



**EXECUTIVE BUDGET RECOMMENDATION
2025-27 BIENNIUM**

Budget Summary

	FTE Positions	General Fund	Other Funds	Total
Executive budget recommendation	240.00	\$34,564,892	\$270,028,840	\$304,593,732
Base level	233.00	25,611,342	172,971,352	198,582,694
Increase (decrease)	7.00	\$8,953,550	\$97,057,488	\$106,011,038
Percentage increase (decrease)	3.0%	35.0%	56.1%	53.4%

NOTE:

More detailed information on the executive budget recommendation is attached as Appendix A.

A copy of the draft appropriations bill reflecting the executive budget recommendation is attached as Appendix B.

Selected Highlights

- Adds \$2,196,977, of which \$735,834 is from the general fund and \$1,461,143 is from other funds, for salary increases of up to 4 percent effective July 1, 2025, and 3 percent effective July 1, 2026
- Adds \$1,375,210, of which \$431,679 is from the general fund and \$943,531 is from other funds, for a health insurance premium increase of \$250 per month (15.2 percent), from \$1,643 to \$1,893, per employee
- Adds \$3,694,230, of which \$1,870,255 is from the general fund and \$1,823,975 is from other funds, to replace the 2023-25 biennium new FTE pool (\$1,346,386) and 2023-25 biennium vacant FTE pool (\$2,347,844)
- Adds \$1,541,964, of which \$1,014,342 is from the general fund and \$527,622 is from other funds, for 7 new FTE positions, including 2 next generation leader program FTE positions (\$488,590), 2 FTE watch center positions (\$435,336), 1 FTE construction coordinator position (\$257,694), 1 FTE custodial supervision position (\$180,832), and 1 FTE Veterans' Cemetery administration position (\$179,512)
- Adds \$10,987,569, of which \$1,076,645 is from the general fund and \$9,910,924 is from other funds, for operating expenses and repairs
- Adds \$2 million from the disaster relief fund for emergency response funding
- Adds \$2,781,796 in federal funds for increased projected federal authority for land and buildings
- Adds \$38,894,107 in federal funds for disaster grants, to provide a total of \$107,989,908 in other funds for disaster grants
- Adds **one-time funding** of \$34 million from federal funds for an addition to the regional training institute at Camp Grafton
- Adds **one-time funding** of \$2.5 million from the general fund for the design of the Williston Readiness Center
- Adds **one-time funding** of \$525,000 from the general fund for a statewide radio law enforcement redundant switch
- Adds **one-time funding** of \$745,000 from the general fund for statewide interoperable radio network (SIRN) costs
- Adds **one-time funding** of \$1 million from the general fund for a critical infrastructure state matching fund
- Adds **one-time funding** of \$4.6 million from other funds for the Safeguarding Tomorrow through Ongoing Risk Mitigation (STORM) Act

Deficiency Appropriations

The executive budget recommendation includes a deficiency appropriation of \$16,474,990 from the general fund to repay Bank of North Dakota loans for the state's share of disaster costs (\$2,188,735) and law enforcement costs relating to unlawful activity associated with the construction of the Dakota Access Pipeline (\$14,286,255).

Significant Audit Findings

There are no significant audit findings for this agency.

Agency Fees

As reported to the Legislative Management, pursuant to North Dakota Century Code Section 54-35-27, this agency has three fees. The agency did not recommend any changes to the fees.

Major Related Legislation

House Bill No. 1073 - This bill would authorize the use of the state disaster relief fund following a declaration of a state of disaster or emergency issued by the Governor in accordance with Section 37-17.1-05.

House Bill No. 1076 - This bill would increase the payment of a death benefit to the beneficiary or next of kin of a member of the National Guard who died while serving on state active duty from \$15,000 to \$100,000.

House Bill No. 1079 - This bill would rename the divisions within the Department of Emergency Services. The Division of Homeland Security would be renamed the Division of Homeland Security and Emergency Management, and State Radio would be renamed the State Emergency Communications Center.

Senate Bill No. 2082 - This bill would authorize the Division of Homeland Security director to set fees for the state hazardous chemical fee system.

Senate Bill No. 2114 - This bill would authorize the Division of State Radio director to set State Radio system and service fees.

NOTE:

Please see the Fiscal Impact Report for additional information regarding bills under consideration which contain either a state revenue impact, an appropriation, or a state fiscal impact.



