802 in general funds. However, the executive budget as well as SB 2016 restored the third Human Resource Counselor. With the Senate's salary plan, the net reduction in this budget line is \$213,635 in general funds.

Camp Grafton Expansion

As discussed above, the Camp Grafton Expansion project was included in the Capital Assets line in the executive recommendation but moved to a separate line by the Senate and funded at \$600,000 in SIIF funds as opposed to the executive recommendation of \$15.0 million in legacy general fund earnings.

The State of North Dakota owns just over 9,000 acres in Eddy County, commonly known as Camp Grafton South (CGS), managed by the NDNG as part of Camp Grafton Training Center (CGTC). The property has two primary functions: provide space for small arms qualification ranges and provide space, commonly known as maneuver space, for units to train in battlefield conditions. This property, while a tremendous asset, has become inadequate to support either of those functions due to improvements in the

ballistics of new, more environmentally friendly ammunition issued for qualification and the increased demands for maneuver space required of an operational force.

The range standards for the new enhanced performance ammunition which the NDNG may begin receiving as early as this biennium will render our current machine gun range unusable and will reduce our current rifle range from 16 to only 8 lanes significantly increasing the time it takes for a unit to qualify on their weapons. In order to remove the risk of losing the ability to fire on these lanes we are currently moving forward in negotiations for the purchase of 60 acres that will allow us to continue to fully utilize all 16 lanes.

An expansion of Camp Grafton South by approximately 6,000 acres offers the opportunity to overcome this training readiness challenge. This expansion proposal will allow my units to fire and qualify on all their small arms weapon systems here in North Dakota. A vast majority of the 6,000 acres will constitute a surface danger zone, an area that is established to ensure adequate space and distance for weapon systems to guarantee safety around the range. Approximately 95% of this area will remain in agricultural production through our grazing lease program and would only be unavailable when the range is operational, which averages 78-80 days per year.

In addition to keeping North Dakota Guardsmen in state, there are potential ancillary benefits to this proposal as well. A new range complex would be 100% federally funded with an anticipated \$15-20 million of federal funds expended in North Dakota to build it. Additionally, a new range complex would likely attract units from other states to train in North Dakota. This represents Soldiers and Airmen spending more money in North Dakota at restaurants, shopping centers, and gas stations rather than at training centers in other states

When I meet with my Soldiers and Airmen across-the-state, I often brief this initiative to seek their input. The feedback I get is overwhelmingly positive and enthusiastic. They see the enormous potential for future training on drill weekends and annual training. A new range would be a "game changer" in how our leaders train their Soldiers and Airmen. It would allow them to build readiness and lethality required of today's operational force. This is my #2 budget priority for the North Dakota National Guard.

Finally, I need to stress that in the Governor's budget recommendation he made it clear that eminent domain cannot be used to secure any land. Further, under state law, we would have to pay a fee in lieu of taxes for any land acquired.

Subdivision 2. ND Department of Emergency Services

Salaries and Wages

This budget line in the executive recommendation and SB 2016 supports five administrative FTE's, 33 Homeland Security FTE's along with federally funded

temporaries, and 32 State Radio FTE's. To meet the 10% budget reduction, six FTE's were turned back in our budget request. They included one GIS Specialist, one Regional Coordinator, and four State Radio Communication Specialists. All were vacant positions with the exception of the Regional Coordinator. The Regional Coordinator was restored in the executive recommendation and also included in Senate Bill 2016. The total turn back for the five FTEs includes \$581,885 general funds and \$48,591 special funds.

No salary increases were provided in the current biennium other than programmed probationary increases. The overall decrease to this budget line in Senate Bill 2016 is \$1,226,414, which includes a reduction of \$677,490 for the removal of four FTE's for the IT Unification initiative.

We would like to request an additional amendment to Engrossed Senate Bill 2016. Currently, there are two positions that exist at NDDDES, State Radio division, that perform duties related to the FBI's Criminal Justice Information Service (CJIS). The two positions are the CJIS Systems Officer (CSO) and the information Security Officer (ISO). During a recent FBI monitoring visit, the state was informed that per the CJIS Security Policy 5.76, these positions must be housed at a Criminal Justice Agency (CJA), which is defined as an agency that expends at least 51% of their budget on criminal justice activities. Therefore, we are proposing that position numbers 5610 and 5611 and associated general funds (70% of both salaries) be transferred from the NDDDES budget to the NDBCI. The "other fund" authority of 30% will become the responsibility of ND BCI as those funds are restrictive to duties currently performed at NDDDES that would not be transferred with the two positions. We also request that the general fund operational costs of these employees (\$9,388), also be removed from the NDDDES budget and transferred to NDBCI. We have added Attachment #1 for the amendment.

Operating Expenses

The operating expenses line supports the basic operating costs of NDDDES. This budget line shows an overall increase of \$2,379,149 from the base budget of \$6,988,451. Several adjustments in the executive recommendation which were also included in SB 2016 totaling \$177,482 were made reducing IT maintenance and small equipment purchases to meet the agency's 10% reduction. The executive budget and SB 2016 include an increase of \$1,212,253 in SIIF funds to address operational shortfalls for the fixed costs of maintaining IT service contracts as well as other operational costs. This item is also on our one-time funding list and is the #1 budget priority for NDDDES.

Other general fund operational increases include one-time funding of \$66,000 to replace CAD computers and \$20,000 to replace State Radio Uninterrupted Power Supply (UPS) batteries. We also increased the State Radio base budget operational costs by \$542,338 in special funds due to increased operations cost. This amount reflects the projected fees received from political subdivisions that use State Radio as its dispatch service. This budget line also increased by \$716,040, mostly shifted from the salary line in the base budget, to provide funding for IT services as a result of IT Unification.

Capital Assets

Our NDDDES total capital asset line is \$660,000 one-time funding in the executive recommendation and Senate Bill 2016. \$330,000 is funded with federal Emergency Management Performance Grants and \$330,000 is Homeland Security Grant funds intended for the purchase of disaster response equipment if federal funding becomes available.

Grants

The Grants line has a decrease in base level funding of \$615,734. This amount is made up of two adjustments including a reduction of \$850,000 in Emergency Performance Management Grants, and an increase of \$234,266 in Interagency Hazardous Materials Public Sector Training & Planning Grants.

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 2019-21 biennium, we estimate approximately \$32 million in disaster spending authority. This is a decrease in federal authority from the base budget, based on projected authority required for the 2019-21 biennium. The timing of these expenditures is highly dependent upon completion of on-going repair projects as well as mitigation projects. During the 2017-19 biennium, we have had \$5,541,506 in remaining DAPL response costs that were paid through this budget line utilizing BND loan funds.

The funding for this line is primarily federal funding of \$29 million, however, it also includes an estimated \$3 million from the State Disaster Relief fund, and \$49,978 in general funds for operational costs related to disaster support. The current unobligated balance of the State Disaster Relief fund is in excess of \$25 million. This includes our remaining obligated balance of \$5.4 million from five presidential disasters: the 2011 flood, 2013 spring flood, 2013 summer flood, 2013 snowstorm, and the 2014 flood. All these disasters are expected to be closed by June 30, 2019 with the exception of the 2011 flood which is programmed to be closed by December 31, 2019.

As stated above, our current obligation from the State Disaster Relief fund is \$5.4 million and our budget request is for \$3 million in the 2019-21 biennium. If project completions are delayed, the timing of our expenditures may also be delayed and require additional authority for the 2019-21 biennium, therefore, we have requested carry-over of the 2017-19 appropriated State Disaster Relief funds in Section 14 of SB 2016.

Radio Communications

The executive budget and SB 2016 includes \$785,000 in one-time spending to include \$450,000 in SIIF funds for the State Radio CAD upgrade, \$240,000 in SIIF funds

for State Radio message switch hardware replacement, and \$95,000 in general funds for message switch software upgrade. It is important to note that our intent is to upgrade the existing CAD for \$450,000. However, we intend to look at other new CAD systems at the same dollar amount that are more cost effective. A replacement CAD would have to offer equal or superior functionality while creating a cost savings in on-going maintenance costs.

Engrossed Senate Bill 2016 Sections 3 through 15

Section 3, Veterans Cemetery Maintenance Fund, provides a continuing special fund appropriation for the operation of the North Dakota Veterans Cemetery for the 2019-21 biennium utilizing revenue generated from burial income and license plate sales. This authority has been used for several biennium and allows efficient fiscal management of the ND Veterans' Cemetery.

