

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1016

2001 HOUSE APPROPRIATIONS

HB 1016

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1016

House Appropriations Committee
Government Operations Division

☐ Conference Committee

Hearing Date January 10, 2001

Tape Number	Side A	Side B	Meter #
01-10-01 tape #2	0 - 4984		
Committee Clerk Signature <i>Kathleen Hall</i>			

Minutes:

The committee was called to order, and opened the hearing on HB 1016, the appropriation budget for the Division of Emergency Management.

Douglas Friez, Director of Emergency Management for North Dakota: Had prepared written testimony. He went through the written testimony before the committee. The Division's request is for \$963,160 in general fund money. This is also the executive recommendation. It takes about \$4.8 million to ensure effective emergency management through the biennium. Other sources of income are the federal government and the Hazardous Chemical Preparedness and Response Program fee system. Our major contributor is FEMA, and also have sources from EPA and USDOT. Nearly half of our dollars are passed directly to local governments and other state agencies.

Page 2 of the written testimony pertains to the Agency Mission and Background. The agency has a full-time staff of 20 persons, and have 13 temporary staff working disaster recovery

programs and 1 temporary staff dedicated to a statewide risk and needs assessment. During 1997, we had over 75 temporary staff. The state has experienced 10 major disasters in North Dakota in 8 years. They are making closeout activities on many disasters and have some ongoing activities, and just getting started on a few. States on page 3, that we believe the Government has several responsibilities related to multi-hazard emergency management. They include alerting and informing the public about potential dangers, assessing situations, activating responders and volunteers, supporting emergency response, and restoration and recovery. To meet these responsibilities the department has an annual work plan, and training and exercise efforts. As significant portion of our workload is directed at assisting statewide efforts. The department does not just develop plans, identify resources, place equipment, and train. They perform training exercises fairly often. The Emergency Operations Center has now been renovated. It is up and running, and the upper floor addition is almost finished. From this center the agency coordinates 125 incidents per year in support of local efforts. Half are hazardous spills or releases. Then come weather-related incidents. The vision for the future is to build a disaster resistant state. Providing effective emergency management is a never ending task. Resources change and plan s must be updated. Training is constant and keeping state of the art equipment is expensive. They do see flood potential concerns in the next few years, and have a new focus on US domestic terrorism.

Rep. Carlisle: You do work closely with the weather bureau and that is good. You two put out warnings and such.

Douglas Friez: Thank you. The department does ask in HB 1016 for the elimination of the sunset clause to the statewide Hazardous Chemical Preparedness and Response Program (HCPRP). This program was established in 1991, and at that time the sunset clause was included

because it was unknown at that time how long the adjacent federal program would last. The successes of this program nationwide will merit its existence well into the future. Fees are collected by the department from facilities; 1/2 fees go into the HCPRP and 1/2 fees go back into the counties. Prior to the implementation of this program the state had numerous serious incidents, and now there are only just a few. Do request you pass this bill as presented.

Rep. Glassheim: Does it make sense for the hazardous material fee to be higher for larger users or storers. Should those in a more hazardous situation be paying more? What would the effect of raising that fee be? Are there many places with more than 6 chemicals.

Response: Actually, the organizations that handle more chemicals pay a higher fee. Its \$25 per chemical, or up to \$150 per organization that handles 6 chemicals. It does balance out and gives some equity. There are not a large number of bigger facilities, but the bigger facilities present a more difficult risk to deal with, but possibly the potential for less risk. They take more precautions.

Chairman Byerly: An observation, the ones that would be hard hit would be like operators of oil wells, where the maximum is \$150 per site, but they may operate 20 wells. And at those wells there are things that are stored that are hazardous. Those are the businesses that would really be hurt if you modified that formula.

Response: The system has been so fair that there should be no opposition of doing this.

Rep. Huether: Would the local Cenex dealers where they have large spray and fertilizer complexes come under this.

Response: Yes. Has a listing of types of facilities that come under this. Bulk plants with gas, diesel, anhydrous, and propane; any anhydrous facility; gas stations with above ground storage tanks; oil wells; fertilizer, propane plants.

Chairman Byerly: On the chemical issue, one of the complaints that I have about the program, and it has nothing to do with the program itself, even from oil well operators themselves, is that whoever develops the reporting requirements knows nothing about the units of measure that are used to account for things. The persons requesting the information is not knowledgeable of the chemicals and how they are measured. The chemical storers are having to guess at what is being requested. An example is that gallons are being requested, but the measurement is in pounds. When someone comes forward with a problem of measurement, who has the final authority.

Response: I will have to look at this. We tag into the EPA rules, and the state doesn't have a chemist on staff, so they do try to do their best. We want the public to know what chemicals are being stored in their neighborhood. EPA has the final authority, not the state, in enforcing errors, in conjunction with the State Health Department.

Chairman Byerly: When you activate the office into a full alert, does the Governor have to trigger this?

Response: When the office hears of a problem, they aren't always the first to hear, they assess the situation, and report to General Haugen. They report to the Governor. There may be some action activated just before notifying General Haugen and the Governor. Notice to General Haugen and the Governor are high priority and depends upon community notification. Rely heavily upon local law enforcement.

Chairman Byerly: We understand that you cannot schedule natural disasters, but are there any anticipatory activities that the local entities can do? Can the local communities be involved before the disasters.

Response: This is a difficult issue, the department does encourage localities to plan ahead somewhat. Communities do preliminary activities, and the department encourages this.

City and Counties all have emergency management plans of some sort also. Says who is responsible for what. Generally, it sticks to what the day to day jobs are. There is a significant level of preparedness. Where the need is statewide may be in "crying wolf" too much. We seem to be in good shape right now. The awareness activities and forecasts do go out to localities, and how they deal with them is different. What they do depends on the local leadership. We also have to get some of our information from other agencies, as to water, temperature, etc. Its not perfect.

