

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

First Chamber Comparison to Base Level

	General Fund	Other Funds	Total
2023-25 First Chamber Version	\$29,491,751	\$337,299,718	\$366,791,469
2023-25 Base Level	22,882,232	135,478,358	158,360,590
Increase (Decrease)	\$6,609,519	\$201,821,360	\$208,430,879

First Chamber Changes

A summary of the first chamber's changes to the agency's base level appropriations and the executive budget is attached as an appendix.

Selected Bill Sections Included in the First Chamber Version

Veterans' Cemetery maintenance fund - Section 3 appropriates any funds which are received and deposited in the Veterans' Cemetery maintenance fund pursuant to North Dakota Century Code Sections 37-03-14 and 39-04-10.10 for the operation of the Veterans' Cemetery for the 2023-25 biennium.

Appropriation - Transfer to Veteran's Cemetery trust fund - Section 4 provides a 2021-23 biennium deficiency appropriation and transfer of \$26,656 from the general fund to the Veterans' Cemetery trust fund for the 2021-23 biennium relating to Section 12 of Chapter 41 of the 2019 Session Laws.

Appropriation - Federal State Fiscal Recovery Fund - Section 5 identifies \$16.8 million from the federal State Fiscal Recovery Fund, of which \$5.3 million is for the construction of billets at Camp Grafton, \$8.9 million is for the completion of the Dickinson Readiness Center, and \$2.6 million is for the design and engineering of the Williston Readiness Center, to the Adjutant General. This is one-time funding for the 2023-25 biennium.

Transfer of strategic investment and improvements fund - Section 6 identifies \$2.7 million from the strategic investment and improvements fund (SIIF) for statewide interoperable radio network equipment. This is one-time funding for the 2023-25 biennium.

Cybersecurity grant - Section 7 identifies \$628,000 from the general fund for grants to provide a 10 percent local match for enforcing cybersecurity.

Maintenance and repairs - Section 8 authorizes the Adjutant General to transfer up to \$500,000 from various line items to the operating expenses and capital assets line items for the maintenance and repair of state-owned armories during the 2023-25 biennium. Any amounts transferred must be reported to the Office of Management and Budget.

Exemption - Computer-aided dispatch equipment - Subsection 1 of Section 9 provides that any unexpended funds from SIIF, appropriated for computer-aided dispatch equipment for the 2019-21 biennium and continued into the 2021-23 biennium are not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2023-25 biennium.

Exemption - Tuition, recruiting, and retention - Subsection 2 of Section 9 provides that any unexpended general appropriation authority in the tuition, recruiting, and retention line item for the 2021-23 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2023-25 biennium.

Exemption - Fraine Barracks automation system - Subsection 3 of Section 9 provides that \$80,000 from the general fund and \$240,000 of federal funds appropriated for the Fraine Barracks automation system for the 2021-23 biennium are not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2023-25 biennium.

Exemption - Dickinson Readiness Center - Subsection 4 of Section 9 provides that \$15.5 million of federal funds appropriated for the construction of the Dickinson Readiness Center for the 2021-23 biennium are not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2023-25 biennium.

Exemption - Communication bridge training site - Subsection 5 of Section 9 provides that \$6 million of federal funds appropriated for the line of communication bridge training site for the 2021-23 biennium are not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2023-25 biennium.

Exemption - Camp Grafton expansion - Subsection 6 of Section 9 provides that any unexpended funds from the National Guard training area and facility development trust fund and SIIF appropriated for the Camp Grafton expansion for the 2021-23 biennium are not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2023-25 biennium.

Exemption - COVID-19 response line - Subsection 7 of Section 9 provides that any unexpended funds from the COVID-19 response appropriated for the purpose of defraying COVID-19 and other expenses for the 2021-23 biennium are not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2023-25 biennium.

Exemption - American Rescue Plan Act - Subsections 8 and 9 of Section 9 provide that any unexpended funds from the federal American Rescue Plan Act appropriated for the purposes of replacing the state active-duty software and maintenance

and enhancing housing at Camp Grafton for the 2021-23 biennium are not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2023-25 biennium.

