

Department 540 - Adjutant General, including the National Guard and the Department of Emergency Services
House Bill Nos. 1016 and 1076

Executive Budget Comparison to Prior Biennium Appropriations

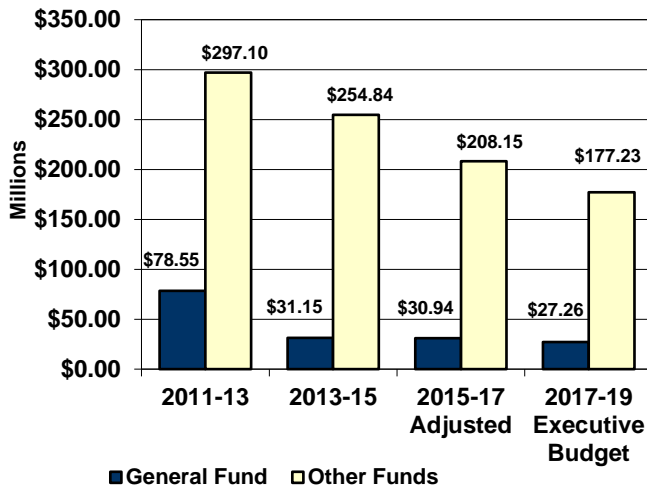
	FTE Positions	General Fund	Other Funds	Total
2017-19 Executive Budget	234.00	\$27,256,286	\$177,234,566	\$204,490,852
2015-17 Adjusted Legislative Appropriations ¹	234.00	30,940,772	208,152,527	239,093,299
Increase (Decrease)	0.00	(\$3,684,486)	(\$30,917,961)	(\$34,602,447)

¹The 2015-17 biennium agency appropriation amounts reflect general fund budget reductions made in August 2016 and transfers from the targeted market equity pool, but do not include additional special funds authority of \$17 million resulting from Emergency Commission action during the 2015-17 biennium.

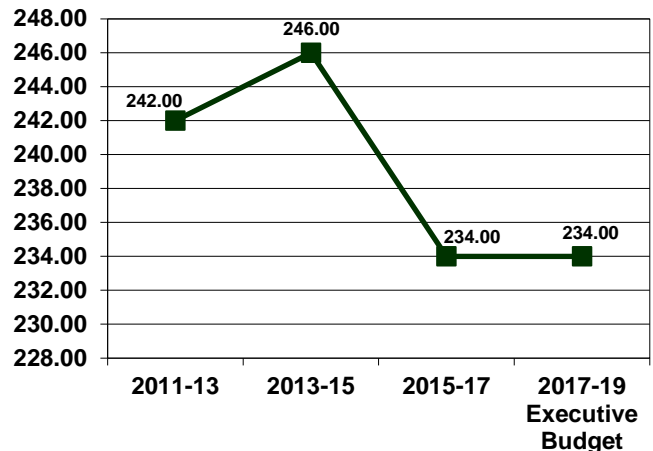
Ongoing and One-Time General Fund Appropriations

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2017-19 Executive Budget	\$27,256,286	\$0	\$27,256,286
2015-17 Adjusted Legislative Appropriations	29,096,100	1,844,672	30,940,772
Increase (Decrease)	(\$1,839,814)	(\$1,844,672)	(\$3,684,486)

Agency Funding



FTE Positions



Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
2017-19 Executive Budget	\$27,256,286	\$177,234,566	\$204,490,852
2017-19 Base Level	29,096,100	204,383,027	233,479,127
Increase (Decrease)	(\$1,839,814)	(\$27,148,461)	(\$28,988,275)

Executive Budget Highlights

	General Fund	Other Funds	Total
1. Provides funding for state employee salary and benefit increases, of which \$152,583 is for salary increases and \$638,219 is for health insurance increases	\$317,191	\$473,611	\$790,802
Department of Emergency Services			
2. Reduces funding for operating expenses	(\$1,153,909)	\$0	(\$1,153,909)
3. Reduces funding for grants	\$0	(\$57,784,088)	(\$57,784,088)
4. Removes funding for mortuary response training	(\$191,900)	\$0	(\$191,900)
5. Reduces capital funding for equipment and information technology	\$0	(\$815,000)	(\$815,000)
6. Adjusts funding for state radio	(\$100,000)	\$100,000	\$0

National Guard

7. Restores funding for salaries and wages	\$133,338	\$0	\$133,338
8. Reduces funding for operating expenses	(\$916,613)	\$0	(\$916,613)
9. Increases funding for recruitment	\$100,000	\$0	\$100,000
10. Reduces funding for grants	(\$146,961)	\$0	(\$146,961)
11. Reduces capital funding for equipment, motor vehicles, and land and buildings	(\$25,000)	(\$2,300,194)	(\$2,325,194)
12. Transfers \$637,344 of funding from the general fund from the National Guard operating expenses line item to the Department of Emergency Services operating expenses line item (this transfer between line items appears to have been made in error)	\$0	\$0	\$0

**Other Bill Sections Recommended to be Added in the Executive Budget
(As Detailed in House Bill No. 1076)**

Veterans' Cemetery maintenance fund - Section 3 provides an additional appropriation for 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 2017-19 biennium.