Rep. Glassheim: Comments as to common sense, and the predictions that do come from the authorities. What the authorities are relaying are not always right.

Rep. Carlisle: The public has to rely on experience and take some responsibility themselves.

Rep. Huether: Is it harder, more expensive to buy flood insurance in these areas?

Response: Nationally, they are remapping the flood plains, and hazardous locations. We are always trying to educate the public as to what insurance to buy, and what coverage to expect. The chairman closed the hearing on this bill.

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1016

House Appropriations Committee
Government Operations Division

☐ Conference Committee

Hearing Date January 17, 2001

Tape Number	Side A	Side B	Meter #
01-17-01 tape #2		1030-1250	
Committee Clerk Signature <i>Karen Hall</i>			

Minutes:

The committee was called to order, and opened committee work on HB 1016, the budget appropriation for the Division of Emergency Management.

Chairman Byerly: Opened the discussion as to the requests of the department. Asked the committee members if there were any concerns that needed to be addressed at this time.

(Discussion was related to the needs requested by the testimony from Doug, that most of the general fund money was just salary and wages increases. The committee doesn't remember any other requests of this department.). Some committee members will be taking a tour and getting more informed at a later date.

The chairman closed the committee work on this bill.

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1016

House Appropriations Committee
Government Operations Division

☐ Conference Committee

Hearing Date January 26, 2001

Tape Number	Side A	Side B	Meter #
01-26-01 tape #1	2281 - 3015		
Committee Clerk Signature <i>Kelli Hall</i>			

Minutes:

The committee was called to order, and opened committee work on HB 1016, Emergency Management's appropriation bill.

Chairman Byerly: Has anyone run into anything in this bill that we need to be aware of.

Rep. Thoreson: Not really, it is really pretty straight forward.

Rep. Glassheim: We asked some questions, and they e-mailed us the answers to our satisfaction.

Rep. Thoreson: We have no proposed amendments at this time.

Chairman Byerly: Lets talk about this then. There really isn't much in this budget, because most of it revolves around federal funds. The department isn't asking for any more people. Did you run into any questions?

Rep. Glassheim: Printing costs had gone up because they are now having to print the forms from the internet. Previously FEMA would supply the materials and training and the forms to fill out.

Now, the department has to print the forms from the web site.

Page 2

Government Operations Division

Bill/Resolution Number HB 1016

Hearing Date January 26, 2001

Chairman Byerly: I would guess most of the increases are due to the pay package increase and inflationary costs. There probably is some IT expenses. The department did not ask for any increases, and the way it was submitted is the way they would like it passed. Between the flood and snowstorms, this department has really earned its stripes.

Rep. Thoreson: On technology, the increase technology costs are a result of the \$300 per month increase in T-1 circuit charges and the new \$800 per month fee for the fiber network, located outside of the capital location.

Rep. Glassheim: Moves DO PASS. Rep. Thoreson seconded.

Vote to Do Pass, 6 yes, 0 no, 1 absent and not voting. Bill passes.

Rep. Thoreson is assigned to carry this bill to the full committee.

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB1016

House Appropriations Committee

☐ Conference Committee

Hearing Date January 31, 2001

Tape Number	Side A	Side B	Meter #
1		x	267 - 900
Committee Clerk Signature <i>L. Z. Daulton</i>			

Minutes:

House Appropriations action on HB1016.

Rep. Blair Thoreson: HB1016, pages 277 & 278 in the big book has to deal with budget for division of emergency management, it also has a section to amend section 37 of the Century Code relating to termination of the "C" system for hazardous chemical preparedness and response program, we took a look at the budget which was prepared by Governor Schafer/Hoven and agreed with their recommendations. The committee or substantial number of us did go to the divisions headquarters at Fraine Barracks and took a look at their setup out there, and I was quite impressed by what they do, not having seen that previously and Rep. Glassheim worked on this and met with Doug Friez and his people and had a good discussion about the division. What their asking for is a general fund appropriation for \$963,160 , but their overall budget is much more, but they do have other sources, which includes \$3.79 million from the federal government and about \$200,000 from a hazardous chemical preparedness response program. Right now they

have a full time staff of twenty people there and also a temporary staff of thirteen, plus one temporary individual who is assigned to working with state wide risk need for domestic terrorism. This is something we probably have not seen in North Dakota in the past, but it is getting to be a big issue and their trying to be ahead of the curve on that. In dealing with the amendment to Section 37, their asking to eliminate the sunset clause for the statewide hazardous chemical and preparedness response program. This program was created in 1991 to deal with the demands for community right to know and emergency planning in regard to hazardous materials, and the state program then was established to help businesses, industry, and government insure compliance with federal requirements regarding the storage and handling of hundreds of different hazardous materials from fuel based items to fertilizer's. When the program was established the sunset clause was included because they did not know how long the federal program would last, so they are asking to remove that now. With that I would move HB1016. Seconded by Rep. Byerly.

Rep. Mike Timm: Any discussion?

Rep. James Kerzman: On page 3, the removal of the "C" system, can you give us a little info on that?

Rep. Blair Thoreson: That's on line 10 of page 3? Yes. I don't have my notes with me and I can't answer that at the moment.

