

**TESTIMONY OF
MAJOR GENERAL ALAN S. DOHRMANN
THE ADJUTANT GENERAL
BEFORE THE 68th LEGISLATIVE SESSION
HOUSE APPROPRIATIONS GOVERNMENT OPERATIONS DIVISION
MARCH 6, 2023
IN SUPPORT OF GOVERNOR'S EXECUTIVE RECOMMENDATION**

Chairman Monson, members of the House Appropriations – 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 executive recommendation and address Senate Bill 2016.

The men and women of the North Dakota National Guard (NDNG), North Dakota Department of Emergency Services (NDDDES), and Civil Air Patrol (CAP) continue to demonstrate remarkable commitment, dedication, and selfless service as they stand prepared to protect the citizens of North Dakota when called on. The National Guard also stands ready to deploy as an operational force to protect the homeland, to fight and win America's wars.

Additionally, per the request from December 19, 2022, please find attached responses to our written testimony and presentation. I will be providing additional information on these topics throughout my testimony.

1. Direct responses to all of the information requested by the Senate Chairman. **(Attachment #1)**
2. A one-page itemized listing of the changes our agency is requesting the committee to make to the executive recommendation. **(Attachment #2)**
3. Comparison of your agency's major requests to those recommended in the executive budget. **(Attachment #3)**

Role of the National Guard and Emergency Services

The world is currently in a state of sustained competition that 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 expected to be more ready than ever before. 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 mission, 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 remain prepared and agile to address natural threats, as well as state and non-state actors. Our experiences over the past 15 years responding to floods, fires, droughts, civil unrest, and a pandemic highlight the need to build and sustain our readiness.

State of the National Guard

As an organization, we continually train to operate in the modern environment of continuous competition. "Always Ready, Always There" is the motto of the North Dakota National Guard. We have consistently lived up to our motto across the state or when mobilizing

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 evolve, so too have the demands placed on us, we must modernize in order to be prepared to support our state and communities and to be more ready and lethal to engage our enemies abroad.

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. 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 Division of Homeland Security also provides administrative support for the North Dakota Civil Air Patrol (CAP). The North Dakota Civil Air Patrol (CAP) is the lead agency for civilian search and rescue in North Dakota. CAP also provides information gathering and reconnaissance during disasters, as well as quick emergency transport. CAP members are trained to FEMA standards for emergency response. There is one FTE in this program with a Budget Line of \$389,313.

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.

Explanation of 2021-23 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 2021-23 biennium has been on track as projected. We anticipate spending all general funds with the exception of \$600,000. The agency received \$1,000,000 of Coronavirus Relief Funds to offset dispatcher salaries from July through December 2021. The dispatcher salaries are funded 60% with general funds and 40% with special funds. We are also requesting carryover authority for the NDNG Tuition, Enlistment, and Compensation budget line which I will explain more later in my testimony.

Federal Funds:

Approximately 80-85% of our funding is provided through federal cooperative agreements and federal grants. This biennium, the NDDDES estimates approximately \$231,000,000 in federal funds, of which \$121,000,000 are FEMA grant funds, \$87,000,000 are related to COVID-19 funding and \$23,000,000 are Homeland Security grant funds. At the end of November 2022 approximately \$52,000,000 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 2017, 2019, 2020, 2021 and 2022 presidential declared disasters. Funds have also been expended to improve state, county, and tribal mitigation and preparedness planning, law enforcement planning, intelligence analysis activities, interoperable communications, and supporting regional response capabilities. The NDNG has received \$79,000,000 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 will be very close to what we projected with \$4,100,000 in radio fees, and \$850,000 in Veterans Cemetery maintenance funds. Hazardous chemical fees were budgeted at roughly \$1,470,000. We are projecting to receive approximately \$1,200,000 due to a decrease in oil drilling, which results in a reduction of fees, but also, we have experienced a reduction in late fees owed to the agency as a new software system was put in place and it has helped customers with more timely payments. We projected \$4 million in Disaster Relief Fund expenditures and have incurred costs of approximately \$500,000 through November 2022 and estimating to spend another \$1,000,000 before June 30, 2023.

Estimated 2021-23 spending and status of one-time funding

The NDNG received one-time funding for a variety of projects. The first of those was \$320,000, of which \$80,000 was general funds for a building automation system upgrade at Fraire Barracks. The project started in February 2022 and continues to be ongoing with an expected completion date of February 2023, however due to uncertainties and lack of confidence in shipment and delivery dates of the controllers, carryover authority is requested in case the completion date is delayed. To date, \$18,369 of the general funds have been executed. The Fargo Readiness Center received \$100,000 of general funds for one-time equipment startup costs. Those funds were fully executed by December 2021 on items such as a zero-turn mower, tractor with attachments, a Kubota UTV, and other smaller start up items necessary to maintain the facility and grounds. During the current biennium the agency received \$1,000,000 of Strategic Investment and Improvement Funds (SIIF) for deferred maintenance projects. At the time of providing testimony during the last legislative session, we were anticipating completion of eight projects with those funds. Due to the substantial increase in costs the nation has experienced, we are unable to fulfill all eight of those projects. The funds have been allocated to four major projects which are ongoing at this time. The funds are projected to be fully executed by the end of the current biennium.

