

**Adjutant General, including the National Guard and the Department of Emergency Services
Budget No. 540
Senate Bill Nos. 2016 and 2369**

	FTE Positions	General Fund	Other Funds	Total
2011-13 executive budget (bills as introduced)	242.00	\$29,659,125	\$204,204,378	\$233,863,503
2011-13 legislative appropriations	242.00	29,353,555	252,604,378	281,957,933
Legislative increase (decrease) to executive budget	0.00	(\$305,570)	\$48,400,000	\$48,094,430
Legislative increase (decrease) to 2009-11 appropriations	10.00	(\$11,391,659)	\$15,852,507	\$4,460,848

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2009-11 legislative appropriations	\$22,209,867	\$18,535,347	\$40,745,214
2011-13 legislative appropriations	24,035,127	5,318,428	29,353,555
2011-13 legislative increase (decrease) to 2009-11 appropriations	\$1,825,260	(\$13,216,919)	(\$11,391,659)
Percentage increase (decrease) to 2009-11 appropriations	8.2%	(71.3%)	(28.0%)
2011-13 legislative increase (decrease) to executive budget	\$246,430	(\$552,000)	(\$305,570)
Percentage increase (decrease) to executive budget	1.0%	(9.4%)	(1.0%)

SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The legislative action affecting the recommended appropriation for the Adjutant General is in accordance with legislative salary and fringe benefits guidelines as contained in Senate Bill No. 2015.

	Major Items FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Reduced funding for one-time extraordinary repairs by \$60,000, from \$385,381 to \$325,381.		(\$60,000)		(\$60,000)
Added funding for grants to the 18 municipal-owned armories to be distributed proportionately based on rental rates.		60,000		60,000
Added funding for the Department of Emergency Services to defray the expenses of providing mobile data terminal services.		194,430		194,430

Reduced one-time funding for State Radio tower enhancements by \$500,000, from \$2 million to \$1.5 million.	(500,000)	(500,000)		
Reclassified a portion of one-time funding (\$100,000) provided in the executive budget for State Radio enhancements in the radio communications line item to technology projects in the capital assets line item.				
Reclassified a general fund appropriation for equipment (\$52,000) included in the executive budget from one-time to ongoing.				
Provided the Department of Emergency Services with funding from the state disaster relief fund to contract for services to coordinate disaster response organizations with state and political subdivision disaster response efforts, including all aspects of disaster recovery from preparedness training through cleanup for declared or undeclared disasters.	\$400,000	400,000		
Provided additional funding to the Adjutant General from the state disaster relief fund to provide the state share of funding for expenses associated with presidential-declared state disasters pursuant to North Dakota Century Code Section 37-17.1-27.	3,500,000	3,500,000		
Authorized the Adjutant General to utilize available federal funds for expenses relating to the 2011 flood disaster.	22,500,000	22,500,000		
Appropriated \$22 million from the state disaster relief fund for flood-related costs for the remainder of the 2009-11 biennium and for the 2011-13 biennium. Subject to Emergency Commission and Budget Section approval, the Adjutant General may use the funding for city flood mitigation projects (up to \$3.2 million) and for disaster relief relating to 2011 spring flooding, road grade raising projects, 50 percent of the local match for disasters occurring from January 2011 through June 2011, and state expenses associated with presidential-declared disasters in the state (Senate Bill No. 2369 (2011)).	22,000,000	22,000,000		
Total	<u>0.00</u>	<u>(\$305,570)</u>	<u>\$48,400,000</u>	<u>\$48,094,430</u>

FTE Changes

The 2011-13 biennium appropriation includes funding for 242 FTE positions, an increase of 10 FTE positions from the 2009-11 biennium. The Legislative Assembly did not change the executive recommendation to add 10 FTE positions--1 FTE custodian position for the Regional Training Institute at Camp Grafton in Devils Lake, 5 FTE 119th Wing firefighter positions at Hector Field in Fargo, and 4 FTE regional homeland security emergency management coordinator positions serving four regions of the state located in Ward County, Cass County, Burleigh County, and the City of Grand Forks.