Rep. Rex Byerly: On the chemical system, or on the chemical preparedness and response program, what it is, is that at any sites where there are hazardous chemicals stored as defined by the federal government, the state implements it, but these are all regulations that come down from the fed. What a company has to do, is pay a fee of \$25.00 per chemical per year per site not to exceed \$150 dollars per site. There are about 3500 facilities in the State of North Dakota that

are required under federal regulation to participate. Half of the money goes directly back to the counties for the local emergency preparedness people there, and what it does is, that it lets them handle bulk plant that may have hazardous chemicals would go up in flames, the local people know what chemicals are stored there, what the quantities are at any given point in time, and so on. Its a continuing program that the Fed's having been adding more and more things to the list of these chemicals that have to be tracked, basically what's going on here is that we just continue the program as it currently exists and we remove the sunset on it. And if I remember correctly, the federal law does not include farmers, or individuals. In our neck of the woods it would be everyplace there is an oil well.

Rep. James Kerzman: The way I read it is that we have to put in statute to reestablish it don't we?

Rep. Rex Byerly: No, I don't believe we do because all of it there, and amendment three is to amend and reenact the program, and all were don't is removing the termination on the thing. It technically doesn't terminate until July 7, 2001. So this bill goes into effect on July 1, 2001. Were basically removing the sunset on the thing.

Rep. Mike Timm: Any other discussion?

Rep. Blair Thoreson: One thing that I failed to bring up during the discussion of this, is that in talking to the people of the Division of Emergency Management, their concern about the flood conditions in the Red River Valley and the Devils Lake Basin, and what there saying is that the ground is very saturated and they are trying to stay ahead of it, and in March they are going to be meeting and having some projections coming out to do with flooding. Right now any significant precipitation in that area could cause yet another disaster, and we hope that's not the case, but they seem to very much ahead of the game. That's one of their major concerns for this year.

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House Appropriations Committee

Bill/Resolution Number HB1016

Hearing Date January 31, 2001

Rep. Mike Timm: If there is no other discussion we will call for a vote on the motion to DO

PASS. Roll call vote was taken. (20) YES (0) NO (1) absent and not voting. Motion Passes.

Rep. Thoreson will carry the bill to the floor. (Tape at 900)

Date: 1-26-01
Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1016

House Appropriations - Government Operations Division Committee

☒ Subcommittee on ~~Appropriations~~ Govt. Operations
or
☐ Conference Committee

Legislative Council Amendment Number —

Action Taken DO PASS

Motion Made By Rep. Glassheim Seconded By Rep. Thoreson

Representatives	Yes	No	Representatives	Yes	No
Rep. Rex R. Byerly - Chairman	✓		Rep. Eliot Glassheim	✓	
Rep. Ron Carlisle - Vice Chairman	✓		Rep. Robert Huether		
Rep. Kim Koppelman	✓				
Rep. Bob Skarphol	✓				
Rep. Blair Thoreson	✓				

Total (Yes) 6 No 0

Absent 1

Floor Assignment Rep. Thoreson

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

Date: 1-31-01
Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB1016

House APPROPRIATIONS Committee

☐ Subcommittee on _____
or
☐ Conference Committee

Legislative Council Amendment Number _____

Action Taken DO PASS

Motion Made By THORESON Seconded By BYERLY

Representatives	Yes	No	Representatives	Yes	No
Timm - Chairman	✓				
Wald - Vice Chairman	✓				
Rep - Aarsvold	✓		Rep - Koppelman		
Rep - Boehm	✓		Rep - Martinson	✓	
Rep - Byerly	✓		Rep - Monson	✓	
Rep - Carlisle	✓		Rep - Skarphol	✓	
Rep - Delzer	✓		Rep - Svedjan	✓	
Rep - Glassheim	✓		Rep - Thoreson	✓	
Rep - Gulleeson	✓		Rep - Warner	✓	
Rep - Huether	✓		Rep - Wentz	✓	
Rep - Kempenich	✓				
Rep - Kerzman	✓				
Rep - Kliniske	✓				

Total (Yes) 20 No 0

Absent 1

Floor Assignment THORESON

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

2001 SENATE APPROPRIATIONS

HB 1016

2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB1016

Senate Appropriations Committee

☐ Conference Committee

Hearing Date February 16, 2001

Tape Number	Side A	Side B	Meter #
Tape #1	x		43,7-54,9
Tape #1		x	0,0-8,0
Committee Clerk Signature <i>Shirley R. [Signature]</i>			

Minutes:

Senator Nething opened the hearing on HB1016.

Douglas C. Friez, Director of North Dakota Division of Emergency Management, presented the HB1016-2001-2003 Budget Request (a copy of his written testimony is attached). He also distributed copies of a map showing the Presidential Disaster Declarations January 1, 1965 to November 3, 200 (a copy of the map is attached).

Senator Andrist: The November 1 storm caused a lot of damage for electric coops -- how does one handle a declaration when land is across state lines?

Douglas Friez: This was the first time a declaration was written with another state and with Montana as our partner --- we worked with the regional office of FEMA in Denver which works the regain where both North Dakota and Montana are in.

Senator Thane: Section 2 eliminates the sunset clause? How did the House vote?

Douglas Friez: The House voted 96-0.

Page 2

Senate Appropriations Committee

Bill/Resolution Number HB1016

Hearing Date February 16, 2001

Senator Nothing: There is no change from what went into the House.

Senator Tallackson: Bill has sunset clause?

Douglas Friez: Yes.

No additional testimony, hearing closed.

3-28-01 Full Committee Action (Tape #1, Side A, Meter #18.9-19.4)

Senator Nothing reopened the hearing on HB1016 - Division of Emergency Management.

Senator Grindberg, Chair of the Subcommittee reported the findings of the committee..

Discussion. Senator Grindberg moved a DO PASS; Senator Lindaas seconded. Discussion.

Roll Call Vote: 14 yes; 0 no; 0 absent and not voting.

Senator Lindaas accepted the floor assignment.