Camp Grafton expansion - Section 10 continues legislative intent approved by the 2019 Legislative Assembly for the Adjutant General to purchase options to purchase or lease land for the Camp Grafton expansion.

North Dakota military museum - Section 11 allows the Adjutant General to accept other funds for the construction of a North Dakota military museum.

Continuing Appropriations

National Guard emergency fund - Section 37-01-04.1 - This fund allows the National Guard to respond to state emergencies.

National Guard military grounds fund - Section 37-03-13 - This fund is used for collecting rental revenues to be used for purchasing military training grounds.

Veterans' Cemetery maintenance fund - Section 37-03-14 - This fund is used to support the operations of the Veterans' Cemetery. The fund receives \$5 from the issuance of each veteran's license plate, grave opening and closing fees, and private and federal funds for the operation of the Veterans' Cemetery.

Veterans' Cemetery trust fund - Section 39-04-10.10 - This fund receives \$5 from the issuance of each veteran's license plate and donations. The interest in the fund is to be deposited in the Veterans' Cemetery maintenance fund for the purpose of providing funding for salaries and maintenance at the cemetery.

Deficiency Appropriations

The executive budget recommendation includes a deficiency appropriation of \$14,556,524 from the general fund to repay Bank of North Dakota loans for the state's share of disaster costs (\$904,203) and law enforcement costs relating to unlawful activity associated with the construction of the Dakota Access Pipeline (\$13,652,321).

Significant Audit Findings

There were no significant audit findings for this agency.

Major Related Legislation

House Bill No. 1069 - Increases pay and benefits received by National Guard members requiring additional funding.

House Bill No. 1070 - Establishes a hazard mitigation revolving loan fund to be administered by the Department of Emergency Services in accordance with the Safeguarding Tomorrow through Ongoing Risk Mitigation (STORM) Act. The STORM Act requires the state to provide a 10 percent match before the Federal Emergency Management Agency (FEMA) will provide its 90 percent cost-share. Funding of \$1 million from the state disaster relief fund has been included in the Adjutant General's budget to meet this requirement.

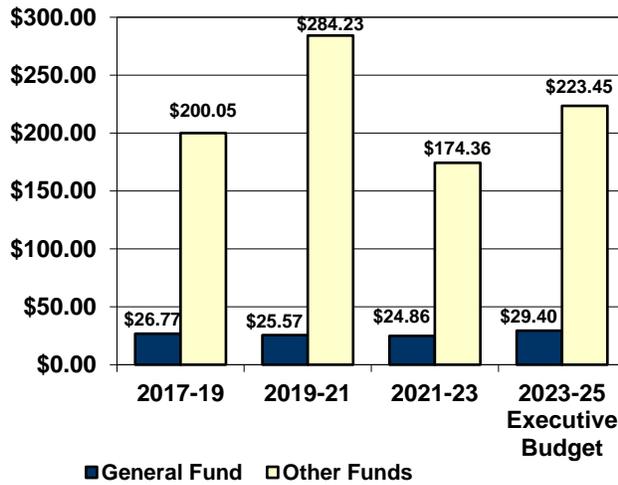
House Bill No. 2094 - Expands National Guard tuition grants to include out-of-state postsecondary education institutions. Unexpended general fund appropriation authority from the 2021-23 biennium tuition, recruiting, and retention line item provides the funding for the estimated cost of \$1,615,000.

House Bill No. 2183 - Provides a 2021-23 biennium deficiency appropriation of \$25 million from the general fund to the Adjutant General for grants to tribal governments, counties, cities, and townships for emergency snow removal.