One-Time Funding

In Section 2 of Senate Bill No. 2016, the Legislative Assembly identified \$5,318,428 from the general fund for the Motorola lease purchase payment (\$1,525,347), message switch upgrades (\$235,000), central electronics bank dispatch system (\$1.1 million), technology projects (\$100,000), State Radio tower package (\$1.5 million), statewide seamless base map (\$400,000), Military Service Center east (\$72,700), armory grants (\$60,000), and extraordinary repairs (\$325,381). This funding is not to be considered part of the agency's base budget for preparing the 2013-15 executive budget, and the Adjutant General is to report to the Appropriations Committees during the 2013 legislative session on the use of this funding.

Capital Assets Line Item

The Legislative Assembly provided funding of \$2,982,099, of which \$2,180,099 is from the general fund and \$802,000 is from other funds, for capital assets. This level of funding is an increase of \$40,000 from the executive recommendation of \$2,942,099. The following is a summary of funding for capital assets:

	2011-13 Executive Recommendation			2011-13 Legislative Appropriation		
	General Fund	Other Funds	Total	General Fund	Other Funds	Total
National Guard						
State building extraordinary repairs	\$385,381		\$385,381	\$325,381		\$325,381
Payment in lieu of taxes at Camp Grafton	35,000		35,000	35,000		35,000
Bond payment	70,225		70,225	70,225		70,225
Special assessments	72,146		72,146	72,146		72,146
Replacement of grounds equipment units	52,000		52,000	52,000		52,000
Subtotal - National Guard	\$614,752		\$614,752	\$554,752		\$554,752
Department of Emergency Services						
Motorola lease purchase agreement payment	\$1,525,347		\$1,525,347	\$1,525,347		\$1,525,347
Homeland security grants to enhance response capabilities		\$802,000	802,000		\$802,000	802,000
Unmanned aerial systems initiative				100,000		100,000
Subtotal - Department of Emergency Services	\$1,525,347	\$802,000	\$2,327,347	\$1,625,347	\$802,000	\$2,427,347
Total - Adjutant General	\$2,140,099	\$802,000	\$2,942,099	\$2,180,099	\$802,000	\$2,982,099

Tuition and Enlistment Compensation

The Legislative Assembly did not change the executive recommendation to provide \$2,407,500 from the general fund for the tuition and enlistment compensation program, the same level of funding provided for the 2009-11 biennium. The tuition and enlistment compensation program is a scholarship program providing approximately \$1,000 per semester for eligible students taking 12 or more credits. Students taking fewer than 12 credits receive lower payments. In addition, under Section 37-07.1-03, the accredited postsecondary institution waives 25 percent of the total tuition cost for each eligible student.

Veterans' Cemetery

The Legislative Assembly did not change the executive recommendation to provide funding of \$576,916, of which \$328,216 is from the general fund and \$248,700 is special funds from the Veterans' Cemetery maintenance fund, for the operation of the Veterans' Cemetery. This represents an increase of \$87,775 from the 2009-11 biennium appropriation of \$489,141, of which \$301,659 was from the general fund and \$187,482 was special funds from the Veterans' Cemetery maintenance fund. Section 4 of Senate Bill No. 2016 provides that any additional funds received by the Adjutant General 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 are appropriated to the Adjutant General.

Disaster Relief Funding

The 2011 Legislative Assembly authorized the Adjutant General to use funding from the state disaster relief fund for costs associated with state disasters and flood mitigation efforts as follows:

- Section 1 of Senate Bill No. 2016 authorizes the Department of Emergency Services to utilize funding from the state disaster relief fund to contract for services to coordinate disaster response organizations with state and political subdivision disaster response efforts, including all aspects of disaster recovery from preparedness training through cleanup for declared or undeclared disasters.
- Section 1 of Senate Bill No. 2016 includes spending authority of \$7.8 million from the state disaster relief fund for expenses related to the 2009 flood disaster (\$3,369,258) and other unclosed state disasters (\$4,473,046) in the 2011-13 biennium.
- Section 5 of Senate Bill No. 2016 appropriates \$3.5 million from the state disaster relief fund to the Adjutant General for the purpose of providing the required state share of funding for defraying the expenses associated with presidential-declared disasters pursuant to Section 37-17.1-27.
- Section 2 of Senate Bill No. 2369 appropriates up to \$9 million from the state disaster relief fund to be used for providing emergency snow removal grants to counties, cities, and townships. Section 2 provides that a county, township, or city may apply to the Department of Emergency Services for an emergency snow removal grant for reimbursement of up to 60 percent of the costs incurred by the county, township, or city for the period January 2011 through March 2011 that exceed 200 percent of the average costs incurred for these months in 2004 through 2008. The Department of Emergency Services must distribute these grants prior to June 30, 2011, and report to the Budget Section regarding the grants awarded under this section. Any unspent funds may be used for purposes as provided for other state disaster costs as provided in Section 4 of Senate Bill No. 2369.
- Section 4 of Senate Bill No. 2369 appropriates \$22 million from the state disaster relief fund for flood-related costs for the remainder of the 2009-11 biennium and for the 2011-13 biennium. Subject to Emergency Commission and Budget Section approval, the Adjutant General may use the funding for city flood mitigation projects (up to \$3.2 million) and for disaster relief relating to 2011 spring flooding, road grade raising projects, 50 percent of the local match for disasters occurring from January 2011 through June 2011, and state expenses associated with presidential-declared disasters in the state.

