

Adjutant General, including the National Guard and the Department of Emergency Services
Budget No. 540
House Bill Nos. 1016 and 1024; Senate Bill No. 2174

	FTE Positions	General Fund	Other Funds	Total
2017-19 legislative appropriation	234.00	\$25,886,422	\$198,468,480	\$224,354,902
2015-17 legislative appropriation	<u>234.00</u>	<u>30,940,772</u>	<u>208,232,027¹</u>	<u>239,172,799</u>
2017-19 appropriation increase (decrease) to 2015-17 appropriation	0.00	(\$5,054,350)	(\$9,763,547)	(\$14,817,897)

¹The 2015-17 other funds appropriation includes a \$79,500 deficiency appropriation from the strategic investment and improvements fund to repay a Bank of North Dakota loan for the state's share of disaster costs relating to 2015 Burleigh County fires.

Item Description

One-time funding - The Legislative Assembly provided \$54,869,000 of one-time funding to the Adjutant General.

	Other Funds
Emergency response equipment	\$569,000
Mobile repeaters and programming radios (strategic investment and improvements fund)	300,000
National Guard Readiness Center	33,000,000
Dakota Access Pipeline (DAPL) law enforcement (House Bill No. 1024, Senate Bill No. 2174)	21,000,000
Total	\$54,869,000

Status/Result

The following is a summary of the status of the Adjutant General's one-time funding:

Emergency response equipment	The Adjutant General has committed \$250,000 for a generator and the remaining \$319,000 has been allocated for political subdivision grants.
Mobile repeaters and programming radios	The Adjutant General issued a request for proposal in the fall of 2017 for a communications trailer and anticipates delivery of the trailer in June 2018. The Adjutant General will reprogram emergency medical services radios after receiving the new trailer. The Adjutant General anticipates using the entire \$300,000 appropriation.
National Guard Readiness Center	The Adjutant General estimates the new National Guard Readiness Center in Fargo will cost \$33 million, including \$32 million from federal funds and \$1 million from the Adjutant General's military grounds fund. Design of the National Guard Readiness Center is approximately 35 percent complete at a cost of \$652,072. The Adjutant General anticipates construction beginning in the spring of 2019 and completion of the center in the spring of 2021. The new center will require 3 new FTE positions and approximately \$730,000 per biennium, of which \$365,000 would be from the general fund and \$365,000 from federal funds.
DAPL law enforcement	See the DAPL response section below.

DAPL response - The Adjutant General received authority to borrow \$43 million from the Bank of North Dakota for expenses relating to unlawful activity associated with the construction of DAPL as follows:

September 21, 2016, Emergency Commission meeting	\$6,000,000
November 1, 2016, Emergency Commission meeting	4,000,000
November 30, 2016, Emergency Commission meeting	7,000,000
House Bill No. 1024	10,000,000
Senate Bill No. 2174	11,000,000
September 25, 2017, Emergency Commission meeting	5,000,000
Total	\$43,000,000

Emergency Commission approvals - The Adjutant General has received Emergency Commission approval to accept and spend funds relating to various disasters.

The Adjutant General received authority from the Emergency Commission to borrow an additional \$5 million from the Bank of North Dakota in September 2017 for DAPL response costs, bringing total borrowing authority relating to the DAPL response to \$43 million. The Adjutant General estimates it will need to use \$41 million of the \$43 million of loan authority. The Adjutant General received \$10 million from the federal government for repayment of DAPL response loans. Energy Transfer Partners paid an additional \$15 million directly to the Bank for repayment of Adjutant General DAPL response loans. As of May 2018 the Adjutant General has outstanding DAPL response loans totaling \$12.8 million, including over \$225,000 in accrued interest.

The Adjutant General received 2017-19 biennium spending and borrowing authority from the Emergency Commission and, as necessary, from the Budget Section for the following items:

- Approval for \$3,391,800 in federal authority to receive Federal Emergency Management Agency (FEMA) grants and authority to borrow \$615,000 from the Bank of North Dakota for costs related to flooding in the spring of 2017. (#1899 - August 2017)
- Approval to borrow \$1.5 million from the Bank of North Dakota to provide funds to the Department of Agriculture to administer an emergency hay transportation program for livestock producers experiencing hardship because of drought conditions in the state. (#1900 - August 2017)
- Authority to spend \$528,868 from the state disaster relief fund to pay the state share of disaster costs submitted between July 1 and September 14, 2017. (#1903 - September 2017)
- Approval to borrow \$5 million from the Bank of North Dakota for expenses relating to unlawful activity associated with the construction of DAPL. (#1904 - September 2017)
- Approval to transfer \$300,000 from the Department of Emergency Services operating expenses line to the radio communications line to purchase a portable communication tower to improve communications in areas of limited service for emergency medical services. (#1905 - September 2017)
- Authority to accept and spend \$10 million in federal funds to repay DAPL response loans. (#1906 - September 2017)
- Authority to spend \$658,144 from the state disaster relief fund to pay the state share of disaster costs submitted between September 15 and November 20, 2017. (#1910 - November 2017)

2019 deficiency appropriations - As identified in the Emergency Commission approvals section, the Adjutant General has received approval to borrow from the Bank of North Dakota for various disasters and emergency programs.

- Authority to spend \$1,548,633 from the state disaster relief fund to pay the state share of disaster costs submitted between November 21, 2017, and March 9, 2018. (#1913 - March 2018)
- Approval for \$3,820,042 in federal authority to receive FEMA grants and authority to borrow \$573,270 from the Bank of North Dakota for costs related to flooding in the spring of 2017. (#1914 - March 2018)

The Adjutant General anticipates requesting deficiency appropriations from the 2019 Legislative Assembly for the following:

- Repayment of outstanding DAPL response loans from the Bank of North Dakota, which total \$12.8 million as of May 2018.
- Repayment of the \$1.5 million loan from the Bank of North Dakota for the Agricultural Commissioner's emergency hay transportation program.
- Repayment of the \$615,000 and \$573,270 loans from the Bank of North Dakota for costs related to flooding in the spring of 2017.