Section 4, describes estimated income in Subdivision 1 coming from the SIIF fund to provide \$600,000 in one-time funding for the Camp Grafton Expansion project and \$1,902,253 in one-time funding for CAD equipment, message switch system upgrades, and 911 dispatching service operations due to a revenue shortfall.

Section 5, Camp Grafton Expansion – Legislative Intent, allows the agency to purchase options to purchase or lease land for the Camp Grafton Expansion project and limits land purchases to 1,600 acres and the long-term lease of the remainder, not to exceed 6,000 acres in total. Also provides intent of the sixty-seventh legislative assembly to fund and provide authority for purchase or long-term lease of land for the Camp Grafton Expansion project in the 20121-23 biennium.

Section 6, Amendment to NDCC 37-07.1-03 requires state controlled postsecondary institutions in North Dakota to increase their waiver from 25% to 35% for National Guard members.

Section 7, Amendment to NDCC 37-07.2-01 requires postsecondary institutions participating in the National Guard tuition grant program to waive 25% of the tuition costs for members of the National Guard based upon the cost of tuition and fees for National Guard members enrolled in the North Dakota university system institution with the highest tuition and fee rate.

Section 8, Maintenance and Repairs, allows the agency the ability to transfer to the operating or capital assets line up to \$500,000 from other budget lines. This may only be used for the maintenance and repair of state-owned armories. Originally included in the executive recommendation but removed by the Senate was the ability of a 10% Transfer Authority. This would provide flexibility and would maximize the agency's ability to execute operational requirements.

Section 9, provides an exemption to carryover any unexpended funds in the radio communications line item relating to the state radio tower package for the 2017-19

Att B
SB 2016
3-1-19

biennium to the next biennium to complete this project and for technology upgrades required to implement the statewide interoperable radio network.

Section 10, provides an exemption for unexpended funds in the tuition assistance line item to be carried over into 2019-21 biennium.

Section 11, provides an exemption to carry over in the grants line item relating to the payment of adjusted compensation to the 2019-21 biennium. Any unexpended funds from this appropriation must be transferred to the Veterans Cemetery trust fund during the 2019-21 biennium.

Section 12, provides an exemption to carry-over any unexpended strategic investment and improvement funds relating to the mobile repeaters and programming radios program to the 2019-21 biennium. It is important to note that although this was originally appropriated in the Operating Expenses line, this appropriation was moved to the Radio Communications line during the current 2017-19 biennium through the September 2017 Emergency Commission. This appropriation was to purchase capitalized equipment and would not be an appropriate expenditure for the Operations Expense budget line.

Section 13, provides an exemption to carry over funds in the disaster costs line item relating to grants to political subdivisions for amounts required to match federal dollars on road grade raising projects and federal emergency relief funding to the 2019-21 biennium. This is an appropriation sourced by the State Disaster Relief Fund with a current remaining balance of \$81,380.

Section 14, provides an exemption to carry over State Disaster Relief Funds appropriated in the 2017-19 biennium (\$8,530,116).

Finally, Section 15, provides an emergency clause for the appropriation in Tuition, Recruiting, and Retention budget line and the Camp Grafton Expansion line. This will provide flexibility in case our enrollment numbers for the Spring of 2019 exceed our expectations and allow us to expedite our efforts to secure necessary lands for the Camp Grafton Expansion project.

Conclusion

Mr. Chairman that completes my testimony. I would like to leave you with these final thoughts. This is a pivotal time for the Office of The Adjutant General as we evolve to meet the demands of a continuously changing strategic landscape. Our investment in readiness, increased capacity, and future capabilities must keep pace if we are to remain relevant today and able to meet the mission requirements of tomorrow. Readiness remains my number one priority. The 2019-21 biennial request for appropriations addresses my most urgent readiness concerns.

I ask for your favorable support of the executive recommendation and Senate Bill 2016. I am pleased to stand for any questions you may have. Thank you.

OFFICE OF ADJUTANT GENERAL - STATE RADIO DIVISION
CSO AND ISO POSITIONS
PROPOSED AMENDMENT -SALARIES AND OPERATIONS
ENGROSSED SENATE BILL 2016

Att B
SB 2016
3-1-19
pg 18

SALARIES & BENEFITS

Position No.	Position Description	Total Biennial Salary	General Fund	Radio Special Funds	EMPG Federal Funds	Total
5610	Admin Staff Officer III	\$ 193,297.00	\$ 135,307.90	\$ 19,329.70	\$ 38,659.40	\$ 193,297.00
5611	Admin Staff Officer III	\$ 179,258.00	\$ 125,480.60	\$ 17,925.80	\$ 35,851.60	\$ 179,258.00
		\$ 372,555.00	\$ 260,788.50	\$ 37,255.50	\$ 74,511.00	\$ 372,555.00
			70%	10%	20%	

Proposed amendment is based off Senate Compensation Package as in Engrossed SB 2016

OPERATIONAL COSTS

Position No.	Position Description	Biennial Cost Phone	Biennial Cost Data Processing	Biennial Cost Travel	Biennial Cost Risk Mgmt Prem	Total
5610	Admin Staff Officer III	\$ 1,920.00	\$ 1,671.60	\$ 1,098.34	\$ 53.80	\$ 4,743.74
5611	Admin Staff Officer III	\$ 792.00	\$ 1,671.60	\$ 2,127.29	\$ 53.80	\$ 4,644.69
						\$ 9,388.43

Operational Costs have been funded 100% General Funds

TOTAL FUNDING \$ 381,943.43

Att B
SB 2016
3-1-19
PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2016 pg 19

Page 2, line 11, replace "(\$1,226,414)" with "(\$1,598,969)" and replace "\$11,324,705" with "\$10,952,150"

Page 2, line 12, replace "2,379,149" with "\$2,369,761" and replace "\$9,367,600" with "\$9,358,212"

Page 2, line 17, replace "(\$17,010,520)" with "(\$17,392,463)" and replace "\$70,864,050" with "\$70,482,107"

Page 2, line 18, replace "(\$16,757,646)" with "(\$16,869,412)" and replace "\$61,667,056" with "\$61,555,290"

Page 2, line 19, replace "(\$252,874)" with "(\$523,050)" and replace "\$9,196,994" with "\$8,926,818"

Page 2, line 24, replace "\$1,726,412" with "\$1,456,236" and replace "\$27,612,834" with "\$27,342,658"

Page 2, line 25, replace "(\$27,183,994)" with "(\$27,295,760)" and replace "\$116,415,486" with "\$116,303,720"

Page 2, line 26, replace "(\$25,457,582)" with "(\$25,839,525)" and replace "\$144,028,320" with "\$143,646,377"

Page 2, line 27, replace "(10)" with "(12)" and replace "224" with "222"

Renumber accordingly

OFFICE OF ADJUTANT GENERAL
EXECUTIVE RECOMMENDATION 2019-21
10% BUDGET REDUCTIONS

Att B
SB 2016
3-1-19
pg 20

NATIONAL GUARD:

<u>BUDGET LINE</u>	<u>APPROPRIATIONS</u>	<u>AREA OF REDUCTION</u>	<u>AMOUNT</u>
SALARIES & WAGES	\$ 148,564.00	1 VACANT CARPENTER I	\$ 148,564.00
OPERATING EXPENSES	\$ 758,613.00	REPAIRS	\$ 430,000.00
		UTILITIES	\$ 252,013.00
		MISC OPERATIONS (DFE)	\$ 61,000.00
		ND CARES MISC OPS	\$ 15,600.00
GRANTS	\$ 107,637.00	CITY ARMORY CLOSURES	\$ 107,637.00
CIVIL AIR PATROL	\$ 3,630.00	IT COMMUNICATIONS	\$ 3,000.00
		FUEL	\$ 630.00
VETERANS CEMETERY	\$ 175,189.00	INCREASE SPECIAL FUND PARTICIPATION	\$ 175,189.00
REINTEGRATION / MILITARY OUTREACH	\$ 465,802.00	2 VACANT MOUT	\$ 286,697.00
		1 VACANT COUNSELOR	\$ 179,105.00 **
TOTAL NDNG REDUCTIONS			\$ 1,659,435.00

DES:

<u>BUDGET LINE</u>	<u>APPROPRIATIONS</u>	<u>AREA OF REDUCTION</u>	<u>AMOUNT</u>
SALARIES & WAGES	\$ 751,725.00	1 VACANT GIS II	\$ 144,572.00
		1 VACANT REGIONAL COOR	\$ 169,839.00 **
		4 COMM SPEC I	\$ 437,314.00
OPERATING EXPENSES	\$ 177,482.00	VTC REPLACEMENT	\$ 36,000.00 **
		POLYCOM MAINT	\$ 6,000.00 **
		JOLLY TECH ID SYST	\$ 2,800.00 **
		FIRST LINK	\$ 40,000.00 **
		RMS SYS MAINT	\$ 92,682.00 **
TOTAL DES REDUCTIONS			\$ 929,207.00

TOTAL BOTH DIVISIONS \$ 2,588,642.00

** The NDNG Counselor and the DES Regional Coordinator FTE's and funding were restored in agency's optional adjustments and an optional adjustment of \$1,212,253 was also received for DES operating expenses.