Other Sections in Senate Bill No. 2016

State disaster relief fund appropriation - Section 5 provides additional spending authority to the Adjutant General from the state disaster relief fund of \$3.5 million to provide the state share of funding for expenses associated with presidential-declared state disasters pursuant to Section 37-17.1-27.

Line item transfer authority - Section 6 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 2011-13 biennium. Any amounts transferred must be reported to the Office of Management and Budget.

Exemption - Section 7 provides that any unexpended general fund appropriation authority under House Bill No. 1017 (2005) relating to the \$5 million appropriated for the payment of adjusted compensation to veterans during the 2005-07, 2007-09, 2009-11, and 2011-13 bienniums is not subject to the provisions of Section 54-44.1-11 and must be transferred to the Veterans' Cemetery trust fund during the 2013-15 biennium.

Exemption - Section 8 provides that any unexpended general fund or special funds appropriation authority in the capital assets line item relating to the Next Generation 911 study and State Radio tower study during the 2009-11 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2011-13 biennium.

State Radio fees - Section 9 amends Section 37-17.3-08 relating to State Radio fees to provide the following charges per terminal:

County Population	2009-11 State Radio Fee (Per Month)	2011-13 State Radio Fee (Per Month)
Less than 5,000	\$30	\$40
5,000 or more but less than 10,000	\$60	\$80
10,000 or more but less than 15,000	\$90	\$120
15,000 or more but less than 25,000	\$120	\$160
25,000 or more	\$160	\$200

Legislative intent - Section 10 provides legislative intent that the Adjutant General work with public and private sector entities to maximize the number of State Radio tower enhancements or additions that may be implemented within the funding provided.

Related Legislation

Compact on Educational Opportunity for Military Children - House Bill No. 1248 provides that the Adjutant General pay all expenses incurred by the state to participate in the Compact on Educational Opportunity for Military Children, including the reimbursement of actual and necessary expenses incurred by members of the state council, from the operating expenses line item in Section 1 of Senate Bill No. 2016 (2011).

Medical expense reimbursement - Senate Bill No. 2069 provides for the reimbursement of certain medical expenses for North Dakota National Guard members while on state active duty.

Disaster relief funding - Senate Bill No. 2369 provides for a transfer of \$22 million from the permanent oil tax trust fund to the state disaster relief fund prior to June 30, 2009, and provides authority to the Department of Emergency Services to use this funding for costs associated with state disasters and flood mitigation efforts. The bill specifies funding may be used for the following items, subject to Emergency Commission and Budget Section approval:

- State costs relating to flooding that occurs during the spring of 2011.
- Flood disaster relief or disaster mitigation projects in incorporated cities, up to \$3.2 million.
- A portion of the local share required to match federal funds on road grade raising projects located on any natural body of water that comprises more than 150,000 acres at current water levels and has risen more than 25 feet since 1993.
- Grants to political subdivisions for up to 50 percent of the local share required to match federal emergency relief funding relating to disasters occurring from January 2011 through June 2011.
- State disasters pursuant to Section 37-17.1-27.

Senate Bill No. 2369 also provides an appropriation of \$9 million from the state disaster relief fund to the Adjutant General for providing emergency snow removal grants to counties, cities, and townships. A county, township, or city may apply to the Department of Emergency Services for an emergency snow removal grant for reimbursement of up to 60 percent of the costs incurred by the county, township, or city for the period January 2011 through March 2011 that exceed 200 percent of the average costs incurred for these months in 2004 through 2008. The Department of Emergency Services is to distribute these grants prior to June 30, 2011.