Date: 5-28-01

Roll Call Vote #:

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HR 1016

Senate Appropriations

Committee

☐ Subcommittee on _____

or

☐ Conference Committee

Legislative Council Amendment Number _____

Action Taken On Pass

Motion Made By

Senator Lindas

Seconded

By

Senator Lindas

Senators	Yes	No	Senators	Yes	No
Dave Nething, Chairman	✓				
Ken Solberg, Vice-Chairman	✓				
Randy A. Schobinger	✓				
Elroy N. Lindaas	✓				
Harvey Tallackson	✓				
Larry J. Robinson	✓				
Steven W. Tomac	✓				
Joel C. Heitkamp	✓				
Tony Grindberg	✓				
Russell T. Thane	✓				
Ed Kringstad	✓				
Ray Holmberg	✓				
Bill Bowman	✓				
John M. Andrist	✓				

Total Yes

14

No

0

Absent

0

Floor Assignment

Senator Lindas

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

REPORT OF STANDING COMMITTEE (410)
March 28, 2001 11:49 a.m.

Module No: 81 14 90 13
Carrier: Indiana
Insert LC: . Time: .

REPORT OF STANDING COMMITTEE

HB 1016: Appropriations Committee (Sen. Nething, Chairman) recommends **DO PASS**
(14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1016 was placed on the
Fourteenth order on the calendar.

2001 TESTIMONY

HB 1016

January 8, 2001

Department 512 - Division of Emergency Management
House Bill No. 1016

	FTE Positions	General Fund	Other Funds	Total
2001-03 Executive Budget	20.00	\$963,160	\$69,870,828	\$70,833,988
1999-2001 Legislative Appropriations	20.00	925,370	65,237,896	66,163,266
Increase (Decrease)	0.00	\$37,790	\$4,632,932	\$4,670,722

The 1999-2001 appropriation amounts include \$8,009, \$1,200 of which is from the general fund, for the agency's share of the \$5.4 million funding pool appropriated to the Office of Management and Budget (OMB) for special market equity adjustments for classified employees and \$220, \$80 of which is from the general fund, for the agency's share of the \$1.4 million funding pool appropriated to OMB for assisting agencies in providing the \$35 per month minimum salary increases in July 1999 and July 2000. The 1999-2001 appropriation amounts do not include \$1,001,277 of excess 1997-99 deficiency general fund appropriation, \$5,505,000 of Bank of North Dakota loan proceeds, and \$40,925,000 of additional federal funds spending authority resulting from Emergency Commission action during the 1999-2001 biennium.

Major Items Affecting Division of Emergency Management 2001-03 Budget

	General Fund	Other Funds	Total
1. Special fund decreases due to the partial completion of the 1997, 1998, 1999, and 2000 disasters.		(\$41,947,607)	(\$41,947,607)

Major Legislation Affecting the Division of Emergency Management

Section 3 of House Bill No. 1016 removes the termination date for the hazardous chemical preparedness program.

House Bill No. 1026 provides the Division of Emergency Management a \$14 million general fund deficiency appropriation for expenses incurred during the 1999-2001 biennium.

House Bill No. 1164 changes the termination date for the hazardous chemical preparedness program from July 1, 2001, to July 1, 2011.

January 18, 2001

Department 512 - Division of Emergency Management
House Bill No. 1016

	FTE Positions	General Fund	Other Funds	Total
2001-03 Schafer Executive Budget	20.00	\$963,160	\$69,870,828	\$70,833,988
1999-2001 Legislative Appropriations	20.00	925,370	65,237,896	66,163,266 ¹
Increase (Decrease)	0.00	\$37,790	\$4,632,932	\$4,670,722

2001-03 Hoeven Executive Budget	20.00	\$963,160	\$69,870,828	\$70,833,988
Hoeven Increase (Decrease) to Schafer	0.00	\$0	\$0	\$0

¹ The 1999-2001 appropriation amounts include \$8,009, \$1,200 of which is from the general fund, for the agency's share of the \$5.4 million funding pool appropriated to the Office of Management and Budget (OMB) for special market equity adjustments for classified employees and \$220, \$80 of which is from the general fund, for the agency's share of the \$1.4 million funding pool appropriated to OMB for assisting agencies in providing the \$35 per month minimum salary increases in July 1999 and July 2000. The 1999-2001 appropriation amounts do not include \$1,001,277 of excess 1997-99 deficiency general fund appropriation, \$5,505,000 of Bank of North Dakota loan proceeds, and \$40,925,000 of additional federal funds spending authority resulting from Emergency Commission action during the 1999-2001 biennium.

Major Schafer Recommendations Affecting Division of Emergency Management 2001-03 Budget

	General Fund	Other Funds	Total
1. Special fund decreases due to the partial completion of the 1997, 1998, 1999, and 2000 disasters.		(\$41,947,607)	(\$41,947,607)

**Major Hoeven Recommendations Affecting Division of Emergency Management 2001-03 Budget
Compared to the Bill as Introduced (Schafer Budget)**

	General Fund	Other Funds	Total
1. The Hoeven budget recommendation does not change the Schafer executive budget recommendation for this agency.			

Major Legislation Affecting the Division of Emergency Management

Section 3 of House Bill No. 1016 removes the termination date for the hazardous chemical preparedness program.

House Bill No. 1026 provides the Division of Emergency Management a \$14 million general fund deficiency appropriation for expenses incurred during the 1999-2001 biennium.

House Bill No. 1164 changes the termination date for the hazardous chemical preparedness program from July 1, 2001, to July 1, 2011.