The National Guard division also received one-time federal fund authority for two projects which we are requesting carryover authority. The Dickinson Readiness Center received an appropriation of \$15,500,000 for the construction of a new facility. I will address details of this project later in my testimony. Camp Grafton was chosen to receive \$6,000,000 federal funds for the construction of a Line of Communication Bridge Training Site. Design work

has started with construction expected to occur in fiscal year 2024 and construction complete no later than 2025.

We are requesting carryover authority of remaining funds for the Camp Grafton Expansion Project and legislative intent to pursue interest in land around Camp Grafton South for the eventual construction of a multi-purpose machine gun range. To date we have spent \$20,700 for appraisals so that we can move forward with negotiations for purchase and/or lease agreements. To date we are in the process of executing purchase agreements for 360 of the 1,600 acres authorized during the 66th Legislative Assembly and lease agreements for over 1,000 acres. SB2095 proposes updated language to NDCC 37-07.3-03, and extends the use of the fund through June 30, 2029.

NDDDES received one-time appropriations for the purchase of emergency response equipment. The general fund appropriation of \$100,000 has been utilized on approximately 3,000 Meals-Ready-To-Eat (MREs) with a longer shelf life, and roughly 600,000 sandbags which will replace existing sandbags in the warehouse purchased several years ago and are deteriorating and no longer viable for flooding needs. One-time emergency equipment response authority of \$660,000 was also received in the current biennium. To date approximately \$129,000 has been expended on training software, add-ons for WebEOC, 911 response equipment, and building security.

Executive Recommendation (2023-25)

Next, I will address the executive recommendation for the 2023-25 biennium and compare that to our 2021-23 base budget. During my testimony, I will address all one-time spending for the 2023-25 biennium. A complete listing of all one-time spending is found in Section 2 of the executive recommendation.

Subdivision 1. National Guard

Salaries and Wages

The salary and wages line includes funding for 32 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. The net increase from our base budget equates to \$863,887, which is largely due to the Governor's recommended compensation and benefits package. This budget line does include \$90,000 of one-time general fund appropriation for roughly 60% of our projected eligible retirement payouts. Several of the individuals who are retirement eligible by the end of the 2023-25 biennium have been with the agency for several years and carry large leave balances. It is not feasible for the agency to hold open the positions to make up salary dollars for the required leave payouts. In order to see success for both the incoming employee, and agency, filling the positions as soon as possible is a must.

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 general fund increases of \$251,148 is attributed to a reallocation of \$67,648 of base budget appropriation from the reintegration line to the NG operating line, along with \$183,500 of general

funds for on-going operational costs upon completion of the Dickinson Readiness Center, which I will discuss in more detail later in the testimony.

Capital Assets

The capital assets line provides \$224,046 to pay special assessments in Burleigh, Cass and Williams County along with payment in lieu of taxes at our facilities at Camp Grafton in Eddy County. The remaining \$47,700,000 helps to fund five priority projects for the National Guard division.

Camp Grafton Training Facility – \$9,000,000 of Legacy Earnings Fund was included in the executive recommendation for a purpose-built fitness facility located at Camp Grafton Training Center (CGTC). This facility would enable year-round training and testing of the Army Combat Fitness Test (ACFT). This new test requires significantly more equipment and space than the previous test. A new facility would support all of CGTC's current and future customers and tenants. Completion of the fitness facility is expected to be August 2025. Ongoing operations and maintenance of the building in 2025-2027 is anticipated to be \$280,000 with 50% general funds and 50% federal funds. One additional FTE is requested with an anticipated start date of May 2025. The intent is that this individual be onboarded prior to the opening of the facility. The cost for the 2023-2025 biennium would be two months of salary and benefits for a total of \$12,064, and a 50% state and 50% federal share.

Camp Grafton Billets – During the current biennium, the agency received \$2,000,000 of funding from the American Rescue Plan Act (ARPA) to supplement federal funds for housing enhancement at Camp Grafton. The executive recommendation includes \$6,000,000 of SIIF appropriation for an additional lodging facility at Camp Grafton Training Center (CGTC). After further review the SIIF funds can be reduced by \$700,000 for a total of \$5,300,000 required for the housing enhancement project. CGTC needs to ensure adequate support to a growing military and law enforcement customer demand. It is the goal of CGTC to develop to be the premier federal and state training center. The construction of this facility would help bridge an 81-room lodging gap that currently exists. Once constructed, the ongoing operations and maintenance of this facility would be supported with federal funds.