**OFFICE OF ADJUTANT GENERAL
EXECUTIVE RECOMMENDATION 2019-21
2019 - 21 OPTIONAL ADJUSTMENTS**

Att B
SB 2016
3-1-19
pg 21

NDNG:

<u>INITIATIVE BY PRIORITY</u>	<u>GENERAL FUNDS</u>	<u>OTHER FUNDS</u>	<u>TOTAL</u>	
1 TUITION	\$ 2,000,000.00		\$ 2,000,000.00	
2 CP GRAFTON SOUTH EXPANSION	\$ 15,000,000.00	\$ -	\$ 15,000,000.00	Legacy
3 CAMP GRAFTON EXPANSION PROJECT MANAGER	\$ 221,598.00		\$ 221,598.00	
4 HUMAN RESOURCE COUNSELOR	\$ 179,105.00		\$ 179,105.00	
5 FARGO READINESS CENTER - 3 NEW FTE's	\$ 67,528.50	\$ 67,528.50	\$ 135,057.00	
5 FARGO READINESS CENTER - OPERATIONS	\$ 63,500.00	\$ 63,500.00	\$ 127,000.00	
7 AIR GUARD STATE MATCH (UTILITIES AND M&R)	\$ 175,000.00	\$ -	\$ 175,000.00	
8 ARMY GUARD STATE MATCH (M&R)	\$ 300,000.00	\$ -	\$ 300,000.00	
NDNG TOTAL	\$ 18,006,731.50	\$ 131,028.50	\$ 18,137,760.00	

DES:

<u>INITIATIVE BY PRIORITY</u>	<u>GENERAL FUNDS</u>	<u>OTHER FUNDS</u>	<u>TOTAL</u>	
1 OPERATIONS SHORTFALL		\$ 1,212,253.00	\$ 1,212,253.00	SIIF
2 COMPUTER AIDED DISPATCH (CAD) UPGRADE		\$ 450,000.00	\$ 450,000.00	SIIF
3 REGIONAL COORDINATOR - RESTORE 1 FTE	\$ 169,838.00	\$ -	\$ 169,838.00	
4 MESSAGE SWITCH UPGRADE TO XML	\$ 95,000.00		\$ 95,000.00	
5 UPS BATTERIES	\$ 20,000.00	\$ -	\$ 20,000.00	
6 MESSAGE SWITCH HARDWARE UPGRADE		\$ 240,000.00	\$ 240,000.00	SIIF
7 CAD PCs & LARGE MONITOR REPLACEMENT (18 Counsels @2,500 ea & 60 Monitors @\$350 ea)	\$ 66,000.00	\$ -	\$ 66,000.00	
DES TOTAL	\$ 350,838.00	\$ 690,000.00	\$ 2,253,091.00	

March 1, 2019

SB 2016

Attachment C

North Dakota Stockmen's Association
Testimony to the House Appropriations Committee on SB 2016
March 1, 2019

Good morning, Mr. Chairman and members of the House Appropriations Committee. For the record, my name is Julie Ellingson and I represent the North Dakota Stockmen's Association, an 89-year-old beef cattle trade organization representing 3,000 cattle-ranching families in our state.

The Stockmen's Association has long-standing policy supporting our military and recognizes that the freedom and independence we enjoy are results of the sacrifices made by men and women in uniform now and in our past.

We understand the importance of our military having the tools it needs to protect our communities and our way of life. We also have policy opposing the government ownership of agricultural land except that needed for absolutely essential purposes and, therefore, we have an interest in the proposed Camp Grafton South expansion included within this budget.

We have had a positive dialogue with Adjutant General Al Dohrmann about this project over the past several months. We appreciate the intent language in Section 5 of this bill, which establishes purchase and lease limits and clarifies for now and the future that eminent domain authority will not be pursued in order to complete the Camp Grafton South project.

We think this will help alleviate many concerns of area landowners and strike a balance of these objectives and, therefore, urge you to retain it as you work on this budget.

March 1, 2019

SB2016

Attachment D

pg 1

Adjutant General, including the National Guard and the Department of Emergency Services - Budget No. 540

Senate Bill No. 2016

Base Level Funding Changes

	Executive Budget Recommendation				Senate Version				Senate Changes to Executive Budget Increase (Decrease) - Executive Budget			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2019-21 Biennium Base Level	234.00	\$25,886,422	\$143,599,480	\$169,485,902	234.00	\$25,886,422	\$143,599,480	\$169,485,902	0.00	\$0	\$0	\$0
2019-21 Ongoing Funding Changes												
Base payroll changes		(\$175,188)	(\$603,242)	(\$778,430)		(\$175,188)	(\$603,242)	(\$778,430)				\$0
Salary increase		580,067	867,531	1,447,598		408,013	607,549	1,015,562		(\$172,054)	(\$259,982)	(432,036)
Health insurance increase		307,642	502,965	810,607		367,107	590,010	957,117		59,465	87,045	146,510
Retirement contribution increase		74,000	99,497	173,497				0		(74,000)	(99,497)	(173,497)
Add funding for Fargo Readiness Center	3.00	131,028	131,029	262,057	3.00	131,028	131,029	262,057				0
FTE positions and related operating expenses and equipment												
Remove 9 FTE positions, including 4 communications specialists, 1 geographic information systems specialist, 1 carpenter, 1 security officer, and 2 veterans benefits specialists	(9.00)	(1,017,146)	(178,523)	(1,195,669)	(9.00)	(1,017,146)	(178,523)	(1,195,669)				0
Reclassify a security officer FTE position as a project manager FTE position		221,598	(132,379)	89,219		221,598	(132,379)	89,219				0
Transfer FTE positions for the information technology (IT) unification initiative	(4.00)	(310,746)	(366,744)	(677,490)	(4.00)	(310,746)	(366,744)	(677,490)				0
Funding adjustment to reflect IT unification error		(111,903)	77,027	(34,876)				0		111,903	(77,027)	34,876
Increase funding for operating expenses related to the IT unification initiative		444,077	304,423	748,500		328,538	387,502	716,040		(115,539)	83,079	(32,460)
Increase funding for National Guard contract lines		475,000		475,000		475,000		475,000				0
Increase funding for National Guard tuition assistance		2,000,000		2,000,000		2,164,572		2,164,572		164,572		164,572
Reduce funding for National Guard operating expenses, including travel, utilities, repairs, and IT		(762,245)		(762,245)		(762,245)		(762,245)				0
Reduce funding for city-owned armory grants due to the closure of armories in Mayville, Bottineau, Carrington, Grafton, Mott, and Rugby during the 2017-19 biennium		(107,637)		(107,637)		(107,637)		(107,637)				0
Reduce funding for emergency services operating expenses, including IT, miscellaneous supplies, and professional services		(177,482)		(177,482)		(177,482)		(177,482)				0