Maintenance and repairs - Section 4 provides that the Adjutant General may 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 2017-19 biennium. Any amounts transferred must be reported to the Office of Management and Budget.

Exemption - Radio communications - Section 5 provides that any unexpended general or special funds appropriation authority carried over in the radio communications line item relating to the state radio tower package for the 2013-15 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2017-19 biennium.

Exemption - Tuition, recruiting, and retention - Section 6 provides that any unexpended general or special funds appropriation authority in the tuition, recruiting, and retention line item for the 2015-17 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2017-19 biennium.

Exemption - National Guard tuition assistance - Section 7 provides that any unexpended general or special funds appropriation authority in the tuition, recruiting, and retention line item relating to the contingent appropriation for the purpose of providing tuition assistance to eligible members of the National Guard for the 2013-15 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2017-19 biennium. Funding authority is contingent upon the Adjutant General certifying to the Office of Management and Budget that the National Guard has received a new assignment in association with the Grand Forks Air Force Base.

Exemption - Veterans' bonus program - Section 8 provides that any unexpended general or special funds appropriation authority carried over relating to the \$5 million appropriated for payment of adjusted compensation to veterans during the 2005-07, 2007-09, 2009-11, 2011-13, 2013-15, and 2015-17 bienniums is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2017-19 biennium. Any unexpended funds from this appropriation must be transferred to the Veterans' Cemetery trust fund during the 2017-19 biennium.

Exemption - Veterans' bonus - Section 9 provides that any unexpended general or special funds appropriation authority in the grants line item relating to payment of adjusted compensation to veterans for the 2015-17 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2017-19 biennium. Any unexpended funds from this appropriation must be transferred to the Veterans' Cemetery trust fund during the 2017-19 biennium.

Exemption - Radio communications - Section 10 provides that any unexpended general or special funds appropriation authority carried over in the radio communications line item relating to state radio tower package for the 2011-13 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2017-19 biennium.

Exemption - Disaster costs - Section 11 provides that any unexpended general or special funds appropriation authority in the disaster costs line item relating to grants to political subdivisions for amounts required to match federal dollars on road grade raising projects and federal emergency relief funding for the 2011-13 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2017-19 biennium.

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 Appropriation

The executive budget recommendation includes a deficiency appropriation of \$17,079,500 from the strategic investment and improvements fund to repay Bank of North Dakota loans for the state's share of disaster costs, which includes costs from the 2015 Burleigh County fires and costs relating to the pipeline protests.

Significant Audit Findings

There were no significant audit findings for this agency.

Major Related Legislation

House Bill No. 1027 - Amends Sections 57-40.6-01(2), 57-40.6-04, and 57-40.6-10(4), relating to the standards and guidelines for emergency services communications systems; and repeals Section 57-40.6-03.1, relating to 911 database management charges.

House Bill No. 1103 - Amends Section 54-16-13, relating to borrowing of funds during a disaster or emergency.

House Bill No. 1104 - Amends Section 37-01-04, relating to the Governor's authority to call out the National Guard.

House Bill No. 1105 - Amends Section 39-01-01(2), relating to the definitions of emergency vehicles.

House Bill No. 1106 - Amends Section 37-17.1-04, relating to definitions of disasters and emergencies.

House Bill No. 1107 - Amends Section 37-17.1-22, relating to disaster and emergency response and recovery costs.

House Bill No. 1108 - Creates a new subsection to Section 44-04-18.4, relating to the availability of records involving security and cyber attacks.

House Bill No. 1109 - Amends Sections 37-01-03, 37-01-43, 37-28-02(6), and 37-28-03, relating to the operation of the North Dakota National Guard.

Senate Bill No. 2106 - Amends Section 37-17.3-08, relating to the state radio fee system.

Senate Bill No. 2107 - Creates Section 37-01-47, relating to health insurance coverage for National Guard service members, and amends Sections 37-04-08 and 37-07-05, relating to pay and benefits of National Guard members.