Military Museum – During the 67th legislative assembly, the Office of the Adjutant General received authority to accept up to \$10,000,000 from other funds, including private and federal funds. These funds would be appropriated to the Adjutant General for the construction of a military museum. The executive recommendation includes one-time funding of \$20,000,000 from Legacy Earnings for a state match on construction, as well as increased fundraising authority for a state-of-the-art museum. The adjutant general, with the approval of the governor, has entered into an agreement with the state historical society for the construction of a new facility, the renovation of an existing property, and the operations and maintenance of a military museum. Concurrently the North Dakota National Guard Foundation has entered into contract with a private company, conducting a feasibility study of which indicated confidence that \$20,000,000 could be raised. There are currently \$2,500,000 in soft pledges for the museum.

Dickinson Readiness Center – The NDNG received \$15,500,000 of federal authority during the 2021-23 biennium to construct the Dickinson Readiness Center. The 2023-25 executive recommendation includes \$10,000,000 of SIIF appropriation, however revised estimates show the required funding can be reduced to \$8,600,000.

The bid opening for this project was held October 5, 2022. The lowest bid was \$20,319,658. Unfortunately, the federal programmed amount for the Dickinson Readiness Center is \$14,264,000. This is base construction only. There are three alternate bid items deemed necessary to meet the readiness needs of the unit. These items are separate from the base construction bid and can be added as funds allow. They are an Unheated Enclosed Vehicle Storage building that protects vehicles and other equipment from the effects of harsh weather (\$750,124), a paved vehicle parking lot (\$104,946) and a 300KW generator upgrade (\$165,825). In total there are \$3,681,435 in alternate bid items. The ones listed above are the highest priority. This creates a deficit of approximately \$7,000,000 that is required to complete the construction of the readiness center. An additional \$1,600,000 is estimated to take into account increasing construction costs, and unforeseen requirements.

We did consider redesign and/or reducing the size of the building as a cost saving measure. This would result in eliminating many essential operational areas such as a maintenance bay, drill floor and multipurpose training room. Reductions of this magnitude jeopardize the functionality and intended purpose of the readiness center. The impact is reduced readiness of the unit. Building a brand-new facility that does not meet the unit training needs defeats the purpose of constructing a new building and will hurt recruiting and retention efforts.

Statewide Interoperability Radio Network (SIRN) Equipment – One-time funding of \$2,700,000 of ARPA funds is included in the executive recommendation and will be utilized to equip the National Guard's emergency communication ability throughout the state. The purchase of radios will allow the National Guard to seamlessly interoperate with other State and Local agencies during domestic emergency responses on the new SIRN system. ND Army and Air National Guard Forces across the state will work and train with this new equipment to be prepared for the next emergency response.

Grants

This line of \$585,692 provides an increase of \$374,776 for rental payments to community owned armories partially occupied by NDNG units in seven communities across North Dakota. During the interim we conducted an assessment of our rental agreements and found that in some cases our rental payments were not even covering the cost of utilities. The last assessment was conducted in 2016. We currently pay a flat rate for space at these community owned facilities. Our proposed increase is based on a square foot calculation of \$2/square foot, which remains well below market average estimated at \$14/square foot. It is important that we fairly compensate these communities to ensure proper maintenance of the space that the NDNG uses.

Civil Air Patrol

The North Dakota Civil Air Patrol (CAP) is an agency called upon for civilian search and rescue as well as information gathering during state disasters. There is one FTE in this program with a budget line of \$389,313. There is an overall increase to this budget line of \$80,188. The increase includes \$60,000 of one-time general fund appropriation for the purchase of a hangar in Minot, \$4,915 for a 3% base budget increase to off-set operating costs such as fuel and training missions, and \$15,273 for salary increases based on the executive recommendation.

The Civil Air Patrol currently leases hangar space in Minot, ND. The lease was entered into in May 2018 and expires June 30, 2023. The individual who currently owns the hangar is no longer interested in owning the building and wishes to sell. The lease agreement contains an Option to Purchase Provision and the Civil Air Patrol would like to execute. If CAP does not purchase the hangar, it will be sold, and they will have to find other space to lease. Some airports used to be able to overlook our small footprint and donate hangar space but have started to charge for that service. Currently, there is no other hangar space available in Minot.

CAP is made up of volunteer professionals who pride themselves on delivering high quality products at a low cost. The ability to continually provide services boils down to the ability to maintain operational readiness for all mission sets. During the past few biennia, funding has allowed paying for one FTE and covers the operations and training budget.

