

**ANALYSIS OF THE STATE DISASTER RELIEF FUND
FOR THE 2007-09, 2009-11, 2011-13, AND 2013-15 BIENNIUMS**

	2007-09 Biennium Actual		2009-11 Biennium Actual		2011-13 Biennium Actual		2013-15 Biennium Estimated	
Beginning balance		\$0		\$37,623,216		\$34,675,167		\$77,651,986
Add revenues								
Transfer from the general fund	\$43,000,000 ¹							
Transfer from the permanent oil tax trust fund (2011 SB 2369)			\$22,000,000 ²					
Transfer from the general fund (Section 17 of 2011 SB 2371)					\$48,700,000 ³			
Interest income			199,420		70,784		\$70,000	
Federal funds - Volunteer hours adjustment and local share federal-to-federal mission assignments			612,263		1,604,101			
National Guard/DES reimbursements			136,057		705,949		600,000	
Oil and gas tax collections					22,000,000 ⁴		22,000,000 ⁴	
Total revenues		43,000,000		22,947,740		73,080,834		22,670,000
Total available		\$43,000,000		\$60,570,956		\$107,756,001		\$100,321,986
Less expenditures								
Emergency snow removal grants (2009 SB 2012; 2011 SB 2369)	\$5,376,784 ⁵		\$9,000,000 ⁶					
Costs relating to disasters occurring prior to 2009			513,321 ⁷		\$826,535 ⁸			
Costs relating to 2009 flooding			5,739,762 ⁷		2,656,019 ⁸		\$1,244,077 ^{8,15}	
Costs relating to the January 2010 winter snowstorm			1,506,693 ⁷		69,717 ³		309,435 ³	
Costs relating to 2010 flooding			3,390,192 ⁷		164,272 ³		1,652,694 ³	
Costs relating to the April 2010 ice storm			2,854,089 ⁷		544,137 ³		517,154 ³	
Costs relating to the April 2011 blizzard			16,937 ⁷					
Costs relating to 2011 flooding			2,874,795 ⁷		12,261,836 ^{3,9,10}		6,784,751 ^{3,9,10,15}	
Costs relating to flooding in incorporated cities					1,715,887 ¹⁰		1,484,113 ¹⁰	
Disaster response coordination contract (2011 SB 2016; 2013 HB 1016)					400,000 ¹¹		400,000 ¹¹	

	2007-09 Biennium Actual		2009-11 Biennium Actual		2011-13 Biennium Actual		2013-15 Biennium Estimated	
State disasters and flood mitigation efforts (2011 SB 2016; 2011 SB 2369)					7,240 ¹⁰		4,790,631 ¹⁰	
Contingent appropriation for 2012 disaster event (Section 16 of 2011 SB 2371)					0 ³			
Flood-impacted housing assistance grant program (Section 9 of 2011 SB 2371)					5,458,372 ³		4,541,628 ³	
Flood-impacted housing assistance grant program (Section 4 of 2013 HB 1016)							1,500,000 ¹³	
Road grade raising projects - Department of Transportation (Section 14 of 2011 SB 2371)					6,000,000 ³			
Disaster recovery planning and technical services							1,500,000 ¹⁴	
Total expenditures and transfers		5,376,784		25,895,789		30,104,015 ¹²		24,724,483 ¹⁵
Ending balance		<u>\$37,623,216</u>		<u>\$34,675,167</u>		<u>\$77,651,986</u>		<u>\$75,597,503¹⁵</u>

¹Section 5 of 2009 Senate Bill No. 1012 provided the Office of Management and Budget (OMB) transfer \$43 million from the general fund to the state disaster relief fund during the 2007-09 biennium.

²Senate Bill No. 2369 (2011) provided a \$22 million transfer from the permanent oil tax trust fund to the state disaster relief fund and authorized the Adjutant General to use this funding for costs associated with state disasters and flood mitigation efforts.

³Section 17 of 2011 Senate Bill No. 2371 provided OMB transfer \$48.7 million from the general fund to the state disaster relief fund during the 2011-13 biennium for the following purposes:

Relief Assistance	Transfer Amount	Appropriation Authority
Disaster-related expenses	\$32,700,000	Section 15 of 2011 Senate Bill No. 2371 provided appropriation authority of \$29.5 million from the state disaster relief fund to the Adjutant General for providing the required state share of funding for expenses associated with presidentially declared state disasters. Section 16 of Senate Bill No. 2371 provided a contingent appropriation of \$5 million from the state disaster relief fund to the Adjutant General relating to grants to political subdivisions for a portion of the local share required to match federal emergency relief funding. The funding was contingent upon a 2012 disaster event exceeding \$50 million in damages across the state. The state did not experience a disaster event exceeding \$50 million in 2012.
Flood-impacted housing assistance grant program	10,000,000	Section 9 of Senate Bill No. 2371 appropriated \$10 million from the state disaster relief fund to the Adjutant General for providing: <ul style="list-style-type: none"> • Additional rebuilders loan program funding to the Bank of North Dakota. • Funding to political subdivisions for flood-impacted housing rehabilitation. Funding must be

		used as deemed most effective in that community to assist homeowners in rehabilitation or replacement of their flood-damaged homes and to retain homeowners in the community.
Road grade raising grants	6,000,000	Section 14 of Senate Bill No. 2371 appropriated \$6 million from the state disaster relief fund to the Department of Transportation for grants to counties for road grade raising projects on federal aid eligible roads.
Total	\$48,700,000	

⁴House Bill No. 1451 (2011) created a new section to North Dakota Century Code Chapter 57-51.1 to provide for the allocation of the state's share of oil and gas tax revenues designated for deposit in the general fund under Chapters 57-51 and 57-51.1 as follows:

- The first \$200 million is deposited in the general fund;
- The next \$341,790,000 is deposited in the property tax relief sustainability fund;
- The next \$100 million is deposited in the general fund;
- The next \$100 million is deposited in the strategic investment and improvements fund;
- The next \$22 million is deposited in the state disaster relief fund; and
- Any additional revenues are deposited in the strategic investment and improvements fund.