Att D
SB 2016
3-1-19
Pg 2

Increase funding from the radio communications fund for State Radio operating expenses, including IT, repairs, and professional services			542,338	542,338			542,338	542,338				
Reduce federal funding for Army Guard contract			(12,000,000)	(12,000,000)			(12,000,000)	(12,000,000)			0	
Reduce funding from the disaster relief fund (\$5.4 million) and federal funds (\$13.3 million) for disaster costs			(18,708,053)	(18,708,053)			(18,708,053)	(18,708,053)			0	
Reduce federal funding for emergency services grants			(615,734)	(615,734)			(615,734)	(615,734)			0	
Total ongoing funding changes	(10.00)	\$1,571,065	(\$30,079,865)	(\$28,508,800)	(10.00)	\$1,545,412	(\$30,346,247)	(\$28,800,835)	0.00	(\$25,653)	(\$266,382)	(\$292,035)
One-time funding items												
Add one-time funding for the Camp Grafton expansion		\$15,000,000		\$15,000,000			\$600,000	\$600,000		(\$15,000,000)	\$600,000	(\$14,400,000)
Add one-time funding from the strategic investment and improvements fund (SIIF) for a 911 dispatching service revenue shortfall			\$1,212,253	1,212,253			1,212,253	1,212,253			0	0
Add one-time funding for IT upgrades, including funding from SIIF		181,000	690,000	871,000		\$181,000	690,000	871,000		0	0	0
Add one-time funding from federal funds for emergency services equipment			660,000	660,000			660,000	660,000			0	0
Total one-time funding changes	0.00	\$15,181,000	\$2,562,253	\$17,743,253	0.00	\$181,000	\$3,162,253	\$3,343,253	0.00	(\$15,000,000)	\$600,000	(\$14,400,000)
Total Changes to Base Level Funding	(10.00)	\$16,752,065	(\$27,517,612)	(\$10,765,547)	(10.00)	\$1,726,412	(\$27,183,994)	(\$25,457,582)	0.00	(\$15,025,653)	\$333,618	(\$14,692,035)
2019-21 Total Funding	224.00	\$42,638,487	\$116,081,868	\$158,720,355	224.00	\$27,612,834	\$116,415,486	\$144,028,320	0.00	(\$15,025,653)	\$333,618	(\$14,692,035)

Other Sections for Adjutant General, including the National Guard and the Department of Emergency Services - Budget No. 540

	Executive Budget Recommendation	Senate Version
Veterans' Cemetery maintenance fund	Section 3 would appropriate any funds which are received and deposited in the Veterans' Cemetery maintenance fund pursuant to North Dakota Century Code Sections 37-03-14 and 39-04-10.10 for the operation of the Veterans' Cemetery for the 2019-21 biennium.	Section 3 appropriates any 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 Veterans' Cemetery for the 2019-21 biennium.
Strategic investment and improvements fund		Section 4 identifies the appropriations from the strategic investment and improvements fund included in this bill.
Camp Grafton expansion		Section 5 provides legislative intent for the Adjutant General to purchase options for the purchase or lease of up to 6,000 acres of land. The section also provides legislative intent that the 67th Legislative Assembly provide an appropriation to complete the purchase or lease of land during the 2021-23 biennium.
National Guard tuition waiver		Section 6 amends Section 37-07.1-03 to increase the National Guard tuition waiver from 25 to 35 percent.

Att ID
SB 2016
3-1-19
pg 3

Other Sections for Adjutant General, including the National Guard and the Department of Emergency Services - Budget No. 540

	Executive Budget Recommendation	Senate Version
National Guard tuition grant		Section 7 amends Section 37-07.2-01 to ensure the increased tuition waiver does not affect the National Guard tuition grant amount paid to nonstate institutions of higher education.
Maintenance and repairs	Section 4 would authorize the Adjutant General to transfer up to \$500,000 from various line items to the operating expenses and capital assets line items for the maintenance and repair of state-owned armories during the 2019-21 biennium. Any amounts transferred must be reported to the Office of Management and Budget.	Section 8 authorizes the Adjutant General to transfer up to \$500,000 from various line items to the operating expenses and capital assets line items for the maintenance and repair of state-owned armories during the 2019-21 biennium. Any amounts transferred must be reported to the Office of Management and Budget.
Line item transfers	Section 5 would authorize the Adjutant General to transfer up to 10 percent of its total appropriation between line items.	
Exemption - Radio communications	Section 6 would provide that any unexpended general or special funds appropriation authority carried over in the radio communications line item relating to the State Radio tower package for the 2013-15 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2019-21 biennium.	Section 9 provides that any unexpended general or special funds appropriation authority carried over in the radio communications line item relating to the State Radio tower package for the 2013-15 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2019-21 biennium.
Exemption - Tuition, recruiting, and retention	Section 7 would provide that any unexpended general or special funds appropriation authority in the tuition, recruiting, and retention line item for the 2017-19 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2019-21 biennium.	Section 10 provides that any unexpended general or special funds appropriation authority in the tuition, recruiting, and retention line item for the 2017-19 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2019-21 biennium.
Exemption - Veterans' bonus	Section 8 would provide that any unexpended general or special funds appropriation authority carried over in the grants line item relating to payment of adjusted compensation to veterans for the 2015-17 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2019-21 biennium. Any unexpended funds from this appropriation must be transferred to the Veterans' Cemetery trust fund during the 2019-21 biennium.	Section 11 provides that any unexpended general or special funds appropriation authority carried over in the grants line item relating to payment of adjusted compensation to veterans for the 2015-17 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2019-21 biennium. Any unexpended funds from this appropriation must be transferred to the Veterans' Cemetery trust fund during the 2019-21 biennium.
Exemption - Mobile repeaters and programming radios	Section 9 would provide that any unexpended general or special funds appropriation authority carried over in the Department of Emergency Services operating expenses line item relating to one-time funding from the strategic investment and improvements fund for mobile repeaters and programming radios for the 2017-19 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2019-21 biennium.	Section 12 provides that any unexpended general or special funds appropriation authority carried over in the Department of Emergency Services operating expenses line item relating to one-time funding from the strategic investment and improvements fund for mobile repeaters and programming radios for the 2017-19 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2019-21 biennium.

Other Sections for Adjutant General, including the National Guard and the Department of Emergency Services - Budget No. 540

	Executive Budget Recommendation	Senate Version
Exemption - Disaster costs	Section 10 would provide that any unexpended general or special funds appropriation authority in the disaster costs line item relating to grants to political subdivisions for amounts required to match federal dollars on road grade raising projects and federal emergency relief funding for the 2011-13 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2019-21 biennium.	Section 13 provides that any unexpended general or special funds appropriation authority in the disaster costs line item relating to grants to political subdivisions for amounts required to match federal dollars on road grade raising projects and federal emergency relief funding for the 2011-13 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2019-21 biennium.
Exemption - Disaster costs		Section 14 provides that any unexpended special funds appropriation authority in the disaster costs line item from the 2017-19 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2019-21 biennium.
National Guard training area and facility development trust fund	Section 11 would amend Section 37-07.3-03 relating to the National Guard training area and facility development trust fund to allow the fund to be used for the proposed expansion of Camp Grafton. The section disallows the use of eminent domain in the acquisition of property for the expansion.	
Emergency	Section 12 would declare the amount appropriated in the tuition, recruiting, and retention line item to be an emergency measure.	Section 15 declares the amount appropriated in the Camp Grafton expansion and tuition, recruiting, and retention line items to be an emergency measure.

March 1, 2019

Dickey County Disaster Funding - Brandenburg, Michael D.

SB2016

Attachment E

Page 1 of 1

Dickey County Disaster Funding

Gaugler, Holly A NFG (US) <holly.a.gaugler.nfg@mail.mil>

Fri 2/15/2019 3:11 PM

To: Brandenburg, Michael D. <mbrandenburg@nd.gov>; Erbele, Robert S. <rerbele@nd.gov>;

Cc: Schulz, Cody J. <cjschulz@nd.gov>; Sheldon, Jay G MAJ USARMY NG NDARNG (USA) <jay.g.sheldon.mil@mail.mil>;

***** CAUTION: This email originated from an outside source. Do not click links or open attachments unless you know they are safe. *****

Representative Brandenburg and Senator Erbele:

Cody Schulz, Deputy Director of the Department of Emergency Services (NDDDES), asked that I provide you the dollar amount Dickey County owes NDDDES from disaster funding.

That dollar amount is \$248,949.14 which includes \$231,076.52 in federal funding and \$17,872.62 in state funding.

Thank you.