It is critical to the Civil Air Patrol's mission that assets are located and maintained throughout the state of North Dakota. Civil Air Patrol has three primary missions: Aerospace Education, Cadet Programs and Emergency Services. Civil Air Patrol performs 95% of the nation's inland search and rescue, averages over 100 lives saved per year, performs aerial reconnaissance for homeland security, completes disaster-relief and damage assessment, provides transportation for time-sensitive medical materials and is tasked with counterdrug missions.

Tuition, Recruiting and Retention

The State Tuition Assistance (STA) program remains our #1 recruiting tool. The base budget includes \$3,042,235 for the 2023-25 biennium and we are requesting carryover of an estimated \$1,770,000 from the 2021-23 biennium which is identified in Section 6 of the Governor's executive recommendation. This funding provides the resources required to offer up to 100% tuition reimbursement for our qualified members. This critical program allows us to meet the required personnel strength of the NDNG. The carryover will be used to support our intent to expand our tuition assistance program for use outside of North Dakota. We did not make our recruiting goal in 2022 and are projected to fall short in 2023. Offering STA outside of ND allows us to compete with our neighbors. The carryover will also allow us to provide use under existing authority to conduct recruiting and retention programs in order to work towards meeting our personnel numbers. Currently we are running a program called ND500. This program currently provides a \$500 stipend for current members of the NG that provide a lead on a recruit that results in an enlistment, and we would like to expand it to former members. We would like to increase the stipend to \$1,000 and are requesting \$320,000 general fund dollars. The NDNG has managed similar recruiting and retention programs in the past. Full formations ensure we are ready to deploy overseas, respond to domestic emergencies, and ensure we sustain National Guard capabilities.

Air Guard Contracts

This budget line supports the state funded facilities and 30 state FTE's at the ND Air National Guard located at Hector Field in Fargo. Seventeen FTE's are 75% federally funded and 25% generally funded. The remaining 13 FTE's are 100% federally reimbursed. 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. This funding is critical for maintaining our facilities and operations. Overall this budget line shows an increase of \$462,390 which is attributed to one-

time federal fund appropriation in the amount of \$5,000 for projected retirement payouts, along with \$457,390 for the compensation package included in the executive recommendation.

While not in the Governor's budget recommendation, we are also asking for a FTE for a validated requirement for an additional security guard for the 119th Wing at Hector Field in Fargo. Since this is a federal requirement, it will be 100% federally funded through the master cooperative agreement. We will not need any general funds, just the FTE and the authority to accept the federal dollars.

Army Guard Contracts

This budget line supports federally funded facilities and 80 current FTEs, along with four additional FTE requests for the 2023-25 biennium, many of which require a state match of general funds. The executive recommendation has an overall increase of \$4,141,275 which is made up of five agency requests, as well as \$1,352,028 from the executive recommendation's compensation package.

One of the five agency requests is made up of \$40,000 of on-going general funds for State Active Duty training. Since 2021, the NDNG has trained 38 service members and sourced 11 of those service members with national wildfire certification. In order for the NDNG to conduct wildland firefighting operations on 1.7 million acres of federal land in North Dakota, all NDNG personnel responding must possess valid and current federally approved wildland firefighting certification. Furthermore, this capability standardizes training and readiness while strengthening safety standards across all personnel responding to both state and federal wildland firefighting. This capability has continued to shape a positive public perception of the NDNG response capabilities. However, lack of funding and training will result in degrading the NDNG's readiness, safety and public perception to support the US Forestry Service and the state of ND in responding to wildland firefighting operations. To meet federal requirements, without compromising readiness, balancing logistical and operational constraints, \$40,000 is being requested for this capability to be executed annually. This capability will maximize planning and meet the requested month to conduct training with the US Forestry Service instructors as well as maximizing training value with the ability to conduct outdoor practical exercises (to include a mandatory fitness test). This funding would be used for State Active-Duty Service Member pay, lodging, mileage and per diem for those that attend.

A second request in this budget line consists of dollars necessary for the start-up costs and on-going operational and utility costs of the Dickinson Readiness Center communicated during the 67th legislative assembly. The facility's construction, discussed previously, is mostly federally funded. The enduring operational expenses are generally funded 50% federal and 50% general. There are one-time initial expenses along with annual insurance premiums that are 100% general funds. One-time general fund dollars of \$300,000 is requested to purchase equipment (mowers, snow removal, custodial, tools, etc) for the maintenance of the facility and grounds. \$354,000 of on-going funding is necessary for things such as insurance, utilities, building and grounds maintenance, along with various office supplies. The on-gong funding consists of \$183,500 general funds and \$170,500 federal funds. Three additional FTE are also included with this request. With each new facility, a physical plant manager, a maintenance supervisor and a custodial supervisor are necessary to maintain the day-to-day operations. The FTE are funded 50% federal and 50% general for a total cost of \$612,348 budgeted for the 2023-25 biennium. With the delay in construction the initial request in the executive recommendation can be reduced to \$183,500 (\$98,250 general, \$85,250 federal) for operating costs and \$153,088 (\$76,544 general, \$76,544 federal) for the additional FTEs.