Adjutant General - Budget No. 540 Agency Worksheet - House Bill No. 1016

	Executive Budget			
	FTE Positions	General Fund	Other Funds	Total
2025-27 Biennium Base Level	233.00	\$25,611,342	\$172,971,352	\$198,582,694
2025-27 Ongoing Funding Changes				
Base payroll changes		(\$625,653)	(\$226,649)	(\$852,302)
Salary increase		735,834	1,461,143	2,196,977
Health insurance increase		431,679	943,531	1,375,210
Adds funding to replace the 2023-25 new FTE pool		1,039,786	306,600	1,346,386
Adds funding to replace the 2023-25 vacant FTE pool		830,469	1,517,375	2,347,844
Adjusts funding for temporary salaries and overtime		(1,029,675)	611,961	(417,714)
Moves reintegration program to salaries and operating				0
Adds funding for 2 next generation leader program FTE positions	2.00	488,590		488,590
Adds funding for an FTE custodial supervision position	1.00	90,416	90,416	180,832
Adds funding for an FTE Veterans' Cemetery administration position	1.00		179,512	179,512
Adds funding for 2 FTE watch center positions	2.00	435,336		435,336
Adds funding for 2 partially funded FTE positions at the Dickinson Readiness Center		186,618	186,616	373,234
Adds funding for a partially funded FTE maintenance position		84,384	84,384	168,768
Adds funding for an FTE construction coordinator position	1.00		257,694	257,694
Adjusts base level funding for operating expenses		989,745	8,781,508	9,771,253
Adjusts base level funding for repairs		86,900	1,129,416	1,216,316
Adjusts base funding for special assessments and property taxes		(124,046)		(124,046)
Adds funding for information technology operations and maintenance costs		509,232		509,232
Adds funding for a North Dakota response website		87,336		87,336
Adds emergency response funding			2,000,000	2,000,000
Adds funding for land and buildings			2,781,796	2,781,796
Adjusts funding for disaster grants		(33,401)	37,692,185	37,658,784
Total ongoing funding changes	7.00	\$4,183,550	\$57,797,488	\$61,981,038
One-Time Funding Items				
Adds funding for an addition to the existing regional training institute at Camp Grafton			\$34,000,000	\$34,000,000
Adds funding for the Williston Readiness Center design		\$2,500,000		2,500,000
Adds funding for a State Radio law enforcement redundant switch		525,000		525,000
Adds funding for SIRN costs		495,000		495,000
Adds funding for a critical infrastructure state matching fund		1,000,000		1,000,000
Adds funding for Civil Air Patrol SIRN upgrade		250,000		250,000
Adds funding for disaster response equipment			660,000	660,000
Adds funding for the STORM Act program			4,600,000	4,600,000

Total one-time funding changes	0.00	\$4,770,000	\$39,260,000	\$44,030,000
Total Changes to Base Level Funding	7.00	\$8,953,550	\$97,057,488	\$106,011,038
2025-27 Total Funding	240.00	\$34,564,892	\$270,028,840	\$304,593,732

Federal funds included in other funds

\$249,645,130

Total ongoing changes - Percentage of base level

3.0%

16.3%

33.4%

31.2%

Total changes - Percentage of base level

3.0%

35.0%

56.1%

53.4%

Other Sections in Adjutant General - Budget No. 540

Section Description	Executive Budget
FTE position adjustments	Section 3 would authorize the Adjutant General to increase or decrease authorized FTE positions subject to the availability of funds.
Veterans' Cemetery maintenance fund	Section 4 would appropriate any funds which are received and deposited into the Veterans' Cemetery maintenance fund, pursuant to Sections 37-03-14 and 39-04-10.10 for the operations of the Veterans' Cemetery for the 2025-27 biennium.
Line item transfers	Section 5 would provide authority for the Adjutant General to transfer up to \$500,000 from any line item to the operating expenses and capital assets line items.
Disaster relief fund - STORM Act program	Section 6 would identify \$3.9 million of the funding appropriated in Section 1 is from the disaster relief fund for the STORM Act program.
Disaster relief fund - Natural disaster response and recovery grants	Section 7 would identify \$2 million of the funding appropriated in Section 1 is from the disaster relief fund for natural disaster response and recovery grants.
Exemption - Dickinson Readiness Center	Section 8 would authorize the continuation of unexpended federal funds appropriation authority relating to the construction of the Dickinson Readiness Center for the 2023-25 biennium into the 2025-27 biennium.
Exemption - Line of communication bridge training site	Section 9 would authorize the continuation of unexpended federal funds appropriation authority relating to the line of communication bridge training site for the 2023-25 biennium into the 2025-27 biennium.
Exemption - Camp Grafton fitness facility	Section 10 would authorize the continuation of up to \$9 million in unexpended federal State Fiscal Recovery Fund appropriation authority relating to the construction of the Camp Grafton fitness facility for the 2023-25 biennium into the 2025-27 biennium.
Exemption - Tuition, recruiting, and retention	Section 11 would authorize the continuation of unexpended appropriation authority relating to the tuition, recruiting, and retention line item for the 2023-25 biennium into the 2025-27 biennium.
Exemption - Camp Grafton expansion	Section 12 would authorize the continuation of unexpended National Guard training area and facility development trust fund appropriation authority relating to the expansion of Camp Grafton for the 2023-25 biennium into the 2025-27 biennium.
Exemption - State active-duty software and maintenance	Section 13 would authorize the continuation of unexpended State Fiscal Recovery Fund appropriation authority relating to replacing state active-duty software and maintenance for the 2023-25 biennium into the 2025-27 biennium.
Exemption - Cybersecurity grants	Section 14 would authorize the continuation of up to \$314,000 in unexpended general fund appropriation authority relating to cybersecurity grants for the 2023-25 biennium into the 2025-27 biennium.