Holly Gaugler
Accounting Manager
Adjutant General
333-2079

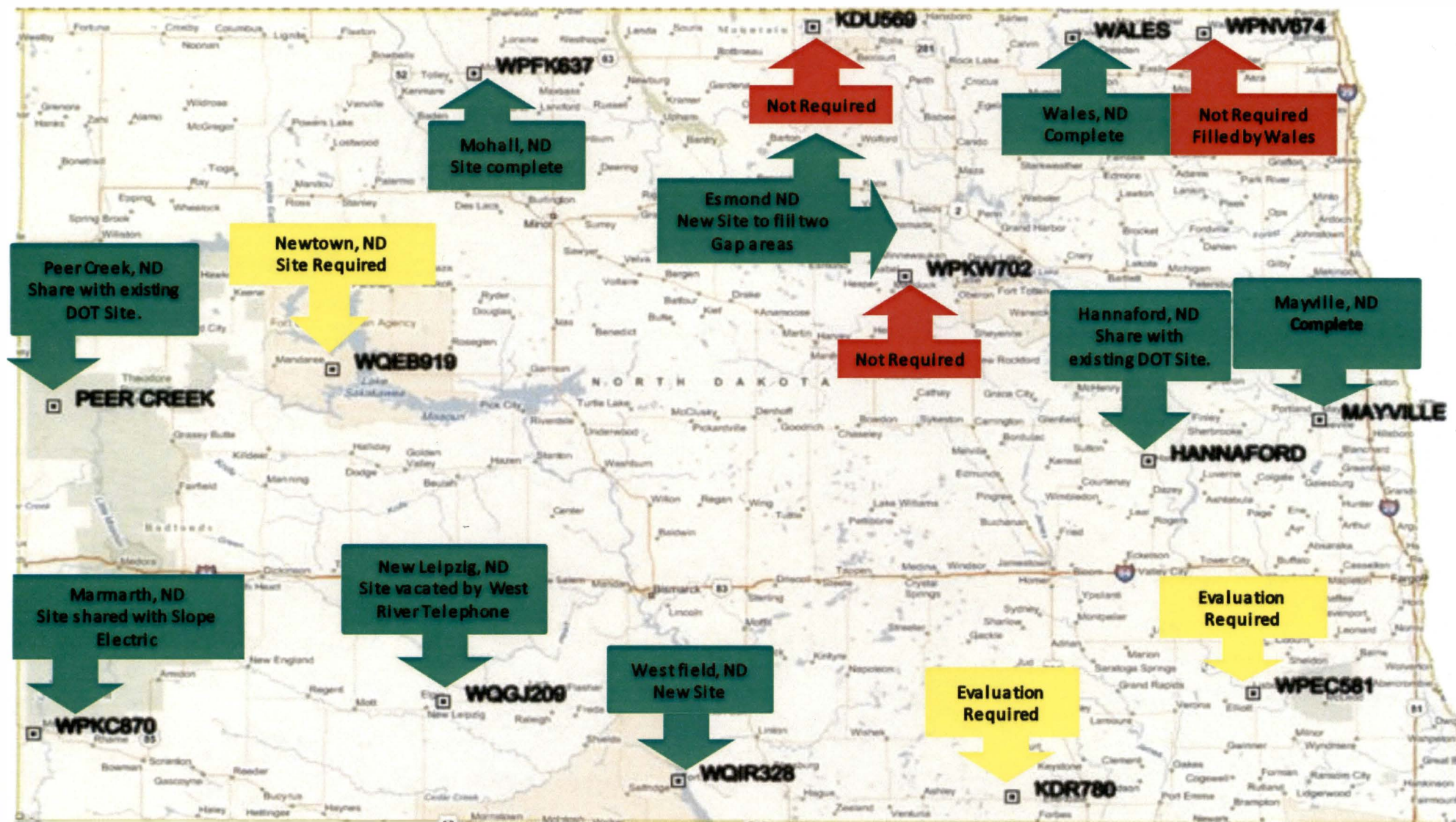
March 17, 2019

SB2016

Attachment A

August 2018

State Radio Communication Gap Areas



Complete ■ Near Complete ■ In Process ■ New Site Evaluation Required ■ Re-evaluation if required ■ Not Required ■

SB 2016
A# 1
3/18/19

Adjutant General, including the National Guard and the Department of Emergency Services - Budget No. 540
Senate Bill No. 2016
Base Level Funding Changes

للسنة
11 FTEs

	Executive Budget Recommendation				Senate Version				Senate Changes to Executive Budget Increase (Decrease) - Executive Budget			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2019-21 Biennium Base Level	234.00	\$25,886,422	\$143,599,480	\$169,485,902	234.00	\$25,886,422	\$143,599,480	\$169,485,902	0.00	\$0	\$0	\$0
2019-21 Ongoing Funding Changes												
Base payroll changes		(\$175,188)	(\$603,242)	(\$778,430)		(\$175,188)	(\$603,242)	(\$778,430)				\$0
Salary increase		580,067	867,531	1,447,598		408,013	607,549	1,015,562		(\$172,054)	(\$259,982)	(432,036)
Health insurance increase		307,642	502,965	810,607		367,107	590,010	957,117		59,465	87,045	146,510
Retirement contribution increase		74,000	99,497	173,497				0		(74,000)	(99,497)	(173,497)
Add funding for Fargo Readiness Center	3.00	131,028	131,029	262,057	3.00	131,028	131,029	262,057				0
FTE positions and related operating expenses and equipment												
Remove 9 FTE positions, including 4 communications specialists, 1 geographic information systems specialist, 1 carpenter, 1 security officer, and 2 veterans benefits specialists	(9.00)	(1,017,146)	(178,523)	(1,195,669)	(9.00)	(1,017,146)	(178,523)	(1,195,669)				0
Reclassify a security officer FTE position as a project manager FTE position		221,598	(132,379)	89,219		221,598	(132,379)	89,219				0
Transfer FTE positions for the information technology (IT) unification initiative	(4.00)	(310,746)	(366,744)	(677,490)	(4.00)	(310,746)	(366,744)	(677,490)				0
Funding adjustment to reflect IT unification error		(111,903)	77,027	(34,876)				0		111,903	(77,027)	34,876
Increase funding for operating expenses related to the IT unification initiative		444,077	304,423	748,500		328,538	387,502	716,040		(115,539)	83,079	(32,460)
Increase funding for National Guard contract lines		475,000		475,000		475,000		475,000				0
Increase funding for National Guard tuition assistance		2,000,000		2,000,000		2,164,572		2,164,572		164,572		164,572
Reduce funding for National Guard operating expenses, including travel, utilities, repairs, and IT		(762,245)		(762,245)		(762,245)		(762,245)				0
Reduce funding for city-owned armory grants due to the closure of armories in Mayville, Bottineau, Carrington, Grafton, Mott, and Rugby during the 2017-19 biennium		(107,637)		(107,637)		(107,637)		(107,637)				0
Reduce funding for emergency services operating expenses, including IT, miscellaneous supplies, and professional services		(177,482)		(177,482)		(177,482)		(177,482)				0

not 2021
complete

Increase funding from the radio communications fund for State Radio operating expenses, including IT, repairs, and professional services			542,338	542,338			542,338	542,338				0
Reduce federal funding for Army Guard contract			(12,000,000)	(12,000,000)			(12,000,000)	(12,000,000)				0
Reduce funding from the disaster relief fund (\$5.4 million) and federal funds (\$13.3 million) for disaster costs			(18,708,053)	(18,708,053)			(18,708,053)	(18,708,053)				0
Reduce federal funding for emergency services grants			(615,734)	(615,734)			(615,734)	(615,734)				0
Total ongoing funding changes	(10.00)	\$1,571,065	(\$30,079,865)	(\$28,508,800)	(10.00)	\$1,545,412	(\$30,346,247)	(\$28,800,835)	0.00	(\$25,653)	(\$266,382)	(\$292,035)
One-time funding items												
Add one-time funding for the Camp Grafton expansion		\$15,000,000		\$15,000,000			\$600,000	\$600,000		(\$15,000,000)	\$600,000	(\$14,400,000)
Add one-time funding from the strategic investment and improvements fund (SIIF) for a 911 dispatching service revenue shortfall			\$1,212,253	1,212,253			1,212,253	1,212,253			0	0
Add one-time funding for IT upgrades, including funding from SIIF		181,000	690,000	871,000		\$181,000	690,000	871,000		0	0	0
Add one-time funding from federal funds for emergency services equipment			660,000	660,000			660,000	660,000			0	0
Total one-time funding changes	0.00	\$15,181,000	\$2,562,253	\$17,743,253	0.00	\$181,000	\$3,162,253	\$3,343,253	0.00	(\$15,000,000)	\$600,000	(\$14,400,000)
Total Changes to Base Level Funding	(10.00)	\$16,752,065	(\$27,517,612)	(\$10,765,547)	(10.00)	\$1,726,412	(\$27,183,994)	(\$25,457,582)	0.00	(\$15,025,653)	\$333,618	(\$14,692,035)
2019-21 Total Funding	224.00	\$42,638,487	\$116,081,868	\$158,720,355	224.00	\$27,612,834	\$116,415,486	\$144,028,320	0.00	(\$15,025,653)	\$333,618	(\$14,692,035)