Department 512 - Division of Emergency Management
House Bill No. 1016

	FTE Positions	General Fund	Other Funds	Total
2001-03 Schafer Executive Budget	20.00	\$963,160	\$69,870,828	\$70,833,988
1999-2001 Legislative Appropriations	20.00	925,370	65,237,896	66,163,266'
Increase (Decrease)	0.00	\$37,790	\$4,632,932	\$4,670,722

2001-03 Hoeven Executive Budget	20.00	\$963,160	\$69,870,828	\$70,833,988
Hoeven Increase (Decrease) to Schafer	0.00	\$0	\$0	\$0

The 1999-2001 appropriation amounts include \$8,009, \$1,200 of which is from the general fund, for the agency's share of the \$5.4 million funding pool appropriated to the Office of Management and Budget (OMB) for special market equity adjustments for classified employees and \$220, \$80 of which is from the general fund, for the agency's share of the \$1.4 million funding pool appropriated to OMB for assisting agencies in providing the \$35 per month minimum salary increases in July 1999 and July 2000. The 1999-2001 appropriation amounts do not include \$1,001,277 of excess 1997-99 deficiency general fund appropriation, \$5,505,000 of Bank of North Dakota loan proceeds, and \$40,925,000 of additional federal funds spending authority resulting from Emergency Commission action during the 1999-2001 biennium.

Major Schafer Recommendations Affecting Division of Emergency Management 2001-03 Budget

	General Fund	Other Funds	Total
1. Special fund decreases due to the partial completion of the 1997, 1998, 1999, and 2000 disasters.		(\$41,947,607)	(\$41,947,607)

**Major Hoeven Recommendations Affecting Division of Emergency Management 2001-03 Budget
Compared to the Bill as Introduced (Schafer Budget)**

	General Fund	Other Funds	Total
1. The Hoeven budget recommendation does not change the Schafer executive budget recommendation for this agency.			

Major Legislation Affecting the Division of Emergency Management

Section 3 of House Bill No. 1016 removes the termination date for the hazardous chemical preparedness program.

House Bill No. 1026 provides the Division of Emergency Management a \$14 million general fund deficiency appropriation for expenses incurred during the 1999-2001 biennium. (This bill has passed the House.)

House Bill No. 1164 changes the termination date for the hazardous chemical preparedness program from July 1, 2001, to July 1, 2011. (The House has not yet acted upon this bill.)

Summary of Legislative Changes Resulting From First House Action

See Statement of Purpose of Amendment (attached).

STATEMENT OF PURPOSE OF AMENDMENT:**House Bill No. 1016 - Funding Summary**

	Executive Budget	House Changes	House Version
Division of Emergency Management			
Salaries and wages	\$2,611,942		\$2,611,942
Operating expenses	923,692		923,692
Equipment	156,400		156,400
Grants	67,141,954		67,141,954
Total all funds	<u>\$70,833,988</u>	<u>\$0</u>	<u>\$70,833,988</u>
Less estimated income	<u>69,870,828</u>	<u>0</u>	<u>69,870,828</u>
General fund	<u>\$963,160</u>	<u>\$0</u>	<u>\$963,160</u>
FTE	20.00	0.00	20.00
Bill total			
Total all funds	\$70,833,988	\$0	\$70,833,988
Less estimated income	<u>69,870,828</u>	<u>0</u>	<u>69,870,828</u>
General fund	<u>\$963,160</u>	<u>\$0</u>	<u>\$963,160</u>
FTE	20.00	0.00	20.00

House Bill No. 1016 - Division of Emergency Management - House Action

The House did not change the Schafer executive budget recommendation for the Division of Emergency Management. Governor Hoeven did not propose any changes to the Schafer recommendation for this agency.

North Dakota

Division of Emergency Management



JOHN HOLVEN
GOVERNOR

Major Gen (S) MICHAEL J. HAUGEN
ADJUTANT GENERAL

DOUGLAS C. FRIEZ
STATE DIRECTOR

To: Senator David Nething
Chairman, Senate Appropriations Committee

From: Douglas C. Friez, Director
North Dakota Division of Emergency Management

Subject: HB 1016 – 2001-2003 Budget Request for the Division of
Emergency Management

Date: February 16, 2001

*Relaying in from
the House
identical*

Following are comments on HB 1016, the budget request for the Division of
Emergency Management for the 2001-2003 biennium.

I. Funding Sources

The Division's request is for \$963,160 in general fund money. This is also the
executive recommendation for general fund expenditures for the Division.

Actually, it will take about \$4.8 million dollars (\$4,873,719) to ensure effective day-to-
day emergency management for our citizens during the upcoming biennium. Our
other sources of income are the Federal Government, \$3,710,559 and our special
funds Hazardous Chemical Preparedness and Response Program fee system,
\$200,000.

Our traditional Federal sources include our major contributor, the Federal Emergency
Management Agency (FEMA), as well as significantly lesser amounts from the
Environmental Protection Agency and the United States Department of Transportation.

Nearly one-half of our budgeted dollars are passed directly to local governments and
other state agencies. This pass-through money includes 50 percent of the special
funds fee system money I mentioned. Those fees come from about 3,500 North
Dakota businesses that use, store, or sell hazardous chemicals. In return, we help
ensure compliance and safety for those facilities and the communities in which they
are located. Additionally, the Hazardous Chemical Preparedness and Response
Program enables us to access about \$400,000 in other federal grant monies for
planning and training enhancements at the local level.

Let me assure you, this Division of Emergency Management budget request is in total agreement with the executive budget recommendation for our agency.

II. Agency Mission and Background

North Dakota's Emergency Management system is made up of a group of experienced, dedicated, highly professional, and well-trained public employees.

Over the years, I have personally witnessed the unselfishness of this group of people. They consistently place the well being of the citizens of North Dakota among their top priorities, and oftentimes ahead of family and personal priorities. Positive customer service is not new to Emergency Management, and will continue to be a major goal.