Other Sections in Adjutant General - Budget No. 540

Section Description	Executive Budget
Exemption - Flood mitigation grants	Section 15 would authorize the continuation of up to \$225,000 in unexpended disaster relief fund appropriation authority relating to flood mitigation grants for the 2023-25 biennium into the 2025-27 biennium.
Legislative intent - Camp Grafton	Section 16 would provide legislative intent that the Adjutant General contract for the purchase or long-term lease of land for the Camp Grafton expansion and that the Adjutant General not use eminent domain for the expansion.
North Dakota military gallery	Section 17 would authorize the Adjutant General to accept private and federal funds to match state funds for the construction of a North Dakota military gallery.
Emergency measure	Section 18 would provide that subdivisions 1 and 2 of Section 1, relating to the next generation leader program and STORM Act funding, are declared to be an emergency measure.

Sixty-ninth
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1016
(Governor's Recommendation)

Introduced by

Appropriations Committee

(At the request of the Governor)

A bill for an Act to provide an appropriation for defraying the expenses of the office of adjutant general; to provide exemptions; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the office of the adjutant general for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2025 and ending June 30, 2027, as follows:

Subdivision 1.

NATIONAL GUARD

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and Wages	\$ 7,745,742	(\$3,325,989)	\$4,419,753
Operating Expenses	3,214,211	(2,388,560)	825,651
Capital Assets	224,046	36,275,954	36,500,000
Grants	470,692	0	470,692
Civil Air Patrol	330,642	271,231	601,873
Tuition, Recruiting, and Retention	3,362,235	0	3,362,235
Air Guard Contract	8,928,725	1,018,697	9,947,422
Army Guard Contract	49,586,921	15,841,746	65,428,667
Veterans' Cemetery	1,401,147	313,926	1,715,073
Reintegration Program	<u>900,634</u>	<u>(900,634)</u>	<u>0</u>
Total All Funds	\$76,164,995	\$47,106,371	\$123,271,366
Less Estimated Income	<u>58,308,740</u>	<u>41,758,724</u>	<u>100,067,464</u>
Total General Fund	\$17,856,255	\$5,347,647	\$23,203,902

Subdivision 2.

DIVISION OF EMERGENCY SERVICES

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and Wages	\$13,562,188	\$3,303,136	\$16,865,324
Operating Expenses	6,815,567	760,774	7,576,341
Capital Assets	0	660,000	660,000
Grants	27,790,000	0	27,790,000
Disaster Costs	74,249,944	53,160,757	127,410,701
Radio Communications	<u>0</u>	<u>1,020,000</u>	<u>1,020,000</u>
Total All Funds	\$122,417,699	\$58,904,667	\$181,322,366
Less Estimated Income	<u>114,662,611</u>	<u>55,298,765</u>	<u>169,961,376</u>
Total General Fund	\$7,755,088	\$3,605,902	\$11,360,990

Subdivision 3.

BILL TOTAL

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand Total General Fund	\$25,611,343	\$8,953,549	\$34,564,892
Grand Total Other Funds	<u>172,971,351</u>	<u>97,057,489</u>	<u>270,028,840</u>
Grand Total All Funds	\$198,582,694	\$106,011,038	\$304,593,732
Full-Time Equivalent Positions	233.00	7.00	240.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-eighth legislative assembly for the 2023-25 biennium and the 2025-27 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2023-25</u>	<u>2025-27</u>
Deferred maintenance	\$1,000,000	\$ 0
Cybersecurity grant	314,000	0
Dickinson Readiness Center	8,900,000	0
STORM Act	1,000,000	4,600,000
Emergency Response Equipment	660,000	660,000
Flood mitigation grants	225,000	0
Natural disaster response & recovery grants	2,000,000	0
Hangar Purchase in Minot	60,000	0
State Radio Consoles	150,000	0
Leave Retirement Payout	275,000	0
SIRN Equipment	2,700,000	0
Camp Grafton Training Facility	9,000,000	0
Disaster grants	142,652,500	0
SIRN dual maintenance costs	0	495,000
Redundant switch	0	525,000
Critical infrastructure state match	0	1,000,000
RTI billeting addition	0	34,000,000
Williston readiness center design funding	0	2,500,000
Civil Air Patrol SIRN funding	<u>0</u>	<u>250,000</u>
Total All Funds	\$168,936,500	\$44,030,000
Total Special Funds	<u>167,312,500</u>	<u>39,260,000</u>
Total General Fund	\$1,624,000	\$4,770,000

The 2025-27 one-time funding amounts are not a part of the entity's base budget for the 2027-29 biennium. The adjutant general shall report to the appropriations committees of the seventieth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2025 and ending June 30, 2027.