Other Sections for Adjutant General, including the National Guard and the Department of Emergency Services - Budget No. 540

	Executive Budget Recommendation	Senate Version
Veterans' Cemetery maintenance fund	Section 3 would appropriate any funds which are received and deposited in the Veterans' Cemetery maintenance fund pursuant to North Dakota Century Code Sections 37-03-14 and 39-04-10.10 for the operation of the Veterans' Cemetery for the 2019-21 biennium.	Section 3 appropriates any 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 Veterans' Cemetery for the 2019-21 biennium.
Strategic investment and improvements fund		Section 4 identifies the appropriations from the strategic investment and improvements fund included in this bill.
Camp Grafton expansion		Section 5 provides legislative intent for the Adjutant General to purchase options for the purchase or lease of up to 6,000 acres of land. The section also provides legislative intent that the 67th Legislative Assembly provide an appopriation to complete the purchase or lease of land during the 2021-23 biennium.
National Guard tuition waiver		Section 6 amends Section 37-07.1-03 to increase the National Guard tuition waiver from 25 to 35 percent.

SB 2014
H# 1
3/18/19

SB 2016
 Att 1
 3/18/19

Other Sections for Adjutant General, including the National Guard and the Department of Emergency Services - Budget No. 540

	Executive Budget Recommendation	Senate Version
National Guard tuition grant		Section 7 amends Section 37-07.2-01 to ensure the increased tuition waiver does not affect the National Guard tuition grant amount paid to nonstate institutions of higher education.
Maintenance and repairs	Section 4 would authorize the Adjutant General to transfer up to \$500,000 from various line items to the operating expenses and capital assets line items for the maintenance and repair of state-owned armories during the 2019-21 biennium. Any amounts transferred must be reported to the Office of Management and Budget.	Section 8 authorizes the Adjutant General to transfer up to \$500,000 from various line items to the operating expenses and capital assets line items for the maintenance and repair of state-owned armories during the 2019-21 biennium. Any amounts transferred must be reported to the Office of Management and Budget.
Line item transfers	Section 5 would authorize the Adjutant General to transfer up to 10 percent of its total appropriation between line items.	
Exemption - Radio communications	Section 6 would provide that any unexpended general or special funds appropriation authority carried over in the radio communications line item relating to the State Radio tower package for the 2013-15 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2019-21 biennium.	Section 9 provides that any unexpended general or special funds appropriation authority carried over in the radio communications line item relating to the State Radio tower package for the 2013-15 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2019-21 biennium.
Exemption - Tuition, recruiting, and retention	Section 7 would provide that any unexpended general or special funds appropriation authority in the tuition, recruiting, and retention line item for the 2017-19 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2019-21 biennium.	Section 10 provides that any unexpended general or special funds appropriation authority in the tuition, recruiting, and retention line item for the 2017-19 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2019-21 biennium.
Exemption - Veterans' bonus	Section 8 would provide that any unexpended general or special funds appropriation authority carried over in the grants line item relating to payment of adjusted compensation to veterans for the 2015-17 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2019-21 biennium. Any unexpended funds from this appropriation must be transferred to the Veterans' Cemetery trust fund during the 2019-21 biennium.	Section 11 provides that any unexpended general or special funds appropriation authority carried over in the grants line item relating to payment of adjusted compensation to veterans for the 2015-17 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2019-21 biennium. Any unexpended funds from this appropriation must be transferred to the Veterans' Cemetery trust fund during the 2019-21 biennium.
Exemption - Mobile repeaters and programming radios	Section 9 would provide that any unexpended general or special funds appropriation authority carried over in the Department of Emergency Services operating expenses line item relating to one-time funding from the strategic investment and improvements fund for mobile repeaters and programming radios for the 2017-19 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2019-21 biennium.	Section 12 provides that any unexpended general or special funds appropriation authority carried over in the Department of Emergency Services operating expenses line item relating to one-time funding from the strategic investment and improvements fund for mobile repeaters and programming radios for the 2017-19 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2019-21 biennium.

SB 2016
3/18/19
Att 1

Other Sections for Adjutant General, including the National Guard and the Department of Emergency Services - Budget No. 540

	Executive Budget Recommendation	Senate Version
Exemption - Disaster costs	Section 10 would provide that any unexpended general or special funds appropriation authority in the disaster costs line item relating to grants to political subdivisions for amounts required to match federal dollars on road grade raising projects and federal emergency relief funding for the 2011-13 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2019-21 biennium.	Section 13 provides that any unexpended general or special funds appropriation authority in the disaster costs line item relating to grants to political subdivisions for amounts required to match federal dollars on road grade raising projects and federal emergency relief funding for the 2011-13 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2019-21 biennium.
Exemption - Disaster costs		Section 14 provides that any unexpended special funds appropriation authority in the disaster costs line item from the 2017-19 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2019-21 biennium.
National Guard training area and facility development trust fund	Section 11 would amend Section 37-07.3-03 relating to the National Guard training area and facility development trust fund to allow the fund to be used for the proposed expansion of Camp Grafton. The section disallows the use of eminent domain in the acquisition of property for the expansion.	
Emergency	Section 12 would declare the amount appropriated in the tuition, recruiting, and retention line item to be an emergency measure.	Section 15 declares the amount appropriated in the Camp Grafton expansion and tuition, recruiting, and retention line items to be an emergency measure.

OFFICE OF THE ADJUTANT GENERAL - STATE RADIO DIVISION
 CSO AND ISO POSITIONS
 PROPOSED AMENDMENT -SALARIES AND OPERATIONS
 ENGROSSED SENATE BILL 2016

ATTACHMENT 2
 (Page 1 of 2)

SB 2016
 3/18/19

SALARIES & BENEFITS

Position No.	Position Description	Total Biennial Salary	General Fund	Radio Special Funds	EMPG Federal Funds	Total
5610	Admin Staff Officer III	\$ 193,297.00	\$ 135,307.90	\$ 19,329.70	\$ 38,659.40	\$ 193,297.00
5611	Admin Staff Officer III	\$ 179,258.00	\$ 125,480.60	\$ 17,925.80	\$ 35,851.60	\$ 179,258.00
		\$ 372,555.00	\$ 260,788.50	\$ 37,255.50	\$ 74,511.00	\$ 372,555.00
			70%	10%	20%	

Proposed amendment is based off Senate Compensation Package as in Engrossed SB 2016

OPERATIONAL COSTS

Position No.	Position Description	Biennial Cost Phone	Biennial Cost Data Processing	Biennial Cost Travel	Biennial Cost Risk Mgmt Prem	Total
5610	Admin Staff Officer III	\$ 1,920.00	\$ 1,671.60	\$ 1,098.34	\$ 53.80	\$ 4,743.74
5611	Admin Staff Officer III	\$ 792.00	\$ 1,671.60	\$ 2,127.29	\$ 53.80	\$ 4,644.69
						\$ 9,388.43

Operational Costs have been funded 100% General Funds

TOTAL FUNDING \$ 381,943.43

3/18/19

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2016

Page 2, line 11, replace "(\$1,226,414)" with "(\$1,598,969)" and replace "\$11,324,705" with "\$10,952,150"

Page 2, line 12, replace "2,379,149" with "\$2,369,761" and replace "\$9,367,600" with "\$9,358,212"

Page 2, line 17, replace "(\$17,010,520)" with "(\$17,392,463)" and replace "\$70,864,050" with "\$70,482,107"

Page 2, line 18, replace "(\$16,757,646)" with "(\$16,869,412)" and replace "\$61,667,056" with "\$61,555,290"

Page 2, line 19, replace "(\$252,874)" with "(\$523,050)" and replace "\$9,196,994" with "\$8,926,818"

Page 2, line 24, replace "\$1,726,412" with "\$1,456,236" and replace "\$27,612,834" with "\$27,342,658"

Page 2, line 25, replace "(\$27,183,994)" with "(\$27,295,760)" and replace "\$116,415,486" with "\$116,303,720"

Page 2, line 26, replace "(\$25,457,582)" with "(\$25,839,525)" and replace "\$144,028,320" with "\$143,646,377"

Page 2, line 27, replace "(10)" with "(12)" and replace "224" with "222"

Renumber accordingly

2

March 22, 2019

SB2016

att a.