Our mission is to provide a statewide system for effective mitigation, preparation for, response to, and recovery from manmade or natural disasters.

Our full-time staff of 20 is also dependent on temporary staff during disaster response and recovery. Currently we have 13 temporary staff working disaster recovery programs and one temporary staff member dedicated to a statewide risk and needs assessment to develop a planning and response strategy aimed at potential impacts of domestic terrorism. During the summer of 1997, we had over 75 temporary staff. We believe this demonstrates that we are sincere when we promise to be "right-sized" to do our job.

During the current biennium, North Dakota experienced two more Major Presidential Disaster Declarations for flooding. The 1999 flood, impacting 41 counties, was the 2nd costliest flood disaster in the state history. Recovery costs are expected to exceed \$85 million.

After a relatively uneventful year 2000 spring thaw, torrential rains in mid-June caused devastating flooding in eastern North Dakota. The Major Presidential Disaster Declaration that resulted includes 39 counties. Costs are still being determined but we expect eligible restoration costs under our FEMA/State partnership to be in the neighborhood of \$65 million. This magnitude of loss will probably cause the federal cost share to go to 90% rather than the standard 75%. Losses in 1997 and 1999 also triggered the 90% federal cost share.

Also this past year, Governor Hoeven just recently requested and received a Major Presidential Disaster Declaration to provide federal recovery assistance to Rural Electric Cooperatives in nine North Dakota counties (Benson, Bowman, Cavalier, Divide, Golden Valley, McKenzie, Ramsey, Towner and Williams) for federal assistance to address about \$900,000 in losses from November 2000 storms, which toppled power poles and downed rural power lines in those areas.

Since 1993 Division staff have been involved in administering restoration of over \$800 million of damages resulting from ten Major Presidential Disaster Declaration in eight years. This type of disaster activity is abnormal, especially for a state like North Dakota. In the past 35 years, less than 20 states have had more than 10 major Presidential Disaster Declarations, some haven't had any, but most only 2 or 3. I am pleased to report that recovery closeout operations have been completed for the 93, 94, 95 and 96 flood disaster and the 97 snow disaster.

Work remains to closeout restoration activities for the 97, 98 and 99 floods, and of course we still have significant work to do on the two newest events.

The workload has to do with monitoring eligibility requirements for re-construction activity. These disaster closeouts take time to complete because of the complexity of repairs, seasonal limitations, additional flooding, national environmental assessment requirements, as well as the availability of contractors, supplies and materials.

We believe that the mission we assist in performing, "protection of lives, property, and the environment" is an essential responsibility of government. In North Dakota, we are performing that mission effectively, and will continue to do so. Our intent is to perform our duties in the best interest of our state's taxpayers.

We also believe government has several responsibilities as related to multi-hazard emergency management. They include alerting and informing the public about potential danger; assessing the situation; activating responders and volunteers; supporting emergency response; as well as restoration and recovery.

To meet these responsibilities, we embark on a comprehensive and ambitious annual workplan emphasizing emergency plan development and maintenance; resource management; detailed networking and partnership development; as well as extensive training and exercise efforts.

All 53 counties and the four Indian Reservations have emergency managers appointed by and responsible to their governing board. In some cases, these emergency managers are part-time and in a few cases (usually in more heavily populated areas), they are half-time or full-time. In all cases, they are responsible to assist officials in organizing, coordinating and delivering effective emergency management. These people are funded 50 percent local and 50 percent with the federal pass-through money referred to earlier.

A significant portion of the Division's workload is directed at assisting these statewide efforts.

More specifically, the Division develops and maintains a state emergency operations plan that identifies who does what, and how. Task assignments are made to the various state agencies within the plan. During the current biennium, we completed and exercised major revisions of that plan. The revision efforts consisted of dialogue with staff of over 40 state agencies whose day-to-day expertise is identified for possible utilization in response, recovery and mitigation. These state agencies are committed to these assignments and do a tremendous job when called upon. We also assist local and tribal governments in plan development and maintenance.

We develop, conduct, and sponsor special training classes and seminars for hundreds of officials and emergency services personnel annually. Some classes are designed for response personnel, some feature professional development and management level training. Latest initiatives include community wide multi-hazard planning and awareness efforts with special attention to domestic terrorism potentials. These training events occur in various locations throughout the state.

The Division and its statewide emergency management team also sponsor several public education and emergency/disaster programs annually

Many years ago, we learned that you cannot just develop plans, identify resources, place equipment and supplies in strategic locations, and train key people. We have learned that to conduct effective emergency and disaster operations, this combination of resources must also be exercised. Annually, thousands of North Dakota officials and responders participate in effective emergency exercises. The exercises are systematically evaluated so enhancements can result. During the past year, hundreds of state leaders participated in several exercises designed to test plans, procedures and our Emergency Operations Center. That type of activity will continue.

Thanks to your support in previous legislative assemblies, our State's Emergency Operations Center has been renovated. It has been exercised and utilized since this rehabilitation. We have some finishing touches to accomplish in terms of information processing and display, but we are totally operational.

We are also, again thanks to your support, well on our way, in cooperation with the National Guard, to finishing the upper floor addition to the Emergency Operations Center.

From this center of operations, we coordinate state response to over 125 incidents per year in support of local efforts. About one-half deal with hazardous materials spills or releases. Next come weather-related incidents. There are also floods, rural fire problems, and search missions to contend with. Usually, most of these require minimal state efforts (a few, to several hours, for a couple of people), however, about a dozen events per year require extended operations and state-level commitments by several state employees as I've already explained. Major declarations, like the Presidential Declarations since 1993 are usually rare, especially on a nationwide basis, but require substantial long-term recovery efforts.