SECTION 3. EXEMPTION – FULL-TIME EQUIVALENT POSITION ADJUSTMENTS. Notwithstanding any other provisions of law, the adjutant general may increase or decrease authorized full-time equivalent positions as needed, subject to the availability of funds, during the biennium beginning July 1, 2025, and ending June 30, 2027. The adjutant general shall report to the office of management and budget and legislative council any adjustments made pursuant to this section.

SECTION 4. 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, 2025 and ending June 30, 2027.

SECTION 5. EXEMPTION – LINE ITEM TRANSFERS. Notwithstanding section 54-16-04, the director of the office of management and budget shall transfer up to \$500,000 of appropriation authority to the operating expenses and capital assets line items contained in section 1 of this Act from the various other line items contained in section 1 of this Act, as requested by the adjutant general during the biennium beginning July 1, 2025, and ending June 30, 2027. The adjutant general shall notify the legislative council of any transfers made pursuant to

this section.

SECTION 6. ESTIMATED INCOME – STATE DISASTER RELIEF FUND. The estimated income line item in subdivision 2 of section 1 of this Act includes \$3,900,000 from the state disaster relief fund for the STORM Act program.

SECTION 7. NATURAL DISASTER RESPONSE AND RECOVERY GRANTS. The disaster costs line item in subdivision 2 of section 1 of this Act includes \$2,000,000 from the state disaster relief fund for preparing for, responding to, and recovering from natural disasters.

SECTION 8. EXEMPTION. Any amounts carried over of federal funds appropriated for the construction of the Dickinson Readiness Center in section 12.4 of chapter 48 of the 2023 session laws, along with additional federal funds appropriated through Emergency Commission Requests #2107 and #2137 are 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, 2025, and ending June 30, 2027.

SECTION 9. EXEMPTION. Any amounts carried over of federal funds appropriated for the line of communication bridge training site in section 12.5 of chapter 48 of the 2023 session laws, along with additional federal funds appropriated through Emergency Commission Requests #2106 and #2123 are 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, 2025, and ending June 30, 2027.

SECTION 10. EXEMPTION. The amount of \$9,000,000 of federal state fiscal recovery funds appropriated in subdivision 1 of section 1 of chapter 48 of the 2023 Session Laws, along with additional federal funds appropriated through Emergency Commission Request #2108 for the construction of the Camp Grafton fitness facility are not subject to 54-44.1-11 and any unexpended funds from this appropriation may be used to complete the construction of the fitness facility during the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 11. EXEMPTION. The amount appropriated in the tuition, recruiting, and retention line item in subdivision 1 of section 1 of chapter 48 of the 2023 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this appropriation may be used for tuition assistance program administration and operating costs and 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, 2025, and ending June 30, 2027.

SECTION 12. EXEMPTION. Any amounts carried over from the National Guard training area and facility development trust fund pursuant to section 12.6 and 13 of chapter 48 of the 2023 Session Laws for the expansion of Camp Grafton is not subject to section 54-44.1-11 and any unexpended funds from this appropriation may be used to continue forward with the expansion of Camp Grafton during the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 13. EXEMPTION. Any amounts carried over from the federal state fiscal recovery fund for pursuant to section 12.8 of chapter 48 of the 2023 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, 2025, and ending June 30, 2027.

SECTION 14. EXEMPTION. The amount of \$314,000 of general funds appropriated for cybersecurity grants in section 9 of chapter 48 of the 2023 session laws is not subject to 54-44.1-11 and any unexpended funds from this appropriation may be used to provide grants to political subdivisions for all or a portion of the required five percent local match for cybersecurity enforcement during the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 15. EXEMPTION. The amount of \$225,000 of disaster relief funds appropriated for flood mitigation grants in section 7 of chapter 48 of the 2023 session laws is not subject to 54-44.1-11 and any unexpended funds from this appropriation may be used to provide flood mitigation grants during the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 16. CAMP GRAFTON EXPANSION - LEGISLATIVE INTENT. It is the intent of the sixty-

ninth 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.

SECTION 17. NORTH DAKOTA MILITARY GALLERY. The adjutant general may accept funds including private and federal, to match state funds for the construction of a North Dakota military gallery 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 gallery. The funding provided in this section is considered a one-time funding item.

SECTION 18. EMERGENCY. Section 1 subdivision 1, related to the next generation leader program, and section 1 subdivision 2, related to STORM Act funding, of this Act are declared to be an emergency measure.