For the 2011-13 biennium, the deposit of \$22 million of oil and gas tax collections in the state disaster relief fund occurred in October 2012.

⁵Section 6 of 2009 Senate Bill No. 2012 authorized up to \$20 million from the state disaster relief fund to be used for providing emergency snow removal grants to counties, cities, and townships in accordance with Section 7 of Senate Bill No. 2012. Section 7 of Senate Bill No. 2012 provided a county, township, or city may apply to the Department of Emergency Services for an emergency snow removal grant for reimbursement of up to 50 percent of the costs incurred by the county, township, or city for the period January 2009 through March 2009 that exceed 200 percent of the average costs incurred for these months in 2004 through 2008. The Department of Emergency Services distributed these grants prior to June 30, 2009.

⁶Section 2 of 2011 Senate Bill No. 2369 authorized 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 of Senate Bill No. 2369 provided 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 distributed \$9 million in grants prior to June 30, 2011, and reported to the Budget Section regarding the grants awarded under this section on September 15, 2011.

⁷Section 6 of 2009 Senate Bill No. 2012 authorized up to \$23 million from the state disaster relief fund to be used for paying costs relating to the 2009 flood disaster, snow removal damage to roads, and other disasters in accordance with Section 8 of Senate Bill No. 2012. Section 8 of Senate Bill No. 2012 provided a political subdivision receiving federal emergency relief funding relating to disasters occurring from January 2009 through June 2009 may apply to the Department of Emergency Services for an emergency relief grant of up to 50 percent of the local match required to receive the federal emergency relief funding.

⁸Section 1 of 2011 Senate Bill No. 2016 included 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.

⁹Section 5 of 2011 Senate Bill No. 2016 appropriated \$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.

¹⁰Section 4 of 2011 Senate Bill No. 2369 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. In September 2011 the Adjutant General received Emergency Commission and Budget Section approval for 2011-13 expenses of \$17.5 million for flood disasters, \$1.2 million for funding specific city flood mitigation projects, and \$4.8 million for road grade raising and matching grants to political subdivisions.

¹¹In 2011 Senate Bill No. 2016, the Legislative Assembly provided authority to the Department of Emergency Services to utilize funding of \$400,000 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. House Bill No. 1016 (2013) continues the same level of funding for the 2013-15 biennium.

¹²Total 2011-13 state disaster relief fund appropriation authority provided to the Adjutant General consists of:

\$22,000,000	see Footnote 10
3,500,000	see Footnote 8
7,842,304	see Footnote 7
400,000	see Footnote 11
<u>42,700,000</u>	see Footnote 3
\$76,442,304	

¹³Section 4 of 2013 House Bill No. 1016 appropriates \$1.5 million from the state disaster relief fund to the Housing Finance Agency to provide grants to counties, cities, local housing authorities, and other nonprofit entities providing flood-impacted housing assistance. The section requires an entity requesting grant funding to certify to the Housing Finance Agency that housing occupants are eligible to receive housing assistance under federal Department of Housing and Urban Development guidelines, that a land use agreement is in place for temporary housing units, and that a plan has been developed for the disposal of temporary housing units. The Housing Finance Agency is to develop guidelines for the distribution of funds, including the frequency of the distribution of grant funds.

¹⁴The 2013-15 biennium legislative appropriations include funding of \$1.5 million for contracted services to provide technical assistance and support to state and local government agencies with emergency management needs associated with preparedness, mitigation, and response and recovery.

¹⁵The Adjutant General estimates approximately \$20 million of estimated costs associated with the 2009 and 2011 flood disasters will be paid in the 2015-17 biennium. The amounts shown for 2013-15 biennium estimated expenditures for the 2009 and 2011 flood disasters have been adjusted proportionately to reflect the share of these expenses that one anticipated to be paid in the 2015-17 biennium. The estimated costs associated with 2009 flooding total \$4,343,103, of which \$1,244,077 is reflected as being paid in the 2013-15 biennium and \$3,099,026 in the 2015-17 biennium. The estimated costs associated with 2011 flooding total \$23,685,725, of which \$6,784,751 is reflected as being paid in the 2013-15 biennium and \$16,980,974 in the 2015-17 biennium. After deducting this \$20 million obligation, the estimated ending fund balance on June 30, 2015, is \$55,597,503.

NOTE: The estimated June 30, 2015, balance made at the end of the 2013 legislative session was \$73,427,308. The increase in the estimated balance of \$2,170,195 is due primarily to a decrease in estimated costs related to 2009 and 2011 flooding that are anticipated to be paid in the 2013-15 biennium.

FUND HISTORY

Section 37-17.1-27 (Section 4 of 2009 Senate Bill No. 2012) establishes a state disaster relief fund. In 2011 Senate Bill No. 2369, the Legislative Assembly amended Section 37-17.1-27 to limit use of money in the fund for only the required state share of funding for expenses associated with presidential-declared disasters in the state and to require Emergency Commission and Budget Section approval of the use of money in the fund. Any interest or other fund earnings must be deposited in the fund.