As mentioned previously, a training facility at Camp Grafton is included with the executive recommendation. Completion of the fitness facility is expected to be August 2025, and one additional FTE is being requested with an anticipated start date of May 2025 so this individual can be onboarded prior to the opening of the facility. The cost for the 2023-2025 biennium would be two months of salary and benefits for a total of \$12,064, funded 50% federal and 50% state.

On-going general fund maintenance dollars of \$1,500,000 were added to the agency's base budget. The agency owns 330 buildings throughout the state with approximately 20% state funded support required based upon usage. The replacement value is estimated at \$900,000,000 for buildings. Maintaining these facilities is crucial to NDNG Soldier and Airmen readiness for response to federal and state missions.

Current funding levels for maintenance and repairs have not kept pace with increased costs of materials and labor. Additional state funding is required to properly maintain the buildings owned and operated by the National Guard, of which three are used to support four other state and federal agencies such as ND Highway Patrol, Bureau of Criminal Investigation, ND Information Technology, and the Federal Department of Homeland Security. The \$1,000,000 appropriated by the 67th Legislative Assembly was a good first step in correcting this deficiency. However, ongoing maintenance needs require consistent funding.

The known projects and lifecycle updates of building system components that are a priority for the 2023-25 biennium are projected at \$1,300,000. This provides a useful estimate of the additional funds required on a continuing basis going forward. The agency has experienced significant cost increases during the 2021-23 biennium. When comparing our architect's cost estimates to the actual bid amounts contractors have submitted, we have seen increases that have more than doubled the architect's cost estimate. The discrepancy in costs highlights the current environment.

The impact of not funding maintenance requirements is increased probability of catastrophic failure of building systems and equipment as well as increased chances of unsafe, undesirable, or unhealthy working conditions for the over 3,000 full and part-time employees of the NDNG.

Finally, as part of the Army Guard budget line we have requested a one-time federal fund appropriation totaling \$145,000 for projected employee retirement payouts. Retirement eligible individuals hold key positions, and it is not feasible for the agency to hold open the positions to make up salary dollars for the required leave payouts. In order to see success for both the incoming employee, and agency, filling the positions as soon as possible is a must.

Veterans Cemetery

The North Dakota Veterans Cemetery budget line supports five FTE's and four temporary employees during the winter months and seven temporary employees during the summer months. The total number of internments as of December 2022 is just under 11,000. In the last five years, the average number of interments per month is over 50. Special funds, derived from burial revenue and license plate sales reduce general fund requirements and help to fund salaries. This budget line has an overall increase of \$83,119, which can be attributed to the compensation package included in the executive recommendation.

Reintegration Program

The reintegration program supports Soldiers and Airmen throughout a deployment and assists the service member and their families with reintegration upon return. This is critical to the overall readiness of the North Dakota National Guard. This program has four FTEs, of which three are filled: two of three Outreach Specialists and one Human Resource Counselor. The funding in this line item is for salaries, benefits, travel, and minor support costs. There was a decrease in the overall budget line of \$1,830. The decrease is attributed to the transfer of one vacant FTE to another area within the agency, but then offset with the compensation package in the executive recommendation.

Subdivision 2. ND Department of Emergency Services

Salaries and Wages

This budget line in the executive recommendation supports five administrative FTEs, 33 Homeland Security FTEs, federally funded temporary employees, 32 State Radio FTEs, and seven additional FTE requests for the 2023-25 biennium. This line reflects an increase of \$2,870,619. This increase is made up of many factors to include the cost to continue dollars received in the base budget, reallocation of operating dollars to help fund equity adjustments made during the current biennium, the compensation package included in the executive recommendation, one additional training and operations manager for State Radio, as well as six additional FTEs for establishing a 24/7/365 "Watch Center". The Watch Center would provide a central hub for state public safety agencies, creating a persistent capability that scans for all-hazard threats, assesses the potential consequences, and initiates response efforts by alerting appropriate stakeholders, providing continuous incident analysis, and providing stakeholders consistent updates. The operations manager for State Radio would provide the capability to standardize training and information sharing across dispatcher shifts while also significantly reduce overtime and time away from the dispatch center for shift supervisors.