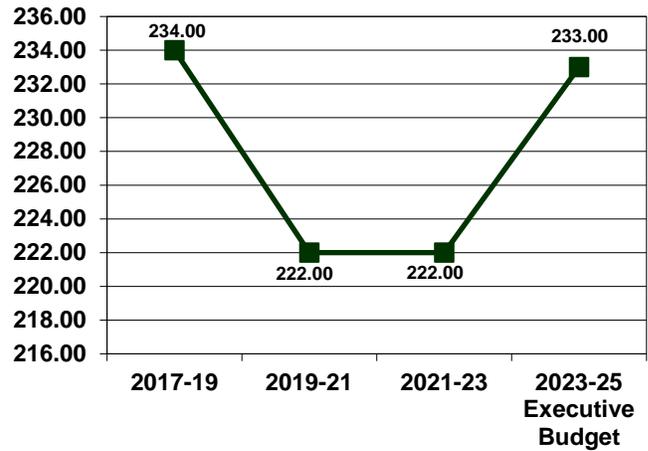
Historical Appropriations Information

Agency Appropriations and FTE Positions

Agency Funding (Millions)



FTE Positions



Ongoing General Fund Appropriations

	2015-17	2017-19	2019-21	2021-23	2023-25 Executive Budget
Ongoing general fund appropriations	\$29,096,100	\$25,886,422	\$27,390,197	\$22,882,232	\$28,642,040
Increase (decrease) from previous biennium	N/A	(\$3,209,678)	\$1,503,775	(\$4,507,965)	\$5,759,808
Percentage increase (decrease) from previous biennium	N/A	(11.0%)	5.8%	(16.5%)	25.2%
Cumulative percentage increase (decrease) from 2015-17 biennium	N/A	(11.0%)	(5.9%)	(21.4%)	(1.6%)

Major Increases (Decreases) in Ongoing General Fund Appropriations

2017-19 Biennium

1. Reduced funding for operating expenses (\$2,307,572)
2. Increased funding for recruitment \$100,000
3. Reduced funding for National Guard armory grants (\$190,961)
4. Removed funding for mortuary response training (\$191,900)
5. Reduced funding for the reintegration program (\$716,075)

2019-21 Biennium

1. Removed 9 FTE positions, including 4 communications specialists, 1 geographic information systems specialist, 1 carpenter, 1 security officer, and 2 veterans benefits specialists (\$1,017,146)
2. Increased funding for National Air Guard and Army Guard contract operating expenses \$475,000
3. Reduced funding for operating expenses, including information technology (IT), travel, utilities, repairs, miscellaneous supplies, and professional services (\$939,727)
4. Increased funding for National Guard tuition assistance, to provide a total of \$4,617,500 \$2,000,000

2021-23 Biennium

1. Transferred maintenance of State Radio towers to the Information Technology Department (\$1,858,240)
2. Removed 2 FTE positions, including a facility services position and reintegration program position (\$476,508)
3. Reduced funding for tuition assistance to provide a total of \$3,042,235 (\$1,739,837)
4. Reduced funding for the National Guard (\$808,320)

2023-25 Biennium (Executive Budget Recommendation)

1. Adds 6 FTE positions for a watch center, of which \$1,233,992 is for salaries and wages and \$234,600 is for ongoing operating expenses	\$1,468,592
2. Adds 3 FTE positions for the Dickinson Readiness Center, of which \$306,174 is for salaries and wages and \$183,500 is for ongoing operating expenses	\$489,674
3. Adds 1 FTE for State Radio	\$153,274
4. Adjusts funding for State Radio FTE cost to continue	\$168,286
5. Adds funding for maintenance and repairs to provide a total of \$15,154,053	\$1,500,000
6. Adds funding for increase in armory rent	\$374,776
7. Adds funding for increased IT unification costs	\$156,000

One-Time General Fund Appropriations

	2015-17	2017-19	2019-21	2021-23	2023-25 Executive Budget
One-time general fund appropriations	\$1,844,672	\$887,823	\$181,000	\$1,980,000	\$760,000

Major One-Time General Fund Appropriations

2017-19 Biennium

. Repayment of the Bank of North Dakota loans for disaster costs	\$867,823
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2019-21 Biennium

IT upgrades	\$181,000
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2021-23 Biennium

1. Camp Grafton expansion	\$1,750,000
2. Emergency response equipment and supplies	\$100,000

2023-25 Biennium (Executive Budget Recommendation)