**Adjutant General, including the National Guard and the Department of
Emergency Services - Budget No. 540
House Bill Nos. 1016 and 1076
Base Level Funding Changes**

	Executive Budget Recommendation			
	FTE Position	General Fund	Other Funds	Total
2017-19 Biennium Base Level	234.00	\$29,096,100	\$204,383,027	\$233,479,127
2017-19 Ongoing Funding Changes				
Base payroll changes		\$144,040	(\$391,790)	(\$247,750)
Salary increase		61,201	91,382	152,583
Health insurance increase		255,990	382,229	638,219
Restore funding for salaries and wages		133,338		133,338
Reduce funding for operating expenses		(2,070,522)		(2,070,522)
Increase funding for recruitment		100,000		100,000
Reduce funding for National Guard grants		(146,961)		(146,961)
Realign Department of Emergency Services grants			(57,784,088)	(57,784,088)
Remove funding for mortuary response training		(191,900)		(191,900)
Reduce capital funding for equipment, information technology, motor vehicles, and land and buildings		(25,000)	(3,115,194)	(3,140,194)
Adjust funding for state radio		(100,000)	100,000	0
Adjust funding between line items				0
Total ongoing funding changes	0.00	(\$1,839,814)	(\$60,717,461)	(\$62,557,275)
One-time funding items				
Add federal funding for emergency response equipment			569,000	569,000
Add funding for National Guard Readiness Center project			33,000,000	33,000,000
Total one-time funding changes	0.00	\$0	\$33,569,000	\$33,569,000
Total Changes to Base Level Funding	0.00	(\$1,839,814)	(\$27,148,461)	(\$28,988,275)
2017-19 Total Funding	234.00	\$27,256,286	\$177,234,566	\$204,490,852

Other Sections in Adjutant General, including the National Guard and the Department of Emergency Services - Budget No. 540

	Executive Budget Recommendation	
Veterans' Cemetery maintenance fund	Section 3 provides an additional appropriation for 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 2017-19 biennium.	

Other Sections in Adjutant General, including the National Guard and the Department of Emergency Services - Budget No. 540

Executive Budget Recommendation

Maintenance and repairs	Section 4 provides that the Adjutant General may 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 2017-19 biennium. Any amounts transferred must be reported to the Office of Management and Budget.
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Other Sections in Adjutant General, including the National Guard and the Department of Emergency Services - Budget No. 540

Executive Budget Recommendation

Exemption - Radio communications

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**Department 540 - Adjutant General, including the National Guard and the Department of
Emergency Services**

**Appropriations Comparisons to the
Original and Adjusted Base Budgets**

**General Fund Appropriations Adjustments
(As a result of the August 2016 General Fund Budget Reductions)**

	Ongoing	One-Time	Total
2015-17 original general fund appropriations	\$30,158,941	\$2,945,500	\$33,104,441
General fund reductions	(1,062,841)	(1,100,828)	(2,163,669)
Adjusted 2015-17 appropriations	\$29,096,100	\$1,844,672	\$30,940,772
Executive Budget changes	(1,839,814)	(1,844,672)	(3,684,486)
2017-19 Executive Budget	\$27,256,286	\$0	\$27,256,286

Summary of August 2016 General Fund Budget Reductions

	Ongoing	One-Time	Total
National Guard			
Vacant administrative staff officer position	(\$60,694)	\$0	(\$60,694)
Vacant human resources technician position	(72,644)	0	(72,644)
Reduce funding for operating expenses	(637,344)	0	(637,344)
Department of Emergency Services			
Reduce funding for operating expenses	(284,059)	0	(284,059)
Reduce funding for mortuary response training	(8,100)	0	(8,100)
Reduce funding for firefighter training grants	0	(825,828)	(825,828)
Reduce funding for emergency response supplies	0	(275,000)	(275,000)
Total reductions	(\$1,062,841)	(\$1,100,828)	(\$2,163,669)
Percentage reduction to ongoing and one-time general fund appropriations	3.52%	37.37%	6.54%