Operating Expenses

The operating expense line supports the basic operating costs of NDDDES. In the executive recommendation, this budget line totals \$7,815,567. This is a combination of a base budget of \$6,502,334 a reallocation of base operating dollars to the salary line to help fund equity adjustments made during the current biennium, and three additional agency requests including increased information technology costs, operating costs for the Watch Center, and funding for the state match on the Safeguarding Tomorrow through Ongoing Risk Mitigation (STORM) Act.

The ND Department of Emergency Services is requesting an increase in the ongoing base budget for increased information technology (IT) costs associated with the IT unification. While the Department of Emergency Services did receive \$18,122 for 2023-25 NDIRT rate increases, this amount is insufficient for projected Public Safety Maintenance and Operations (M&O) costs. Projected Public Safety M&O costs for the next biennium will increase from \$564,000 to \$720,000. This is a net increase of \$156,000. In the 2021-2023 biennium this cost covered 3 FTEs supporting the agency while the 2023-2025 biennium is projected at 2.5 FTEs. The result is a 17% reduction in FTEs serving the agency and a 28% cost increase. The cost per FTE of support increased from \$188,000 last biennium to \$288,000, or 53%.

The Dept of Emergency Services receives a large majority of its funding from federal sources such as grants, which limits the ability to absorb the increased costs. The State Radio Division does have the ability to recoup some of this cost in the future through rate adjustments to participating counties, state agencies, and federal agencies; however, these adjustments are made based on historical costs and not projected costs. This results in NDDDES paying the increase upfront.

Along with the six FTEs requested for the Watch Center, \$264,600 of general funds are necessary for the 24/7/365 operation. The operating dollars would be utilized for items such as open-source threat alerting software and licensing, training costs, increased NDIT fees, memberships and dues, office equipment, and miscellaneous supplies. The Watch Center would provide significant capabilities such as faster, more consistent whole of government emergency response, and real or near real-time emergency information via a public and non-public safety dashboard. One of many scenarios where the Watch Center would prove invaluable is related to school safety. Currently, because the state's Fusion Center is not operational 24/7, the Federal Bureau of Investigation will not notify the state if an online threat to a school is reported. They will notify the local jurisdiction who may or may not have someone available to answer the call or capable of investigating and taking action on the warning. The Watch Center will become the 24/7 backstop to ensure that someone at the local level is warned and prepared for any threats.

Currently, after traditional business hours and on the weekends, the Department of Emergency Services uses 15 staff from various sections within the agency as duty officers. These duty officers are not monitoring for events, but rather react to notifications via phone overnight as well as email prior to going to bed. This costs the state additional money in overtime and requires NDDDES staff to spend time learning and maintaining proficiency in a task that may not be related to their primary role. It is estimated that each of the 15 staff members are spending 20% of their time training to be or acting as a duty officer, resulting in the equivalent of three FTEs being pulled from their primary roles. This results in less time to do their primary jobs, higher overtime costs, increased employee burnout, increased risk of missing significant events, delayed emergency response, and less consistency across duty officers. Similarly, other agencies are also employing on call staff after hours that could be routed through the Watch Center and vetted prior to contacting each agency and/or mobilizing resources.

Another key benefit of the Watch Center is the ability to consolidate public safety data from all stakeholders into one location. A strategic approach to public safety data will allow for NDDDES to leverage current technologies in the development of a digital common operating picture. Further, it lays the groundwork for the future use of artificial intelligence and machine learning to predict and model disasters and their consequences. The longer we wait, the further behind we will be.

The current and future citizens of North Dakota will be served by the Watch Center by creating a true 24/7 capability that continuously scans for threats, rapidly alerts stakeholders, and quickly initiates and coordinates the appropriate response. Earlier warning and faster response times in the long run will result in less citizen injuries or deaths as well as less damage to private and public property. Citizens will also benefit through long term reduced costs of disaster response and recovery.

The STORM Act is new legislation being brought forward through HB 1070. HB 1070 establishes and allows for the administration of a hazard mitigation revolving loan fund.

Communities will use the loan funding to carry out new projects to mitigate against any potential future event deemed as catastrophic. The STORM Act requires the state to provide a 10% match that must be deposited into an interest-bearing account before the federal emergency management agency (FEMA) will provide their 90% cost share each time funding is requested. The state's 10% contribution will always be based on the value of projects submitted by interested applicants each calendar year. In the executive recommendation is \$1,000,000 of one-time funding from the Disaster Relief Fund for the required 10% state match. A \$9,000,000 federal match to the state's \$1,000,000 cost share would result in a future cost savings of \$65,400 based on a PEW research study's finding of \$6.54 saved for every \$1 spent on mitigation activities in North Dakota. That is a tremendous value for any investment.

Capital Assets

Our NDDDES total capital asset line is \$960,000 in the executive recommendation. Of which \$660,000 is funded with federal funds intended for the purchase of disaster response equipment if federal funding becomes available, while the remaining \$300,000 is one-time general fund dollars for the replacement of the current 9-1-1 dispatcher consoles.