1. State Radio console replacement	\$300,000
2. Dickinson Readiness Center	\$300,000
3. Retirement packages for retirees	\$100,000
4. Minot hangar purchase	\$60,000

Adjutant General - Budget No. 540
Senate Bill No. 2016
Base Level Funding Changes

	Executive Budget Recommendation				Senate Version			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2023-25 Biennium Base Level	222.00	\$22,882,232	\$135,478,358	\$158,360,590	222.00	\$22,882,232	\$135,478,358	\$158,360,590
2023-25 Ongoing Funding Changes								
Costs to continue salary increase		\$91,390	\$194,853	\$286,243		\$91,390	\$194,853	\$286,243
Salary increase		965,608	1,755,542	2,721,150		720,583	1,315,228	2,035,811
Health insurance increase		332,474	737,408	1,069,882		340,122	754,371	1,094,493
Adds 1 FTE operations and training manager position for State Radio	1.00	153,274	102,182	255,456	1.00	153,274	102,182	255,456
Adds 6 FTE positions for the watch center	6.00	1,468,592		1,468,592	6.00	1,468,592		1,468,592
Adds 3 FTE positions for the Dickinson Readiness Center	3.00	489,674	476,674	966,348	3.00	174,794	161,794	336,588
Adds 1 FTE general trades maintenance worker position	1.00	6,032	6,032	12,064				0
Adds 1 FTE position for Air National Guard security forces				0	1.00		142,638	142,638
Adjusts funding for State Radio FTE cost to continue		168,286	(168,286)	0		168,286	(168,286)	0
Adds funding for IT rate increase		8,787	18,670	27,457		8,787	18,670	27,457
Transfers funding between line items			(1)	(1)			(1)	(1)
Adds funding for increase in armory rent		374,776		374,776		374,776		374,776
Adds funding for Civil Air Patrol 3 percent operating costs increase		4,915		4,915		4,915		4,915
Adds funding for ND1000 recruiting program				0		320,000		320,000
Adds funding for state active duty training funds		40,000		40,000		40,000		40,000
Adds funding for maintenance and repairs		1,500,000		1,500,000		1,500,000		1,500,000
Adds funding for increased IT unification costs		156,000		156,000		156,000		156,000
Removes ongoing funding for federal equipment			(660,000)	(660,000)			(660,000)	(660,000)
Adds funding for homeland security grants			13,240,000	13,240,000			13,240,000	13,240,000
Adds funding for cybersecurity grant				0		628,000		628,000
Adjusts funding for disaster grants			22,732,411	22,732,411			22,732,411	22,732,411
Total ongoing funding changes	11.00	\$5,759,808	\$38,435,485	\$44,195,293	11.00	\$6,149,519	\$37,833,860	\$43,983,379
One-Time Funding Items								
Adds one-time funding for retirement payouts		\$100,000	\$175,000	\$275,000		\$100,000	\$175,000	\$275,000
Adds one-time funding for statewide interoperable radio network equipment			2,700,000	2,700,000			2,700,000	2,700,000
Adds one-time funding for a Camp Grafton fitness facility project			9,000,000	9,000,000				0
Adds one-time funding for Camp Grafton training center billets project			6,000,000	6,000,000			5,300,000	5,300,000
Adds one-time funding for a military museum project			20,000,000	20,000,000				0
Adds one-time funding for Dickinson Readiness Center		300,000	10,000,000	10,300,000			8,900,000	8,900,000
Adds one-time funding for a Minot hangar purchase		60,000		60,000		60,000		60,000
Adds one-time funding for the STORM Act			1,000,000	1,000,000			1,000,000	1,000,000
Adds one-time funding for the replacement of State Radio consoles		300,000		300,000		300,000		300,000
Adds one-time funding for disaster response equipment			660,000	660,000			660,000	660,000
Adds one-time funding for Williston Readiness Center				0			2,600,000	2,600,000
Adds one-time funding for disaster grants				0			142,652,500	142,652,500
Total one-time funding changes	0.00	\$760,000	\$49,535,000	\$50,295,000	0.00	\$460,000	\$163,987,500	\$164,447,500
Total Changes to Base Level Funding	11.00	\$6,519,808	\$87,970,485	\$94,490,293	11.00	\$6,609,519	\$201,821,360	\$208,430,879
2023-25 Total Funding	233.00	\$29,402,040	\$223,448,843	\$252,850,883	233.00	\$29,491,751	\$337,299,718	\$366,791,469
<i>Federal funds included in other funds</i>			<i>\$163,359,085</i>				<i>\$313,867,906</i>	
<i>Total ongoing changes as a percentage of base level</i>	<i>5.0%</i>	<i>25.2%</i>	<i>28.4%</i>	<i>27.9%</i>	<i>5.0%</i>	<i>26.9%</i>	<i>27.9%</i>	<i>27.8%</i>
<i>Total changes as a percentage of base level</i>	<i>5.0%</i>	<i>28.5%</i>	<i>64.9%</i>	<i>59.7%</i>	<i>5.0%</i>	<i>28.9%</i>	<i>149.0%</i>	<i>131.6%</i>