Often times, emergency management teams plan, train, exercise, plan, train, exercise, etc. In North Dakota, your emergency management team plans, trains and exercises. In addition, we execute, and we execute effectively.

II. Future

Our vision for the future is *"to build a disaster resistant state."* Providing effective emergency management is a never-ending task. Resources change, so plans must be updated. Training requirements are constant, because our manpower resources are mobile and dynamic. Keeping state of the art equipment for data management, communications, and operational response is challenging and sometimes expensive.

We remain in a dangerous situation regarding 2001 flood potential. Saturation conditions in the Red River Valley and the Devils Lake Basin are as bad as they have been this time of year since the flooding began in 1993. Rivers and streams in many areas were near bank full at freeze-up. The bathtub remains full, especially in the east. Each drop of additional precipitation is likely to end up where it isn't welcome.

Adding both crisis and consequence management requirements for domestic terrorism potentials to our multi-hazard emergency management approach is going to be a challenge in the future for a number of state and local government organizations. We have already been, and will continue to be helpful in this area.

Finally, in HB 1016 we ask that you eliminate the sunset clause to our statewide Hazardous Chemicals Preparedness and Response Program. This program was created in 1991 to deal with public demands for community right to know and Emergency Planning in regard to hazardous materials. The state program was established to help business, industry and government ensure compliance with federal requirements regarding storage and handling of hundreds of different hazardous materials from fuel based items to fertilizers.

When the program was established, the sunset clause was included because it was unknown how long the adjacent federal program would last.

It is extremely evident that the mitigation successes of this program nationwide, as well as in North Dakota, will merit its existence well into the future.

We currently have 3,586 facilities in our database with approximately 1,000 owner/operators. These facilities pay a hazardous chemical fee of \$25.00 per reportable chemical per facility, up to a maximum of \$150.00 per facility. The average facility fee is less than \$30.00 per year. I am certain that with our assistance we help ensure compliance with the federal law. Non-compliance fines are so high that business would be forced to shut down. That's okay if they are negligent. But in North Dakota, many of the smaller organizations impacted by the law are extremely pleased to have our annual compliance assistance, at a relatively low fee. This fee system generates approximately \$100,000 per year. Fifty percent of the fees collected each year go into the State hazardous chemicals preparedness response fund to provide planning, training and exercising initiatives to pay administrative costs associated with maintaining the hazardous chemical program data base and to help provide information to facilities and local governments to insure compliance with the federal law.

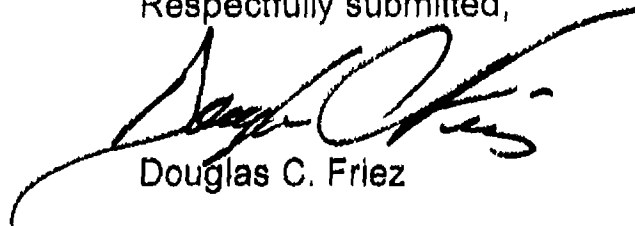
The other 50 percent of the fees collected each year go back to the Local Emergency Planning Committee (LEPC) in the counties where the facility is located so that they can conduct hazardous chemicals preparedness and response initiatives. LEPC's generally use their share of the funds for: computers and related equipment to maintain and manage hazardous chemical information; communications equipment used in emergency response; protective clothing for first responders; local outreach efforts; special exercises and training efforts; and to purchase county or facility response equipment and supplies.

This system has been one of the most successful disaster mitigation stories I've witnessed in my career as an emergency manager. Prior to the implementation of this program, we had more than a dozen serious hazard mitigation incidents in the state over a two-year period. Now, because of training, awareness and common sense, incidents rarely reach a magnitude requiring ongoing, extremely expensive response and recovery. Over the past six to seven years, there have been less than half a dozen serious incidents.

III. Conclusion

I thank you for your attention to this testimony. I request you pass HB 1016 as presented. Your support and interest in emergency management for North Dakota has been a key to what I believe is an extremely effective system. Please contact me anytime to discuss this request or emergency management in general.

Respectfully submitted,



Douglas C. Friez

North Dakota Emergency Management

Provides a statewide system for effective mitigation, preparation for, response to, and recovery from, manmade or natural disasters;

- has 20 fulltime staff and is also dependent on temporary staff during disaster response and recovery;
- administered over \$800 million in federal disaster assistance to state and local governments and individuals for disasters of '93, '94, '95, '96, '97, '98, '99 and 2000 (this does not include agricultural assistance programs);
- for day-to-day operations, we ask the state legislature to provide about \$480 thousand per year which generates \$1.7 million per year in federal funds for preparedness.

Prepares and maintains a state emergency operations plan which provides for:

- alerting and informing the public;
- assessing the situation;
- activating volunteers;
- supporting emergency response;
- restoration and recovery.

Provides emergency planning, training, and program assistance to 53 counties, their cities, tribal governments, as well as state government:

- maintains statewide public education program;
- ensures emergency plans are exercised;
- manages a Hazardous Chemicals Preparedness and Response Program;
- provides a center for coordinating state level emergency operations;
- maintains dialogue with federal support resources.