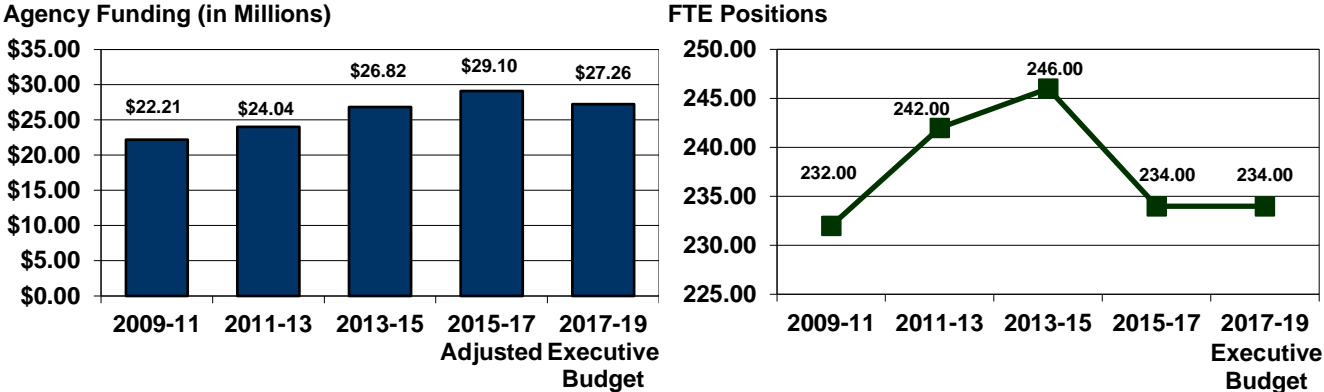
2017-19 Executive Budget Changes to the Original and Adjusted Base Budgets

	Changes to Original Budget	Budget Reduction Adjustments	Changes to Adjusted Budget
National Guard			
Adds funding for base payroll changes	\$95,033	\$0	\$95,033
Adds funding for recommended salary and benefit increases	170,357	0	170,357
Restores funding for vacant positions	0	133,338	133,338
Reduces funding for operating expenses	(1,553,957)	637,344	(916,613)
Increases funding for recruitment	100,000	0	100,000
Reduces funding for grants	(146,961)	0	(146,961)
Reduces capital funding for equipment, motor vehicles, and land and buildings	(25,000)		(25,000)
Transfers funding from National Guard operating expenses line item to Department of Emergency Services operating expenses line item	(637,344)	0	(637,344)
Department of Emergency Services			
Adds funding for base payroll changes	49,007	0	49,007
Adds funding for recommended salary and benefit increases	146,834	0	146,834
Reduces funding for operating expenses	(1,437,968)	284,059	(1,153,909)
Removes funding for mortuary response training	(200,000)	8,100	(191,900)
Adjusts funding for state radio	(100,000)	0	(100,000)
Transfers funding from National Guard operating expenses line item to Department of Emergency Services operating expenses line item	637,344	0	637,344
Total	(\$2,902,655)	\$1,062,841	(\$1,839,814)

Department 540 - Adjutant General, including the National Guard and the Department of Emergency Services

Historical Appropriations Information

Ongoing General Fund Appropriations Since 2009-11



Ongoing General Fund Appropriations					
	2009-11	2011-13	2013-15	2015-17 Adjusted	2017-19 Executive Budget
Ongoing general fund appropriations	\$22,209,867	\$24,035,127	\$26,824,589	\$29,096,100	\$27,256,286
Increase (decrease) from previous biennium	N/A	\$1,825,260	\$2,789,462	\$2,271,511	(\$1,839,814)
Percentage increase (decrease) from previous biennium	N/A	8.2%	11.6%	8.5%	(6.3%)
Cumulative percentage increase (decrease) from 2009-11 biennium	N/A	8.2%	20.8%	31.0%	22.7%

Major Increases (Decreases) in Ongoing General Fund Appropriations

2011-13 Biennium

- 1. Added 4 regional emergency management coordinator FTE positions \$157,684
- 2. Added funding for computer-aided dispatch maintenance \$356,000
- 3. Added funding for National Guard facility utilities \$105,000
- 4. Added funding for facility maintenance and repairs \$265,000
- 5. Added funding for state radio tower expenses \$180,000

2013-15 Biennium

- 1. Increased funding for the National Guard tuition program \$110,000
- 2. Added 4 communication specialist FTE positions in the state radio dispatch center \$386,048
- 3. Added funding for state radio tower maintenance \$360,000

2015-17 Biennium (Original Amounts)

- 1. Added funding for operating costs of the ND Cares Task Force \$260,000
- 2. Added funding for various maintenance items \$861,280
- 3. Added funding to realign state radio dispatch positions within the employee classification system \$192,621
- 4. Added funding for mortuary response training (This item was affected by the August 2016 agency budget reductions) \$200,000

2017-19 Biennium (Executive Budget Recommendation)

- 1. Reduce funding for operating expenses (\$2,070,522)
- 2. Restore funding for vacant positions \$133,338
- 3. Increase funding for recruitment \$100,000
- 4. Reduce funding for National Guard grants (\$146,961)
- 5. Remove funding for mortuary response training (\$191,900)
- 6. Adjust funding for state radio (\$100,000)