Other Sections in Adjutant General - Budget No. 540

	<u>Executive Budget Recommendation</u>	<u>Senate Version</u>
Veterans' Cemetery maintenance fund	Section 3 would appropriate any funds which are received and deposited in the Veterans' Cemetery maintenance fund pursuant to Sections 37-03-14 and 39-04-10.10 for the operation of the Veterans' Cemetery for the 2023-25 biennium.	Section 3 appropriates any funds which are received and deposited in the Veterans' Cemetery maintenance fund pursuant to Sections 37-03-14 and 39-04-10.10 for the operation of the Veterans' Cemetery for the 2023-25 biennium.
Transfer to Veterans' Cemetery trust fund	Section 20 would provide for the transfer \$26,656 of unexpended funding from the general fund for payment of adjusted compensation to veterans pursuant to Section 12 of Chapter 41 of the 2019 Session Laws to the Veterans' Cemetery trust fund.	Section 4 provides for a 2021-23 biennium deficiency appropriation and for the transfer of \$26,656 from the general fund to the Veterans' Cemetery trust fund.
Federal State Fiscal Recovery Fund		Section 5 identifies \$16.8 million from the State Fiscal Recovery Fund, of which \$5.3 million is for the construction of billets at Camp Grafton, \$8.9 million is for the completion of the Dickinson Readiness Center, and \$2.6 million is for the design and engineering of the Williston Readiness Center, to the Adjutant General.
Transfer of SIIF	Section 17 would transfer \$16 million from the SIIF, of which \$6 million is for the construction of billets at Camp Grafton and \$10 million is for the completion of the Dickinson Readiness Center, to the Adjutant General.	Section 6 identifies \$2.7 million from SIIF for statewide interoperable radio network equipment.
Cybersecurity grant		Section 7 identifies \$628,000 from the general fund for grants to provide a 10 percent local match for enforcing cybersecurity.
Maintenance and repairs	Section 4 would authorize the Adjutant General to transfer up to \$500,000 from various line items to the operating expenses and capital assets line items for the maintenance and repair of state-owned armories during the 2023-25 biennium. Any amounts transferred must be reported to the Office of Management and Budget.	Section 8 authorizes the Adjutant General to transfer up to \$500,000 from various line items to the operating expenses and capital assets line items for the maintenance and repair of state-owned armories during the 2023-25 biennium. Any amounts transferred must be reported to the Office of Management and Budget.
Exemption - Computer-aided dispatch equipment	Section 5 would provide that any unexpended funds from SIIF, appropriated for computer-aided dispatch equipment for the 2019-21 biennium and continued into the 2021-23 biennium, are not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2023-25 biennium.	Subsection 1 of Section 9 provides that any unexpended funds from SIIF, appropriated for computer-aided dispatch equipment for the 2019-21 biennium and continued into the 2021-23 biennium, are not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2023-25 biennium.
Exemption - Tuition, recruiting, and retention	Section 6 would provide that any unexpended general fund or special funds appropriation authority in the tuition, recruiting, and retention line item for the 2021-23 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2023-25 biennium.	Subsection 2 of Section 9 provides that any unexpended general fund appropriation authority in the tuition, recruiting, and retention line item for the 2021-23 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2023-25 biennium.
Exemption - Fraine Barracks automation system	Section 7 would provide that \$80,000 from the general fund and \$240,000 of federal funds appropriated for the Fraine Barracks automation system for the 2021-23 biennium are not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2023-25 biennium.	Subsection 3 of Section 9 provides that \$80,000 from the general fund and \$240,000 of federal funds appropriated for the Fraine Barracks automation system for the 2021-23 biennium are not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2023-25 biennium.
Exemption - Dickinson Readiness Center	Section 8 would provide that \$15.5 million of federal funds appropriated for the construction of the Dickinson Readiness Center for the 2021-23 biennium are not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2023-25 biennium.	Subsection 4 of Section 9 provides that \$15.5 million of federal funds appropriated for the construction of the Dickinson Readiness Center for the 2021-23 biennium are not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2023-25 biennium.