SB2016

Tuition Waiver Increase
NDUS Cost Analysis

	2018 NG Waiver @ 25%		Estimated NG Waiver @ 35%	
	Count	Amount	Revised Amount	Increase
BSC	46	36,217	50,704	14,487
DCB	1	113	158	45
DSU	6	6,902	9,663	2,761
LRSC	21	10,448	14,627	4,179
MASU	4	2,706	3,788	1,082
MISU	24	25,706	35,988	10,282
NDSCS	32	20,738	29,033	8,295
NDSU	185	262,370	367,318	104,948
UND	87	111,685	156,359	44,674
VCSU	8	6,591	9,227	2,636
WSC	0	-	-	-
Total	414	483,476	676,866	193,390

386,781
Est. Biennial Cost
Increase based on 2018
data

	2019 Est. @ 25%		2019 Est. @ 35%	
NDSU	217	340,000	476,000	136,000
Award Change	32	77,630		
% Increase	17%	30%		

272,000
NDSU Est. Biennial Cost
Increase based on
prelim. 2019 data

NDSU: Nearly \$100K increase from 2018 to 2019. Due to 17% increase in awards and tuition model implementation, which merged fees into tuition rates.

Increasing the waiver from 25% to 35% would increase NDSU's costs by approximately \$136K per year, or \$272K for the biennium.

April 2, 2019

SB2016

att A

**FY 2019 North Dakota
County/Statewide Snow Budgets/Removal and Storm Costs**

March 21st, 2019

	County/Reservation	County Seat/City	FY '19 Snow Budget	FY '19 Snow Removal Costs	March 13-14 Storm Costs
1	Adams	Hettinger	\$ -	\$ 81,472.48	\$ 13,974.72
2		Hettinger	\$ 45,000.00	\$ 27,645.72	\$ 1,541.26
3	Barnes	Valley City	\$ -	\$ 250,000.00	\$ 20,000.00
4	Benson	Minnewaukan			
5	Billings	Medora			
6	Bottineau	Bottineau	\$ -	\$ 466,310.00	\$ -
7		Bottineau	\$ -	\$ 57,500.00	\$ -
8	Bowman	Bowman	\$ 20,000.00	\$ 44,250.00	\$ 3,650.00
9		Rhame	\$ 500.00	\$ 1,400.00	\$ 850.00
10	Burke	Bowbells	\$ -	\$ -	\$ -
11	Burleigh	Bismarck	\$ -	\$ 1,575,178.00	\$ 175,000.00
12		Bismarck	\$ -	\$ 1,323,592.57	\$ 32,260.97
13		Wing	\$ 3,000.00	\$ 2,700.00	\$ 600.00
14	Cass	Fargo	\$ -	\$ 364,000.00	\$ -
15		Fargo	\$ 3,112,238.33	\$ 3,498,023.00	\$ 48,203.54
16	Cavalier	Langdon	\$ 209,454.70	\$ 101,939.39	\$ -
17	Dickey	Ellendale	\$ 184,625.00	\$ 328,093.00	\$ -
18	Divide	Crosby			
19	Dunn	Manning	\$ -	\$ 220,480.00	\$ -
20		Killdeer		\$ 2,500.00	\$ 500.00
21	Eddy	New Rockford	\$ 79,700.00	\$ 69,700.00	\$ 4,500.00
22	Emmons	Linton			
23	Foster	Carrington	\$ -	\$ 207,823.23	\$ 31,376.29
24		Carrington	\$ 82,750.00	\$ 25,000.00	\$ 2,000.00
25	Golden Valley	Beach			
26	Grand Forks	Grand Forks	\$ 25,000.00	\$ 654,213.00	\$ 23,968.00
27		Grand Forks	\$ -	\$ 1,128,173.00	\$ 52,925.00
28	Grant	Carson	\$ -	\$ 211,607.78	\$ 65,765.30
29		Carson	\$ 9,750.00	\$ 11,181.00	\$ 957.00
30		Elgin	\$ 7,000.00	\$ 8,556.66	\$ 2,850.00
31		New Leipzig	\$ 1,000.00	\$ 7,200.00	\$ 180.00
32	Griggs	Cooperstown			
33	Hettinger	Mott			
34	Kidder	Steele	\$ 36,300.00	\$ 107,448.00	\$ 45,000.00
35		Dawson	\$ 2,500.00	\$ 5,000.00	\$ 1,200.00
36		Pettibone	\$ 2,500.00	\$ 5,000.00	\$ 1,500.00
37		Robinson	\$ 5,500.00	\$ 11,250.00	\$ 1,500.00
38		Steele	\$ 32,000.00	\$ 25,200.00	\$ 2,200.00
39		Tuttle	\$ 1,800.00	\$ 1,800.00	\$ 250.00

April 2, 2019

SB2016

adA

**FY 2019 North Dakota
County/Statewide Snow Budgets/Removal and Storm Costs**

March 21st, 2019

	County/Reservation	County Seat/City	FY '19 Snow Budget	FY '19 Snow Removal Costs	March 13-14 Storm Costs
40	LaMoure	LaMoure	\$ 181,957.00	\$ 390,215.71	\$ 50,482.50
41		Berlin	\$ 2,500.00	\$ 5,207.50	\$ 1,075.00
42	Logan	Napoleon	\$ 337,782.00	\$ 157,348.70	\$ 98,725.00
43		Gackle	\$ 3,500.00	\$ 3,364.32	\$ 500.00
44		Napoleon	\$ 4,043.00	\$ 15,767.00	\$ 4,550.00
45	McHenry	Towner			
46	McIntosh	Ashley	\$ 152,667.27	\$ 261,426.47	\$ 53,879.48
47		Wishek			\$ 5,500.00
48		Zeeland	\$ 4,727.00	\$ 8,665.00	\$ 3,500.00
49	McKenzie	Watford City	\$ -	\$ 596,138.82	\$ -
50	McLean	Washburn	\$ -	\$ 600,000.00	\$ 40,000.00
51	Mercer	Stanton			
52	Morton	Mandan			
53	Mountrail	Stanley	\$ -	\$ 2,182,129.68	
54		New Town	\$ -	\$ 45,000.00	\$ -
55		Parshall	\$ 24,000.00	\$ 27,968.00	
56		Ross		\$ 63,661.00	
57		Stanley	\$ 41,642.00	\$ 17,100.00	
58	Nelson	Lakota	\$ 126,623.00	\$ 212,440.75	\$ 21,320.77
59		Aneta	\$ 2,000.00	\$ 2,092.00	\$ 466.00
60		Lakota	\$ 11,200.00	\$ 63,268.71	\$ 4,320.00
61		Michigan	\$ 3,400.00	\$ 18,045.70	\$ -
62		McVille	\$ 8,000.00	\$ 16,400.00	\$ 2,200.00
63		Tolna	\$ 7,500.00	\$ 11,000.00	\$ 2,040.00
64		Pekin	\$ 700.00	\$ 900.00	\$ 100.00
65		Petersburg	\$ 15,000.00	\$ 9,000.00	\$ 2,000.00
66	Pembina	Cavalier	\$ -	\$ 209,544.72	\$ -
67	Pierce	Rugby			
68	Ramsey	Devils Lake	\$ 200,000.00	\$ 163,000.00	\$ 25,000.00
69	Ransom	Lisbon			
70	Renville	Mohall			
71	Richland	Wahpeton	\$ -	\$ 109,000.00	\$ -
72		Lidgerwood	\$ 6,000.00	\$ 12,000.00	\$ 500.00
73		Wyndmere	\$ -	\$ 6,000.00	\$ 500.00
74	Rolette	Rolla	\$ 201,900.00	\$ 350,000.00	\$ 6,375.00
75	Sargent	Forman			
76		Forman	\$ 9,545.23	\$ 14,654.79	\$ 1,026.51
77		Gwinner	\$ 5,000.00	\$ 12,290.89	\$ 3,097.21
78		Milnor	\$ -	\$ 5,322.94	\$ -