The consoles/desks in dispatch currently serve many functions to help keep the dispatcher comfortable and relaxed during a 12-hour shift. They also provide many key and critical components such as the ability to raise/lower monitors, have two shelves for monitors that swivel and pivot to accommodate many/multiple monitors, custom pathways for IT cabling and storage of all machines needed per console, plus storage space for dispatch for manuals, supplies, etc.

The current consoles have been in use for over 15+ years now. With the expansion into the new State Radio facility several years ago, costs were cut by finding similar consoles from other dispatch centers that were at that time replacing theirs with newer equipment. The ten positions in dispatch now have failing motors, heaters, fans, lights and doors. The consoles are no longer supported by the vendor, and we have bought the last of the replacements parts we can find to ensure another year or two of operation of those desks.

Grants

The Grants line has a base budget appropriation of \$14,550,000, with an increase of \$13,240,000 in the executive recommendation. The increase accounts for a new State and Local Cybersecurity Grant program and increased annual and supplemental allocations in existing grant awards

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 2023-25 biennium, we estimate approximately \$74,000,000 in disaster spending authority. This is an increase in federal authority from the base budget, and is based on projected authority required for the 2023-25 biennium. Biennial projections are based on the projected state share of Public Assistance and Hazard Mitigation payments to local subrecipients, increased Public Assistance payments to locals, and increases to federal awards through the Building Resilient Infrastructure and Communities grants. The timing of these expenditures is highly dependent upon completion of on-going repair projects as well as mitigation projects.

The funding for this line is primarily federal funding of \$68,000,000, however, it also includes an estimated \$6,000,000 from the State Disaster Relief fund, and \$25,000 in general funds for operational costs related to disaster support. The current unobligated balance of the State Disaster Relief fund is in excess of \$21,000,000. This includes our remaining obligated balance of \$1,500,000 from five presidential disasters along with pre-disaster and flood mitigation grants for 2016-21

As stated above, our current obligation from the State Disaster Relief fund is \$1,500,000 and our budget request is for \$6,000,000 in the 2023-25 biennium. If project completion is delayed, the timing of our expenditures may also be delayed and require additional authority for the 2023-25 biennium.

Radio Communications

We are not requesting any new funds in the Radio Communications line, however we are requesting carry-over funds for one of our current projects as described in Sections 5 of the executive recommendation. We are requesting the unspent funds for the computer-aided dispatch equipment (CAD). The CAD system went live in the fall of 2022, however we are requesting any remaining funds to be carried over for unforeseen circumstances with final project payouts.

Executive Recommendation Sections 5 - 15 and SB 1016 Sections 3, 4, and 16 - 21.

Carry-Over Clauses

SECTION 5. EXEMPTION. Any amounts carried over from the strategic investment and improvements fund pursuant to section 12 of chapter 16 of the 2021 Session Laws which are unexpended as of June 30, 2023, are not subject to section 54-44.1-11 and any unexpended funds from this appropriation may be used for computer-aided dispatch equipment during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 6. EXEMPTION. The amount appropriated in the tuition, recruiting, and retention line item in subdivision 1 of section 1 of chapter 16 of the 2021 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 current and former members of the North Dakota national guard during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 7. EXEMPTION. The amount of \$80,000 of general funds and \$240,000 of federal funds appropriated for the Fraine Barracks automation system in subdivision 1 of section 1 of chapter 16 of the 2021 session laws is not subject to 54-44.1-11 and any unexpended funds from this appropriation may be used to complete the automation system project during the biennium beginning July 1, 2023, and ending June 30, 2025.

SECTION 8. EXEMPTION. The amount of \$15,500,000 of federal funds appropriated for the construction of the Dickinson Readiness Center in subdivision 1 of section 1 of chapter 16 of the 2021 session laws is not subject to 54-44.1-11 and any unexpended funds from this appropriation may be used to complete the Dickinson Readiness Center project during the biennium beginning July 1, 2023, and ending June 30, 2025.

SECTION 9. EXEMPTION. The amount of \$6,000,000 of federal funds appropriated for the line of communication bridge training site in subdivision 1 of section 1 of chapter 16 of the 2021 session laws is not subject to 54-44.1-11 and any unexpended funds from this appropriation may be used to complete the line of communication bridge project during the biennium beginning July 1, 2023, and ending June 30, 2025.

SECTION 10. EXEMPTION. Any amounts carried over from the National Guard training area and facility development trust fund and the strategic investment and improvements fund pursuant to section 3 and section 14 of chapter 16 of the 2021 Session Laws for the Camp Grafton expansion is not subject to section 54-44.1-11 and any unexpended funds from this appropriation may be used to continue forward with expansion of Camp Grafton during the biennium beginning July 1, 2023, and ending June 30, 2025.