Other Sections in Adjutant General - Budget No. 540

	<u>Executive Budget Recommendation</u>	<u>Senate Version</u>
Exemption - Communication bridge training site	Section 9 would provide that \$6 million of federal funds appropriated for the line of communication bridge training site for the 2021-23 biennium are not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2023-25 biennium.	Subsection 5 of Section 9 provides that \$6 million of federal funds appropriated for the line of communication bridge training site for the 2021-23 biennium are not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2023-25 biennium.
Exemption - Camp Grafton expansion	Section 10 would provide that any unexpended funds from the National Guard training area and facility development trust fund and SIIF appropriated for the Camp Grafton expansion for the 2021-23 biennium are not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2023-25 biennium.	Subsection 6 of Section 9 provides that any unexpended funds from the National Guard training area and facility development trust fund and SIIF appropriated for the Camp Grafton expansion for the 2021-23 biennium are not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2023-25 biennium.
Exemption - COVID-19 response line	Sections 11, 12, and 13 would provide that any unexpended funds from the COVID-19 response appropriated for the purpose of defraying COVID-19 and other expenses for the 2021-23 biennium are not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2023-25 biennium.	Subsection 7 of section 9 provides that any unexpended funds from the COVID-19 response appropriated for the purpose of defraying COVID-19 and other expenses for the 2021-23 biennium are not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2023-25 biennium.
Exemption - American Rescue Plan Act	Sections 14 and 15 would provide that any unexpended funds from the American Rescue Plan Act appropriated for the purposes of replacing the state active-duty software and maintenance and enhancing housing at Camp Grafton for the 2021-23 biennium are not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2023-25 biennium.	Subsections 8 and 9 of Section 9 provide that any unexpended funds from the American Rescue Plan Act appropriated for the purposes of replacing the state active-duty software and maintenance and enhancing housing at Camp Grafton for the 2021-23 biennium are not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2023-25 biennium.
Camp Grafton expansion	Section 18 would continue legislative intent approved by the 2019 Legislative Assembly for the Adjutant General to purchase options to purchase or lease land for the Camp Grafton expansion.	Section 10 continues legislative intent approved by the 2019 Legislative Assembly for the Adjutant General to purchase options to purchase or lease land for the Camp Grafton expansion.
North Dakota military museum	Section 19 would authorize the Adjutant General to accept other funds to match state funds to construct a North Dakota military museum.	Section 11 allows the Adjutant General to accept funds, including private and federal, for the construction of a North Dakota military museum.
Emergency clause		Section 12 declares sections 4 and 7 of this act to be an emergency measure.
Transfer of legacy earnings fund	Section 16 would transfer \$29 million from the legacy earnings fund, of which \$20 million is for the construction of a military museum and \$9 million is for the construction of a training facility at Camp Grafton, to the Adjutant General.	