Hazardous Chemical Preparedness & Response Program

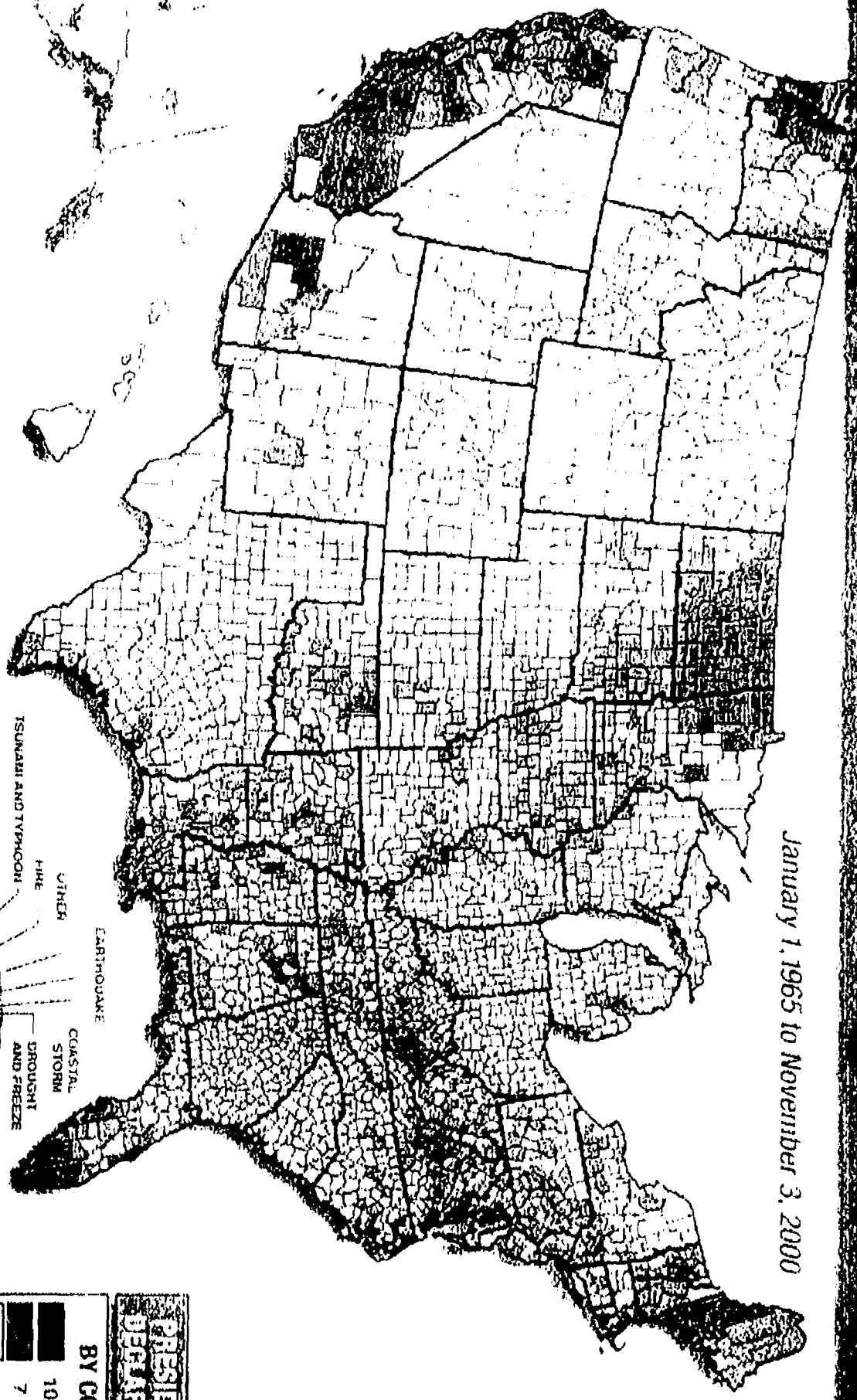
- \$25.00 per chemical per year, not to exceed \$150.00
(Average fee per facility is less than \$30.00)
- 3500 ND facilities
- 1/2 of all fees collected are returned to the counties
- The program saves lives, property and ensures compliance

- Division of Emergency Management
 - Provides each facility with annual reporting guidance
 - Maintains an LEPC Handbook for education and outreach
 - Provides reminders of Community Right to Know annual public notice requirement
 - Provides planning guidance and technical assistance as well as training and exercise opportunities
- Local Emergency Planning Committees
 - provide equipment for operations such as radios, computers, phones, protective clothing, and recovery supplies
 - provide information and outreach to first responders as well as citizens
 - special training

As We Go, So It Is - Winds of Change

Presidential Disaster Declarations

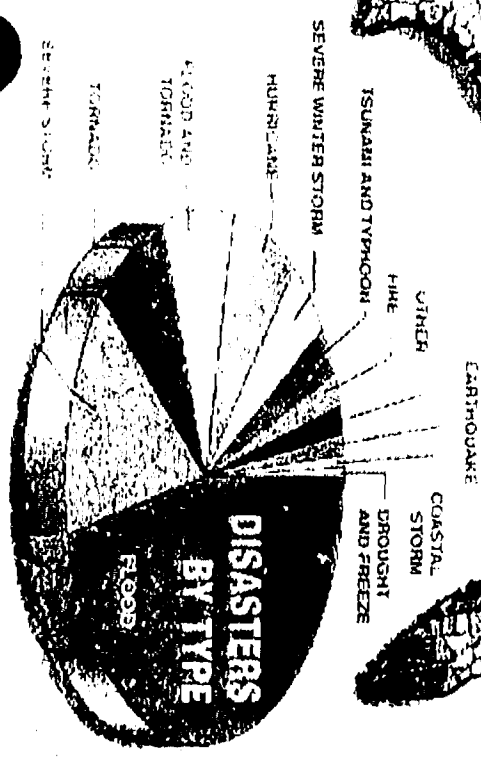
January 1, 1965 to November 3, 2000



**PRESIDENTIAL
DISASTERS
DECLARATIONS**

BY COUNTY	
	10 to 20
	7 to 9
	4 to 6
	1 to 3
	0

Mapped Total = 1,162



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