April 2, 2019

SB2016

attA

**FY 2019 North Dakota
County/Statewide Snow Budgets/Removal and Storm Costs**

March 21st, 2019

	County/Reservation	County Seat/City	FY '19 Snow Budget	FY '19 Snow Removal Costs	March 13-14 Storm Costs
79	Sheridan	McClusky			
80	Sioux	Fort Yates			
81	Slope	Amidon			
82	Stark	Dickinson	\$ -	\$ 374,945.19	\$ -
83		Dickinson	\$ 192,019.00	\$ 253,362.64	
84		Belfield	\$ 2,000.00	\$ 22,553.06	\$ -
85		South Heart	\$ 5,000.00	\$ 500.00	\$ -
86		Taylor	\$ 4,000.00	\$ 4,130.00	\$ -
87	Steele	Finley	\$ -	\$ 100,000.00	\$ 15,000.00
88		Finley	\$ 10,000.00	\$ 22,000.00	\$ 2,500.00
89		Hope	\$ 13,000.00	\$ 9,000.00	\$ 2,100.00
90		Luverne	\$ 8,050.00	\$ 9,000.00	\$ 1,500.00
91		Sharon	\$ 8,000.00	\$ 10,000.00	\$ 4,000.00
92		Townships	\$ 74,000.00	\$ 87,400.00	\$ 19,250.00
93					
94	Stutsman	Jamestown	\$ -	\$ 193,505.00	\$ 17,730.00
95		Jamestown	\$ -	\$ 411,582.00	\$ 16,151.00
96	0 of 10 Reporting	Cities			
97	47 of 62 Reporting	Townships	\$ -	\$ 211,746.00	\$ 28,574.00
98	Towner	Cando	\$ -	\$ 234,752.00	\$ 7,800.00
99		Cando	\$ 9,000.00	\$ 27,250.00	\$ 1,050.00
100	Trails	Hillsboro	\$ -	\$ 216,463.20	\$ 18,917.97
101	Walsh	Grafton	\$ -	\$ 135,530.57	\$ 20,000.00
102		Adams	\$ 10,500.00	\$ 9,863.00	\$ 487.50
103		Edinburg	\$ 4,500.00	\$ 4,538.45	\$ 500.00
104		Fairdale	\$ 2,500.00	\$ 4,750.00	\$ 750.00
105		Forest River	\$ 1,000.00	\$ 2,589.00	\$ 272.00
106		Grafton			
107		Hoople	\$ 5,000.00	\$ 13,900.00	\$ 1,600.00
108		Lankin	\$ 4,000.00	\$ 9,300.00	\$ -
109		Minto	\$ 28,000.00	\$ 32,468.00	\$ 5,320.00
110		Park River	\$ 14,500.00	\$ 16,103.00	\$ 3,500.00
111	Ward	Minot			
112	Wells	Fessenden	\$ -	\$ 96,235.14	\$ 13,500.00
113		Bowdon		\$ 540.00	
114		Cathay			
115		Fessenden			
116		Harvey			
117		Hurdsfield		\$ 840.00	

April 2, 2019

SB2016

Atta

**FY 2019 North Dakota
County/Statewide Snow Budgets/Removal and Storm Costs**

March 21st, 2019

	County/Reservation	County Seat/City	FY '19 Snow Budget	FY '19 Snow Removal Costs	March 13-14 Storm Costs
118		Sykeston			
119	Wells	Fessenden			
120	Williams	Williston		\$ 369,101.00	\$ -
121		Williston			
122	Fort Berthold Reservation, ND	New Town	\$ 200,000.00	\$ 209,219.00	\$ -
123	Lake Traverse Reservation, ND-SD (ND part)	Agency Village, SD			
124	Spirit Lake Reservation, ND	Fort Totten			
125	Standing Rock Reservation, ND-SD (ND part)	Fort Yates	\$ 1,140,848.00	\$ 944,820.00	\$ 95,930.00
126	Turtle Mountain Reservation and Off- Reservation Trust Land, MT-ND-SD (ND part)	Belcourt			
	Totals		\$ 6,946,221.53	\$ 20,451,175.78	\$ 1,136,342.02

4

April 9, 2019

SB2016

att#4

Dear Legislator

I do believe that the North Dakota State system needs updates and that some of the equipment, including consoles at local dispatch centers have reached their end of life in serviceability.

I think that these following issues should be resolved before going forward with this commitment to funding.

As a North Dakota taxpayer I call to question HB1435. I am concerned with approving the legislation on borrowing \$120,000,000.00 from the Bank of North Dakota for the contract that was written in January for declaration of emergency funding for the State SRN2020 project. I have a number questions and issues with the contract that was written in January compared to the initial RFP requested and what has been received by the State of North Dakota in the contract.

The Department of Homeland Security has set standards for P25 systems so that there is interoperability between different manufacturers systems and equipment used on those systems. In this contract these standards have been listed as options including AES encryption, CSSI Console Sub System Interface, and others and could increase the cost by hundreds of thousands of dollars for the entire network . I understood the intent of the RFP was to allow multiple vendors to be able to provide equipment to operate on the system, P25 Standards as set by DHS, should not allow this type of system to be limited to one vendor's equipment without having to add substantial cost not included in the bid.

The following is from DHS: "The P25 CAP AP wants to stop the practice of manufacturers providing subscriber units with a non-P25 standard encryption without also including P25 standard AES 256 encryption. OIC considers the following acceptable, if a vendor provides a radio with: • No encryption; • Standard encryption (AES 256); or • Standard encryption and non-standard encryption." ADP Motorola's (Advanced Digital Privacy) encryption is what is being included.

If encryption is included, Department of Homeland Security requires that AES format of encryption be used to qualify for any Federal Grant funding.

It is my understanding that the emergency request in HB1435 was supposed to address interoperable issues that Law Enforcement Agencies had at DAPL and an aging system. The proposed system contract is listing the interoperable capabilities, but only including them as options to be purchased later without

①

April 9, 2019 SB2016
dollar amounts in the budget for what will be required.

attA

SIEC has been questioned at meetings about other manufacturer's equipment being able to be used on the system.

The answer has been that being the system is not in operation other equipment has not been tested. If the system being proposed meets P25 standards, there should not be an issue with interoperability other than possibly certain features which may not be included with some of Motorola's models.

With all the unknowns and future updates to the system, including adding sites which have not been determined and not having the 800 MHz frequencies determined to build the sites, what kind of costs will be incurred by the State. Also local Government agencies would have to fund additions to interface with the final system? Will OTAP (Over the air programming) become necessary and need to be added to the system as it is only included as an option. All of the Government agencies have been through this in the past with the FCC narrow banding process.

I understand in talking with individuals from Government Agencies that the civils for tower sites are estimates and other than the 45 current State sites, the exact location of the balance of the 139 sites have not been determined. Motorola has stated that this will be a work in progress. The RFP stated that it would be the bidder's responsibility to provide a working system but instead, if this is correct, would leave an undefined dollar amount to the construction of this system. Also, if these sites end up not being available, would the required coverage be met at the budgeted amounts?

At recent meetings Motorola has stated that the price on the contract for consoles was only to change out the consoles to same capabilities as what the Dispatch Centers currently have.

The pricing did not include P25 Phase II and other features which will be required if the State is looking at completing this system.

I think that the State should take a strong look at what these total costs are and also look at what happened in the State of Minnesota, reaching hundreds of millions of dollars over the initial amount. Such evidence also exists in Pennsylvania and New York State, please reach out to these States for their contracts, which are available via FOIA. You will be able to compare the increase in costs from the initial contract to current level of expenditures.

How can the State look at borrowing this amount for 30 years when the contractor is only guaranteeing to support their P25 format for 15 years? See page 86 of the contract.

2

April 9, 2019

SB20186

att A

As taxpayers, I think we should have some idea of what the total projected costs are of implementing this system.