SECTION 11. EXEMPTION. Any amounts carried over from the COVID-19 Response line item pursuant to subdivision 7 of section 1 of chapter 27 of the 2021 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this appropriation may be used for the purpose of defraying COVID-19 and other expenses during the biennium beginning July 1, 2023, and ending June 30, 2025.

SECTION 12. EXEMPTION. Any amounts carried over from the COVID-19 Response line item pursuant to subdivision 7 of section 2 of chapter 28 of the 2021 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this appropriation may be used for the purpose of defraying COVID-19 and other expenses during the biennium beginning July 1, 2023, and ending June 30, 2025.

SECTION 13. EXEMPTION. Any amounts carried over from the COVID-19 Response line item pursuant to emergency commission approval of request #2047 on September 10, 2021 is not subject to section 54-44.1-11 and any unexpended funds from this appropriation may be used for the purpose of defraying COVID-19 and other expenses during the biennium beginning July 1, 2023, and ending June 30, 2025.

SECTION 14. EXEMPTION. Any amounts carried over from the American Rescue Plan Act (ARPA) line item pursuant to subsection 24 of section 1 of chapter 550 of the 2021 special session laws is not subject to section 54-44.1-11 and any unexpended funds from this appropriation may be used for the purpose of replacing the state active-duty software and maintenance during the biennium beginning July 1, 2023, and ending June 30, 2025.

SECTION 15. EXEMPTION. Any amounts carried over from the American Rescue Plan Act (ARPA) line item pursuant to subsection 31 of section 1 of chapter 550 of the 2021 special session laws is not subject to section 54-44.1-11 and any unexpended funds from this appropriation may be used for the purpose of enhancing housing at Camp Grafton during the biennium beginning July 1, 2023, and ending June 30, 2025.

Standard Clauses

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, 2023 and ending June 30, 2025.

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, 2023 and ending June 30, 2025. Any amounts transferred pursuant to this section must be reported to the director of the office of management and budget.

Legislative Intent

SECTION 18. CAMP GRAFTON EXPANSION - LEGISLATIVE INTENT. It is the intent of the sixty-eighth legislative assembly that:

1. The adjutant general contract 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. The adjutant general not use eminent domain for the expansion of camp Grafton.

Others

SECTION 16. TRANSFER – LEGACY EARNINGS FUND – ONE-TIME FUNDING. The office of management and budget shall transfer \$29,000,000 from the legacy earnings fund to the North Dakota adjutant general, of which, \$20,000,000 is for the construction of a military museum and \$9,000,000 for the construction of a training facility at Camp Grafton, for the biennium beginning July 1, 2023, and ending June 30, 2025.

SECTION 17. TRANSFER – STRATEGIC INVESTMENT AND IMPROVEMENTS FUND – ONE-TIME FUNDING. The office of management and budget shall transfer \$16,000,000 from the strategic investment and improvements fund to the North Dakota adjutant general, of which, \$6,000,000 is to go towards the construction of billets at Camp Grafton and \$10,000,000 for the completion of the Dickinson readiness center, for the biennium beginning July 1, 2023, and ending June 30, 2025.

SECTION 19. NORTH DAKOTA MILITARY MUSEUM. The adjutant general may accept funds, including private and federal, to match state funds for the construction of a North Dakota military museum during the period beginning with the effective date of this Act, and ending June 30, 2027. The adjutant general, with the approval of the governor, has entered into an agreement with the state historical society for the construction of a new facility, the renovation of an existing property, and the operations and maintenance of a military museum. The funding provided in this section is considered a one-time funding item.

SECTION 20. APPROPRIATION – TRANSFER – VETERANS’ CEMETERY TRUST FUND – ONE-TIME FUNDING. There is appropriated moneys in the general fund in the state treasury, the unexpended funds of \$26,656 available for the payment of adjusted compensation to veterans that was required to be transferred to the veterans’ cemetery trust fund during the biennium 2019-2021 pursuant to section 12 of chapter 41 of the 2019 Session Laws.

Emergency Clauses

SECTION 21. EMERGENCY. Section 6 and 19 of this Act is declared to be an emergency measure.

Conclusion

Mr. Chairman that completes our 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 modernize facilities and incentives to meet the demands of a continuously changing strategic and competitive environment. Our investment in readiness, increased capacity, and future capabilities must keep pace if we are to remain always ready and always there to perform our state and federal missions. Readiness remains my number one priority. The 2023-25 biennial request for appropriations addresses my most urgent readiness requirements.

I ask for your favorable support of the executive recommendation and am pleased to stand for any questions you may have. Thank you.